

Staffan Östlin Steps Down as Manager of Adrigo Small & Midcap L/S

Staffan Östlin is stepping down as portfolio manager of Adrigo Small & Midcap L/S, the Nordic small-cap stock-picking hedge fund he has managed since its launch in late 2017. Responsibility for managing the fund will now be assumed by the investment team at Espiria, the East Capital Group boutique that sits alongside Adrigo.

"I would like to extend my sincere thanks to all of the fund's unitholders for the trust and confidence you have shown over the years," writes Östlin in his final monthly letter to investors. "It has been both a privilege and a great responsibility to be part of the fund's journey." Östlin's departure comes after a prolonged period of headwinds for Nordic small-cap equities. Adrigo Small & Midcap L/S struggled over the past several years, including a particularly difficult first half of 2026, reflecting the challenging environment for stock pickers in the segment. "The past few years have been challenging for small-cap equities as an asset class, and performance has not developed as many had hoped," acknowledges Östlin.

Launched in November 2017 under the Adrigo Asset Management umbrella shortly after Östlin joined from fellow small-cap hedge fund Origo Quest, Adrigo Small & Midcap L/S enjoyed a strong start. The fund delivered solid returns during its first three years, highlighted by an exceptional gain of 44 percent in 2020. However, the sharp rise in interest rates that followed proved particularly challenging for Nordic small-cap companies and, in turn, the fund's investment strategy. The first six months of 2026 were especially painful, with the fund losing roughly 30 percent. Despite the disappointing recent performance, Östlin remains optimistic about the asset class. "I remain firmly convinced of the long-term opportunities in this segment and look to the future with confidence," he writes.

Östlin's departure from portfolio management also brings an end to his role at Espiria. About a year ago, East Capital Group launched Espiria Sweden Small Cap, a long-only Swedish small-cap equity fund, with Östlin as lead portfolio manager. Following his decision to step down from managing the group's funds, responsibility for Adrigo Small & Midcap L/S will be assumed by Espiria's investment team. "Managing the fund has always been a team effort, and it will continue to be so," writes Östlin. "I am confident that the fund will continue to be managed with the same discipline and focus going forward."