



May 2020

6.4%

Five years

35.4%

## ORIGO QUEST 1

## Monthly Report May 2020

### Fund Strategy

Origo Quest 1 is an alternative investment fund (AIF) that primarily invests in Nordic small and medium sized companies, with an emphasis on Sweden. In addition, the fund takes short positions in individual stocks and indices to optimize return and risk.

Our investment approach is based on an active, long-term, fundamental strategy focused on value-creating opportunities in small and medium sized companies. The portfolio is concentrated and could therefore deviate from the general market direction. The fund has a long bias (net exposure) over time. The goal is to deliver competitive risk-adjusted return over rolling five years.

### Manager Comment

During the month, more and more countries have taken clear steps towards opening up their economies. In China, where the Covid-19 virus first was detected, domestic travel in May doubled compared to April. In Europe, the overall industry has partially started production again. As for the Nordics, all countries, possibly except for Sweden, have introduced restriction reliefs. The overall stock market continued to focus on the bright spots rather than the risks and continued to regain losses from March.

Origo Quest 1 gained 6.4% in May. The Nordic hedge fund index rose by 1.4% during the same period. Since inception, the fund is up 89.1% and NHX Equity is up 41.7%. The fund's downside volatility this year has been 14%, which can be compared with the Nordic small cap index where the corresponding downside risk has been 28%.

The fund's long positions, primarily Adtech and Catena, provided the largest positive contribution. Among the short positions, Collector and Hexpol provided the largest positive contribution. On the negative side was Hoist Finance (long).

The fund has primarily invested in three groups; Environmental technology & services, Health & well-being and Technology & digitization. The hedge consists of short positions in companies with deteriorating business models

and structural headwinds. Despite the corona crisis, a majority of the fund's Q1 reports have clearly been positive, and testify that sustainable business models that offer products and services that meet new needs and social challenges have fared better than the general economy. Several of the fund's portfolio companies describe increased momentum regarding investments in energy efficiency, electrification, clean air / indoor climate and innovative medical technology.

During the year, we increased our investments in all three focus areas through purchases in, among others, Coor, Ambu and Stillfront. The purchases were financed with sales in JM and Alimak.

The crisis is not over yet, and the risks of a second corona wave have increased as the economies now quickly open up. However, we also see that the crisis is accelerating the transition to sustainable business models with products and services providing social impact - which should benefit the fund's strategic direction for a long time to come.

### Fund Managers



**Stefan Roos**  
Chief Investment Officer  
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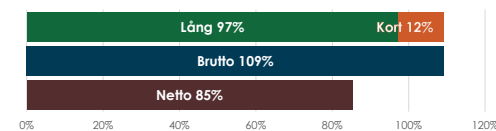


**Carl Rydin**  
Portfolio Manager  
[carl.rydin@origocapital.se](mailto:carl.rydin@origocapital.se)

### Return

Class	NAV	1 mo	2020	Start
A	178.82	6.4%	-2.4%	89.1%
B	140.97	6.4%	-2.4%	64.5%
C	186.37	6.4%	-2.5%	48.9%

### Exposure<sup>1</sup>



<sup>1</sup> The chart visualises the relation between the fund's long and short positions in equity and equity-like financial instruments in relation to the assets under management.

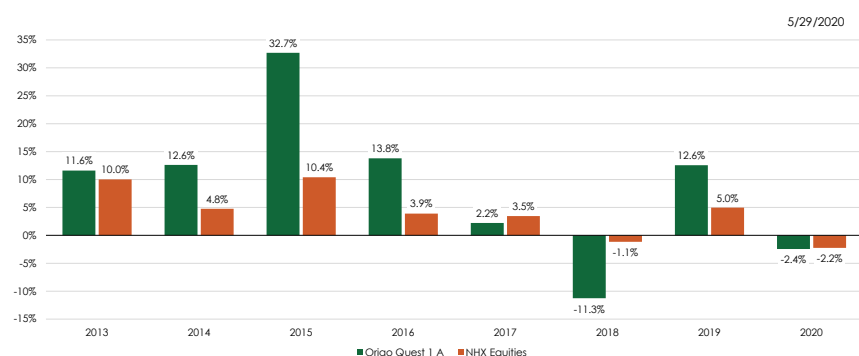
### Top five holdings

Company	Value driver	% of fund
Catena AB	Expand	10.5%
Recipharm	Expand & Execute	9.2%
Lindab	Transform	7.9%
Addtech	Expand	7.3%
SOBI	Expand & Execute	6.9%
<i>Total</i>		<i>41.8%</i>



<sup>2</sup> The return chart shows the annual return in share class A compared with the NHX Equities index (current month's index figures are preliminary). The fund launched on 31 January 2013. The figure for 2013 and the current year does not represent a full calendar year.

### Annual return since inception<sup>2</sup>





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### The Fund in Brief

- Focus on Nordic Small Caps in a phase of change
- Engaged owners and active management approach
- Has historically provided a good return to a lower risk
- Alternative strategy that can contribute to diversification and thus less market dependent

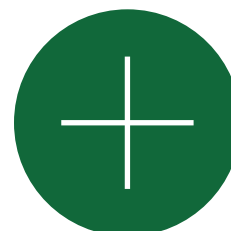
### Value Creation Model

#### Differentiate

Business model  
Technology  
Service

#### Transform

Transformation  
M&A, Spin-offs  
Capital structure



#### Expand

Expansion  
Geography, Products  
Organic, M&A

#### Execute

Management / Board  
Strategy / Targets  
Sustainability

### Detailed return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-3.5%	-2.1%	-13.1%	11.7%	6.4%								-2.4%
2019	5.2%	3.1%	-2.4%	5.5%	0.2%	-1.3%	5.1%	-2.4%	-2.0%	-1.6%	1.0%	2.1%	12.6%
2018	-2.6%	-4.3%	-1.6%	1.3%	-0.8%	0.0%	2.7%	0.4%	-1.3%	0.4%	1.4%	-6.9%	-11.3%
2017	3.4%	2.9%	-3.4%	-0.9%	0.2%	-0.2%	0.1%	-2.0%	4.1%	-2.2%	-3.7%	4.1%	2.2%
2016	-6.1%	4.5%	3.5%	3.1%	0.7%	-0.7%	-0.5%	5.0%	5.2%	0.7%	-1.5%	-0.2%	13.8%
2015	0.7%	7.0%	-3.3%	2.9%	3.5%	-4.1%	2.4%	2.7%	-2.2%	8.0%	4.9%	6.9%	32.7%
2014	4.5%	3.4%	-4.7%	3.5%	4.6%	1.1%	-0.3%	-1.6%	-2.2%	1.1%	4.3%	-1.1%	12.6%
2013		1.3%	-1.0%	-0.2%	1.2%	-2.0%	0.7%	2.2%	3.3%	2.3%	1.1%	2.2%	11.6%

### Key Figures<sup>3</sup>

36 months	Annual return	Volatility	Beta
Origo Quest 1 A	-0.8%	14.7%	0.62
Risk-free interest (OMRXTBILL90)	-0.7%	0.1%	0.00
Equity Hedge Fund Index (NHX Equities)	0.4%	6.5%	0.36
Swedish Equity Index (OMXSGI)	5.4%	16.2%	1.00
Swedish Small Cap Index (CSRX)	8.2%	18.5%	1.07

### Risk / Reward Profile



<sup>3</sup> The key figures compare the fund with some chosen indices. The fund does however not have an official benchmark index. Volatility shows how returns vary over time. Beta shows adherence to each market. Sharpe and Treynor are measures that show risk-adjusted returns.

### More information

Further information about the fund's characteristics and risks as well as the conditions to invest in the fund can be found in the prospectus and fund rules, which are available at [www.origocapital.se](http://www.origocapital.se).

If you have questions, please contact us at: [info@origocapital.se](mailto:info@origocapital.se)

Origo Quest 1 is a Swedish special fund under the Swedish Act (2013:561) on Alternative Investment Fund Managers, which means that it has somewhat more free investment rules than ordinary UCITS funds. The fund is managed by Origo Capital AB, which is licensed by the Swedish Financial Supervisory Authority to manage alternative investment funds, and is thus under the supervision of the Authority.

### Sustainability

We consider sustainability factors in the management of the fund and are members of Swesif. Read more about our sustainability work on [www.origocapital.se](http://www.origocapital.se).



### Risk Information

Past performance does not guarantee future performance. The value of your investment may rise as well as fall and there is no guarantee you will recover your original investment. An investment in Origo Quest 1 should be seen as a long-term investment.

### How to invest

Investments in Origo Quest 1 can be made in any of the Share Classes A, B or C. **Class A** suits larger investors and requires a minimum initial investment of SEK 500 000. **Class B** normally distributes an annual dividend and therefore fits foundations and others who prefer an annual direct return. **Class C** is targeted to smaller investors and those who want to invest in the fund through our partners.

If you want to invest in Class A or B, you need to submit subscription documents directly to us. If you want to invest in Class C you can either contact any of the institutions where the fund is available or submit subscription documents directly to us. Our partners enable investment in the class through e.g. ISK, unit-linked insurance and ordinary fund account. More information on [www.origocapital.se](http://www.origocapital.se).

The fund is open for trading on the last banking day of each month. We must have received your order no later than five banking days and payment no later than two banking days before the last banking day of the month.

### Fees

We charge fixed and performance-based management fees from the fund to cover administration costs. The fixed fee is 1.25% for Classes A and B and 1.35% for share class C. The variable fee corresponds to 20% of the fund's excess return relative to a return threshold defined as 90 days Swedish Treasury Bills plus 5 percentage points. Underperformance for previous periods must be recovered before performance fee is paid (High Watermark Principle).

The calculations of the fund's return, risk, holdings etc. represent class A in SEK as per the last business day of the current calendar month, unless otherwise stated. When calculating past performance in Class A and B, we consider the applicable model for individual calculation of performance fee, which may result in investors being allotted compensatory fund units in connection with payment of performance fees. NAV may therefore not be representative of past performance for these share classes. The share classes are presented from the respective start: 2013-01-31 (A), 2014-03-31 (B) and 2014-12-30 (C), which means that the first year for each class does not represent a full calendar year. See [www.origocapital.se](http://www.origocapital.se) for more information and a glossary.