



February 2020

-2.2%

Five years

35.2%

ORIGO QUEST 1

Monthly Report February 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

The spread of the Corona virus outside of China, and its expected impact on the global growth, contributed to a major squeeze in the global stock markets during the end of February. World index (MSCI World) lost 8% and the US 10-year treasury note fell 1.1% – the lowest level ever.

Origo Quest 1 lost 2.2% in February. Nordic small caps (VINX Small Cap GI SEK) fell 8.2% and hedge funds (NHX Equities) lost 2.0% (prel.).

Ambu is a new investment since January and gave a strong relative contribution, securing that our long portfolio performed better than the market. The hedge, largely composed of industry and retail companies, also gave a decent return. In February we increased the fund's protection while also increased our cash positions to 32% of NAV.

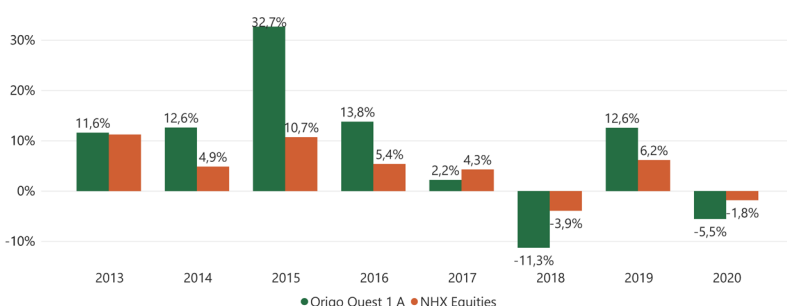
A new investment for February was made in connection with the IPO of the pet care specialist Musti Group. Since its establishment in Finland in the 80's, it has grown fast, with maintained profitability. In 2015, they entered the Swedish market through the acquisition of Arken Zoo. We believe that Musti is well positioned for continued market-share growth in an attractive segment, and that they can increase profitability through continued investments in own brands.

Recipharm reported its strongest quarter so far. Net sales increased by 14% and EBITDA by impressive 31%. After the reporting period, they announced the completion of the acquisition of Consort Medical, which is their largest transaction so far, and which is expected to increase sales from 7.7 bn in 2019 to 11.4 bn in 2020. We believe it to be a good purchase price (13 × EBITDA) which will likely boost the profit/share rather fast.

Hoist Finance's quarter was better than expected, driven partly by effective cost control. The loan portfolio has increased by 18% in 2019 and the growth targets are now raised from 10 to 15%. As one of the largest on the market, Hoist will likely be busy in the upcoming years helping European banks to shrink its non-performing loan portfolios. They also play an important role in society by supporting individuals in becoming debt free. The valuation (P/E 5–6 for 2021) does not reflect a company with materially decreased risks, and great opportunities.

Looking ahead, we see both risks and opportunities. In the short term, there will be a battle between a weakened world economy and additional stimulus packages (!?) from the central banks. The fund has a higher liquidity than normal and with our long-term view, we see large opportunities for achieving competitive return through good stock-picking without the need for material cyclical or stock market risks.

Annual return since inception²



Fund Managers



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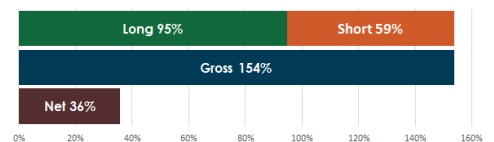


Carl Rydin
Portfolio Manager
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Return

Class	NAV	1 mo	2020	Start
A	175.08	-2.2%	-5.6%	83,1%
B	142.66	-2.2%	-5.6%	59.2%
C	180.47	-2.2%	-5.6%	44.2%

Exposure¹



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

Top five holdings

Company	Value driver	% of fund
Hoist Finance	Expand	10.4%
Recipharm	Expand & Execute	9.3%
Resurs Holding	Expand & Execute	8.5%
Lindab International	Transform	8.2%
Catena AB	Expand	7.4%
<i>Total</i>		<i>43.8%</i>



² 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.

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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

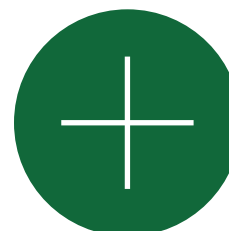
Value Creation Model

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

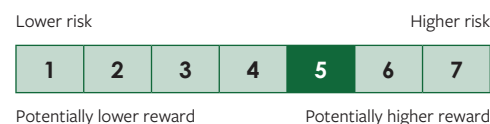
Detailed return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-3.5%	-2.2%											-5.6%
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 Figures³

36 months	Annual return	Volatility	Beta
Origo Quest 1 A	-3.2%	10.0%	0.33
Risk-free interest (OMRXTBILL90)	-0.7%	0.1%	-0.00
Equity Hedge Fund Index (NHX Equities)	0.9%	4.3%	0.28
Swedish Equity Index (OMXSGI)	8.5%	13.3%	1.00
Swedish Small Cap Index (CSRX)	11.6%	13.1%	0.90

Risk / Reward Profile



³ 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.

If you have questions, please contact us at: 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.

SWESIF
SVERIGES FORUM FÖR
HÅLLBARA INVESTERINGAR

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.

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 for more information and a glossary.