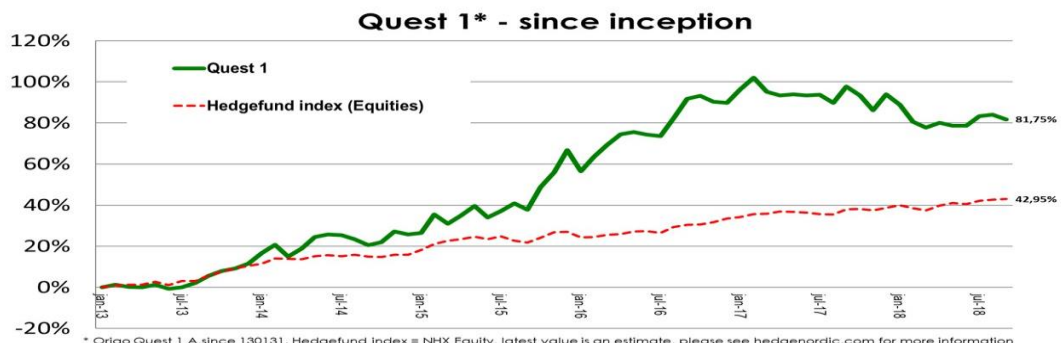


Monthly comment

Quest* lost 1,28% during September. The long holdings showed a negative development, where eg. **SOBI and JM fell** after having shown a period of strength. The **short positions contributed positively**, and **XXL gave a clear positive contribution**. The long holdings have a clear value and change profile and are valued on average to 60% of the market's general valuation for 2019. There were no major news involving the portfolio companies during September. However, over the past several quarters we continue to see a continued **transformation within the global retail market**. According to a recent survey by Goldman Sachs, involving a wide range of consumers, customers were asked how their shopping behaviors have changed during the last year. 22% of the respondents answered that they are doing more shopping online or using more online shopping tools. This is not a surprise to us, and with our **short position in XXL** (still predominantly physical stores) and our **long position in Qliro Group** (owner of online fashion company Nelly) the portfolio is skewed towards this trend. Also, our **significant holding in logistics property specialist Catena** shows our belief in this ongoing structural change. We are also under the view that as e-commerce continues to grow, companies owning **strong brands** and can emphasize the **omnichannel transformation** and **direct consumer engagement**, will outperform traditional retailers who competes with giants such as Amazon.

*Quest 1, Class A



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-2,64	-4,34	-1,62	1,32	-0,81	-0,03	2,67	0,40	-1,28				-6,32
2017	3,41	2,89	-3,37	-0,89	0,22	-0,21	0,12	-1,96	4,15	-2,20	-3,68	4,15	2,21
2016	-6,15	4,48	3,46	3,08	0,69	-0,70	-0,46	4,98	5,21	0,73	-1,48	-0,24	13,80
2015	0,66	7,02	-3,25	2,94	3,54	-4,05	2,37	2,73	-2,23	7,97	4,86	6,94	32,70
2014	4,54	3,38	-4,68	3,49	4,57	1,08	-0,34	-1,60	-2,23	1,09	4,26	-1,10	12,62
2013	-	1,28	-0,99	-0,17	1,18	-2,00	0,71	2,19	3,31	2,34	1,09	2,23	11,61

Return	NAV	Month	YTD	Since inception	Risk	%	Exposure	%	Top 5 long holdings	Value driver	% of NAV
Class A	174,94	-1,28	-6,32	81,75	Volatility, 24m ³	8,25	Long pos.	103,49	Lindab	Transformation	13,09
Class B	148,45	-1,28	-6,32	58,10	Annualized return ⁴	11,1	Short pos.	61,48	Catena	Expansion	12,79
Class C	179,45	-1,29	-6,39	43,37	Sharpe-ratio ⁵	1,96	Gross exp. ⁸	164,97	Alimak	Differentiation	11,33
NHX-index ¹	220,44	+0,15	3,08	42,95	Beta ⁶	0,35	Net exp.	42,01	Qliro Group	Transformation	11,06
Risk-free interest ²	350,21	-0,06	-0,58	-0,85	VaR ⁷	0,85			Cherry	Transform./Expansion	8,49
AUM (SEK)	371m								Total:		56,76

1) Hedge Fund Index Equities (latest monthly figure is an estimate). See www.hedgenordic.com for more info. 2) OMRX-T bill 90 d (T-bill index) 3) The funds overall measure of risk. Shows how returns vary in annual terms over time. 4) The Fund's annualized return since inception (Class A). 5) Important measure of whether the manager has been paid for the risk taken (risk-adjusted return). 6) A measure of how responsive the return has been vs the market (Small Cap Index). 7) Value-at-Risk is a probability based measure of the size of the risk over a certain period of time. (Origo Capital use 1 day with 95% confidence) 8) The market value of the long positions (holdings of securities) + short positions (short sold shares and negative exposure, % of Fund). 9) Market value of the long positions minus short positions and negative exposure, % of fund. NOTE: Risk figures are usually based on a 24 month history, and in some cases have a one month lag.



Short on Origo Quest 1

Quest 1 is an equity-oriented hedgefund with a focus on small-cap companies that are in a period of change. The companies will mainly be denominated in the Nordic countries and have a market capitalization that is smaller than SEK 10 billion at the time of investment.

The investment philosophy is based on the following cornerstones:

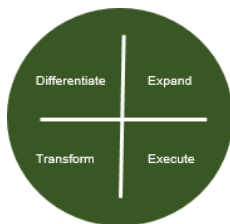
- **Specialized in small caps**
- **Engaged and active owners**
- **Long-term investors**
- **Focus on development of portfolio companies**

The core of the fund consists of long-term holdings (max 20 companies), where the team has identified significant potential, while the level of risk is deemed reasonable. The management team often takes an active role in the change process.

The portfolio is supplemented with a varying degree of short positions (short selling), interest-bearing-investments and various derivatives, with the aim to achieve the desired risk profile.

Origo Capital – Value creation model

- Differentiate
- Business model
- Technology, service etc.
- Transformation
- M&A, Spin-offs
- Capital structure



- Expansion
- Geography, segment etc.
- Organic, M&A
- Management/ Board
- Strategy/targets
- Execution

The investment team

Fund manager is Stefan Roos and Carl Rydin is Investment Analyst. Stefan is a specialist in small-cap companies and has received several awards for his fund management. Stefan has worked at, among others, Handelsbanken Funds and SEB Funds as investment manager, shareholder-representative and team leader. Carl Rydin has international experience from both M&A and the hedge fund industry. Most recently, he was an Investment Manager at New York-based Lucerne Capital Management. Together the team has more than 40 years of professional experience in the stock market.

Risk Information

This monthly update is produced by Origo Capital. Advice and information are based on sources that Origo assessed as reliable. Information on taxes is based on the rules that apply today. The tax rules may change over time. Tax consequences for you depends on your individual situation. In terms of funds and other financial instruments as described above, historical return is no guarantee of future returns. The value of your fund units and other financial instruments can both rise and fall in value and there is no guarantee that you will get back the amount invested. For funds that invest in foreign markets or instruments in foreign currency, changes in currency exchange rates can cause the value of fund shares or other instruments to rise or fall. Explanations and definitions of terminology and abbreviations are found on the first page of this document. Additional information, including fact sheets and information brochure for the Fund, can be obtained from your contact at Origo Capital or downloaded at www.origocapital.se.

CLASS A	
Date of inception	130131
Fee structure	Fixed fee 1.25% + ev. performance fee
Performance fee	20% of the fund's excess return
High Water Mark	Yes, individually calculated
Threshold-rate	90 d SSVX + 5%
Currency	SEK
ISIN	SE 0005 003 134
Minimum investment	SEK 500 000:-, thereafter SEK 100 000:-
Dividend	No
Subscription, redemption/NAV	Monthly
CLASS B	
Date of inception	140331
Fee structure	Fixed fee 1.25% + ev. performance fee
Performance fee	20% of the fund's excess return
High Water Mark	Yes, individually calculated
Threshold-rate	90 d SSVX + 5%
Currency	SEK
ISIN	SE 0006 452 959
Minimum investment	SEK 500 000:-, thereafter SEK 100 000:-
Dividend	Yes
Subscription, redemption/NAV	Monthly
CLASS C	
Date of inception	141231
Fee structure	Fixed fee 1.35% + ev. performance fee
Performance fee	20% of the fund's excess return
High Water Mark	Yes, collectively calculated
Threshold-rate	90 d SSVX + 5%
Currency	SEK
ISIN	SE 006 452 967
Minimum investment	SEK 1 000:-, thereafter SEK 1 000:-
Dividend	No
Subscription, redemption/NAV	Monthly
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	Fax: +46 8 24 11 00
	E-mail: info@origocapital.se
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SUBSCRIPTION/REDEMPTION/NAV	
Subscription, redemption	Last banking day each month
Subscription application	5 banking days before month-end
Request for redemption	20 banking days before month-end
NAV	Monthly + weekly indicative NAV
Subscription documents	origocapital.se