



November 2018  
1,42%  
Five years  
69,44%

## ORIGO QUEST 1

## Monthly Report November 2018

### Fund strategy

Origo Quest 1 is an alternative investment fund (AIF) that invests primarily 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 returns and risk.

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

### Manager Comment

**Quest gained 1.4% during November.** The global stock market was characterized by cyclical turmoil and high volatility. World Index (MSCI World) ended the month relatively unchanged while the Nordic (VINX30) and Small Cap Indices (CSRX) lost more than half a percent. Fed's Powell's speech at the Economic Club of New York at the end of the month was interpreted from an equity market perspective as positive and contributed to the upturn.

**Quest's positive development was broad and both long and short positions contributed positively.** Best contributions came from the long holdings **Cherry, Catena and Lindab**. On the short side, **Evolution Gaming** contributed the best. We are still seeing downside risks in Evolution Gaming, as growth in the company seems to be primarily generated through third parties on unregulated high risk markets in Asia. We have seen other gaming companies in the region who have suffered when the authorities have closed web sites and blocked payments. We do not think this high risk is reflected in the valuation of Evolution.

During the month we have met the management in several of the fund's portfolio companies and in writing we have met about 55% of the fund's NAV. We can note that several of our portfolio companies have strong growth opportunities in the future, and that several companies have upside potential driven by clear catalysts. **Hoist** has made major portfolio acquisitions during the year, which will lead to increased collection combined with a lower cost to its earnings due to efficiency. **Cherry** continues to deliver high return on invested capital. We maintain our ambition to encourage the board to spin-off Yggdrasil. **Lindab's** new CEO, Ola Ringdahl, has now taken the time to identify concrete measures for marginal improvement in the Group. At the same time, he still sees strong demand for Lindab's products in Europe. **Catena** has historically grown through acquisitions of companies and real estate, but the strategy in the future is to focus primarily on projects in which new ones are being built. In particular, terminals are of interest because the ability to serve more customers is greater there (potentially Amazon, etc.).

### Fund Managers



Stefan Roos

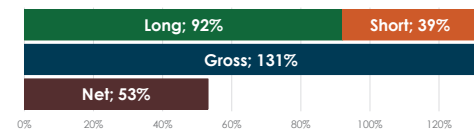


Carl Rydin

### Return<sup>1</sup>

Class	NAV	1 mth	2018	Start
A	178,05	1,42%	-4,66%	85,0%
B	151,09	1,42%	-4,66%	60,9%
C	182,60	1,41%	-4,74%	45,9%

### Exposure



### Top five holdings

Company	Value driver	% of fund
Cherry	Transf./expansion	12,9%
Alimak Group	Differentiating	11,4%
Lindab	Transformation	11,3%
Hoist Finance	Expansion	9,8%
Qliro Group	Transform/expand	9,7%
<b>Totalt</b>		<b>55,1%</b>

### Return since inception





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## The fund in brief

- Focus on Nordic Small Caps being in/or entering 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



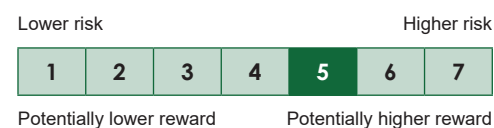
## Detailed return (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-2,64	-4,34	-1,62	1,32	-0,81	-0,03	2,67	0,40	-1,28	0,35	1,42		-4,66
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	12,63
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

Key Figures<sup>2</sup>

36 months	Annual return	Volatility	Beta	Sharpe	Treynor
Origo Quest 1 A	5,9%	10,2%	0,3	0,6	0,3
Risk-free interest	-0,7%	0,1%	-0,0	0,0	0,0
Equity Hedge Fund Index (NHX Equities)	3,1%	3,5%	0,3	1,1	0,1
Swedish Equity Index (OMXSIG)	5,1%	10,9%	1,0	0,5	0,1
Swedish Small Cap Index (CSRX)	8,5%	12,0%	1,0	0,8	0,1

## Risk / Reward Profile



## 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: [kundservice@origocapital.se](mailto:kundservice@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

Origo Capital AB is a member of Swesif. Read more about our sustainability work on [hallbarhetsprofilen.se](http://hallbarhetsprofilen.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 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 fill in and submit subscription documents directly to us. If you want to invest in Class C you can either contact any of the financial 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. To be able to handle your order, we must have 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 the costs for the administration. 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. relate to the conditions in SEK as of the last banking day of the month, unless otherwise stated. Historical returns are calculated from a fictional unit owner which have entered the fund by the start of the fund, taking into account possible dividends etc. See [www.origocapital.se](http://www.origocapital.se) for additional description and detailed glossary.

1) The return table shows the NAV, the development over time and the development since start for each share class (2013-01, 2014-03 and 2014-12, respectively).

2) The key figures compares the fund with some selected indexes and is calculated in 36 months. Volatility shows how returns vary over time. Beta shows adherence to each market. Sharpe and Treynor are measures that show risk-adjusted returns.