



January 2019
5,21%
Five years
55,25%

ORIGO QUEST 1

Monthly Report January 2019

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

The World Equity Index rose by 7.3% in January, driven by, among other things, a new and more cautious view of future interest rate hikes from the Federal Reserve. However, the rise should also be seen in the light of the December drop, which was about the same size. The Nordic region (VINX30) increased by 5.4% and the small-business index (CSRX) increased by 8.3%.

Origo Quest 1 gained 5.2% during the month. Lindab, Catena and Enea developed strongly and made good contributions among the long holdings. Overall, the short positions made a negative contribution.

We have met around 30 Nordic companies during the recent months, both existing and new candidates that we have followed for a while. As usual, we are looking for changes and clear value drivers.

An industry **facing major changes** over the next five years is probably the **gaming sector**. The online gaming industry in Europe is maturing and a wave of regulations, taxes, and licensing requirements are now forcing companies to review their strategy. In the future, these companies must also **invest heavily in compliance**

and ensure a higher business ethics than before, which leads to **higher barriers to entry**.

Kindred appears in our eyes as **one of Europe's best positioned companies** given our industry scenario. It seems to be clearly ahead of many of its competitors regarding both technology and sustainability. Given the economies of scale, a proven cost control, leading brands and M&A opportunities, in combination with a modest valuation and non-cyclically sensitive cash flows, **we have in November and December built up a new holding in the fund.**

Now we are in the middle of the report season and so far, the profit development, excluding Ericsson's big performance boost, has not really been enough. We expect continued volatile development with quite large differences between winners and losers, just as the trading pattern is normally at the end of a boom.

Fund Managers



Stefan Roos

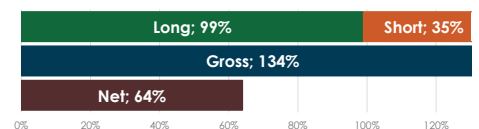


Carl Rydin

Return¹

Class	NAV	1 mth	2019	Start
A	174,35	5,21%	5,21%	81,1%
B	147,94	5,21%	5,21%	57,6%
C	178,77	5,20%	5,20%	42,8%

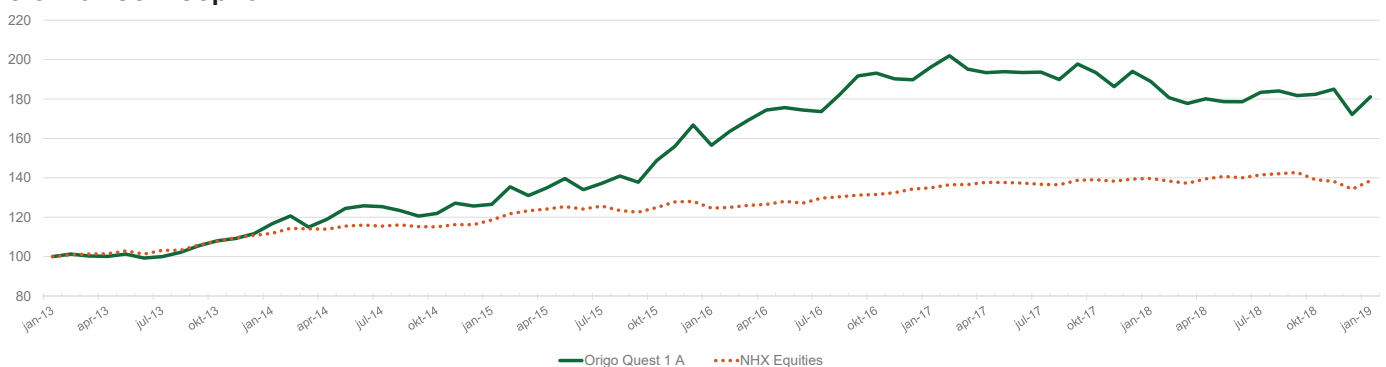
Exposure



Top five holdings

Company	Value driver	% of fund
Cherry	Transf./expansion	13,8%
Lindab	Transformation	12,9%
Alimak	Differentiation	11,7%
Qliro Group	Transform/expand	9,3%
Catena	Expansion	8,3%
Total		56,0%

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



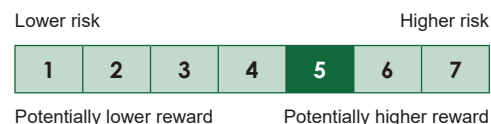
Detailed return (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	5,21												5,21
2018	-2,64	-4,34	-1,62	1,32	-0,81	-0,03	2,67	0,40	-1,28	0,35	1,42	-6,93	-11,26
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 Figures²

36 months	Annual return	Volatility	Beta	Sharpe	Treynor
Origo Quest 1 A	5,0%	10,1%	0,4	0,6	0,1
Risk-free interest	-0,7%	0,1%	-0,0	0,0	0,0
Equity Hedge Fund Index (NHX Equities)	3,4%	3,8%	0,3	1,1	0,1
Swedish Equity Index (OMXSIGI)	10,2%	10,9%	1,0	1,0	0,1
Swedish Small Cap Index (CSRX)	13,0%	12,1%	1,0	1,1	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.

If you have questions, please contact us at: 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.

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 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 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.

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 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.