

July 2020

6.8%

Five years

54.5%

ORIGO QUEST 1

Monthly Report July 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

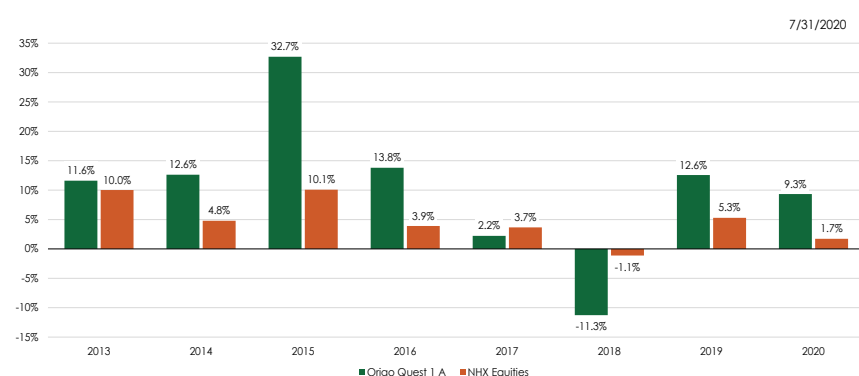
Continued signs of an economic recovery pushed up asset prices also in July. As the investor appetite for equities increased, so did the price for oil, leading precious metals and high-yield bonds. Corporate earnings have clearly beat expectations, and in the US as many as 90% of the companies have beaten the analysts' estimates for Q2. The world index rose by 3.3%, the Nordic hedge fund index rose by 1.4%, and the Nordic Small Company Index followed with a rise of 5.0%.

Quest 1 increased by 6.8% during July. The fund's long positions (including Lindab and Munters) continued to develop strongly, in both absolute terms and against the index, and contributed significantly to the overall return. The short positions (including Hexpol and SSAB) had a mixed development but also gave a positive alpha (i.e. developed worse than the index).

Many high-quality small companies became too cheap in connection with the large stock market correction in March and have since returned strongly. We took advantage of that opportunity and made relatively large investments in the fund's strategically prioritized areas of Health & Wellness, Environmental Technology and Digitization. We added in Recipharm, Munters, Stillfront and Enea among others. During July, we continued to invest in Recipharm, which has thus become the fund's largest holding.

For many years, Recipharm has proven its ability to implement and integrate value-creating acquisitions, and that it has a flexible and efficient business model. The Covid-19 related operational disruptions noted in April were reversed in June, and the net effect of the corona pandemic has so far been positive. Sales during the second quarter increased by 65% and organic growth ended at an impressive 12%. Operating profit, ebita, increased by 83% to a record 14%. The prospects look bright, and we expect that the company will continue to deliver both revenue and cost synergies from completed acquisitions and that high-margin products will have an increasing share of total sales. We do not view the valuation of EV/EBIT 20x for 2021 (P/E 15x) at all reflects a cyclically stable company with a sustainable business model and a relatively predictable earnings growth of +10% per year.

Annual return since inception²



Fund Managers



Stefan Roos
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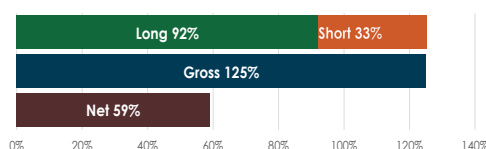


Carl Rydin
Portfolio Manager
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Return

Class	NAV	1 mo	2020	Start
A	196.31	6.8%	9.3%	111.9%
B	157.82	6.8%	9.3%	84.3%
C	208.83	6.8%	9.3%	66.8%

Exposure¹



¹ 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
Recipharm	Expand & Execute	10.0%
Lindab	Transform	7.6%
Addtech	Expand	7.2%
Catena AB	Expand	6.9%
SOBI	Expand & Execute	5.7%
Total		37.4%



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

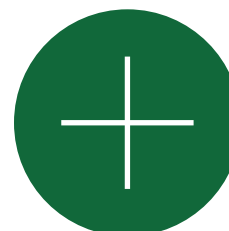
Value Creation Model

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

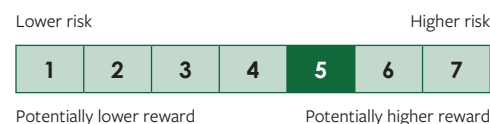
Detailed return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-3.5%	-2.1%	-13.1%	11.7%	6.4%	4.9%	6.8%						9.3%
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	3.0%	15.4%	0.66
Risk-free interest (OMRXTBILL90)	-0.6%	0.1%	0.00
Equity Hedge Fund Index (NHX Equities)	2.0%	6.7%	0.38
Swedish Equity Index (OMXSGI)	9.5%	16.1%	1.00
Swedish Small Cap Index (CSRX)	13.6%	18.6%	1.08

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.

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.



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.