



September 2020

3.5%

Five years

63.0%

## ORIGO QUEST 1

## Monthly Report September 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 positive sentiment across global stock markets took a turn for the worse in September when no further stimulus were presented by the Fed, while several of the larger technology companies experienced fairly large price rebounds. The world index\* fell by 2.8% and the Nordic Hedge Fund Index\* rose by 1.2%. Nordic small cap companies\* performed better with a 3.6% gain, driven by a substantial revaluation of the real estate sector.

Origo Quest 1 rose by 3.5%, which brings the year-to-date return to 15.9%. The fund's long investments developed better than the market, while the shorts on aggregate made a negative contribution. For the period Jan-Sep, however, all parts of the fund (long positions, short positions, interest-bearing and derivatives) have made a positive contribution after costs. The valuation on the stock market is at high levels and there is no lack of risk-factors when we look ahead. Our portfolio work aims to balance the risks well, and at the same time continue to find clear and unique investment cases.

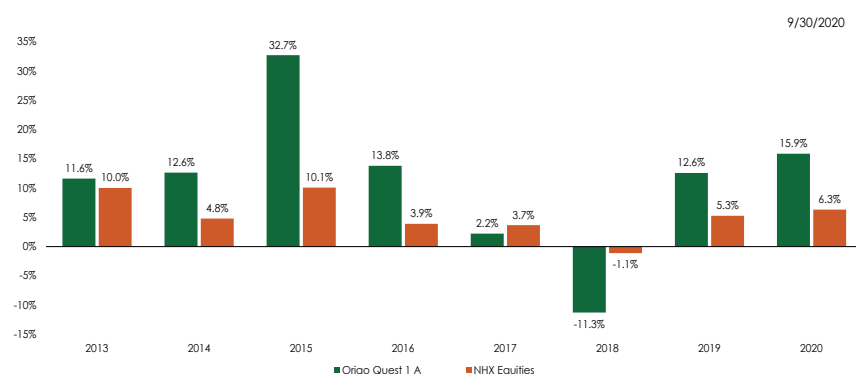
During the month, we met with the management team (mostly via video) of several of the fund's portfolio companies. For example, we met with Enea to discuss the current transformation within its business and the potential growth opportunities within 5G and cyber security. We were excited to read about Enea's acquisition of the Sweden-based provider of policy and access control solutions for carri-

er Wi-Fi and IoT, Aptilo. This acquisition is in line with Enea's transformation away from the Operating System Solutions segment into the growing Network Solutions segment. Given Enea's strong balance sheet, we believe further value-enhancing acquisitions could be possible and well-received by the market.

The Finnish pet care specialist Musti, which was listed on the stock exchange in February this year, continued its journey upwards and the share price has more than doubled in the short time we have been shareholders. The company has a market share of over 30% in Finland and 22% in the Nordics, and rides on several strong and long-term trends. E-commerce accounts for a fifth of sales and is growing quickly. Covid-19 has reinforced this trend. We also like that the underlying pet market is non-cyclical and is growing at about double GDP driven by the fact that consumers are spending more and more money on our pets. Despite the good development, we see several areas that can be improved in the future and we expect increased efficiency in the Swedish operations, rising margins and supplementary acquisitions in the future.

\* MSCI World Index, NHX Equity, Carnegie Nordic Small Cap Return Index SEK

### Annual return since inception<sup>2</sup>



### Fund Managers



Stefan Roos  
Chief Investment Officer  
[stefan.roos@origofonder.se](mailto:stefan.roos@origofonder.se)

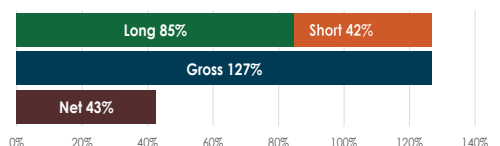


Carl Rydin  
Portfolio Manager  
[carl.rydin@origofonder.se](mailto:carl.rydin@origofonder.se)

### Return

Class	NAV	1 mo	2020	Start
A	205.98	3.5%	15.9%	124.6%
B	165.59	3.5%	15.9%	95.3%
C	221.25	3.4%	15.8%	76.8%

### Exposure<sup>1</sup>



<sup>1</sup> 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	8.3%
Lindab	Transform	7.0%
Addtech	Expand	6.5%
SOBI	Expand & Execute	5.8%
Stillfront	Expand	5.7%
Total		33.2%



<sup>2</sup> 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

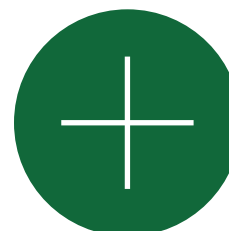
## Value Creation Model

## 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

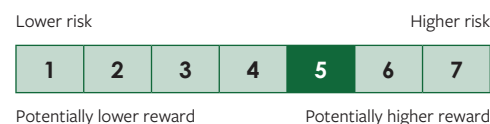
## Detailed return

	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%	2.4%	3.5%				15.9%
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 Figures<sup>3</sup>

36 months	Annual return	Volatility	Beta
Origo Quest 1 A	4.3%	15.4%	0.66
Risk-free interest (OMRXTBILL90)	-0.6%	0.1%	0.00
Equity Hedge Fund Index (NHX Equities)	3.0%	6.8%	0.39
Swedish Equity Index (OMXSGI)	10.7%	16.1%	1.00
Swedish Small Cap Index (CSRX)	16.9%	18.7%	1.09

## Risk / Reward Profile



<sup>3</sup> 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.origofonder.se](http://www.origofonder.se).

If you have questions, please contact us at: [info@origofonder.se](mailto:info@origofonder.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 Fonder 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.origofonder.se](http://www.origofonder.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.origofonder.se](http://www.origofonder.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.origofonder.se](http://www.origofonder.se) for more information and a glossary.