

# Origo Fonder Shifts Gears with Per Johansson as Co-CIO

The summer of 2024 brought an injection of momentum for fund boutique Origo Fonder, as Bodenholm founder Per Johansson joined as Co-Chief Investment Officer alongside veteran stock picker Stefan Roos. Several months into this partnership, Johansson describes the firm as experiencing "very good momentum." He highlights a growing team, strengthening client partnerships, and promising performance from Origo's two funds. "There is a solid foundation and a great opportunity for us to build a stronger firm in the Swedish market while also catering to international investors," says Johansson, adding that the firm is currently driven by a "very entrepreneurial spirit."

Johansson is best known in the Nordics for founding and leading Bodenholm Capital, which managed a Europe-focused fundamental equity long/short strategy. His career began in 2004 at Fidelity in London, where he worked as an equity research analyst before advancing to the role of portfolio manager. In the summer of 2014, Johansson left Fidelity to establish Bodenholm Capital in Stockholm. Johansson's professional path first intersected with Stefan Roos during his time at Fidelity, where both were actively advocating for a public company to use its balance sheet strength for shareholder-friendly buybacks. At the time, Roos represented SEB, while Johansson represented Fidelity, setting the stage for a collaboration that would later reunite them at Origo Fonder.

They later crossed paths as competitors, each running long/short, fundamentals-focused equity funds – Roos with Origo Fonder and Johansson with Bodenholm Capital. The two joined forces in the summer of 2024, with Johansson coming on board as Co-CIO and partner at Origo Fonder.

## The Origo Model

Origo Fonder's investment approach focuses on understanding a company's fundamentals, quality and journey of change and transformation. This focus serves as the foundation for identifying value-creation opportunities in under-the-radar small and mid-cap businesses across the Nordic region. The framework has been applied to Origo's long/short equity fund, Origo Quest, since its inception in early 2013, and its long-only small-cap-focused fund, Origo Select, launched in 2022.

This framework aligns closely with Johansson's long-standing approach to stock selection. "We focus on value, quality, and change and that's very similar to how we worked at Bodenholm," he explains. Johansson emphasizes the importance of identifying high-quality companies trading at attractive valuations, particularly during periods of positive transformation. "We aim to invest in companies undergoing meaningful change," he elaborates, pointing to examples such as businesses spinning off divisions, separating from larger conglomerates, or introducing nascent products poised to become central to their operations.

"This approach is quite similar to what I've always practiced," Johansson adds. "At Bodenholm, we referred to it as 'buying deconglomeration,' which is essentially the same concept." He also underscores the shared philosophy with Origo's team, saying that "we both maintain a strong value-oriented and contrarian stance in our investment strategy."

### **Working Shoulder-to-Shoulder**

Per Johansson and Stefan Roos work closely together to manage both funds under Origo Fonder's umbrella, leveraging their respective sector expertise. "Stefan has extensive experience in healthcare and has historically achieved strong results in that sector, while I focus on financials, for example, given my background as a buy-side analyst specializing in banks and insurance," explains Johansson. "For larger sectors like industrial and consumer, we collaborate," he adds, emphasizing that the decision-making process is always collective. Instead of managing separate books, the duo operates a unified portfolio, ensuring all investment decisions align with a shared strategy.

With Bodenholm renowned for its focused and distinct approach to short selling, the short-selling strategy at Origo Quest has undergone a slight evolution since Johansson's arrival. Historically, the long/short equity fund maintained a more concentrated short portfolio, often relying on index shorts to adjust net exposure. Under Johansson, who managed the short book at Bodenholm supported by a Head of Research coordinating two dedicated shorting analysts, Origo Quest has shifted toward a broader and more diversified short portfolio. This shift replaces the index shorts while retaining Quest's long-term short positions. "We're applying a similar approach to what we used at Bodenholm, integrating Quest's long-term shorts that have been very potent, enabling us to extract more performance from the short book," Johansson explains.

The process of identifying short opportunities involves in-depth balance sheet analysis, where the accounting signals fundamental deterioration in businesses. "We maintain a broad short book with many small positions across a wide range of names. Our strategy is to be more right than wrong, supported by strict risk management that limits potential losses on underperforming positions to a specific basis-point threshold."

### **Origo Quest and Origo Select**

Origo Quest is a low-beta long/short equity fund designed to provide market-like returns while maintaining lower volatility and offering higher downside protection. "Looking at the long-term track record, Quest has delivered an average return of about 9 percent over the past 13 years with low beta. This year, we are up a bit more than 11 percent year-to-date," says Johansson. "As Warren Buffett often says, 'We are pleased, but not satisfied.'"

Johansson emphasizes his greater satisfaction with the fund's performance during more challenging market conditions. "What we're really satisfied with is how well the fund has performed during down markets," he explains. For instance, when markets dropped by 3-4 percent in October amid a risk-off environment, Origo Quest gained 4.4 percent (the C share class). "Providing protection during some of the down months is important, and I'm happy with how the fund has performed in this regard. It's been more than satisfying," Johansson says. "While we can't

guarantee this every month, it's encouraging that in the last two months when the market experienced a significant risk-off sentiment and many hedge funds struggled, our fund was up both months."

Origo Seleqt, a long-only fund focused on Nordic small-cap companies, has delivered strong performance in 2024, up 23 percent and outperforming its small-cap benchmark by 10-11 percentage points. "The fund has performed well as it's approaching the three-year anniversary, building on Quest's 13-year track record, which has delivered a 16 percent CAGR for the long book," says Johansson. Launched in the challenging market environment of 2022, Origo Seleqt has made a strong recovery by gaining over 20 percent year-to-date after a 5.9 percent return in 2023 and is nicely ahead of its benchmark since inception. "We're seeing great momentum at the firm, and I believe we have a role to play by being independent in a consolidating fund market," Johansson concludes.