



Sector Zen

Fact Sheet – April 2017

Sector Zen is managed by Sector Theta AS, which is licensed by the Financial Supervisory Authority of Norway.

The Fund is registered in Ireland and authorized by the Financial Supervisory Authority of Norway to be marketed in Norway to professional investors.

Only professional investors are allowed to subscribe to the Fund

Investment Team

Sector's Japan team comprises two investment professionals, who together have more than 20 years' experience of Japanese equity investments. The investment manager, Trond Hermansen, has previously managed an award-winning Japan long-only fund, and has been managing Sector Zen, a Japan Long/Short Equity fund, since April 2006.

Investment Objective and Investment Universe

Sector Zen is a Long/Short equity fund investing in the Japanese equity market, one of the most under researched equity markets in the world. Through the execution of the strategy, the investment team aims to exploit inefficiencies within a market that has seen a growing trend in corporate restructuring and buy-outs.

The objectives of the Fund are to achieve attractive returns with a volatility of 10-15% and a gross exposure of 100-250%. In seeking to achieve its objectives, the Fund may employ various investment strategies, including, but not limited to, the use of leverage, short selling and investment in options, financial futures and other derivative instruments.

Investment Strategy and Key Characteristics

The investment team aims to provide attractive returns through exploiting inefficiencies within one of the most under-researched developed equity markets in the world, utilizing a value-based and contrarian approach. Value is the predominant criteria for stock selection, since this technique has been consistently successful in Japan. The investment manager utilizes a bottom-up, fundamental research approach, based on well-established methodologies for value investing.

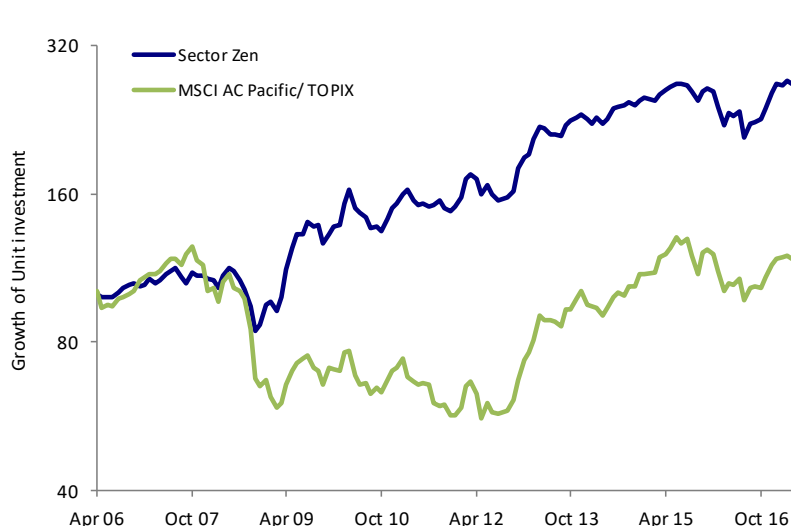
The Japanese equity market possesses the following distinctive characteristics that make it stand out among other developed equity markets:

- Low analyst coverage
- An increasing rate of corporate action (M&A, restructuring, etc.)
- Decent liquidity across the caps (from micro to large cap)

Owing to these conditions, the investment team is provided with a diverse investment universe within which to apply their bespoke strategy.

With the inherent risks in the market, the investment manager runs a well-diversified portfolio across different industries both on the long and short side. In addition, index derivatives are utilized on the short side to protect the downside, in case of large market moves.

Performance since inception



Key Statistics As at March 31st, 2017	Sector Zen	MSCI AC Pacific/ TOPIX
Compounded growth, p.a.	9.4%	1.5%
Total return since inception *	168.3%	17.9%
Standard Deviation	14.7%	18.9%
Maximum drawdown	-25.6%	-55.1%
Correlation with Sector Zen		0.79

*Sector Zen was launched April 5th, 2006

**Until the end of April 2008, Sector Zen was managed as a long/short Asia incl. Japan fund, 50% of capital being allocated to Japan. As of May 2008, the Fund is more or less exclusively invested in Japan. The benchmark index is MSCI AC Pacific until end of Apr 08 and MSCI Japan (local currency) thereafter.

Performance figures are shown since inception of the fund and are net of all fees. No assurance can be given that the stated investment objectives will be achieved and the value of investments may fall as well as rise. Past performance is no guarantee for future returns.

Risk and Reward Details

Typically lower rewards				Typically higher rewards		
1	2	3	4	5	6	7
Lower risk				Higher risk		

The above risk category is based on historic data and is no guarantee of the future risk level. The risk and reward category is not guaranteed and is likely to shift over time. Please note that the lowest category does not mean a risk-free investment.

Liquidity Risk - Certain securities may become difficult to value, or sell at wanted price and time.

Concentration Risk - As the fund is heavily invested in the Japanese equity market, the Fund may face losses in case of unwanted events affecting that market.

Counterparty Risk - The fund may be affected negatively if a counterparty it does business with can't or won't honour its commitments.

Manager Risk - The investment process and style used to manage the fund can have periods where it is ineffective.

Fund Details

Inception Date:	5 April 2006
Share classes:	EUR, USD, NOK (currency hedged)
Pricing:	Last business day of month
Dealing day:	First business day of month
Subscriptions:	First business day of month
Redemptions:	Monthly, 1 month's notice
Dividend policy:	Non-distribution
Domicile:	Ireland
Min investment:	EUR 100,000
Management Fee:	2% pa
Performance Fee:	20% pa
Entry/Exit Fee:	None
High watermark:	Yes
Prime Broker:	UBS and Goldman Sachs
Listing:	Irish Stock Exchange
Administrator:	BNY Mellon Fund Services (Ireland) Designated Activity Company
Legal Advisors:	Maples & Calder
Fund Auditors:	Deloitte & Touche

Listing Codes

	ISIN	Sedol	Bloomberg ticker
Class A USD	IE00B12L9003	B12L900	SECZENU
Class A NOK	IE00B12L9227	B12L922	SECZENS
Class B USD	IE00BPVNHQ74		
Class C USD	IE00BPVNH81		

Contact Details

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