

Sector Zen rebounds in October as Japanese stocks rally

Stockholm (HedgeNordic) - The Norwegian long/short equity fund, Sector Zen, gained 4 percent in October on the back of a strong rally in Japanese equities where large cap stocks lead the gains. The TOPIX core 30, representing some of the largest Japanese companies, gained 11.7% on the month while the small cap index TOPIX small only added 6.7%. This was a welcome turnaround for Sector Zen as the fund posted losses in August and September of 2.7% and 3.9% respectively. On the year, the fund is up 2.7%.

In a comment to the month's performance, Zen PM Trond Hermansen (*pictured*) writes that the long book drove performance with a gain of 4.5%. Toshiba Plant was the largest individual contributor followed by Osaka Steel. The two broadcasters TBS and TV Asahi also added nicely to gains. There were two negative contributions in the long book; Ministop and Sumitomo Real Estate Sales. The short book was down 0.5% with Shimano being the biggest drag as the stock was upgraded by a securities house.

By month-end, the fund had 66 positions, of which 59 longs and 7 shorts, with a net long exposure of 88%.