

Sector Zen profits from take-overs

Stockholm (HedgeNordic) – Sector Zen, the Norwegian managed, Japan focused long/short equity fund within the Sector Asset Management family of funds, today announced, two of its underlying portfolio holdings would be taken over. After the days market close in Tokyo, Panasonic announced that it will turn PanaHome and Panasonic Industrial Devices SUNX into wholly owned units. Panasonic currently owns 54% and 70% respectively in these two subsidiaries, and will pay premiums of 16% and 14% to make them wholly owned. “The premiums are at the lower end of what we have experienced throughout the years, but at least they come on top of strong share price returns over the last few months in both cases,” Sector Zen writes.

For Sector Zen these two events will contribute more than 50 basis points to the Fund’s overall return. “This again comes on top of strong returns for both stocks since we initiated positions in 2010 and 2014, respectively. Besides, in both cases tactical position sizing has enhanced the contribution even further. Close to 60% of the Fund’s long book is held in cheap subsidiaries of larger parent companies. We believe takeovers within this space will continue to be a driver of portfolio returns going forward”, Sector Zen highlights.

Sector Zen experienced strong a strong month in November, up by 7% while the NHX-Composite is indicate a much more modest appreciation of 0,3%. Year to date, the fund is down by 1% while the NHX-Composite is up by 2,4% and the NHX-Equity sub index is gaining close to 3%.

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