Cusana Capital



Cusana Emerging Markets Equities Fund

Unlocking the vast potential in emerging markets equities

"With 25 years of experience in emerging markets investing, our aim is to identify and separate the exceptional capital growth opportunities from typical emerging market risks. We manage a concentrated portfolio with high conviction to generate market-leading performance."

- Rob Marshall-Lee
CIO, Co-Founding Partner

Portfolio of high-return, quality companies with superior governance, supported by thematic tailwinds.

Long-term, low turnover investment strategy featuring a concentrated portfolio of 25-35 best ideas.

Provides access to significant growth opportunities while avoiding weak or corrupt businesses and jurisdictions.

Managed by a highly experienced team of fundamental stock pickers, undistracted by market noise.

Why Emerging Markets?

Many of the world's most promising capital growth opportunities lie outside developed markets. Emerging markets, characterised by rapid economic growth, evolving demographics, and increasing urbanisation, are pivotal for global economic expansion. Companies in these regions are often at the forefront of technological innovation, driven by supportive government policies and benefiting from multi-decade structural tailwinds. As these economies thrive and their middle classes expand, emerging markets present a diverse array of opportunities for investors. However, broad-based exposure is not always optimal. The emerging market indices contain over three thousand companies, but only a small fraction of these meet Cusana's investment criteria. By employing a fundamental, bottom-up stock selection approach, Cusana selectively identifies high-quality companies that can compound their earnings over multiple cycles. The result is a high-conviction and entirely benchmark-agnostic portfolio, which consequently differs from their peers and the broader emerging market indices.

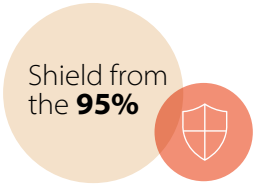
Investment Philosophy

Cusana's investment philosophy is grounded in the belief that long-term investment returns are primarily driven by a select group of exceptional stocks. In emerging markets, the quality of companies varies widely. The best demonstrate attractive growth rates, strong return on capital, lower risk and superior corporate governance, while others are poorly managed enterprises that often overlook minority shareholders and value creation. These weaker companies frequently dominate EM benchmarks. Cusana Capital employs a unique and focused approach which they refer to as the "Sword and Shield." This approach is designed to offer clients access to the significant capital growth opportunities while shielding them from the risks typical in EM equities.

1% of EM companies have generated 83% of net wealth since the 1990's...



95% of EM companies have been value destructive in aggregate since the 1990's...



Investment Approach: Focus on Long-term Compounders

The investment strategy focuses on long-term compounding companies with evident multi-year growth potential. The investment team conduct extensive research and due diligence, including on-the-ground visits, to ensure a deep understanding of each investment. The selection process is centred around three key factors:

01.

High Return Quality Companies

Cusana takes a bottom-up approach when evaluating businesses, emphasising their ability to generate high returns on invested capital throughout market cycles. Through comprehensive fundamental research, they identify earnings compounders with resilient, repeat-revenue business models that can maintain strong market positions under various conditions. These attributes result in companies with enduring competitive advantages, robust economic moats and pricing power, all of which support long-term profitability.

02.

Superior Governance

Cusana places a high emphasis on corporate governance in their selection process. They evaluate management decisions, the individuals involved, and their motivations to identify companies that prioritise shareholder interests. This includes an in-depth review of capital allocation decisions made over the past decade and a detailed examination of management's incentive structures. Additionally, management must demonstrate clear growth trajectories and actively seek opportunities to reinvest and create value.

03.

Long Duration Structural Tailwinds

The team will develop a strong conviction in a company's long-term growth potential, especially when it benefits from enduring thematic tailwinds. These themes, which transcend traditional geographic and industry boundaries, act as catalysts for economic transformation and present the most promising long-term growth opportunities in the market. Additionally, companies must operate in stable political climates with sound regulatory frameworks and pro-growth economic policies to support business growth and protect investors.

Portfolio: Quality over Quantity

When a company is added to the portfolio, Cusana typically maintains an investment horizon of 5-7 years to capture the compounding effects of cashflows over time. This also aligns with the growth trajectory of companies engaged in long-term value creation. When a company with significant growth potential is identified, they invest with patience while making incremental adjustments as valuations evolve. The result is a concentrated portfolio of 25-35 high-quality companies capable of delivering superior long-term returns.



Key Information

Fund Name	Cusana Emerging Markets Equities Fund
Management Company	Sector Fund Services AS
Fund Type	Irish Domiciled UCITS
Launch Date	Sept 2023
No of Holdings	25 - 35
Strategy	Long Only, EM Equity Fund
Base Currency	USD
Registered for Sale	Austria, Denmark, Finland, Germany, Luxembourg, Norway, Sweden, Switzerland, UK

About Cusana Capital

Cusana Capital is a partner-owned, independent investment business established in 2022 by Rob Marshall-Lee and Jos Trusted. The investment team of three is led by Rob Marshall-Lee, a very experienced and successful emerging markets specialist, along with Trygve Toraasen a seasoned investor and Ben Smith, an investment analyst with over 10 year of experience. All members of the team are closely involved in the research and portfolio decisions.

Investment Team



Rob Marshall-Lee
CIO, Founding Partner

Head of EM, Newton Investment Management 1998-2020. Head of EM Equities at Odey AM 2021-22. Sole portfolio manager of BNY Mellon Global Emerging Markets Fund (2011) and Newton Oriental Fund (from 2019). Top 1% performance over 1, 5 and 10 years to 2021 (Morningstar) - AUM of c.$3.5billon. Citywire AAA (as at 2021 on leaving BNYM).



Trygve Toraasen
Fund Manager, Partner

Portfolio Manager at Fidelity Investments in London and Boston 1994-2008. Portfolio manager of the Fidelity European Dynamic Growth Fund AUM $8bn. Citywire AA rated during management of Fidelity Dynamic Growth Fund. Regularly ranked by Reuters/ Tempest as a "Top 10 buy side analysts in Europe" between 1994-1999.



Ben Smith
Fund Manager, Partner

Co-lead for Newton's UK equity strategies; AUM $1bn (2020-21)Senior analyst for Newton's International Equities strategy (2016-20).Lead analyst at Anavon Capital – Global L/S equities (2021-22). CFA Chartered.

Share Class Information

Institutional ('I Class')

Annual Management Fee: 0.75%
Minimum Investment: $5000
Currencies Available: USD, GBP, EUR, CHF, NOK & SEK

Large Institutional ('LI Class')

Annual Management Fee: 0.65%
Minimum Investment: $50m
Currencies Available: USD, GBP, EUR, CHF, NOK & SEK

Performance ('P Class')

Annual Management Fee: 0.30% | **Performance Fee:** 20%*
Minimum Investment: $100,000
Currencies Available: USD, GBP, EUR, CHF, NOK & SEK

Retail ('R Class')

Annual Management Fee: 1.50%
Minimum Investment: $5000
Currencies Available: USD, GBP, EUR, CHF, NOK & SEK

*20% of the amount by which the Net Asset Value (before the deduction of any incentive fee) of the relevant Share exceeds the Index adjusted Prior High Net Asset Value. The Incentive Fee shall only be payable on the amount by which each Share outperforms the Index adjusted Prior High Net Asset Value for the relevant Share.

Contact Details

Email
cusana@springcapitalpartners.com
Visit
www.springcapitalpartners.com

Phone
+44 (0)20 3195 0078
+46 (0) 70 9502030
+49 (0) 69 153294 495

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The KIIDs and KIDs can also be obtained from https://www.sector.no and are available in one of the official languages of each of the EU Member States into which each sub-fund has been notified for marketing under the Directive 2009/65/EC (the UCITS Directive). In addition, a summary of investor rights is available from https://www.sector.no/en/funds/sector-emerging-markets-equities-fund.The summary is available in English. The sub-funds of the Company are currently notified for marketing into a number of EU Member States under the UCITS Directive. Sector Fund Services AS can terminate such notifications for any share class and/or sub-fund of the Company at any time using the process contained in Article 93a of the UCITS Directive. This Information Sheet (this "Information Sheet") provides information about Sector Emerging Markets Equities Fund (the "Fund") a fund of Sector Capital Funds H (the "Company") an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised and regulated by the Central Bank of Ireland (the "Central Bank"), pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as may be amended, supplemented, or consolidated from time to time (the "UCITS Regulation"). This Information Sheet is furnished to you on a confidential basis for informational due diligence purposes only and is not, and may not be considered or relied on in any manner as, legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to buy financial instruments or equity interests in any fund, or undertaking for the collective investment in transferable securities. This Information Sheet is for the use of the named addressee only and should not be given, forwarded or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No legally binding terms are created herein or shall be created until definitive documentation is executed and delivered in accordance with any applicable law. 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It is the responsibility of every person reading this Information Sheet to satisfy himself as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country, and obtain independent advice if required. Past performance is not indicative of future results. The past performance of the Fund may be materially lower than the performance information presented herein, and there can be no assurance that the Fund will achieve comparable results as those presented herein. The nature of, and risks associated with, the Fund may differ from those investments and strategies undertaken historically by members of the investment team of Cusana with respect to other portfolios or investment vehicles they have managed. There can be no assurance that investors will not lose any or all of their invested capital. This Information Sheet is not intended to be relied upon as the basis for any investment decision, and is not, and should not be assumed to be, complete. Notice to Persons in the European Economic Area Interests in the Fund may be marketed in the following countries: Denmark, Finland, Luxembourg, Norway and Sweden (the "Marketing Countries"). Maples Fund Services (Ireland) Limited, 32 Molesworth Street, Dublin 2, Ireland has been appointed as the facilities agent for the Fund in respect of each of the above Marketing Countries (the "Facilities Agent"). The Facilities Agent may be contacted at facilitiesagentservices@maples.com. Information and/or documentation in respect of the Fund is available at https://www.sector.no or from the Facilities Agent. Information on how shareholder complaints are dealt with and how Shareholders exercise their rights arising from their investment is available from Sector. Notice to Persons in the United Kingdom The Company is an EEA UCITS that has been notified for temporary recognition pursuant to regulation 62 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as may be amended (the "UCITS SI"), for the purposes of part 17 of the UK Financial Services and Markets Act 2000, as amended (the "FSMA"). Interests in the Fund may be promoted to the UK public by persons authorised to carry on investment business in the UK. In connection with the Company's recognition under regulation 62 of the UCITS SI, the Company has appointed Maples Fiduciary Services (UK) Limited (the "Facilities Agent") who is responsible for providing facilities services to the Company and maintenance of the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("COLL") published by the FCA as part of the FCA's Handbook of Rules and Guidance governing recognised schemes. The facilities will be located at the offices of the Facilities Agent at 11th Floor, 200 Aldersgate Street, London EC1A 4HD, United Kingdom. The Facilities Agent may be contacted at facilitiesagentservices@maples.com. Information and/or documentation in respect of the Fund is available at https://www.sector.no or from the Facilities Agent. Additional Information for Qualified Investors in Switzerland. The state of the origin of the Fund is Ireland. In Switzerland, this document may only be provided to qualified investors within the meaning of art. 10 para. 3 and 3ter CISA. In Switzerland, both the representative agent and paying agent is Banque Héritage SA, Route de Chêne 61,1211 Geneva 6, Switzerland. Investors in Switzerland can obtain documents of the funds, such as Confidential Information Memorandum and the financial reports free of charge from the Swiss representative.