

**Sector Healthcare Value Fund (the "Fund")**

**a sub-fund of  
Sector Capital Funds plc**

**Supplement to the Prospectus dated 17 June 2022  
for Sector Capital Funds plc**

This Supplement contains specific information in relation to Sector Healthcare Value Fund (the "**Fund**"), a fund of Sector Capital Funds plc (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 by the Central Bank of Ireland (the "**Central Bank**"). The Fund is the only active sub-fund of the Company. The Company has one other sub-fund, namely, Harvest Equity Kernel, which is in termination.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 17 June 2022**

The Directors of the Company, whose names appear under the section entitled "**Directors of the Company**" in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Dated: 17 June 2022**

## **DIRECTORY**

1	DEFINITIONS .....	3
2	INVESTMENT OBJECTIVE, STRATEGY AND POLICIES .....	6
3	SUSTAINABILITY RELATED DISCLOSURES .....	9
4	INVESTMENT RESTRICTIONS .....	10
5	BORROWING .....	10
6	PROFILE OF THE TYPICAL INVESTOR .....	10
7	RISK FACTORS .....	10
8	DIVIDEND POLICY .....	11
9	INVESTMENT MANAGER .....	11
10	DISTRIBUTOR .....	11
11	KEY INFORMATION FOR BUYING AND SELLING .....	12
12	HOW TO BUY SHARES .....	14
13	HOW TO SELL SHARES .....	14
14	NET ASSET VALUE .....	14
15	CHARGES AND EXPENSES .....	15
16	MATERIAL CONTRACTS .....	20
17	MISCELLANEOUS .....	20

## 1 DEFINITIONS

<b>"CBDF Directive"</b>	means Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings;
<b>"CBDF Regulation"</b>	means Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014;
<b>"Class A Shares"</b>	means Class A Shares, which are comprised of Class A EUR Shares, Class A USD Shares, Class A NOK Shares and Class A SEK Shares;
<b>"Class A EUR Shares"</b>	means the Class A Shares in the capital of the Fund designated as Class A EUR Shares, which are denominated in Euro and which are charged the Class A Management Fee;
<b>"Class A NOK Shares"</b>	means the Class A Shares in the capital of the Fund designated as Class A NOK Shares, which are denominated in NOK and which are charged the Class A Management Fee;
<b>"Class A USD Shares"</b>	means the Class A Shares in the capital of the Fund designated as Class A USD Shares, which are denominated in USD and which are charged the Class A Management Fee;
<b>"Class A SEK Shares"</b>	means the Class A Shares in the capital of the Fund designated as Class A SEK Shares, which are denominated in SEK and which are charged the Class A Management Fee;
<b>"Class A Management Fee"</b>	means the management fee in respect of the Class A Shares determined in accordance with the principles set out in the Charges and Expenses section below;
<b>"Class B Shares"</b>	means Class B Shares, which are comprised of Class B EUR Shares, Class B USD Shares, Class B NOK Shares and Class B SEK;
<b>"Class B EUR Shares"</b>	means the Class B Shares in the capital of the Fund designated as Class B EUR Shares, which are denominated in Euro and which are charged the Class B Management Fee;
<b>"Class B NOK Shares"</b>	means the Class B Shares in the capital of the Fund designated as Class B NOK Shares, which are denominated in NOK and which are charged the Class B Management Fee;
<b>"Class B SEK Shares"</b>	means the Class B Shares in the capital of the Fund designated as Class B SEK Shares, which are denominated in SEK and which are charged the Class B Management Fee;
<b>"Class B USD Shares"</b>	means the Class B Shares in the capital of the Fund designated as Class B USD Shares, which are denominated in USD and which are charged the Class B Management Fee;

<b>"Class B Management Fee"</b>	means the management fee in respect of the Class B Shares determined in accordance with the principles set out in the Charges and Expenses section below;
<b>"Class E Shares"</b>	means Class E Shares, which are comprised of Class E EUR Shares, Class E USD Shares, Class E SEK Shares and Class E NOK Shares;
<b>"Class E EUR Shares"</b>	means the Class E Shares in the capital of the Fund designated as Class E EUR Shares, which are denominated in Euro and which are charged the Class E Management Fee;
<b>"Class E NOK Shares"</b>	means the Class E Shares in the capital of the Fund designated as Class E NOK Shares, which are denominated in NOK and which are charged the Class E Management Fee;
<b>"Class E SEK Shares"</b>	means the Class E Shares in the capital of the Fund designated as Class E SEK Shares, which are denominated in Swedish Krona and which are charged the Class E Management Fee;
<b>"Class E USD Shares"</b>	means the Class E Shares in the capital of the Fund designated as Class E USD Shares, which are denominated in USD and which are charged the Class E Management Fee;
<b>"Class E Management Fee"</b>	means the management fee in respect of the Class E Shares determined in accordance with the principles set out in the Charges and Expenses section below;
<b>"Class X Shares"</b>	means Class X Shares, which are comprised of Class X EUR Shares and Class X USD Shares;
<b>"Class X EUR Shares"</b>	means the Class X Shares in the capital of the Fund designated as Class X EUR Shares, which are denominated in Euro and which are charged the Class X Management Fee;
<b>"Class X USD Shares"</b>	means the Class X Shares in the capital of the Fund designated as Class X USD Shares, which are denominated in USD and which are charged the Class X Management Fee;
<b>"Class Y Shares"</b>	means Class Y Shares, which are comprised of Class Y EUR Shares, Class Y GBP Shares and Class Y USD Shares;
<b>"Class Y EUR Shares"</b>	means the Class Y Shares in the capital of the Fund designated as Class Y EUR Shares, which are denominated in Euro and which are charged the Class Y Management Fee;
<b>"Class Y GBP Shares"</b>	means the Class Y Shares in the capital of the Fund designated as Class Y GBP Shares, which are denominated in GBP and which are charged the Class Y Management Fee;
<b>"Class Y USD Shares"</b>	means the Class Y Shares in the capital of the Fund designated as Class Y USD Shares, which are denominated in USD and which are charged the Class Y Management Fee;
<b>"Class Y Management Fee"</b>	means the management fee in respect of the Class Y Shares determined in accordance with the principles set out in the Charges and Expenses section below;

**"environmentally sustainable economic activity"**

means, in accordance with the Taxonomy Regulation, an underlying investment of the Fund shall be considered as environmentally sustainable where its economic activity:

- (i) contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "Environmental Objectives");
- (ii) does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;
- (iii) is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and
- (iv) complies with technical screening criteria established by the European Commission in accordance with the Taxonomy Regulation.

It should be noted that the "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities.

**"ESG"**

means environmental, social and governance;

**"Index Net Asset Value"**

means the initial issue price adjusted by the performance of:

- (i) the Index (in respect of Class A Shares, Class E Shares, Class X Shares and Class Y USD Shares) for the relevant period;
- (ii) the MSCI EUR Index (in respect of Class Y EUR Shares) for the relevant period; or
- (iii) the MSCI GBP Index (in respect of Class Y GBP Shares) for the relevant period;

**"Investment Manager"**

means Sector Gamma AS or any successor thereto, duly appointed in accordance with the requirements of the Central Bank;

**"Investment Management Agreement"**

means the amended and restated agreement dated 25 May 2018 between the Manager and the Investment Manager as amended, supplemented, modified or novated from time to time, as further described in the **Material Contracts** section below;

**"Management Fee"**

means the management fee in respect of the Class A Shares, Class B Shares or Class E Shares, as applicable payable to the Investment Manager;

**"Minimum Initial Investment Amount"**

means the minimum subscription amount detailed in the **Key Information for Buying and Selling** section below;

**"MSCI EUR Index"**

means MSCI World Health Care 10/40 Net TR EUR;

**"MSCI GBP Index"**

means MSCI World Health Care 10/40 Net TR GBP;

## 2 INVESTMENT OBJECTIVE, STRATEGY AND POLICIES

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve attractive long term investment returns relative to the MSCI Daily TR World Net Health Care USD (the "**Index**"). The Index is a capitalisation weighted index that monitors the performance of health care stocks from around the world. The Fund may invest in equities and financial instruments that are not part of the Index.

**There can be no guarantee that the investment objective of the Fund will be achieved.**

### INVESTMENT POLICIES

The Investment Manager will pursue the Fund's investment objective by investing in the following investment instruments in accordance with the Investment Strategy and subject to the Investment Restrictions. There is no geographic focus in the Fund's investments. As a general rule, the Investment Manager will invest in healthcare related transferable securities (as detailed below) which are expected to provide the most benefit to the Fund's return. The investment universe will generally consist of equities issued by companies in healthcare and healthcare related industries. Healthcare related industries can include companies classified in industries such as consumer staples, industrial and the chemical sectors, these might be third party suppliers or other entities economically related to the healthcare industry.

The Fund will invest in primarily global equities and equity related securities (including but not limited to American Depositary Receipts ("**ADR**"), Global Depositary Receipts ("**GDR**"), European Depositary Receipts ("**EDR**") and other equity based derivatives, as detailed in the "**Financial Derivatives Instruments**" section below) that shall be listed or traded on any Market. A Depositary Receipt (i.e. ADR, GDR, EDR) is a negotiable certificate held in a bank of one country representing an ownership interest in a specific number of shares in a corporation of another country which is traded independently from the underlying shares on an exchange or otherwise.

The Fund may invest up to but not exceeding 10% of its Net Asset Value in other collective investment schemes, including exchange traded funds ("**CIS**"). The Fund may invest in CIS to gain exposure to a particular healthcare sub-sector or to a healthcare sector in a particular region. In some markets CIS can be more cost efficient than buying the underlying securities directly. The CIS may be authorised pursuant to the UCITS Regulations or may be non-UCITS which shall be domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man (in accordance with the provisions of the Central Bank Rules. The maximum annual management fees that will be charged by the CIS are estimated to be 2% of the Fund's net asset value together with any performance-based incentive fee.

The Fund may also invest in money market instruments and/or government bonds as an alternative to cash deposit, e.g. to avoid breaching the 20% maximum exposure limit towards bank and/or to mitigate counterparty risk towards a bank. The Fund will not have a substantial exposure to money market instruments and its intended exposure to government bonds shall not exceed 30% of its Net Asset Value. The money market instruments will include, but are not limited to, deposits with credit institutions, short term commercial paper, floating rate notes, medium term notes, securities issued or guaranteed by any OECD government, its agencies or instrumentalities or by any supra-national entity and shall be in accordance with the requirements of the Central Bank. The money market instruments and government bonds (which may be either fixed or floating) may not be rated.

### INVESTMENT STRATEGY

A long only strategy will be implemented to achieve the Fund's investment objective. Applying this strategy the Fund will seek to profit by capitalising on the mis-pricings of related equities within the global healthcare sector. The global healthcare sector includes but is not limited to pharmaceuticals, biotechnology, medical technology and health care services. Health care related industries can include companies classified in industries such as consumer staples, industrial and the chemical sectors, these might be third party suppliers or in other ways economically related to the healthcare industry. The basic thesis is to buy equities that in the opinion of the Investment Manager are undervalued by the respective market. The Investment Manager will seek to identify and exploit such mis-pricings through bottom up fundamental analysis.

The Fund will predominantly consist of a concentrated portfolio of 16 to 55 long positions. The Fund is not constrained by any index weightings or market capitalisation.

The Fund's investment strategy is based on the belief that it is true earnings and cash flow growth that ultimately drives stock price appreciation in the long run. Therefore, a stock's fair value is based on its true earnings and growth outlook. However, in the shorter term, an individual stock's value can be driven by factors that are more short term in nature. Such factors can be value creation, valuation, earnings momentum, and sentiment, as further detailed below. These factors can sometimes cause a stock price to deviate from its fair value.

By focusing on fundamentals and valuation the Investment Manager will try to identify and exploit such mis-pricings in the market by buying undervalued equities.

Due to the inherent and fierce product lifecycles within the healthcare sector, much owing to fixed patent life for its products, it is the Investment Manager's belief that simply looking at the current price-to-earnings ratio for securities would not be of much assistance if applied within the healthcare sector. Hence, the investment approach will be based on bottom up analytical work to determine if a stock is under- or over-valued. This will involve estimating normalised earnings, future growth/returns and duration of growth to establish a fair value. However, the Investment Manager will pay due attention to the fact that other factors than valuation and fundamentals can be forceful drivers of securities in the short to medium term and must be analysed and accounted for.

The investment approach will not prevent the Investment Manager from analysing and taking risk based on factors other than valuation. If, for example, a stock is fairly valued but the earnings momentum and sentiment is very strong, the Fund may still invest in this stock. On the other hand, if a stock were significantly overvalued, the Fund would normally not invest in it despite the strong earnings momentum and sentiment.

The investment ideas are organised and communicated through a subjective factor model/scorecard. This model helps to improve the timing of the investment decisions. It supports decision making and reduces the risk of buying a stock that is moderately undervalued if everything else is going against it (bad earnings momentum, sentiment and poor outlook for value creation). Likewise it also reduces the risk of selling a stock that is only moderately overvalued if everything else is working for the stock.

The model also assists the Investment Manager to organise research, communicate ideas and construct the Fund's investment portfolio bets. This model is particularly suited to the investment strategy as a majority of the total score is based on long term fundamental factors such as valuation and value creation.

It is important to stress that the model applied is not a quantitative model. Each factor score is based on the subjective assessment of the Investment Manager based on bottom up analytical work and is given particular weight. The Investment Manager currently uses the following four factors:

The first factor is 'Value Creation', where the Investment Manager evaluates each company's ability to create value for its shareholders, i.e. the company's ability to invest above the required rate of return.

The second and most important factor is 'Valuation'. The Investment Manager uses multiple valuation models to estimate a fair value. These range from simple multiple analyses to more detailed DCF (discounted cash flow) analysis. The Investment Manager has developed a proprietary product-by-product valuation model that is being used for valuing the product companies.

The third factor is 'Earnings Momentum'. Companies with strong earnings growth tend, at least short term, to have a positive move in the stock market, especially in cases of unexpected strong earnings. Companies with strong earnings, or when the Investment Manager's earnings estimates are above consensus, will get a high positive score and vice versa.

The fourth and final factor is 'Sentiment', i.e. the stock's current popularity/unpopularity. Popular stocks will typically have a short-term positive move, which implies a positive score. This analysis involves simple sentiment indicators but also analysis of expected upcoming news flow such as the Food and Drug Administration's target deadline dates for approving new products, medical conferences etc.

The scorecard model is a flexible model used for stock picking and also for sub sector allocation bets. It helps improve timing of investment decisions and is aligned with the investment strategy. The portfolio will normally have balanced exposure towards the different sub-sectors within the healthcare sector. However, although it is the intention of the Investment Manager to follow a general policy of seeking to spread the Fund's assets at risk among a number of investments deemed attractive, the Fund may at certain times hold relatively few positions.

## Financial Derivative Instruments

The Fund may, subject to the Investment Restrictions, also invest in financial derivative instruments ("**FDI**") for both investment and efficient portfolio management purposes. The Fund shall enter into FDI with an Eligible Counterparty on an over-the-counter ("**OTC**") basis, or shall invest in FDI listed or traded on a Market. The underlying instruments will be equity securities which shall have a healthcare focus and currencies (currency swaps and forwards will be used for currency hedging purposes as described in the section, "**Currency Hedging**"). In accordance with the Central Bank's requirements, the Fund may be leveraged through its investment in FDI of up to 100% using the commitment approach, however the Investment Manager does not intend that the Fund will principally invest in FDI, rather it will only invest in a FDI as an alternative to direct investments in permitted equity securities (where it is more cost efficient and convenient for the Fund to do so). It is intended that any investment in FDI would replicate the market exposure and volatility expected from investing directly in the underlying instruments, accordingly the Investment Manager is of the opinion that the volatility from investment in FDI will be moderate.

The Investment Manager intends that the Fund will invest in the following FDI:-

### (i) Swaps

Swaps are agreements between two parties to exchange future payments in one underlying asset for payments in another. Swaps must include an exchange of principal at maturity or at the inception of the contract. The Fund may also enter swaps in order to hedge existing long positions in a particular asset.

### (ii) Total Return Swaps

Total return swaps ("**TRS**") may be used by the Investment Manager as an alternative to direct investments in the aforementioned equity and equity related securities. The assets that will be subject to the TRS are healthcare related transferable securities and equities issued by companies in healthcare and healthcare related industries. TRS are agreements between two parties whereby the total economic performance of an underlying asset(s) is transferred from one party to the other in return for a stream of payments based on an agreed interest rate. The Fund may enter into TRS with Eligible Counterparties. For the avoidance of doubt, such counterparty shall not assume any discretion or approval control over the composition or management of the Fund's investment portfolio.

The use of TRS by the Fund shall be subject to the requirements of the SFT Regulations. The Investment Manager anticipates that the Fund's exposure to TRS on an ongoing basis shall be approximately 10% of its Net Asset Value, subject to a maximum investment in TRS of 20% of its Net Asset Value.

### (iii) Forwards

In forward contracts, the contract holders are obligated to buy or sell an underlying asset at a specified price, at a specified quantity and on a specified future date. Forward contracts may be cash settled between the parties. The Fund's use of forward foreign contracts may include, but is not limited to, altering the exposure of securities held, hedging against exchange risks or increasing exposure to a particular asset.

### (iv) Convertibles

A convertible entitles the holder to convert the note into shares in the issuing company, or into cash of equal value, at an agreed-upon price.

### (v) Rights

Rights are a note issued by a company which gives the holder the right to purchase shares from that company at a specific price, within a certain time frame.

## Currency Hedging

The Fund is a multi-class fund with classes of Shares denominated in USD, EUR, GBP, NOK and SEK. The Fund may (but shall not be obliged to) engage in currency hedging transactions (utilising different FDI including FX futures, FX forwards and FX swaps) in respect of Classes not denominated in the Base Currency to seek to hedge against declines in the values of one or more Share Classes of the Fund as a result of changes in currency exchange rates. All hedging transactions will be clearly attributable to a specific Share Class and therefore currency exposures of different Share Classes shall not be combined



or offset and currency exposures of assets of the Fund shall not be allocated to separate Share Classes. Therefore the costs, gains/losses of such hedging transactions will accrue solely to the relevant Class.

It is expected that the extent to which such currency exposure will be hedged will range from 95% to 105% of the Net Asset Value attributable to the relevant Share Class. Where the value of the hedges in place in respect of a given Share Class are less or more than 100% of the Net Asset Value attributable to that Share Class, the Investment Manager shall keep the situation under review and will ensure that over hedged positions do not exceed 105% of the Net Asset Value. The Investment Manager shall ensure that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Share Class which is to be hedged and keep any under-hedged under review to ensure under-hedged positions are not carried forward from month to month. In addition, positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. While it is not the intention of the Fund, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund.

The adoption of this strategy may substantially limit holders of respective Classes from benefiting if the NOK and/or the EUR and/or the GBP and/or the SEK (as the case may be) falls or rises against the Base Currency.

The Fund shall not engage in currency hedging transactions in respect of Class Y EUR Shares and Class Y GBP Shares.

### **3 SUSTAINABILITY RELATED DISCLOSURES**

#### **Integration of Sustainability Risks & ESG Factors**

As an institutional investor, the Investment Manager has a duty to act in the long-term interests of its beneficiaries. In this fiduciary role, the Investment Manager believes that ESG issues can affect the performance of its investment portfolios.

The Investment Manager evaluates and integrates Sustainability Risks and other relevant ESG factors into its investment decision-making process in a bottom up fashion with the support of dedicated ESG resources. Sustainability Risks and ESG factors are analysed and accounted for in the Investment Manager's risk/reward framework for stock selection and portfolio construction.

The Investment Manager is also a signatory to the United Nations Principles for Responsible Investment (UNPRI), which is the world's leading proponent of responsible investment. The UNPRI works to understand the investment implications of ESG factors and to support its international network of investor signatories in enforcing and incorporating these factors into our investment and ownership decisions.

#### **Assessment of the Impact on Likely Returns**

The Investment Manager has carried out an assessment of the likely impacts of integrating the consideration of Sustainability Risks into its investment decision making process on the returns of the Fund and does not expect that it will materially impact the expected risk or return characteristics of the Fund.

In addition, the Investment Manager does not believe that there is a trade-off between long-term fund performance, and ESG and Sustainability Factors. The Investment Manager believes that contributing to a long-term sustainable allocation of capital should be of value to the broader societies as well as to the investors in the Fund.

#### **Fund Classification**

For the purposes of SFDR, the Fund qualifies as a financial product and is classified as an Article 6 Fund.

#### **Taxonomy Regulation**

The Fund does not presently intend to be invested in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation but may have incidental investment in Taxonomy aligned investments. Therefore, for the purpose of the Taxonomy Regulation, the investments underlying this Fund may not take into account the EU criteria for environmentally sustainable economic activities.

## 4 INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading "**Investment Restrictions**" in the Prospectus shall apply.

## 5 BORROWING

The Company, acting through the Investment Manager, may borrow up to 10% of the Fund's Net Asset Value on a temporary basis, at any time for the account of the Fund and the Depositary may charge the assets of such Fund as security for any such borrowing.

The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

## 6 PROFILE OF THE TYPICAL INVESTOR

The Investment Manager expects that the typical investor will be institutional or sophisticated investors. Such investors being a corporate, pension fund, insurance company, public sector body such as a governmental, supranational agency or local authority, bank, other investment firm, high net worth individuals or any other intermediary. The typical investor would be any of the foregoing who is prepared to accept return on its investment over the long term and accepts a medium degree of volatility.

## 7 RISK FACTORS

The general risk factors set out in the heading "**Risk Factors**" in the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

### General Considerations

There is no guarantee that the investment objective of the Fund, or its risk monitoring and diversification goals, will be achieved and results may vary substantially over time.

### Investment and Trading Risk

The investments of the Fund in financial instruments are subject to the risk of loss of capital. The Investment Manager believes the Fund's investment process will moderate this risk through a careful and timely selection of securities and other financial instruments, though no guarantee or representation is made that the Fund will be successful in this regard. The Fund's investment programme may utilise such investment techniques as trading in put and call options and other derivatives as listed above, limited diversification, margin transactions and forward contracts, which practices can, in certain circumstances, increase the adverse impact which the Fund may be subject to.

In certain transactions, the Fund may not be "hedged" against market fluctuations or, in reorganisation or liquidation situations, may not accurately value the assets of the Fund or the degree of legal and regulatory risk. This can result in losses, even if the proposed transaction is consummated.

The Investment Manager will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risk cannot be eliminated.

### Operating Risk

Potential losses may arise from the various facets of operating an investment fund such as the Fund. For example, there are regulatory risks, the potential for lawsuits and the potential for the occurrence of tax events which may adversely affect the Fund. There is also the risk of human error such as inaccuracies in booking and reporting of trades.

### Systematic Risk of the Global Capital Markets

Stock markets are vulnerable to changes in interest rates, tax changes, business cycles or external shocks such as wars or run-away commodity prices. However, over time, stock markets have tended to provide an excess return over a risk free rate of interest. Therefore, systematic risk is believed to be mitigated by protracted holding periods.

## **Credit Risk**

Credit risk refers to potential losses due to counterparty default, such as the failure to pay coupons or principal of a bond. Another type of credit risk is the risk of settlement failure, that is, the failure of a counter party to deliver or pay for securities.

## **Concentration of Investments**

Although it is the intention of the Investment Manager to follow a general policy of seeking to spread the Fund's capital at risk among a number of investments deemed attractive, the Fund may at certain times hold relatively few positions, with the result that a loss in any such position could have an adverse impact on the Fund's capital.

## **Dependence upon Key Individuals**

The success of the Fund will depend upon the efforts of the Investment Manager. There can be no assurance that the Investment Manager will be successful in the management of the Fund's investments, nor that the investment approach upon which the Fund relies will produce adequate returns. The death, disability or withdrawal of the Investment Manager's principal(s), or financial or operational difficulties of the Investment Manager could adversely affect the Fund.

## **Investing in ETFs**

The Fund incurs the costs of its own management and fees paid to the Administrator, the Depository, the Investment Manager and other service providers. In addition, where the Fund invests in ETFs, the Fund indirectly incurs a share of similar costs in its capacity as an investor in such ETFs.

## **8 DIVIDEND POLICY**

The Directors do not currently intend to pay dividends. Accordingly, the price of the Shares shall rise as income and capital gains accrue. If the Directors change this policy full details will be provided in an updated Supplement and all shareholders will be notified in advance.

## **9 INVESTMENT MANAGER**

The Manager has appointed Sector Gamma AS of Kristian Augusts gate 15c, N-0164 Oslo, Norway as the Investment Manager of the Fund pursuant to the Investment Management Agreement. The Investment Manager was incorporated 2 November 2006 and is under supervision by the Financial Supervisory Authority of Norway (Finanstilsynet). It was licensed to provide the investment service portfolio management under the Norwegian Securities Trading Act 2007 by the Financial Supervisory Authority of Norway (Finanstilsynet) on 11 June 2007. On 14 December 2014, the Investment Manager received its license as a manager of alternative investment funds under the Norwegian Alternative Investment Fund Managers Act 2014 and manager of mutual funds under the Norwegian Investment Funds Act 2011, at which point the authorization under the Norwegian Securities Trading Act was rescinded. The Norwegian Investment Funds Act 2011, implements amongst others Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investments in Transferable Securities (UCITS). Sector Gamma AS forms part of the Sector Group. The Investment Manager's main activity is discretionary asset management. The Investment Manager's investment strategy has been successfully utilised in the global healthcare sector by the Investment Manager in respect of other collective investment schemes that it manages.

The requirements of MiFID II do not apply to the Investment Manager on the basis that the Investment Manager, in its capacity as investment manager of this Fund, is not an "investment firm" within the meaning of MIFID II.

## **10 DISTRIBUTOR**

The Manager has appointed Sector Capital AS as the Global Distributor of the Fund.

In addition, pursuant to the terms of the Investment Management Agreement, the Investment Manager has also been appointed as a non-exclusive distributor of the Fund. Further details of the Global Distribution Agreement between the Manager and Sector Capital AS are detailed in the section of the Prospectus "**General Information**".

## 11 KEY INFORMATION FOR BUYING AND SELLING

### Base Currency

US Dollar.

### Classes available

The Fund is a multi-class fund with Classes of Shares denominated in EUR, NOK, GBP, SEK and USD. The Net Asset Value per Share in each Class will be calculated in the relevant Class currency. In addition all subscriptions and redemptions will be effected in that currency.

Class	Initial Issue Price	Minimum Shareholding*	Minimum Initial Investment Amount**
Class A USD Shares	N/A	USD 10,000	USD 50,000
Class A EUR Shares	N/A	USD 10,000	USD 50,000
Class A NOK Shares	N/A	USD 10,000	USD 50,000
Class A SEK Shares	N/A	USD 10,000	USD 50,000
Class B USD Shares	N/A	USD 10,000	USD 10,000
Class B EUR Shares	N/A	USD 10,000	USD 10,000
Class B NOK Shares	N/A	USD 10,000	USD 10,000
Class B SEK Shares	N/A	USD 10,000	USD 10,000
Class E EUR Shares	EUR 100	USD 10,000	USD 50,000
Class E USD Shares	USD 100	USD 10,000	USD 50,000
Class E SEK Shares	SEK 100	USD 10,000	USD 50,000
Class E NOK Shares	N/A	USD 10,000	USD 50,000
Class X EUR Shares	N/A	USD 25,000,000	USD 25,000,000
Class X USD Shares	N/A	USD 25,000,000	USD 25,000,000
Class Y EUR	N/A	USD 100,000,000	USD 100,000,000

Shares			
Class Y GBP Shares	N/A	USD 100,000,000	USD 100,000,000
Class Y USD Shares	N/A	USD 100,000,000	USD 100,000,000

*\*or the currency equivalent thereof or such greater or lesser amount as may be determined by the Directors.*

*\*\*or its equivalent in the relevant currency or such greater or lesser amounts as the Directors may, in their absolute discretion decide. The Directors may, at their discretion, waive the Minimum Initial Investment Amount in respect of any Class.*

### **Initial Offer Period**

For the Class E EUR Shares, Class E USD Shares and Class E SEK Shares from 9:00 a.m. (Irish time) on 3 January 2022 until 5:00 p.m. (Irish time) on 1 July 2022, or such earlier or later date as the Directors may determine.

After the Initial Offer Period, Shares will be available for subscription on each Dealing Day at the then prevailing Net Asset Value per Share.

### **Business Day**

Any day other than a Saturday or Sunday on which commercial banks are open for business in Oslo, Dublin and New York.

### **Dealing Day**

Each Business Day will be a Dealing Day.

### **Dealing Deadline**

In relation to applications for subscription of Shares, 2.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day; in relation to redemption of Shares, 2.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day; and in relation to exchange of Shares, 2.00 p.m. (Irish time) three Business Days prior to the relevant Dealing Day. The Directors reserve the right to waive the notice period at their discretion provided such applications are received before the Valuation Point for the relevant Dealing Day.

### **Valuation Point**

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors, shall be the close of business of the relevant market that closes last on the Business Day immediately prior to each Dealing Day.

Any value expressed otherwise than in the Base Currency shall be converted into the Base Currency at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.

### **Minimum Additional Investment Amount**

None.

### **Preliminary Charge, Redemption Charge and Exchange Charge**

None.

### **Settlement Date**

In the case of subscriptions for Class B Shares and Class Y Shares, cleared funds must be received by 2.00 p.m. (Irish time) on the Business Day after the relevant Dealing Day. For all remaining Classes, cleared funds must be received by 2.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.

However, the Directors may at their discretion, accept applications for Shares for a relevant Dealing Day, where subscription monies are not received by the Settlement Date provided that confirmation is received from the applicant's bank before the Settlement Date that subscription monies shall be received on or before the close of business in Dublin on the relevant Dealing Day.

In the case of redemptions, proceeds will be paid 2 Business Days after the relevant Dealing Day assuming timely receipt of all duly signed redemption documentation.

## **12 HOW TO BUY SHARES**

Application for Shares should be made on the Application Form and be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day.

Unless the Administrator otherwise agrees, payment for Shares must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Class.

### Electronic Signatures

An electronic signature may take the form of (i) a simple electronic signature including a typed signature; (ii) an advanced electronic signature which is a unique signature linked to and capable of identifying the signatory; or (iii) a qualified electronic signature created by a qualified electronic creation device and based on a qualified certificate.

Electronic signatures have the equivalent legal effect of a handwritten signature and have been legally recognised in Ireland since the introduction of the Electronic Commerce Act 2000.

For the avoidance of doubt, applications for the initial issue of Shares, any subsequent applications or otherwise may be executed by electronic signature (in whatever form the electronic signature takes).

This section should be read in conjunction with the section entitled "**Subscription for Shares**" in the Prospectus.

## **13 HOW TO SELL SHARES**

Requests for the sale of Shares should be submitted to the Company c/o the Administrator in accordance with the provisions set out in the Prospectus. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A redemption request once given will not be capable of revocation without the consent of the Directors.

The amount due on the redemption of Shares of any Class will be paid by the Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of the proceeds of redemption will only be paid on receipt by the Administrator of any relevant redemption documentation.

No Shareholder shall be entitled to realise part only of his holding of Shares of any Class if such realisation would result in his holding of Shares of such Class after such realisation being below the Minimum Shareholding of that particular Class.

This section should be read in conjunction with the section entitled "**Repurchase of Shares**" in the Prospectus.

## **14 NET ASSET VALUE**

The Administrator determines the Net Asset Value per Share as at the Valuation Point of each Dealing Day in accordance with the procedure provided for under the heading "**Calculation of Net Asset Value/Valuation of Assets**" in the Prospectus.

## 15 CHARGES AND EXPENSES

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

### **Fees of the Manager**

The Manager has agreed to waive its entitlement to an ongoing fee.

The Manager will, however, be reimbursed out of the assets of the Fund for reasonable out of pocket expenses.

### **Fees of the Investment Manager**

#### Management Fee

The Investment Manager shall be entitled to a Management Fee per annum of the Net Asset Value of each of the following Classes:

Class	Management Fee
Class A Shares	Up to 1.00%
Class B Shares	Up to 2.00%
Class E Shares	Up to 1.00%
Class X Shares	Up to 0.50%
Class Y Shares	Up to 0.40%

Each Management Fee accrues as at each Valuation Point and will be paid monthly in arrears. The fees of the Global Distributor will be discharged by the Investment Manager out of the Management Fee as agreed between the Investment Manager and the Global Distributor.

The Investment Manager may waive or rebate all or a portion of the Management Fee or Incentive Fee attributable to any Class, it being acknowledged that such waiver or rebate, if any, may differ between Shareholders and that the Investment Manager will have ultimate discretion in this matter.

#### Incentive Fee

The Fund will pay the Investment Manager an Incentive Fee as follows:

Class of Shares	Incentive Fee Percentages
Class A Shares	20 per cent of the amount by which the Net Asset Value (before the deduction of any incentive fee) of the relevant Share exceeds the Index Net Asset Value.
Class E Shares	20 per cent 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.
Class X Shares and Class Y Shares	15 per cent of the amount by which the Net Asset Value (before the deduction of any incentive fee) of the relevant Share exceeds the Index Net Asset Value.

No Incentive Fee will be charged in respect of the Class B Shares.

The relevant Share's subscription price will be taken as the starting price for the purposes of determining the Incentive Fee. The Incentive Fee will be accrued on a daily basis and reflected in the Net Asset Value per Share at each Valuation Point.

#### Incentive Fee – Class A Shares, Class X Shares & Class Y USD Shares

The accrued Incentive Fee for Class A Shares, Class X Shares and Class Y USD Shares will only be paid to the Investment Manager once a Shareholder redeems its investment in the Class A Shares, Class X Shares or Class Y USD Shares or when the Fund closes down where the performance of the relevant Shares has exceeded the performance of the Index.

#### Incentive Fee – Class Y EUR Shares

The accrued Incentive Fee for Class Y EUR Shares will only be paid to the Investment Manager once a Shareholder redeems its investment in the Class Y EUR Shares or when the Fund closes down where the performance of the relevant Shares has exceeded the performance of the MSCI EUR Index.

#### Incentive Fee – Class Y GBP Shares

The accrued Incentive Fee for Class Y GBP Shares will only be paid to the Investment Manager once a Shareholder redeems its investment in the Class Y GBP Shares or when the Fund closes down where the performance of the relevant Shares has exceeded the performance of the MSCI GBP Index.

#### Incentive Fee – Class A Shares, Class X Shares & Class Y Shares

The Incentive Fee may be payable even if the absolute return on the Shareholder's investment in the Class A Shares or the Class X Shares or the Class Y Shares is zero or negative. For example, if during the period of a Shareholder's investment in the Class A Shares or the Class X Shares or the Class Y Shares, the Net Asset Value per Share on redemption is less than or equal to the Net Asset Value per Share that that Shareholder paid on its initial subscription into the Fund, the Incentive Fee may still be payable if the Net Asset Value per Share on redemption exceeds the Index Net Asset Value per Share, i.e. the Fund has outperformed the relevant index for the period of the Shareholder's investment.

#### Equalisation Policy – Class A Shares, Class X Shares and Class Y Shares

For the purposes of this section, "relevant Share" and "Shares of the relevant Class" shall mean a Class A Share or a Class X Share or a Class Y Share (each of which are subject to an Incentive Fee) and "Net Asset Value" shall mean the "Net Asset Value (before the deduction of any Incentive Fee)". The Incentive Fee is calculated on a Share-by-Share basis so that each relevant Share is charged an Incentive Fee that equates precisely with that relevant Share's performance. This method of calculation ensures that (i) the Incentive Fee is charged only to those relevant Shares that have appreciated in value relative to the relevant index, (ii) all relevant Shareholders have the same amount per relevant Share of the relevant Class at risk in the Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

#### Adjustments – Class A Shares, Class X Shares & Class Y Shares

If a Shareholder subscribes for relevant Shares at a time when the Net Asset Value per relevant Share is other than the Index Net Asset Value, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or beneficiary of the Incentive Fee.

- (a) If Shares are subscribed for at a time when the Net Asset Value per relevant Share is less than the Index Net Asset Value, a Shareholder will be required to pay an Incentive Fee with respect to any subsequent appreciation in the value of those relevant Shares relative to the relevant index. With respect to any appreciation in the value of those relevant Shares from the Net Asset Value per relevant Share at the date of subscription relative to the relevant index and up to the Index Net Asset Value, the Incentive Fee will be charged by redeeming such number of a Shareholder's relevant Shares as have an aggregate Net Asset Value (after accrual of any Incentive Fee) equal to the applicable percentage of any such appreciation (an "**Incentive Fee Redemption**"). The applicable percentage will be 20% for Class A Shares or 15% for Class X Shares or Class Y Shares of the appreciation in excess of the relevant index return from the Net Asset Value at subscription up to the Index Net Asset Value. The aggregate Net Asset Value of the relevant Shares so redeemed will be paid to the Investment Manager as an Incentive Fee. Incentive Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per



relevant Share for each Class. As regards a Shareholder's remaining relevant Shares, any appreciation in the Net Asset Value per relevant Share of those relevant Shares above the Index Net Asset Value will be charged an Incentive Fee in the normal manner described above.

- (b) If relevant Shares are subscribed for at a time when the Net Asset Value per relevant Share is greater than the Index Net Asset Value, a Shareholder will be required to pay an amount in excess of the then current Net Asset Value per relevant Share equal to 20% for Class A Shares or 15% for Class X Shares or Class Y Shares of the difference between the then current Net Asset Value per relevant Share (before accrual for the Incentive Fee) and the Index Net Asset Value (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Incentive Fee per relevant Share accrued with respect to the other relevant Shares of the relevant Class in the Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per relevant Share has been reduced to reflect an accrued Incentive Fee to be borne by existing Shareholders and serves as a credit against Incentive Fees that might otherwise be payable by the Fund but that should not, in equity, be charged to a Shareholder making the subscription because, as to such relevant Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of relevant Shares of the same Class in the Fund have the same amount of capital at risk per relevant Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Fund relative to the relevant index subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit.

In the event of a decline as at any Dealing Day in the Net Asset Value per relevant Share of those Shares relative to the Index Net Asset Value, the Equalisation Credit will also be reduced by an amount equal to 20% for Class A Shares or 15% for Class X Shares or Class Y Shares of the decline in the Net Asset Value per relevant Share (before accrual of the Incentive Fee) from the Net Asset Value per relevant Share at the date of subscription relative to the Index Net Asset Value. Any subsequent appreciation in the Net Asset Value per relevant Share relative to the Index Net Asset Value will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

Upon a Shareholder's redemption or when the Fund closes down, if the Net Asset Value per relevant Share (before accrual of the Incentive Fee) exceeds the Index Net Asset Value, that portion of the Equalisation Credit equal to the applicable percentage of the excess, multiplied by the number of relevant Shares subscribed for by a Shareholder, will be applied to subscribe for additional Shares of the relevant Class for a Shareholder (who may choose to redeem these Shares). The applicable percentage will be 20% for Class A Shares or 15% for Class X Shares or Class Y Shares of the excess between the Net Asset Value per relevant Share and the Index Net Asset Value as at the time of redemption. If a Shareholder redeems his relevant Shares before the Equalisation Credit has been fully applied, a Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of relevant Shares being redeemed and the denominator of which is the number of relevant Shares held by a Shareholder immediately prior to the redemption.

Any underperformance of the relevant index over the lifetime of a Shareholder's investment in the Fund must have been clawed back if the Incentive Fee is to be payable on that Shareholder's redemption or when the Fund closes down.

*Simplified example for illustrative purposes:*

As noted above, the Incentive Fee for the Class A, X and Y Shares is only be paid to the Investment Manager once either (i) a Shareholder redeems its investment in the Class A, X and Y Shares or (ii) when the Fund closes down. The Incentive Fee is only payable where the performance of the relevant Shares (i.e. the Net Asset Value per Share) has exceeded the performance of the Index at the occurrence of either (i) or (ii).

For the avoidance of doubt there is no annual calculation period for the Incentive Fee for the Class A, X and Y Shares, rather, the Incentive Fee (if any) only crystallises when either the Shareholder redeems or when the Fund closes down.

Shareholder's period of investment / actions	Index Net Asset Value	Net Asset Value on subscription	Net Asset Value per Share	Incentive Fee
Commencement of Shareholder's investment in the Fund	100	100	N/A	N/A
At the end of Year 1, the Fund remains a going concern and <b>the Shareholder has not redeemed.</b>	105	N/A	120	Even though the NAV per Share (120) is outperforming the Index NAV (105), <b>no Incentive Fee is payable</b> , as the Shareholder has not redeemed and the Fund is continuing.
In Year 3, the Shareholder redeems shares either when;  the Fund is <b>outperforming</b> the Index  OR  the Fund is <b>underperforming</b> the Index during	110    90	N/A    N/A	115    85	Shareholder redeems their shares in the Fund when the Net Asset Value exceeds the Index Net Asset Value.  $(115-110)*20\% = \text{an incentive fee of } 1$  No incentive fee is payable as the NAV per Share is underperforming the Index.

#### Incentive Fee – Class E Shares

The Fund, in respect of the Class E Shares will pay the Investment Manager an Incentive Fee equal to 20% of the amount by which the Net Asset Value of the relevant Share exceeds the Index adjusted Prior High Net Asset Value (as defined below).

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.

The "**Prior High Net Asset Value**" of each Share is the highest Net Asset Value per Share on which an Incentive Fee was paid in respect of any previous calculation period (or, if no Incentive Fee has yet been paid with respect to any such calculation period, the Initial Issue Price of the relevant Share). The "**Index adjusted Prior High Net Asset Value**" of each Share is the Prior High Net Asset Value adjusted by the performance of the Index for the relevant calculation period.

The calculation period for the Incentive Fee shall be a calendar year, closing on the 31 December each year (or if the 31 December is not a Business Day, on the last Business Day of the year). The first calculation period for Class E Shares shall commence from the conclusion of the Initial Offer Period and cease on the last Business Day of the relevant calendar year. The Incentive Fee will accrue as at each Valuation Point and shall be payable annually in arrears (on or after the first Business Day of the following year). At the end of each calculation period, where an Incentive Fee has been paid, and only then, the Prior High Net Asset Value per Share will be reset to the Net Asset Value per Share of the Class at the end of such calculation period. For the avoidance of doubt, where the Class has underperformed, (i.e. its Net Asset Value per Share at the end of a calculation period is below the Index adjusted Prior High Net Asset Value per Share), no Incentive Fee will be payable until the underperformance is clawed back.

#### *Non-Equalisation of Class E Shares*

No equalisation will be undertaken for the purposes of calculating the Incentive Fee for the Class E Shares. This may result in inequalities as between Shareholders in a Class of E Shares in relation to the payment of Incentive Fees (with some Shareholders paying disproportionately higher Incentive Fees in certain

circumstances) as a result of capital flows into or out of the Class E Share Class altering the Net Asset Value of that Class.

*Simplified example for illustrative purposes:*

The Fund, in respect of the Class E Shares will pay the Investment Manager an Incentive Fee equal to 20% of the amount by which the Net Asset Value of the relevant Share exceeds the Index adjusted Prior High Net Asset Value (as defined below). 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.

Year End	Benchmark Index	Net Asset Value	Prior High Net Asset Value	Incentive Fee using Index adjusted Prior High Net Asset Value
01/01/21	100	100	N/A	N/A
31/12/21	110	115 – with 115 becoming the Prior High Net Asset Value	115	20% of 5 = an incentive fee of 1
31/12/22	80	90	115	0 - as the Net Asset Value did not exceed 115 No incentive fee is payable until under performance is clawed back.
31/12/23	90	120*	115	(120 – 115) * 20% = an incentive fee of 1
31/12/24	130	135**	120	(135-130) 20% = an incentive fee of 1 Incentive fee is only payable by the outperformance of the index by 5

\*At the end of calculation period for 2023, as an Incentive Fee has been paid, the Prior High Net Asset Value per Share will be reset to the Net Asset Value per Share of the Class at the end of such calculation period.

\*\*At the end of calculation period for 2024, as an Incentive Fee has been paid, the Prior High Net Asset Value per Share will be reset to the Net Asset Value per Share of the Class at the end of such calculation period.

### Incentive Fee - General

Where an Incentive Fee is payable by the Fund, this will be based on net realised and net unrealised gains and losses as at each payment date. As a result, an Incentive Fee may be paid on unrealised gains which may subsequently never be realised.

Upon investor's redemptions, Incentive Fees will crystallise in due proportions on the date of the investor's redemption.

Upon the Investment Management Agreement being terminated, any Incentive Fee will be calculated and paid to the Investment Manager as at the date of termination.

The calculation of the Incentive Fee shall be verified by the Depositary and shall not be open to the possibility of manipulation.

Past performance against the Index, the MSCI EUR Index and the MSCI GBP Index can be found in the KIID for the relevant Share Class which is available at <https://www.sector.no/en/document-center>.

### **Fees of the Administrator and Depositary**

#### Administrator

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears of up to but not exceeding 0.105% of the Net Asset Value of the Fund for all administration, accounting and registrar services.

The Administrator is entitled to all of its reasonable agreed upon transaction, transfer agency, shareholder services and other charges (which will be at normal commercial rates) and other out-of-pocket expenses payable out of the assets of the Fund (plus VAT thereon, if any).

## Depositary

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears of up to but not exceeding 0.02% of the Net Asset Value of the Fund. The Depositary is also entitled to sub-custodian's fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out of pocket expenses (plus VAT thereon if any).

## **Total Expense Ratio**

The Investment Manager does not anticipate that the "**Total Expense Ratio**" which includes the Administrator's fees and expenses, the Depositary's fees and expenses, the other operating expenses of the Fund and the Fund's pro rata share of the operating expenses of the Company will exceed 0.5% of the Net Asset Value of the Fund (the "**TER Threshold**"). If the Total Expense Ratio exceeds the TER Threshold, the Investment Manager has undertaken to discharge that proportion of the Total Expense Ratio above the TER Threshold and shall rebate the Fund accordingly.

For avoidance of doubt the Management Fee and the Incentive Fee shall not be included in the calculation of the Total Expense Ratio.

## **Initial Expenses**

The Fund has discharged its establishment costs and expenses which were €50,000. The Fund also participated in its proportionate share of the establishment costs of the Company (as provided in the Prospectus).

## **Research Charges**

The Investment Manager shall, out of its own fees, pay for all research that it receives from third parties in connection with the provision of services to the Fund.

## **General**

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

## **16 MATERIAL CONTRACTS**

In addition to the material contract listed in the Prospectus, the Manager has entered onto the following contracts in respect of the Fund, which are deemed material;

The amended and restated investment management agreement dated 17 June 2022 between the Manager and the Investment Manager in respect of the Fund, as may be amended from time to time (the "**Investment Management Agreement**"). Pursuant to the terms of the Investment Management Agreement, the Investment Manager has been appointed as discretionary investment manager and non-exclusive distributor of the Fund. The Investment Management Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains certain indemnities payable out of the assets of the Fund in favour of the Investment Manager, which are restricted to exclude matters resulting from the wilful misconduct, fraud, bad faith or negligence of the Investment Manager in the performance or non-performance of its obligations and duties.

## **17 MISCELLANEOUS**

### Cross-Border Distribution of Funds

The Manager may make certain information publically available pursuant to the CBDF Directive such information is available at [www.sectorgamma.com](http://www.sectorgamma.com)

Unless otherwise disclosed to investors, where the Fund is marketed in another Member State, the Manager shall make available facilities to perform the following tasks through one or more third parties (the "**Facility Agents**"):

- (a) process subscription, repurchase and redemption orders and make other payments to Shareholders relating to the Shares of the Fund, in accordance with the conditions set out in the Prospectus required pursuant to Chapter IX of the UCITS Directive;
- (b) provide Shareholders with information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;
- (c) facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of the UCITS Directive relating to the Shareholders' exercise of their rights arising from their investment in the Fund in the Member State where the Fund is marketed;
- (d) make the information and documents required pursuant to Chapter IX of the UCITS Directive available to Shareholders under the conditions laid down in Article 94 of the UCITS Directive, for the purposes of inspection and obtaining copies thereof;
- (e) provide Shareholders with information relevant to the tasks that the facilities perform in a durable medium and which is available on the following website [www.sectorgamma.com](http://www.sectorgamma.com) and
- (f) act as a contact point for communicating with the competent authorities.

The facilities to perform the tasks referred to above shall be provided in the official language or one of the official languages of the Member State where the Fund is marketed or in a language approved by the competent authorities of that Member State.

These facilities shall be performed by the following Facility Agents:

Facility Agent	Country
Maples Fund Services (Ireland) Limited	Germany, Norway, Sweden, Denmark, Finland, Luxembourg, Iceland