

Let it rip

**Strong markets, healthcare outperform**

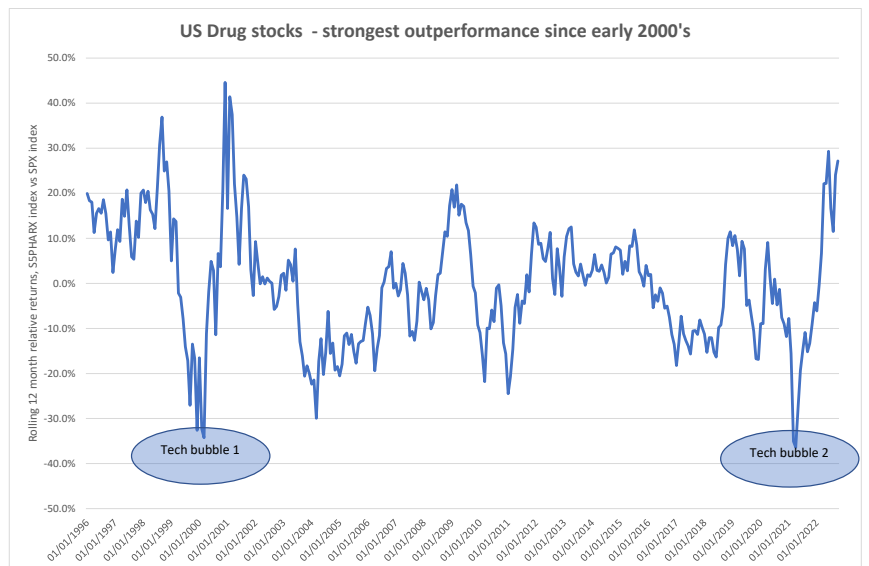
The global healthcare sector<sup>1</sup> rose 8.4 percent in October compared to a 7.7 percent rally for the broader equity markets<sup>2</sup>. The rip higher felt technical in nature after the intense market selloff on a year-to-date basis. Interest rates continued to trend higher, and the market rally was led by energy and industrial sectors, while consumer discretionary stocks underperformed. Healthcare stocks moderately outperformed in in October and is among the best performing economic sectors on a year-to-date basis. The healthcare rally was again led by US large-cap drug stocks as well as US healthcare services stocks, both having outperformed the market by around 30 percent during the last 12 months. European and Japanese drug stocks have not fully participated in this rally despite similar good fundamental trends as their US peers. Mid-cap stocks and the life sciences tools and diagnostics sub-sector underperformed in October. Earnings trends were solid for drug stocks and healthcare services stocks, while more mixed to negative for MedTech stocks in general.

**Fund up 8.8 percent**

The Sector Healthcare Value Fund rose 8.8 percent in October, the second highest monthly return in the Fund’s 11-year history and is down 5.3 percent on a year-to-date basis. The Fund has outperformed the global healthcare index by 4.1 percent year-to-date after a small outperformance in October. The gains in October were broad based but led by our pharmaceutical, biotechnology and healthcare services investments. Top performing single stocks were Gilead, Glaxo, Elevance and Merck. Gilead, the Fund’s largest holding, rose close to 30 percent in October, supported by a strong earnings report, an undervalued and under-owned starting point and continued return momentum in large-cap drug stocks. Single stock losses were few and moderate in October with no position having more than 20bps negative contribution.

**US drug stock ripping higher**

The speed and extent of the current US drug stock rally is comparable to the 1999-2000 period, when technology stocks sold off and drug stocks increased in absolute value, just like they have during the last 12 months. The current rally has been supported by solid pipeline news flow and earnings reports/revisions. Additionally, many drug stocks were also starting from an undervalued position. The portfolio has only moderately benefited from this



outperformance as our European drug stocks and mid-cap biotechnology stocks have not fully participated in this rally. Valuation dispersion within the drug sector is at record highs by our calculations, hopefully a signal of a good stock picking environment going forward

<sup>1</sup> MSCI World Healthcare Index

<sup>2</sup> MSCI World Index

All return numbers and comments are with a month end close of October 28<sup>th</sup>, 2022, the official month end of the fund.

## Analysis of Return

Sector Healthcare Value	Absolute				Relative			October 2022
	A USD	A EUR	A NOK	Index*	A USD	A EUR	A NOK	
NAV	499.25	326.24	2,950.32					
Last Month	8.8%	8.7%	8.4%	8.4%	0.4%	0.3%	0.1%	
Year to Date	-5.3%	-6.8%	-5.8%	-9.4%	4.1%	2.7%	3.6%	
Last 12 Months	-3.7%	-5.3%	-4.2%	-6.2%	2.5%	0.9%	2.0%	
Since Inception **	399.3%	340.4%	386.2%	296.5%	102.8%	44.0%	89.7%	
Compounded growth p.a.	14.4%	13.2%	14.1%	12.2%	2.2%	1.0%	1.9%	
Standard deviation	12.1%	12.2%	12.0%	13.0%				
Reward/Risk	1.19	1.08	1.18	0.94				
Tracking error	3.83							
Information ratio	0.47							
Best month	11.8%	11.8%	11.4%	11.6%				
Worst month	-7.9%	-8.2%	-8.1%	-8.1%				
Maximum drawdown	-25.4%	-25.9%	-25.2%	-27.0%				

\* MSCI World Healthcare Index USD

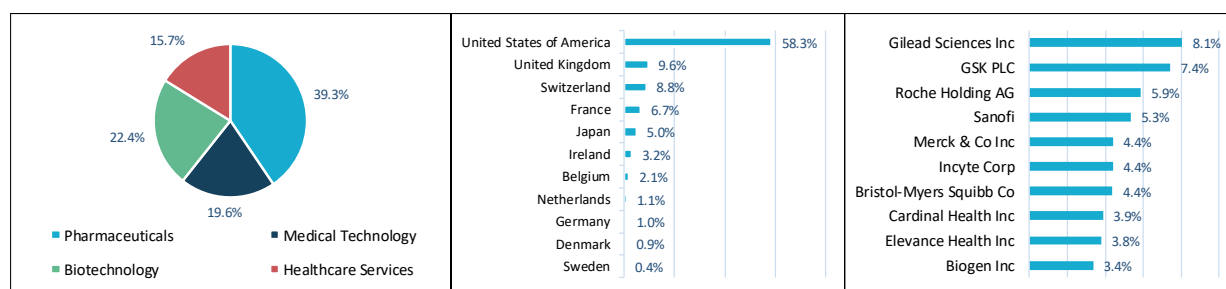
\*\* Since inception November 16th, 2010

All performance figures from Sector Healthcare Value are net of fees

Class A USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-3.3%	-0.2%	2.3%	-2.5%	1.0%	-3.1%	1.3%	-5.5%	-3.5%	8.8%			-5.3%
2021	1.5%	-2.7%	3.2%	3.3%	1.9%	1.8%	1.0%	1.7%	-4.9%	2.5%	-4.4%	6.3%	11.2%
2020	-1.8%	-4.8%	-5.5%	11.8%	3.6%	-1.5%	3.4%	1.7%	-2.5%	-4.2%	7.2%	2.9%	9.3%
2019	7.4%	2.8%	0.7%	-1.9%	-4.3%	6.0%	0.4%	-0.8%	0.4%	4.0%	5.4%	3.0%	24.9%
2018	5.6%	-3.0%	-0.6%	1.6%	1.7%	1.5%	4.6%	3.0%	1.8%	-6.7%	4.2%	-7.9%	5.0%
2017	2.6%	5.1%	0.8%	2.5%	2.4%	2.9%	-0.3%	0.8%	1.6%	-2.0%	1.4%	-0.6%	18.4%
2016	-6.7%	-0.5%	3.9%	4.4%	2.9%	1.0%	4.8%	-3.1%	0.8%	-5.3%	0.3%	1.8%	3.7%
2015	1.7%	5.4%	2.2%	0.3%	2.6%	-0.1%	4.2%	-3.0%	-6.5%	6.5%	0.3%	1.7%	15.5%
2014	1.2%	6.2%	-1.0%	-0.1%	2.8%	1.8%	-0.7%	2.1%	0.4%	1.9%	2.9%	0.7%	19.5%
2013	8.6%	0.9%	4.3%	3.8%	1.7%	-0.5%	7.5%	-1.9%	3.1%	2.7%	4.5%	2.1%	43.0%
2012	3.6%	0.9%	4.4%	0.4%	-3.7%	6.8%	1.2%	1.7%	4.6%	-1.6%	1.6%	0.8%	22.2%
2011	0.2%	2.6%	0.9%	7.4%	2.9%	-2.6%	-3.0%	-3.1%	-4.4%	7.8%	-3.0%	2.1%	6.9%
2010											-1.7%	6.4%	4.6%

## Analysis of Risk

Exposure	97.1%	# of positions	49	Value at Risk	1.9%	Standard Deviation	18.7%
----------	-------	----------------	----	---------------	------	--------------------	-------



## Fund Details

Fund Type	UCITS	Class	ISIN	Bloomberg Ticker
Fund Style	Actively managed	A USD	IE00B40JDW74	SECHVAU ID Equity
Fund Name	Sector Healthcare Value Fund, a sub-fund of Sector Capital Funds Plc	A EUR	IE00B0L26Q21	SECHVAE ID Equity
		A NOK	IE00B0L26Q21	SECHVAN ID Equity
Domicile	Ireland			
Portfolio Manager	Sector Gamma AS			
Inception Date	16 November 2010			
Liquidity	Daily			
Base Currency	USD			
Morningstar Rating (10 yrs)	★★★★★			

## Disclaimer

This information is intended for general information purposes only and does not constitute solicitation of or an offer to participate in any investment. This information does not, nor does it purport to, constitute any form of investment advice, recommendation or independent analysis. Consequently, it has not been prepared in accordance with the rules and regulations governing such publications, including but not limited to any prospectus requirements. This information is not, and does not purport to be, complete. The information is strictly confidential and should not be copied or circulated to anyone but the addressed recipients.

**This is a marketing communication.** The complete offering documents for the relevant investment fund should be read carefully and potential investors should seek independent investment advice and tax advice before making an investment. No assurance can be given that the stated investment objectives will be achieved, and the value of investments may fall as well as rise. This presentation contains historical performance for the presented investment funds. **Past performance does not predict future returns.** The investment managers, their directors, employees and consultants do not accept any form of liability (whether arising in contract, tort, negligence or otherwise) for any error, omission or similar misrepresentation in this general information or for any loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this information or any other person.

Investment in alternative investment fund(s) managed by the investment managers (the "AIFs") are solely for sophisticated investors who are (i) professional investors according to the Norwegian Alternative Investment Fund Managers Act or (ii) professional clients or eligible counterparties according to the Norwegian Securities Trading Act. The AIFs are unsuitable and unavailable for any person or entity not meeting such qualifications. Investment in the AIFs are intended for investors who can accept the risks associated with such an investment and who have no need for immediate liquidity in their investment. Investments will be subject to strict limitations on transferability and withdrawal. There will be no secondary or public market. The foregoing list of risk factors is not complete. If you are unsure as to whether you qualify, please contact the relevant investment manager.

Investment in UCITS fund(s) managed by the investment managers may be suitable for both non-professional and professional investors. On the website, you will find the latest updated information to investors, such as KIID documents and supplements.

We make no warranties that the material in this presentation is appropriate or available for use in countries other than Norway. Persons receiving this information are obliged to investigate whether there are any restrictions in their jurisdiction, and if so, to comply with any such restriction. The investment managers do not accept any responsibility for any failure to comply with any such restriction. For further information, please contact the relevant investment manager.

### 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, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, 8050 Zurich, Switzerland, whilst the paying agent is Banque Hérédité SA, Route de Chêne 61, CH-1208 Geneva, Switzerland. The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative.

### ADDITIONAL INFORMATION FOR QUALIFIED AND APPLICABLE INVESTORS IN THE UNITED STATES

The interests in the fund(s) have not been, nor will they be, registered or qualified under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any applicable securities laws of any state or other political sub divisions of the United States, and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to the requirements of, the U.S. Securities Act and any applicable U.S. state securities laws. The fund(s) have not registered and do not intend to register under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on the exemption from such registration pursuant to Section 3(c)(7) thereunder and certain interpretations of Section 7(d) of the Investment Company Act by the staff of the U.S. Securities and Exchange Commission. Accordingly, the Interests are being offered and sold only: (i) outside the United States to persons other than U.S. Persons in offshore transactions that meet the requirements of Regulation S under the U.S. Securities Act; or (ii) to U.S. Persons who are (a) "accredited investors" as defined in Rule 501 of Regulation D promulgated under the U.S. Securities Act and (b) "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act.

November 2022