

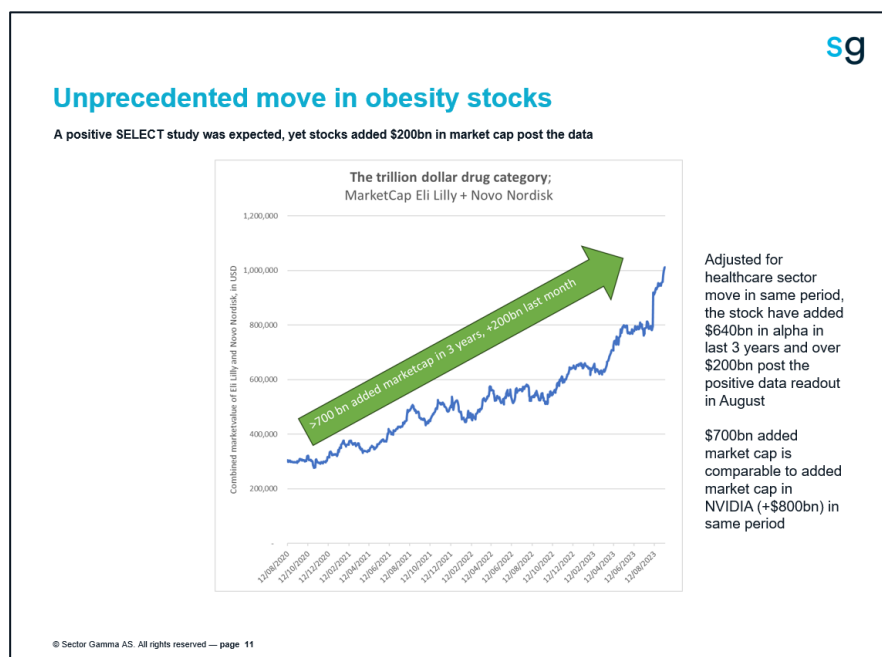
Obesity exuberance and mid-cap chaos

Healthcare outperforms in falling markets.

The global healthcare sector¹ fell 0.8 percent in August, compared to a 2.4 percent fall for the broader equity markets. Rising interest rates, to levels not seen since 2007, a strong US dollar, geopolitical tensions, and a general risk-off sentiment, sent most stocks and sectors lower in August. Defensive sectors, excluding healthcare, underperformed whereas energy stocks and healthcare stocks outperformed. The healthcare outperformance was led by a few mega cap drug stocks rallying strongly on the positive top line readout of the much anticipated SELECT cardiovascular outcome study in obese patients with pre-existing cardiovascular disorders taking Wegovy/Semaglutide. The equal weighted S&P healthcare index fell 3.2 percent in August and has underperformed the cap weighted S&P healthcare index by close to 7 percent since mid-July. Within the healthcare space, drug stocks outperformed whereas medtech and healthcare services stocks continued their descent, both falling more than 5 percent in August. Small-cap healthcare stocks, represented by the Russel 2000 healthcare index, fell 8.5 percent in August. It was a busy month in terms of sector news flow with the first IRA drug list being published, COVID making a comeback, China crackdown on corruption in the medtech sector and several pipeline and earnings readouts. All in all, a strange month with gloom and doom sentiment for most stocks and exuberant sentiment in the select few mega cap obesity stocks.

Fund down 2.5 percent in August

The Sector Healthcare Value Fund lost 2.5 percent in August and is up 0.8 percent year-to-date. The losses in August were broad across sub-sectors and single stocks. Our medtech holdings continued to be weak, this time driven by an irrational (in our view) fear that the obesity drugs will meaningfully impact medical procedure volumes broadly in the sector. The top losing positions were Zimmer, Medtronic and Novartis. Zimmer fell on announcing an unexpected CEO change, whereas Medtronic fell despite a better-than-expected earnings report. Single stock gains were modest but led by Otsuka and Catalent. Otsuka rose on a positive FDA panel on their novel Renal Denervation system whereas Catalent rose on their link to Wegovy fill/ finish drug manufacturing. Not being invested in Novo Nordisk and Eli Lilly explained the entire underperformance versus the global healthcare index in August. Collectively these two stocks added over \$200bn to their market value since the publication of the SELECT outcomes study on Wegovy in early August of this year.



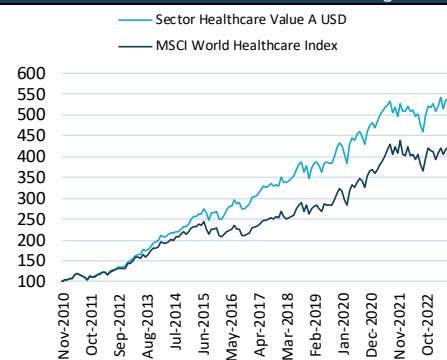
¹ MSCI World Healthcare Index

By comparison, the increased market value in obesity stocks in August equals the entire value of AstraZeneca or nearly 3 times the value of GSK. During the last three years, Novo Nordisk and Eli Lilly have collectively added over \$700bn to their market value and currently represent close to 10% of the capitalization weighted global healthcare index. The valuation turnaround in Eli Lilly has been unprecedented. When we first launched our fund 13 years ago, Eli Lilly was our biggest position with the stock being highly unpopular, trading at a single digit P/E ratio and with consensus worries about lack of R&D productivity and patents. Today, Eli Lilly is the most expensive and valuable drug stock in the world. Our fund made good profit in Eli Lilly, in fact the second largest positive contributor for the fund since launch, but we sold it way too early in hindsight. Now, we are staying out of the obesity stocks and are finding better risk/reward in other innovative segments of the healthcare sector.

Analysis of Return

Please note: Past performance does not predict future returns

Sector Healthcare Value	Absolute				Relative			August 2023
	A USD	A EUR	A NOK	Index*	A USD	A EUR	A NOK	
NAV	522.75	335.15	3,046.53					
Last Month	-2.5%	-2.7%	-2.5%	-0.8%	-1.8%	-1.9%	-1.8%	
Year to Date	0.8%	-0.6%	-0.1%	1.3%	-0.5%	-1.9%	-1.4%	
Last 12 Months	10.0%	7.4%	8.2%	10.1%	-0.1%	-2.7%	-1.9%	
Since Inception **	422.8%	352.5%	402.0%	319.3%	103.4%	33.1%	82.7%	
Compounded growth p.a.	13.8%	12.5%	13.4%	11.9%	1.9%	0.7%	1.6%	
Standard deviation	12.1%	12.2%	12.0%	12.9%				
Reward/Risk	1.14	1.03	1.12	0.92				
Tracking error	4.10							
Information ratio	0.37							
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

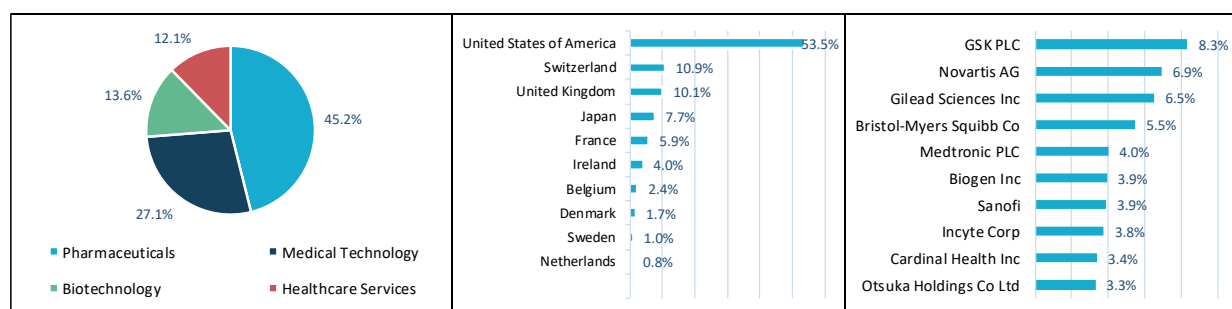
** Since inception November 16th, 2010

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
2023	1.4%	-3.1%	2.4%	3.9%	-5.0%	4.4%	-0.2%	-2.5%					0.8%
2022	-3.3%	-0.2%	2.3%	-2.5%	1.0%	-3.1%	1.3%	-5.5%	-3.5%	8.8%	4.4%	-0.5%	-1.6%
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	98.0%	# of positions	45	Value at Risk	1.3%	Standard Deviation	12.8%
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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

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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 Héritage 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