

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Sector Healthcare Fund (the "Fund")

Legal entity identifier: 635400GWZOBLSWCKD34

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

- It made **sustainable investments with an environmental objective**: ___%
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: ___%

No

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective
- ✗ promoted E/S characteristics, but did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The following environmental and social characteristics were promoted by the Fund:

Environmental Characteristics

- Biodiversity and the environment

Social characteristics

- Ethical marketing and pricing practices
- Health and Safety
- Product Safety and Integrity

Performance in relation to these environmental and social characteristics was measured through the use of an exclusion list and third-party ESG data analysis.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

As part of the investment process, the AIFM considered a variety of sustainability indicators to measure the environmental and social characteristics promoted by the Fund. These sustainability indicators are as follows:

(i) Exclusion List

To ensure that the environmental and social characteristics promoted by the Fund were attained, the AIFM applied specific investment exclusions when determining what investments to make as part of the portfolio construction.

The AIFM adhered to the Norges Bank observation and exclusion of companies list (the "**Exclusion List**"), ensuring that the Fund did not invest in companies in contravention of the Exclusion List. The Exclusion list can be found at <https://www.nbim.no/en/the-fund/responsible-investment/exclusion-of-companies>

(ii) Third-party ESG data analysis

In addition to integrating the aforementioned Exclusion List into the portfolio construction process, the AIFM measured portfolio companies using information provided by a third-party ESG data provider which allocated a specific ESG rating to company holdings in the Fund and investee companies that the AIFM was looking at as potential investments (the "**ESG Rating**").

Investee companies were assigned a value creation score where the company's resilience to long-term industry material environmental, social and governance risks forms part of the value score through the use of third party ESG ratings. Industry ESG leaders were positively impacted, whereas laggards were negatively impacted in the AIFM's value creation score.

This ESG Rating measured an investee company's resilience to long-term industry material environmental, social and governance risks. A rules-based methodology was used to identify companies that are (i) industry leaders (ii) average or (iii) laggards, according to their exposure to ESG risks and how well they manage those risks relative to peers.

The AIFM also tracked and reported on the performance of the above sustainability indicators namely, (i) the adherence to the Exclusion List applied to the Fund; and (ii) the ESG Rating.

These sustainability indicators were used to measure the attainment of each of the environmental and social characteristics promoted by the Fund.

The table below shows the weighted performance for the positions held in the Fund by the ESG Rating for the reference period.

Rating	Long		Short	
	Weight	Return	Weight	Return
AAA	3.5%	11.6%	-4.9%	15.0%
AA	27.6%	-0.3%	-19.3%	2.6%
A	17.4%	-1.7%	-15.3%	3.2%
BBB	7.8%	5.7%	-10.1%	6.6%
BB	1.6%	18.3%	-0.8%	-31.4%
Not Classified	7.0%	11.5%	-0.9%	3.7%

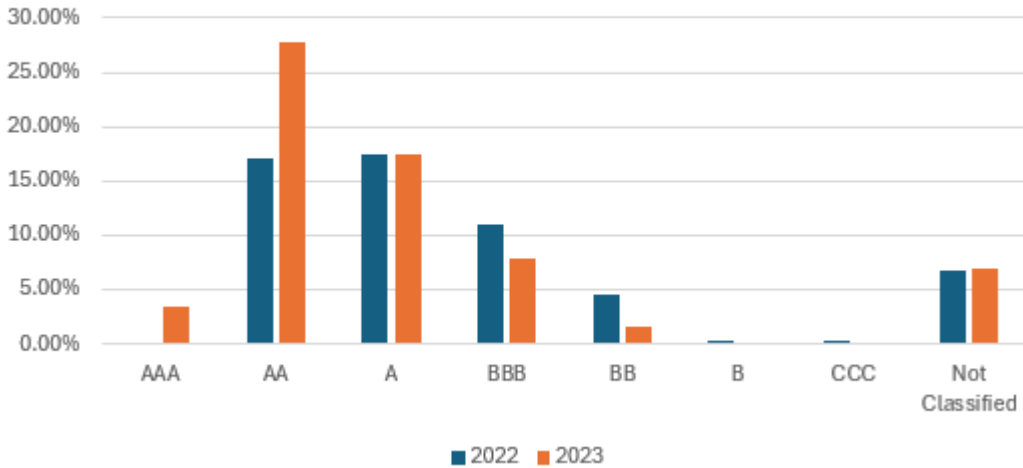
and compared to previous periods?

Compared to previous period, portfolio long exposure to AAA, AA-rated companies have increased. The Investment Manager has seen the increasing amount of companies disclosing their sustainability

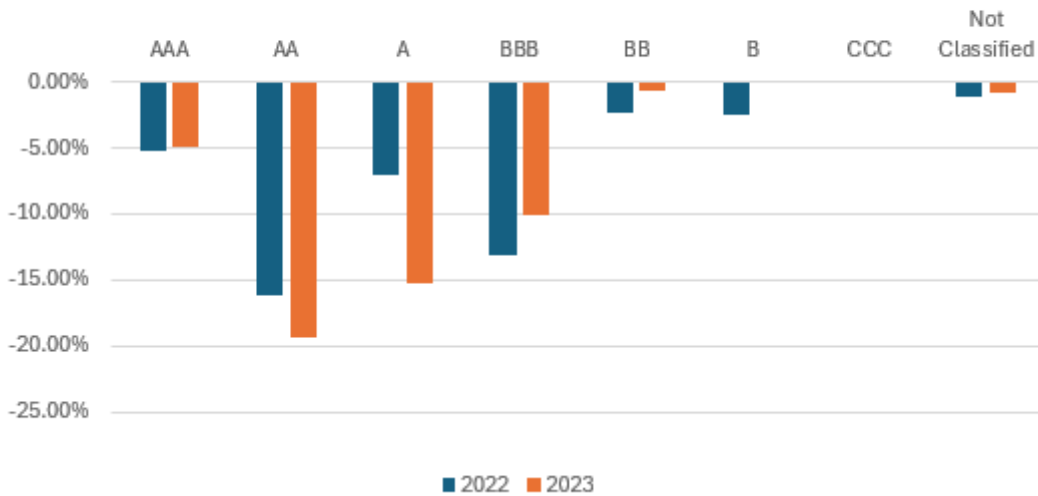
information and thus being rated by third-party vendors and research providers. The Investment Manager recognizes the importance of reliable, consistent, and comparable information regarding various sustainability factors which can enable the team to price sustainability risk correctly. The Investment Manager assesses the quality of all external data on an ongoing basis. The Investment Manager believes the ESG ratings had limited impact on the performance.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Portfolio ESG distribution difference from last year - Long



Portfolio ESG distribution difference from last year - Short



- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A – the Fund did not make any sustainable investments in the reporting period.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A – the Fund did not make any sustainable investments in the reporting period.

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A - the Fund did not make any sustainable investments in the reporting period.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

N/A – the AIFM did not consider PAIs with respect to the Fund.



What were the top investments of this financial product?

Name	Sector	% Assets	Country
Long			
GSK PLC	Healthcare	4.6%	BRITAIN
MEDTRONIC PLC	Healthcare	3.8%	UNITED STATES
PFIZER INC	Healthcare	3.4%	UNITED STATES
GILEAD SCIENCES INC	Healthcare	3.0%	UNITED STATES
BIOGEN INC	Healthcare	2.9%	UNITED STATES
INCYTE CORP	Healthcare	2.6%	UNITED STATES
UCB SA	Healthcare	2.2%	BELGIUM
GE HEALTHCARE TECHNOLOGY	Healthcare	1.9%	UNITED STATES
EISAI CO LTD	Healthcare	1.9%	JAPAN
OTSUKA HOLDINGS CO LTD	Healthcare	1.9%	JAPAN
SANDOZ GROUP AG	Healthcare	1.9%	SWITZERLAND
CENTENE CORP	Healthcare	1.8%	UNITED STATES
ZIMMER BIOMET HOLDINGS INC	Healthcare	1.7%	UNITED STATES
H LUNDBECK A/S	Healthcare	1.7%	DENMARK
CARDINAL HEALTH INC	Healthcare	1.7%	UNITED STATES
Short			
ABBVIE INC	Healthcare	-4.2%	UNITED STATES
ZOETIS INC	Healthcare	-2.5%	UNITED STATES
ASTRAZENECA PLC	Healthcare	-2.0%	BRITAIN
UNITEDHEALTH GROUP INC	Healthcare	-1.9%	UNITED STATES
STRYKER CORP	Healthcare	-1.9%	UNITED STATES
ASTRAZENECA PLC-SPONS ADR	Healthcare	-1.8%	UNITED STATES
HEALTH CARE SELECT SECTOR	Healthcare	-1.7%	UNITED STATES
JOHNSON & JOHNSON	Healthcare	-1.7%	UNITED STATES
VERTEX PHARMACEUTICALS INC	Healthcare	-1.6%	UNITED STATES
NOVO NORDISK A/S-B	Healthcare	-1.6%	DENMARK
REGENERON PHARMACEUTICALS	Healthcare	-1.6%	UNITED STATES
ICON PLC	Healthcare	-1.5%	UNITED STATES
DANAHER CORP	Healthcare	-1.5%	UNITED STATES
STERIS PLC	Healthcare	-1.4%	UNITED STATES
INTUITIVE SURGICAL INC	Healthcare	-1.3%	UNITED STATES
Cash and Money Market Fund			
Cash and Money Market Fund	Other	85.4	Mainly USD

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 29/12/ 2023



What was the proportion of sustainability-related investments?

● *What was the asset allocation?*

The Fund employs a market neutral strategy to profit by capitalising on the mis-pricings of securities or financial instruments within the global healthcare sector. The Fund aimed to hold a minimum of 80% of equity investments that were aligned with the environmental or social characteristics promoted by the Fund, measured as the absolute value of the exposure to aligned long and short equity investments relative to the gross equity exposure.

A company was considered aligned with the environmental and social characteristics of the Fund if the company was not on the aforementioned Exclusion List and if the AIFM was able to obtain the third party ESG-rating. The ESG-rating impacted the portfolio weight by punishing laggards and rewarding winners in our scorecard model which was used as input to the Funds investment portfolio process.

The proportion of investments aligned with the environmental and social characteristics promoted by the Fund during the reference period was:

- 83.7% of the equity long positions;
- 93.4% of the short equity positions; and
- 88.0% of equity exposure relative to gross equity exposure.

The Fund held 85.4% in cash and money market funds. This high proportion of cash is a result of the market neutral investment strategy employed by the Fund. When including cash and money market funds on a gross basis, the portion of assets that were aligned with the environmental or social characteristics promoted by the Fund during the reference period were 50.7% (on a gross exposure basis).

This figure was calculated as follows:

Long and Short Equity Exposure aligned with environmental or social characteristics

(Overall Long and Short Equity Exposure + Exposure to Cash Equivalents)

(54.7% + 47.4%)

(65.3% + 50.7% + 85.4%)

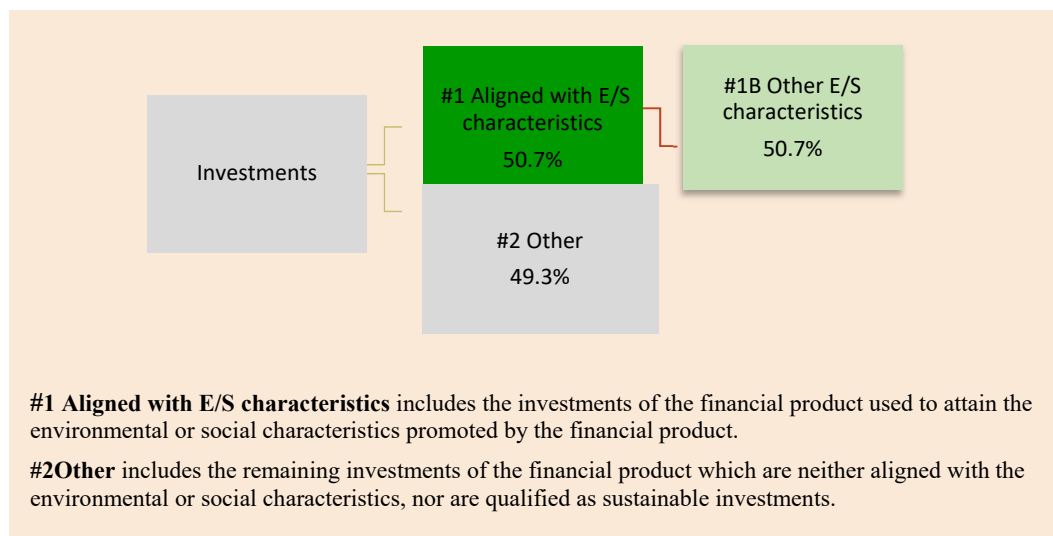
Notwithstanding that the cash and money market funds would not be considered aligned with the environmental and social characteristics promoted by the Fund, retaining such positions is critical to the Fund achieving its market neutral investment strategy.

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **In which economic sectors were the investments made?**

Data as of 29 December 2023	
GICS	% Assets
Long Book	
Healthcare	65.3%
Short Book	
Healthcare	-46.4%
Consumer Staples	-1.6%
Consumer Discretionary	-0.9%
Others	-1.8%
Cash and money market funds	85.4%



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

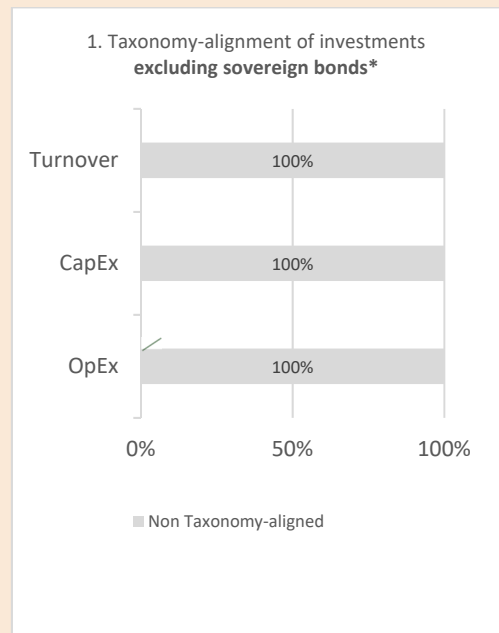
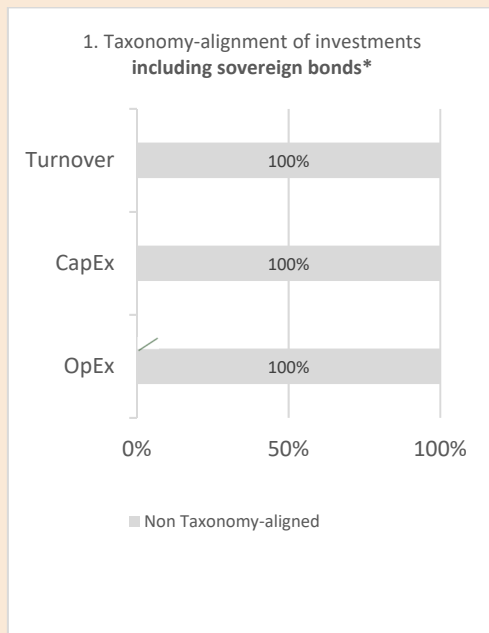
N/A – the Fund did not commit to holding Taxonomy-aligned investments

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?

- Yes:
 - In fossil gas
 - In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

N/A – the Fund did not commit to holding Taxonomy-aligned investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

N/A – the Fund did not commit to holding Taxonomy-aligned investments.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A – the Fund did not commit to holding Taxonomy-aligned investments.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A – the Fund did not commit to holding sustainable investments with an environmental objective not aligned with the EU-Taxonomy.



What was the share of socially sustainable investments?

N/A – the Fund did not commit to holding socially sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“Other” included the remaining investments of the Fund which were neither aligned with the environmental or social characteristics, nor qualified as sustainable investments. This “Other” section in the Fund included companies that were not well covered by third party ESG rating agencies, thereby reducing the AIFMs visibility on ESG matters in respect of these companies. Typically newer and smaller market capitalization companies fall into this category.

The “Other” section in the Fund also included cash that was held for a number of reasons that the AIFM felt was beneficial to the Fund, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity and hedging.

A lack of disclosure and visibility on ESG matters impacted the capital allocation towards this “Other” segment but the investee companies that comprise the “Other” were not strictly excluded from the Fund as the AIFM believed there were mis-pricings that could be capitalised on within this segment.

As noted above, the Fund was invested in compliance with the Exclusion List, on a continuous basis. The AIFM believes that compliance with the Exclusion List prevents investments in companies that breach environmental and/or social minimum standards and ensures that the Fund can successfully promote its environmental and social characteristics. By adhering to the Exclusion List, the AIFM ensured that robust environmental and social safeguards were in place.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund was managed in-line with the investment objective and the following actions were taken:

(i) Exclusion List:

To ensure that the environmental and social characteristics promoted by the Fund were attained, the Fund applied the Exclusion List referenced above, which placed limitations on the investable universe.

(ii) Integrating third-party ESG analysis:

In addition to integrating the aforementioned Exclusion List into the portfolio construction process, the AIFM measured all portfolio companies using the aforementioned ESG Rating. The ESG Rating was used to measure the environmental and social characteristics promoted by the Fund.

As noted above, this ESG Rating was designed to measure an investee company’s resilience to long-term industry material environmental, social and governance risks. A rules-based methodology was used to identify companies that were (i) industry leaders (ii) average or (iii) laggards, according to their exposure to ESG risks and how well they manage those risks relative to peers.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

Investee companies were assigned a value creation score where the company's resilience to long-term industry material environmental, social and governance risks forms part of the value score through the use of third party ESG ratings. Industry ESG leaders were positively impacted, whereas laggards were negatively impacted in the AIFM's value creation score.



How did this financial product perform compared to the reference benchmark?

N/A – the Fund did not designate a reference benchmark the purpose of attaining the environmental or social characteristics promoted.

● ***How does the reference benchmark differ from a broad market index?***

N/A

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

● ***How did this financial product perform compared with the reference benchmark?***

N/A

● ***How did this financial product perform compared with the broad market index?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.