

Rates and earnings

Broad based selloff

The global healthcare sector¹ fell 4 percent in April, in-line with the broader equity market² fall of 3.7 percent. The selloff was broad based and coincided with the rise in long-term interest rates and a mixed earnings season. Small and mid-cap stocks significantly underperformed with the Russell 2000 healthcare index falling close to 10 percent in April. Large-cap momentum stocks, the go to trade both in up and down markets recently, continued to outperform in April. During the last five years, the large-cap healthcare index (S5HLTH index) has returned roughly twice the levels of the mid-cap healthcare index (S4HLTH index) and roughly 12 times the levels of the small-cap healthcare index (RGUSHS index). The ongoing first quarter healthcare earnings season has been mixed with unusually large share price volatility and returns around earnings readouts.

Fund down 4.9 percent

The Sector Healthcare Value Fund fell 4.9 percent in April³ and is down 1 percent year-to-date. The selloff in April was broad based with all sub-segments of the Fund having a negative contribution. The worst performing single stocks were Bristol Myers, CVS, and Pfizer. Bristol fell on a mixed earnings report and CVS fell on fears of a weak report, subsequently confirmed in May, tied to adverse cost trends in the Medicare advantage business. Pfizer fell for reasons unclear to us, and the stock has subsequently recovered the losses in May, after reporting inline earnings in early May. The best performing single stocks were Sandoz, UCB and Tenet Healthcare. Sandoz rose on surprisingly strong prescription data for their recently launched generic version of Humira. Tenet rose on better-than-expected earnings. The style environment continued to be a headwind to relative returns, driven by the Fund's mid-cap and laggard tilts. Not owning Astra Zeneca, Novo Nordisk and Eli Lilly was costly on a relative basis. Not owning JNJ and Abbvie was profitable on a relative basis in April.

Generic biologics – a new dynamic

The launch and uptake of generic biologics seem to be getting more dynamic recently with the successful launch of a generic version of Humira from Sandoz in partnership with Cordavis, a CVS subsidiary. Five weeks into the partnership the generic has captured over 16 percent of the total US adalimumab market. Prior to this partnership, Abbvie held on to over 97 percent of the market despite having generic competition for over a year. Teva has recently signed a similar deal with Evernorth, a Cigna subsidiary, for the upcoming launch of their Humira biosimilar. These two first of a kind partnerships between leading PBMs and leading generic manufacturers could potentially unlock the generic biologic market opportunity in immunology and other rebate intensive PBM controlled markets where “rebate walls” incentives have limited generic uptake up until now. The Fund currently has more than 4 percent exposure in generic companies where we believe this generic biologic growth opportunity is undervalued.

¹ MSCI World Healthcare Index

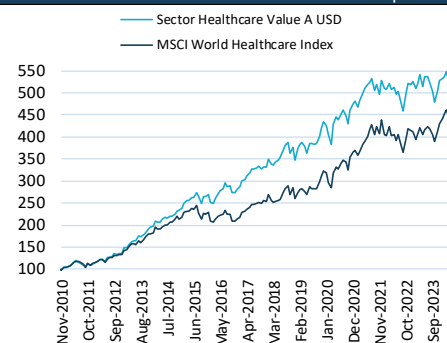
² MSCI World Net Index

³ The Fund's month start was March 27th, due to bank holidays on March 28th-29th

Analysis of Return

Please note: Past performance does not predict future returns

Sector Healthcare Value	Absolute				Relative			April 2024
	A USD	A EUR	A NOK	Index*	A USD	A EUR	A NOK	
NAV	521.91	331.79	3,020.15					
Last Month	-4.9%	-5.1%	-4.9%	-3.9%	-0.9%	-1.1%	-1.0%	
Year to Date	-1.0%	-1.4%	-1.1%	3.2%	-4.2%	-4.6%	-4.3%	
Last 12 Months	-3.7%	-5.2%	-5.0%	5.2%	-8.9%	-10.3%	-10.2%	
Since Inception **	421.9%	347.9%	397.7%	343.4%	78.6%	4.6%	54.3%	
Compounded growth p.a.	13.1%	11.8%	12.7%	11.7%	1.4%	0.1%	1.0%	
Standard deviation	12.2%	12.3%	12.0%	12.9%				
Reward/Risk	1.07	0.96	1.05	0.91				
Tracking error	3.95							
Information ratio	0.68							
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
2024	0.9%	0.9%	2.1%	-4.9%									-1.0%
2023	1.4%	-3.1%	2.4%	3.9%	-5.0%	4.4%	-0.2%	-2.5%	-3.5%	-4.9%	4.9%	4.8%	1.6%
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	98.8%	# of positions	44
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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)	★★★★★			

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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, both the representative agent and paying agent is Banque Héritage SA, Route de Chêne 61, 1211 Geneva 6, Switzerland. Investors in Switzerland can obtain documents of the funds, such as Confidential Information Memorandum and the financial reports free of charge from the Swiss representative. In Switzerland, Sector Capital AS promotes the acquisition and disposal of the Fund (FinSA Art. 3, letter c, paragraph 1.).

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.

April 2024