

Absolute return, long only

Healthcare lagging in tech driven rally

The global healthcare sector¹ rose 2.7 percent in May, compared to a 4.5 percent rally in the broader equity markets². Technology stocks, led by Nvidia, and Utilities stocks led the rally, while healthcare, consumer discretionary and energy stocks underperformed. Within the healthcare space, biotechnology and small-cap stocks in general outperformed, whereas medtech and healthcare services stocks underperformed. The mid-cap segment of the healthcare universe continued to underperform in May. Style factors continued to be dominant in May, somewhat surprising given an active month of company specific news flow. Long-term return winners outperformed as a group and mid-cap stocks underperformed as a group. These factor returns have been unusually impactful return drivers during the last 12 months. It was an eventful month in terms of idiosyncratic news flow related to earnings, pipeline readouts and capital allocation and M&A, mostly positive for our portfolio, in our view.

Fund up 2 percent

The Sector Healthcare Value Fund rose 2 percent in May and is up 1 percent year-to-date. The rally in May was led by our pharmaceutical and biotechnology investments and partly offset by losses in our medtech and healthcare services sub-sectors. Top performing single stock positions were Pfizer, Glaxo, Lundbeck, Roche and Incyte. The first three being driven by better-than-expected earnings reports in May. Roche rose on a positive pipeline readout on their GLGP-1 drug, being developed in both obesity and diabetes. Incyte rose after announcing a \$2bn accelerated share buyback, representing over 15 percent of the value of their company. The position in Agios also contributed nicely after selling their royalty stream tied to Vorasidenib for over \$900 million, representing 45 percent of their current market value. The top losing positions were CVS, Baxter and Bruker. CVS fell on a profit warning and Bruker fell into a share offering to fund their recent acquisitions. The Fund moderately underperformed its index in May. Style factors, LT-momentum and size driven, continued to be a headwind to relative returns.

Returning capital; Dividend and buybacks

Dividend and share buybacks have been an important element in historic total shareholder returns in the healthcare sector. The dividend yield on our portfolio is roughly 2.5 percent currently. Additionally, our holdings bought back roughly 1.2 percent of their stock during the last 12 months. Recent buyback news flow for the portfolio has been encouraging with sizable new programs being announced in companies that historically have not paid dividends and/or buyback programs. This is exemplified by Incyte, which recently announced a large buyback program. Buying back stock at undervalued levels, the case in Incyte (in our view), can be highly value creative for remaining holders. We believe our diversified healthcare portfolio at P/E 14 and with direct yield of close to 4 percent (buyback + dividend), solid cashflow and balance sheets and with high R&D spending providing optionality for future growth, is attractive. To capitalize on what we see as an increasingly attractive value opportunity in long only, absolute return focused, healthcare investments, the investment team have come to a decision to close (already implemented in May) our market neutral healthcare hedge fund strategy and to focus 100% on managing and growing the Sector Healthcare Value Fund.

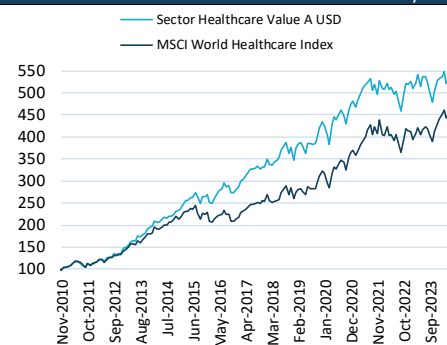
¹ MSCI World Healthcare Index

² MSCI World Net Index

Analysis of Return

Please note: Past performance does not predict future returns

Sector Healthcare Value	Absolute				Relative			May 2024
	A USD	A EUR	A NOK	Index*	A USD	A EUR	A NOK	
NAV	532.29	338.22	3,074.26					
Last Month	2.0%	1.9%	1.8%	2.7%	-0.7%	-0.7%	-0.9%	
Year to Date	1.0%	0.5%	0.7%	6.0%	-5.0%	-5.4%	-5.3%	
Last 12 Months	3.4%	2.1%	1.9%	12.6%	-9.2%	-10.5%	-10.7%	
Since Inception **	432.3%	356.6%	406.6%	355.2%	77.1%	1.4%	51.4%	
Compounded growth p.a.	13.1%	11.9%	12.7%	11.8%	1.3%	0.0%	0.9%	
Standard deviation	12.1%	12.2%	12.0%	12.8%				
Reward/Risk	1.08	0.97	1.06	0.92				
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%	2.0%								
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	96.5%	# 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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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.

May 2024