

**SECTOR CAPITAL FUNDS PLC**

*(A company incorporated with limited liability as an open-ended umbrella investment company  
with variable capital under the laws of Ireland)*

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD 1 JANUARY 2023 TO 30 JUNE 2023**

*Registration No. 489443*

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**SECTOR CAPITAL FUNDS PLC**  
**Unaudited Interim Financial Statements**  
**For the financial period 1 January 2023 to 30 June 2023**

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**GENERAL INFORMATION**

**Directors**

Michael Boyce (*Irish*)<sup>^</sup>  
Lars Tell (*Swedish*)  
Conor Walsh (*Irish*)<sup>^</sup>

<sup>^</sup>*Independent non-executive Director*

**Manager**

Sector Fund Services AS  
Kristian Augusts gate 15 C  
N-0164 Oslo  
Norway

**Investment Manager**

*Sector Healthcare Value Fund*  
Sector Gamma AS  
Kristian Augusts gate 15 c  
N-0164 Oslo  
Norway

**Administrator, Registrar and Transfer Agent**

BNY Mellon Fund Services (Ireland) Designated Activity  
Company  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

**Depository**

The Bank of New York Mellon SA/NV, Dublin Branch  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

**Company Secretary**

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

**Registered Office**

32 Molesworth Street  
Dublin 2  
Ireland

**Independent Auditors**

Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

**Legal Advisers to the Company** (*advisers as to Norwegian law*)

BAHR  
Advokatfirmaet BAHR AS  
Tjuvholmen allé 16  
NO-0252 Oslo  
Norway

**Legal Advisers to the Company** (*advisers as to Irish law*)

Maples and Calder (Ireland) LLP  
75 St. Stephen's Green  
Dublin 2  
Ireland

**Global Distributor**

Sector Capital AS  
Kristian Augusts gate 15 c  
N-0164 Oslo  
Norway

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## **INVESTMENT MANAGER'S REPORT**

### **Sector Healthcare Value Fund**

The global healthcare sector rose 0.8% in the first half of 2023, compared to a 15.1% rally for the broader equity markets. On a relative basis, healthcare stocks have experienced the weakest six months in several decades. Not a single healthcare sub-sector is keeping pace with the broader market rally, led by a handful of big technology stocks. Policy worries and rotation/crowding seem to have weighed on healthcare stocks in the first half. Fundamental sector news-flow has, in our estimation, been mostly positive. Utilisation/volumes have been stronger than expected and pipeline news-flow and earnings have, by our estimation, also been better than expected. Valuation dispersion is at record high in many healthcare sub-sectors, hopefully indicating fertile ground for stock picking and continued out performance.

The Sector Healthcare Value Fund returned 3.6% during the first half of 2023. The Fund's Medtech, pharmaceutical and healthcare services holdings contributed positively, offset by a small loss from biotechnology holdings. Top performing single stocks have been Cardinal Health Inc, Sanofi, Seagen Inc., and Tenet Healthcare Corp. The worst performing holdings were Incyte Corp. Ltd., Gilead Sciences, Inc. and Centene Corp. The Fund was on the right side of three M&A deals in the first half of the year, namely Seagen Inc., Amedisys, Inc., and Nuvasive, Inc., with moderate positive impact on overall returns. The Fund outperformed the MSCI World Healthcare Index by 2.8 % during the first half.

### **Sector Gamma AS** **August 2023**

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**BALANCE SHEET**

*As at 30 June 2023*

	Note	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Current Assets</b>			
Investments in financial assets held at fair value through profit or loss		527,845,778	527,845,778
Interest receivable		45,096	45,096
Dividends receivable		898,544	898,544
Other assets		3,895	3,895
<b>Total Assets</b>		<u>528,793,313</u>	<u>528,793,313</u>
<b>Current Liabilities</b>			
Investments in financial liabilities held at fair value through profit or loss		836,087	836,087
Bank overdraft	6	64,462	64,462
Subscriptions received in advance		477,890	477,890
Payable to investment manager	9	427,859	427,859
Incentive fee/performance fee	10	561,842	561,842
Administration fee	11	159,807	159,807
Directors' fees and expenses	12	8,649	8,649
Auditors' fee		7,773	7,773
Depository/Custodian fee	11	22,415	22,415
Legal fee		34,017	34,017
Equalisation credit payable		2,098,112	2,098,112
Trading and Research fees		24,861	24,861
Other creditors		70,735	70,735
<b>Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>		<u>4,794,509</u>	<u>4,794,509</u>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	19	<u><b>523,998,804</b></u>	<u><b>523,998,804</b></u>

*The accompanying notes form an integral part of the financial statements*

**SECTOR CAPITAL FUNDS PLC**  
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**BALANCE SHEET (Continued)**

*As at 30 June 2022*

	Note	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Current Assets</b>			
Investments in financial assets held at fair value through profit or loss		507,812,259	507,812,259
Receivable for securities sold		2,533,434	2,533,434
Interest receivable		12,888	12,888
Dividends receivable		865,539	865,539
Other assets		6,775	6,775
<b>Total Assets</b>		<b>511,230,895</b>	<b>511,230,895</b>
<b>Current Liabilities</b>			
Investments in financial liabilities held at fair value through profit or loss		7,019,095	7,019,095
Bank overdraft	6	2,444,369	2,444,369
Subscriptions received in advance		23,399	23,399
Payable to investment manager	9	377,645	377,645
Incentive fee/performance fee	10	273,345	273,345
Administration fee	11	132,873	132,873
Directors' fees and expenses	12	10,870	10,870
Auditors' fee		7,658	7,658
Depository/Custodian fee	11	21,310	21,310
Legal fee		37,125	37,125
Equalisation credit payable		2,411,924	2,411,924
Trading and Research fees		17,299	17,299
Other creditors		73,998	73,998
<b>Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>		<b>12,850,910</b>	<b>12,850,910</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	19	<b>498,379,985</b>	<b>498,379,985</b>

*The accompanying notes form an integral part of the financial statements*

**SECTOR CAPITAL FUNDS PLC**  
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**PROFIT AND LOSS ACCOUNT**

*For the financial period 1 January 2023 to 30 June 2023*

	Note	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Income</b>			
Dividend income		5,667,684	5,667,684
Interest income		396,925	396,925
Other income		15,998	15,998
		<u>6,080,607</u>	<u>6,080,607</u>
Net realised gain/(loss) on:			
- investments		13,541,368	13,541,368
- foreign currency		(14,830,362)	(14,830,362)
Net change in unrealised appreciation/(depreciation) on:			
- investments		3,503,719	3,503,719
- foreign currency		7,436,189	7,436,189
<b>Net investment gain</b>		<u><b>15,731,521</b></u>	<u><b>15,731,521</b></u>
<b>Expenses</b>			
Management fee	9	(2,428,751)	(2,428,751)
Incentive fee/performance fee	10	(382,808)	(382,808)
Administration fee	11	(277,232)	(277,232)
Depository/Custodian fee	11	(93,701)	(93,701)
Directors' fees and expenses	12	(19,069)	(19,069)
Auditors' fee		(10,471)	(10,471)
Legal fee		(29,158)	(29,158)
Trading and research fees		(83,975)	(83,975)
Other expenses		(76,844)	(76,844)
<b>Total expenses</b>		<u><b>(3,402,009)</b></u>	<u><b>(3,402,009)</b></u>
<b>Net gain before finance costs</b>		<u><b>12,329,512</b></u>	<u><b>12,329,512</b></u>
<b>Finance costs</b>			
Interest expense		(2,145)	(2,145)
<b>Total finance costs</b>		<u><b>(2,145)</b></u>	<u><b>(2,145)</b></u>
<b>Taxation</b>			
Withholding tax and other taxation		(1,065,461)	(1,065,461)
<b>Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>		<u><u><b>11,261,906</b></u></u>	<u><u><b>11,261,906</b></u></u>

There are no recognised gains or losses for the financial period other than those set out in the Profit and Loss Account. All activities relate to continuing operations.

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**PROFIT AND LOSS ACCOUNT (Continued)**

*For the financial period 1 January 2022 to 30 June 2022*

	Note	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Income</b>			
Dividend income		6,739,478	6,739,478
Interest income		27,079	27,079
Other income		7,774	7,774
		<u>6,774,331</u>	<u>6,774,331</u>
Net realised gain/(loss) on:			
- investments		3,995,975	3,995,975
- foreign currency		(10,068,872)	(10,068,872)
Net change in unrealised appreciation/(depreciation) on:			
- investments		(17,793,907)	(17,793,907)
- foreign currency		(22,432,748)	(22,432,748)
<b>Net investment loss</b>		<u><b>(39,525,221)</b></u>	<u><b>(39,525,221)</b></u>
<b>Expenses</b>			
Management fee	9	(2,329,182)	(2,329,182)
Incentive fee/performance fee	10	(73,951)	(73,951)
Administration fee	11	(255,596)	(255,596)
Depository/Custodian fee	11	(86,711)	(86,711)
Directors' fees and expenses	12	(19,101)	(19,101)
Auditors' fee		(9,765)	(9,765)
Legal fee		(54,665)	(54,665)
Trading and research fees		(72,522)	(72,522)
Other expenses		(92,934)	(92,934)
<b>Total expenses</b>		<u><b>(2,994,427)</b></u>	<u><b>(2,994,427)</b></u>
<b>Net (loss) before finance costs</b>		<u><b>(42,519,648)</b></u>	<u><b>(42,519,648)</b></u>
<b>Finance costs</b>			
Interest expense		(2,695)	(2,695)
<b>Total finance costs</b>		<u><b>(2,695)</b></u>	<u><b>(2,695)</b></u>
<b>Taxation</b>			
Withholding tax and other taxation		(1,308,773)	(1,308,773)
<b>Net decrease in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>		<u><b>(43,831,116)</b></u>	<u><b>(43,831,116)</b></u>

There are no recognised gains or losses for the financial period other than those set out in the Profit and Loss Account. All activities relate to continuing operations.



**SECTOR CAPITAL FUNDS PLC**  
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**

*For the financial period 1 January 2023 to 30 June 2023*

	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Net Assets attributable to holders of Redeemable Participating Shares at beginning of the financial period</b>	<b>533,513,347</b>	<b>533,513,347</b>
<b>Capital transactions:</b>		
Issue of Redeemable Participating Shares	67,063,163	67,063,163
Redemption of Redeemable Participating Shares	(87,192,475)	(87,192,475)
Equalisation applied	(647,137)	(647,137)
<b>Net decrease in net assets resulting from capital transactions of Redeemable Participating Shares</b>	<b>(20,776,449)</b>	<b>(20,776,449)</b>
<b>Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>11,261,906</b>	<b>11,261,906</b>
<b>Net Assets attributable to holders of Redeemable Participating Shares at end of the financial period</b>	<b>523,998,804</b>	<b>523,998,804</b>

*The accompanying notes form an integral part of the financial statements*

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (Continued)**

*For the financial period 1 January 2022 to 30 June 2022*

	Sector Healthcare Value Fund USD	Sector Capital Funds Plc USD
<b>Net Assets attributable to holders of Redeemable Participating Shares at beginning of the financial period</b>	<b>480,884,750</b>	<b>480,884,750</b>
<b>Capital transactions:</b>		
Issue of Redeemable Participating Shares	98,926,815	98,926,815
Redemption of Redeemable Participating Shares	(37,081,207)	(37,081,207)
Equalisation applied	(519,257)	(519,257)
<b>Net increase in net assets resulting from capital transactions of Redeemable Participating Shares</b>	<b>61,326,351</b>	<b>61,326,351</b>
<b>Net decrease in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>(43,831,116)</b>	<b>(43,831,116)</b>
<b>Net Assets attributable to holders of Redeemable Participating Shares at end of the financial period</b>	<b>498,379,985</b>	<b>498,379,985</b>

*The accompanying notes form an integral part of the financial statements*

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**SCHEDULE OF INVESTMENTS**

As at 30 June 2023

<i>Investment</i>	Units/Contracts	Fair Value as a % of Net Assets	Fair Value USD
<b>Financial Assets at Fair Value through profit or loss</b>			
<b>Equities</b>			
<u>Belgium</u>			
UCB S.A.	157,134	2.66%	13,920,375
Total Belgium		<u>2.66%</u>	<u>13,920,375</u>
<u>Denmark</u>			
H Lundbeck A/S	1,490,696	1.35%	7,085,603
Total Denmark		<u>1.35%</u>	<u>7,085,603</u>
<u>France</u>			
BioMerieux	95,855	1.92%	10,052,019
Sanofi	172,099	3.52%	18,438,033
Total France		<u>5.44%</u>	<u>28,490,052</u>
<u>Ireland</u>			
Medtronic Plc	259,426	4.36%	22,855,431
Total Ireland		<u>4.36%</u>	<u>22,855,431</u>
<u>Japan</u>			
Daiichi Sankyo Co. Ltd.	74,464	0.45%	2,344,146
Eisai Co. Ltd.	220,633	2.83%	14,843,708
Olympus Corp.	264,030	0.79%	4,139,426
Otsuka Holdings Co. Ltd.	465,601	3.24%	16,979,852
Sysmex Corp.	40,658	0.53%	2,757,323
Total Japan		<u>7.84%</u>	<u>41,064,455</u>
<u>Netherlands</u>			
Qiagen NV	90,329	0.77%	4,067,515
Total Netherlands		<u>0.77%</u>	<u>4,067,515</u>
<u>Sweden</u>			
Biovitrum AB	253,948	0.94%	4,946,688
Elekta AB	486,686	0.72%	3,755,141
Total Sweden		<u>1.66%</u>	<u>8,701,829</u>
<u>Switzerland</u>			
Alcon, Inc.	145,921	2.31%	12,086,007
Novartis AG	302,433	5.80%	30,424,155
Roche Holding AG	37,915	2.21%	11,590,848
Total Switzerland		<u>10.32%</u>	<u>54,101,010</u>
<u>United Kingdom</u>			
GSK PLC	2,282,763	7.69%	40,305,625
Smith & Nephew Plc	649,956	2.00%	10,477,757
Total United Kingdom		<u>9.69%</u>	<u>50,783,382</u>
<u>United States of America</u>			
Acadia Pharmaceuticals, Inc.	127,627	0.58%	3,056,667
Alnylam Pharmaceuticals, Inc.	18,121	0.66%	3,441,903
Amedisys, Inc.	53,483	0.93%	4,890,485
Anthem, Inc.	24,255	2.06%	10,776,254
Baxter International, Inc.	332,167	2.89%	15,133,529
Becton Dickinson & Co.	61,755	3.11%	16,303,938
Biogen, Inc.	63,995	3.48%	18,228,976
BioMarin Pharmaceutical, Inc.	107,142	1.77%	9,287,069
Bristol-Myers Squibb Co.	330,653	4.04%	21,145,259
Bruker Corp.	87,805	1.24%	6,490,546
Cardinal Health, Inc.	262,450	4.74%	24,819,896
Catalent, Inc.	114,212	0.94%	4,952,232
Centene Corp.	167,970	2.16%	11,329,576
Edwards Lifesciences Corp.	135,757	2.44%	12,805,958
GE HealthCare	106,389	1.65%	8,643,042
Gilead Sciences, Inc.	414,807	6.10%	31,969,175

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**SCHEDULE OF INVESTMENTS (Continued)**

As at 30 June 2023

**Sector Healthcare Value Fund (Continued)**

<i>Investment</i>	Units/Contracts	Fair Value as a % of Net Assets	Fair Value USD
<b>Financial Assets at Fair Value through profit or loss (continued)</b>			
<b>Equities (continued)</b>			
<u>United States of America (continued)</u>			
Incyte Corp. Ltd.	280,384	3.33%	17,453,904
Ionis Pharmaceuticals, Inc.	104,957	0.82%	4,306,386
Johnson & Johnson	26,471	0.84%	4,381,480
Laboratory Corporations of America Holdings	54,478	2.51%	13,147,176
Lantheus Holdings, Inc.	32,625	0.52%	2,737,890
NuVasive, Inc.	184,654	1.47%	7,679,760
PTC Therapeutics, Inc.	34,186	0.26%	1,390,345
Tenet Healthcare Corp.	113,747	1.77%	9,256,731
Ultragenyx Pharmaceutical, Inc.	66,549	0.59%	3,069,905
Vir Biotechnology, Inc.	82,470	0.39%	2,022,989
Zimmer Biomet Holdings, Inc.	103,777	2.88%	15,109,931
Total United States of America		<u>54.17%</u>	<u>283,831,002</u>
<b>Total Equities</b>		<b><u>98.26%</u></b>	<b><u>514,900,654</u></b>
<b>Money Market Funds</b>			
Goldman Sachs US\$ Treasury Liquid Reserves Fund	8,010,802	1.53%	8,010,802
<b>Total Money Market Funds</b>		<b><u>1.53%</u></b>	<b><u>8,010,802</u></b>
Net unrealised gain on forward foreign currency contracts (Note 7)		0.93%	4,934,322
<b>Total Financial Assets at Fair Value through profit or loss</b>		<b><u>100.72%</u></b>	<b><u>527,845,778</u></b>
<b>Financial Liabilities at Fair Value through profit or loss</b>			
Net unrealised loss on forward foreign currency contracts (Note 7)		(0.15)%	(836,087)
<b>Total Financial Liabilities at Fair Value through profit or loss</b>		<b><u>(0.15)%</u></b>	<b><u>(836,087)</u></b>
<b>Total Investments at Fair Value</b>		<b>100.57%</b>	<b>527,009,691</b>
Cash at bank and brokers		(0.01)%	(64,462)
Liabilities in excess of other assets		(0.56)%	(2,946,425)
<b>Total Net Assets</b>		<b><u>100.00%</u></b>	<b><u>523,998,804</u></b>

**ALL SECURITIES ARE TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON A REGULATED MARKET EXCEPT FOR FORWARD FOREIGN CURRENCY CONTRACTS AND CONTRACTS-FOR-DIFFERENCE WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS**

<b>Analysis of Total Assets</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official exchange listing or traded on a regulated market	98.89%
Financial derivative instruments	0.78%
Other assets	0.33%
<b>Total Assets</b>	<b>100.00%</b>

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Organisation and Structure**

Sector Capital Funds plc (the “Company”) was incorporated and registered in Ireland with registered number 489443 and is governed by the Companies Acts 2014 as an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds on 27 September 2010. The Company is authorised by the Central Bank of Ireland pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (the “Regulations”).

The State of the origin of the Company 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 Company as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

As at 30 June 2023, the Company has one fund in existence (30 June 2022: two), Sector Healthcare Value Fund (the “Fund”).

Sector Healthcare Value Fund commenced trading on 17 November 2010. The base currency of Sector Healthcare Value Fund is United States Dollars (“USD”). As at 30 June 2023, fourteen classes are subscribed to in the Fund (30 June 2022: fourteen), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class B SEK Shares, Class B USD Shares, Class X USD Shares, Class X EUR Shares, Class Y EUR Shares, Class Y GBP Shares, Class Y USD Shares, Class E NOK and Class E USD.

### **Investment Objective**

The investment objective of Sector Healthcare Value Fund is to achieve attractive long term investment returns relative to the MSCI Daily TR World Net Health Care USD (the “Index”). The Index is a capitalisation weighted index that monitors the performance of health care stocks from around the world. The Fund may invest in equities and financial instruments that are not part of the Index. There can be no guarantee that the investment objective of the Fund will be achieved.

### **2. Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”), the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Acts 2014, the Regulations.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss in accordance with the European Communities (Fair Value Accounting) Regulations 2011.

The Company has availed of certain exemptions available to open-ended investment funds in FRS 102 not to prepare a cash flow statement in paragraph 7.1A of FRS 102.

The preparation of financial statements in accordance with FRS 102 requires Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial period. Actual results could differ from those estimates.

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## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **2. Summary of Significant Accounting Policies (Continued)**

The financial statements of the Company have been prepared on a going concern basis. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Company are reviewed on a regular basis throughout the financial period. Therefore, the Directors believe that the Company will continue in operational existence for the foreseeable future and is financially sound. The Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

#### **(a) Portfolio valuation**

##### *Investment transactions*

###### *(i) Classification*

The Company classifies all of its investments as financial assets or financial liabilities at fair value through profit or loss. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Company's Prospectus.

###### *(ii) Recognition*

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. Investment transactions are accounted for on a trade date basis at cost. Purchases and sales of securities are accounted for on the trade date on which the transaction takes place. Transaction costs are expensed immediately to the Profit and Loss Account and not capitalised as part of cost of the investment.

###### *(iii) Measurement*

Financial assets and financial liabilities held for trading are measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Realised gains and losses on sales of investments are calculated on a First-In, First-Out ("FIFO") basis. Unrealised gains and losses on investments are recognised in the Profit and Loss Account. Forward foreign currency contracts and any other instruments held by the Company and traded on an exchange will be measured at fair value based on the last reported traded price on such regulated market as at the relevant valuation point.

If an investment is quoted, listed or normally dealt in on more than one market, the Directors may, in their absolute discretion, select any of such markets for the valuation purposes.

###### *(iv) Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### **(b) Forward foreign currency contracts**

The unrealised gain or loss on open forward foreign currency contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts which have been settled or offset by other contracts.

#### **(c) Foreign exchange translation**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The functional currency of Sector Healthcare Value Fund is the United States Dollar ("USD"), due to the fact that the majority of the Fund's assets are denominated in USD and that a substantial portion of capital is issued in USD. Each Fund has adopted its functional currency as the presentation currency for these financial statements. Assets and liabilities expressed in foreign currencies are converted into the functional currency of each Fund using the exchange rates prevailing as at the balance sheet date. Transactions in foreign currencies are translated into the Fund's functional currency at exchange rates ruling at the transaction dates. Gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account in determining the result for the period.

#### **(d) Offsetting financial instruments**

Financial assets and financial liabilities may be offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at 30 June 2023 and 30 June 2022, no offsetting has been presented in the Balance Sheet.

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**SECTOR CAPITAL FUNDS PLC**  
**Unaudited Interim Financial Statements**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

**(e) Income**

Dividends are recognised as income on the dates that securities are first quoted “ex-dividend” to the extent information thereon is reasonably available to the Company. Interest income is accrued on a daily basis. Deposit interest is recognised as income on an accruals basis.

**(f) Expenses**

Operating expenses are accounted for on an accruals basis.

**(g) Net asset value per share**

The Net Asset Value per Share of each class is calculated by dividing the Net Asset Value attributable to a class by the number of shares of a class in issue as at the relevant valuation point.

**(h) Redeemable participating shares**

Shares issued by each Fund provide shareholders with the right to redeem their shares, for cash equal to their proportional share of the net asset value of the Fund and are classified as financial liabilities in accordance with FRS 102. The Fund does not meet the requirement to be classified as equity as the Fund offers different classes of shares with varying rights attached to them. The liabilities to shareholders are presented on the Balance Sheet as “Net assets attributable to holders of Redeemable Participating Shares” and are determined based on the residual assets of the Fund after deducting the Fund’s other liabilities.

**(i) Amounts due from/to broker**

Amounts due from/to broker relate to the outstanding amounts pending settlement on forward foreign currency contracts and upfront cash payments for fully funded contracts-for-difference.

**(j) Taxation**

The Company incurs dividend withholding tax and other taxation imposed by certain countries on investment income and gains on investments. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in Profit and Loss Account.

**(k) Transaction costs**

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense. For the financial period ended 30 June 2023, Sector Healthcare Value Fund incurred transaction costs of USD93,932 (30 June 2022: USD138,896).

**(l) Cash**

Cash at bank and brokers represents, cash and cash equivalents, with original maturities of three months or less held with the Depositary and brokers.

**3. Dividend and Distribution Policy**

The Directors do not currently intend to pay dividends. Accordingly, the price of the shares shall rise as income and capital gains accrue.

**4. Taxation**

The Company will not be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a ‘Relevant Year’, a ‘Relevant Year’ being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent year of eight years beginning immediately after the preceding relevant year.

A chargeable event does not include:

- (i) Any transactions in relation to shares held in a recognised clearing system: or
- (ii) An exchange of shares representing a fund for another fund: or
- (iii) An exchange of shares arising on a qualifying amalgamation or reconstruction of a Fund with another fund: or
- (iv) Certain exchanges of shares between spouses and former spouses.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect.

**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. Taxation (Continued)**

In the absence of an appropriate declaration, the Company will be liable to Irish Tax on the occurrence of a chargeable event. There were no chargeable events during the period under review. Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

**5. Exchange Rates**

The following exchange rates (against USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at 30 June 2023 and 30 June 2022:

<b>Currency</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
British Pound	0.7866	0.8234
Danish Krone	6.8249	7.1133
Euro	0.9166	0.9565
Hungarian Forint	341.8803	379.5399
Japanese Yen	144.5296	135.8511
Norwegian Krone	10.7135	9.8798
Swedish Krona	10.8014	10.2474
Swiss Franc	0.8946	0.9574

**6. Cash**

As at 30 June 2023 and 30 June 2022 all cash balances (including overdrafts) are held with The Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary”).

<b>30 June 2023</b>	<b>Sector Healthcare Value Fund USD</b>
BNY Mellon	(64,462)
	<u><b>(64,462)</b></u>
<b>30 June 2022</b>	<b>Sector Healthcare Value Fund USD</b>
BNY Mellon	(2,444,369)
	<u><b>(2,444,369)</b></u>

Any overdrafts noted above are temporary in nature as they relate to timing differences only.

**7. Financial Instruments and Associated Risks**

Included in the Company’s financial instruments, but not limited to, are global equities and equity related securities (including but not limited to American Depositary Receipts, Global Depositary Receipts, European Depositary Receipts and other equity based derivatives), corporate bonds and government debt obligations that shall be listed or traded on any market.

The main risks arising from the Company’s financial instruments are market price, liquidity, interest rate, foreign currency and credit risks.

The Market Risk Group (“MRG”) functions across all Sector Investment Manager entities and the group is responsible for defining risk management related limits (“soft limits”) in addition to the investment restrictions found in the Prospectus and related supplements, in cooperation with the respective Investment Manager, securing that the Fund has a portfolio construction and risk exposure that are in line with the intentions of the individual Funds. The limits are generally related to exposure towards single positions and sectors, total portfolio exposure and Value-at-Risk (“VAR”). MRG consists of the CEO of Sector Asset Management AS (leader of MRG), Head of Fund Operations, the CCO and CEO of Sector Fund Services AS. The Head of Fund Operations has the mandate to give short term exceptions to the risk limits set by MRG if he/she finds that under certain market conditions, the limits have unintended adverse effects, for example in extreme market conditions. Such exceptions are reported to the other members of MRG and to the Group Chief Compliance Officer.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(a) Market price risk**

Market price risk arises from uncertainty concerning future prices of financial instruments. The consequence might be a decline in the Fund's value. The risk related to the Fund – i.e. a combination of the probability of loss and the consequences – must be weighed against the potential gain for the Fund. To limit the risk, the Fund is both diversified and constructed through fundamental analyses of the expected behaviour and volatility of the individual instruments while following each Fund's investment objective.

**Value-at-Risk**

Value-at-Risk (VaR) represents the potential loss one might suffer given a defined confidence interval and time horizon. The measure is one of the main risk measures for the Company under normal market conditions.

One of the key metrics used by the Sector Group to measure market risk is VAR which encompasses currency, interest rate and price risk.

The main risk management tool for VaR calculations was Bloomberg. For all Funds, the Bloomberg VaR calculation is based on Monte Carlo simulations at a 95% confidence interval i.e. that one in every 20 days is expected to be above this measure in the long run.

**For the financial period ended 30 June 2023**

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Healthcare Value Fund	1.35%	98.2%	98.2%	1.35%	1.89%	1.75%

**For the financial period ended 30 June 2022**

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Healthcare Value Fund	1.84%	98.0%	98.0%	1.51%	1.85%	1.65%

\* Exposure as % of NAV

\*\* Net open position as % of NAV

**Exposure**

Exposure for pure equities is equal to the fair value of the securities. The total gross exposure of each Fund is the sum of the absolute values of all long and short exposures.

**(b) Interest rate risk**

Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration. For the financial period ended 30 June 2023 and 30 June 2022 the Fund has not invested in interest bearing assets, other than cash amounts. As at 30 June 2023 and 30 June 2022, the Fund does not have any significant fair value interest rate risk exposure.

Tables outlining the currency and interest exposure as at 30 June 2023 and 30 June 2022 are outlined in note 7(d).

**(c) Liquidity risk**

Liquidity risk is linked to the Fund having to realise assets in unfavourable market conditions with large losses as a consequence due to for example, redemptions in a Fund or a collapse in long asset values reducing the collateral held by counterparties leading to margin calls, if applicable. This means that there are two aspects that are monitored; what is the probability of the situation occurring and how fast can the Fund realise its positions without significant adverse effects on the value of the positions.

**Liquidity of portfolio**

The Company's Prospectus provides for daily subscription and redemption of shares in the Fund, therefore the Fund is exposed to a liquidity risk of meeting shareholder redemptions on a daily basis. The majority of the Funds' assets are comprised of publicly traded securities and are thus relatively easily realised. Still, with the Fund having the possibility to take positions in small cap equities, the ability of the Fund to realise assets within a short period of time without a large negative impact on the value of the assets is important. Some of the recognised exchanges on which the Fund may invest may prove to be less liquid or highly volatile from time to time. The Fund may invest a limited proportion of their assets in unquoted securities.

For the financial period ended 30 June 2023 and 30 June 2022, the Fund held very liquid assets and liquidity was monitored daily by the Investment Manager.

**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(c) Liquidity risk (Continued)**

The reports below are snapshots of the estimated liquidity of the Fund as at 30 June 2023 and 30 June 2022:

<b>30 June 2023</b>		<b>30 June 2022</b>	
<b>Sector Healthcare Value Fund</b>		<b>Sector Healthcare Value Fund</b>	
<b>Description</b>	<b>Cumulative</b>	<b>Description</b>	<b>Cumulative</b>
< 1 day	95.1%	< 1 day	95.1%
1-2 days	99.9%	1-2 days	99.9%
3-5 days	100.0%	3-5 days	100.0%

**(d) Foreign currency risk**

Foreign currency risk is in reality a sub-group of market risk, but with its own idiosyncrasies, both with respect to a Funds' portfolio as well as the investor classes denominated in different currencies. Certain currency related transactions may, for example, be employed by the Fund in order to hedge against foreign exchange risk subject to the conditions and limits laid down by the Central Bank of Ireland. Such transactions include forward foreign currency contracts and may for example be executed in cases where an investment is in a currency other than the Fund's functional currency.

A substantial portion of the financial assets of the Fund is denominated in currencies other than the relevant Funds' functional currency with the effect that the balance sheet of the Fund can be significantly affected by currency movements.

**Currency exposure for investor classes**

The shares of the Company are denominated in United States Dollar (USD), Euro (EUR), Norwegian Krone (NOK), British Pound (GBP) and Swedish Krona (SEK) and are issued and redeemed in those currencies. The Investment Manager may seek to hedge the foreign currency exposure of the assets attributable to the shares in order to neutralise as far as reasonably possible, the impact of fluctuations in exchange rates. This is done monthly in addition to when a Fund has more than 3% absolute return, month to date. There is no guarantee that such hedging will give returns that are equal regardless of which currency the shareholders have invested in. In addition, shareholders whose assets and liabilities are predominantly in currencies other than the currency of investment in the Company should take into account the potential risk of loss arising from fluctuations in value between USD, EUR, NOK, GBP or SEK being the currency of shareholder investment, and such other currencies as invested in by the Company.

**Portfolio currency exposure**

The Fund trades in many different markets across the world and in many different currencies. Thus, certain assets in the portfolio may, regardless of the shares of the Fund, be invested in securities which are denominated in currencies other than USD, EUR, NOK, GBP or SEK. Consequently, the value of such assets will be affected either favourably or unfavourably by fluctuations in currency rates. The exposure towards the different currencies based on the denomination of the securities is reported daily for each Fund. For each individual Fund, action towards currency exposure in the portfolio is taken by the Investment Manager based on reported exposure of the Fund's assets.

Amounts represented below primarily are monetary assets and monetary liabilities except for investments in non-interest bearing securities, which include equities and contracts-for-difference, which are non-monetary assets.

The foreign currency exposure as at 30 June 2023 and 30 June 2022 are as follows:

<b>Sector Healthcare Value Fund</b>	<b>Cash at Bank and Brokers</b>	<b>Forward Currency Contracts</b>	<b>Investments in Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Liabilities</b>	<b>Net Other Assets/ (Liabilities)</b>	<b>Total Net Asset Value</b>
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
CHF	22,367	–	–	54,101,010	–	–	54,123,377
DKK	105	–	–	7,085,603	–	–	7,085,708
EUR	70,796	506,342	–	42,410,427	–	(197,324)	42,790,241
GBP	17,650	–	–	50,783,382	–	406,307	51,207,339
JPY	(121)	–	–	41,064,455	–	136,401	41,200,735
NOK	38,801	3,589,593	–	–	–	(1,168)	3,627,226
SEK	2,157	2,300	–	8,701,829	–	–	8,706,286
USD	(216,217)	–	–	318,764,750	–	(3,290,641)	315,257,892
<b>Total</b>	<b>(64,462)</b>	<b>4,098,235</b>	<b>–</b>	<b>522,911,456</b>	<b>–</b>	<b>(2,946,425)</b>	<b>523,998,804</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(d) Foreign currency risk (Continued)**

Sector	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/(Liabilities)	Total Net Asset Value
<b>Healthcare Value Fund</b>							
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
CHF	22	–	–	33,220,495	–	–	33,220,517
DKK	101	–	–	4,503,303	–	–	4,503,404
EUR	36,376	(1,256,063)	–	58,585,563	–	–	57,365,876
GBP	43,532	–	–	48,481,215	–	243,569	48,768,316
JPY	103,025	–	–	23,388,012	–	122,969	23,614,006
NOK	404,209	(4,606,724)	–	–	–	–	(4,202,515)
SEK	(14,652)	(75,127)	–	2,681,100	–	–	2,591,321
USD	(3,016,982)	–	–	335,871,390	–	(335,348)	332,519,060
<b>Total</b>	<b>(2,444,369)</b>	<b>(5,937,914)</b>	<b>–</b>	<b>506,731,078</b>	<b>–</b>	<b>31,190</b>	<b>498,379,985</b>

As at 30 June 2023 the following forward foreign currency contracts were held by Sector Healthcare Value Fund.

**Sector Healthcare Value Fund**

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						USD
03 July 2023	BNY Mellon	EUR	(1,911,870)	USD	2,086,997	852
03 July 2023	BNY Mellon	EUR	(394,589)	USD	430,733	176
03 July 2023	BNY Mellon	EUR	(24,454,306)	USD	26,694,320	10,890
03 July 2023	BNY Mellon	USD	(1,942,776)	EUR	1,811,870	34,254
03 July 2023	BNY Mellon	USD	(423,098)	EUR	394,589	7,460
03 July 2023	BNY Mellon	USD	(26,221,105)	EUR	24,454,306	462,326
03 July 2023	BNY Mellon	USD	(108,875)	EUR	100,000	241
01 August 2023	BNY Mellon	USD	(2,090,028)	EUR	1,911,870	(704)
01 August 2023	BNY Mellon	USD	(431,359)	EUR	394,589	(146)
01 August 2023	BNY Mellon	USD	(26,733,081)	EUR	24,454,306	(9,007)
03 July 2023	BNY Mellon	NOK	(8,709,085)	USD	828,154	15,171
03 July 2023	BNY Mellon	NOK	(563,498)	USD	53,351	749
03 July 2023	BNY Mellon	NOK	(5,964,922)	USD	564,750	7,931
03 July 2023	BNY Mellon	NOK	(1,590,468)	USD	149,882	1,414
03 July 2023	BNY Mellon	NOK	(14,273,517)	USD	1,343,520	11,103
03 July 2023	BNY Mellon	NOK	(268,191)	USD	25,113	78
03 July 2023	BNY Mellon	NOK	(500,000)	USD	46,820	146
03 July 2023	BNY Mellon	NOK	(6,749,130)	USD	627,701	(2,323)
03 July 2023	BNY Mellon	NOK	(6,465,665)	USD	600,664	(3,586)
03 July 2023	BNY Mellon	NOK	(1,453,112)	USD	134,791	(855)
03 July 2023	BNY Mellon	NOK	(158,352)	USD	14,689	(93)
03 July 2023	BNY Mellon	NOK	(223,074,195)	USD	20,656,931	(166,793)
03 July 2023	BNY Mellon	NOK	(670,273,992)	USD	62,068,154	(501,166)
03 July 2023	BNY Mellon	NOK	(140,260,901)	USD	12,988,323	(104,874)
03 July 2023	BNY Mellon	NOK	(2,990,084)	USD	276,437	(2,684)
03 July 2023	BNY Mellon	NOK	(151,301)	USD	13,733	(391)
03 July 2023	BNY Mellon	NOK	(1,922,903)	USD	173,666	(5,835)
03 July 2023	BNY Mellon	NOK	(2,620,460)	USD	236,155	(8,462)
03 July 2023	BNY Mellon	NOK	(501,113)	USD	45,160	(1,618)
03 July 2023	BNY Mellon	NOK	(356,857)	USD	31,956	(1,356)
03 July 2023	BNY Mellon	USD	(20,066,454)	NOK	223,074,195	757,270
03 July 2023	BNY Mellon	USD	(64,212,513)	NOK	713,835,865	2,423,259
03 July 2023	BNY Mellon	USD	(10,783,843)	NOK	119,881,526	406,962
03 July 2023	BNY Mellon	USD	(24,987)	NOK	278,134	976
03 July 2023	BNY Mellon	USD	(44,330)	NOK	487,965	1,221
03 July 2023	BNY Mellon	USD	(3,598)	NOK	39,604	99
03 July 2023	BNY Mellon	USD	(94,373)	NOK	1,039,752	2,687
03 July 2023	BNY Mellon	USD	(55,132)	NOK	600,000	877
03 July 2023	BNY Mellon	USD	(57,916)	NOK	621,977	145
03 July 2023	BNY Mellon	USD	(13,868)	NOK	150,000	134
03 July 2023	BNY Mellon	USD	(1,331,083)	NOK	14,141,390	(11,000)
03 July 2023	BNY Mellon	USD	(28,689)	NOK	307,128	(19)
03 July 2023	BNY Mellon	USD	(5,283)	NOK	56,806	20
03 July 2023	BNY Mellon	USD	(176)	NOK	1,900	1
03 July 2023	BNY Mellon	USD	(13,743)	NOK	148,515	121
03 July 2023	BNY Mellon	USD	(733,847)	NOK	7,717,324	(13,444)

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(d) Foreign currency risk (Continued)**

**Sector Healthcare Value Fund (continued)**

Maturity Date	Counterparty	Sale Currency	Amount	Purchase	Amount	Unrealised gain/(loss)
				Currency		USD
01 August 2023	BNY Mellon	NOK	(298,299)	USD	27,879	2
01 August 2023	BNY Mellon	USD	(20,678,291)	NOK	223,074,195	169,144
01 August 2023	BNY Mellon	USD	(62,132,334)	NOK	670,273,992	508,230
01 August 2023	BNY Mellon	USD	(13,001,753)	NOK	140,260,901	106,352
01 August 2023	BNY Mellon	USD	(7,944)	NOK	85,000	-
03 July 2023	BNY Mellon	SEK	(23,111)	USD	2,161	21
03 July 2023	BNY Mellon	SEK	(8,922,576)	USD	827,958	1,788
03 July 2023	BNY Mellon	SEK	(19,895)	USD	1,834	(8)
03 July 2023	BNY Mellon	USD	(827,930)	SEK	8,965,582	2,222
01 August 2023	BNY Mellon	USD	(829,050)	SEK	8,922,576	(1,723)
<b>Total unrealised gain on forward foreign currency contracts</b>						<b>4,098,235</b>

As at 30 June 2022 the following forward foreign currency contracts were held by Sector Healthcare Value Fund:

**Sector Healthcare Value Fund**

Maturity Date	Counterparty	Sale Currency	Amount	Purchase	Amount	Unrealised gain/(loss)
				Currency		USD
01 July 2022	BNY Mellon	EUR	(229,706)	USD	243,665	3,504
01 July 2022	BNY Mellon	EUR	(14,339)	USD	15,210	218
01 July 2022	BNY Mellon	EUR	(1,187,778)	USD	1,259,957	18,116
01 July 2022	BNY Mellon	EUR	(6,519,508)	USD	6,856,567	40,319
01 July 2022	BNY Mellon	EUR	(383,005)	USD	402,806	2,368
01 July 2022	BNY Mellon	EUR	(32,544,989)	USD	34,227,565	201,268
01 July 2022	BNY Mellon	EUR	(284,153)	USD	296,727	(359)
01 July 2022	BNY Mellon	EUR	(17,141)	USD	17,900	(21)
01 July 2022	BNY Mellon	EUR	(1,451,402)	USD	1,515,629	(1,835)
01 July 2022	BNY Mellon	NOK	(1,160,504)	USD	115,787	(1,678)
01 July 2022	BNY Mellon	NOK	(1,127,805)	USD	112,234	(1,921)
01 July 2022	BNY Mellon	NOK	(123,373)	USD	13,071	583
01 July 2022	BNY Mellon	NOK	(27,340,938)	USD	2,853,542	86,135
01 July 2022	BNY Mellon	NOK	(1,191,162)	USD	124,320	3,752
01 July 2022	BNY Mellon	NOK	(8,164,881)	USD	852,159	25,722
01 July 2022	BNY Mellon	NOK	(97,621)	USD	10,095	214
01 July 2022	BNY Mellon	NOK	(151,816)	USD	15,491	124
01 July 2022	BNY Mellon	NOK	(229,812,037)	USD	23,409,838	148,624
01 July 2022	BNY Mellon	NOK	(742,400,103)	USD	75,624,699	480,126
01 July 2022	BNY Mellon	NOK	(33,072,552)	USD	3,368,941	21,389
01 July 2022	BNY Mellon	NOK	(3,828,309)	USD	387,505	(210)
01 July 2022	BNY Mellon	NOK	(435,893)	USD	44,056	(65)
01 July 2022	BNY Mellon	NOK	(9,962,166)	USD	1,002,835	(5,520)
01 July 2022	BNY Mellon	NOK	(33,509,543)	USD	3,373,218	(18,565)
01 July 2022	BNY Mellon	NOK	(1,496,302)	USD	150,624	(829)
01 July 2022	BNY Mellon	NOK	(505,352)	USD	50,565	(586)
01 July 2022	BNY Mellon	SEK	(62,988)	USD	6,265	118
01 July 2022	BNY Mellon	SEK	(55,600)	USD	5,526	100
01 July 2022	BNY Mellon	SEK	(59,909)	USD	5,949	103
01 July 2022	BNY Mellon	SEK	(211,853)	USD	20,904	230
01 July 2022	BNY Mellon	SEK	(15,602,489)	USD	1,535,346	12,717
01 July 2022	BNY Mellon	SEK	(729,337)	USD	71,637	462
01 July 2022	BNY Mellon	SEK	(74,094)	USD	7,274	43
01 July 2022	BNY Mellon	SEK	(75,760)	USD	7,420	27
01 July 2022	BNY Mellon	SEK	(44,449)	USD	4,343	5
01 July 2022	BNY Mellon	SEK	(373,925)	USD	38,313	1,822
01 July 2022	BNY Mellon	SEK	(489,978)	USD	50,203	2,387
01 July 2022	BNY Mellon	SEK	(86,627)	USD	8,822	368
01 July 2022	BNY Mellon	SEK	(624,475)	USD	62,915	1,973
01 July 2022	BNY Mellon	USD	(269,092)	EUR	255,427	(2,039)
01 July 2022	BNY Mellon	USD	(16,156)	EUR	15,336	(122)
01 July 2022	BNY Mellon	USD	(1,386,480)	EUR	1,316,070	(10,508)
01 July 2022	BNY Mellon	USD	(7,294,236)	EUR	6,777,940	(207,793)
01 July 2022	BNY Mellon	USD	(429,553)	EUR	399,149	(12,236)

**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(d) Foreign currency risk (Continued)**

**Sector Healthcare Value Fund (continued)**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
01 July 2022	BNY Mellon	USD	(36,447,934)	EUR	33,868,099	(1,038,305)
01 July 2022	BNY Mellon	USD	(9,863)	NOK	94,193	(329)
01 July 2022	BNY Mellon	USD	(19,521)	NOK	193,414	56
01 July 2022	BNY Mellon	USD	(9,270)	NOK	92,950	138
01 July 2022	BNY Mellon	USD	(369,413)	NOK	3,623,952	(2,602)
01 July 2022	BNY Mellon	USD	(249,619)	NOK	2,463,032	(315)
01 July 2022	BNY Mellon	USD	(931,777)	NOK	9,269,376	6,454
01 July 2022	BNY Mellon	USD	(2,999,819)	NOK	29,842,400	20,782
01 July 2022	BNY Mellon	USD	(134,782)	NOK	1,340,822	934
01 July 2022	BNY Mellon	USD	(25,237,271)	NOK	238,669,708	(1,079,498)
01 July 2022	BNY Mellon	USD	(81,241,225)	NOK	768,300,945	(3,475,009)
01 July 2022	BNY Mellon	USD	(3,639,534)	NOK	34,419,194	(155,677)
01 July 2022	BNY Mellon	USD	(67,315)	NOK	632,436	(3,301)
01 July 2022	BNY Mellon	USD	(89,526)	NOK	843,162	(4,183)
01 July 2022	BNY Mellon	USD	(6,095)	NOK	57,509	(274)
01 July 2022	BNY Mellon	USD	(13,211)	NOK	125,225	(536)
01 July 2022	BNY Mellon	USD	(61,802)	NOK	583,730	(2,718)
01 July 2022	BNY Mellon	USD	(1,822,809)	SEK	17,837,529	(82,065)
01 July 2022	BNY Mellon	USD	(966)	SEK	9,439	(45)
01 July 2022	BNY Mellon	USD	(63,570)	SEK	644,516	(672)
01 August 2022	BNY Mellon	USD	(6,870,877)	EUR	6,519,508	(41,093)
01 August 2022	BNY Mellon	USD	(403,647)	EUR	383,005	(2,414)
01 August 2022	BNY Mellon	USD	(34,299,001)	EUR	32,544,989	(205,131)
01 August 2022	BNY Mellon	USD	(23,422,531)	NOK	229,812,037	(148,122)
01 August 2022	BNY Mellon	USD	(75,665,703)	NOK	742,400,103	(478,503)
01 August 2022	BNY Mellon	USD	(3,370,767)	NOK	33,072,552	(21,316)
01 August 2022	BNY Mellon	USD	(1,536,915)	SEK	15,602,489	(12,702)
01 August 2022	BNY Mellon	USD	(16,438)	SEK	168,272	1
<b>Total unrealised loss on forward foreign currency contracts</b>						<b>(5,937,914)</b>

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**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(e) Credit risk**

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

The Fund is exposed to credit risk associated with counterparties with whom it trades or holds assets, and will also be exposed to the risk of settlement default. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

**Management of credit risk**

The Investment Manager is complying with the Central Bank UCITS Regulations in terms of investment restrictions and otherwise with the investment policy of the Fund.

**Exposure to credit risk**

The Funds' maximum credit risk exposure at the Balance Sheet date is represented by the respective carrying amounts of the financial assets in the Balance Sheet with the exception of derivatives whose maximum credit risk exposure is notional exposure.

**Derivative financial instruments**

The Fund may also invest in financial derivative instruments for investment purposes and for efficient portfolio management ("EPM"), including (but not limited to) futures, forwards, options, contracts for difference and warrants.

All cleared derivative positions entered into on behalf of the Fund are cleared via Goldman Sachs as appointed Futures Commission Merchant ("FCMs"). Bilateral (non-cleared) derivatives face BNY as OTC credit counterparty.

**Trade counterparty**

The Fund mitigates counterparty risk by undertaking transactions with large and well capitalised counterparties. The Fund also seeks to trade with more than one counterparty and have reduced the activity with counterparties when there have been questions raised regarding the robustness of counterparties in terms of credit risk.

Although it is the intention of the Investment Manager to follow a general policy of seeking to spread the Funds' capital at risk over a number of investments and counterparties, the Fund may at certain times hold relatively few positions with the result that a loss in any such position either to trading counterparty or settlement default could have a substantial adverse impact on a Fund's capital. The relevant Standard and Poor's ratings are as follows:

	<b>30 June 2023</b>	<b>30 June 2022</b>
The Bank of New York Mellon SA/NV	AA-	AA-

**(f) Fair value estimation**

The Company used the following fair value hierarchy levels in categorising its financial instruments by source of inputs used to determine its fair value:

*Level 1:* The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

*Level 3:* Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments classified as Level 3 are those for which a quoted price at period end was unavailable and evidence of a recent transaction at that date could not be ascertained. These investments represent collective investment schemes where the net asset value is calculated by an underlying administrator. The net asset values represent their best evidence of the fair value of these assets at period end, however due to the lack of quoted price and evidence of a recent transaction, a Level 3 classification is considered appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Financial Instruments and Associated Risks (Continued)**

**(f) Fair value estimation (Continued)**

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses inputs that are unobservable, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

There were no significant transfers between levels during the period ended 30 June 2023 or 30 June 2022. Transfers between levels of the fair value hierarchy, for the purpose of disclosure in financial statements, are deemed to have occurred at the end of the reporting period.

The fair values of investments valued under Levels 1 to 3 for Sector Healthcare Value Fund as at 30 June 2023 are as follows.

<b>Sector Healthcare Value Fund</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	514,900,654	–	–	514,900,654
Derivative instruments	–	4,934,322	–	4,934,322
Money market instrument	8,010,802	–	–	8,010,802
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instruments	–	(836,087)	–	(836,087)
<b>Total</b>	<b>522,911,456</b>	<b>4,098,235</b>	<b>–</b>	<b>527,009,691</b>

The categories of investments above comprise:

- Equity securities (which includes equities and money market funds).
- Derivative instruments (forward foreign currency contracts).

The fair values of investments valued under Levels 1 to 3 as at 30 June 2022 are as follows:

<b>Sector Healthcare Value Fund</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	488,055,953	–	–	488,055,953
Derivative instruments	–	1,081,182	–	1,081,182
Money market instrument	18,675,125	–	–	18,675,125
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instruments	–	(7,019,096)	–	(7,019,096)
<b>Total</b>	<b>506,731,078</b>	<b>(5,937,914)</b>	<b>–</b>	<b>500,793,164</b>

The categories of investments above comprise:

- Equity securities (which includes equities and money market funds).
- Derivative instruments (forward foreign currency contracts).

**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. Share Capital**

The authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares. The issued share capital of the Company is €2 represented by 2 shares (the “Subscriber Shares”) issued for the purposes of the incorporation of the Company at an issue price of €1 per Share which are fully paid up and which are beneficially owned by Sector Asset Management AS and Prieren AS.

Sector Healthcare Value Fund may issue Class A EUR Shares, Class A USD Shares, Class A NOK Shares and Class A SEK Shares, (the “Class A Shares”), B EUR Shares, Class B USD Shares, Class B NOK Shares and Class B SEK (the “Class B Shares”), Class E EUR Shares, Class E SEK Shares, Class E NOK Shares and Class E USD Shares (the “Class E Shares”), Class X EUR Shares and Class X USD Shares (the “Class X Shares”) and Class Y EUR Shares, Class Y GBP Shares and Class Y USD Shares (the “Class Y Shares”).

On a show of hands every holder who is present in person or by proxy shall have one vote and the holders of Subscriber Shares present or in person or by proxy shall have one vote.

The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy.

The following are the share class transactions for the financial period ended 30 June 2023 were as follows:

	<b>Sector Healthcare Value Fund</b>
<b>Class A EUR</b>	
Shares in issue at beginning of period	17,009
Number of shares issued	282
Number of shares redeemed	(11,670)
<b>Number in issue at end of period</b>	<u>5,621</u>
<b>Class A NOK</b>	
Shares in issue at beginning of period	81,322
Number of shares issued	–
Number of shares redeemed	(9,081)
<b>Number in issue at end of period</b>	<u>72,241</u>
<b>Class A USD</b>	
Shares in issue at beginning of period	32,892
Number of shares issued	4,102
Number of shares redeemed	(7,404)
<b>Number in issue at end of period</b>	<u>29,590</u>
<b>Class B EUR</b>	
Shares in issue at beginning of period	2,840
Number of shares issued	–
Number of shares redeemed	–
<b>Number in issue at end of period</b>	<u>2,840</u>
<b>Class B NOK</b>	
Shares in issue at beginning of period	444,096
Number of shares issued	79,015
Number of shares redeemed	(114,548)
<b>Number in issue at end of period</b>	<u>408,563</u>
<b>Class B SEK</b>	
Shares in issue at beginning of period	6,361
Number of shares issued	–
Number of shares redeemed	(511)
<b>Number in issue at end of period</b>	<u>5,850</u>



**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	<b>Sector Healthcare Value Fund</b>
<b>Class B USD</b>	
Shares in issue at beginning of period	437,005
Number of shares issued	118,880
Number of shares redeemed	<u>(107,293)</u>
<b>Number in issue at end of period</b>	<b><u>448,592</u></b>
<b>Class X EUR</b>	
Shares in issue at beginning of period	309,159
Number of shares issued	–
Number of shares redeemed	<u>(86,767)</u>
<b>Number in issue at end of period</b>	<b><u>222,392</u></b>
<b>Class X USD</b>	
Shares in issue at beginning of period	235,820
Number of shares issued	8,566
Number of shares redeemed	<u>(31,233)</u>
<b>Number in issue at end of period</b>	<b><u>213,153</u></b>
<b>Class E NOK</b>	
Shares in issue at beginning of period	1,298,204
Number of shares issued	823,449
Number of shares redeemed	<u>(786,638)</u>
<b>Number in issue at end of period</b>	<b><u>1,335,015</u></b>
<b>Class E USD</b>	
Shares in issue at beginning of period	116,749
Number of shares issued	115,493
Number of shares redeemed	<u>(2,442)</u>
<b>Number in issue at end of period</b>	<b><u>229,800</u></b>
<b>Class Y EUR</b>	
Shares in issue at beginning of period	33,220
Number of shares issued	647
Number of shares redeemed	<u>(1,106)</u>
<b>Number in issue at end of period</b>	<b><u>32,761</u></b>
<b>Class Y GBP</b>	
Shares in issue at beginning of period	998,051
Number of shares issued	34,796
Number of shares redeemed	<u>(68,381)</u>
<b>Number in issue at end of period</b>	<b><u>964,466</u></b>
<b>Class Y USD</b>	
Shares in issue at beginning of period	563,795
Number of shares issued	35,706
Number of shares redeemed	<u>(42,602)</u>
<b>Number in issue at end of period</b>	<b><u>556,899</u></b>

**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

The following are the share class transactions for the financial period ended 30 June 2022 were as follows:

	<b>Sector Healthcare Value Fund</b>
<b>Class A EUR</b>	
Shares in issue at beginning of period	19,729
Number of shares issued	7,499
Number of shares redeemed	<u>(7,219)</u>
<b>Number in issue at end of period</b>	<b><u>20,009</u></b>
<b>Class A NOK</b>	
Shares in issue at beginning of period	78,290
Number of shares issued	153
Number of shares redeemed	<u>(224)</u>
<b>Number in issue at end of period</b>	<b><u>78,219</u></b>
<b>Class A USD</b>	
Shares in issue at beginning of period	55,831
Number of shares issued	2,773
Number of shares redeemed	<u>(10,430)</u>
<b>Number in issue at end of period</b>	<b><u>48,174</u></b>
<b>Class B EUR</b>	
Shares in issue at beginning of period	2,840
Number of shares issued	–
Number of shares redeemed	<u>–</u>
<b>Number in issue at end of period</b>	<b><u>2,840</u></b>
<b>Class B NOK</b>	
Shares in issue at beginning of period	485,271
Number of shares issued	34,222
Number of shares redeemed	<u>(45,966)</u>
<b>Number in issue at end of period</b>	<b><u>473,527</u></b>
<b>Class B SEK</b>	
Shares in issue at beginning of period	16,855
Number of shares issued	190
Number of shares redeemed	<u>(6,492)</u>
<b>Number in issue at end of period</b>	<b><u>10,553</u></b>
<b>Class B USD</b>	
Shares in issue at beginning of period	283,700
Number of shares issued	137,453
Number of shares redeemed	<u>(66,473)</u>
<b>Number in issue at end of period</b>	<b><u>354,680</u></b>
<b>Class X EUR</b>	
Shares in issue at beginning of period	309,159
Number of shares issued	–
Number of shares redeemed	<u>–</u>
<b>Number in issue at end of period</b>	<b><u>309,159</u></b>

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**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	<b>Sector Healthcare Value Fund</b>
<b>Class X USD</b>	
Shares in issue at beginning of period	268,132
Number of shares issued	17,527
Number of shares redeemed	<u>(32,629)</u>
<b>Number in issue at end of period</b>	<b><u>253,030</u></b>
<b>Class E NOK</b>	
Shares in issue at beginning of period	306,725
Number of shares issued	21,500
Number of shares redeemed	–
<b>Number in issue at end of period</b>	<b><u>328,225</u></b>
<b>Class E USD</b>	
Shares in issue at beginning of period	73,494
Number of shares issued	2,741
Number of shares redeemed	–
<b>Number in issue at end of period</b>	<b><u>76,235</u></b>
<b>Class Y EUR</b>	
Shares in issue at beginning of period	38,054
Number of shares issued	1,285
Number of shares redeemed	–
<b>Number in issue at end of period</b>	<b><u>39,339</u></b>
<b>Class Y GBP</b>	
Shares in issue at beginning of period	657,122
Number of shares issued	329,449
Number of shares redeemed	<u>(807)</u>
<b>Number in issue at end of period</b>	<b><u>985,764</u></b>
<b>Class Y USD</b>	
Shares in issue at beginning of period	506,802
Number of shares issued	77,349
Number of shares redeemed	<u>(27,693)</u>
<b>Number in issue at end of period</b>	<b><u>556,458</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. Investment Management Fees**

The Company has appointed Sector Fund Services AS as the Investment Manager.

Sector Healthcare Value Fund pays the Investment Manager a management fee per annum of the Net Asset Value of each of the following classes:

**Sector Healthcare Value Fund**

<b>Class</b>	<b>Management Fee</b>
Class A Shares	Up to 1.0%
Class B Shares	Up to 2.0%
Class E Shares	Up to 1.0%
Class X Shares	Up to 0.50%
Class Y Shares	Up to 0.40%

The total management fees accrued for the financial period ended 30 June 2023 were USD2,428,752 (30 June 2022: USD2,329,182) and the net amount outstanding at 30 June 2023 was USD427,859 (30 June 2022: USD377,645).

**10. Incentive Fees/Performance Fees**

The Investment Manager is also entitled to receive an incentive fee/performance fee (“Incentive Fee” / “Performance Fee”), as calculated for the Fund as disclosed below. The Incentive Fee/Performance Fee will be verified by the Depositary.

***Sector Healthcare Value Fund***

The Fund, in respect of the Class A Shares, pays the Investment Manager a fee equal to 20% of the amount by which the net asset value (before the deduction of any performance fee) of the relevant share exceeds the MSCI Daily TR World Net Healthcare USD (the “Index”). In respect of Class E Shares, a fee equal to 20% of the amount by which the net asset value (before the deduction of any performance fee) of the relevant share exceeds the Index adjusted Prior High Net Asset Value (the “Incentive Fee”). In respect of Class X Shares and Class Y Shares, a fee equal to 15% of the amount by which the net asset value (before the deduction of any performance fee) of the relevant share exceeds the Index Net Asset Value (the “Incentive Fee”).

The relevant share's subscription price or the initial issue price (where shares are issued during the initial offer year) is taken as the starting price for the purposes of determining the Incentive Fee. The Incentive Fee is accrued on a daily basis and reflected in the net asset value per share at each valuation point. The accrued Incentive Fee will only be paid to the Investment Manager once a shareholder redeems its investment in the Fund or when the Fund closes down where the performance of the relevant shares has exceeded the performance of the Index. The Incentive Fee may be payable even if the absolute return on the shareholder's investment is zero or negative. For example, if during the year of a shareholder's investment in the Fund, the net asset value per share on redemption is less than or equal to the net asset value per share that that shareholder paid on its initial subscription into the Fund, the Incentive Fee may still be payable if the net asset value per share on redemption exceeds the Index Net Asset Value per share, i.e. the Fund has outperformed the Index for the year of the shareholder's investment. No Incentive Fee will be charged in respect of the Class B Shares.

The total performance fees accrued for the financial period ended 30 June 2023 were USD382,782 (30 June 2022: USD 73,951) and the net amount outstanding was USD561,842 (30 June 2022: USD273,345).

***Equalisation Credit***

The equalisation credit policy is applied to the calculation of the Incentive Fee payable for certain classes in each Fund (see the Fund's relevant Supplement for further details). The Incentive Fee is calculated on a share-by-share basis so that each relevant share is charged an Incentive Fee that equates precisely with that relevant share's performance. This method of calculation ensures that (i) the Incentive Fee is charged only to those relevant shares that have appreciated in value relative to the Index, (ii) all relevant shareholders have the same amount per relevant share of the relevant class at risk in the Fund, and (iii) all shares of the same class have the same net asset value per share. If a shareholder subscribes for relevant shares at a time when the net asset value per relevant share is other than the Index Net Asset Value, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or beneficiary of the Incentive Fee. For the financial period ended 30 June 2023 an equalisation of USD647,137 (30 June 2022: equalisation of USD519,257) was applied by the Company.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. Administration Fees and Depositary/Custodian Fees**

The Company has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company (“BNY Mellon”) to act as Administrator, registrar and transfer agent and The Bank of New York Mellon SA/NV, Dublin Branch to act as Depositary (the “Depositary”). BNY Mellon is entitled to a shareholding services fee of USD1,875 per share class per month together with agreed upon transaction charges. The Administrator is also entitled to a financial reporting fee of up to USD7,000 per set of annual financial statements and a financial reporting fee of USD2,000 per set of interim financial statements and other out of pocket expenses out of the assets of the Fund (plus VAT thereon if any). BNY Mellon is entitled to receive out of the assets of the Fund an annual administration fee, accrued and calculated on each dealing day and payable monthly in arrears and is illustrated in more detail in the table below.

<b>Administration fees</b>	
Nil - USD 250 Million	7.00 bps
USD250 Million - USD500 Million	5.75 bps
USD500 Million - USD750 Million	4.25 bps
USD750 Million - USD1 Billion	3.00 bps
USD1 Billion	2.00 bps
Minimum Fee	USD40,000

The Administration fee accrued for the financial period ended 30 June 2023 was USD277,232 (30 June 2022: USD255,596) and the amount outstanding at 30 June 2023 was USD159,807 (30 June 2022: USD132,873).

The Depositary is entitled to an asset based fee per annum payable monthly together with sub-custodians’ fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out of pocket expenses (plus VAT thereon if any) and as illustrated in the table below.

<b>Depositary fees</b>	
Nil - USD 200 Million	2.00 bps
USD200 Million+	1.50 bps
Minimum Fee	USD30,000

The Depositary fee accrued for the financial period ended 30 June 2023 was USD93,701 (30 June 2022: USD86,711) and the amount outstanding at 30 June 2023 was USD22,415 (30 June 2022: USD21,310).

**12. Directors’ Fees and Expenses**

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of each Director’s remuneration in any one year shall not exceed EUR25,000 (30 June 2022: EUR15,000) or such higher amount as may be approved by resolution of the Directors and notified to shareholders. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the Company or in connection with the business of the Company. The Directors may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company and such remuneration will be at normal commercial rates.

The Directors’ fees and expenses accrued for the financial period ended 30 June 2023 was USD19,069 (30 June 2022: USD19,101) and the amount outstanding at 30 June 2023 was USD8,649 (30 June 2022: USD10,870).

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13. Efficient Portfolio Management**

The Company may enter into a variety of derivative instruments including, but not limited to, forward foreign exchange contracts, futures, options, swaps, contracts-for-difference, stock lending and repurchase agreements for the purposes of efficient portfolio management only, subject to the conditions and limits set out in the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”) and within any further limits laid down by the Central Bank of Ireland from time to time. In particular, the Fund may engage in forward foreign exchange contracts to provide protection against exchange rate risks, including cross-currency hedging, and in order to hedge foreign currency exposure of the underlying assets of the Fund into the base currency of the Fund or into a currency institutionally linked to the base currency. It is intended that the use of such forwards may reduce the currency risk in respect of the Fund and will better enable the Fund to manage its assets and liabilities. Futures contracts may be used to hedge or gain exposure to an increase in the value of an asset, market, currency, or deposit. Options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps may be used to achieve profit as well as to hedge existing long positions. Contracts-for-difference (“CFDs”) are bilateral agreements to exchange the difference between opening and closing contracts, which represent the performance of an underlying share.

At the discretion of the Directors, the Fund may use financial derivative instruments as a primary investment policy and details of the investment policy will be set out in the applicable Supplement in accordance with the requirements of the Central Bank of Ireland.

For the period ended 30 June 2023 and 30 June 2022, the Company has utilised forward foreign currency contracts. As at 30 June 2023, all derivatives are OTC derivatives. All open derivative positions are disclosed in the schedule of investments except for forward currency contracts which are disclosed in note 7 (d) above.

**14. Directors’ Interests, Connected Persons and Related Party Transactions**

Fees payable to the relevant Investment Manager are disclosed in notes 9 and 10.

*Depositary and Administrator*

Although not deemed to be related parties under FRS 102 as they do not exercise “significant influence” over the activities of the Company, the Regulations also deem a “Depositary” and its “associated or group companies” to be “connected persons” to the Company. As such, The Bank of New York Mellon SA/NV, Dublin Branch, the Depositary, and BNY Mellon Fund Services (Ireland) Designated Activity Company, the Administrator, are connected persons to the Company.

The Board of Directors is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that any transaction carried out with the Company by a promoter, manager, depositary/custodian, investment manager and/or associated or group companies of these (“connected persons”) are carried out as if negotiated at arm’s length and that all such transactions are carried out in the best interests of the shareholders. The Board of Directors are satisfied that transactions with connected persons entered into during the period complied with the obligations set out in the Regulations.

**30 June 2023**

<b>Key personnel</b>	<b>Role/Team</b>	<b>Fund/Class</b>	<b>Number of Shares held</b>
Tellaviva AS/Lars Tell	Director/Manager	Sector Healthcare Value Fund, Class A NOK	348
ETHO AS/ Trond Horneland	Investment Manager	Sector Healthcare Value Fund, Class A NOK	22,040
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118

**30 June 2022**

<b>Key personnel</b>	<b>Role/Team</b>	<b>Fund/Class</b>	<b>Number of Shares held</b>
Tellaviva AS/Lars Tell	Director/Manager	Sector Healthcare Value Fund, Class A NOK	326
ETHO AS/ Trond Horneland	Investment Manager	Sector Healthcare Value Fund, Class A NOK	22,040
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118

As at 30 June 2023 and 30 June 2022, Sector Asset Management AS held 3 Class A EUR Shares, 2 Class A NOK Shares and 3 Class A USD Shares in Sector Healthcare Value Fund.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15. Contingent Liabilities**

The Company is established as a segregated portfolio company. As a matter of Irish law, the assets of one Fund will not be available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of one Fund will not seek to enforce such Fund's obligations against another Fund.

As at 30 June 2023 and 30 June 2022 there were no known contingent liabilities.

**16. Soft Commission**

There were no soft commissions for the financial period ended 30 June 2023 and 30 June 2022

**17. IMR Regulations**

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") issued in March 2015, subscription and redemption monies will (effective from 1 July 2016), be channeled through a sub-fund cash collection account in the name of the sub-fund. Pending issue of the shares and/or payment of subscription proceeds to an account in the name of the sub-fund(s), and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the sub-fund in respect of amounts paid by or due to it. As at 30 June 2023 and at 30 June 2022 the Fund has received subscriptions in advance and these amounts are reflected on the Balance Sheet.

**18. Comparative Period**

The prior period comparatives are for the financial period 1 January 2022 to 30 June 2022.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. Three Period Historical Net Asset Value**

The following tables outline the number of shares outstanding and the Net Asset Value per share for each share class for the last three reporting periods.

**30 June 2023**

	<b>Sector Healthcare Value Fund USD</b>
<b>Total Net Asset Value</b>	523,998,804

**Shares outstanding**

Class A EUR	5,621
Class A NOK	72,241
Class A USD	29,590
Class B EUR	2,840
Class B NOK	408,563
Class B SEK	5,850
Class B USD	448,592
Class X EUR	222,392
Class X USD	213,153
Class E NOK	1,335,015
Class E USD	229,800
Class Y EUR	32,761
Class Y GBP	964,466
Class Y USD	556,899

**Net Asset Value per Share**

Class A EUR	345.36
Class A NOK	3,140.87
Class A USD	537.26
Class B EUR	141.32
Class B NOK	1,654.39
Class B SEK	1,550.30
Class B USD	172.87
Class X EUR	112.02
Class X USD	186.61
Class E NOK	106.74
Class E USD	105.12
Class Y EUR	135.38
Class Y GBP	135.64
Class Y USD	120.89



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. Three Period Historical Net Asset Value (Continued)**

**31 December 2022**

	<b>Sector Healthcare Value Fund USD</b>
<b>Total Net Asset Value</b>	533,513,347

**Shares outstanding**

Class A EUR	17,009
Class A NOK	81,322
Class A USD	32,892
Class B EUR	2,840
Class B NOK	444,096
Class B SEK	6,361
Class B USD	437,005
Class X EUR	309,159
Class X USD	235,820
Class E NOK	1,298,204
Class E USD	116,749
Class Y EUR	33,220
Class Y GBP	998,051
Class Y USD	563,795

**Net Asset Value per Share**

Class A EUR	337.04
Class A NOK	3,049.87
Class A USD	518.75
Class B EUR	137.94
Class B NOK	1,612.07
Class B SEK	1,513.20
Class B USD	166.57
Class X EUR	108.53
Class X USD	179.46
Class E NOK	103.87
Class E USD	101.39
Class Y EUR	132.47
Class Y GBP	137.31
Class Y USD	115.56

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. Three Period Historical Net Asset Value (Continued)**

**30 June 2022**

	<b>Sector Healthcare Value Fund USD</b>
<b>Total Net Asset Value</b>	498,379,985

**Shares outstanding**

Class A EUR	20,009
Class A NOK	78,219
Class A USD	48,174
Class B EUR	2,840
Class B NOK	473,527
Class B SEK	10,553
Class B USD	354,680
Class X EUR	309,159
Class X USD	253,030
Class E NOK	328,225
Class E USD	76,235
Class Y EUR	39,339
Class Y GBP	985,764
Class Y USD	556,458

**Net Asset Value per Share**

Class A EUR	327.03
Class A NOK	2,948.24
Class A USD	496.64
Class B EUR	135.12
Class B NOK	1,570.83
Class B SEK	1,481.73
Class B USD	160.26
Class X EUR	105.50
Class X USD	171.18
Class E NOK	101.01
Class E USD	96.93
Class Y EUR	129.06
Class Y GBP	129.79
Class Y USD	110.28

**20. Significant Events during the financial period**

The Board of Directors have noted certain significant events during the financial period including the ongoing invasion of Ukraine, and the severe economic sanctions being imposed on Russia by many countries in response. The Company is following all appropriate protocols to abide by the conditions of the sanctions and the Company continues to be managed according to stated investment objectives.

The situation in Ukraine continues to evolve, and whilst it is not expected to have a direct impact on the Company as the portfolio has no direct exposure to Russian or Ukraine securities, its impact on the global economy will have had an indirect impact on the performance of the Company.

On 13 April 2023, a new supplement was noted by the Central Bank of Ireland for the new sub-fund Sector Emerging Markets Equities Fund, which is due to launch on 1 September 2023.

There were no other significant events during the financial period.

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**SECTOR CAPITAL FUNDS PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**21. Significant Events after the Balance Sheet Date**

There were no significant events after the balance sheet date.

**22. Approval of Financial Statements**

The financial statements were authorised for issue by the Directors on 22 August 2023.

**SECTOR CAPITAL FUNDS PLC**  
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**For the financial Unaudited Interim**

**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)**

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, a statement of the largest changes in the composition of the Schedule of Investments during the period is provided to ensure that the shareholders can identify changes in the investments held by the Fund. These statements present the aggregate purchases and sales of an investment, exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and sales are listed. If the Fund enters into less than 20 purchases or sales during the period, then all transactions are presented.

**Sector Healthcare Value Fund**

**LARGEST PURCHASES**

	<b>COST</b>
	<b>\$</b>
Goldman Sachs US\$ Treasury Liquid Reserves Fund	38,139,644
Becton Dickinson & Co.	15,889,262
Baxter International, Inc.	14,466,705
Novartis AG	14,301,003
Biogen, Inc.	9,238,652
GE HealthCare	8,343,159
Catalent, Inc.	7,276,654
CVS Health Corp.	6,551,650
Bristol-Myers Squibb Co.	6,320,610
Otsuka Holdings Co. Ltd.	5,841,582
Biovitrum AB	5,747,329
Medtronic Plc	5,721,213
Eisai Co. Ltd.	5,657,279
Olympus Corp.	4,577,824
Johnson & Johnson	4,253,694
Amedisys, Inc.	4,143,023
Gilead Sciences, Inc.	3,912,984
Astellas Pharma, Inc.	3,901,511
Alnylam Pharmaceuticals, Inc.	3,377,746
Edwards Lifesciences Corp.	3,255,954

**LARGEST SALES**

	<b>COST</b>
	<b>\$</b>
Goldman Sachs US\$ Treasury Liquid Reserves Fund	49,394,615
Sanofi	19,994,279
Merck & Co., Inc.	17,075,896
Seagen Inc.	14,272,721
Boston Scientific Corp.	11,080,210
CVS Health Corp.	9,874,718
Illumina Inc.	8,861,611
Elevance Health Inc.	8,128,504
Baxter International Inc.	7,196,269
the Cigna Group	6,961,288
Merck KGaA	6,366,691
Biogen Inc.	5,944,729
Gilead Sciences Inc.	5,886,088
Roche Holding AG	5,095,465
Bio-Rad Laboratories Inc.	4,861,919
Bruker Corp.	4,250,041
Qiagen NV	4,160,449
GSK Plc.	4,119,721
Astellas Pharma Inc.	3,882,636
Terumo Corp.	3,831,300