

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)*

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Registration No. 489443

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

TABLE OF CONTENTS

	Page
General Information	2
Directors' Report.....	3
Custodian's Report.....	7
Investment Managers' Reports.....	8
Independent Auditors' Report	9
Balance Sheet.....	11
Income Statement	15
Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares.....	17
Schedules of Investments	19
Notes to the Financial Statements.....	27
Significant Portfolio Movements (Unaudited).....	50

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

GENERAL INFORMATION

Directors

Michael Boyce (*Irish*)[^]
Paul Dobbyn (*Irish*)[^] (*appointed 21 September 2015*)
Peter Murray (*Irish*)[^] (*resigned 21 September 2015*)
Lars Tell (*Swedish*)

[^]*Independent non-executive Director*

Investment Manager

Sector Global Equity Kernel Fund
Sector Omega AS
Filipstad Brygge 2
PO Box 1994 Vika
N - 0125 Oslo
Norway

Investment Manager

Sector Healthcare Value Fund
Sector Gamma AS
Filipstad Brygge 2
PO Box 1994 Vika
N - 0125 Oslo
Norway

Investment Manager

Sector Sigma Nordic Fund
Sigma Fondsforvaltning AS
Filipstad Brygge 2
PO Box 1994 Vika
N - 0125 Oslo
Norway

Administrator, Registrar and Transfer Agent

BNY Mellon Investment Servicing (International) Limited
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Custodian

BNY Mellon Trust Company (Ireland) Limited
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Registered Office

2nd Floor, Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Independent Auditors

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

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

Bugge, Arentz-Hansen & Rasmussen Advokatfirma (BA-HR)
Tjuvholmen allé 16
NO-0252 Oslo
PO Box 1524 Vika
NO - 0117 Oslo
Norway

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

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

Sponsoring Brokers

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

Company Secretary

MFD Secretaries Limited
2nd Floor, Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

DIRECTORS' REPORT

The Directors present to the shareholders their annual report and the audited financial statements of Sector Capital Funds plc (the "Company") for the year 1 January 2015 to 31 December 2015.

Principal Activities and Review of Business

The Company was incorporated and registered in Ireland under the Companies Act 1963 (as amended) and is governed by the Companies Act 2014 as an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds on 27 September 2010 with registered number 489443. The net assets of the Company were USD181,973,038 on 31 December 2015 (31 December 2014: USD112,560,837).

The Company was 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, 2015 (the "Regulations").

As at 31 December 2015, the Company has three funds in existence (31 December 2014: three), Sector Healthcare Value Fund, Sector Sigma Nordic Fund and Sector Global Equity Kernel Fund (the "Funds").

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 31 December 2015 six classes are subscribed to in the Fund (31 December 2014: five), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B NOK Shares, Class B SEK and Class L NOK Shares. Class A USD, Class A EUR and Class A NOK Shares were listed on the Irish Stock Exchange on 18 November 2010 and Class B NOK Shares were listed on the Irish Stock Exchange on 10 September 2013.

Sector Sigma Nordic Fund commenced trading on 25 June 2012. The base currency of the Fund is Norwegian Krone ("NOK"). As at 31 December 2015 ten classes are subscribed to in the Fund (31 December 2014: seven), Class A EUR Shares, Class A NOK Shares, Class A USD, Class B EUR Shares, Class B NOK Shares, Class C NOK Shares, Class C SEK Shares, Class D NOK, Class D SEK Shares and Class L NOK Shares. No application has been made to list the Shares on any stock exchange.

Sector Global Equity Kernel Fund commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel Fund is USD. As at 31 December 2015 six classes are subscribed to in the Fund (31 December 2014: three), Class A NOK Shares, Class A USD Shares, Class O NOK Shares, Class P NOK Hedged Shares, Class P NOK Unhedged and Class P USD Shares. Class P USD Shares were listed on the Irish Stock Exchange on 27 March 2014. An application has been made to list the following share classes on the Irish Stock Exchange; Class A Shares (Class A USD Shares, Class A EUR Shares, Class A SEK Shares and Class A NOK Shares), the Class B Shares (Class B USD Shares, Class B EUR Shares, Class B SEK Shares and Class B NOK Shares), the Class C Shares (Class C USD Shares, Class C EUR Shares, Class C SEK Shares and Class C NOK Shares) and the Class P Shares (Class P NOK Shares).

Results, Activities and Future Developments

The results of operations are set out on page 15. A detailed review of the business and future developments for the Funds is contained in the Investment Managers' Reports on page 8.

Statement of Directors Responsibilities

The Directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable Regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

DIRECTORS' REPORT (Continued)

Accounting Records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the books of account by employing the resources of an administrator, BNY Mellon Investment Servicing (International) Limited. During the year the books of the Company were maintained at the offices of the Administrator: BNY Mellon Investment Servicing (International) Limited, Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2.

Fair Value Directive

It is the opinion of the Board of Directors that the information required by the European Communities (Fair Value Accounting) Regulations 2004, in relation to the use by the Company of financial instruments and the financial risk management objectives and policies of the Company and the exposures of the Company to market risk, currency risk, interest rate risk, liquidity risk and credit risk is contained in the Investment Managers' Reports and note 7.

Significant events during the year

A revised Supplement for Sector Sigma Nordic Fund was issued on 20 March 2015 to include Class D Shares.

A revised Supplement for Sector Global Equity Kernel Fund was issued on 9 April 2015 to include Class P NOK Unhedged Shares.

Peter Murray resigned as a Director of the Company with effective 21 September 2015, and Paul Dobbyn was appointed as a Director effective 21 September 2015.

There were no other significant events during the year.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Directors

The current Directors are listed on page 2 and they served for the entire year.

Directors' and Secretary's Interests

The Directors and Secretary and their families had no interest in the shares of the Company at 31 December 2015, other than as disclosed in note 15 to the financial statements.

As at 31 December 2015, Lars Tell, Director of the Company held 91 Class L NOK Shares in Sector Sigma Nordic Fund (2014:nil).

Dividends

Under the Articles of Association (the "Articles"), dividends may be paid out of the profits. During the year ended 31 December 2015, no dividends were paid (2014:nil).

Corporate Governance Statement

The Company is subject to and complies with the Regulations and the Listing Rules of the Irish Stock Exchange, as applicable to investment funds.

The Board has adopted the voluntary Irish Funds Industry Association (IFIA) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies, issued 14 December 2011 (the "Code") with effect from 11 December 2012. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures since the adoption of the Code as consistent therewith.

The Company is subject to corporate governance practices imposed by:

1. The Irish Companies Acts 2014 and the Regulations which are available for inspection at the registered office of the Company and may also be obtained at www.irishstatutebook.ie.
2. The Articles of Association of the Company which are available for inspection at the registered office of the Company and at the Companies Registration Office in Ireland.
3. The Central Bank of Ireland in their Regulations which can be obtained from the Central Bank of Ireland's website at: www.centralbank.ie and are available for inspection at the registered office of the Company.
4. The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at www.ise.ie.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

DIRECTORS' REPORT (Continued)

Corporate Governance Statement (continued)

Financial Reporting Process - description of main features

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the Company in relation to the financial reporting process. As the Company has no employees and two of the Directors serve in a non-executive capacity, all functions including the preparation of the financial statements have been outsourced. The Company has appointed BNY Mellon Investment Servicing (International) Limited, as its Administrator consistent with the regulatory framework applicable to investment fund companies such as the Company.

On appointing the Administrator, the Board noted that it was regulated by the Central Bank of Ireland and, in the Board's opinion, had significant experience as an administrator. The Board also noted the independence of the Administrator from the Company's Investment Managers. Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The annual and interim financial statements of the Company are required to be approved by the Board of the Company and filed with the Central Bank of Ireland and the Irish Stock Exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and for ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board's appointment of an administrator independent of the investment manager to the Company and which is regulated by Central Bank of Ireland is intended to mitigate though not eliminate the risk of fraud or irregularities which may impact the financial statements of the Company.

Monitoring

The Board receives regular presentations and reviews reports from the Custodian, Investment Manager and Administrator. The Board also has an annual process to ensure that appropriate measures are taken to consider and address any control weaknesses identified and measures recommended by the independent auditors.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

For the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts 2014, the Regulations, and the Listing Rules of the Irish Stock Exchange as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

Composition and operation of the board of directors

There are three Directors currently, two of whom are non-executive and are independent of the Investment Manager as required by the Irish Stock Exchange Listing Rules for investment funds. None of the Directors have entered into an employment or service contract with the Company. All related party transactions during the year are detailed in note 15 to the financial statements. The Articles of Association do not provide for retirement of Directors by rotation. However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Acts 2014. The Board meets at least quarterly. There are no sub-committees of the Board.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. Subject to its supervision and direction, the Board has delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to Sector Omega AS, Sector Gamma AS and Sigma Fondforvaltning AS as the Investment Managers. The Company has appointed BNY Mellon Trust Company (Ireland) Limited as the Custodian to the Company with responsibility for the safekeeping of the assets of the Company.

Shareholder meetings

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Acts. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous annual general meeting. Shareholders representing not less than 10 percent of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other general meeting unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice.

On a show of hands every shareholder who is present in person or by proxy shall have one vote. On a poll every shareholder present in person or by representative or proxy shall have one vote for every share for which is registered in the name of the shareholder. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

DIRECTORS' REPORT (Continued)

Corporate Governance Statement (continued)

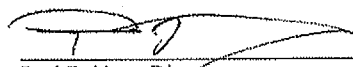
Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

Independent Auditors

Deloitte, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board of Directors


Michael Boyce, Director
Date: 14 April 2016


Paul Dobbyn, Director

Report of the Custodian to the Shareholders

We have enquired into the conduct of Sector Capital Funds plc (the "Company") for the year ended 31 December 2015, in our capacity as custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with, Regulation 47 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I No 352 of 2011) (the "Regulations") and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in Regulation 47 of the Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as custodian must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

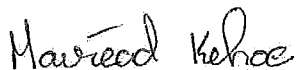
Basis of Custodian Opinion

The custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 47 of the Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.



BNY Mellon Trust Company (Ireland) Limited
Date: 14 April 2016

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

INVESTMENT MANAGERS' REPORTS

Sector Global Equity Kernel Fund

Sector Global Equity Kernel Fund gained 4.1% in 2015 (P USD Class), outperforming the MSCI ACWI benchmark index, which lost 2.4% for the year. Driven by a weak Krone, the P NOK Class returned 23.2% for 2015.

The best performing stocks in the Fund's portfolio during 2015 were Sino Biopharmaceutical, a manufacturer and supplier of pharmaceutical and chemical machinery and equipment in China, and Cal-Maine Foods Inc, the largest US egg producer. Both positions contributed +39 bps. Renewable energy power company Guangdong Baolihua and jewellery manufacturer Pandora were also strong contributors with 37 bps each.

The worst detractors to the portfolio were F5 Networks Inc (-34 bps), Fuji Oil Holdings (-29 bps) and China Power International (-29 bps).

Low or even negative interest rates are clouding the outlook for financial assets. Based on historical observations, global equity markets are trading at some of the highest multiples observed in more than 100 years. Central banks are fighting the underlying deflationary trend brought about by an aging population and high levels of debt. If they fail, global asset markets are prone to a deflationary bust. If their monetary stimulation should prove to be excessive, and inflation rises more than expected, it could have dire consequences for both bond and equity markets because they are priced for a perfect outcome and that the omnipotence of central banks remains intact. The investment manager adjudges the overall risk of investing in equities and bonds to be higher than normal in 2016.

Sector Healthcare Value Fund

The healthcare sector ended up 6.6% in 2015 versus a negative 0.3% return for the broader equity market. This marked the fifth year in a row that healthcare has beaten the global equity index.

Sector Healthcare Value Fund was up 15.5% in 2015, outperforming the MSCI Healthcare Index by close to 9 percentage points. The largest contributors to performance were H Lundbeck (+2.72%), Boston Scientific Corp (+2.03%) and Daiichi Sankyo co Ltd (+1.52%). The largest detractors from performance were Tenet Healthcare Corp (-0.89%), Ironwood Pharmaceuticals Inc (-0.77%) and Community Health Systems Inc (-0.75%).

After 5 years of outperforming the broader market and with valuations close to previous bull market peaks, the healthcare beta play is likely drawing to a close. In such a mature bull market, having a robust stock picking strategy will be even more important to successfully navigate the increasing headwinds facing the sector. In 2016, we are likely to see a much more volatile environment, driven by further negative political rhetoric, pricing concerns, the bio-similar patent cliff, uncertainly regarding emerging market growth, FX headwinds and a rising US interest rate environment. As investors return to fundamentals, we believe our contrarian bottom-up stock picking strategy will once again demonstrate its resilience in such a rapidly changing and challenging environment.

Sector Sigma Nordic Fund

Global economic growth momentum weakened in December, as the J.P. Morgan Global All-Industry Output Index fell to 52.9, down from a reading of 53.6 in November. Slower output growth was seen in both the manufacturing and service sectors, with the rate of increase in new orders registering an 11-month low. Global growth in the final quarter of 2015 was the weakest since the same quarter of 2014.

In our view, the big picture for the world economy is increasingly a cause for concern. The gradual improvement that has occurred in advanced economies appears to be losing steam. The U.S. manufacturing sector is already in recession territory. As other astute and experienced market observers have pointed out, a weak manufacturing sector almost always drags the overall economy into recession.

Sector Sigma Nordic Fund ended up 7.0% for 2015. In comparison, the MSCI Nordic Index was up 13.5% and the Absolute UCITS European Equity Index was up 6.2% for the year. On a single stock basis, the Fund's largest performance contributors were Amer Sports (+3.35%), Tomra Systems (+3.00%) and Huhtamaki (+2.72%). The largest performance detractors were Statoil (-2.04%), Norsk Hydro (-1.70%) and Trelleborg (-0.88%).

The outlook for global growth in 2016 remains muted and in our base-case scenario we expect both economic growth and corporate earnings growth will disappoint. From our point of view current equity valuations indicate that the upside is limited, underscored by the probability of tepid near-term earnings growth. In a low growth environment, given current valuation levels, expected equity market returns should be low single digit for the foreseeable future.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SECTOR CAPITAL FUNDS PLC

We have audited the financial statements of Sector Capital Funds Plc (the "Company") for the financial year ended 31 December 2015 which comprise the Balance Sheet, the Income Statement, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, and the related notes 1 to 22. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

This report is made solely to the Company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2015 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015.

Continued on next page/

/Continued from previous page

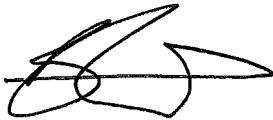
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SECTOR CAPITAL FUNDS PLC

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations we considered necessary for the purpose of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The Company's Balance Sheet and its Income Statement are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which requires us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.



Brian Forrester
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date 14/4/2016

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

BALANCE SHEET

As at 31 December 2015

	Note	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Current Assets					
Investments in financial assets held at fair value through profit or loss	2, 7	45,506,005	45,609,676	548,467,095	153,092,462
Cash at bank and brokers	6	1,281,111	4,283,924	233,283,881	31,926,114
Amounts due from broker		—	499,417	6,815,123	1,269,526
Receivable for securities sold		508,042	—	—	508,042
Interest receivable		—	—	1,434	162
Dividends receivable		24,456	84,434	—	108,890
Other assets		27,553	2,321	226,556	55,475
Total Assets		47,347,167	50,479,772	788,794,089	186,960,671
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss	2, 7	70,296	517,163	2,529,516	873,294
Bank overdraft	6	451,811	—	—	451,811
Amounts due to broker		62,773	—	—	62,773
Payable for securities purchased		464,156	462,888	—	927,044
Payable to investment manager	9	5,620	88,912	1,361,401	248,370
Incentive fee	10	3,512	853,519	6,519,409	1,593,724
Administration fee	11	53,911	30,743	551,397	146,962
Directors' fees and expenses	12	1,062	1,814	16,421	4,732
Auditors' fee	13	12,894	12,500	80,341	34,472
Custodian fee	11	8,954	3,221	39,733	16,665
Legal fee		2,742	11,857	46,618	19,867
Interest payable		289	—	15,512	2,042
Equalisation credit payable		1,847	429,964	1,199,336	567,336
Other creditors		12,118	15,102	100,185	38,541
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		1,151,985	2,427,683	12,459,869	4,987,633
Net assets attributable to holders of Redeemable Participating Shares		46,195,182	48,052,089	776,334,220	181,973,038

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

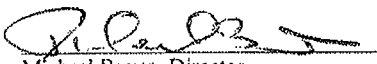
BALANCE SHEET (Continued)

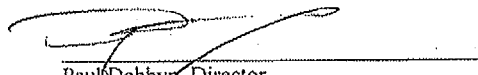
As at 31 December 2015 (Continued)

	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
Shares outstanding	8		
Class A EUR	–	63,745	47,693
Class A NOK	115	21,945	192,251
Class A USD	100	52,318	106,372
Class B EUR	–	–	12,513
Class B NOK	–	100,487	82,430
Class B SEK	–	1,034	–
Class C NOK	–	–	2,927
Class C SEK	–	–	39,105
Class D NOK	–	–	12,315
Class D SEK	–	–	73,684
Class L NOK	–	25,492	20,188
Class O NOK	1,634	–	–
Class P NOK Hedged	53,246	–	–
Class P NOK Unhedged	218,499	–	–
Class P USD	182,955	–	–
Net Asset Value per Share			
Class A EUR	–	195.79	116.21
Class A NOK	857.61	1,696.66	1,554.85
Class A USD	99.12	269.48	117.67
Class B EUR	–	–	141.03
Class B NOK	–	941.14	1,494.54
Class B SEK	–	943.30	–
Class C NOK	–	–	1,457.37
Class C SEK	–	–	1,050.78
Class D NOK	–	–	1,009.91
Class D SEK	–	–	1,011.21
Class L NOK	–	1,870.97	1,738.16
Class O NOK	875.61	–	–
Class P NOK Hedged	760.27	–	–
Class P NOK Unhedged	868.22	–	–
Class P USD	109.35	–	–

Sector Sigma Nordic Fund is translated in the Company total column at the Balance Sheet exchange rate of 0.1130.

On behalf of the Board of Directors:


Michael Boyce, Director
Date: 14 April 2016


Paul Dobbins, Director

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

BALANCE SHEET (Continued)

As at 31 December 2014

	Note	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Current Assets					
Investments in financial assets held at fair value through profit or loss	2, 7	9,881,148	57,796,560	213,541,976	96,164,207
Cash at bank and brokers	6	312,889	4,040,923	121,267,741	20,530,929
Amounts due from broker		—	—	2,311,226	308,317
Interest receivable		—	—	792	106
Dividends receivable		10,720	62,059	—	72,779
Other assets		37,556	25,305	380,260	113,588
Total Assets		10,242,313	61,924,847	337,501,995	117,189,926
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss	2, 7	—	276,068	150,887	296,196
Amounts due to broker		—	2,003,368	—	2,003,368
Payable to investment manager	9	15,849	61,526	300,851	117,509
Incentive fee	10	7,211	429,465	6,897,032	1,356,740
Administration fee	11	21,359	31,732	248,009	86,175
Directors' fees and expenses	12	548	3,761	14,317	6,219
Auditors' fee	13	11,500	11,505	75,000	33,010
Custodian fee	11	17,480	5,876	38,638	28,510
Legal fee		6,431	329	1,925	7,017
Interest payable		3	—	305	44
Equalisation credit payable		1,515	472,857	1,090,157	619,799
Other creditors		7,892	42,051	184,099	74,502
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		89,788	3,338,538	9,001,220	4,629,089
Net assets attributable to holders of Redeemable Participating Shares		10,152,525	58,586,309	328,500,775	112,560,837
Shares outstanding					
	8				
Class A EUR		—	97,848	47,121	
Class A NOK		—	15,692	74,103	
Class A USD		—	85,070	1,355	
Class B EUR		—	—	10,416	
Class B NOK		—	96,094	88,301	
Class C NOK		—	—	2,498	
Class L NOK		4,000	25,492	20,184	
Class O NOK		1,623	—	—	
Class P USD		90,075	—	—	
Net Asset Value per Share					
Class A EUR		—	169.75	110.34	
Class A NOK		—	1,454.91	1,452.59	
Class A USD		—	233.38	111.61	
Class B EUR		—	—	135.20	
Class B NOK		—	802.06	1,407.23	
Class C NOK		—	—	1,377.75	
Class L NOK		1,004.45	1,561.53	1,589.47	
Class O NOK		728.02	—	—	
Class P USD		105.01	—	—	

Sector Global Equity Kernel Fund commenced operations on 19 March 2014.

Sector Sigma Nordic Fund is translated in the Company total column at the Balance Sheet exchange rate of 0.1334.

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

BALANCE SHEET (Continued)

*As at 31 December 2013**

		Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
Total Net Asset Value		78,419,435	197,363,561
Shares outstanding	8		
Class A EUR		98,930	—
Class A NOK		15,692	42,745
Class A USD		223,138	—
Class B EUR		—	16,805
Class B NOK		64,332	91,523
Class B USD		—	6,454
Class C NOK		—	2,071
Class L NOK		25,492	5,936
Net Asset Value per Share			
Class A EUR		141.84	—
Class A NOK		1,200.84	1,248.89
Class A USD		195.35	—
Class B EUR		—	119.59
Class B NOK		665.37	1,225.45
Class B USD		—	120.19
Class C NOK		—	1,204.57
Class L NOK		1,269.13	1,317.87

* Included for three year NAV comparison purposes.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

INCOME STATEMENT

For the financial year ended 31 December 2015

	Note	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Income					
Dividend income		567,443	798,310	8,178,422	2,381,513
Interest income	9	9	—	951,388	118,171
Other income	17	17	168	20,746	2,762
		<u>567,469</u>	<u>798,478</u>	<u>9,150,556</u>	<u>2,502,446</u>
Net realised gain/(loss) on:					
- investments		(634,723)	13,273,630	14,269,002	14,411,117
- foreign currency		(1,154,547)	(8,825,914)	27,662,764	(6,544,746)
Net change in unrealised appreciation/(depreciation) on:					
- investments		1,298,003	(3,317,627)	(3,227,826)	(2,420,520)
- foreign currency		(220,960)	2,557,016	34,821,972	6,660,945
Net investment (loss)/gain		<u>(144,758)</u>	<u>4,485,583</u>	<u>82,676,468</u>	<u>14,609,242</u>
Expenses					
Management fee	9	(88,254)	(572,547)	(6,433,546)	(1,459,847)
Incentive fee	10	(7,535)	(655,789)	(6,879,151)	(1,517,715)
Administration fee	11	(149,034)	(134,701)	(1,940,861)	(524,790)
Custodian fee	11	(49,581)	(25,951)	(331,951)	(116,760)
Directors' fees and expenses	12	(3,281)	(6,842)	(70,445)	(18,872)
Auditors' fee	13	(10,354)	(9,892)	(80,464)	(30,240)
Commission fee		(708)	—	(5,000)	(1,329)
Dividend expense		—	—	(3,327,509)	(413,277)
Legal fee		(11,241)	(26,179)	(217,378)	(64,418)
Listing fee		(3,458)	(3,534)	(10,200)	(8,259)
Trading and research fees		—	(21,122)	(415,715)	(72,754)
Other expenses		(19,896)	(41,614)	(337,443)	(103,420)
Total expenses before waivers		<u>(343,342)</u>	<u>(1,498,171)</u>	<u>(20,049,663)</u>	<u>(4,331,681)</u>
Expense waiver from Investment Manager	9	188,238	—	—	188,238
Net expenses after waivers		<u>(155,104)</u>	<u>(1,498,171)</u>	<u>(20,049,663)</u>	<u>(4,143,443)</u>
Net (loss)/gain before finance costs		<u>(299,862)</u>	<u>2,987,412</u>	<u>62,626,805</u>	<u>10,465,799</u>
Finance costs					
Interest expense		(2,818)	(3,327)	(1,160,792)	(150,315)
Total finance costs		<u>(2,818)</u>	<u>(3,327)</u>	<u>(1,160,792)</u>	<u>(150,315)</u>
Taxation					
Withholding tax		(85,069)	(122,166)	(2,143,977)	(473,517)
Net (decrease)/increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		<u>(387,749)</u>	<u>2,861,919</u>	<u>59,322,036</u>	<u>9,841,967</u>

There are no recognised gains or losses for the year other than those set out in the Income Statement. All activities relate to continuing operations.

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1242.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

INCOME STATEMENT (Continued)

For the financial year ended 31 December 2014

	Note	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Income					
Dividend income		241,569	1,310,743	4,517,535	2,271,052
Interest income		15	—	606,329	96,482
Other income		—	4,944	—	4,944
		<u>241,584</u>	<u>1,315,687</u>	<u>5,123,864</u>	<u>2,372,478</u>
Net realised gain/(loss) on:					
- investments		(81,096)	21,237,881	33,844,535	26,541,450
- foreign currency		(265,801)	(4,503,880)	5,556,626	(3,885,622)
Net change in unrealised appreciation/(depreciation) on:					
- investments		779,227	(3,684,185)	10,313,348	(1,264,104)
- foreign currency		(262,410)	(4,690,889)	5,377,131	(4,097,798)
Net investment gain		<u>411,504</u>	<u>9,674,614</u>	<u>60,215,504</u>	<u>19,666,404</u>
Expenses					
Management fee	9	(40,592)	(830,760)	(3,102,125)	(1,364,900)
Incentive fee	10	(23,405)	(215,765)	(7,221,787)	(1,388,156)
Administration fee	11	(59,003)	(143,547)	(1,183,316)	(390,816)
Custodian fee	11	(27,849)	(37,173)	(222,102)	(100,358)
Directors' fees and expenses	12	(1,460)	(16,667)	(52,939)	(26,550)
Auditors' fee	13	(11,500)	(12,128)	(57,022)	(32,700)
Commission fee		—	—	(26,860)	(4,273)
Dividend expense		—	—	(3,093,859)	(492,233)
Legal fee		(9,999)	(20,395)	(190,287)	(60,669)
Listing fee		(2,140)	(4,522)	(9,313)	(8,144)
Trading and research fees		—	(66,865)	(400,407)	(130,570)
Other expenses		(19,330)	(78,882)	(337,375)	(151,888)
Total expenses before waivers		<u>(195,278)</u>	<u>(1,426,704)</u>	<u>(15,897,392)</u>	<u>(4,151,257)</u>
Expense waiver from Investment Manager	9	106,086	—	—	106,086
Net expenses after waivers		<u>(89,192)</u>	<u>(1,426,704)</u>	<u>(15,897,392)</u>	<u>(4,045,171)</u>
Net gain before finance costs		<u>322,312</u>	<u>8,247,910</u>	<u>44,318,112</u>	<u>15,621,233</u>
Finance costs					
Interest expense		(309)	(2,903)	(318,336)	(53,859)
Total finance costs		<u>(309)</u>	<u>(2,903)</u>	<u>(318,336)</u>	<u>(53,859)</u>
Taxation					
Withholding tax		(53,362)	(311,804)	(1,078,159)	(536,701)
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		<u>268,641</u>	<u>7,933,203</u>	<u>42,921,617</u>	<u>15,030,673</u>

There are no recognised gains or losses for the year other than those set out in the Income Statement. All activities relate to continuing operations.

Sector Global Equity Kernel Fund commenced operations on 19 March 2014.

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1591.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the financial year ended 31 December 2015

	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Net Assets attributable to holders of Redeemable Participating Shares at beginning of year	10,152,525	58,586,309	328,500,775	112,560,837
Capital transactions:				
Issue of Redeemable Participating Shares	47,161,440	15,256,964	501,811,430	124,743,384
Redemption of Redeemable Participating Shares	(10,724,661)	(28,446,665)	(112,045,758)	(53,087,409)
Equalisation applied	(6,373)	(206,438)	(1,254,263)	(368,591)
Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares	36,430,406	(13,396,139)	388,511,409	71,287,384
Currency adjustment	—	—	—	(11,717,150)
Net (decrease)/increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations	(387,749)	2,861,919	59,322,036	9,841,967
Net Assets attributable to holders of Redeemable Participating Shares at end of year	46,195,182	48,052,089	776,334,220	181,973,038

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1242.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

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

For the financial year ended 31 December 2014

	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds PLC USD
Net Assets attributable to holders of Redeemable Participating Shares at beginning of year	–	78,419,435	197,363,561	110,944,950
Capital transactions:				
Issue of Redeemable Participating Shares	12,534,409	28,664,533	148,054,660	64,754,438
Redemption of Redeemable Participating Shares	(2,638,004)	(56,059,711)	(58,731,004)	(68,041,818)
Equalisation applied	(12,521)	(371,151)	(1,108,059)	(559,964)
Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares	9,883,884	(27,766,329)	88,215,597	(3,847,344)
Currency adjustment	–	–	–	(9,567,442)
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations	268,641	7,933,203	42,921,617	15,030,673
Net Assets attributable to holders of Redeemable Participating Shares at end of year	10,152,525	58,586,309	328,500,775	112,560,837

Sector Sigma Nordic Fund is translated in the total column at the average exchange rate of 0.1591.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS

As at 31 December 2015

Sector Global Equity Kernel Fund

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<u>Financial Assets at Fair Value through profit or loss</u>			
<u>Equities</u>			
<u>Australia</u>			
JB Hi-Fi Ltd.	24,700	0.76%	350,784
Regis Resources Ltd.	308,700	1.13%	521,060
Total Australia		1.89%	871,844
<u>Austria</u>			
Mayr Melnhof Karton AG	3,700	1.00%	460,211
Total Austria		1.00%	460,211
<u>Denmark</u>			
Pandora A/S	4,000	1.10%	507,729
Total Denmark		1.10%	507,729
<u>Finland</u>			
Elisa Oyj	12,200	1.00%	461,067
Nokian Renkaat Oyj	12,100	0.94%	435,074
Tieto Oyj	17,300	1.01%	464,563
Total Finland		2.95%	1,360,704
<u>France</u>			
Alten Ltd.	9,100	1.14%	527,975
Cap Gemini S.A.	4,500	0.91%	418,443
Christian Dior S.A.	2,300	0.85%	391,638
Ipsen S.A.	7,500	1.08%	496,982
Orange S.A.	25,300	0.92%	425,580
Thales S.A.	6,000	0.97%	450,380
Total S.A.	10,200	0.99%	457,227
Total France		6.86%	3,168,225
<u>Germany</u>			
Deutsche Boerse AG	4,600	0.88%	406,704
Freenet AG	10,000	0.74%	340,175
Fuchs Petrolub AG	9,300	0.95%	439,463
MTU Aero Engines Holding AG	4,500	0.95%	440,440
SAP AG	5,600	0.97%	446,391
Siemens AG	4,000	0.84%	390,547
Total Germany		5.33%	2,463,720
<u>Great Britain</u>			
WH Smith PLC	16,900	0.95%	440,639
Total Great Britain		0.95%	440,639
<u>Hong Kong</u>			
CLP Holdings Ltd.	47,000	0.86%	399,341
Hang Seng Bank Ltd.	21,100	0.87%	401,573
Total Hong Kong		1.73%	800,914
<u>India</u>			
Genpact Ltd.	17,300	0.94%	432,154
Total India		0.94%	432,154
<u>Ireland</u>			
Icon PLC Usd Npv	6,500	1.09%	505,050
XL Group PLC	11,100	0.94%	434,898
Total Ireland		2.03%	939,948
<u>Japan</u>			
Alfresa Holdings Corp.	26,800	1.16%	535,799
Central Japan Railway Co.	2,400	0.93%	430,941
Dydo Drinco, Inc.	10,100	1.02%	471,017

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Global Equity Kernel Fund (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<u>Financial Assets at Fair Value through profit or loss (continued)</u>			
<u>Japan (continued)</u>			
Fuji Heavy Industries Ltd.	11,500	1.04%	480,573
KDDI Corp.	18,100	1.03%	474,562
Kuraray Co. Ltd.	34,400	0.91%	420,938
Kyowa Exeo Corp.	35,600	0.80%	369,628
Nexon Co. Ltd.	28,200	1.00%	463,924
Nippon Telegraph & Telephone Corp.	11,900	1.04%	478,394
Nitto Denko Corp.	6,300	1.01%	466,733
NTT DoCoMo, Inc.	21,400	0.96%	441,894
Otsuka Holdings Co. Ltd.	12,800	0.99%	459,351
Ryoshoku Ltd.	18,700	1.00%	463,866
Total Japan		12.89%	5,957,620
<u>Netherlands</u>			
Koninklijke Ahold NV	20,000	0.92%	423,114
TKH Group NV	11,300	0.99%	459,583
Unilever NV	9,660	0.91%	420,848
Total Netherlands		2.82%	1,303,545
<u>Norway</u>			
Leroy Seafood Group ASA	13,300	1.07%	495,857
Salmar ASA	24,900	0.94%	436,035
Statoil ASA	33,600	1.02%	469,569
Total Norway		3.03%	1,401,461
<u>Sweden</u>			
Billrud AB	24,700	1.00%	460,565
Total Sweden		1.00%	460,565
<u>Switzerland</u>			
Partners Group Holding AG	1,200	0.94%	433,067
Sika AG	130	1.02%	470,130
Swiss Re Ltd.	4,800	1.02%	470,649
Total Switzerland		2.98%	1,373,846
<u>Taiwan</u>			
Chin-Poon Industrial Co. Ltd.	284,000	0.99%	457,381
Chunghwa Telecom Co. Ltd.	142,000	0.93%	428,417
Total Taiwan		1.92%	885,798
<u>United Kingdom</u>			
British Telecommunications PLC	58,000	0.87%	403,238
Cranswick PLC	16,200	0.99%	457,964
Delphi Automotive PLC	5,400	1.00%	462,942
Man Group PLC	176,000	0.99%	455,258
Total United Kingdom		3.85%	1,779,402
<u>United States</u>			
American Electric Power Co, Inc.	7,500	0.95%	437,025
American International Group, Inc.	6,800	0.91%	421,396
Amgen, Inc.	2,700	0.95%	438,291
Aspen Insurance Holdings Ltd.	8,900	0.93%	429,870
AT&T, Inc.	12,200	0.91%	419,802
Avnet, Inc.	9,800	0.91%	419,832
Brunswick Corp.	8,100	0.89%	409,131
Cambrex Corp.	8,500	0.87%	400,265
Cardinal Health, Inc.	4,800	0.93%	428,496
Chevron Corp.	4,700	0.91%	422,812
Copart, Inc.	11,300	0.93%	429,513
eBay, Inc.	15,300	0.91%	420,444

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Global Equity Kernel Fund (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<u>Financial Assets at Fair Value through profit or loss (continued)</u>			
<u>United States (continued)</u>			
Everest Re Group Ltd.	2,300	0.91%	421,107
Expeditors International of Washington, Inc.	9,100	0.89%	410,410
Exxon Mobil Corp.	5,600	0.94%	436,520
First Solar, Inc.	7,000	1.00%	461,930
Foot Locker, Inc.	6,800	0.96%	442,612
Gentex Corp.	26,600	0.92%	425,866
Genuine Parts Co.	5,000	0.93%	429,450
Gilead Sciences, Inc.	3,600	0.79%	364,284
Ingredion Inc.	5,000	1.04%	479,200
Intel Corp.	13,200	0.98%	454,740
Intercontinental Exchange, Inc.	1,700	0.94%	435,642
International Flavors & Fragrances, Inc.	3,800	0.98%	454,632
iShares MSCI ACWI Index Fund	24,650	2.98%	1,375,963
Johnson & Johnson	4,300	0.96%	441,696
JPMorgan Chase & Co.	5,300	0.76%	349,959
Lam Research Corp.	5,600	0.96%	444,752
Lancaster Colony Corp.	4,700	1.17%	542,662
Linear Technology Corp.	9,700	0.89%	411,959
Manpower, Inc.	4,700	0.86%	396,163
Microsoft Corp.	9,000	1.08%	499,320
NVR, Inc.	300	1.07%	492,900
Patterson Cos., Inc.	8,400	0.82%	379,764
Skyworks Solutions, Inc.	5,600	0.93%	430,248
Snap-On, Inc.	2,700	1.00%	462,861
Stanley Black & Decker, Inc.	4,100	0.95%	437,593
The Kroger Co.	11,000	1.00%	460,130
The Travelers Cos, Inc.	4,200	1.03%	474,012
Torchmark Corp.	7,100	0.88%	405,836
Validus Holdings Ltd.	9,800	0.98%	453,642
Vonage Holdings Corp.	85,000	1.06%	487,900
Total United States		42.64%	19,693,935
Total Equities		95.91%	44,302,260
<u>Contracts-for-Difference</u>			
<u>China</u>			
Guangzhou Baiyun International Airport	204,797	0.97%	448,790
Qindao Haier Co. Ltd.	206,700	0.68%	315,767
Shandong Hualu Hengsheng Chemical Co. Ltd.	197,634	0.95%	439,180
Total China		2.60%	1,203,737
Total Contracts-for-Difference		2.60%	1,203,737
Net unrealised gain on forward foreign currency contracts (note 7)		0.00%	8
Total Financial Assets at Fair Value through profit or loss		98.51%	45,506,005
<u>Financial Liabilities at Fair Value through profit or loss</u>			
Net unrealised loss on forward foreign currency contracts (note 7)		(0.15)%	(70,296)
Total Financial Liabilities at Fair Value through profit or loss		(0.15)%	(70,296)
Total Investments at Fair Value		98.36%	45,435,709
Cash at bank and brokers		1.80%	829,300
Liabilities in excess of other assets		(0.16)%	(69,827)
Total Net Assets		100.00%	46,195,182

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Global Equity Kernel Fund (Continued)

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

<u>Analysis of Total Assets</u>	<u>% of Total Assets</u>
Transferable securities admitted to an official exchange listing or traded on a regulated market	93.57%
Financial derivative instruments	2.54%
Other assets	3.89%
Total Assets	100.00%

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Healthcare Value Fund

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<u>Financial Assets at Fair Value through profit or loss</u>			
<u>Equities</u>			
<u>Denmark</u>			
H Lundbeck A/S	53,000	3.78%	1,816,094
Total Denmark		3.78%	1,816,094
<u>France</u>			
Ipsen S.A.	19,947	2.75%	1,321,774
Sanofi-Aventis S.A.	35,000	6.22%	2,988,411
Total France		8.97%	4,310,185
<u>Hungary</u>			
Richter Gedeon Nyrt	32,000	1.26%	604,798
Total Hungary		1.26%	604,798
<u>Japan</u>			
Daiichi Sankyo Co. Ltd.	59,000	2.56%	1,231,302
Otsuka Holdings Co. Ltd.	44,500	3.32%	1,596,962
Total Japan		5.88%	2,828,264
<u>Netherlands</u>			
Koninklijke Philips Electronics NV	30,982	1.65%	792,930
Mylan NV	25,000	2.81%	1,351,750
Total Netherlands		4.46%	2,144,680
<u>Sweden</u>			
Getinge AB	34,186	1.88%	902,235
Total Sweden		1.88%	902,235
<u>Switzerland</u>			
Basilea Pharmaceutica AG	4,000	0.80%	384,815
Total Switzerland		0.80%	384,815
<u>United Kingdom</u>			
GlaxoSmithKline PLC	177,413	7.47%	3,590,244
Smith & Nephew PLC	67,000	2.48%	1,192,916
Total United Kingdom		9.95%	4,783,160
<u>United States</u>			
Baxalta, Inc.	58,500	4.75%	2,283,255
Baxter International, Inc.	65,000	5.16%	2,479,750
Biogen Idec, Inc.	5,500	3.51%	1,684,925
Bio-Rad Laboratories, Inc.	9,000	2.60%	1,247,940
Boston Scientific Corp.	95,000	3.65%	1,751,800
Bristol-Myers Squibb Co.	13,000	1.86%	894,270
Cardinal Health, Inc.	8,800	1.63%	785,576
Cigna Corp.	6,000	1.83%	877,980
Community Health Systems, Inc.	12,000	0.66%	318,360
Eli Lilly & Co.	31,000	5.44%	2,612,060
Integra LifeSciences Holdings Corp.	20,000	2.82%	1,355,600
Ironwood Pharmaceuticals, Inc.	130,000	3.14%	1,506,700
Johnson & Johnson	23,000	4.92%	2,362,560
Masimo Corp.	18,000	1.55%	747,180
McKesson Corp.	2,300	0.94%	453,629
Medivation, Inc.	12,000	1.21%	580,080
Momenta Pharmaceuticals, Inc.	30,000	0.93%	445,200
Owens & Minor, Inc.	23,000	1.72%	827,540
PerkinElmer, Inc.	30,000	3.34%	1,607,100
Spectrum Pharmaceuticals, Inc.	44,500	0.56%	268,335
St. Jude Medical, Inc.	8,000	1.03%	494,160
Tenet Healthcare Corp.	21,500	1.36%	651,450
Vertex Pharmaceuticals, Inc.	6,500	1.70%	817,895

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Healthcare Value Fund (Continued)

<i>Investment</i>	Units	Fair Value as a % of Net Assets	Fair Value USD
<u>Financial Assets at Fair Value through profit or loss (continued)</u>			
<u>United States (continued)</u>			
WellCare Health Plans, Inc.	10,000	1.63%	782,100
Total United States		57.94%	27,835,445
Total Equities		94.92%	45,609,676
Total Financial Assets at Fair Value through profit or loss		94.92%	45,609,676
<u>Financial Liabilities at Fair Value through profit or loss</u>			
Net unrealised loss on forward foreign currency contracts (note 7)		(1.08)%	(517,163)
Total Financial Liabilities at Fair Value through profit or loss		(1.08)%	(517,163)
Total Investments at Fair Value		93.84%	45,092,513
Cash at bank and brokers		8.92%	4,283,924
Liabilities in excess of other assets		(2.76)%	(1,324,348)
Total Net Assets		100.00%	48,052,089

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

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	90.35%
Other assets	9.65%
Total Assets	100.00%

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Sigma Nordic Fund

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value NOK</i>
<u>Financial Assets at Fair Value through profit or loss</u>			
<u>Equities</u>			
<u>Denmark</u>			
Coloplast A/S	28,000	2.59%	20,094,567
Danske Bank A/S	85,702	2.63%	20,450,191
DSV A/S	54,000	2.44%	18,903,787
Novo Nordisk A/S	61,800	4.10%	31,842,364
Pandora A/S	18,000	2.61%	20,223,411
Royal Unibrew A/S*	53,000	2.46%	19,127,332
Total Denmark		16.83%	130,641,652
<u>Finland</u>			
Amer Sports Oyj	81,500	2.72%	21,134,786
Huhtamaki Oyj	82,000	3.40%	26,413,013
Total Finland		6.12%	47,547,799
<u>Norway</u>			
Det Norske Oljeselskap ASA	300,000	2.14%	16,575,000
Marine Harvest ASA	190,000	2.93%	22,724,000
Orkla ASA	262,000	2.37%	18,366,200
Salmar ASA	129,500	2.59%	20,072,500
Tomra Systems ASA	240,000	2.95%	22,920,000
Yara International ASA	50,700	2.50%	19,413,030
Total Norway		15.48%	120,070,730
<u>Sweden</u>			
AarhusKarlshamn AB*	31,600	2.68%	20,818,615
Assa Abloy AB	105,000	2.53%	19,622,771
Autoliv, Inc.	17,400	2.52%	19,601,983
Hennes & Mauritz AB	62,500	2.55%	19,823,566
Hexagon AB	59,400	2.53%	19,632,346
Hexpol AB	208,000	2.56%	19,894,487
Investor AB	78,000	3.30%	25,599,684
Sandvik AB	252,000	2.52%	19,591,903
Skandinaviska Enskilda Banken AB	250,000	3.02%	23,465,432
Telefonaktiebolaget LM Ericsson	351,000	3.91%	30,328,992
Volvo AB	269,000	2.88%	22,339,826
Total Sweden		31.00%	240,719,605
Total Equities		69.43%	538,979,786
<u>Contracts-for-Difference</u>			
<u>Sweden</u>			
Lundin Petroleum AB	(137,000)	0.22%	1,737,595
Svenska Handelsbanken ser A	(112,785)	0.07%	578,362
Total Sweden		0.29%	2,315,957
<u>Denmark</u>			
Flsmidth & Company AS	(52,500)	0.16%	1,231,089
<u>Norway</u>			
Telenor ASA	(111,000)	0.05%	371,829
Total Contracts-for-Difference		0.50%	3,918,875
<u>Options</u>			
January 16 Puts on OMX Put 1350 15/01/2016	700	0.01%	95,542
January 16 Puts on OMX Put 1380 15/01/2016	600	0.03%	214,181
January 16 Puts on OMX Put 1450 15/01/2016	700	0.19%	1,469,870
Total Options		0.23%	1,779,593

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SCHEDULES OF INVESTMENTS (continued)

As at 31 December 2015

Sector Sigma Nordic Fund (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value NOK</i>
<u>Financial Assets at Fair Value through profit or loss (continued)</u>			
<u>Options (continued)</u>			
Net unrealised gain on forward foreign currency contracts (note 7)		0.49%	3,788,841
Total Financial Assets at Fair Value through profit or loss		70.65%	548,467,095
<u>Financial Liabilities at Fair Value through profit or loss</u>			
<u>Contracts-for-Difference</u>			
<u>Sweden</u>			
Castellum AB	(76,000)	(0.04)%	(279,275)
Hemfosa Fastigheter AB	(106,300)	(0.10)%	(809,138)
ICA Gruppen AB	(41,000)	(0.15)%	(1,157,943)
Swedbank AB	(87,000)	(0.04)%	(283,160)
Total Sweden		(0.33)%	(2,529,516)
Total Contracts-for-Difference		(0.33)%	(2,529,516)
Total Financial Liabilities at Fair Value through profit or loss		(0.33)%	(2,529,516)
Total Investments at Fair Value		70.32%	545,937,579
Cash at bank and brokers		30.05%	233,283,881
Liabilities in excess of other assets		(0.37)%	(2,887,240)
Total Net Assets		100.00%	776,334,220

* Securities pledged, in whole or in part, as margin to cover derivative contracts-for-difference trading.

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

<u>Analysis of Total Assets</u>	<u>% of Total Assets</u>
Transferable securities admitted to an official exchange	
listing or traded on a regulated market	68.33%
Financial derivative instruments	1.20%
Other assets	30.47%
Total Assets	100.00%

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Organisation and Structure

Sector Capital Funds plc (the “Company”) was incorporated and registered in Ireland under the Companies Act 1963 (as amended) and is governed by the Companies Act 2014 as an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds on 27 September 2010 with registered number 489443. 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, 2015 (the “Regulations”).

As at 31 December 2015, the Company has three funds in existence (31 December 2014: three), Sector Global Equity Kernel Fund, Sector Healthcare Value Fund and Sector Sigma Nordic Fund (the “Funds”).

Sector Healthcare Value Fund commenced trading on 17 November 2010. The base currency of Sector Healthcare Value Fund is U.S. Dollars (“USD”). As at 31 December 2015, six classes are currently subscribed to in the Fund (31 December 2014: five), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B NOK Shares, Class B SEK Shares and Class L NOK Shares. Class B SEK Shares launched on 12 February 2015. Class A EUR Shares, Class A NOK Shares and Class A USD Shares were listed on the Irish Stock Exchange on 18 November 2010 and Class B NOK Shares on 10 September 2013.

Sector Sigma Nordic Fund commenced trading on 25 June 2012. The base currency of Sector Sigma Nordic Fund is Norwegian Krone (“NOK”). As at 31 December 2015, ten classes are currently subscribed to in the Fund (31 December 2014: seven), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class C NOK Shares, Class C SEK Shares, Class D NOK, Class D SEK Shares and Class L NOK Shares. Class C SEK Shares launched on 18 February 2015 and Class D SEK Shares launched on 16 November 2015. No application has been made to list the shares on any stock exchange.

Sector Global Equity Kernel Fund commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel Fund is U.S. Dollars (“USD”). As at 31 December 2015, six classes are currently subscribed to in the Fund (31 December 2014: three), Class O NOK Shares, Class P NOK Hedged Shares, Class P NOK Unhedged Shares and Class P USD Shares. Class P NOK Hedged Shares launched on 18 February 2015, Class P NOK Unhedged Shares launched on 20 April 2015, Class A USD Shares launched on 4 November 2015 and Class A NOK Shares launched on 30 November 2015. Class L NOK Shares were fully redeemed during March 2015. Class P USD Shares were listed on the Irish Stock Exchange on 27 March 2014.

Investment Objective

The investment objective of the Sector Global Equity Kernel Fund is to maximize long-term total return relative to MSCI ACWI Index (the “Index”). The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices. There can be no guarantee that the investment objective of the Fund will be achieved.

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.

The investment objective of Sector Sigma Nordic Fund is to generate attractive risk adjusted return for its investors, primarily through investment in Norway, Sweden, Denmark, Finland and Iceland (the “Nordic Region”) with the aim of generating positive return over time in rising as well as falling equity markets. 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 the Financial Reporting Standard 102 (“FRS 102”), the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Act 2014 and the listing rules of the Irish Stock Exchange.

FRS 102 is applicable for annual periods beginning on or after 1 January 2015. These financial statements for the year ended 31 December 2015 are the first audited financial statements of the Company that comply with FRS 102. Therefore the date of transition is 1 January 2014 and all comparative are presented in accordance with FRS 102.

The transition to FRS 102 resulted in a change in the fair value measurement and recognition policy of the Company; however this change has not impacted the financial position or financial performance of the Company.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Change in accounting policies

Under previous Irish GAAP, the quoted market price used for financial assets held was the current bid price and the appropriate quoted market price for financial liabilities was the current ask price. Under FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards 9 “Financial Instrument” and the disclosure requirements of Sections 11 and 12.

The Company has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of Sections 11 and 12. Under IAS 39, financial assets and liabilities are valued at last traded price, consistent with the prospectus. This policy change is recognised prospectively and therefore has no effect on each Fund’s trading net assets nor on the profit or loss for the financial year.

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 contained in FRS 102 not to prepare a cash flow statement.

The preparation of financial statements in accordance with FRS102 requires Directors to make 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 year. Actual results could differ from those estimates.

(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 Income Statement 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 arms 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 Income Statement. 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.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

(c) Options

When the Company writes or purchases put or call options, an amount equal to the premium received or paid is recorded as a liability or an asset and is subsequently marked-to-market based on quoted market prices in the Balance Sheet. Premiums received or paid from writing or purchasing put or call options which are expired or were unexercised are recognised on the expiration date as realised gains or losses in the Income Statement. If an option is exercised, the premium received or paid is included with the proceeds or the cost of the transaction to determine whether the Company has realised a gain or loss on the related investment transaction in the Income Statement. When the Company enters into a closing transaction, the Company will realise a gain or loss in the Profit or Loss Account depending upon whether the amount from the closing transaction is greater or less than the premium received or paid.

(d) Contracts-for-difference

A contract-for-difference ("CFD") is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. The payment flows are usually netted against each other, with the differences being paid by one party to the other. The unrealised gain or loss depends upon the prices at which the underlying financial instruments of the CFD is valued at and is included in the Income Statement.

(e) 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 Global Equity Kernel 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. 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. The functional currency of Sector Sigma Nordic Fund is Norwegian Krone ("NOK"), due to the fact that the majority of the Fund's assets are denominated in NOK and that a substantial portion of capital is issued in NOK. 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 Income Statement in determining the result for the year/

At 31 December 2015, in accordance with FRS 102, a year end exchange rate of NOK/USD 0.1130 (31 December 2014: NOK/USD 0.1334) was used to translate the Balance Sheet of Sector Sigma Nordic Fund in arriving at the total USD value for the Company in the financial statements.

At 31 December 2015, the Income Statement and Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares of Sector Sigma Nordic Fund have been prepared using an average rate of exchange of NOK/USD 0.1242 (31 December 2014: NOK/USD 0.1591) in arriving at the total USD value for the Company in the financial statements. This results in a foreign currency translation loss in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares when compared to the NOK/USD rate used at year end. The adjustment recorded in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares for the year ended 31 December 2015 was a loss of USD11,717,150 (31 December 2014: loss USD9,567,422).

(f) 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 31 December 2015 and 31 December 2014 no offsetting has been presented.

(g) 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.

(h) Expenses

Operating expenses are accounted for on an accruals basis.

(i) 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.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

(j) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholders opinion and are classified as a financial liability.

(k) 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.

(l) Taxation

The Company incurs dividend withholding tax imposed by certain countries on investment income. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in Income Statement.

(m) 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 year ended 31 December 2015 Sector Global Equity Kernel Fund incurred transaction costs of USD132,581 (31 December 2014: USD97,262), Sector Healthcare Value Fund incurred transaction costs of USD53,742 (31 December 2014: USD76,182) and Sector Sigma Nordic incurred transaction costs of NOK2,423,102 (31 December 2014: NOK1,594,898).

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 Period', a 'Relevant Period' being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent period of eight years beginning immediately after the preceding relevant period.

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.

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 year 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 31 December 2015 and 31 December 2014:

Currency	31 December 2015	31 December 2014
Australian Dollar	1.3744	1.2220
Brazilian Real	3.9557	2.6582
British Pound	0.6785	0.6413
Canadian Dollar	1.3891	1.1583
Chinese Renminbi	6.4935	6.2040
Danish Krone	6.8681	6.1537
Euro	0.9206	0.8264
Hong Kong Dollar	7.7519	7.7548
Hungarian Forint	294.1176	263.1579
Japanese Yen	120.4819	119.8897

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Exchange Rates (Continued)

Korean Won	1,111.1111	n/a
Norwegian Krone	8.8496	7.4975
Swedish Krona	8.4317	7.8283
Swiss Franc	1.0010	0.9936
Taiwan Dollar	32.8947	n/a

The following exchange rates (against NOK) were used to convert the investments and other assets and liabilities denominated in currencies other than NOK as at 31 December 2015 and 31 December 2014:

Currency	31 December 2015	31 December 2014
British Pound	0.0767	0.0855
Danish Krone	0.7762	0.8207
Euro	0.1040	0.1102
Swedish Krona	0.9525	1.0441
US Dollar	0.1130	0.1334

An average exchange rate of 0.1242 was used to convert NOK to USD in the Income Statement (31 December 2014: 0.1591).

6. Cash

As at 31 December 2015 and 31 December 2014 all cash balances are held with BNY Mellon Trust Company (Ireland) Limited (the "Custodian"), DNB, Goldman Sachs and Nordea.

	Sector Global Equity Kernel Fund USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
31 December 2015			
BNY Mellon	1,281,111	4,283,924	106,089,032
DNB	-	-	27,774,135
Goldman Sachs	(451,811)	-	27,002,974
Nordea	-	-	72,417,740
	829,300	4,283,924	233,283,881
31 December 2014			
BNY Mellon	312,960	4,040,923	37,639,814
DNB	-	-	32,343,434
Goldman Sachs	(71)	-	9,128,070
Nordea	-	-	42,156,423
	312,889	4,040,923	121,267,741

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) that shall be listed or traded on any market.

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

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

The Market Risk Group ("MRG") functions across all Sector Investment Manager entities and the group is responsible for defining risk management related limits in addition to the investment restrictions found in the Prospectus and related supplements, securing that the Funds have 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 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.

(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 Funds – 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 Funds are both diversified and constructed through fundamental analyses of the expected behaviour and volatility of the individual instruments while following each Fund's investment objective.

The main risk management tool for VaR calculations was Bloomberg Alpha. The Bloomberg Alpha 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. The MRG utilises the commitment approach to calculate global exposure.

There are inherent limitations to VaR. While VaR offers a clear, quantifiable measure, predicting future behaviour involves extracting patterns from past data and applying judgment and modelling to project forward. There is no guarantee that any particular combination of past data modelling or judgment will actually predict future performance. For the purposes of the figures below, the holding period is 1 day and the length of data history used in the model is one year.

For the year ended 31 December 2015

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Global Equity Kernel Fund	1.1%	99%	99%	0.6%	1.2%	1.0%

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Healthcare Value Fund	1.4%	95%	95%	0.0%	1.5%	1.2%

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Sigma Nordic Fund	0.7%	94%	45%	0.3%	99.0%	0.7%

* Exposure as % of NAV

** Net open position as % of NAV

For the year ended 31 December 2014

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Global Equity Kernel Fund	1.0%	99%	99%	0.8%	1.4%	1.0%

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Healthcare Value Fund	1.1%	99%	99%	0.9%	1.2%	1.1%

	Year end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Sigma Nordic Fund	0.5%	95%	33%	0.3%	0.8%	0.6%

* Exposure as % of NAV

** Net open position as % of NAV

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(a) Market price risk (Continued)

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 year ended 31 December 2015 and 31 December 2014 the Funds have not invested in interest bearing assets, other than cash amounts. As at 31 December 2015 and 31 December 2014, the Funds do not have any significant fair value interest rate risk exposure.

Tables outlining the currency and interest exposure as at 31 December 2015 and 31 December 2014 are outlined in note 7(d).

(c) Liquidity risk

Liquidity risk is linked to the Funds 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. This means that there are two aspects that are monitored; what is the probability of the situation occurring and how fast can the Funds realise their 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 Funds, therefore the Funds are 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 each Fund having positions in small cap equities, the ability of a 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 a Fund may invest may prove to be less liquid or highly volatile from time to time. The Funds may invest a limited proportion of their assets in unquoted securities.

For the period ended 31 December 2015 and 31 December 2014, the Funds held very liquid assets and liquidity was monitored daily by the Investment Manager.

The reports below are snapshots of the estimated liquidity of the Funds as at 31 December 2015:

Sector Global Equity Kernel Fund

Description	Cumulative
< 1 day	99%
1-2 days	100%

Sector Healthcare Value Fund

Description	Cumulative
< 1 day	100%
1-2 days	100%

Sector Sigma Nordic Fund

Description	Cumulative
< 1 day	91%
1-2 days	97%
3-5 days	99%
1-2 weeks	100%
3-4 weeks	100%
> 4 weeks	100%

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

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 Funds as at 31 December 2014:

Sector Global Equity Kernel Fund

Description	Cumulative
< 1 day	100%
1-2 days	100%

Sector Healthcare Value Fund

Description	Cumulative
< 1 day	96%
1-2 days	100%

Sector Sigma Nordic Fund

Description	Cumulative
< 1 day	91%
1-2 days	96%
3-5 days	97%
1-2 weeks	98%
3-4 weeks	99%
> 4 weeks	100%

(d) Foreign currency risk

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

Foreign currency risk is in reality a sub-group of market risk, but with its own idiosyncrasies, both with respect to the Funds portfolio as well as the investor classes denominated in different currencies. Certain currency related transactions may, for example, be employed by the Funds 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.

Currency exposure for investor classes

The shares of the Company are denominated in United States Dollar (USD), Euro (EUR), Norwegian Krone (NOK) 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 or SEK being the currency of shareholder investment, and such other currencies as invested in by the Company.

Portfolio currency exposure

The Funds trade 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 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.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

The foreign currency exposure as at 31 December 2015 is as follows:

Sector Global Equity Kernel Fund	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
Currency	USD	USD	USD	USD	USD	USD	USD
AUD	40	(1,437)	—	871,843	—	—	870,446
BRL	111	—	—	—	—	—	111
CAD	284	—	—	—	—	—	284
CHF	7	(1,207)	—	1,373,846	—	—	1,372,646
CNY	—	—	—	1,203,737	—	—	1,203,737
DKK	24	—	—	507,729	—	—	507,753
EUR	835	(12,000)	—	8,756,406	—	389,040	9,134,281
GBP	978	(2,381)	—	1,757,100	—	3,761	1,759,458
HKD	1,269	—	—	800,913	—	—	802,182
JPY	5,134	(11,154)	—	5,957,620	—	10,826	5,962,426
NOK	8,982	(42,109)	—	1,401,461	—	—	1,368,334
SEK	8	—	—	460,565	—	—	460,573
TWD	1,132	—	—	885,798	—	—	886,930
USD	810,496	—	—	21,528,979	—	(473,454)	21,866,021
Total	829,300	(70,288)	—	45,505,997	—	(69,827)	46,195,182

Sector Healthcare Value Fund	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
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	1,023	—	—	384,815	—	—	385,838
DKK	(33)	—	—	1,816,094	—	—	1,816,061
EUR	14,678	(136,752)	—	5,103,115	—	—	4,981,041
GBP	1,559	—	—	4,783,160	—	(183,634)	4,601,085
HUF	98	—	—	604,798	—	—	604,896
JPY	2,076	—	—	2,828,264	—	15,663	2,846,003
NOK	8,356	(379,322)	—	—	—	—	(370,966)
SEK	507	(1,089)	—	902,235	—	33	901,686
USD	4,255,660	—	—	29,187,195	—	(1,156,410)	32,286,445
Total	4,283,924	(517,163)	—	45,609,676	—	(1,324,348)	48,052,089

Sector Sigma Nordic Fund	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
Currency	NOK	NOK	NOK	NOK	NOK	NOK	NOK
DKK	62,829	—	—	131,872,741	—	—	131,935,570
EUR	48,625	614,994	—	47,547,799	—	—	48,211,418
GBP	508	—	—	—	—	—	508
NOK	233,611,601	—	—	120,442,559	—	(2,887,240)	351,166,920
SEK	(449,720)	1,066,278	—	244,815,155	(2,529,516)	—	242,902,197
USD	10,038	2,107,569	—	—	—	—	2,117,607
Total	233,283,881	3,788,841	—	544,678,254	(2,529,516)	(2,887,240)	776,334,220

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

The foreign currency exposure as at 31 December 2014 is as follows:

Sector Global Equity Kernel Fund	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
Currency	USD	USD	USD	USD	USD	USD	USD
AUD	2,172	—	—	193,671	—	—	195,843
BRL	165	—	—	—	—	—	165
CAD	2,934	—	—	280,094	—	726	283,754
CHF	2,025	—	—	307,392	—	—	309,417
CNY	—	—	—	24,165	—	—	24,165
DKK	2,837	—	—	—	—	—	2,837
EUR	7,489	—	—	1,002,641	—	—	1,010,130
GBP	4,883	—	—	716,258	—	1,753	722,894
HKD	585	—	—	264,305	—	—	264,890
JPY	154	—	—	1,095,090	—	762	1,096,006
NOK	13,664	—	—	—	—	—	13,664
SEK	109	—	—	—	—	—	109
USD	275,872	—	—	5,997,532	—	(44,753)	6,228,651
Total	312,889	—	—	9,881,148	—	(41,512)	10,152,525

Sector Healthcare Value Fund	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
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	449	—	—	1,600,765	—	—	1,601,214
DKK	133	—	—	2,394,637	—	—	2,394,770
EUR	10,413	(99,327)	—	7,471,430	—	—	7,382,516
GBP	113	—	—	3,061,650	—	14,813	3,076,576
HUF	39	—	—	—	—	—	39
JPY	2,225	—	—	5,476,573	—	8,476	5,487,274
NOK	4,104	(176,741)	—	—	—	—	(172,637)
SEK	24	—	—	662,890	—	—	662,914
USD	4,023,423	—	—	37,128,615	—	(2,998,395)	38,153,643
Total	4,040,923	(276,068)	—	57,796,560	—	(2,975,106)	58,586,309

Sector Sigma Nordic Fund	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
Currency	NOK	NOK	NOK	NOK	NOK	NOK	NOK
DKK	(4,222)	—	—	35,612,177	(85,118)	—	35,522,837
EUR	65,367	278,847	—	16,877,586	(43,180)	—	17,178,620
GBP	455	—	—	—	—	—	455
NOK	120,508,229	10,659	—	70,026,586	(22,589)	(6,158,055)	184,364,830
SEK	533,474	—	—	90,736,121	—	—	91,269,595
USD	164,438	—	—	—	—	—	164,438
Total	121,267,741	289,506	—	213,252,470	(150,887)	(6,158,055)	328,500,775

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

As at 31 December 2015 the following forward foreign currency contracts were held by the Funds:

Sector Global Equity Kernel Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						USD
1/2/2016	BNY Mellon	AUD	119,641	NOK	756,800	(1,437)
1/2/2016	BNY Mellon	CHF	138,806	NOK	1,218,800	(1,207)
1/2/2016	BNY Mellon	EUR	939,777	NOK	8,940,000	(12,000)
1/2/2016	BNY Mellon	GBP	120,284	NOK	1,548,800	(2,381)
1/2/2016	BNY Mellon	JPY	71,153,273	NOK	5,142,100	(11,154)
1/2/2016	BNY Mellon	NOK	100	AUD	16	-
1/2/2016	BNY Mellon	NOK	1,000	CHF	114	1
1/2/2016	BNY Mellon	NOK	3,543	USD	407	7
1/2/2016	BNY Mellon	USD	2,425,970	NOK	21,107,291	(42,117)
Total unrealised loss on forward foreign currency contracts						(70,288)

Sector Healthcare Value Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						USD
1/2/2016	BNY Mellon	USD	20,959,616	NOK	182,223,553	(379,322)
1/2/2016	BNY Mellon	USD	118,493	SEK	988,859	(1,089)
2/2/2016	BNY Mellon	USD	13,889,054	EUR	12,649,820	(136,752)
Total unrealised loss on forward foreign currency contracts						(517,163)

Sector Sigma Nordic Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						NOK
1/2/2016	BNY Mellon	NOK	68,820,208	EUR	7,213,329	614,994
1/2/2016	BNY Mellon	NOK	119,296,418	SEK	114,495,930	1,066,278
1/2/2016	BNY Mellon	NOK	107,101,976	USD	12,334,106	2,107,569
Total unrealised gain on forward foreign currency contracts						3,788,841

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

As at 31 December 2014 the following open forward foreign currency contracts were held by the Funds:

Sector Healthcare Value Fund						
Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						USD
2/2/2015	BNY Mellon	USD	19,937,356	EUR	16,388,709	(99,327)
2/2/2015	BNY Mellon	USD	18,535,628	NOK	137,774,729	(176,741)
Total unrealised loss on forward foreign currency contracts						(276,068)

Sector Sigma Nordic Fund						
Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss)
						NOK
2/2/2015	BNY Mellon	NOK	59,357,891	EUR	6,565,049	278,847
2/2/2015	BNY Mellon	NOK	1,115,655	USD	150,085	10,659
Total unrealised gain on forward foreign currency contracts						289,506

(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 Funds.

The Funds are 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 received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Trade counterparty

The Funds mitigate counterparty risk by undertaking transactions with large and well capitalised counterparties. The Funds also seek 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 Managers to follow a general policy of seeking to spread the Funds' capital at risk over a number of investments and counterparties, the Funds 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 table below shows the long-term S&P credit ratings for the counterparties that hold cash as at 31 December 2015 and 31 December 2014:

	31 December 2015	31 December 2014
BNY Mellon	A	A+
DNB	A+	A+
Goldman Sachs International	A+	A
Nordea Bank	AA-	AA-

The value of underlying securities, held by Sector Sigma Nordic Fund, pledged as collateral with Goldman Sachs, in relation to derivative contracts-for-difference trading as at 31 December 2015 was as outlined overleaf:

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(e) Credit risk (Continued)

Sector Sigma Nordic Fund

Security	Counterparty	Market Value of Margin NOK
Aarhus Karlshamn AB	Goldman Sachs	9,589,740
Royal Unibrew A/S	Goldman Sachs	11,007,239

(f) Fair value estimation

FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level A

Fair valued using quoted price for an identical asset or liability in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level B

Fair valued using the price of a recent transaction for an identical asset or liability for which quoted prices are unavailable as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Level C

Fair valued using a valuation technique which includes using recent arm's length market transactions for an identical asset or liability, reference to the current fair value of another asset that is substantially the same as the asset being measured, discounted cash flow analysis and option pricing models. A valuation technique is expected to provide a reliable estimate of fair value if it reasonably reflects how the market could be expected to price the asset or liability and the inputs to the valuation technique reasonably represent market expectations and measures of the risk return factors inherent in the asset or liability.

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 C 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.

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 C are those for which a quoted price at 31 December 2015 and 31 December 2014 was unavailable and evidence of a recent transaction at that date could not be ascertained. These investments represent derivative instruments, including forward foreign currency contracts and contracts-for-difference. As these instruments are OTC contracts, a Level C classification is considered appropriate.

The fair values of investments valued under levels A to C are as follows for the year ended 31 December 2015:

Sector Global Equity Kernel Fund	Level A USD	Level B USD	Level C USD	31 December 2015 USD
Financial assets at fair value through profit or loss				
Equity securities	44,302,260	—	—	44,302,260
Derivative instruments	—	—	1,203,745	1,203,745
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	—	(70,296)	(70,296)
Total	44,302,260	—	1,133,449	45,435,709

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(f) Fair value estimation (Continued)

Sector Healthcare Value Fund	Level A USD	Level B USD	Level C USD	31 December 2015 USD
Financial assets at fair value through profit or loss				
Equity securities	45,609,676	—	—	45,609,676
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	—	(517,163)	(517,163)
Total	45,609,676	—	(517,163)	45,092,513

Sector Sigma Nordic Fund	Level A NOK	Level B NOK	Level C NOK	31 December 2015 NOK
Financial assets at fair value through profit or loss				
Equity securities	538,979,786	—	—	538,979,786
Derivative instruments	1,779,593	—	7,707,716	9,487,309
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	—	(2,529,516)	(2,529,516)
Total	540,759,380	—	5,178,199	545,937,579

The categories of investments above comprise:

- Equity securities (which include equities) and
- Derivative instruments (which includes forward foreign currency contracts, contracts-for-difference and options).

There were no significant transfers between levels for the year ended 31 December 2015.

The above levels of fair value hierarchy have changed from that previously disclosed by the Company under previous Irish GAAP. Under the old hierarchy, contracts-for-difference and forward currency contracts within the derivative instruments category classified here as Level C would have been Level 2 financial assets and liabilities. A reconciliation of Level C financial assets and liabilities (Level 3 financial assets and liabilities under previous Irish GAAP) is not required under FRS 102.

The fair values of investments valued under levels A to C are as follows for the period ended 31 December 2014:

Sector Global Equity Kernel Fund	Level A USD	Level B USD	Level C USD	31 December 2014 USD
Financial assets at fair value through profit or loss				
Equity securities	9,856,983	—	—	9,856,983
Derivative instruments	—	—	24,165	24,165
Total	9,856,983	—	24,165	9,881,148

Sector Healthcare Value Fund	Level A USD	Level B USD	Level C USD	31 December 2014 USD
Financial assets at fair value through profit or loss				
Equity securities	57,796,560	—	—	57,796,560
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	—	(276,068)	(276,068)
Total	57,796,560	—	(276,068)	57,520,492

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(f) Fair value estimation (Continued)

				31 December
Sector Sigma Nordic Fund	Level A	Level B	Level C	2014
	NOK	NOK	NOK	NOK
Financial assets at fair value through profit or loss				
Equity securities	210,955,683	–	–	210,955,683
Derivative instruments	588,382	–	1,997,911	2,586,293
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	–	(150,887)	(150,887)
Total	211,544,065	–	1,847,024	213,391,089

The categories of investments above comprise:

- Equity securities (which include equities) and
- Derivative instruments (which includes forward foreign currency contracts, contracts-for-difference and options).

There were no significant transfers between levels for the year ended 31 December 2014.

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 Sector Fund Services AS.

Sector Global Equity Kernel Fund may issue Class A EUR Shares, Class A NOK Shares, Class A SEK Shares and Class A USD Shares (the “Class A Shares”), Class B EUR Shares, Class B NOK Shares, Class B SEK Shares and Class B USD Shares (the “Class B Shares”), Class C EUR Shares, Class C NOK Shares, Class C SEK Shares and Class C USD Shares (the “Class C Shares”), Class L NOK Shares, Class O NOK Shares, and Class P NOK Hedged Shares, Class P NOK Unhedged Shares and Class P USD Shares (“the Class P Shares”).

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

Sector Sigma Nordic Fund may issue Class A EUR Shares, Class A NOK Shares, Class A SEK Shares and Class A USD Shares (the “Class A Shares”), Class B EUR Shares, Class B NOK Shares, Class B SEK Shares and Class B USD Shares (the “Class B Shares”), Class C NOK Shares and Class C SEK Shares (the “Class C Shares”), Class D EUR Shares, Class D NOK Shares, Class D SEK Shares and Class D USD Shares (the “Class D Shares”) and Class L NOK 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.

Class L NOK Shares and Class O NOK (issued by Sector Global Equity Kernel Fund) are only available for subscription by (i) other funds, (including sub-funds of the Company), or similar collective investment schemes that a Sector Group (as defined in the Company’s prospectus) company manages; (ii) the Directors; (iii) any person or investor connected with any such person or entity referred to in parts (i) and (ii) including, without limitation, a trustee of a trust established by or for such an entity, (iv) any company, partnership or other entity controlled by a Sector Group company (v) any company, partnership or other entity which has been appointed or acts as investment manager or investment adviser of an entity referred to in part (i), (vi) any employee of the Sector Group or (vii) any nominee of any of the foregoing.

The Class L NOK Shares (issued by Sector Healthcare Value Fund and Sector Sigma Nordic Fund) are open for public participation. However, the Investment Manager intends the Class L NOK Shares will be primarily invested in by any employees of a Sector Group company, any spouse of such employee, or any company controlled by (one or more) such employee or spouse.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

Class L NOK Shares (issued by all Funds) are exempt from paying investment management fees.

The following are the share class transactions during the year ended 31 December 2015:

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A EUR			
Shares in issue at beginning of year	—	97,848	47,121
Number of shares issued	—	19,856	31,966
Number of shares redeemed	—	(53,959)	(31,394)
Number in issue at end of year	—	63,745	47,693
Class A NOK			
Shares in issue at beginning of year	—	15,692	74,103
Number of shares issued	115	6,253	123,296
Number of shares redeemed	—	—	(5,148)
Number in issue at end of year	115	21,945	192,251
Class A USD			
Shares in issue at beginning of year	—	85,070	1,355
Number of shares issued	100	10,123	105,363
Number of shares redeemed	—	(42,875)	(346)
Number in issue at end of year	100	52,318	106,372
Class B EUR			
Shares in issue at beginning of year	—	—	10,416
Number of shares issued	—	—	11,401
Number of shares redeemed	—	—	(9,304)
Number in issue at end of year	—	—	12,513
Class B NOK			
Shares in issue at beginning of year	—	96,094	88,301
Number of shares issued	—	59,451	22,996
Number of shares redeemed	—	(55,058)	(28,867)
Number in issue at end of year	—	100,487	82,430
Class B SEK			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	3,792	—
Number of shares redeemed	—	(2,758)	—
Number in issue at end of year	—	1,034	—
Class C NOK			
Shares in issue at beginning of year	—	—	2,498
Number of shares issued	—	—	1,607
Number of shares redeemed	—	—	(1,178)
Number in issue at end of year	—	—	2,927
Class C SEK			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	—	58,085
Number of shares redeemed	—	—	(18,980)
Number in issue at end of year	—	—	39,105
Class D NOK			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	—	12,315
Number of shares redeemed	—	—	—
Number in issue at end of year	—	—	12,315

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class D SEK			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	—	74,417
Number of shares redeemed	—	—	(733)
Number in issue at end of year	—	—	73,684
Class L NOK			
Shares in issue at beginning of year	4,000	25,492	20,184
Number of shares issued	—	—	91
Number of shares redeemed	(4,000)	—	(87)
Number in issue at end of year	—	25,492	20,188
Class O NOK			
Shares in issue at beginning of year	1,623	—	—
Number of shares issued	17,567	—	—
Number of shares redeemed	(17,556)	—	—
Number in issue at end of year	1,634	—	—
Class P NOK Hedged			
Shares in issue at beginning of year	—	—	—
Number of shares issued	105,173	—	—
Number of shares redeemed	(51,927)	—	—
Number in issue at end of year	53,246	—	—
Class P NOK Unhedged			
Shares in issue at beginning of year	—	—	—
Number of shares issued	220,367	—	—
Number of shares redeemed	(1,868)	—	—
Number in issue at end of year	218,499	—	—
Class P USD			
Shares in issue at beginning of year	90,075	—	—
Number of shares issued	120,782	—	—
Number of shares redeemed	(27,902)	—	—
Number in issue at end of year	182,955	—	—

The following are the share class transactions during the year ended 31 December 2014:

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A EUR			
Shares in issue at beginning of year	—	98,930	—
Number of shares issued	—	70,207	62,766
Number of shares redeemed	—	(71,289)	(15,645)
Number in issue at end of year	—	97,848	47,121
Class A NOK			
Shares in issue at beginning of year	—	15,692	42,745
Number of shares issued	—	—	31,358
Number of shares redeemed	—	—	—
Number in issue at end of year	—	15,692	74,103
Class A USD			
Shares in issue at beginning of year	—	223,138	—
Number of shares issued	—	33,196	9,600
Number of shares redeemed	—	(171,264)	(8,245)
Number in issue at end of year	—	85,070	1,355

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class B EUR			
Shares in issue at beginning of year	—	—	16,805
Number of shares issued	—	—	1,388
Number of shares redeemed	—	—	(7,777)
Number in issue at end of year	—	—	10,416
Class B NOK			
Shares in issue at beginning of year	—	64,332	91,523
Number of shares issued	—	59,086	16,197
Number of shares redeemed	—	(27,324)	(19,419)
Number in issue at end of year	—	96,094	88,301
Class B USD			
Shares in issue at beginning of year	—	—	6,454
Number of shares issued	—	—	1,343
Number of shares redeemed	—	—	(7,797)
Number in issue at end of year	—	—	—
Class C NOK			
Shares in issue at beginning of year	—	—	2,071
Number of shares issued	—	—	1,583
Number of shares redeemed	—	—	(1,156)
Number in issue at end of year	—	—	2,498
Class L NOK			
Shares in issue at beginning of year	—	25,492	5,936
Number of shares issued	4,000	—	14,248
Number of shares redeemed	—	—	—
Number in issue at end of year	4,000	25,492	20,184
Class O NOK			
Shares in issue at beginning of year	—	—	—
Number of shares issued	28,791	—	—
Number of shares redeemed	(27,168)	—	—
Number in issue at end of year	1,623	—	—
Class P USD			
Shares in issue at beginning of year	—	—	—
Number of shares issued	90,075	—	—
Number of shares redeemed	—	—	—
Number in issue at end of year	90,075	—	—

9. Investment Management Fees

The Company has appointed Sector Omega AS as Investment Manager to Sector Global Equity Kernel Fund, Sector Gamma AS as Investment Manager to Sector Healthcare Value Fund and has appointed Sigma Fondsforvaltning AS as Investment Manager to Sector Sigma Nordic Fund to provide investment management services pursuant to the investment management agreement between the Company and the Investment Manager.

Sector Global Equity Kernel Fund pays the Investment Manager a management fee of up to 1.5 per cent per annum of the Net Asset Value of the Class A Shares, up to 0.75 per cent per annum of the Net Asset Value of the Class B Shares, up to 0.5 per cent per annum of the Net Asset Value of the Class C Shares, up to 0.3 per cent per annum of the Net Asset Value of the Class P Shares and up to 3.0 per cent per annum of the Net Asset Value of the Class O Shares. The Investment Manager does not charge a fee in respect of the Class L NOK Shares.

Sector Healthcare Value Fund pays the Investment Manager a management fee of 1 per cent per annum of the Net Asset Value of Class A Shares and 2 per cent per annum of the Net Asset Value of Class B Shares. The Investment Manager does not charge a fee in respect of the Class L NOK Shares.

Sector Sigma Nordic Fund pays the Investment Manager a management fee of 1 per cent per annum of the Net Asset Value of Class A Shares, 1.5 per cent per annum of the Net Asset Value of Class B Shares, 2 per cent per annum of the Net Asset Value of Class C Shares and 1.5 per cent per annum of the Net Asset Value of Class D Shares. The Investment Manager will not charge a fee in respect of Class L NOK Shares.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Investment Management Fees (Continued)

The management fees accrued for the year ended 31 December 2015 were USD1,459,847 (31 December 2014: USD1,364,900) and the amount outstanding at 31 December 2015 was USD248,370 (31 December 2014: USD117,509).

The Investment Manager to Sector Global Equity Kernel Fund does not anticipate that the "Total Expense Ratio" which includes but is not limited to the management fee, administration fees and expenses, custodian fees and expenses, establishment costs of the Fund and other operating expenses of the Fund will exceed 0.5% of the Net Asset Value of Class P USD Shares each year of the Fund's operation (the "TER Threshold"). If the Total Expense Ratio exceeds the TER Threshold, the Investment Manager has undertaken to discharge that proportion of the Total Expense Ratio of Class P USD Shares above the TER Threshold and shall rebate the Fund accordingly.

The Investment Manager will invest in Class O NOK Shares in Sector Global Equity Kernel Fund and beginning on the date the Class O NOK subscription is booked to the Fund, the aggregate fees for Class P USD above the Class P USD threshold will be funded in this order on an ongoing basis; i) by utilising the 3% management fee attributable to Class O NOK, then ii) by utilising any preliminary charges attributable to Class O NOK accrued on the Fund. If the amounts funded in accordance with (i) and (ii) are not sufficient to achieve the Class P USD TER Threshold, then this excess cost shall accrue and be offset against future fees attributable to the Investment Manager, including future preliminary charges attributable to future investments in Class O NOK.

The total fees waived by the Investment Manager for the year ended 31 December 2015 was USD188,238 (31 December 2014: USD106,086) and the amount outstanding at 31 December 2015 was USD5,620 (31 December 2014: USD8,953).

10. Incentive Fees

The Investment Manager is also entitled to receive an incentive fee, as calculated on the following basis:

Sector Global Equity Kernel Fund

The Fund, in respect of the Class B Shares, Class C Shares and Class O NOK Shares pays the Investment Manager an incentive fee (the "Incentive Fee") equal to 10 per cent of the amount by which the Net Asset Value (before the deduction of any performance fee) of the relevant Class exceeds the MSCI ACWI Index ("Index") adjusted Prior High Net Asset Value ("Index adjusted Prior High Net Asset Value") (as defined below). No Incentive Fee is charged in respect of the Class A Shares, Class P Shares and Class L NOK Shares.

The Incentive Fee is calculated on a share-by-share basis so that each share is charged a fee which equates precisely with that share's performance over each Calculation Period (as defined below). This method of calculation ensures that (i) any Incentive Fee paid to the Investment Manager is charged only to those shares which have outperformed their respective Prior High Net Asset Value over the course of a Calculation Period, (ii) all holders of shares have the same amount of capital per share at risk in the Fund, and (iii) all shares in a particular class have the same net asset value per share.

The Incentive Fee shall only be payable on the amount by which each share outperforms the previous high watermark or Index adjusted Prior High Net Asset Value for the relevant share. For each Calculation Period, an Incentive Fee will only be payable by a particular share if the net asset value of that share at the end of a Calculation Period is greater than the prevailing Prior High Net Asset Value for that share.

The "Prior High Net Asset Value" of each share is the highest net asset value per share on which Incentive Fee was paid in respect of any previous Calculation Period (or, if no Incentive Fee has yet been paid with respect to any such Calculation Period, the Initial Issue Price of the relevant share). The "Index adjusted Prior High Net Asset Value" of each share is the Prior High Net Asset Value adjusted by the performance of the Index for the relevant Calculation Period.

The calculation period for the Incentive Fee shall be a calendar year, closing on the 31 December each year (or if the 31 December is not a Business Day, on the last Business Day of the year) (the "Calculation Period"). The first Calculation Period shall be the period from the close of the initial offer period until the 31 December 2014. Thereafter, the Incentive Fee will be calculated on an annual basis. The Incentive Fee will accrue as at each valuation point and shall be payable annually in arrears (on or after the first business day of the following year).

At the end of each Calculation Period, where an Incentive Fee has been paid, and only then, the Prior High Net Asset Value per share will be reset to the Net Asset Value per share of the relevant class at the end of such Calculation Period. For the avoidance of doubt, where the relevant class has underperformed, (i.e. its net asset value per share at the end of a Calculation Period is below the Index adjusted Prior High Net Asset Value per share), no Incentive Fee will be payable until the underperformance is clawed back.

The Incentive Fee will be verified by the Custodian.

As the Incentive Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, it may be paid on unrealised gains which may subsequently never be realised.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Incentive Fees (Continued)

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") (the "Incentive Fee"). The relevant share's subscription price or the initial issue price (where shares are issued during the initial offer period) 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 period 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 period of the shareholder's investment.

The Incentive Fee will be verified by the Custodian.

No Incentive Fee will be charged in respect of the Class B Shares and Class L NOK Shares.

Sector Sigma Nordic Fund

The Investment Manager is also entitled to receive an incentive fee (the "Incentive Fee") of the aggregate appreciation in value of the Class A Shares, the Class B Shares and the Class C Shares (each a "Class") during the relevant Calculation Period (as defined below). No Incentive Fee will be charged in respect of the Class L NOK Shares.

The Incentive Fee equals 15% of the aggregate appreciation in value of the Class A Shares and 20% of the aggregate appreciation in value of the Class B Shares and the Class C Shares.

The Incentive Fee accrues as at each valuation point and is calculated annually on the rate of return (net of the Investment Manager's fees) of each class, and will be payable annually in arrears (on or after the first business day of the following year), or upon redemption, if earlier. The calculation period shall be a calendar year, closing on the last business day each year (the "Calculation Period"). The first Calculation Period in respect of Class A USD Shares, Class A EUR Shares, Class A SEK Shares, Class B SEK Shares and Class C SEK Shares will be from the close of the Initial Offer Period until the last business day of 2013. The Incentive Fee will be verified by the Custodian.

The Incentive Fee is calculated on a share-by-share basis so that each share is charged a fee which equates precisely with that share's performance over each Calculation Period. This method of calculation ensures that (i) any Incentive Fee paid to the Investment Manager is charged only to those shares which have outperformed their respective Prior High Net Asset Value (as defined below) over the course of a Calculation Period, (ii) all holders of shares have the same amount of capital per share at risk in the Fund, and (iii) all shares in a particular Class have the same net asset Value per share.

The Incentive Fee shall only be payable on the amount by which each share outperforms the previous high watermark or "Prior High Net Asset Value" (as defined below) for the relevant share. For each Calculation Period, an Incentive Fee will only be payable by a particular share if the net asset value of that share at the end of a Calculation Period is greater than the prevailing Prior High Net Asset Value for that share.

The "Prior High Net Asset Value" of each share is the highest net asset value per share on which Incentive Fee was paid in respect of any previous Calculation Period (or, if no Incentive Fee has yet been paid with respect to any such Calculation Period, the initial issue price of the relevant share). As the Incentive Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, it may be paid on unrealised gains which may subsequently never be realised.

At the end of each Calculation Period, where Incentive Fee has been paid, and only then, the Prior High Net Asset Value per share will be reset to the net asset value per share of the relevant class at the end of such Calculation Period. For the avoidance of doubt, where the relevant class has underperformed, (i.e. its net asset value per share at the end of a Calculation Period is below the Prior High Net Asset Value per share), no Incentive Fee will be payable until the underperformance is clawed back.

The Investment Manager shall also be entitled to an incentive fee ("Class D Incentive Fee") equal to 20% of the aggregated appreciation in value of the Class D Shares, in excess of the Prior High Net Asset Value (as defined below) adjusted by the performance of the following hurdle rates, (each a "Hurdle Rate");

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Incentive Fees (Continued)

- Class D SEK Shares the return of 3 month Swedish treasury bills (Bloomberg Ticker: GSGT3M Index). The Investment Manager has agreed to waive the 3 month Swedish treasury bill as hurdle rate whenever the return of the 3 month Swedish treasury bills is negative. In this instance the hurdle rate is set at zero;

- Class D USD Shares the return of 3 month US treasury bills (Bloomberg Ticker: USGG3M Index);

- Class D NOK Shares the return of 3 month Norwegian treasury bills (Bloomberg Ticker: GNGT3M Index); and

- Class D EUR Shares the return of 3 month German treasury bills (Bloomberg Ticker: GETB1 Index).

"Prior High Net Asset Value per Share" is the greater of (i) the Initial Issue Price for the relevant Class D Shares or (ii) the Net Asset Value per Class D Share on which the Class D Incentive Fee was paid in respect of any previous Class D Calculation Period.

The first calculation period for the Class D Shares shall commence from the close of the relevant initial offer period for the Class D Shares and conclude on the next Business Day thereafter. The calculation period thereafter shall be each Business Day (the "Class D Calculation Period"). The Class D Incentive Fee will be calculated and crystallised as at each Valuation Point (net of the Investment Manager's fees), and will be payable monthly in arrears (on or after the first Business Day of the following month), or upon redemption, if earlier. The Class D Incentive Fee will be verified by the Custodian.

Equalisation Credit

The equalisation credit policy is applied to the calculation of the Incentive Fee payable by all Funds. 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.

The Incentive Fees accrued for the year ended 31 December 2015 were USD1,517,715 (31 December 2014: USD1,388,156) and the amount outstanding at 31 December 2015 was USD1,593,724 (31 December 2014: USD1,356,740).

As at 31 December 2015 an equalisation credit of USD368,591 (31 December 2014: USD559,964) was applied.

11. Administration Fees and Custodian Fees

The Company has appointed BNY Mellon Investment Servicing (International) Limited ("BNY Mellon") to act as Administrator, registrar and transfer agent and BNY Mellon Trust Company (Ireland) Limited to act as Custodian (the "Custodian"). BNY Mellon is entitled to receive out of the assets of the Funds an annual administration fee, accrued and calculated on each dealing day and payable monthly in arrears of up to 0.105% of the aggregated Net Assets. BNY Mellon is also entitled to a shareholding services fee of USD1,875 per share class per month together with agree upon transaction charges. The Administrator is also entitled a financial reporting fee of up to USD5,000 per set of financial statements and other out of pocket expenses out of the assets of the Funds (plus VAT thereon if any).

The Administration fee accrued for the year ended 31 December 2015 was USD524,790 (31 December 2014: USD390,816) and the amount outstanding at 31 December 2015 was USD146,962 (31 December 2014: USD86,175).

The Custodian is entitled to an asset based fee of up to 0.02% 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).

The Custodian fee accrued for the year ended 31 December 2015 was USD116,760 (31 December 2014: USD100,358) and the amount outstanding at 31 December 2015 was USD16,665 (31 December 2014: USD28,510).

12. Directors' fees and expenses

The Directors are 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 Directors' remuneration in any one year shall not exceed €20,000 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' fees and expenses accrued for the year ended 31 December 2015 was USD18,872 (31 December 2014: USD26,550) and the amount outstanding at 31 December 2015 was USD4,732 (31 December 2014: USD6,219).

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Auditors' Fee

Fees and expenses paid to the statutory auditors, Deloitte, in respect of the financial period, relate to the audit of the financial statements of the Company and tax advisory services. There were no fees and expenses paid in respect of other assurance or non-audit services provided by the auditors for the year ended 31 December 2015 and 31 December 2014.

Audit fees charged for the year ended 31 December 2015 were EUR20,625 ex VAT (31 December 2014: EUR20,625). Tax advisory fees charged for the year ended 31 December 2015 were EUR10,000 ex VAT (31 December 2014: EUR10,000).

14. 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, stocklending and repurchase agreements for the purposes of efficient portfolio management only, subject to the conditions and limits set out in the Central Bank of Ireland's Notices and within any further limits laid down by the Central Bank of Ireland from time to time. In particular, the Funds 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 Funds into the base currency of the Funds 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 Funds and will better enable the Funds 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 Funds 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 year ended 31 December 2015 and 31 December 2014, the Company has utilised forward foreign currency contracts, contracts-for-difference and options.

15. Related Party Transactions

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

Custodian 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 "Custodian" and its "associated or group companies" to be "connected parties" to the Company. As such, BNY Mellon Trust Company (Ireland) Limited, the Custodian, and BNY Mellon Investment Servicing (International) Limited, the Administrator, are connected parties 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, custodian, investment manager and/or associated or group companies of these ("connected parties") 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 parties entered into during the period complied with the obligations set out in the Regulations. As at 31 December 2015 and 31 December 2014, Sector Asset Management AS, ultimate parent company of the Investment Manager, held 3 Class A EUR Shares, 2 Class A NOK Shares and 3 Class A USD Shares in Sector Healthcare Value Fund.

As at 31 December 2015 the following key personnel as defined within Section 33 of FRS 102 held a beneficial interest in the Funds as follows:

Key personnel	Role/Team	Fund/Class	Number of Shares held
Trond Horneland	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	15,665
Trond Tviberg	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	7,945
Lars Tell	Director, Sector Capital Funds Plc	Sector Sigma Nordic Fund, Class L NOK	91
Jan Henrik Arvesen	Investment Manager, Sigma Fondsforvaltning AS	Sector Sigma Nordic Fund, Class L NOK	3,341

Sector Speculare AS – holds Class A NOK - 115 shares, Class A USD - 100 shares and Class O NOK – 1,634 shares in Sector Global Equity Kernel Fund.

Sector Gamma AS - Holds Class L SEK - 118 shares in Sector Healthcare Value Fund.

During the year ended 31 December 2015, Sector Omega AS, the Investment Manager, sold its investment in Sector Global Equity Kernel Fund, Class O NOK.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. 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 Funds' obligations against another Fund.

As at 31 December 2015 there were three Funds in operation (31 December 2014: three) and there were no known contingent liabilities.

17. Soft Commission

There were no soft commissions for the years ended 31 December 2015 or 31 December 2014.

18. Prospectus

A revised Supplement for Sector Sigma Nordic Fund was issued on 20 March 2015 to include Class D Shares.

A revised Supplement for Sector Global Equity Kernel Fund was issued on 9 April 2015 to include Class P NOK Unhedged Shares.

19. Comparative Period

The prior period comparatives are for the period 1 January 2014 to 31 December 2014.

20. Significant Events during the Period

Peter Murray resigned as a Director of the Company with effective 21 September 2015, and Paul Dobbyn was appointed as a Director effective 21 September 2015.

There were no other significant events during the year.

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 14 April 2016.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

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, 2015, a statement of the largest changes in the composition of the Schedule of Investments during the year 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 year. At a minimum the largest 20 purchases and sales are listed. If the Fund enters into less than 20 purchases or sales during the year, then all transactions are presented.

Sector Global Equity Kernel Fund

LARGEST PURCHASES

	COST USD
iShares MSCI ACWI Index Fund	8,599,970
Intel Corp.	979,582
NVR, Inc.	929,591
Siemens AG	906,622
NTT DoCoMo, Inc.	901,515
Foot Locker, Inc.	876,675
Cranswick PLC	722,527
AmerisourceBergen Corp.	720,524
Alten Ltd.	694,695
Astellas Pharmaceutical Co. Ltd.	689,890
Flextronics International Ltd.	675,523
Skyworks Solutions, Inc.	658,909
Genuine Parts Co.	638,549
Apple Computer, Inc.	588,334
International Flavors & Fragrances, Inc.	568,564
Johnson & Johnson	536,060
Berkeley Group Holdings PLC	510,434
Delphi Automotive PLC	501,279
The Kroger Co.	495,674
Ryoshoku Ltd.	465,157

LARGEST SALES

	PROCEEDS USD
iShares MSCI ACWI Index Fund	7,104,352
Flextronics International Ltd.	775,191
AmerisourceBergen Corp.	746,753
Astellas Pharmaceutical Co. Ltd.	694,420
Apple Computer, Inc.	642,714
Intel Corp.	605,417
Berkeley Group Holdings PLC	559,872
NTT DoCoMo, Inc.	538,185
Bechtle AG	510,404
Sino Biopharmaceutical Ltd.	508,344
Atlantic Tele Network, Inc.	502,091
Swisscom AG	500,846
Siemens AG	494,777
SYSCO Corp.	490,320
Galenica AG	469,850
NVR, Inc.	468,128
Medipal Holdings Corp.	466,290
Teva Pharmaceutical Industries Ltd.	459,667
Alphabet, Inc.	459,602
McKesson Corp.	451,034

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)(Continued)

Sector Healthcare Value Fund

LARGEST PURCHASES

	COST USD
Johnson & Johnson	3,490,175
GlaxoSmithKline PLC	2,579,448
Biogen Idec, Inc.	2,038,017
Eli Lilly & Co.	1,245,572
Smith & Nephew PLC	1,213,475
Baxalta, Inc.	1,029,532
Teva Pharmaceutical Industries Ltd.	1,007,864
Otsuka Holdings Co. Ltd.	874,795
Owens & Minor, Inc.	781,428
Bristol-Myers Squibb Co.	775,148
Baxter International, Inc.	736,208
Mylan NV	599,557
Ironwood Pharmaceuticals, Inc.	584,769
Momenta Pharmaceuticals, Inc.	545,953
Mylan, Inc./PA	541,055
Catamaran Corp.	530,546
Rite Aid Corp.	530,371
Medivation, Inc.	529,749
Richter Gedeon Nyrt	511,362
St. Jude Medical, Inc.	505,606
Sanofi-Aventis S.A.	488,930
McKesson Corp.	453,922
Takeda Pharmaceutical Co. Ltd.	431,913
The Medicines Co.	351,429
Integra LifeSciences Holdings Corp.	283,839

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)(Continued)

Sector Healthcare Value Fund
LARGEST PURCHASES

	USD
Boston Scientific Corp.	2,931,476
Eli Lilly & Co.	2,479,810
Bristol-Myers Squibb Co.	2,453,563
Hospira, Inc.	2,310,766
Stryker Corp.	1,988,751
AstraZeneca PLC	1,949,779
H Lundbeck A/S	1,874,464
Thoratec Corp.	1,739,442
Takeda Pharmaceutical Co. Ltd.	1,552,153
Astellas Pharmaceutical Co. Ltd.	1,538,991
The Medicines Co.	1,487,438
Actelion Ltd.	1,432,726
Edwards Lifesciences Corp.	1,300,574
Rite Aid Corp.	1,231,044
Johnson & Johnson	1,211,432
Teva Pharmaceutical Industries Ltd.	1,201,752
Bayer AG	1,170,020
LifePoint Hospitals, Inc.	1,157,576
Mylan NV	1,097,857
Sanofi-Aventis S.A.	1,094,031
Daiichi Sankyo Co. Ltd.	1,023,538
Shionogi & Co. Ltd.	1,019,121
Quest Diagnostics, Inc.	1,002,844
Ipsen S.A.	972,501
AmerisourceBergen Corp.	910,048
Baxalta, Inc.	729,272
Cardinal Health, Inc.	626,511
Patterson Cos., Inc.	601,087
Catamaran Corp.	598,854
Vertex Pharmaceuticals, Inc.	519,092
Masimo Corp.	491,223
Biogen Idec, Inc.	481,684
WellCare Health Plans, Inc.	479,640

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)(Continued)

Sector Sigma Nordic Fund

LARGEST PURCHASES

	COST NOK
Volvo AB, Class B	38,400,952
Telefonaktiebolaget LM Ericsson	37,932,551
DSV A/S	33,131,642
Novo Nordisk A/S	28,632,188
Autoliv, Inc.	25,869,174
Skandinaviska Enskilda Banken AB, Class A	25,841,738
Trelleborg AB, Class B	25,806,663
Marine Harvest ASA	21,329,415
Norsk Hydro ASA	21,150,775
Huhtamaki Oyj, Class B	20,650,600
Sandvik AB	20,101,328
Statoil ASA	18,838,044
Orkla ASA	18,556,753
Pandora A/S	18,523,756
Salmar ASA	18,486,578
Danske Bank A/S	18,415,386
Cargotec Oyj, Class B	18,287,865
Det Norske Oljeselskap ASA	18,108,405
Coloplast A/S	17,162,551
NKT Holding A/S	16,882,427
DHT Holdings, Inc.	16,409,754
Hennes & Mauritz AB, Class B	16,203,578
Telenor ASA	15,916,060
Hexagon AB, Class B	15,449,673
TeliaSonera AB	14,820,312
ABB Ltd.	13,965,143
Alfa Laval AB	13,898,732
Nokia Oyj	13,517,718
Royal Caribbean Cruises Ltd.	13,274,412
Yara International ASA	13,270,250
Hexpol AB	13,090,429
Boliden AB	12,863,740
Assa Abloy AB	11,805,664
Haldex AB	11,387,214
Investor AB	10,186,654
Hexpol AB	9,743,931
Munksjo Oyj	8,951,389
Assa Abloy AB	8,926,076
Frontline 2012 Ltd.	8,299,314

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2015

SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)(Continued)

Sector Sigma Nordic Fund

LARGEST SALES

**PROCEEDS
NOK**

Telenor ASA	25,771,692
Trelleborg AB, Class B	22,780,762
Autoliv, Inc.	19,836,554
Royal Caribbean Cruises Ltd.	18,671,165
Statoil ASA	17,474,526
Skandinaviska Enskilda Banken AB, Class A	17,431,887
DHT Holdings, Inc.	16,614,652
Cargotec Oyj, Class B	16,560,985
Assa Abloy AB	16,559,316
Volvo AB, Class B	15,587,866
DSV A/S	15,069,605
Norsk Hydro ASA	14,637,707
NKT Holding A/S	14,562,735
Alfa Laval AB	13,806,609
Boliden AB	13,745,468
ABB Ltd.	13,737,789
Svenska Cellulosa AB, Class B	13,707,457
Topdanmark A/S	13,252,808
Marine Harvest ASA	13,084,266
TeliaSonera AB	12,910,468
Novo Nordisk A/S	12,890,135
Nokia Oyj	12,282,579
Opera Software ASA	12,131,639
Huhtamaki Oyj, Class B	10,654,335
Salmar ASA	10,531,287
Hexpol AB	9,768,077
Hexagon AB, Class B	9,661,106
Frontline 2012 Ltd.	9,635,940
Hennes & Mauritz AB, Class B	9,206,476
Haldex AB	9,068,863
Swedbank AB, Class A	8,981,955
SKF AB, Class B	8,711,555
Danske Bank A/S	8,682,747
Munksjo Oyj	7,300,544
Telefonaktiebolaget LM Ericsson	6,530,170
Aurora LPG Holding AS	6,203,957
Hexpol AB	6,082,385