

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 2020

Registration No. 489443

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2020

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GENERAL INFORMATION

Directors

Michael Boyce (*Irish*)^
Lars Tell (*Swedish*)
Conor Walsh (*Irish*)^

^Independent non-executive Director

Investment Manager

Harvest Equity Kernel Fund
Harvest Omega K AS
(formerly Sector Omega AS) (*resigned 1 January 2020*)
Kongens gate 12
N-0153 Oslo
Norway

Investment Manager

Harvest Funds AS (*appointed 2 January 2020*)
Kongens gate 12
N-0153 Oslo
Norway

Investment Manager

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

Administrator, Registrar and Transfer Agent

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

Depository

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

Registered Office

32 Molesworth Street
Dublin 2
Ireland

Independent Auditors

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

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

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

Legal Advisers to Harvest Funds AS (*advisers as to Norwegian law*)

Thommessen
Haakon Vlls gate 10
Postboks 1484 Vika
NO-0116 Oslo
Norway

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

Maples Group
75 St. Stephen's Green
Dublin 2
Ireland

Sponsoring Brokers

Maples Group
75 St. Stephen's Green
Dublin 2
Ireland

Company Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

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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 financial year 1 January 2020 to 31 December 2020.

Principal Activities and Review of Business

The Company was incorporated and registered in Ireland under 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 USD492,002,331 on 31 December 2020 (31 December 2019: USD294,546,364).

The Company was authorised by the Central Bank of Ireland pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (as amended) (the "Regulations").

As at 31 December 2020, the Company has three funds in existence (31 December 2019: three), Sector Healthcare Value Fund, Harvest Equity Kernel (formerly Sector Global Equity Kernel) and Sector Sigma Nordic Fund which ceased trading effective 27 April 2018 and an application will be made to the Central Bank of Ireland to have its authorisation revoked (individually the "Fund", and together 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 2020, twelve classes are subscribed to in the Fund (31 December 2019: nine), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class B SEK Shares, Class B USD Shares, Class X EUR Shares, Class X USD Shares, Class Y EUR Shares, Class Y GBP Shares and Class Y USD Shares.

Sector Healthcare Value Fund's Class A USD, Class A EUR and Class A NOK Shares were listed on Euronext Dublin on 18 November 2010 and Class B NOK Shares were listed on Euronext Dublin on 10 September 2013. Effective 3 June 2020, all Shares were delisted.

Harvest Equity Kernel commenced trading on 19 March 2014. The base currency of Harvest Equity Kernel is USD. Effective 2 January 2020, the Fund changed its name from Sector Global Equity Kernel to Harvest Equity Kernel. As at 31 December 2020 five classes are subscribed to in the Fund (31 December 2019: five), Class A NOK Shares, Class A USD Shares, Class P NOK, Class P USD and Class P NOK Unhedged.

Harvest Equity Kernel's Class P USD Shares were listed on Euronext Dublin on 27 March 2014. Effective 3 June 2020, all Shares were delisted.

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 9.

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 in accordance 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.

SECTOR CAPITAL FUNDS PLC
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DIRECTORS' REPORT (Continued)

Statement of Directors' Responsibilities (Continued)

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.

Audit Information Statement

So far as each of the Directors in office at the date of approval of the financial statements are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

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 accounting records by employing the resources of an administrator, BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator"). During the financial year the accounting records of the Company were maintained at the offices of the Administrator: BNY Mellon Fund Services (Ireland) Designated Activity Company, 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' Report and note 7.

Significant events during the financial year

A revised supplement for Harvest Equity Kernel was noted by the Central Bank of Ireland on 2 January 2020. The main updates related to the change in name of the Fund from Sector Global Equity Kernel to Harvest Equity Kernel and the change in the Investment Manager from Harvest Omega K AS (formerly Sector Omega AS) to Harvest Funds AS.

Two revised supplements for Sector Healthcare Value Fund were noted by the Central Bank of Ireland on 1 October 2020 and 22 December 2020. The main updates relate to the introduction of Class Y Share and Class E Shares respectively.

Effective 3 June 2020, all Shares listed on Euronext Dublin were delisted.

Market disturbances

The global public health crisis which arose from the outbreak of the novel coronavirus disease (known as COVID-19) has caused considerable volatility and disruption in financial markets since early March 2020. It is unknown what the impact will be on the global economy but the uncertainty and instability from COVID-19 for a prolonged period could have an adverse impact on the Company's or relevant Fund's business, opportunities, operations, financial condition and cash flows and there can be no assurance that the risks associated with COVID-19 will not alter significantly the attractiveness of an investment in the Company or a Fund as a result of the potential for capital losses and general uncertainty.

There were no other significant events during the year.

Significant events after the balance sheet date

Upon recommendation from the Investment Manager, Harvest Funds AS, the Directors resolved to terminate Harvest Equity Kernel Fund, with effect from 15 January 2021. Once the distribution of the realisation proceeds has occurred, the Directors will seek revocation of the approval of the Fund from the Central Bank of Ireland.

There were no other significant events after the balance sheet date.

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DIRECTORS' REPORT (Continued)

Business Continuity Planning

All relevant third party service providers, including the Investment Managers, have confirmed to the Board they have applied their contingency plans to ensure operational continuity in line with regulatory obligations of the Company. No operational disturbances have been identified as of now.

Directors

Michael Boyce
Lars Tell
Conor Walsh

Directors' and Secretary's Interests

The Directors and Secretary and their families had no interest in the shares of the Company at 31 December 2020, other than as disclosed below:

As at 31 December 2020, Lars Tell, Director of the Company held 250 Class A NOK shares in Sector Healthcare Value Fund (31 December 2019: 160 Class L NOK).

Dividends

Under the Articles of Association dividends may be paid out of the profits. During the financial year ended 31 December 2020, no dividends were paid (2019: nil).

Corporate Governance Statement

The Company is subject to and complies with the Regulations.

The Board has adopted the voluntary Irish Funds ("IF") 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.

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 Fund Services (Ireland) Designated Activity Company, 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. 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.

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DIRECTORS' REPORT (Continued)

Monitoring

The Board receives regular presentations and reviews reports from the Depositary, 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. 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. 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 Act 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 Harvest Omega K AS (formerly Sector Omega AS), Harvest Funds AS (from 2 January 2020) and Sector Gamma AS as the Investment Managers. The Company has The Bank of New York Mellon SA/NV, Dublin Branch, as the Depositary 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 Act 2014. 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 Articles of Association.

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 a general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

Decision not to establish an Audit Committee

The Directors have decided not to establish an audit committee pursuant to section 167(2)(b) of the Companies Act 2014. This has been decided on the basis of the following:

- a) the nature, scale and complexity of the Company's business range of services and activities undertaken in the course of that business;
- b) the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf; and
- c) the procedures in place for the review, approval and circulation of the audited financial accounts and statements which are appropriate for a self-managed investment company pursuant to the Regulations.

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DIRECTORS' REPORT (Continued)

Independent Auditors

Deloitte Ireland LLP, 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: 24 March 2021



Conor Walsh, Director



BNY MELLON

The Bank of New York Mellon SA/NV,
Dublin Branch
Riverside Two, Sir John Rogerson's Quay,
Grand Canal Dock, Dublin 2, D02 KV60,
Ireland.

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REPORT FROM THE DEPOSITARY TO THE SHAREHOLDERS DATED 24 MARCH 2021

For the period from 01 January 2020 to 31 December 2020 (the “**Period**”)

The Bank of New York Mellon SA/NV, Dublin Branch (the “**Depository**” “**us**”, “**we**”, or “**our**”) has enquired into the conduct of Sector Capital Funds plc (the “**Company**”) for the Period, in its capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as Depositary to the Company 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 Depositary

Our duties and responsibilities are outlined in Regulation 34 of the of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the “**Regulations**”).

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 constitutional documentation 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 Depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties 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 Period, in all material respects:

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

For and on Behalf of The Bank of New York Mellon SA/NV, Dublin Branch,
Riverside II,
Sir John Rogerson’s Quay,
Grand Canal Dock,
Dublin 2

Registered in Ireland No. 907126, VAT No. IE9578054E

The Bank of New York Mellon SA/NV, trading as The Bank of New York Mellon SA/NV, Dublin Branch is authorised by the National Bank of Belgium.

The Bank of New York Mellon SA/NV, 46 Rue Montoyerstraat, B-1000 Brussels, Belgium - Tel. (32) 2 545 81 11, V.A.T. BE 0806.743.159 - RPM-RPR Brussels Company No. 0806.743.159. The Bank of New York Mellon SA/NV is a Belgian limited liability company, authorized and regulated as a significant credit institution by the European Central Bank and the National Bank of Belgium under the Single Supervisory Mechanism and by the Belgian Financial Services and Markets Authority.

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INVESTMENT MANAGERS' REPORTS

Harvest Equity Kernel

The Harvest Equity Kernel was up 10.61% (Class P USD) during 2020 compared the MSCI ACWI which returned 16.25%.

Calendar year 2020 was characterised by some wild swings in global equity markets. As the Covid-19 spread to become a pandemic at the beginning of the year, most asset classes fell hard. We were forewarned for years that it was a only a question of time before a pandemic would strike, thus the Covid-19 was in our opinion not, as many would claim, a so called 'black swan'. Likewise, the political response, basically shutting down the global economy should not be too unexpected either. After all, social distancing was always the response to something like this. The speed and extent of the political response, however, was impressive to say the least. Consequently, global equities staged one of the steepest rallies ever and global equity markets ended in positive territory during a year that saw the worst economic contraction since World War II. This was perhaps the biggest surprise of 2020.

Whereas we, obviously, did not predict the pandemic, we did hold the view that risk in global equity markets was higher than normal when we embarked on 2020. Consequently, the Fund was positioned more defensive than the broader equity market. An important element here was holding an allocation to gold miners as the group acts as a quite effective hedge against bad times. These were the dominant factors causing the Fund to hold up meaningfully better, both during the dramatic sell-off in February/March as well as during the recovery in April. However, in the second half, particularly following the vaccine news in November, the Fund's defensive positioning could not keep up with the nearly vertical rise of the equity market.

In January 2021, the Investment Manager recommended to the Board of Directors to terminate the Fund, and consequently the Fund was closed.

Harvest Funds AS **January 2021**

Sector Healthcare Value Fund

The global equity markets returned over 16 percent in a volatile 2020. The rally was led by the technology sector and growth and momentum stocks in general. Healthcare stocks underperformed the broader markets despite their central role in COVID-19 testing as well as successful therapeutics and vaccine developments. Value stocks and sub-sectors within the healthcare space underperformed whereas growth and momentum stocks and sub-sectors outperformed. Capital market activity was record high, whereas M&A activity was well below normal in 2020.

Sector Healthcare Value Fund ended the year up 9.3%, underperforming the MSCI World Healthcare Index by 4.2%. The momentum factor made it a more challenging environment for our contrarian valuation-based strategy. Despite the momentum headwind, all our sub-sectors delivered absolute returns in 2020 with the most profitable being our medical technology, biotechnology, and healthcare services positions. Top performing single stock holdings were Merck Kgaa, Perkin Elmer and Alexion. Worst performing stocks were Glaxo, Nuvasive and Merck.

2020 marked the 10-year anniversary for the Sector Healthcare Value Fund, having returned over 16 percent annually since inception, outperforming both the healthcare index and the broader markets. While 2020 was difficult on a relative basis, we are encouraged to find similar value opportunities as when we first launched the Fund 10 years ago. Spreads between cheap and expensive companies are high by historical standards, and it is our belief that buying undervalued companies is a profitable strategy over a full investment cycle.

Sector Gamma AS **January 2021**

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SECTOR CAPITAL FUNDS PLC

Report on the audit of the financial statements

Opinion on the financial statements of Sector Capital Funds plc ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31st December 2020 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Schedule of Investments;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 2.

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" issued by the Financial Reporting Council ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is 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, 2019 ("the applicable Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SECTOR CAPITAL FUNDS PLC

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SECTOR CAPITAL FUNDS PLC

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes 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 financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

Use of our report

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 auditor's 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.



Christian MacManus
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 29 March 2021

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2020

BALANCE SHEET

As at 31 December 2020

	Note	Harvest Equity Kernel 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		109,556,087	368,441,456	—	477,997,543
Cash at bank and brokers	6	15,847,914	5,970,273	—	21,818,187
Interest receivable		36	69	—	105
Dividends receivable		45,965	660,180	—	706,145
Other assets		1,266	1,033	—	2,299
Total Assets		125,451,268	375,073,011	—	500,524,279
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss		301,921	937,236	—	1,239,157
Payable for securities purchased		—	2,282,642	—	2,282,642
Subscriptions received in advance		52,382	573,228	—	625,610
Payable to investment manager	9	178,612	311,463	—	490,075
Incentive fee/performance fee	10	—	317,753	—	317,753
Administration fee	11	57,895	72,257	—	130,152
Directors' fees and expenses	12	5,468	9,174	—	14,642
Auditors' fee	13	12,029	13,553	—	25,582
Depository/Custodian fee	11	8,914	15,987	—	24,901
Legal fee		7,547	4,240	—	11,787
Interest payable		4,091	—	—	4,091
Equalisation credit payable		—	3,183,406	—	3,183,406
Trading and Research fees		120,191	13,999	—	134,190
Other creditors		9,749	28,211	—	37,960
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		758,799	7,763,149	—	8,521,948
Net assets attributable to holders of Redeemable Participating Shares	20	124,692,469	367,309,862	—	492,002,331

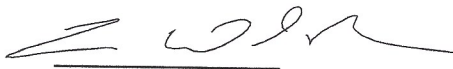
Sector Sigma Nordic Fund ceased trading on 27 April 2018.

On behalf of the Board of Directors



Michael Boyce, Director

Date: 24 March 2021



Conor Walsh, Director

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 2020

BALANCE SHEET (Continued)

As at 31 December 2019

	Note	Harvest Equity Kernel 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		116,372,437	169,786,990	–	286,159,427
Cash at bank and brokers	6	12,181,481	5,007	185,244	12,207,569
Receivable for securities sold		–	1,734,301	–	1,734,301
Interest receivable		3,346	10,444	–	13,790
Dividends receivable		150,828	215,426	–	366,254
Other assets		110,811	4,050	–	114,861
Total Assets		128,818,903	171,756,218	185,244	300,596,202
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss		1,128,043	67,171	–	1,195,214
Bank overdraft	6	–	331,797	–	331,797
Payable for securities purchased		–	581,512	–	581,512
Subscriptions received in advance		64,987	5,007	–	69,994
Payable to investment manager	9	164,527	174,161	–	338,688
Incentive fee/performance fee	10	–	655,248	–	655,248
Administration fee	11	60,909	53,562	–	114,471
Directors' fees and expenses	12	3,889	3,370	–	7,259
Auditors' fee	13	14,292	14,322	–	28,614
Depository/Custodian fee	11	15,291	11,586	–	26,877
Legal fee		10,000	10,000	–	20,000
Interest payable		8,258	–	–	8,258
Payable to Shareholders		–	–	185,244	21,081
Equalisation credit payable		–	2,608,535	–	2,608,535
Other creditors		28,293	13,997	–	42,290
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		1,498,489	4,530,268	–	6,049,838
Net assets attributable to holders of Redeemable Participating Shares	20	127,320,414	167,225,950	–	294,546,364

Sector Sigma Nordic Fund ceased trading on 27 April 2018 and is translated in the Company total column at the Balance Sheet exchange rate of 0.1138.

SECTOR CAPITAL FUNDS PLC
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PROFIT AND LOSS ACCOUNT

For the financial year ended 31 December 2020

	Note	Harvest Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds Plc USD
Income					
Dividend income		2,390,275	3,876,579	–	6,266,854
Interest income		58,430	38,817	–	97,247
Other income		5,797	279,348	–	285,145
		<u>2,454,502</u>	<u>4,194,744</u>	<u>–</u>	<u>6,649,246</u>
Net realised gain/(loss) on:					
- investments		8,262,174	17,645,325	–	25,907,499
- foreign currency		558,951	9,542,865	–	10,101,816
Net change in unrealised appreciation/(depreciation) on:					
- investments		2,536,448	(1,739,586)	–	796,862
- foreign currency		1,748,548	8,236,999	–	9,985,547
Net investment gain		15,560,623	37,880,347	–	53,440,970
Expenses					
Management fee	9	(751,154)	(2,723,228)	–	(3,474,382)
Incentive fee/performance fee	10	–	239,439	–	239,439
Administration fee	11	(208,146)	(312,469)	–	(520,615)
Depository/Custodian fee	11	(75,928)	(105,814)	–	(181,742)
Directors' fees and expenses	12	(12,727)	(21,806)	–	(34,533)
Auditors' fee	13	(9,571)	(11,064)	–	(20,635)
Legal fee		(32,727)	(83,019)	–	(115,746)
Listing fee		(4,971)	(5,383)	–	(10,354)
Trading and research fees		(360,000)	(67,264)	–	(427,264)
Other expenses		(77,499)	(129,863)	–	(207,362)
Total expenses before waivers		<u>(1,532,723)</u>	<u>(3,220,471)</u>	<u>–</u>	<u>(4,753,194)</u>
Net expenses after waivers		(1,532,723)	(3,220,471)	–	(4,753,194)
Net gain before finance costs		14,027,900	34,659,876	–	48,687,776
Finance costs					
Interest expense		(135,240)	(5,376)	–	(140,616)
Total finance costs		(135,240)	(5,376)	–	(140,616)
Taxation					
Withholding tax and other taxation		(454,754)	(719,855)	–	(1,174,609)
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		13,437,906	33,934,645	–	47,372,551

There are no recognised gains or losses for the year other than those set out in the Profit and Loss Account. All activities relate to continuing operations except for Sector Sigma Nordic Fund which ceased trading on 27 April 2018 and Harvest Equity Kernel which is being liquidated during 2021.

SECTOR CAPITAL FUNDS PLC
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PROFIT AND LOSS ACCOUNT (Continued)

For the financial year ended 31 December 2019

	Note	Harvest Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds Plc USD
Income					
Dividend income		4,718,799	2,345,981	–	7,064,780
Interest income		525,708	124,242	–	649,950
Other income		23,159	14,498	–	37,657
		<u>5,267,666</u>	<u>2,484,721</u>	<u>–</u>	<u>7,752,387</u>
Net realised gain/(loss) on:					
- investments		24,849,001	7,598,274	–	32,447,275
- foreign currency		(11,386,383)	(6,984,970)	–	(18,371,353)
Net change in unrealised appreciation/(depreciation) on:					
- investments		12,564,797	24,394,257	–	36,959,054
- foreign currency		6,639,918	5,347,611	–	11,987,529
Net investment gain		<u>37,934,999</u>	<u>32,839,893</u>	<u>–</u>	<u>70,774,892</u>
Expenses					
Management fee	9	(1,153,450)	(1,799,702)	–	(2,953,152)
Incentive fee/performance fee	10	–	(307,118)	–	(307,118)
Administration fee	11	(270,619)	(237,532)	–	(508,151)
Depository/Custodian fee	11	(144,598)	(73,748)	–	(218,346)
Directors' fees and expenses	12	(17,675)	(11,441)	–	(29,116)
Auditors' fee	13	(19,142)	(18,075)	–	(37,217)
Legal fee		(32,254)	(24,815)	–	(57,069)
Listing fee		(4,139)	(8,360)	–	(12,499)
Trading and research fees		(359,513)	(48,979)	–	(408,492)
Other expenses		(78,376)	(67,863)	–	(146,239)
Total expenses before waivers		<u>(2,079,766)</u>	<u>(2,597,633)</u>	<u>–</u>	<u>(4,677,399)</u>
Net expenses after waivers		<u>(2,079,766)</u>	<u>(2,597,633)</u>	<u>–</u>	<u>(4,677,399)</u>
Net gain before finance costs		<u>35,855,233</u>	<u>30,242,260</u>	<u>–</u>	<u>66,097,493</u>
Finance costs					
Interest expense		(598,504)	(2,571)	–	(601,075)
Total finance costs		<u>(598,504)</u>	<u>(2,571)</u>	<u>–</u>	<u>(601,075)</u>
Taxation					
Withholding tax and other taxation		(838,775)	(470,007)	–	(1,308,782)
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations		<u>34,417,954</u>	<u>29,769,682</u>	<u>–</u>	<u>64,187,636</u>

There are no recognised gains or losses for the financial period other than those set out in the Profit and Loss Account. All activities relate to continuing operations except for Sector Sigma Nordic Fund which ceased trading on 27 April 2018.

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

For the financial year ended 31 December 2020

	Harvest Equity Kernel 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 the financial year	127,320,414	167,225,950	–	294,546,364
Capital transactions:				
Issue of Redeemable Participating Shares	42,226,070	236,175,465	–	278,401,535
Redemption of Redeemable Participating Shares	(58,291,921)	(68,800,525)	–	(127,092,446)
Equalisation applied	–	(1,225,673)	–	(1,225,673)
Net (decrease)/increase in net assets resulting from capital transactions of Redeemable Participating Shares	(16,065,851)	166,149,267	–	150,083,416
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations	13,437,906	33,934,645	–	47,372,551
Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year	124,692,469	367,309,862	–	492,002,331

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
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STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (Continued)

For the financial year ended 31 December 2019

	Harvest Equity Kernel 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 the financial year	277,655,063	110,624,786	–	388,279,849
Capital transactions:				
Issue of Redeemable Participating Shares	40,013,346	70,675,955	–	110,689,301
Redemption of Redeemable Participating Shares	(224,765,949)	(42,054,219)	–	(266,820,168)
Equalisation applied	–	(1,790,254)	–	(1,790,254)
Net (decrease)/increase in net assets resulting from capital transactions of Redeemable Participating Shares	(184,752,603)	26,831,482	–	(157,921,121)
Net increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations	34,417,954	29,769,682	–	64,187,636
Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year	127,320,414	167,225,950	–	294,546,364

Sector Sigma Nordic Fund ceased trading on 27 April 2018.

The accompanying notes form an integral part of the financial statements

SECTOR CAPITAL FUNDS PLC
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SCHEDULE OF INVESTMENTS

As at 31 December 2020

Harvest Equity Kernel

<i>Investment</i>	Units/Contracts	Fair Value as a % of Net Assets	Fair Value USD
<u>Financial Assets at Fair Value through profit or loss</u>			
<u>Equities</u>			
<u>Australia</u>			
Evolution Mining Ltd.	325,600	1.01%	1,253,734
Fortescue Metals Group Ltd.	122,203	1.77%	2,209,401
Mineral Resources Ltd.	48,100	1.12%	1,390,008
Newcrest Mining Ltd.	43,298	0.69%	861,333
Northern Star Resources Ltd.	125,903	0.99%	1,232,872
Regis Resources Ltd.	260,096	0.60%	750,629
Wesfarmers Ltd.	39,904	1.24%	1,551,913
Total Australia		7.42%	9,249,890
<u>Canada</u>			
Agnico Eagle Mines Ltd.	15,800	0.89%	1,111,085
Alamos Gold, Inc.	96,600	0.68%	843,165
B2Gold Corp.	311,400	1.40%	1,742,764
Cameco Corp.	78,400	0.84%	1,049,231
Franco-Nevada Corp.	10,996	1.11%	1,378,129
Kirkland Lake Gold Ltd.	28,400	0.94%	1,172,559
Open Text Corp.	23,100	0.84%	1,048,747
Pan American Silver Corp.	40,500	1.12%	1,397,655
SSR Mining, Inc.	51,900	0.83%	1,041,259
Uranium Participation Corp.	284,000	0.88%	1,094,537
Wheaton Precious Metals Corp.	19,400	0.65%	809,756
Total Canada		10.18%	12,688,887
<u>China</u>			
Anhui Conch Cement Co. Ltd.	105,500	0.53%	660,578
China Conch Venture Holdings Ltd.	267,500	1.04%	1,300,612
China Medical System Holdings Ltd.	638,000	0.57%	712,560
Tencent Holdings Ltd.	15,200	0.89%	1,105,618
Total China		3.03%	3,779,368
<u>Finland</u>			
Elisa Oyj	26,200	1.15%	1,438,398
Nokia Oyj	243,200	0.75%	937,635
Total Finland		1.90%	2,376,033
<u>France</u>			
Air Liquide S.A.	6,700	0.88%	1,100,553
Peugeot S.A.	58,300	1.28%	1,595,718
Sanofi	11,600	0.90%	1,117,003
Total France		3.06%	3,813,274
<u>Germany</u>			
Aurubis AG	14,600	0.91%	1,137,212
Continental AG	9,000	1.07%	1,335,199
Covestro AG	20,900	1.04%	1,290,884
Puma AG Rudolf Dassler Sport	11,700	1.06%	1,321,038
Sartorius AG PFD	2,400	0.81%	1,008,988
Siemens AG	8,100	0.93%	1,164,712
Siemens Energy AG	4,000	0.12%	146,826
Total Germany		5.94%	7,404,859
<u>Japan</u>			
Azbil Corp.	54,000	2.37%	2,949,876
IT Holdings Corp.	56,200	0.92%	1,150,727
KDDI Corp.	31,000	0.74%	920,587
Murata Manufacturing Co. Ltd.	16,700	1.21%	1,507,521
NEC Corp.	19,300	0.83%	1,035,614
Nintendo Co. Ltd.	1,900	0.97%	1,211,458
Ono Pharmaceutical Co. Ltd.	39,300	0.95%	1,183,054
SCSK Corp.	19,300	0.88%	1,102,911
Sony Corp.	16,600	1.33%	1,653,649

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2020

Harvest Equity Kernel (Continued)

<i>Investment</i>	<i>Units/Contracts</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>(continued)</u>			
<u>Equities (continued)</u>			
<u>Japan (continued)</u>			
Tokyo Electron Ltd.	4,600	1.37%	1,710,882
Total Japan		11.57%	14,426,279
<u>Korea, Republic Of</u>			
Samsung Electronics Co. Ltd.	24,400	1.46%	1,819,387
Total Korea, Republic Of		1.46%	1,819,387
<u>Netherlands</u>			
NN Group NV	28,100	0.98%	1,221,584
Stmicroelectronics NV	37,200	1.11%	1,390,515
Total Netherlands		2.09%	2,612,099
<u>Sweden</u>			
Assa Abloy AB	41,500	0.82%	1,023,281
Telefonaktiebolaget LM Ericsson	93,400	0.89%	1,110,444
Total Sweden		1.71%	2,133,725
<u>Switzerland</u>			
Barry Callebaut AG	700	1.34%	1,666,157
Credit Suisse Group AG	95,500	0.99%	1,231,631
Garmin Ltd.	9,800	0.94%	1,172,668
Roche Holding AG	5,900	1.65%	2,062,447
Swisscom AG	2,500	1.08%	1,349,341
Total Switzerland		6.00%	7,482,244
<u>Taiwan</u>			
Taiwan Semiconductor Manufacturing Co. Ltd.	76,000	1.15%	1,433,554
United Microelectronics Corp.	1,320,000	1.78%	2,215,033
Wistron Corp.	961,000	0.85%	1,060,254
Total Taiwan		3.78%	4,708,841
<u>United Kingdom</u>			
GlaxoSmithKline Plc	45,898	0.67%	841,975
Total United Kingdom		0.67%	841,975
<u>United States</u>			
Abbott Laboratories	10,200	0.90%	1,116,798
AmerisourceBergen Corp.	9,700	0.76%	948,272
AutoNation, Inc.	20,400	1.14%	1,423,716
Bank of America Corp.	34,400	0.84%	1,042,664
Cardinal Health, Inc.	15,800	0.68%	846,248
Citigroup, Inc.	17,400	0.86%	1,072,884
Dollar General Corp.	8,100	1.37%	1,703,430
Electronic Arts, Inc.	7,100	0.82%	1,019,560
Fidelity National Information Services, Inc.	8,100	0.92%	1,145,826
Hecla Mining Co.	216,300	1.12%	1,401,624
Home Depot, Inc.	3,900	0.83%	1,035,918
Johnson & Johnson	5,500	0.69%	865,590
JPMorgan Chase & Co.	8,700	0.89%	1,105,509
McKesson Corp.	5,800	0.81%	1,008,736
Newmont Goldcorp Corp.	26,802	1.29%	1,605,172
NextEra Energy, Inc.	15,700	0.97%	1,211,255
PerkinElmer, Inc.	8,800	1.01%	1,262,800
Skyworks Solutions, Inc.	8,000	0.98%	1,223,040
Take-Two Interactive Software, Inc.	7,100	1.18%	1,475,309
Thermo Fisher Scientific, Inc.	4,000	1.49%	1,863,120
Verizon Communications, Inc.	15,200	0.72%	893,000
Zebra Technologies Corp.	3,900	1.20%	1,498,887
Total United States		21.47%	26,769,358

SECTOR CAPITAL FUNDS PLC
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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2020

Harvest Equity Kernel (Continued)

<i>Investment</i>	<i>Units/Contracts</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>			
Equities (continued)			
Total Equities		80.28%	100,106,219
Contracts-for-Difference			
China			
Sany Heavy Industry Co. Ltd.	500,400	0.21%	264,976
Total Contracts-for-Difference		0.21%	264,976
Money Market Funds			
Goldman Sachs US\$ Treasury Liquid Reserves Fund	8,000,000	6.42%	8,000,000
Total Money Market Funds		6.42%	8,000,000
Net unrealised gain on forward foreign currency contracts (Note 7)		0.95%	1,184,893
Total Financial Assets at Fair Value through profit or loss		87.86%	109,556,088
<u>Financial Liabilities at Fair Value through profit or loss</u>			
Contracts-for-Difference			
China			
China Yangtze Power Co. Ltd.	478,853	(0.02)%	(26,501)
Guangdong Tapai Group Co.	417,900	(0.01)%	(17,549)
Hangzhou Robam Appliances	217,700	0.00%	(318)
Livzon Pharmaceutical Group	162,503	(0.07)%	(86,021)
Total China		(0.10)%	(130,389)
India			
Petronet LNG Ltd.	390,600	(0.07)%	(91,335)
Total Contracts-for-Difference		(0.18)%	(221,724)
Net unrealised loss on forward foreign currency contracts (Note 7)		(0.06)%	(80,197)
Total Financial Liabilities at Fair Value through profit or loss		(0.24)%	(301,921)
Total Investments at Fair Value		87.62%	109,254,167
Cash at bank and brokers		12.71%	15,847,914
Liabilities in excess of other assets		(0.33)%	(409,612)
Total Net Assets		100.00%	124,692,469
Goldman Sachs acts as the counterparty to all contracts-for-difference.			

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

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	86.70%
Financial derivative instruments	0.92%
Other assets	12.38%
Total Assets	100.00%

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2020

Sector Healthcare Value Fund

<i>Investment</i>	<i>Units/Contracts</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>Belgium</u>			
UCB S.A.	48,587	1.37%	5,022,220
Total Belgium		1.37%	5,022,220
<u>Denmark</u>			
H Lundbeck A/S	60,916	0.57%	2,090,780
Total Denmark		0.57%	2,090,780
<u>France</u>			
Ipsen S.A.	50,485	1.14%	4,194,245
Sanofi	175,342	4.60%	16,884,275
Total France		5.74%	21,078,520
<u>Germany</u>			
Merck KGaA	48,172	2.25%	8,272,349
MorphoSys AG	29,519	0.92%	3,388,588
Total Germany		3.17%	11,660,937
<u>Ireland</u>			
Medtronic Plc	103,253	3.29%	12,095,056
Perrigo Co. Plc	77,200	0.94%	3,452,384
Total Ireland		4.23%	15,547,440
<u>Japan</u>			
Astellas Pharma, Inc.	569,502	2.39%	8,792,544
Otsuka Holdings Co. Ltd.	81,432	0.95%	3,484,591
Takeda Pharmaceutical Co. Ltd.	93,600	0.93%	3,404,213
Total Japan		4.27%	15,681,348
<u>Netherlands</u>			
Koninklijke Philips NV	202,183	2.95%	10,830,341
Total Netherlands		2.95%	10,830,341
<u>United Kingdom</u>			
GlaxoSmithKline Plc	1,417,201	7.08%	25,997,800
LivaNova Plc	85,390	1.54%	5,653,672
Smith & Nephew Plc	410,557	2.30%	8,474,284
Total United Kingdom		10.92%	40,125,756
<u>United States</u>			
Abbott Laboratories	92,640	2.76%	10,143,154
Alexion Pharmaceuticals, Inc.	69,114	2.94%	10,798,371
Alnylam Pharmaceuticals, Inc.	19,740	0.70%	2,565,608
Anthem, Inc.	25,113	2.20%	8,063,533
Becton Dickinson & Co.	59,958	4.08%	15,002,691
Biogen, Inc.	30,013	2.00%	7,348,983
Bio-Rad Laboratories, Inc.	8,371	1.33%	4,879,791
Boston Scientific Corp.	259,588	2.54%	9,332,189
Bristol-Myers Squibb Co.	211,706	3.57%	13,132,123
Bruker Corp.	131,631	1.94%	7,125,186
Cardinal Health, Inc.	118,529	1.73%	6,348,413
Centene Corp.	86,292	1.41%	5,180,109
CVS Caremark Corp.	114,818	2.13%	7,842,069
Elanco Animal Health, Inc.	184,639	1.54%	5,662,878
Gilead Sciences, Inc.	354,500	5.62%	20,653,170
HCA Holdings, Inc.	35,885	1.61%	5,901,647
Incyte Corp. Ltd.	155,218	3.68%	13,500,862
Ionis Pharmaceuticals, Inc.	127,076	1.96%	7,184,877
Johnson & Johnson	35,000	1.50%	5,508,300
Laboratory Corporations of America Holdings	38,007	2.11%	7,736,325
Merck & Co., Inc.	267,691	5.96%	21,897,124

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2020

Sector Healthcare Value Fund (Continued)

<i>Investment</i>	<i>Units/Contracts</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>(continued)</u>			
<u>Equities (continued)</u>			
<u>United States (continued)</u>			
Novavax, Inc.	5,981	0.18%	666,941
NuVasive, Inc.	89,472	1.37%	5,039,958
PerkinElmer, Inc.	64,172	2.51%	9,208,682
Pfizer, Inc.	320,433	3.21%	11,795,139
Rigel Pharmaceuticals, Inc.	719,233	0.69%	2,517,315
Total United States		61.27%	225,035,438
Total Equities		94.49%	347,072,780
<u>Money Market Funds</u>			
Goldman Sachs US\$ Treasury Liquid Reserves Fund	14,000,000	3.81%	14,000,000
Total Money Market Funds		3.81%	14,000,000
Net unrealised gain on forward foreign currency contracts (Note 7)		2.01%	7,368,676
Total Financial Assets at Fair Value through profit or loss		100.31%	368,441,456
<u>Financial Liabilities at Fair Value through profit or loss</u>			
Net unrealised loss on forward foreign currency contracts (Note 7)		(0.26)%	(937,236)
Total Financial Liabilities at Fair Value through profit or loss		(0.26)%	(937,236)
Total Investments at Fair Value		100.05%	367,504,220
Cash at bank and brokers		1.63%	5,970,273
Liabilities in excess of other assets		(1.68)%	(6,164,631)
Total Net Assets		100.00%	367,309,862
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			
<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		96.27%	
Financial derivative instruments		1.76%	
Other assets		1.97%	
Total Assets		100.00%	

SECTOR CAPITAL FUNDS PLC
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NOTES TO THE FINANCIAL STATEMENTS

1. Organisation and Structure

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

As at 31 December 2020, the Company has three funds in existence (31 December 2019: three), Sector Healthcare Value Fund, Harvest Equity Kernel (formerly Sector Global Equity Kernel) and Sector Sigma Nordic Fund which ceased trading effective 27 April 2018 and an application will be made to the Central Bank of Ireland to have its authorisation revoked (individually the “Fund”, and together 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 2020, twelve classes are subscribed to in the Fund (31 December 2019: nine), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class B SEK Shares, Class B USD Shares, Class X EUR Shares, Class X USD Shares, Class Y EUR Shares, Class Y GBP Shares and Class Y USD Shares.

Sector Healthcare Value Fund’s Class A USD, Class A EUR and Class A NOK Shares were listed on Euronext Dublin on 18 November 2010 and Class B NOK Shares were listed on Euronext Dublin on 10 September 2013. Effective 3 June 2020, all Shares were delisted.

Harvest Equity Kernel commenced trading on 19 March 2014. The base currency of Harvest Equity Kernel is USD. Effective 2 January 2020, the Fund changed its name from Sector Global Equity Kernel to Harvest Equity Kernel. As at 31 December 2020 five classes are subscribed to in the Fund (31 December 2019: five), Class A NOK Shares, Class A USD Shares, Class P NOK, Class P USD and Class P NOK Unhedged.

Harvest Equity Kernel’s Class P USD Shares were listed on Euronext Dublin on 27 March 2014. Effective 3 June 2020, all Shares were delisted.

Investment Objective

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

The investment objective of Harvest Equity Kernel is to maximise 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 Sigma Nordic Fund was 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 returns over time in rising as well as falling equity markets.

2. Summary of Significant Accounting Policies

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

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

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

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

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

2. Summary of Significant Accounting Policies (Continued)

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

(a) Portfolio valuation

Investment transactions

(i) Classification

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

(ii) Recognition

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

(iii) Measurement

Financial assets and financial liabilities held for trading are measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an 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 Profit and Loss Account. Forward foreign currency contracts and any other instruments held by the Company and traded on an exchange will be measured at fair value based on the last reported traded price on such regulated market as at the relevant valuation point.

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

(iv) Derecognition

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

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

(b) Forward foreign currency contracts

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

(c) 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 Profit and Loss Account. 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 Profit and Loss Account. 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.

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

2. Summary of Significant Accounting Policies (Continued)

(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 Profit and Loss Account.

(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 Harvest Equity Kernel was the United States Dollar (“USD”), due to the fact that the majority of the Fund’s assets were denominated 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 was Norwegian Krone (“NOK”), due to the fact that the majority of the Fund’s assets were denominated in NOK and that a substantial portion of capital was 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 Profit and Loss Account in determining the result for the period.

As at 31 December 2019, in accordance with FRS 102, a year end exchange rate of NOK/USD 0.1138 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.

(f) Futures

For open futures contracts, changes in the value of the contract are recognised as unrealised gains or losses by “marking-to-market” the value of the contract at the balance sheet date. When the contract is closed, the difference between the proceeds from (or cost of) the closing transactions and the original transaction is recorded as a realised gain or loss. Futures contracts are valued at the settlement price established each day by the board or exchange on which they are traded.

(g) 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 2020 and 31 December 2019, no offsetting has been presented in the Balance Sheet.

(h) 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.

(i) Expenses

Operating expenses are accounted for on an accruals basis.

(j) 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
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

(k) Redeemable participating shares

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

(l) 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.

(m) Taxation

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

(n) Transaction costs

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense. For the financial year ended 31 December 2020 Harvest Equity Kernel incurred transaction costs of USD132,002 (31 December 2019: USD480,358), Sector Healthcare Value Fund incurred transaction costs of USD236,479 (31 December 2019: USD73,148).

(o) Cash

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

3. Dividend and Distribution Policy

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

4. Taxation

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

A chargeable event does not include:

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

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

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

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

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 2020 and 31 December 2019:

Currency	31 December 2020	31 December 2019
Australian Dollar	1.2959	1.4225
Brazilian Real	5.1943	4.0225
British Pound	0.7316	0.7548
Canadian Dollar	1.2740	1.2967
Chinese Renminbi	6.5398	6.9638
Danish Krone	6.0835	6.6578
Euro	0.8173	0.8909
Hong Kong Dollar	7.7539	7.7942
Hungarian Forint	296.3841	-
Indian Rupee	73.0460	-
Japanese Yen	103.2418	108.6957
Korean Won	1,085.7763	1,156.0693
Norwegian Krone	8.5619	8.7873
Singapore Dollar	1.3216	1.3446
Swedish Krona	8.2125	9.3633
Swiss Franc	0.8839	0.9683
Taiwan Dollar	28.0978	29.9401
Thailand Baht	29.9599	29.9401
Turkish Lira	7.4325	5.9524

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 2019:

Currency	31 December 2019
British Pound	0.0859
Swedish Krona	1.0653

As at 31 December 2019, an average exchange rate of 0.1137 was used to convert NOK to USD in the Income Statement.

6. Cash

As at 31 December 2020 and 31 December 2019 all cash balances (including overdrafts) are held with The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository"), DNB, Goldman Sachs.

31 December 2020	Harvest Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
	USD	USD	NOK
BNY Mellon	3,304,915	5,970,273	-
DNB	10,125,404	-	-
Goldman Sachs	2,417,595	-	-
	15,847,914	5,970,273	-
31 December 2019	Harvest Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
	USD	USD	NOK
BNY Mellon	2,208,736	(326,790)	185,244
DNB	8,102,619	-	-
Goldman Sachs	1,870,126	-	-
	12,181,481	(326,790)	185,244

As at 31 December 2020, Harvest Equity Kernel pledged USD2,180,000 as collateral with Goldman Sachs (31 December 2019: USD1,870,000). Any overdrafts noted above are temporary in nature as they relate to timing differences only.

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

7. Financial Instruments and Associated Risks

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

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

The Market Risk Group ("MRG") functions across all Sector Investment Manager entities and the group is responsible for defining risk management related limits ("soft limits") in addition to the investment restrictions found in the Prospectus and related supplements, in cooperation with the respective Investment Manager, securing that the 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, the CCO and CEO of Sector Fund Services AS. The Head of Fund Operations has the mandate to give short term exceptions to the risk limits set by MRG if he/she finds that under certain market conditions, the limits have unintended adverse effects, for example in extreme market conditions. Such exceptions are reported to the other members of MRG and to the Group Chief Compliance Officer.

(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.

Value-at-Risk

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

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

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

For the financial year ended 31 December 2020

	Period end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Harvest Equity Kernel	1.61%	87.2%	87.2%	1.61%	2.07%	1.86%
Sector Healthcare Value Fund	2.25%	94.5%	94.5%	2.25%	2.73%	2.44%

For the financial year ended 31 December 2019

	Period end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Harvest Equity Kernel	0.82%	92.8%	92.8%	0.81%	1.11%	0.94%
Sector Healthcare Value Fund	1.18%	94.8%	94.8%	1.18%	1.42%	1.28%

* Exposure as % of NAV

** Net open position as % of NAV

Exposure

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

(b) Interest rate risk

Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration. For the financial year ended 31 December 2020 and 31 December 2019 the Funds, have not invested in interest bearing assets, other than cash amounts. As at 31 December 2020 and 31 December 2019, the Funds do not have any significant fair value interest rate risk exposure.

SECTOR CAPITAL FUNDS PLC
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For the financial year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(b) Interest rate risk (Continued)

Tables outlining the currency and interest exposure as at 31 December 2020 and 31 December 2019 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 reducing the collateral held by counterparties leading to margin calls, if applicable. This means that there are two aspects that are monitored; what is the probability of the situation occurring and how fast can the 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 the possibility to take 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 financial year ended 31 December 2020 and 31 December 2019, the Funds held very liquid assets and liquidity was monitored daily by the Investment Managers.

Harvest Equity Kernel		Sector Healthcare Value Fund	
Description	Cumulative	Description	Cumulative
< 1 day	99.2%	< 1 day	99.8%
1-2 days	100%	1-2 days	100%
3-5 days	100%	3-5 days	100%

The reports below are snapshots of the estimated liquidity of the Funds as at 31 December 2019:

Harvest Equity Kernel		Sector Healthcare Value Fund	
Description	Cumulative	Description	Cumulative
< 1 day	100%	< 1 day	100%
1-2 days	100%	1-2 days	100%
3-5 days	100%	3-5 days	100%

(d) Foreign currency risk

Foreign currency risk is in reality a sub-group of market risk, but with its own idiosyncrasies, both with respect to a Fund's 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.

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.

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

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Currency exposure for investor classes

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

Portfolio currency exposure

The 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, GBP or SEK. Consequently, the value of such assets will be affected either favourably or unfavourably by fluctuations in currency rates. The exposure towards the different currencies based on the denomination of the securities is reported daily for each Fund. For each individual Fund, action towards currency exposure in the portfolio is taken by the Investment Manager based on reported exposure of the Fund's assets.

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

The foreign currency exposure as at 31 December 2020 is as follows:

Harvest Equity Kernel	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	—	(9,322)	—	9,249,890	—	—	9,240,568
BRL	55	—	—	—	—	4,384	4,439
CAD	16,179	122,492	—	9,103,347	—	—	9,242,018
CHF	17,348	66,198	—	6,309,576	—	—	6,393,122
CNY	—	(29,292)	—	264,976	(130,389)	—	105,295
DKK	136	—	—	—	—	—	136
EUR	6,479	121,940	—	16,206,265	—	—	16,334,684
GBP	13,813	83	—	841,975	—	15,832	871,703
HKD	596,875	566	—	3,779,368	—	—	4,376,809
INR	—	(8,798)	—	—	(91,335)	—	(100,133)
JPY	(81)	142,779	—	14,426,279	—	—	14,568,977
KRW	—	(4,045)	—	1,819,387	—	6,202	1,821,544
NOK	232,366	690,240	—	—	—	—	922,606
SEK	12,475	(11,078)	—	2,133,725	—	—	2,135,122
SGD	444	—	—	—	—	—	444
THB	28	—	—	—	—	—	28
TRY	2	—	—	—	—	—	2
TWD	—	22,933	—	4,708,841	—	7,099	4,738,873
USD	14,951,795	—	—	39,527,566	—	(443,129)	54,036,232
Total	15,847,914	1,104,696	—	108,371,195	(221,724)	(409,612)	124,692,469

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

	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
Sector Healthcare Value Fund							
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	539	—	—	—	—	—	539
DKK	155	—	—	2,090,780	—	—	2,090,935
EUR	19,518	1,164,650	—	48,592,018	—	—	49,776,186
GBP	21,706	1,519,477	—	34,472,084	—	344,340	36,357,607
JPY	3	—	—	15,681,348	—	33,521	15,714,872
NOK	10,487	3,648,559	—	—	—	—	3,659,046
SEK	7,326	98,754	—	—	—	—	106,080
USD	5,910,539	—	—	260,236,550	—	(6,542,492)	259,604,597
Total	5,970,273	6,431,440	—	361,072,780	—	(6,164,631)	367,309,862

The foreign currency exposure as at 31 December 2019 is as follows:

	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
Harvest Equity Kernel							
Currency	USD	USD	USD	USD	USD	USD	USD
AUD	14,618	(165,274)	—	6,793,635	—	—	6,642,979
BRL	190,987	(304,599)	—	8,144,431	—	79,966	8,110,785
CAD	6,688	(108,862)	—	6,035,287	—	—	5,993,113
CHF	1,473,078	(194,029)	—	9,545,949	—	—	10,824,998
CNY	—	(47,163)	—	301,127	(33,798)	—	220,166
DKK	124	—	—	—	—	—	124
EUR	155,576	(147,497)	—	12,573,242	—	—	12,581,322
GBP	13,373	(30,352)	—	2,491,297	—	19,632	2,498,950
HKD	1,625	(20,553)	—	5,608,084	—	—	5,589,156
INR	—	(8,525)	—	—	(60,826)	—	(69,351)
JPY	33,961	(8,286)	—	11,881,147	—	—	11,906,822
KRW	—	(21,556)	—	1,568,161	—	7,760	1,554,365
NOK	148,739	3,540,510	—	1,508,816	—	10,897	5,208,962
SEK	—	(25,073)	—	1,291,394	—	33,346	1,299,667
SGD	436	—	—	—	—	—	436
THB	26,135	(12,366)	—	1,607,078	—	—	1,620,847
TRY	2	—	—	—	—	—	2
TWD	—	(25,696)	—	1,567,935	—	9,474	1,551,713
USD	10,116,139	—	2,418,909	42,000,755	—	(266,536)	51,850,358
Total	12,181,481	2,420,679	2,418,909	110,499,430	(94,624)	(105,461)	127,320,414

	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
Sector Healthcare Value Fund							
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	529	—	—	6,311,586	—	—	6,312,115
DKK	252	—	—	—	—	—	252
EUR	1,649	104,551	—	20,919,659	—	—	21,025,859
GBP	1,794	—	—	17,512,725	—	127,950	17,642,469
HUF	10	—	—	1,726,646	—	—	1,726,656
JPY	(87,447)	—	—	10,558,945	—	1,193,731	11,665,229
NOK	(143,364)	3,664,896	—	—	—	—	3,521,532
SEK	37,819	38,567	—	3,498,104	—	(4,977)	3,569,513
USD	(138,032)	—	8,279,975	97,104,165	—	(3,483,783)	101,762,325
Total	(326,790)	3,808,014	8,279,975	157,631,830	—	(2,167,079)	167,225,950

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

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
EUR	–	–	–	–	–	11,341	11,341
GBP	2,813	–	–	–	–	–	2,813
NOK	6,927	–	–	–	–	(196,585)	(189,658)
SEK	165,096	–	–	–	–	–	165,096
USD	10,408	–	–	–	–	–	10,408
Total	185,244	–	–	–	–	(185,244)	–

As at 31 December 2020 the following forward foreign currency contracts were held by the Funds:

Harvest Equity Kernel

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
19 January 2021	BNY Mellon	AUD	(1,308,757)	NOK	8,631,642	(1,982)
19 January 2021	BNY Mellon	AUD	(7,812,054)	NOK	51,522,839	(11,831)
19 January 2021	BNY Mellon	CAD	(1,316,644)	NOK	9,000,924	17,701
19 January 2021	BNY Mellon	CAD	(7,859,137)	NOK	53,727,107	105,653
19 January 2021	BNY Mellon	CHF	(610,715)	NOK	6,002,231	9,724
19 January 2021	BNY Mellon	CHF	(3,645,397)	NOK	35,827,710	58,042
19 January 2021	BNY Mellon	CNY	(5,114,659)	USD	782,107	(4,204)
19 January 2021	BNY Mellon	CNY	(30,529,737)	USD	4,668,451	(25,088)
19 January 2021	BNY Mellon	EUR	(1,461,715)	NOK	15,476,721	18,292
19 January 2021	BNY Mellon	EUR	(8,725,071)	NOK	92,381,565	109,185
19 January 2021	BNY Mellon	GBP	(75,142)	NOK	879,681	10
19 January 2021	BNY Mellon	GBP	(538,647)	NOK	6,305,884	73
19 January 2021	BNY Mellon	HKD	(2,988,319)	USD	385,505	80
19 January 2021	BNY Mellon	HKD	(18,261,320)	USD	2,355,781	486
19 January 2021	BNY Mellon	INR	(11,160,593)	USD	151,289	(1,277)
19 January 2021	BNY Mellon	INR	(65,751,057)	USD	891,298	(7,521)
19 January 2021	BNY Mellon	JPY	(159,719,419)	NOK	13,427,453	20,895
19 January 2021	BNY Mellon	JPY	(953,375,716)	NOK	80,149,350	124,726
19 January 2021	BNY Mellon	KRW	(200,186,220)	USD	183,408	(696)
19 January 2021	BNY Mellon	KRW	(964,038,950)	USD	883,240	(3,349)
19 January 2021	BNY Mellon	NOK	(531,869)	AUD	81,145	509
19 January 2021	BNY Mellon	NOK	(4,161,752)	AUD	634,939	3,982
19 January 2021	BNY Mellon	NOK	(2,397,022)	CAD	355,541	(862)
19 January 2021	BNY Mellon	NOK	(367,255)	CHF	37,736	(177)
19 January 2021	BNY Mellon	NOK	(2,878,809)	CHF	295,804	(1,391)
19 January 2021	BNY Mellon	NOK	(920,985)	EUR	87,364	(623)
19 January 2021	BNY Mellon	NOK	(7,271,090)	EUR	689,731	(4,914)
19 January 2021	BNY Mellon	NOK	(537,013)	JPY	6,444,370	(287)
19 January 2021	BNY Mellon	NOK	(4,776,213)	JPY	57,316,466	(2,555)
19 January 2021	BNY Mellon	SEK	(1,789,690)	NOK	1,854,230	(1,413)
19 January 2021	BNY Mellon	SEK	(12,244,797)	NOK	12,686,369	(9,665)
19 January 2021	BNY Mellon	TWD	(15,101,523)	USD	542,245	3,564
19 January 2021	BNY Mellon	TWD	(90,141,984)	USD	3,236,696	21,271
19 January 2021	BNY Mellon	USD	(6,148,978)	NOK	53,475,813	96,680
19 January 2021	BNY Mellon	USD	(36,703,652)	NOK	319,200,651	577,094
19 January 2021	BNY Mellon	USD	(711,218)	NOK	6,114,570	2,928
19 January 2021	BNY Mellon	USD	(3,400,705)	NOK	29,236,951	13,998
19 January 2021	BNY Mellon	USD	(139,700)	NOK	1,192,185	(460)
19 January 2021	BNY Mellon	USD	(53,039)	TWD	1,480,318	(235)
19 January 2021	BNY Mellon	USD	(376,063)	TWD	10,495,913	(1,667)
Total unrealised gain on forward foreign currency contracts						1,104,696

Sector Healthcare Value Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
02 January 2021	BNY Mellon	USD	(38,876,557)	EUR	31,686,870	(77,094)
02 January 2021	BNY Mellon	USD	(5,080,830)	EUR	4,141,200	(10,076)
02 January 2021	BNY Mellon	USD	(4,631,004)	EUR	3,774,563	(9,183)
02 January 2021	BNY Mellon	USD	(347,342)	EUR	283,106	(689)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Sector Healthcare Value Fund (continued)

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
02 January 2021	BNY Mellon	USD	(68,430,327)	GBP	50,530,615	659,172
02 January 2021	BNY Mellon	USD	(25,522,768)	NOK	218,661,236	15,220
02 January 2021	BNY Mellon	USD	(88,311,849)	NOK	756,594,188	52,664
02 January 2021	BNY Mellon	USD	(364,010)	NOK	3,106,289	(1,219)
02 January 2021	BNY Mellon	USD	(52,757)	SEK	431,400	(207)
02 January 2021	BNY Mellon	USD	(2,898,522)	SEK	23,684,689	(13,426)
04 January 2021	BNY Mellon	EUR	(176,886)	USD	215,297	(1,155)
04 January 2021	BNY Mellon	EUR	(313,979)	USD	382,863	(1,347)
04 January 2021	BNY Mellon	EUR	(31,686,870)	USD	38,848,736	74,102
04 January 2021	BNY Mellon	EUR	(4,141,200)	USD	5,077,194	9,685
04 January 2021	BNY Mellon	EUR	(3,774,563)	USD	4,627,690	8,827
04 January 2021	BNY Mellon	EUR	(283,106)	USD	347,094	662
04 January 2021	BNY Mellon	GBP	(50,530,615)	USD	68,413,400	(662,312)
04 January 2021	BNY Mellon	GBP	(50,002)	USD	66,614	(1,739)
04 January 2021	BNY Mellon	NOK	(218,661,236)	USD	25,520,418	(18,267)
04 January 2021	BNY Mellon	NOK	(756,594,188)	USD	88,303,716	(63,207)
04 January 2021	BNY Mellon	NOK	(12,623)	USD	1,473	(1)
04 January 2021	BNY Mellon	NOK	(2,506,757)	USD	292,202	(576)
04 January 2021	BNY Mellon	NOK	(19,523,420)	USD	2,212,749	(67,502)
04 January 2021	BNY Mellon	NOK	(82,551)	USD	9,365	(277)
04 January 2021	BNY Mellon	NOK	(743,287)	USD	83,955	(2,858)
04 January 2021	BNY Mellon	SEK	(23,684,689)	USD	2,897,236	13,080
04 January 2021	BNY Mellon	SEK	(258,241)	USD	31,146	(301)
04 January 2021	BNY Mellon	SEK	(34,928)	USD	4,166	(87)
04 January 2021	BNY Mellon	SEK	(47,771)	USD	5,664	(154)
04 January 2021	BNY Mellon	SEK	(37,211)	USD	4,409	(122)
04 January 2021	BNY Mellon	SEK	(1,348,708)	USD	158,799	(5,437)
04 January 2021	BNY Mellon	USD	(4,950,398)	EUR	4,146,201	123,231
04 January 2021	BNY Mellon	USD	(330,896)	EUR	277,142	8,237
04 January 2021	BNY Mellon	USD	(36,730,874)	EUR	30,763,907	914,347
04 January 2021	BNY Mellon	USD	(4,793,211)	EUR	4,014,549	119,318
04 January 2021	BNY Mellon	USD	(145,309)	EUR	119,227	587
04 January 2021	BNY Mellon	USD	(7,269)	EUR	5,964	29
04 January 2021	BNY Mellon	USD	(1,124,868)	EUR	922,963	4,545
04 January 2021	BNY Mellon	USD	(154,357)	EUR	126,651	624
04 January 2021	BNY Mellon	USD	(5,782,329)	GBP	4,372,265	194,588
04 January 2021	BNY Mellon	USD	(1,767,624)	GBP	1,335,560	58,096
04 January 2021	BNY Mellon	USD	(2,801,177)	GBP	2,100,910	70,782
04 January 2021	BNY Mellon	USD	(47,848,975)	GBP	35,758,466	1,033,103
04 January 2021	BNY Mellon	USD	(6,853,460)	GBP	5,113,416	136,616
04 January 2021	BNY Mellon	USD	(2,566,142)	GBP	1,900,000	31,171
04 January 2021	BNY Mellon	USD	(24,111,290)	NOK	213,375,274	810,017
04 January 2021	BNY Mellon	USD	(83,614,902)	NOK	739,958,435	2,809,038
04 January 2021	BNY Mellon	USD	(58,370)	NOK	515,971	1,893
04 January 2021	BNY Mellon	USD	(61,450)	NOK	542,660	1,930
04 January 2021	BNY Mellon	USD	(65,933)	NOK	576,801	1,435
04 January 2021	BNY Mellon	USD	(187,311)	NOK	1,645,361	4,860
04 January 2021	BNY Mellon	USD	(103,965)	NOK	907,125	1,984
04 January 2021	BNY Mellon	USD	(108,460)	NOK	949,838	2,476
04 January 2021	BNY Mellon	USD	(210,974)	NOK	1,847,084	4,758
04 January 2021	BNY Mellon	USD	(129,494)	NOK	1,141,830	3,867
04 January 2021	BNY Mellon	USD	(257,504)	NOK	2,250,170	5,307
04 January 2021	BNY Mellon	USD	(67,207)	NOK	586,691	1,316
04 January 2021	BNY Mellon	USD	(602,674)	NOK	5,285,962	14,703
04 January 2021	BNY Mellon	USD	(2,446,686)	NOK	21,459,501	59,691
04 January 2021	BNY Mellon	USD	(159,417)	NOK	1,393,204	3,304
04 January 2021	BNY Mellon	USD	(233,122)	NOK	2,025,069	3,397
04 January 2021	BNY Mellon	USD	(74,190)	NOK	638,003	326
04 January 2021	BNY Mellon	USD	(269,499)	NOK	2,337,520	3,513
04 January 2021	BNY Mellon	USD	(78,063)	NOK	674,940	767
04 January 2021	BNY Mellon	USD	(2,802,394)	SEK	23,849,960	101,888
04 January 2021	BNY Mellon	USD	(7,501)	SEK	64,075	301

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Sector Healthcare Value Fund (continued)

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
04 January 2021	BNY Mellon	USD	(8,715)	SEK	74,058	303
04 January 2021	BNY Mellon	USD	(9,749)	SEK	82,863	341
04 January 2021	BNY Mellon	USD	(8,147)	SEK	68,945	249
04 January 2021	BNY Mellon	USD	(3,102)	SEK	26,315	103
04 January 2021	BNY Mellon	USD	(6,368)	SEK	53,893	195
04 January 2021	BNY Mellon	USD	(9,459)	SEK	79,519	224
04 January 2021	BNY Mellon	USD	(11,963)	SEK	100,200	239
04 January 2021	BNY Mellon	USD	(13,199)	SEK	109,000	74
04 January 2021	BNY Mellon	USD	(13,084)	SEK	108,301	104
04 January 2021	BNY Mellon	USD	(75,706)	SEK	631,942	1,248
04 January 2021	BNY Mellon	USD	(18,806)	SEK	155,477	127
04 January 2021	BNY Mellon	USD	(840)	SEK	7,000	12
Total unrealised gain on forward foreign currency contracts						6,431,440

As at 31 December 2019 the following forward foreign currency contracts were held by the Funds:

Harvest Equity Kernel

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
07 January 2020	BNY Mellon	AUD	(735,280)	NOK	4,567,442	2,837
07 January 2020	BNY Mellon	AUD	(6,043,037)	NOK	37,538,386	23,319
07 January 2020	BNY Mellon	AUD	(49,288)	NOK	309,670	589
07 January 2020	BNY Mellon	AUD	(59,176)	NOK	365,172	(48)
07 January 2020	BNY Mellon	BRL	(275,419)	USD	67,951	(498)
07 January 2020	BNY Mellon	BRL	(206,410)	USD	50,671	(627)
07 January 2020	BNY Mellon	BRL	(2,471,187)	USD	581,005	(33,153)
07 January 2020	BNY Mellon	BRL	(20,035,342)	USD	4,710,541	(268,792)
07 January 2020	BNY Mellon	CAD	(598,253)	NOK	4,115,630	7,004
07 January 2020	BNY Mellon	CAD	(4,916,974)	NOK	33,825,900	57,573
07 January 2020	BNY Mellon	CAD	(57,461)	NOK	395,264	669
07 January 2020	BNY Mellon	CHF	(803,380)	NOK	7,400,867	12,233
07 January 2020	BNY Mellon	CHF	(6,801,408)	NOK	62,655,717	103,564
07 January 2020	BNY Mellon	CHF	(42,726)	NOK	398,955	1,260
07 January 2020	BNY Mellon	CHF	(34,851)	NOK	321,009	526
07 January 2020	BNY Mellon	CHF	(44,431)	NOK	408,982	640
07 January 2020	BNY Mellon	CNY	(312,221)	USD	44,636	(189)
07 January 2020	BNY Mellon	CNY	(336,671)	USD	48,124	(211)
07 January 2020	BNY Mellon	CNY	(3,001,664)	USD	425,971	(4,968)
07 January 2020	BNY Mellon	CNY	(25,034,277)	USD	3,552,656	(41,434)
07 January 2020	BNY Mellon	EUR	(958,921)	NOK	9,700,826	27,144
07 January 2020	BNY Mellon	EUR	(7,997,530)	NOK	80,906,184	226,388
07 January 2020	BNY Mellon	EUR	(28,503)	NOK	290,866	1,093
07 January 2020	BNY Mellon	EUR	(48,275)	NOK	485,877	1,083
07 January 2020	BNY Mellon	EUR	(46,808)	NOK	470,336	962
07 January 2020	BNY Mellon	GBP	(106,488)	NOK	1,256,310	1,875
07 January 2020	BNY Mellon	GBP	(872,028)	NOK	10,287,948	15,362
07 January 2020	BNY Mellon	GBP	(48,757)	NOK	586,306	2,120
07 January 2020	BNY Mellon	GBP	(301,860)	NOK	3,629,872	13,125
07 January 2020	BNY Mellon	HKD	(507,858)	USD	65,213	42
07 January 2020	BNY Mellon	HKD	(3,341,616)	USD	426,685	(2,126)
07 January 2020	BNY Mellon	HKD	(27,546,634)	USD	3,517,382	(17,521)
07 January 2020	BNY Mellon	INR	(12,707,943)	USD	177,028	(1,329)
07 January 2020	BNY Mellon	INR	(90,568,483)	USD	1,261,663	(9,474)
07 January 2020	BNY Mellon	JPY	(3,589,310)	NOK	304,535	1,616

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Harvest Equity Kernel (Continued)

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
07 January 2020	BNY Mellon	JPY	(80,775,938)	NOK	6,796,461	29,885
07 January 2020	BNY Mellon	JPY	(663,872,353)	NOK	55,858,002	245,613
07 January 2020	BNY Mellon	JPY	(5,968,480)	NOK	491,905	1,038
07 January 2020	BNY Mellon	KRW	(133,401,359)	USD	113,374	(2,196)
07 January 2020	BNY Mellon	KRW	(1,092,426,164)	USD	928,421	(17,980)
07 January 2020	BNY Mellon	NOK	(5,242,284)	AUD	852,547	2,811
07 January 2020	BNY Mellon	NOK	(34,948,123)	AUD	5,683,574	18,734
07 January 2020	BNY Mellon	NOK	(2,590,263)	AUD	418,262	(713)
07 January 2020	BNY Mellon	NOK	(4,510,894)	CAD	670,134	3,447
07 January 2020	BNY Mellon	NOK	(30,716,643)	CAD	4,563,237	23,473
07 January 2020	BNY Mellon	NOK	(3,109,257)	CAD	452,004	(5,262)
07 January 2020	BNY Mellon	NOK	(1,047,850)	CHF	115,717	304
07 January 2020	BNY Mellon	NOK	(9,127,657)	CHF	1,007,995	2,651
07 January 2020	BNY Mellon	NOK	(7,481,963)	CHF	824,106	(47)
07 January 2020	BNY Mellon	NOK	(50,426,068)	CHF	5,554,217	(321)
07 January 2020	BNY Mellon	NOK	(3,101,992)	CHF	332,207	(9,798)
07 January 2020	BNY Mellon	NOK	(4,616,946)	EUR	452,434	(17,354)
07 January 2020	BNY Mellon	NOK	(9,915,783)	EUR	1,006,572	1,904
07 January 2020	BNY Mellon	NOK	(66,814,897)	EUR	6,782,521	12,829
07 January 2020	BNY Mellon	NOK	(1,032,122)	EUR	103,347	(1,404)
07 January 2020	BNY Mellon	NOK	(9,474,341)	EUR	948,669	(12,882)
07 January 2020	BNY Mellon	NOK	(1,842,616)	GBP	159,621	1,802
07 January 2020	BNY Mellon	NOK	(13,917,820)	GBP	1,205,662	13,615
07 January 2020	BNY Mellon	NOK	(3,206,405)	JPY	38,885,035	(6,947)
07 January 2020	BNY Mellon	NOK	(7,592,901)	JPY	94,076,043	1,911
07 January 2020	BNY Mellon	NOK	(52,651,597)	JPY	652,353,286	13,254
07 January 2020	BNY Mellon	NOK	(945,875)	SEK	1,003,976	(354)
07 January 2020	BNY Mellon	NOK	(7,760,691)	SEK	8,237,395	(2,909)
07 January 2020	BNY Mellon	NOK	(59,026,172)	USD	6,714,229	(3,248)
07 January 2020	BNY Mellon	NOK	(397,817,779)	USD	45,251,787	(21,892)
07 January 2020	BNY Mellon	NOK	(876,346)	USD	99,386	(347)
07 January 2020	BNY Mellon	NOK	(4,403,585)	USD	492,224	(8,926)
07 January 2020	BNY Mellon	NOK	(629,242)	USD	69,809	(1,802)
07 January 2020	BNY Mellon	NOK	(20,548,213)	USD	2,279,655	(58,836)
07 January 2020	BNY Mellon	NOK	(1,272,499)	USD	141,100	(3,717)
07 January 2020	BNY Mellon	NOK	(37,635,553)	USD	4,173,202	(109,915)
07 January 2020	BNY Mellon	NOK	(471,192)	USD	51,298	(2,326)
07 January 2020	BNY Mellon	NOK	(38,711,123)	USD	4,214,404	(191,118)
07 January 2020	BNY Mellon	SEK	(990,164)	NOK	945,875	1,830
07 January 2020	BNY Mellon	SEK	(8,124,070)	NOK	7,760,691	15,019
07 January 2020	BNY Mellon	THB	(3,831,622)	USD	126,749	(1,193)
07 January 2020	BNY Mellon	THB	(31,911,397)	USD	1,055,620	(9,931)
07 January 2020	BNY Mellon	TWD	(3,228,084)	USD	105,821	(2,124)
07 January 2020	BNY Mellon	TWD	(27,598,746)	USD	904,729	(18,152)
07 January 2020	BNY Mellon	USD	(734,362)	BRL	2,953,016	(457)
07 January 2020	BNY Mellon	USD	(4,982,429)	BRL	20,035,342	(3,097)
07 January 2020	BNY Mellon	USD	(522,942)	CNY	3,650,556	1,157
07 January 2020	BNY Mellon	USD	(3,586,157)	CNY	25,034,277	7,934
07 January 2020	BNY Mellon	USD	(274,916)	HKD	2,140,977	(177)
07 January 2020	BNY Mellon	USD	(494,214)	HKD	3,849,474	(233)
07 January 2020	BNY Mellon	USD	(3,261,702)	HKD	25,405,657	(1,538)
07 January 2020	BNY Mellon	USD	(178,171)	INR	12,707,943	186

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Harvest Equity Kernel (Continued)

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
07 January 2020	BNY Mellon	USD	(1,269,809)	INR	90,568,483	1,328
07 January 2020	BNY Mellon	USD	(115,240)	KRW	133,401,359	329
07 January 2020	BNY Mellon	USD	(943,699)	KRW	1,092,426,164	2,702
07 January 2020	BNY Mellon	USD	(6,452,569)	NOK	59,070,080	269,905
07 January 2020	BNY Mellon	USD	(53,102,731)	NOK	486,129,268	2,221,243
07 January 2020	BNY Mellon	USD	(51,498)	NOK	463,878	1,294
07 January 2020	BNY Mellon	USD	(1,159,347)	NOK	10,398,429	24,047
07 January 2020	BNY Mellon	USD	(239,396)	NOK	2,147,190	4,965
07 January 2020	BNY Mellon	USD	(66,329)	NOK	594,303	1,306
07 January 2020	BNY Mellon	USD	(293,567)	NOK	2,588,556	1,024
07 January 2020	BNY Mellon	USD	(127,891)	THB	3,831,622	51
07 January 2020	BNY Mellon	USD	(1,065,133)	THB	31,911,397	418
07 January 2020	BNY Mellon	USD	(107,488)	TWD	3,228,084	457
07 January 2020	BNY Mellon	USD	(918,978)	TWD	27,598,746	3,903
03 February 2020	BNY Mellon	AUD	(852,458)	NOK	5,242,284	(3,077)
03 February 2020	BNY Mellon	AUD	(5,682,982)	NOK	34,948,123	(20,511)
03 February 2020	BNY Mellon	BRL	(2,953,016)	USD	733,523	260
03 February 2020	BNY Mellon	BRL	(20,035,342)	USD	4,976,736	1,765
03 February 2020	BNY Mellon	CAD	(670,402)	NOK	4,510,894	(3,655)
03 February 2020	BNY Mellon	CAD	(4,565,060)	NOK	30,716,643	(24,890)
03 February 2020	BNY Mellon	CHF	(823,481)	NOK	7,481,963	(842)
03 February 2020	BNY Mellon	CHF	(5,550,002)	NOK	50,426,068	(5,673)
03 February 2020	BNY Mellon	CNY	(3,650,556)	USD	522,559	(1,203)
03 February 2020	BNY Mellon	CNY	(25,034,277)	USD	3,583,535	(8,249)
03 February 2020	BNY Mellon	EUR	(1,005,306)	NOK	9,915,783	(2,264)
03 February 2020	BNY Mellon	EUR	(6,773,991)	NOK	66,814,897	(15,261)
03 February 2020	BNY Mellon	GBP	(159,592)	NOK	1,842,616	(1,904)
03 February 2020	BNY Mellon	GBP	(1,205,442)	NOK	13,917,820	(14,380)
03 February 2020	BNY Mellon	HKD	(3,849,474)	USD	493,996	131
03 February 2020	BNY Mellon	HKD	(25,405,657)	USD	3,260,264	869
03 February 2020	BNY Mellon	INR	(12,707,943)	USD	177,971	94
03 February 2020	BNY Mellon	INR	(90,568,483)	USD	1,268,386	670
03 February 2020	BNY Mellon	JPY	(22,431,032)	NOK	1,816,425	(55)
03 February 2020	BNY Mellon	JPY	(115,332,164)	NOK	9,339,393	(286)
03 February 2020	BNY Mellon	JPY	(93,977,335)	NOK	7,592,901	(2,192)
03 February 2020	BNY Mellon	JPY	(651,668,816)	NOK	52,651,597	(15,201)
03 February 2020	BNY Mellon	KRW	(133,401,359)	USD	115,140	(480)
03 February 2020	BNY Mellon	KRW	(1,092,426,164)	USD	942,885	(3,931)
03 February 2020	BNY Mellon	NOK	(3,521,704)	USD	400,524	(307)
03 February 2020	BNY Mellon	SEK	(1,003,528)	NOK	945,875	277
03 February 2020	BNY Mellon	SEK	(8,233,721)	NOK	7,760,691	2,272
03 February 2020	BNY Mellon	THB	(3,831,622)	USD	127,840	(184)
03 February 2020	BNY Mellon	THB	(31,911,397)	USD	1,064,707	(1,527)
03 February 2020	BNY Mellon	TWD	(1,072,033)	USD	35,897	(20)
03 February 2020	BNY Mellon	TWD	(3,228,084)	USD	107,131	(1,022)
03 February 2020	BNY Mellon	TWD	(27,598,746)	USD	915,928	(8,739)
03 February 2020	BNY Mellon	USD	(6,716,358)	NOK	59,026,172	1,847
03 February 2020	BNY Mellon	USD	(45,266,132)	NOK	397,817,779	12,448
03 February 2020	BNY Mellon	USD	(93,510)	NOK	822,208	72
Total unrealised gain on forward foreign currency contracts						2,420,679

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Sector Healthcare Value Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
02 January 2020	BNY Mellon	EUR	(5,219,422)	USD	5,846,953	(12,579)
02 January 2020	BNY Mellon	EUR	(222,318)	USD	249,047	(536)
02 January 2020	BNY Mellon	EUR	(600,398)	USD	668,781	(5,250)
02 January 2020	BNY Mellon	NOK	(103,281,898)	USD	11,757,275	3,602
02 January 2020	BNY Mellon	NOK	(591,783,518)	USD	67,366,708	20,634
02 January 2020	BNY Mellon	NOK	(77,428,631)	USD	8,814,223	2,700
02 January 2020	BNY Mellon	NOK	(450,000)	USD	50,257	(954)
02 January 2020	BNY Mellon	NOK	(210,927)	USD	23,005	(999)
02 January 2020	BNY Mellon	NOK	(1,400,000)	USD	151,828	(7,494)
02 January 2020	BNY Mellon	SEK	(16,766,022)	USD	1,796,945	5,711
02 January 2020	BNY Mellon	SEK	(30,000)	USD	3,191	(14)
02 January 2020	BNY Mellon	SEK	(301,859)	USD	32,031	(219)
02 January 2020	BNY Mellon	SEK	(362,763)	USD	38,488	(268)
02 January 2020	BNY Mellon	SEK	(24,340)	USD	2,565	(35)
02 January 2020	BNY Mellon	SEK	(98,683)	USD	10,400	(143)
02 January 2020	BNY Mellon	USD	(6,243,439)	EUR	5,654,951	105,035
02 January 2020	BNY Mellon	USD	(237,987)	EUR	215,555	4,004
02 January 2020	BNY Mellon	USD	(184,130)	EUR	164,869	959
02 January 2020	BNY Mellon	USD	(7,553)	EUR	6,763	39
02 January 2020	BNY Mellon	USD	(11,128,226)	NOK	102,156,478	497,373
02 January 2020	BNY Mellon	USD	(58,793,380)	NOK	539,719,874	2,627,754
02 January 2020	BNY Mellon	USD	(8,164,444)	NOK	74,949,131	364,908
02 January 2020	BNY Mellon	USD	(80,033)	NOK	737,980	3,950
02 January 2020	BNY Mellon	USD	(202,279)	NOK	1,851,953	8,477
02 January 2020	BNY Mellon	USD	(77,399)	NOK	710,776	3,489
02 January 2020	BNY Mellon	USD	(49,981)	NOK	457,523	2,086
02 January 2020	BNY Mellon	USD	(86,651)	NOK	792,175	3,500
02 January 2020	BNY Mellon	USD	(171,008)	NOK	1,562,703	6,831
02 January 2020	BNY Mellon	USD	(698,176)	NOK	6,378,924	27,757
02 January 2020	BNY Mellon	USD	(47,113)	NOK	431,000	1,936
02 January 2020	BNY Mellon	USD	(270,486)	NOK	2,459,594	9,420
02 January 2020	BNY Mellon	USD	(49,330)	NOK	446,009	1,427
02 January 2020	BNY Mellon	USD	(915,626)	NOK	8,249,437	23,175
02 January 2020	BNY Mellon	USD	(274,445)	NOK	2,479,500	7,727
02 January 2020	BNY Mellon	USD	(282,399)	NOK	2,544,486	7,168
02 January 2020	BNY Mellon	USD	(329,337)	NOK	2,975,420	9,271
02 January 2020	BNY Mellon	USD	(1,949,575)	NOK	17,613,599	54,886
02 January 2020	BNY Mellon	USD	(94,219)	NOK	849,605	2,468
02 January 2020	BNY Mellon	USD	(594,205)	NOK	5,330,097	12,370
02 January 2020	BNY Mellon	USD	(155,182)	NOK	1,389,489	2,944
02 January 2020	BNY Mellon	USD	(52,484)	NOK	469,221	914
02 January 2020	BNY Mellon	USD	(1,741,789)	SEK	16,668,530	39,029
02 January 2020	BNY Mellon	USD	(2,681)	SEK	25,595	53
02 January 2020	BNY Mellon	USD	(11,291)	SEK	107,498	194
02 January 2020	BNY Mellon	USD	(6,569)	SEK	62,525	111
02 January 2020	BNY Mellon	USD	(626)	SEK	5,931	8
02 January 2020	BNY Mellon	USD	(5,815)	SEK	55,173	79
02 January 2020	BNY Mellon	USD	(8,187)	SEK	77,869	132
02 January 2020	BNY Mellon	USD	(2,238)	SEK	21,000	6
02 January 2020	BNY Mellon	USD	(55,404)	SEK	519,234	69
02 January 2020	BNY Mellon	USD	(1,396)	SEK	13,057	(1)
02 January 2020	BNY Mellon	USD	(2,902)	SEK	27,255	10
03 February 2020	BNY Mellon	USD	(5,858,895)	EUR	5,219,422	12,353

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

Sector Healthcare Value Fund (Continued)

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
03 February 2020	BNY Mellon	USD	(249,556)	EUR	222,318	526
03 February 2020	BNY Mellon	USD	(31,970)	NOK	280,805	(10)
03 February 2020	BNY Mellon	USD	(11,759,623)	NOK	103,281,898	(4,347)
03 February 2020	BNY Mellon	USD	(67,380,162)	NOK	591,783,518	(24,908)
03 February 2020	BNY Mellon	USD	(8,815,983)	NOK	77,428,631	(3,259)
03 February 2020	BNY Mellon	USD	(170,343)	NOK	1,497,512	100
03 February 2020	BNY Mellon	USD	(6,112)	SEK	56,866	(27)
03 February 2020	BNY Mellon	USD	(1,800,137)	SEK	16,766,022	(6,128)
Total unrealised gain on forward foreign currency contracts						3,808,014

(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, resulting in a financial loss to 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.

Management of credit risk

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

Exposure to credit risk

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

Derivative financial instruments

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

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

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.

	31 December 2020	31 December 2019
BNY Mellon	A	AA-
DNB	AA-	AA-
Goldman Sachs	A+	A+

As at 31 December 2020 and 31 December 2019, the Funds had not pledged any securities as collateral for contracts-for-difference trading.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(f) Fair value estimation

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

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

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

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

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

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

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

There were no significant transfers between levels during the financial year ended 31 December 2020 or 31 December 2019. Transfers between levels of the fair value hierarchy, for the purpose of disclosure in financial statements, are deemed to have occurred at the end of the reporting period.

The fair values of investments valued under Levels 1 to 3 as at 31 December 2020 are as follows overleaf:

Harvest Equity Kernel	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	108,106,219	–	–	108,106,219
Derivative instruments	–	1,449,869	–	1,449,869
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(301,921)	–	(301,921)
Total	108,106,219	1,147,948	–	109,254,167

Sector Healthcare Value Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	361,072,780	–	–	361,072,780
Derivative instruments	–	7,368,676	–	7,368,676
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(937,236)	–	(937,236)
Total	361,072,780	6,431,440	–	367,504,220

The categories of investments above comprise:

- Equity securities (which includes equities, money market funds, real estate investment trusts and rights).
- Derivative instruments (which includes forward foreign currency contracts, contracts-for-difference, futures and options).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(f) Fair value estimation (Continued)

The fair values of investments valued under Levels 1 to 3 as at 31 December 2019 are as follows:

Harvest Equity Kernel	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	112,617,212	–	–	112,617,212
Derivative instruments	–	3,755,225	–	3,755,225
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(1,128,043)	–	(1,128,043)
Total	112,617,212	2,627,182	–	115,244,394

Sector Healthcare Value Fund	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	165,911,805	–	–	165,911,805
Derivative instruments	–	3,875,185	–	3,875,185
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(67,171)	–	(67,171)
Total	165,911,805	3,808,014	–	169,719,819

The categories of investments above comprise:

- Equity securities (which includes equities, real estate investment trusts and rights).
- Derivative instruments (which includes forward foreign currency contracts, contracts-for-difference, futures and options).

8. Share Capital

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

Harvest Equity Kernel may issue Class A EUR Shares, Class A USD Shares, Class A NOK Shares Hedged, Shares, Class A NOK Unhedged Shares and Class A SEK Shares (the “Class A Shares”), Class B Shares, which are comprised of Class B EUR Shares, Class B USD Shares, Class B NOK Hedged Shares, Class B NOK Unhedged Shares and Class B SEK (the “Class B Shares”), Class C EUR Shares, Class C USD Shares, Class C NOK Shares and Class C SEK Shares (the “Class C Shares”), Class P USD Shares, Class P NOK Hedged Shares and Class P NOK Unhedged Shares (“the Class P Shares”) and Class O NOK Shares.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

Class O NOK Shares are only available for subscription by (i) other funds, (including sub-funds of the Company), or similar collective investment schemes that the Investment Manager 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 the Investment Manager (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 Investment Manager or (vii) any nominee of any of the foregoing.

The following are the share class transactions for the financial year ended 31 December 2020 were as follows:

	Harvest Equity Sector Healthcare	
	Kernel	Value Fund
Class A EUR		
Shares in issue at beginning of year	–	17,800
Number of shares issued	–	3,271
Number of shares redeemed	–	(9,112)
Number in issue at end of year	–	11,959
Class A NOK		
Shares in issue at beginning of year	96,170	39,187
Number of shares issued	43,673	39,633
Number of shares redeemed	(35,240)	(1,452)
Number in issue at end of year	104,603	77,368
Class A USD		
Shares in issue at beginning of year	121	66,547
Number of shares issued	165	17,755
Number of shares redeemed	(122)	(19,180)
Number in issue at end of year	164	65,122
Class B EUR		
Shares in issue at beginning of year	–	1,757
Number of shares issued	–	750
Number of shares redeemed	–	(400)
Number in issue at end of year	–	2,107
Class B NOK		
Shares in issue at beginning of year	–	402,316
Number of shares issued	–	263,861
Number of shares redeemed	–	(175,483)
Number in issue at end of year	–	490,694
Class B SEK		
Shares in issue at beginning of year	–	12,067
Number of shares issued	–	10,073
Number of shares redeemed	–	(5,769)
Number in issue at end of year	–	16,371
Class B USD		
Shares in issue at beginning of year	–	62,929
Number of shares issued	–	171,339
Number of shares redeemed	–	(46,861)
Number in issue at end of year	–	187,407

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Harvest Equity Kernel	Sector Healthcare Value Fund
Class L NOK		
Shares in issue at beginning of year	–	24,461
Number of shares issued	–	–
Number of shares redeemed	–	(24,461)
Number in issue at end of year	–	–
Class P NOK		
Shares in issue at beginning of year	682,819	–
Number of shares issued	70,202	–
Number of shares redeemed	(112,856)	–
Number in issue at end of year	640,165	–
Class P NOK Unhedged		
Shares in issue at beginning of year	296,293	–
Number of shares issued	233,207	–
Number of shares redeemed	(301,577)	–
Number in issue at end of year	227,923	–
Class P USD		
Shares in issue at beginning of year	405	–
Number of shares issued	–	–
Number of shares redeemed	(78)	–
Number in issue at end of year	327	–
Class X EUR		
Shares in issue at beginning of year	–	–
Number of shares issued	–	309,159
Number of shares redeemed	–	–
Number in issue at end of year	–	309,159
Class X USD		
Shares in issue at beginning of year	–	225,724
Number of shares issued	–	41,561
Number of shares redeemed	–	(90,753)
Number in issue at end of year	–	176,532
Class Y EUR		
Shares in issue at beginning of year	–	–
Number of shares issued	–	39,316
Number of shares redeemed	–	–
Number in issue at end of year	–	39,316
Class Y GBP		
Shares in issue at beginning of year	–	–
Number of shares issued	–	481,011
Number of shares redeemed	–	(1,732)
Number in issue at end of year	–	479,279
Class Y USD		
Shares in issue at beginning of year	–	–
Number of shares issued	–	420,013
Number of shares redeemed	–	(353)
Number in issue at end of year	–	419,660

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

The following are the share class transactions for the financial year ended 31 December 2019 were as follows:

	Harvest Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A EUR			
Shares in issue at beginning of year	–	19,649	–
Number of shares issued	–	5,674	–
Number of shares redeemed	–	(7,523)	–
Number in issue at end of year	–	17,800	–
Class A NOK			
Shares in issue at beginning of year	76,571	39,865	–
Number of shares issued	69,767	16,577	–
Number of shares redeemed	(50,168)	(17,255)	–
Number in issue at end of year	96,170	39,187	–
Class A USD			
Shares in issue at beginning of year	19,935	40,441	–
Number of shares issued	112	37,284	–
Number of shares redeemed	(19,926)	(11,178)	–
Number in issue at end of year	121	66,547	–
Class B EUR			
Shares in issue at beginning of year	–	1,757	–
Number of shares issued	–	–	–
Number of shares redeemed	–	–	–
Number in issue at end of year	–	1,757	–
Class B NOK			
Shares in issue at beginning of year	–	342,489	–
Number of shares issued	–	212,628	–
Number of shares redeemed	–	(152,801)	–
Number in issue at end of year	–	402,316	–
Class B SEK			
Shares in issue at beginning of year	–	7,253	–
Number of shares issued	–	13,297	–
Number of shares redeemed	–	(8,483)	–
Number in issue at end of year	–	12,067	–
Class B USD			
Shares in issue at beginning of year	–	11,692	–
Number of shares issued	–	75,060	–
Number of shares redeemed	–	(23,823)	–
Number in issue at end of year	–	62,929	–
Class L NOK			
Shares in issue at beginning of year	–	24,242	–
Number of shares issued	–	219	–
Number of shares redeemed	–	–	–
Number in issue at end of year	–	24,461	–

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Harvest Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class P NOK Hedged			
Shares in issue at beginning of year	1,908,885	–	–
Number of shares issued	166,090	–	–
Number of shares redeemed	(1,392,156)	–	–
Number in issue at end of year	682,819	–	–
Class P NOK Unhedged			
Shares in issue at beginning of year	706,849	–	–
Number of shares issued	101,016	–	–
Number of shares redeemed	(511,572)	–	–
Number in issue at end of year	296,293	–	–
Class P USD			
Shares in issue at beginning of year	14,076	–	–
Number of shares issued	17,473	–	–
Number of shares redeemed	(31,144)	–	–
Number in issue at end of year	405	–	–
Class X EUR			
Shares in issue at beginning of year	–	590	–
Number of shares issued	–	–	–
Number of shares redeemed	–	(590)	–
Number in issue at end of year	–	–	–
Class X USD			
Shares in issue at beginning of year	–	213,737	–
Number of shares issued	–	40,971	–
Number of shares redeemed	–	(28,984)	–
Number in issue at end of year	–	225,724	–

9. Investment Management Fees

The Company has appointed Harvest Funds AS from 2 January 2020 (Sector Omega AS up to 1 January 2020) as Investment Manager to Harvest Equity Kernel and Sector Gamma AS as Investment Manager to Sector Healthcare Value Fund. Sigma Fondsforvaltning AS was the Investment Manager to Sector Sigma Nordic Fund.

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

Harvest Equity Kernel		Sector Healthcare Value Fund	
Class	Management Fee	Class	Management Fee
Class A Shares	Up to 1.50%	Class A Shares	Up to 1.0%
Class B Shares	Up to 0.75%	Class B Shares	Up to 2.0%
Class C Shares	Up to 0.50%	Class E Shares	Up to 1.0%
Class P Shares	Up to 0.50%	Class X Shares	Up to 0.50%
Class O Shares	Up to 3.00%	Class Y Shares	Up to 0.40%

The Investment Manager does not charge a fee in respect of the Class L NOK Shares.

The total management fees accrued for the financial year ended 31 December 2020 were USD3,474,382 (31 December 2019: USD2,953,152) and the net amount outstanding at 31 December 2020 was USD490,075 (31 December 2019: USD338,688).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Incentive Fees/Performance Fees

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

Harvest Equity Kernel

The Fund, in respect of the Class C Shares and Class O 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 B 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 Year (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 Year, (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 Year, 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 Year 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 Year (or, if no Incentive Fee has yet been paid with respect to any such Calculation Year, 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 Year. The calculation year 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 Year"). 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).

Sector Healthcare Value Fund

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Incentive Fees/Performance Fees (Continued)

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

During the year ended 31 December 2020, there was a reversal of accrued Performance Fees which resulted in a net credit of USD239,439 to the profit and loss account with USD317,753 payable at the year end. The Performance Fees accrued by the Company for the financial year ended were 31 December 2019 was USD307,118 and the amount outstanding at 31 December 2019: USD655,248.

Equalisation Credit

The equalisation credit policy is applied to the calculation of the Incentive Fee payable for certain classes in each Fund (see the Fund's relevant Supplement for further details). The Incentive Fee is calculated on a share-by-share basis so that each relevant share is charged an Incentive Fee that equates precisely with that relevant share's performance. This method of calculation ensures that (i) the Incentive Fee is charged only to those relevant shares that have appreciated in value relative to the Index, (ii) all relevant shareholders have the same amount per relevant share of the relevant class at risk in the Fund, and (iii) all shares of the same class have the same net asset value per share. If a shareholder subscribes for relevant shares at a time when the net asset value per relevant share is other than the Index Net Asset Value, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or beneficiary of the Incentive Fee. For the financial year ended 31 December 2020 an equalisation credit of USD1,225,673 (31 December 2019: USD1,790,254) was applied by the Company.

11. Administration Fees and Depositary/Custodian Fees

The Company has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company ("BNY Mellon") to act as Administrator, registrar and transfer agent and The Bank of New York Mellon SA/NV, Dublin Branch to act as Depositary (the "Depositary"). BNY Mellon is entitled to 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 agreed upon transaction charges. The Administrator is also entitled to 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 financial year ended 31 December 2020 was USD520,615 (31 December 2019: USD508,151) and the amount outstanding at 31 December 2020 was USD130,152 (31 December 2019: USD114,471).

The Depositary 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 Depositary fee accrued for the financial year ended 31 December 2020 was USD181,742 (31 December 2019: USD218,346) and the amount outstanding at 31 December 2020 was USD24,901 (31 December 2019: USD26,877).

12. Directors' Fees and Expenses

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of each Director's remuneration in any one year shall not exceed €15,000 (31 December 2019: €15,000) or such higher amount as may be approved by resolution of the Directors and notified to shareholders. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the Company or in connection with the business of the Company. The Directors may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company and such remuneration will be at normal commercial rates. The Directors' fees and expenses accrued for the financial year ended 31 December 2020 was USD34,533 (31 December 2019: USD29,116) and the amount outstanding at 31 December 2020 was USD14,642 (31 December 2019: USD7,259).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Auditors' Fees

Fees and expenses paid to the statutory auditors, Deloitte Ireland LLP, in respect of the financial year, entirely relate to the audit of the financial statements of the Company.

Audit fees charged for the financial year ended 31 December 2020 were EUR18,000 ex VAT (31 December 2019: EUR18,000). Tax advisory fees charged for the financial year ended 31 December 2020 were EUR7,600 ex VAT (31 December 2019: EUR6,300).

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, stock lending and repurchase agreements for the purposes of efficient portfolio management only, subject to the conditions and limits set out in the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") and within any further limits laid down by the Central Bank of Ireland from time to time. In particular, the 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 2020 and 31 December 2019, the Company has utilised forward foreign currency contracts and contracts-for-difference. As at 31 December 2020, all derivatives are OTC derivatives. All open derivative positions are disclosed in the schedule of investments except for forward currency contracts which are disclosed in note 7 (d) above.

15. Directors' Interests, Connected Persons and Related Party Transactions

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

Depository 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 "Depository" and its "associated or group companies" to be "connected persons" to the Company. As such, The Bank of New York Mellon SA/NV, Dublin Branch, the Depository, and BNY Mellon Fund Services (Ireland) Designated Activity Company, the Administrator, are connected persons to the Company.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Directors' Interests, Connected Persons and Related Party Transactions (Continued)

31 December 2020			Number of
Key personnel	Role/Team	Fund/Class	Shares held
Tellaviva/Lars Tell	Director	Sector Healthcare Value Fund, Class A NOK	250
Meditek Capital AS/ Trond Tviberg	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class A NOK	8,976
ETHO AS/ Trond Horneland	Investment Manager	Sector Healthcare Value Fund, Class A NOK	22,040
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118
Sector Omega DTR AS	Company wholly owned by Harvest Funds AS	Harvest Equity Kernel, Class P USD	134

31 December 2019			Number of
Key personnel	Role/Team	Fund/Class	Shares held
Lars Tell	Director	Sector Healthcare Value Fund, Class L NOK	160
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
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118
Sector Speculare AS	Investment Manager	Harvest Equity Kernel, Class P USD	134

As at 31 December 2020 and 31 December 2019, Sector Asset Management AS held 3 Class A EUR Shares, 2 Class A NOK Shares and 3 Class A USD Shares in Sector Healthcare Value Fund.

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 Fund's obligations against another Fund.

As at 31 December 2020 and 31 December 2019 there were no known contingent liabilities.

17. Soft Commission

There were no soft commissions for the financial year ended 31 December 2020 and 31 December 2019.

18. IMR Regulations

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") issued in March 2015, subscription and redemption monies will (effective from 1 July 2016), be channeled through a sub-fund cash collection account in the name of the sub-fund. Pending issue of the shares and/or payment of subscription proceeds to an account in the name of the sub-fund(s), and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the sub-fund in respect of amounts paid by or due to it. As at 31 December 2020 and 31 December 2019, the Funds have received subscriptions in advance and these amounts are reflected on the Balance Sheet.

19. Comparative Year

The prior year comparatives are for the financial year 1 January 2019 to 31 December 2019.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Three Year Historical Net Asset Value

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

31 December 2020

	Harvest Equity Sector Healthcare Kernel Value Fund USD USD	
Total Net Asset Value	124,692,469	367,309,862
Shares outstanding		
Class A EUR	–	11,959
Class A NOK	104,603	77,368
Class A USD	164	65,122
Class B EUR	–	2,107
Class B NOK	–	490,694
Class B SEK	–	16,371
Class B USD	–	187,407
Class P NOK	640,165	–
Class P NOK Unhedged	227,923	–
Class P USD	327	–
Class X EUR	–	309,159
Class X USD	–	176,532
Class Y EUR	–	39,316
Class Y GBP	–	479,279
Class Y USD	–	419,660

Net Asset Value per Share

Class A EUR	–	315.87
Class A NOK	1,096.67	2,823.79
Class A USD	143.30	474.05
Class B EUR	–	133.94
Class B NOK	–	1,544.85
Class B SEK	–	1,468.78
Class B USD	–	155.66
Class P NOK	1,032.92	–
Class P NOK Unhedged	1,276.70	–
Class P USD	166.26	–
Class X EUR	–	102.27
Class X USD	–	162.20
Class Y EUR	–	105.19
Class Y GBP	–	105.40
Class Y USD	–	104.59

31 December 2019

	Harvest Equity Sector Healthcare Kernel Value Fund USD USD	
Total Net Asset Value	127,320,414	167,225,950
Shares outstanding		
Class A EUR	–	17,800
Class A NOK	96,170	39,187
Class A USD	121	66,547
Class B EUR	–	1,757
Class B NOK	–	402,316
Class B SEK	–	12,067
Class B USD	–	62,929
Class L NOK	–	24,461

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Three Year Historical Net Asset Value (Continued)

31 December 2019

	Harvest Equity Kernel USD	Sector Healthcare Value Fund USD
Class P NOK Hedged	682,819	–
Class P NOK Unhedged	296,293	–
Class P USD	405	–
Class X USD	–	225,724
Net Asset Value per Share		
Class A EUR	–	293.55
Class A NOK	1,050.90	2,639.05
Class A USD	130.68	433.91
Class B EUR	–	126.49
Class B NOK	–	1,473.45
Class B SEK	–	1,394.22
Class B USD	–	144.37
Class L NOK	–	3,172.37
Class P NOK Hedged	975.46	–
Class P NOK Unhedged	1,184.64	–
Class P USD	150.31	–
Class X USD	–	147.50

31 December 2018

	Harvest Equity Kernel USD	Sector Healthcare Value Fund USD
Total Net Asset Value	277,655,063	110,624,786
Shares outstanding		
Class A EUR	–	19,649
Class A NOK	76,571	39,864
Class A USD	19,935	40,441
Class B EUR	–	1,757
Class B NOK	–	342,489
Class B SEK	–	7,253
Class B USD	–	11,693
Class L NOK	–	24,242
Class P NOK	1,908,885	–
Class P NOK Unhedged	706,847	–
Class P USD	14,076	–
Class X EUR	–	590
Class X USD	–	213,737
Net Asset Value per Share		
Class A EUR	–	239.70
Class A NOK	912.46	2,137.37
Class A USD	111.27	347.39
Class B EUR	–	103.57
Class B NOK	–	1,186.76
Class B SEK	–	1,139.84
Class B USD	–	114.83
Class L NOK	–	2,505.02
Class P NOK	989.05	–
Class P NOK Unhedged	838.48	–
Class P USD	127.33	–
Class X EUR	–	90.96
Class X USD	–	116.36

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Significant Events during the financial year

A revised supplement for Harvest Equity Kernel was noted by the Central Bank of Ireland on 2 January 2020. The main updates related to the change in name of the Fund from Sector Global Equity Kernel to Harvest Equity Kernel and the change in the Investment Manager from Harvest Omega K AS (formerly Sector Omega AS) to Harvest Funds AS.

Two revised supplements for Sector Healthcare Value Fund were noted by the Central Bank of Ireland on 1 October 2020 and 22 December 2020. The main updates relate to the introduction of Class Y Share and Class E Shares respectively.

Effective 3 June 2020, all Shares listed on Euronext Dublin were delisted.

Market disturbances

The global public health crisis which arose from the outbreak of the novel coronavirus disease (known as COVID-19) has caused considerable volatility and disruption in financial markets since early March 2020. It is unknown what the impact will be on the global economy but the uncertainty and instability from COVID-19 for a prolonged period could have an adverse impact on the Company's or relevant Fund's business, opportunities, operations, financial condition and cash flows and there can be no assurance that the risks associated with COVID-19 will not alter significantly the attractiveness of an investment in the Company or a Fund as a result of the potential for capital losses and general uncertainty.

There were no other significant events during the year.

22. Significant Events after the Balance Sheet Date

Upon recommendation from the Investment Manager, Harvest Funds AS, the Directors resolved to terminate Harvest Equity Kernel Fund, with effect from 15 January 2021. Once the distribution of the realisation proceeds has occurred, the Directors will seek revocation of the approval of the Fund from the Central Bank of Ireland.

There were no other significant events after the balance sheet date.

23. Approval of Financial Statements

The financial statements were authorised for issue by the Directors on 24 March 2021.

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SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)

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

Harvest Equity Kernel

LARGEST PURCHASES

	COST
	\$
Goldman Sachs US\$ Treasury Liquid Reserves Fund	32,918,708
Cnooc Ltd.	2,775,345
Murata Manufacturing Co. Ltd.	2,604,041
Intel Corp.	2,242,911
AbbVie, Inc.	1,928,599
Hecla Mining Co.	1,514,718
Hologic, Inc.	1,511,079
Mineral Resources Ltd.	1,502,640
Uranium Participation Corp.	1,494,041
Ono Pharmaceutical Co. Ltd.	1,489,332
Peugeot S.A.	1,486,608
Garmin Ltd.	1,484,219
Aurubis AG	1,479,718
Zebra Technologies Corp.	1,471,131
VROOM, Inc.	1,466,994
Covestro AG	1,466,845
NN Group NV	1,466,090
Newcrest Mining Ltd.	1,453,998
Telefonaktiebolaget LM Ericsson	1,452,030
Regis Resources Ltd.	1,449,666

LARGEST SALES

	PROCEEDS
	\$
Goldman Sachs US\$ Treasury Liquid Reserves Fund	27,337,617
Cnooc Ltd.	2,415,447
AngloGold Ashanti Ltd.	2,413,683
AbbVie, Inc.	2,183,832
BioTelemetry, Inc.	2,071,628
Intel Corp.	2,006,981
Microsoft Corp.	1,928,579
Givaudan S.A.	1,845,833
Sartorius AG PFD	1,766,628
Toyo Suisan Kaisha Ltd.	1,706,974
Sany Heavy Industry Co. Ltd.	1,702,025
Arthur J Gallagher & Co.	1,692,566
Murata Manufacturing Co. Ltd.	1,655,497
Republic Services, Inc.	1,653,742
Regeneron Pharmaceuticals, Inc.	1,631,460
Alphabet, Inc.	1,523,398
CDW Corp.	1,521,111
Mowi ASA	1,495,225
Akzo Nobel NV	1,468,034
Advanced Info Service Plc	1,426,659

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SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)

Sector Healthcare Value Fund

LARGEST PURCHASES

	COST
	\$
Goldman Sachs US\$ Treasury Liquid Reserves Fund	46,530,745
Merck & Co., Inc.	27,125,437
Gilead Sciences, Inc.	24,411,614
GlaxoSmithKline Plc	19,389,755
Becton Dickinson & Co.	14,407,647
Pfizer, Inc.	13,559,826
Bristol-Myers Squibb Co.	12,722,370
Incyte Corp. Ltd.	11,883,618
Medtronic Plc	10,815,220
Biogen, Inc.	9,685,684
CVS Caremark Corp.	9,302,713
Johnson & Johnson	8,986,179
Sanofi	8,784,584
Laboratory Corporations of America Holdings	7,025,126
Astellas Pharma, Inc.	6,609,380
Alexion Pharmaceuticals, Inc.	6,442,707
Boston Scientific Corp.	6,217,498
Anthem, Inc.	6,082,725
Abbott Laboratories	5,725,026
Centene Corp.	5,500,513

LARGEST SALES

	PROCEEDS
	\$
Goldman Sachs US\$ Treasury Liquid Reserves Fund	40,810,720
Bristol-Myers Squibb Co.	10,363,606
Merck & Co., Inc.	9,415,916
Johnson & Johnson	7,435,823
Biogen, Inc.	7,199,243
Agilent Technologies, Inc.	6,942,965
Gilead Sciences, Inc.	6,098,848
Alcon, Inc.	5,971,909
Baxter International, Inc.	5,156,258
BioMarin Pharmaceutical, Inc.	4,991,104
Roche Holding AG	4,561,661
Abbott Laboratories	4,146,435
Humana, Inc.	3,890,674
Merck KGaA	3,873,134
Ultragenyx Pharmaceutical, Inc.	3,872,341
United Therapeutics Corp.	3,831,665
Getinge AB	3,519,332
Quest Diagnostics, Inc.	3,192,383
Patterson Cos., Inc.	3,169,891
Qiagen NV	3,071,214

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REMUNERATION INFORMATION (Unaudited)

Regulation 89(3A) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended (the "UCITS Regulations") (as introduced pursuant to the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the "UCITS V Regulations") on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the period.

In this regard, the following points are to be noted:

- The Company has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations and ESMA's Guidelines on sound remuneration policies under the UCITS Directive (ESMA/2016/575) (the "Guidelines"). This policy was adopted with effect from 1 January 2018.
- No annual reviews have as yet been undertaken and no material changes have been made to the remuneration policy since 1 January 2020.

The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, one of whom is an employee of the Sector group and receives no remuneration from the Company. The remaining two directors, each of whom is independent, receive a fixed fee only for the year ended 31 December 2020 €25,500 (31 December 2019: €24,000) in aggregate and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities.