

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 2017

Registration No. 489443

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2017

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GENERAL INFORMATION

Directors

Michael Boyce (*Irish*)[^]
Paul Dobbyn (*Irish*)[^] (*resigned 24 August 2017*)
Lars Tell (*Swedish*)
Conor Walsh (*Irish*)[^] (*appointed 24 August 2017*)

[^]*Independent non-executive Director*

Investment Manager

Sector Global Equity Kernel
Sector Omega AS
Filipstad Brygge 2
N-0250 Oslo
Norway

Investment Manager

Sector Healthcare Value Fund
Sector Gamma AS
Filipstad Brygge 2
N-0250 Oslo
Norway

Investment Manager

Sector Sigma Nordic Fund
Sigma Fondsforvaltning AS
Filipstad Brygge 2
N-0250 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

BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Registered Office*

32 Molesworth Street
Dublin 2
Ireland

Independent Auditors

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

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

BAHR
Stranden 1
PO Box 1524 Vika
N-0117 Oslo
Norway

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

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

Sponsoring Brokers

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

Company Secretary*

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

* Effective 8 May 2017, the registered office of the Company and the Company Secretary changed from 2nd Floor, Beaux Lane House, Mercer Street Lower, Dublin 2.

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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 2017 to 31 December 2017.

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 USD426,168,899 on 31 December 2017 (31 December 2016: USD298,263,511).

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, 2015 (as amended) (the "Regulations").

As at 31 December 2017, the Company has four funds in existence (31 December 2016: three), Sector Healthcare Value Fund, Sector Sigma Nordic Fund, Sector Global Equity Kernel and Trient Dynamic Multi-Asset Fund (the "Funds"). As at 31 December 2017, Trient Dynamic Multi-Asset Fund has not commenced trading.

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 2017 ten classes are subscribed to in the Fund (31 December 2016: six), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class B SEK, Class B USD Shares, Class L NOK Shares, Class X EUR Shares and Class X USD Shares. Class A USD, Class A EUR and Class A NOK Shares were listed on the Irish Stock Exchange on 18 November 2010 and Class B NOK Shares were listed on the Irish Stock Exchange on 10 September 2013. Class B EUR Shares, Class B USD Shares, Class X EUR Shares and Class X USD Shares launched during the financial year ended 31 December 2017.

Sector Sigma Nordic Fund commenced trading on 25 June 2012. The base currency of the Fund is Norwegian Krone ("NOK"). As at 31 December 2017 six classes are subscribed to in the Fund (31 December 2016: ten), Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class C NOK Shares, and Class L NOK Shares. No application has been made to list the shares on any stock exchange. Class A EUR Shares, Class C SEK Shares, Class D NOK and Class D SEK Shares were fully redeemed during the financial year ended 31 December 2017.

Sector Global Equity Kernel commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel is USD. As at 31 December 2017 five classes are subscribed to in the Fund (31 December 2016: five), Class A NOK Shares, Class A USD Shares, Class P NOK Hedged Shares, Class P NOK Unhedged and Class P USD Shares. Class P USD Shares were listed on the Irish Stock Exchange on 27 March 2014.

Results, Activities and Future Developments

The results of operations are set out on page 20. A detailed review of the business and future developments for the Funds is contained in the Investment Managers' Reports on page 10.

Statement of Directors' Responsibilities

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

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

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

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

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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.

Director's Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligation as set out in Section 225 of the Companies Act 2014.

The Directors confirm that:

- 1) A compliance policy document has been drawn up that sets out policies, that in our opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations;
- 2) Appropriate arrangements or structures are in place that are, in our opinion, designed to secure material compliance with the Company's relevant obligations, and
- 3) During the financial year, the arrangements or structures referred to in (2) have been reviewed.

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) Designation 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' Reports and note 7.

Significant events during the year

On 22 March 2017, revised supplements to the Prospectus for both Sector Sigma Nordic Fund and Sector Healthcare Value Fund were approved by the Central Bank of Ireland.

A revised Prospectus for the Company was noted by the Central Bank of Ireland on 12 July 2017.

The significant updates to the Prospectus were as follows:

- full update to the taxation sections to ensure the disclosures are in line with current industry standards and to reflect the relevant provisions of the Finance Act 2016;
- updates to reflect the coming into force of Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFT Regulations") to include drafting of relevant disclosure relating to the use of total return swaps and repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of the SFT Regulations that the funds are permitted to engage in ("Securities Financing Transactions").

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DIRECTORS' REPORT (Continued)

Significant events during the year (Continued)

- expanding the suite of risk factors bringing them into line with current industry standards and to include additional risk factors as necessitated by legal and regulatory changes;
- updates to reflect the power of BNY Mellon Trust Company (Ireland) Limited (the "Depositary") to delegate its depositary functions to include additional disclosure and the list of the Depositary's sub-delegates; and
- updates to reflect the change in the Company's address.

Each of the supplements for Sector Healthcare Value Fund, Sector Sigma Nordic Fund and Sector Global Equity Kernel were noted by the Central Bank of Ireland on 12 July 2017. The main updates for each of these supplements was to reflect the relevant disclosures relating to the use of total return swaps. In addition the supplement for Sector Healthcare Value Fund was updated to reflect an amended settlement date in respect of subscriptions.

Effective 21 December 2017, the Central Bank of Ireland noted the supplement for Trient Dynamic Multi-Asset Fund, a new fund of the Company. As at 31 December 2017, the Fund has not yet launched.

There were no other significant events during the year.

Significant events after the balance sheet date

On 2 January 2018, a revised supplement to the Prospectus for Sector Global Equity Kernel was approved by the Central Bank of Ireland. The main updates related to:

- Deletion of the preliminary redemption charge;
- Updates to the management fee payable to the Investment Manager;
- Deletion of the total expense ratio;
- Clarification that the Fund shall continue to be responsible for expenses, including the operating expenses related to researching, implementing, carrying out and disposing of specialised and specific investment research for the Fund, including amounts payable to third party consultants.

Trient Dynamic Multi-Asset Fund is scheduled to commence operations 20 April 2018.

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

Directors

Effective 24 August 2017, Paul Dobbryn resigned as a Director and Conor Walsh was appointed as a Director. The current Directors are listed below:

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 2017, other than as disclosed below:

As at 31 December 2017, Lars Tell, Director of the Company held 89 Class L NOK in Sector Healthcare Value Fund (2016: 48) and 91 Class L NOK Shares in Sector Sigma Nordic Fund (2016: 91).

Dividends

Under the Articles of Association dividends may be paid out of the profits. During the financial year ended 31 December 2017, no dividends were paid (2016: nil).

Corporate Governance Statement

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

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DIRECTORS' REPORT (Continued)

Corporate Governance Statement (Continued)

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.
4. The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at www.ise.ie.

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 and the Irish Stock Exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Risk Assessment

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

Monitoring

The Board receives regular presentations and reviews reports from the 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, and the Listing Rules of the Irish Stock Exchange as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

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DIRECTORS' REPORT (Continued)

Corporate Governance Statement (Continued)

Composition and operation of the board of directors

There are three Directors currently, two of whom are non-executive and are independent of the Investment Manager as required by the Irish Stock Exchange Listing Rules for investment funds. None of the Directors have entered into an employment or service contract with the Company. All related party transactions during the year are detailed in note 15 to the financial statements. The Articles of Association do not provide for retirement of Directors by rotation. However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies 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 Sector Omega AS, Sector Gamma AS and Sigma Fondforvaltning AS as the Investment Managers. The Company has appointed BNY Mellon Trust Company (Ireland) Limited as the 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 Trust Deed.

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, 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



Conor Walsh, Director

Date: 17 April 2018



BNY MELLON

BNY Mellon Trust Company (Ireland) Limited
Unit 6100, Avenue 6000,
Airport Business Park
Cork, T12 XV22, Ireland

T +353 21 438 0000
F +353 21 438 0295

**REPORT FROM THE DEPOSITARY TO THE SHAREHOLDERS
DATED 17 APRIL 2018**

For the period from 01 January 2017 to 31 December 2017 (the “**Period**”)

BNY Mellon Trust Company (Ireland) Limited (the “**Depositary**” “**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 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 BNY Mellon Trust Company (Ireland) Limited,
One Dockland Central,
Guild Street,
IFSC,
Dublin 1.

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INVESTMENT MANAGERS' REPORTS

Sector Global Equity Kernel

For the first time in history, in 2017 the global equity market delivered a positive return every single month of the year. Furthermore, the low volatility combined with a strong 24% (MSCI ACWI in USD) return led to the highest Sharpe Ratio ever recorded. Even on a longer 24-month rolling basis, the broader market recorded an all-time high of 83% positive months. On a regional basis, the performance of the market was led by the US and Emerging markets, whilst technology and financials were the largest contributors on a sub-sector basis.

For the year, the Sector Global Equity Kernel Fund returned 21.1% (Class P USD). Whereas the return was somewhat weaker than the broader market, the average upside capture was 88%. All the sector books delivered positive returns during the year, with technology, healthcare and industrials being the brightest stars. In regional terms, Japan and Europe (ex UK) were the winners, and with the exception of Canada, all regions contributed positively. On a single-stock basis, Mineral Resources and Regis Resources were the largest contributors to performance.

During the fourth quarter, we increased the Fund's exposure to equities expected to profit from reflation. This does not mean that we are betting on a continued rally in the broader market, rather it is a reflection of a tilt towards equities we believe will benefit from higher inflation and sustained growth during the first half of 2018. As a result, the Fund's ex-ante volatility is now slightly higher than the broader markets. Likewise, the Fund's ex-ante beta is the highest since inception. Whereas said stocks have displayed a higher historical volatility, we think they are actually less risky than implied by their statistical volatility estimations. In addition, in order to broaden diversification of the Fund, the exposure towards the US market has been reduced.

Sector Healthcare Value Fund

The healthcare sector ended the year up 19.8%, compared to 23.1% for the broader market. Despite the underperformance, it was still a good year for healthcare on an absolute basis. Some of the core themes and events that drove the sector's performance during the year included politics, innovation, momentum and M&A. From a political perspective, President Trump and the Republican Party may have failed in their attempt to repeal/replace the ACA (Affordable Care Act), but they did succeed in passing new tax legislation which should on the whole benefit healthcare companies. However, the stand out positive for the sector during the last twelve months was innovation with a total of 46 NME's (New Molecular Entities) being approved. It was not only the total number of drug approvals that was impressive during the year, but also the types of drugs and the diseases that they tackled. After 17 years of waiting, we finally had the first gene therapy entering the market and in the process taking personalised medicines to a new level.

The Sector Healthcare Value Fund ended up 18.4% for the year. Despite its strong return on an absolute basis, the fund underperformed the global healthcare index by 1.4% in 2017.

On a single stock basis, the largest contributors to the Fund's performance were Abbot Labs, Baxter Intl and Anthem, whilst Glaxosmithkline, Lexicon and Shire represented the largest drag.

As we enter 2018, we hope healthcare stocks' performance will be more news flow driven rather than the momentum and sentiment factors that dominated large parts of 2017. We expect some of the headwinds the sector faced last year to persist including price pressure and to a lesser degree political uncertainty from Washington. Disruption is also a theme that is likely to affect the sector going forward. On the positive side, we expect innovation to remain the core value driver for the sector with the new pro approval FDA leadership helping to further clear backlogs allowing a greater number of new branded and generic drugs to come to the market. Although both the services and medical technology companies were very active from an M&A standpoint in 2017, the biopharma companies were once again noticeable by their absence with their deal value down by 40% versus 2016 levels. We expect this trend to reverse as the pressure for large biopharma companies to gain access to new technologies has only increased as the next wave of patent expirations grows ever closer.

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INVESTMENT MANAGERS' REPORTS (Continued)

Sector Sigma Nordic Fund

For the full year 2017, the Sector Sigma Nordic Fund fell by 5.5% (Class A NOK figures). In comparison, the Absolute UCITS European Equity (long/short) Index was up 3.6% and the VINX Nordic Benchmark (NOK) rose 19.2%. The Fund's currency exposure is hedged, and a sharp decline in the value of the Norwegian krone during 2017 had a significant negative impact on the year's performance. The Norwegian krone fell 8.3% versus the Euro and 5.7% versus the Swedish krone respectively.

Apart from the unfavorable impact of currency movements, the Fund's poor absolute and relative performance during 2017 was largely a result of two thematic investment theses we were positioned for that did not play out as expected. Entering the year, the long book included several individual names within the energy sector, both oil producers and oil service providers, which we believed would benefit from an increase in oil prices and expectations of a pick-up in capex within the sector after a multi-year drought. However, during the first half of 2017 oil prices fell nearly 20% up until June, forcing us out of our energy longs due to stop-loss discipline precisely as oil prices were and energy equities were bottoming. On the short side, we had positioned the Fund at the beginning of the year for a further rise in interest rates, shorting a basket of bond proxies. Unfortunately, interest rates backed up, and credit spreads narrowed further, during the first half of the year, despite signs of increased economic growth momentum and a shift in central bank rhetoric towards tapering of monetary stimulus.

As we have noted in recent months, the current economic upswing is extremely broad-based, unlike several other cyclical bounces after 2010, all of which proved to be shallow and short lived. The most recent set of both manufacturing and service PMIs suggest strong cyclical tailwinds for the world economy going into 2018. Growth momentum accelerated towards the end of 2017 and forward-looking economic indicators are now perched at multi-year highs. What has been lacking in the cyclical bounces since 2010 has been a meaningful boost in business capex. However, incoming data on capital investment, especially in the developed economies, suggest a dramatic improvement in recent months.

The I.P. Morgan Global All-Industry Output Index ended the year at 54.4, compared to 53.4 as at the end of 2016. The December survey saw the steepest increase in new business in three-and-a-half years, underpinning the impression that a late-cyclical capital spending phase is underway. However, potential earnings growth for several industrial companies in the Nordic region is probably underestimated. In addition, the sharp price gains seen for several leading commodities, such as oil, select industrial metals and forest products, are not fully reflected in several commodity-linked Nordic equity names. As a result, the Fund has long positions in a number of commodity-linked names, and has added to exposure in this space.

In light of the relative underperformance of Nordic equity markets over the past two months, despite the ongoing cyclical boom in the global economy, we still believe the stage is set for a sharp snapback in relative and near-term Nordic equity performance. With the reflation trade on again, Nordic equity markets can be expected to outperform. In our view, the major risk in the world today remains the move from synchronised economic growth to synchronised liquidity tightening. For now, economic growth momentum trumps liquidity tightening, as the latter appears to be evolving at a snail's pace in light of still very subdued inflationary pressures. The Fund's long book remains concentrated in sectors that historically outperform towards the end of a business cycle upswing, specifically industrial, materials and energy companies that are leveraged to growth and increased capex. Our short book comprises individual names that on the whole offset long positions within the same sector. We continue to use index put positions to protect the fund's capital and to limit downside in the event of a sudden equity market correction.

January 2018

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 financial year 31 December 2017 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended).

The financial statements we have audited comprise:

- the Balance Sheet;
- the Profit and Loss Account;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares;
- Schedule of Investments; 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" ("the relevant financial reporting framework").

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 Accounting and Auditing Supervisory Authority, as applied to public interest entities, 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.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Investments • Existence of Investments
Materiality	The materiality that we used in the current year was 1% of average net assets calculated in respect of each Sub Fund.
Scoping	The scope of our key audit matters have been described below.
Significant changes in our approach	There have been no significant changes in our approach from our prior year audit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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Members of Deloitte Tohmatsu

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Independent auditor's report to the shareholders of Sector Capital Funds plc

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	How the scope of our audit responded to the key audit matter
Valuation of investments For the financial year end 31 December 2017, the investments of the Company amount to USD 409m making up 96% of net assets of €426m. The valuation of investments is considered a key audit matter as the investments represent a significant balance on the Statement of Financial Position. This is also the main driver of the Company's performance and has been identified as a significant risk of material misstatement. There is a risk that investments traded on an exchange or a secondary market may not be valued correctly in accordance with FRS 102. Refer also to note 7 in the financial statements.	- We obtained an understanding and assessed the design of the key controls that have been implemented over the valuation process for investments. - We obtained the ISAE Report relating to BNY Mellon Fund Services (Ireland) Designated Activity Company and identified the key controls in place over the valuation process and reviewed those key controls for any exceptions. - We considered if the Company's valuation policy for investments is in line with FRS 102. - We have independently valued all exchange-traded securities using our own market feeds. We compared the prices published by independent pricing sources to the investment portfolio.
Existence of investments The existence of investments is considered a key audit matter as the investments represent a significant balance on the Statement of Financial Position. The existence of the Funds' investments is crucial to ensuring the financial statements are free from material misstatement. There is a risk that the investments may not exist at year end. Refer also to note 7 in the financial statements.	- We obtained an understanding and assessed the design of the key controls that have been implemented over the investment reconciliation process. - We obtained the ISAE Report relating to BNY Mellon Fund Services (Ireland) Limited Designated Activity Company and identified the key controls in place over the reconciliation process and reviewed those key controls for any exceptions. - We obtained independent confirmations from the Depository at the financial year end and agreed the amounts held to the investment portfolio. - We tested a sample of reconciling trades to ensure that they have been recorded in the correct period including a review of a sample of unsettled trades.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

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Independent auditor's report to the shareholders of Sector Capital Funds plc

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for each Sub Fund to be 1% of average net assets. We have considered the average net assets to be the critical component for calculating materiality because the main objective of the Company is to provide investors with a total return. We have considered quantitative and qualitative factors such as understanding the Company and its environment, history of misstatements, complexity of the Sub Funds and reliability of the control environment.

We agreed with the Board of Directors (the "Board") that we would report to the Board any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Company, types of investments, the involvement of the third parties service providers, the accounting processes and controls in place and the industry in which the Company operates. The Company is incorporated as an open-ended investment Company with variable capital and is organised under the laws of Ireland as a public limited company pursuant to the Irish Companies Act 2014. The Company is authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS (Undertaking for Collective Investment in Transferable Securities) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended). The Company is organised as an umbrella fund with segregated liability between Sub Funds. We assess the risks of each Sub Fund separately. We have conducted our audit based on the books and records maintained by the administrator BNY Mellon Fund Services (Ireland) Designated Activity Company at Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

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Independent auditor's report to the shareholders of Sector Capital Funds plc

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 judgement 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.

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.

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.

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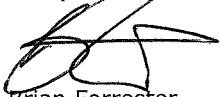
Independent auditor's report to the shareholders of Sector Capital Funds plc

Other matters which we are required to address

We were appointed by the Board on 30 November 2011 to audit the financial statements for the financial year end 31 December 2011 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years, covering the years ending 31 December 2011 to 31 December 2017.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the Board we are required to provide in accordance with ISA (Ireland) 260.



Brian Forrester
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 23/4/18

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2017

BALANCE SHEET

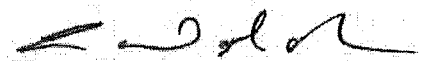
As at 31 December 2017

	Note	Sector Global 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		295,510,740	89,215,497	200,251,112	409,216,948
Cash at bank and brokers	6	8,025,243	6,384,757	56,972,752	21,377,768
Receivable for securities sold		—	2,566,088	1,860,562	2,793,634
Interest receivable		94	122	96	228
Dividends receivable		661,678	149,198	—	810,876
Other assets		80,426	3,341	—	83,767
Total Assets		304,278,181	98,319,003	259,084,522	434,283,221
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss		891,044	5,459	1,668,964	1,100,617
Payable for securities purchased		37,739	2,848,112	101,774	2,898,298
Payable for shares redeemed		—	—	247,131	30,224
Subscriptions received in advance		1,351,277	94,073	—	1,445,350
Payable to investment manager	9	112,175	174,295	479,508	345,114
Incentive fee	10	—	591,122	—	591,122
Administration fee	11	69,803	56,704	354,646	169,880
Directors' fees and expenses	12	3,649	1,438	6,543	5,887
Auditors' fee	13	9,768	10,910	80,274	30,496
Depository	11	30,362	6,009	51,606	42,683
Legal fee		12,240	4,764	148,251	35,135
Interest payable		—	—	16,568	2,026
Equalisation credit payable		—	1,361,887	—	1,361,887
Other creditors		22,643	11,505	175,429	55,603
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		2,540,700	5,166,278	3,330,694	8,114,322
Net assets attributable to holders of Redeemable Participating Shares	20	301,737,481	93,152,725	255,753,828	426,168,899

Sector Sigma Nordic Fund is translated in the Company total column at the Balance Sheet exchange rate of 0.1223.

On behalf of the Board of Directors


Michael Boyce, Director


Conor Walsh, Director

Date: 17 April 2018

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 2017

BALANCE SHEET (Continued)

As at 31 December 2016

	Note	Sector Global 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		177,208,935	58,742,103	398,518,202	282,248,890
Cash at bank and brokers	6	2,159,554	5,291,495	114,150,571	20,712,492
Amounts due from broker		—	—	1,410,960	163,918
Receivable for securities sold		5,202,146	—	—	5,202,146
Interest receivable		—	—	1,746	203
Dividends receivable		296,163	61,383	236,415	385,011
Other assets		19,388	2,276	72,815	30,123
Total Assets		184,886,186	64,097,257	514,390,709	308,742,783
Current Liabilities					
Investments in financial liabilities held at fair value through profit or loss		30,965	56,920	13,900,986	1,702,832
Bank overdraft	6	—	—	783	91
Amounts due to broker		1,309,846	794,618	—	2,104,464
Payable for securities purchased		3,773,988	—	—	3,773,988
Subscriptions received in advance		78,974	28,898	—	107,872
Payable to investment manager	9	44,323	66,262	473,815	165,630
Incentive fee	10	—	1,055,290	799,188	1,148,136
Administration fee	11	78,145	45,817	498,037	181,821
Directors' fees and expenses	12	2,359	1,119	13,145	5,005
Auditors' fee	13	10,171	11,538	81,056	31,126
Depository/Custodian fee	11	16,670	9,241	42,170	30,810
Legal fee		8,578	2,242	47,378	16,324
Interest payable		—	—	5,231	608
Equalisation credit payable		—	1,160,621	—	1,160,621
Other creditors		11,990	14,173	204,699	49,944
Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)		5,366,009	3,246,739	16,066,488	10,479,272
Net assets attributable to holders of Redeemable Participating Shares	20	179,520,177	60,850,518	498,324,221	298,263,511

Sector Sigma Nordic Fund is translated in the Company total column at the Balance Sheet exchange rate of 0.1162.

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 2017

PROFIT AND LOSS ACCOUNT

For the financial year ended 31 December 2017

	Note	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds Plc USD
Income					
Dividend income		6,547,118	1,347,545	9,818,153	9,082,659
Interest income		15,735	5,859	179,879	43,359
Other income		18,201	10,557	18,773	31,030
		<u>6,581,054</u>	<u>1,363,961</u>	<u>10,016,805</u>	<u>9,157,048</u>
Net realised gain/(loss) on:					
- investments		12,733,576	8,219,200	24,209,145	23,882,083
- foreign currency		3,934,435	2,107,006	(14,188,710)	4,324,607
Net change in unrealised appreciation/(depreciation) on:					
- investments		21,251,282	2,294,121	(50,632,786)	17,418,836
- foreign currency		4,096,590	2,614,963	14,089,176	8,416,343
Net investment gain/(loss)		<u>48,596,937</u>	<u>16,599,251</u>	<u>(16,506,370)</u>	<u>63,198,917</u>
Expenses					
Management fee	9	(764,723)	(916,445)	(4,212,367)	(2,190,864)
Incentive fee	10	-	(103,547)	(16,400)	(105,531)
Administration fee	11	(315,720)	(225,958)	(1,696,355)	(746,937)
Depositary fee	11	(141,780)	(42,015)	(373,241)	(228,957)
Directors' fees and expenses	12	(11,494)	(4,031)	(16,269)	(17,494)
Auditors' fee	13	(9,094)	(9,034)	(79,140)	(27,704)
Commission fee		(1,592)	-	-	(1,592)
Dividend expense		-	-	-	-
Legal fee		-	-	(2,309,236)	(279,418)
Listing fee		(60,304)	(43,193)	(353,174)	(146,231)
Trading and research fees		(5,494)	(3,442)	(10,870)	(10,251)
Other expenses		(58,254)	(23,782)	(626,232)	(157,810)
Total expenses before waivers		<u>(1,411,854)</u>	<u>(1,388,686)</u>	<u>(10,035,116)</u>	<u>(4,014,789)</u>
Expense waiver from Investment Manager	9	177,897	-	-	177,897
Net expenses after waivers		<u>(1,233,957)</u>	<u>(1,388,686)</u>	<u>(10,035,116)</u>	<u>(3,836,892)</u>
Net gain/(loss) before finance costs		<u>47,362,980</u>	<u>15,210,565</u>	<u>(26,541,486)</u>	<u>59,362,025</u>
Finance costs					
Interest expense		(9,080)	(1,062)	(811,349)	(108,315)
Total finance costs		<u>(9,080)</u>	<u>(1,062)</u>	<u>(811,349)</u>	<u>(108,315)</u>
Taxation					
Withholding tax and other taxation		(978,280)	(178,785)	(2,608,133)	(1,472,649)
Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations		<u>46,375,620</u>	<u>15,030,718</u>	<u>(29,960,968)</u>	<u>57,781,061</u>

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

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1210.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2017

PROFIT AND LOSS ACCOUNT (Continued)

For the financial year ended 31 December 2016

	Note	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK	Sector Capital Funds Plc USD
Income					
Dividend income		3,018,490	748,706	13,212,018	5,342,068
Interest income		2	—	447,163	53,304
Other income		30,449	10,596	99,503	52,906
		<u>3,048,941</u>	<u>759,302</u>	<u>13,758,684</u>	<u>5,448,278</u>
Net realised gain/(loss) on:					
- investments		(1,380,013)	4,857,567	(16,771,570)	1,478,383
- foreign currency		(812,366)	(1,954,206)	23,423,362	25,493
Net change in unrealised appreciation/(depreciation) on:					
- investments		11,814,469	(1,725,123)	28,070,490	13,435,348
- foreign currency		(1,026,954)	(337,025)	(57,384,467)	(8,204,207)
Net investment gain/(loss)		<u>11,644,077</u>	<u>1,600,515</u>	<u>(8,903,501)</u>	<u>12,183,295</u>
Expenses					
Management fee	9	(382,118)	(557,956)	(7,177,660)	(1,795,651)
Incentive fee	10	—	(655,724)	(799,188)	(750,987)
Administration fee	11	(255,169)	(132,700)	(2,497,318)	(685,549)
Depositary/Custodian fee	11	(82,508)	(32,740)	(402,155)	(163,185)
Directors' fees and expenses	12	(8,252)	(3,193)	(53,576)	(17,831)
Auditors' fee	13	(6,990)	(8,850)	(81,585)	(25,565)
Dividend expense		—	—	(3,612,395)	(430,598)
Legal fee		(44,338)	(8,710)	(253,291)	(83,240)
Listing fee		(3,975)	(3,602)	(10,658)	(8,848)
Trading and research fees		—	(36,158)	(694,449)	(118,936)
Other expenses		(46,581)	(10,399)	(435,961)	(108,947)
Total expenses before waivers		<u>(829,931)</u>	<u>(1,450,032)</u>	<u>(16,018,236)</u>	<u>(4,189,337)</u>
Expense waiver from Investment Manager	9	213,443	—	—	213,443
Net expenses after waivers		<u>(616,488)</u>	<u>(1,450,032)</u>	<u>(16,018,236)</u>	<u>(3,975,894)</u>
Net gain/(loss) before finance costs		<u>11,027,589</u>	<u>150,483</u>	<u>(24,921,737)</u>	<u>8,207,401</u>
Finance costs					
Interest expense		(4,980)	(1,485)	(2,493,562)	(303,697)
Total finance costs		<u>(4,980)</u>	<u>(1,485)</u>	<u>(2,493,562)</u>	<u>(303,697)</u>
Taxation					
Withholding tax and other taxation		(503,071)	(97,194)	(3,551,945)	(1,023,657)
Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations		<u>10,519,538</u>	<u>51,804</u>	<u>(30,967,244)</u>	<u>6,880,047</u>

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

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1192.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2017

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

For the financial year ended 31 December 2017

	Sector Global 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	179,520,177	60,850,518	498,324,221	298,263,511
Capital transactions:				
Issue of Redeemable Participating Shares	105,354,817	49,878,066	81,450,763	165,088,426
Redemption of Redeemable Participating Shares	(29,513,133)	(31,817,116)	(294,060,188)	(96,911,532)
Equalisation applied	—	(789,461)	—	(789,461)
Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares	75,841,684	17,271,489	(212,609,425)	67,387,433
Currency adjustment	—	—	—	2,736,894
Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations	46,375,620	15,030,718	(29,960,968)	57,781,061
Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year	301,737,481	93,152,725	255,753,828	426,168,899

Sector Sigma Nordic Fund is translated in the Company total column at the average exchange rate of 0.1210.

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 2017

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

For the financial year ended 31 December 2016

	Sector Global 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	46,195,182	48,052,089	776,334,220	181,973,038
Capital transactions:				
Issue of Redeemable Participating Shares	131,045,324	42,263,873	95,351,762	184,675,127
Redemption of Redeemable Participating Shares	(8,239,867)	(28,228,399)	(342,394,517)	(77,281,692)
Equalisation applied	—	(1,288,849)	—	(1,288,849)
Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares	122,805,457	12,746,625	(247,042,755)	106,104,586
Currency adjustment	—	—	—	3,305,840
Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations	10,519,538	51,804	(30,967,244)	6,880,047
Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year	179,520,177	60,850,518	498,324,221	298,263,511

Sector Sigma Nordic Fund is translated in the total column at the average exchange rate of 0.1192.

SECTOR CAPITAL FUNDS PLC
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2017

SCHEDULE OF INVESTMENTS

As at 31 December 2017

Sector Global Equity Kernel

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
Financial Assets at Fair Value through profit or loss			
Equities			
<u>Australia</u>			
Caltex Australia Ltd.	95,500	0.84%	2,543,376
Mineral Resources Ltd.	206,700	1.13%	3,417,713
Northern Star Resources Ltd.	654,700	1.04%	3,123,649
Regis Resources Ltd.	850,000	0.95%	2,858,758
Wesfarmers Ltd.	86,100	0.99%	2,991,381
Total Australia		4.95%	14,934,877
<u>Canada</u>			
Cameco Corp.	283,700	0.87%	2,628,802
Rogers Communications, Inc.	49,098	0.83%	2,509,858
Total Canada		1.70%	5,138,660
<u>China</u>			
Anhui Conch Cement Co. Ltd.	690,500	1.08%	3,246,118
China Construction Bank Corp.	2,699,000	0.82%	2,485,871
Total China		1.90%	5,731,989
<u>Finland</u>			
UPM-Kymmene Oyj	94,600	0.98%	2,943,264
Total Finland		0.98%	2,943,264
<u>France</u>			
Engie	167,900	0.96%	2,890,141
Faurecia Groupe	37,300	0.97%	2,917,163
Total S.A.	51,476	0.94%	2,846,151
Total France		2.87%	8,653,455
<u>Germany</u>			
Commerzbank AG	196,700	0.98%	2,953,648
Infineon Technologies AG	113,600	1.03%	3,114,942
Total Germany		2.01%	6,068,590
<u>Hong Kong</u>			
AIA Group Ltd.	375,000	1.06%	3,197,236
China Resources Logie Ltd.	674,000	0.81%	2,444,309
CNOOC Ltd.	2,227,000	1.06%	3,196,364
Total Hong Kong		2.93%	8,837,909
<u>Italy</u>			
Mediobanca S.p.A.	261,400	0.98%	2,969,391
Total Italy		0.98%	2,969,391
<u>Japan</u>			
Daito Trust Construction Co. Ltd.	15,000	1.01%	3,059,254
Ebara Corp.	82,700	1.05%	3,153,098
Haseko Corp.	203,600	1.05%	3,164,701
Hazama Corp.	373,900	0.97%	2,927,473
Hitachi Ltd.	399,000	1.03%	3,109,473
Hitachi Metals Ltd.	212,800	1.01%	3,056,462
Honda Motor Co. Ltd.	86,000	0.98%	2,948,353
Japan Airlines Co. Ltd.	80,000	1.04%	3,130,404
Kakaku.com, Inc.	185,900	1.04%	3,143,715
Mitsubishi Electric Corp.	171,200	0.94%	2,844,215
Mitsui Chemicals, Inc.	92,600	0.99%	2,979,805
Nitto Denko Corp.	29,100	0.86%	2,585,806
Sekisui Chemical Co. Ltd.	138,600	0.92%	2,783,073
Sumitomo Heavy Industries Ltd.	68,700	0.96%	2,909,001
Tokyo Electron Ltd.	21,400	1.29%	3,875,366
Total Japan		15.14%	45,670,199

The accompanying notes form an integral part of the financial statements

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Global Equity Kernel (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
Financial Assets at Fair Value through profit or loss (continued)			
Equities (continued)			
Korea, Republic Of			
Sk Innovation Co Ltd.	16,500	1.04%	3,151,884
Total Korea, Republic Of		1.04%	3,151,884
Netherlands			
BE Semiconductor Industries NV	39,600	1.10%	3,324,338
LyondellBasell Industries NV	29,400	1.08%	3,243,408
Total Netherlands		2.18%	6,567,746
Norway			
Statoil ASA	140,494	1.00%	3,009,353
Telenor ASA	147,200	1.05%	3,165,591
Total Norway		2.05%	6,174,944
Singapore			
Broadcom Ltd.	11,100	0.95%	2,851,590
Total Singapore		0.95%	2,851,590
Spain			
CaixaBank S.A.	625,900	0.97%	2,922,897
Repsol YPF S.A.	143,803	0.84%	2,546,147
Total Spain		1.81%	5,469,044
Sweden			
Autoliv, Inc.	23,000	0.97%	2,941,191
Total Sweden		0.97%	2,941,191
Switzerland			
Georg Fischer AG	2,400	1.05%	3,172,088
Total Switzerland		1.05%	3,172,088
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd	325,000	0.83%	2,506,427
Total Taiwan		0.83%	2,506,427
United Kingdom			
Ashtead Group Plc	119,700	1.07%	3,225,530
Barrat Developments Plc	344,313	1.00%	3,015,857
Berkeley Group Holdings Plc	56,800	1.07%	3,224,815
BHP Billiton Ltd.	126,200	0.97%	2,918,776
DS Smith Plc	428,800	0.99%	3,001,806
Lloyds TSB Group Plc	3,282,300	1.00%	3,021,953
Royal Dutch Shell Plc	84,466	0.93%	2,818,143
Vodafone Group Plc	840,600	0.89%	2,672,236
Total United Kingdom		7.92%	23,899,116
United States			
Aflac Inc.	34,000	0.99%	2,984,520
American Eagle Outfitters	168,800	1.05%	3,173,440
Amphenol Corp.	31,500	0.92%	2,765,700
Annaly Capital Management, Inc.	246,800	0.97%	2,934,452
Anthem, Inc.	13,000	0.97%	2,925,130
Cadence Design Systems, Inc.	75,500	1.05%	3,157,410
CBRE Group, Inc.	66,400	0.95%	2,875,784
CDW Corp.	40,600	0.93%	2,821,294
Cigna Corp.	14,800	1.00%	3,005,732
Cisco Systems, Inc.	79,500	1.01%	3,044,850
Citrix Systems, Inc.	33,600	0.98%	2,956,800
ConocoPhillips	56,100	1.02%	3,079,329
CubeSmart	103,100	0.99%	2,981,652

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Global Equity Kernel (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
Financial Assets at Fair Value through profit or loss			
(continued)			
Equities (continued)			
United States (continued)			
Devon Energy Corp.	75,400	1.03%	3,121,560
Domtar Corp.	60,200	0.99%	2,981,104
Eastman Chemical Co.	26,900	0.83%	2,492,016
Federated Investors, Inc.	92,600	1.11%	3,341,008
HealthSouth Corp.	59,100	0.97%	2,920,131
Ingredion Inc.	20,600	0.95%	2,879,880
Intel Corp.	73,400	1.12%	3,388,144
Invesco Mortgage Capital, Inc.	141,100	0.83%	2,515,813
Korn/Ferry International	69,200	0.95%	2,863,496
Manpower, Inc.	22,900	0.96%	2,887,919
MDU Resources Group, Inc.	103,100	0.92%	2,771,328
Mohawk Industries, Inc.	9,800	0.90%	2,703,820
Monster Beverage Corp.	48,100	1.01%	3,044,249
MSC Industrial Direct Co., Inc.	35,000	1.12%	3,383,100
NextEra Energy, Inc.	11,800	0.61%	1,843,042
Old Dominion Freight Line, Inc.	25,200	1.10%	3,315,060
Ormat Technologies, Inc.	41,000	0.87%	2,622,360
Owens Corning, Inc.	36,400	1.11%	3,346,616
Packaging Corp. of America	23,100	0.92%	2,784,705
Potlatch Corp.	45,800	0.76%	2,285,420
Spirit Aerosystems Holdings, Inc.	36,200	1.05%	3,158,450
State Street Corp.	27,800	0.90%	2,713,558
Sysco Corp.	51,400	1.03%	3,121,522
Teradyne, Inc.	84,100	1.17%	3,521,267
The NASDAQ OMX Group	37,700	0.96%	2,896,491
Thor Industries, Inc.	21,500	1.07%	3,240,480
UnitedHealth Group, Inc.	12,300	0.90%	2,711,658
Valero Energy Corp.	37,600	1.14%	3,455,816
Total United States		40.11%	121,016,106
Total Equities		92.37%	278,698,470
Real Estate Investment Trust			
Blackstone Mortgage Trust, Inc.	65,900	0.70%	2,120,662
Liberty Property Trust	63,000	0.90%	2,709,630
Mirvac Group NPV	1,337,800	0.81%	2,458,947
New Residential Investment Corp.	162,300	0.96%	2,901,924
Stockland NPV	808,900	0.94%	2,834,411
WP Carey, Inc.	34,000	0.78%	2,342,600
Total Real Estate Investment Trust		5.09%	15,368,174
Right			
Spain			
Repsol S.A.	143,803	0.02%	65,445
Total Right		0.02%	65,445
Net unrealised gain on forward foreign currency contracts (Note 7)		0.47%	1,378,651
Total Financial Assets at Fair Value through profit or loss		97.95%	295,510,740
Financial Liabilities at Fair Value through profit or loss			
Net unrealised loss on forward foreign currency contracts (Note 7)		(0.31)%	(891,044)
Total Financial Liabilities at Fair Value through profit or loss		(0.31)%	(891,044)
Total Investments at Fair Value		97.64%	294,619,696
Cash at bank and brokers		2.66%	8,025,243

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Global Equity Kernel (Continued)

<i>Investment</i>	Units	Fair Value as a % of Net Assets	Fair Value USD
Financial Liabilities at Fair Value through profit or loss			
(continued)			
Liabilities in excess of other assets		(0.30)%	(907,458)
Total Net Assets		100.00%	301,737,481

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

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	96.67%
Financial derivative instruments	0.45%
Other assets	2.88%
Total Assets	100.00%

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Healthcare Value Fund

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
Financial Assets at Fair Value through profit or loss			
Equities			
France			
Sanofi	40,880	3.79%	3,527,023
Total France		3.79%	3,527,023
Hungary			
Richter Gedeon Nyrt	27,271	0.77%	715,736
Total Hungary		0.77%	715,736
Ireland			
Allergan Plc	5,600	0.98%	916,048
Perrigo Co. Plc	25,100	2.35%	2,187,716
Total Ireland		3.33%	3,103,764
Japan			
Astellas Pharma, Inc.	130,806	1.79%	1,668,604
Daiichi Sankyo Co. Ltd.	110,959	3.11%	2,892,912
Ono Pharmaceutical Co. Ltd.	60,924	1.52%	1,420,208
Otsuka Holdings Co. Ltd.	65,232	3.08%	2,865,228
Total Japan		9.50%	8,846,952
Jersey			
Shire Plc	6,500	1.08%	1,008,280
Total Jersey		1.08%	1,008,280
Netherlands			
Koninklijke Philips NV	90,633	3.69%	3,432,565
Mylan NV	17,500	0.79%	740,425
Total Netherlands		4.48%	4,172,990
Sweden			
Arjo AB	62,348	0.19%	178,268
Gefinge AB	83,708	1.31%	1,216,641
Total Sweden		1.50%	1,394,909
Switzerland			
Roche Holding AG	9,379	2.55%	2,372,420
Total Switzerland		2.55%	2,372,420
United Kingdom			
AstraZeneca Plc	89,375	3.33%	3,101,313
GlaxoSmithKline Plc ADR	26,457	1.00%	938,430
GlaxoSmithKline Plc	315,538	6.06%	5,645,012
Hikma Pharmaceuticals Plc	47,800	0.79%	733,261
Smith & Nephew Plc	186,078	3.48%	3,242,115
Total United Kingdom		14.66%	13,660,131
United States			
Abbott Laboratories	104,900	6.43%	5,986,643
Amgen Pharmaceuticals, Inc.	1,400	0.19%	177,870
Anthem, Inc.	11,900	2.87%	2,677,619
Baxter International, Inc.	67,996	4.72%	4,395,261
Biogen, Inc.	6,700	2.29%	2,134,419
Bio-Rad Laboratories, Inc.	8,739	2.24%	2,085,737
Boston Scientific Corp.	164,300	4.37%	4,072,997
Bristol-Myers Squibb Co.	37,104	2.44%	2,273,733
Cigna Corp.	6,600	1.44%	1,340,394
Clovis Oncology, Inc.	14,748	1.08%	1,002,864
DaVita, Inc.	11,517	0.89%	832,103
Eli Lilly & Co.	18,489	1.68%	1,561,581
Gilead Sciences, Inc.	32,700	2.52%	2,342,628
Integra LifeSciences Holdings Corp.	46,400	2.38%	2,220,704

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Healthcare Value Fund (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
Financial Assets at Fair Value through profit or loss (continued)			
Equities (continued)			
United States (continued)			
Ionis Pharmaceuticals, Inc.	7,100	0.38%	357,130
Ironwood Pharmaceuticals, Inc.	114,913	1.85%	1,722,546
Juno Therapeutics, Inc.	5,219	0.26%	238,561
Laboratory Corp. of America Holdings	6,513	1.12%	1,038,889
Lexicon Pharmaceuticals, Inc.	79,392	0.84%	784,393
McKesson Corp.	7,973	1.34%	1,243,389
Merck & Co., Inc.	57,987	3.50%	3,262,928
Momenta Pharmaceuticals, Inc.	37,447	0.56%	522,386
NuVasive, Inc.	25,200	1.58%	1,473,948
Patterson Cos., Inc.	31,000	1.20%	1,120,030
PerkinElmer, Inc.	40,800	3.20%	2,983,296
Portola Pharmaceuticals, Inc.	4,559	0.24%	221,932
Radius Health, Inc.	13,000	0.44%	413,010
Spark Therapeutics, Inc.	3,864	0.21%	198,687
Stericycle, Inc.	9,800	0.72%	666,302
Tenet Healthcare Corp.	49,400	0.80%	748,904
Total United States		53.78%	50,100,884
Total Equities		95.44%	88,903,089
Net unrealised gain on forward foreign currency contracts (Note 7)		0.32%	312,408
Total Financial Assets at Fair Value through profit or loss		95.76%	89,215,497
Financial Liabilities at Fair Value through profit or loss			
Net unrealised loss on forward foreign currency contracts (Note 7)		0.01%	(5,459)
Total Financial Liabilities at Fair Value through profit or loss		0.01%	(5,459)
Total Investments at Fair Value		95.77%	89,210,038
Cash at bank and brokers		6.85%	6,384,757
Liabilities in excess of other assets		(2.62)%	(2,442,070)
Total Net Assets		100.00%	93,152,725

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Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official exchange listing or traded on a regulated market	90.42%
Financial derivative instruments	0.32%
Other assets	9.26%
Total Assets	100.00%

The accompanying notes form an integral part of the financial statements

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Sigma Nordic Fund

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value NOK</i>
Financial Assets at Fair Value through profit or loss			
Equities			
<u>Canada</u>			
Lundin Mining Corp.	78,000	1.68%	4,289,626
Total Canada		1.68%	4,289,626
<u>Denmark</u>			
Danske Bank A/S	25,000	3.12%	7,967,756
Novo Nordisk A/S*	34,500	5.95%	15,223,492
Royal Unibrew A/S	20,500	3.93%	10,054,543
Total Denmark		13.00%	33,245,791
<u>Finland</u>			
M-real Oyj	115,000	3.16%	8,070,298
Munksjo Oyj	25,978	1.81%	4,636,071
Stora Enso Oyj	53,000	2.69%	6,881,717
Valmet Oyj	41,000	2.59%	6,620,261
Total Finland		10.25%	26,208,347
<u>Norway</u>			
Aker Solutions ASA	165,000	2.98%	7,621,350
Kvaerner ASA	297,771	1.84%	4,704,782
Sparebank 1 Oestlandet	79,417	2.81%	7,187,238
Statoil ASA*	75,000	5.14%	13,140,000
Subsea S.A.	56,000	2.69%	6,888,000
Yara International ASA	25,000	3.68%	9,417,500
Total Norway		19.14%	48,958,870
<u>Sweden</u>			
ABB Ltd.	55,500	4.78%	12,214,479
Atlas Copco AB	37,000	5.12%	13,092,355
Boliden AB	14,000	1.53%	3,924,489
Essity AB	29,000	2.64%	6,750,274
Investor AB*	33,000	4.82%	12,333,011
Kungsleden AB	128,000	2.97%	7,608,419
SSAB AB	146,000	2.56%	6,548,875
TeliaSonera AB	176,000	2.51%	6,426,397
Trelleborg AB	33,500	2.49%	6,358,664
Volvo AB	70,000	4.18%	10,678,360
Total Sweden		33.60%	85,935,323
Total Equities		77.67%	198,637,957
Contracts-for-Difference**			
<u>Norway</u>			
Marine Harvest	(55,000)	0.10%	265,934
<u>Sweden</u>			
Nibe Industrier AB	(85,000)	0.03%	84,915
Total Contracts-for-Difference		0.13%	350,849
Option-Index			
January 18 Puts on OBX Put 690 19/01/2018	400	0.01%	22,000
January 18 Puts on OMX Put 1510 19/01/2018	250	0.04%	104,896
January 18 Puts on OMX Put 1520 19/01/2018	250	0.05%	137,363
January 18 Puts on OMX Put 1530 19/01/2018	250	0.07%	182,318
January 18 Puts on OMX Put 1540 19/01/2018	450	0.16%	395,606
Total Option-Index		0.33%	842,183
Net unrealised gain on forward foreign currency contracts (Note 7)		0.16%	420,123

The accompanying notes form an integral part of the financial statements

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SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2017

Sector Sigma Nordic Fund (Continued)

<i>Investment</i>	<i>Units</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value NOK</i>
Financial Assets at Fair Value through profit or loss (continued)			
Total Financial Assets at Fair Value through profit or loss		78.29%	200,251,112
Financial Liabilities at Fair Value through profit or loss Contracts-for-Difference**			
<u>Sweden</u>			
Hufvudstaden AB	(42,000)	(0.02)%	(50,350)
Wallenstam AB	(78,115)	(0.05)%	(120,958)
Total Sweden		(0.07)%	(171,308)
<u>Norway</u>			
DNB ASA	(44,000)	(0.02)%	(61,600)
<u>Finland</u>			
Outokumpu Oyj	(87,000)	(0.12)%	(302,184)
<u>Denmark</u>			
Jyske Bank A/S	(15,000)	(0.13)%	(336,387)
Total Contracts-for-Difference		(0.34)%	(871,479)
Net unrealised loss on forward foreign currency contracts (Note 7)		(0.31)%	(797,485)
Total Financial Liabilities at Fair Value through profit or loss		(0.65)%	(1,668,964)
Total Investments at Fair Value		77.64%	198,582,148
Cash at bank and brokers		22.28%	56,972,752
Other assets in excess of liabilities		0.08%	198,928
Total Net Assets		100.00%	255,753,828

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

** Goldman Sachs acts as the counterparty to all contracts-for-difference.

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<i>Analysis of Total Assets</i>	<i>% of Total Assets</i>
Transferable securities admitted to an official exchange listing or traded on a regulated market	76.67%
Financial derivative instruments	0.62%
Other assets	22.71%
Total Assets	100.00%

The accompanying notes form an integral part of the financial statements

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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, 2015 (the "Regulations").

As at 31 December 2017, Company has four funds in existence (31 December 2016: three), Sector Global Equity Kernel, Sector Healthcare Value Fund and Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund (the "Funds"). As at 31 December 2017, Trient Dynamic Multi-Asset Fund has not commenced trading.

Sector Healthcare Value Fund commenced trading on 17 November 2010. The base currency of Sector Healthcare Value Fund is U.S. Dollars ("USD"). As at 31 December 2017, ten classes are currently subscribed to in the Fund (31 December 2016: six), Class A EUR Shares, Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class B SEK, Class B USD Shares, Class L NOK Shares, Class X EUR Shares and Class X USD Shares. Class A EUR Shares, Class A NOK Shares and Class A USD Shares were listed on the Irish Stock Exchange on 18 November 2010 and Class B NOK Shares on 10 September 2013. Class B EUR Shares, Class B USD Shares, Class X EUR Shares and Class X USD Shares launched during the financial year ended 31 December 2017.

Sector Sigma Nordic Fund commenced trading on 25 June 2012. The base currency of Sector Sigma Nordic Fund is Norwegian Krone ("NOK"). As at 31 December 2017, six classes are currently subscribed to in the Fund (31 December 2016: ten), Class A NOK Shares, Class A USD Shares, Class B EUR Shares, Class B NOK Shares, Class C NOK Shares, and Class L NOK Shares. No application has been made to list the shares on any stock exchange. Class A EUR Shares, Class C SEK Shares, Class D NOK and Class D SEK Shares were fully redeemed during the financial year ended 31 December 2017.

Sector Global Equity Kernel commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel is U.S. Dollars ("USD"). As at 31 December 2017, five classes are currently subscribed to in the Fund (31 December 2016: five), Class A NOK Shares, Class A USD Shares, Class P NOK Hedged Shares, Class P NOK Unhedged Shares and Class P USD Shares. Class O NOK Shares were fully redeemed during September 2016. Class P USD Shares were listed on the Irish Stock Exchange on 27 March 2014.

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 Sector Sigma Nordic Fund is to generate attractive risk adjusted return for its investors, primarily through investment in Norway, Sweden, Denmark, Finland and Iceland (the "Nordic Region") with the aim of generating positive return over time in rising as well as falling equity markets. There can be no guarantee that the investment objective of the Fund will be achieved.

The investment objective of the Sector Global 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.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Acts 2014, the Regulations and the listing rules of the Irish Stock Exchange.

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 FRS102 requires Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial period. 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)

(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.

(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.

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

2. Summary of Significant Accounting Policies (Continued)

(e) Foreign exchange translation

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

At 31 December 2017, in accordance with FRS 102, a period end exchange rate of NOK/USD 0.1223 (31 December 2016: NOK/USD 0.1162) was used to translate the Balance Sheet of Sector Sigma Nordic Fund in arriving at the total USD value for the Company in the financial statements.

At 31 December 2017, the Profit and Loss Account and Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares of Sector Sigma Nordic Fund have been prepared using an average rate of exchange of NOK/USD 0.1210 (31 December 2016: NOK/USD 0.1192) in arriving at the total USD value for the Company in the financial statements. This results in a foreign currency translation profit/loss in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares when compared to the NOK/USD rate used at year end. The adjustment recorded in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares for the financial year ended 31 December 2017 was a gain of USD2,736,894 (31 December 2016: gain USD3,305,840).

(f) Offsetting financial instruments

Financial assets and financial liabilities may be offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at 31 December 2017 and 31 December 2016, no offsetting has been presented in the Balance Sheet.

(g) Income

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

(h) Expenses

Operating expenses are accounted for on an accruals basis.

(i) Net asset value per share

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

(j) 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.

(k) Amounts due from/to broker

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

(l) Taxation

The Company incurs dividend withholding tax 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

(m) Transaction costs

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense. For the financial year ended 31 December 2017 Sector Global Equity Kernel incurred transaction costs of USD587,596 (31 December 2016: USD487,994), Sector Healthcare Value Fund incurred transaction costs of USD65,473 (31 December 2016: USD63,206) and Sector Sigma Nordic incurred transaction costs of NOK2,139,689 (31 December 2016: NOK2,409,202).

(n) Cash

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

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 year under review. Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

5. Exchange Rates

The following exchange rates (against USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at 31 December 2017 and 31 December 2016:

Currency	31 December 2017	31 December 2016
Australian Dollar	1.2784	1.3810
Brazilian Real	3.3167	3.2552
British Pound	0.7392	0.8093
Canadian Dollar	1.2530	1.3410
Chinese Renminbi	n/a	6.9493
Danish Krone	6.1996	7.0472
Euro	0.8328	0.9480
Hong Kong Dollar	7.8186	7.7519
Hungarian Forint	256.4103	n/a
Japanese Yen	112.3596	116.2791
Korean Won	1,111.1111	1,250.000
Norwegian Krone	8.1766	8.6059
Singapore Dollar	1.3364	1.4447
Swedish Krona	8.1900	9.0827
Swiss Franc	0.9745	1.0164
Taiwan Dollar	29.7619	32.2581

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Exchange Rates (Continued)

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 2017 and 31 December 2016:

Currency	31 December 2017	31 December 2016
British Pound	0.0904	0.0940
Danish Krone	0.7580	0.8190
Euro	0.1018	0.1101
Swedish Krona	1.0010	1.0554
US Dollar	0.1223	0.1162

An average exchange rate of 0.1210 was used to convert NOK to USD in the Income Statement (31 December 2016: 0.1192).

6. Cash

As at 31 December 2017 and 31 December 2016, all cash balances (including overdrafts) are held with BNY Mellon Trust Company (Ireland) Limited (the "Depository"), DNB, Goldman Sachs, Nordea and SEB.

	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
31 December 2017			
BNY Mellon	8,025,243	6,384,757	26,098,890
DNB	-	-	20,238,984
Goldman Sachs	-	-	10,536,944
Nordea	-	-	4,693
SEB	-	-	93,241
	8,025,243	6,384,757	56,972,752
31 December 2016			
BNY Mellon	2,159,554	5,291,495	59,907,052
DNB	-	-	40,075,515
Goldman Sachs	-	-	14,167,960
Nordea	-	-	(783)
SEB	-	-	44
	2,159,554	5,291,495	114,149,788

As at 31 December 2017, Sector Global Equity Kernel pledged USD1,200,740 as collateral with BNY Mellon and Sector Sigma Nordic Fund pledged NOK2,395,804 as collateral with Goldman Sachs (31 December 2016: Sector Global Equity Kernel pledged USD1,590,797 and Sector Sigma Nordic Fund pledged NOK13,836,044 as collateral with Goldman Sachs).

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

7. Financial Instruments and Associated Risks

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

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

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 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.

SECTOR CAPITAL FUNDS PLC
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For the financial year ended 31 December 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(a) Market price risk

Market price risk arises from uncertainty concerning future prices of financial instruments. The consequence might be a decline in the Fund's value. The risk related to the 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.

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

For the financial year ended 31 December 2017

	Period end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Global Equity Kernel	0.79%	97.5%	97.5%	0.77%	1.23%	0.93%
Sector Healthcare Value Fund	0.96%	96.2%	96.2%	0.96%	1.41%	1.17%
Sector Sigma Nordic Fund	0.52%	112.1%	43.2%	0.25%	1.09%	0.64%

For the financial year ended 31 December 2016

	Period end VaR	Gross Exposure*	Net Exposure**	lowest VaR	highest VaR	average VaR
Sector Global Equity Kernel	1.23%	98.5%	98.5%	1.12%	1.36%	1.24%
Sector Healthcare Value Fund	1.40%	96.2%	96.2%	1.37%	1.65%	1.49%
Sector Sigma Nordic Fund	0.90%	117.8%	40.4%	0.34%	1.17%	0.77%

* 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.

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

7. Financial Instruments and Associated Risks (Continued)

(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 2017 and 31 December 2016 the Funds have not invested in interest bearing assets, other than cash amounts. As at 31 December 2017 and 31 December 2016, the Funds do not have any significant fair value interest rate risk exposure.

Tables outlining the currency and interest exposure as at 31 December 2017 and 31 December 2016 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 positions in small cap equities, the ability of a Fund to realise assets within a short year 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 2017 and 31 December 2016, the Funds held very liquid assets and liquidity was monitored daily by the Investment Manager.

The reports below are snapshots of the estimated liquidity of the Funds as at 31 December 2017:

Sector Global Equity Kernel

Description	Cumulative
< 1 day	98%
1-2 days	100%
3-5 days	100%

Sector Healthcare Value Fund

Description	Cumulative
< 1 day	100%
1-2 days	100%
3-5 days	100%

Sector Sigma Nordic Fund

Description	Cumulative
< 1 day	94%
1-2 days	97%
3-5 days	99%
1-2 weeks	100%

The reports below are snapshots of the estimated liquidity of the Funds as at 31 December 2016:

Sector Global Equity Kernel

Description	Cumulative
< 1 day	97%
1-2 days	99%
3-5 days	100%

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(c) Liquidity risk (Continued)

Sector Healthcare Value Fund

Description	Cumulative
< 1 day	100%
1-2 days	100%
3-5 days	100%

Sector Sigma Nordic Fund

Description	Cumulative
< 1 day	96%
1-2 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.

Currency exposure for investor classes

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

Portfolio currency exposure

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

The foreign currency exposure as at 31 December 2017 is as follows:

Sector Global Equity Kernel Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	USD	USD	USD	USD	USD	USD	USD
AUD	85	(258,635)	—	23,147,011	—	106,535	22,994,996
BRL	361	—	—	—	—	—	361
CAD	23	(78,184)	—	5,138,660	—	31,089	5,091,588
CHF	274	—	—	3,172,088	—	—	3,172,362
DKK	133	—	—	—	—	—	133
EUR	21,562	(85,568)	—	32,311,670	—	37,590	32,285,254
GBP	27	—	—	18,162,197	—	—	18,162,224
HKD	117	—	—	14,569,898	—	—	14,570,015
JPY	35	483,104	—	45,670,199	—	24,842	46,178,180
KRW	—	—	—	3,151,884	—	—	3,151,884
NOK	1,460,876	426,890	—	6,174,944	—	(1,313,595)	6,749,115
SEK	85	—	—	2,941,191	—	17,265	2,958,541
SGD	439	—	—	—	—	—	439
TWD	64,501	—	—	2,506,427	—	—	2,570,928
USD	6,476,725	—	—	137,185,920	—	188,816	143,851,461
Total	8,025,243	487,607	—	294,132,089	—	(907,458)	301,737,481

Sector Healthcare Value Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	(328,246)	—	—	2,372,420	—	329,872	2,374,046
DKK	271	—	—	—	—	—	271
EUR	12,922	77,834	—	6,959,588	—	(3,289)	7,047,055
GBP	146,868	—	—	9,620,388	—	81,100	9,848,356
HUF	1	—	—	715,736	—	—	715,737
JPY	276,298	—	—	8,846,952	—	(253,361)	8,869,889
NOK	4,538	218,896	—	—	—	—	223,434
SEK	14,999	10,219	—	1,394,909	—	34	1,420,161
USD	6,257,106	—	—	58,993,096	—	(2,596,426)	62,653,776
Total	6,384,757	306,949	—	88,903,089	—	(2,442,070)	93,152,725

Sector Sigma Nordic Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	NOK	NOK	NOK	NOK	NOK	NOK	NOK
DKK	365,747	204,833	—	33,245,791	(336,387)	1,860,562	35,340,546
EUR	22,375	108,678	—	26,208,347	(302,184)	—	26,037,216
GBP	431	—	—	—	—	—	431
NOK	70,206,800	(690,873)	—	49,246,804	(61,600)	(1,559,860)	117,141,271
SEK	(13,682,677)	—	—	91,130,047	(171,308)	(101,774)	77,174,288
USD	60,076	—	—	—	—	—	60,076
Total	56,972,752	(377,362)	—	199,830,989	(871,479)	198,928	255,753,828

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

The foreign currency exposure as at 31 December 2016 is as follows:

Sector Global Equity Kernel Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	USD	USD	USD	USD	USD	USD	USD
AUD	(659)	—	—	—	—	12,226	11,567
BRL	96	—	—	3,522,465	—	78,910	3,601,471
CAD	333	10,778	—	3,404,962	—	(20,207)	3,395,866
CHF	49	—	—	—	—	—	49
CNY	—	—	—	1,590,797	—	—	1,590,797
DKK	117	—	—	—	—	—	117
EUR	(187)	39,971	—	26,893,777	—	(2,538,552)	24,395,009
GBP	452	—	—	7,472,695	—	9,727	7,482,874
HKD	29	—	—	5,226,047	—	—	5,226,076
JPY	19	11,620	—	8,240,309	—	142,142	8,394,090
NOK	82,271	939,478	—	3,402,354	—	(1,506,257)	2,917,846
SEK	49	—	—	3,085,113	—	(1,252,161)	1,833,001
SGD	406	—	—	—	—	—	406
TWD	4,368	—	—	1,599,367	—	—	1,603,735
USD	2,072,211	—	—	111,738,237	—	5,256,825	119,067,273
Total	2,159,554	1,001,847	—	176,176,123	—	182,653	179,520,177

Sector Healthcare Value Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	USD	USD	USD	USD	USD	USD	USD
CHF	1,072	—	—	1,670,665	—	—	1,671,737
DKK	238	—	—	683,492	—	—	683,730
EUR	233,147	158,494	—	7,651,068	—	(331,964)	7,710,745
GBP	37	—	—	6,347,093	—	28,886	6,376,016
HUF	2	—	—	920,369	—	—	920,371
JPY	6	—	—	4,107,629	—	13,069	4,120,704
NOK	46,188	394,808	—	—	—	(495,559)	(54,563)
SEK	4,597	1,875	—	644,669	—	4,042	655,183
USD	5,006,208	—	—	36,105,021	—	(2,344,634)	38,766,595
Total	5,291,495	555,177	—	58,130,006	—	(3,126,160)	60,850,518

Sector Signia Nordic Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	NOK	NOK	NOK	NOK	NOK	NOK	NOK
DKK	517,035	(636,243)	—	44,647,144	(292,293)	—	44,235,643
EUR	156,391	(1,828,676)	—	123,446,305	—	122,786	121,896,806
GBP	414	—	—	—	—	—	414
NOK	117,911,521	(5,986,651)	—	68,115,700	—	(643,038)	179,397,532
SEK	(4,462,995)	—	—	123,749,078	(5,125,299)	—	114,160,784
USD	27,422	—	—	38,528,151	—	77,469	38,633,042
Total	114,149,788	(8,451,570)	—	398,486,378	(5,417,592)	(442,783)	498,324,221

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

As at 31 December 2017, the following forward foreign currency contracts were held by the Funds:

Sector Global Equity Kernel

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
05 January 2018	BNY Mellon	AUD	(276,134)	NOK	1,720,479	(5,594)
05 January 2018	BNY Mellon	AUD	(13,273,644)	NOK	82,702,767	(268,882)
05 January 2018	BNY Mellon	AUD	(116,335)	NOK	746,519	295
05 January 2018	BNY Mellon	AUD	(6,126,199)	NOK	39,311,820	15,546
05 January 2018	BNY Mellon	CAD	(54,126)	NOK	349,558	(459)
05 January 2018	BNY Mellon	CAD	(2,626,583)	NOK	16,962,999	(22,220)
05 January 2018	BNY Mellon	CAD	(83,140)	NOK	533,815	(1,084)
05 January 2018	BNY Mellon	CAD	(4,150,714)	NOK	26,650,491	(54,147)
05 January 2018	BNY Mellon	CHF	(41,366)	NOK	346,176	(137)
05 January 2018	BNY Mellon	CHF	(1,971,901)	NOK	16,502,050	(6,548)
05 January 2018	BNY Mellon	EUR	(285,508)	NOK	2,786,358	(2,243)
05 January 2018	BNY Mellon	EUR	(13,805,807)	NOK	134,735,017	(108,468)
05 January 2018	BNY Mellon	EUR	(140,841)	NOK	1,388,755	635
05 January 2018	BNY Mellon	EUR	(6,923,113)	NOK	68,264,805	31,217
05 January 2018	BNY Mellon	GBP	(82,525)	NOK	910,413	(329)
05 January 2018	BNY Mellon	GBP	(3,990,542)	NOK	44,023,256	(15,897)
05 January 2018	BNY Mellon	GBP	(29,763)	NOK	330,967	202
05 January 2018	BNY Mellon	GBP	(1,552,660)	NOK	17,265,627	10,548
05 January 2018	BNY Mellon	GBP	(32,764)	NOK	364,612	255
05 January 2018	BNY Mellon	GBP	(1,575,535)	NOK	17,533,025	12,296
05 January 2018	BNY Mellon	GBP	(30,319)	NOK	337,503	249
05 January 2018	BNY Mellon	GBP	(1,554,205)	NOK	17,300,911	12,772
05 January 2018	BNY Mellon	JPY	(109,186,979)	NOK	8,062,840	16,371
05 January 2018	BNY Mellon	JPY	(58,392,322)	NOK	4,310,669	8,599
05 January 2018	BNY Mellon	JPY	(2,803,967,856)	NOK	206,996,003	412,923
05 January 2018	BNY Mellon	JPY	(11,873,942)	NOK	872,699	1,276
05 January 2018	BNY Mellon	JPY	(542,472,798)	NOK	39,870,116	58,291
05 January 2018	BNY Mellon	NOK	(316,118)	CAD	48,423	(5)
05 January 2018	BNY Mellon	NOK	(15,557,775)	CAD	2,383,128	(269)
05 January 2018	BNY Mellon	NOK	(335,079)	EUR	33,970	(168)
05 January 2018	BNY Mellon	NOK	(13,076,584)	EUR	1,325,702	(6,541)
05 January 2018	BNY Mellon	NOK	(187,048)	JPY	2,529,188	(414)
05 January 2018	BNY Mellon	NOK	(7,817,272)	JPY	106,078,817	(13,942)
05 January 2018	BNY Mellon	NOK	(285,352)	USD	34,467	(428)
05 January 2018	BNY Mellon	NOK	(25,178,880)	USD	3,041,285	(37,772)
05 January 2018	BNY Mellon	NOK	(389,706)	USD	46,990	(666)
05 January 2018	BNY Mellon	NOK	(10,117,245)	USD	1,220,638	(16,572)
05 January 2018	BNY Mellon	NOK	(477,190)	USD	57,437	(917)
05 January 2018	BNY Mellon	NOK	(17,921,271)	USD	2,157,097	(34,447)
05 January 2018	BNY Mellon	NOK	(2,796,387)	USD	335,883	(6,079)
05 January 2018	BNY Mellon	NOK	(131,920,028)	USD	15,845,326	(286,816)
05 January 2018	BNY Mellon	USD	(1,237,299)	NOK	10,167,441	6,050
05 January 2018	BNY Mellon	USD	(2,504,052)	NOK	20,589,566	13,790
05 January 2018	BNY Mellon	USD	(119,367,144)	NOK	981,496,344	657,380
05 January 2018	BNY Mellon	USD	(1,790,607)	NOK	14,810,644	20,547
05 January 2018	BNY Mellon	USD	(34,621)	NOK	286,866	459
05 January 2018	BNY Mellon	USD	(1,142,425)	NOK	9,466,105	15,159
05 January 2018	BNY Mellon	USD	(33,596)	NOK	280,822	745
05 January 2018	BNY Mellon	USD	(2,287,509)	NOK	19,120,605	50,698
05 January 2018	BNY Mellon	USD	(1,356,786)	NOK	11,342,052	30,203
05 January 2018	BNY Mellon	USD	(24,524)	NOK	205,205	570
05 January 2018	BNY Mellon	USD	(33,037)	NOK	270,391	28
05 January 2018	BNY Mellon	USD	(1,823,594)	NOK	14,925,023	1,547
Total unrealised gain on forward foreign currency contracts						487,607

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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
05 January 2018	BNY Mellon	NOK	(94,975)	USD	11,434	(180)
05 January 2018	BNY Mellon	NOK	(1,465,237)	USD	175,236	(3,944)
05 January 2018	BNY Mellon	SEK	(121,778)	USD	14,496	(384)
05 January 2018	BNY Mellon	SEK	(268,456)	USD	31,851	(951)
05 January 2018	BNY Mellon	USD	(9,436)	EUR	8,000	174
05 January 2018	BNY Mellon	USD	(7,451,836)	EUR	6,265,575	74,968
05 January 2018	BNY Mellon	USD	(203,039)	EUR	170,717	2,042
05 January 2018	BNY Mellon	USD	(64,600)	EUR	54,316	650
05 January 2018	BNY Mellon	USD	(10,060,528)	NOK	82,661,322	47,901
05 January 2018	BNY Mellon	USD	(26,172,480)	NOK	215,043,567	124,614
05 January 2018	BNY Mellon	USD	(6,913,513)	NOK	56,804,188	32,917
05 January 2018	BNY Mellon	USD	(56,178)	NOK	465,249	716
05 January 2018	BNY Mellon	USD	(60,904)	NOK	504,785	825
05 January 2018	BNY Mellon	USD	(15,388)	NOK	128,000	265
05 January 2018	BNY Mellon	USD	(152,362)	NOK	1,263,712	2,174
05 January 2018	BNY Mellon	USD	(83,640)	NOK	691,128	876
05 January 2018	BNY Mellon	USD	(329,739)	NOK	2,732,409	4,400
05 January 2018	BNY Mellon	USD	(4,827)	NOK	40,362	109
05 January 2018	BNY Mellon	USD	(124,556)	NOK	1,030,901	1,510
05 January 2018	BNY Mellon	USD	(23,983)	NOK	199,743	443
05 January 2018	BNY Mellon	USD	(6,805)	NOK	57,000	165
05 January 2018	BNY Mellon	USD	(334,173)	NOK	2,780,322	5,825
05 January 2018	BNY Mellon	USD	(31,539)	NOK	260,190	279
05 January 2018	BNY Mellon	USD	(23,949)	NOK	195,853	1
05 January 2018	BNY Mellon	USD	(623,925)	SEK	5,197,807	11,190
05 January 2018	BNY Mellon	USD	(18,224)	SEK	152,127	364
Total unrealised gain on forward foreign currency contracts						306,949

Sector Sigma Nordic Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) NOK
05 January 2018	BNY Mellon	DKK	(25,000,000)	NOK	33,190,825	204,833
05 January 2018	BNY Mellon	EUR	(6,742)	NOK	66,630	399
05 January 2018	BNY Mellon	EUR	(1,800,000)	NOK	17,780,580	98,194
05 January 2018	BNY Mellon	NOK	(1,871,174)	EUR	191,505	10,085
05 January 2018	BNY Mellon	NOK	(73,797,123)	USD	8,974,538	(408,152)
05 January 2018	BNY Mellon	SEK	(80,000,000)	NOK	79,546,347	(389,333)
05 January 2018	BNY Mellon	USD	(750,749)	NOK	6,209,670	70,446
05 January 2018	BNY Mellon	USD	(300,330)	NOK	2,492,104	36,166
Total unrealised loss on forward foreign currency contracts						(377,362)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(d) Foreign currency risk (Continued)

As at 31 December 2016, the following forward foreign currency contracts were held by the Funds:

Sector Global Equity Kernel

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
01 February 2017	BNY Mellon	CAD	(56,291)	NOK	363,288	226
01 February 2017	BNY Mellon	CAD	(1,454,509)	NOK	9,387,069	5,826
01 February 2017	BNY Mellon	CAD	(55,621)	NOK	358,569	176
01 February 2017	BNY Mellon	CAD	(1,434,342)	NOK	9,246,632	4,550
01 February 2017	BNY Mellon	EUR	(588,778)	NOK	5,366,127	1,501
01 February 2017	BNY Mellon	EUR	(15,084,835)	NOK	137,483,190	38,470
01 February 2017	BNY Mellon	GBP	(624,630)	NOK	6,686,505	4,509
01 February 2017	BNY Mellon	GBP	(112,910)	NOK	1,211,412	1,133
01 February 2017	BNY Mellon	GBP	(2,577,355)	NOK	27,652,443	25,866
01 February 2017	BNY Mellon	GBP	(32,789)	NOK	346,977	(231)
01 February 2017	BNY Mellon	GBP	(541,354)	NOK	5,728,605	(3,814)
01 February 2017	BNY Mellon	JPY	(23,067,239)	NOK	1,708,811	436
01 February 2017	BNY Mellon	JPY	(590,995,480)	NOK	43,780,686	11,184
01 February 2017	BNY Mellon	NOK	(5,355,249)	USD	618,156	(4,178)
01 February 2017	BNY Mellon	NOK	(874,814)	USD	100,551	(1,111)
01 February 2017	BNY Mellon	NOK	(17,024,130)	USD	1,956,745	(21,631)
01 February 2017	BNY Mellon	USD	(3,264,111)	NOK	28,391,562	35,275
01 February 2017	BNY Mellon	USD	(83,619,328)	NOK	727,329,273	903,660
Total unrealised gain on forward foreign currency contracts						1,001,847

Sector Healthcare Value Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) USD
02 January 2017	BNY Mellon	EUR	(4,045,917)	USD	4,240,485	(34,383)
02 January 2017	BNY Mellon	EUR	(2,500,000)	USD	2,619,043	(22,429)
02 January 2017	BNY Mellon	EUR	(17,809)	USD	18,709	(108)
02 January 2017	BNY Mellon	USD	(19,689,593)	EUR	18,834,777	211,012
02 January 2017	BNY Mellon	USD	(491,512)	EUR	469,354	4,402
02 January 2017	BNY Mellon	USD	(38,776)	NOK	337,205	411
02 January 2017	BNY Mellon	USD	(7,352,128)	NOK	64,073,795	93,893
02 January 2017	BNY Mellon	USD	(17,774,753)	NOK	154,906,969	226,997
02 January 2017	BNY Mellon	USD	(5,363,969)	NOK	46,746,994	68,503
02 January 2017	BNY Mellon	USD	(218,399)	NOK	1,902,099	2,644
02 January 2017	BNY Mellon	USD	(73,253)	NOK	637,985	887
02 January 2017	BNY Mellon	USD	(106,863)	NOK	930,705	1,294
02 January 2017	BNY Mellon	USD	(28,401)	NOK	245,937	179
02 January 2017	BNY Mellon	USD	(163,743)	SEK	1,501,204	1,860
02 January 2017	BNY Mellon	USD	(1,101)	SEK	10,118	15
Total unrealised gain on forward foreign currency contracts						555,177

Sector Sigma Nordic Fund

Maturity Date	Counterparty	Sale Currency	Amount	Purchase Currency	Amount	Unrealised gain/(loss) NOK
17 January 2017	BNY Mellon	DKK	(35,000,000)	NOK	42,140,000	(636,243)
17 January 2017	BNY Mellon	EUR	(13,000,000)	NOK	116,468,300	(1,655,729)
17 January 2017	BNY Mellon	SEK	(160,000,000)	NOK	147,425,898	(4,338,276)
17 January 2017	BNY Mellon	USD	(4,500,000)	NOK	37,894,005	(832,317)
01 February 2017	BNY Mellon	NOK	(27,698,723)	EUR	3,036,844	(87,571)
01 February 2017	BNY Mellon	NOK	(27,004,532)	EUR	2,960,734	(85,376)
01 February 2017	BNY Mellon	NOK	(6,984,848)	SEK	7,355,604	(2,478)
01 February 2017	BNY Mellon	NOK	(118,924)	SEK	125,236	(43)
01 February 2017	BNY Mellon	NOK	(78,601,831)	USD	9,036,085	(845,361)
01 February 2017	BNY Mellon	USD	(325,096)	NOK	2,829,310	31,824
Total unrealised loss on forward foreign currency contracts						(8,451,570)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(e) Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Funds.

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

Trade counterparty

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

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

The table below shows the long-term S&P credit ratings for the counterparties that hold cash as at 31 December 2017 and 31 December 2016:

	31 December 2017	31 December 2016
BNY Mellon	A	A
DNB	A+	A+
Goldman Sachs	A	A
Nordea	AA-	AA-
SEB	A+	n/a

The value of underlying securities, held by Sector Sigma Nordic Fund, pledged as collateral with Goldman Sachs, in relation to derivative contracts-for-difference trading as at 31 December 2017 and 31 December 2016 are as outlined below:

31 December 2017

Sector Sigma Nordic Fund

Security	Counterparty	Market Value of Margin NOK
Investor AB	Goldman Sachs	7,474,552
Novo Nordisk A/S	Goldman Sachs	7,501,431
Statoil ASA	Goldman Sachs	6,307,200

31 December 2016

Security	Counterparty	Market Value of Margin NOK
Danske Bank A/s	Goldman Sachs	13,076,910
Huhtamaki Oyj	Goldman Sachs	11,210,749
Statoil ASA	Goldman Sachs	13,780,800
Investor AB SEK	Goldman Sachs	14,518,069

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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 year 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 year 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 2017 or 31 December 2016. 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 2017 are as follows:

Sector Global Equity Kernel	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	294,132,089	—	—	294,132,089
Derivative instruments	—	1,378,651	—	1,378,651
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	(891,044)	—	(891,044)
Total	294,132,089	487,607	—	294,619,696

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	88,903,089	—	—	88,903,089
Derivative instruments	—	312,408	—	312,408
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	(5,459)	—	(5,459)
Total	88,903,089	306,949	—	89,210,038

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Financial Instruments and Associated Risks (Continued)

(f) Fair value estimation (Continued)

Sector Sigma Nordic Fund	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total NOK
Financial assets at fair value through profit or loss				
Equity securities	198,637,957	—	—	198,637,957
Derivative instruments	842,183	770,972	—	1,613,155
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	(1,668,964)	—	(1,668,964)
Total	199,480,140	(897,992)	—	198,582,148

The categories of investments above comprise:

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

The fair values of investments valued under levels 1 to 3 as at 31 December 2016 are as follows:

Sector Global Equity Kernel	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	174,585,326	—	—	174,585,326
Derivative instruments	—	2,623,609	—	2,623,609
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	(30,965)	—	(30,965)
Total	174,585,326	2,592,644	—	177,177,970

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	58,130,006	—	—	58,130,006
Derivative instruments	—	612,097	—	612,097
Financial liabilities at fair value through profit or loss				
Derivative instruments	—	(56,920)	—	(56,920)
Total	58,130,006	555,177	—	58,685,183

Sector Sigma Nordic Fund	Level 1 NOK	Level 2 NOK	Level 3 NOK	Total NOK
Financial assets at fair value through profit or loss				
Equity securities	394,151,459	—	—	394,151,459
Derivative instruments	925,216	3,441,527	—	4,366,743
Financial liabilities at fair value through profit or loss				
Derivative instruments	(973,324)	(12,927,662)	—	(13,900,986)
Total	394,103,351	(9,486,135)	—	384,617,216

The categories of investments above comprise:

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

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8. Share Capital

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

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

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

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

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

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

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

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

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

The following are the share class transactions for the financial year ended 31 December 2017 were as follows:

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A EUR			
Shares in issue at beginning of year	-	64,328	26,292
Number of shares issued	-	18,368	-
Number of shares redeemed	-	(55,987)	(26,292)
Number in issue at end of year	-	26,709	-
Class A NOK			
Shares in issue at beginning of year	41,331	37,287	153,119
Number of shares issued	12,651	4,084	48,605
Number of shares redeemed	(23,133)	(885)	(117,519)
Number in issue at end of year	30,849	40,486	84,205

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8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A USD			
Shares in issue at beginning of year	19,906	55,652	73,633
Number of shares issued	130	24,533	6,889
Number of shares redeemed	(27)	(29,677)	(9,960)
Number in issue at end of year	20,009	50,508	70,562
Class B EUR			
Shares in issue at beginning of year	—	—	21,226
Number of shares issued	—	2,876	—
Number of shares redeemed	—	(1,119)	(19,806)
Number in issue at end of year	—	1,757	1,420
Class B NOK			
Shares in issue at beginning of year	—	160,911	64,370
Number of shares issued	—	82,819	—
Number of shares redeemed	—	(49,295)	(29,416)
Number in issue at end of year	—	194,435	34,954
Class B SEK			
Shares in issue at beginning of year	—	1,564	—
Number of shares issued	—	6,765	—
Number of shares redeemed	—	(3,905)	—
Number in issue at end of year	—	4,424	—
Class B USD			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	19,718	—
Number of shares redeemed	—	(5,174)	—
Number in issue at end of year	—	14,544	—
Class C NOK			
Shares in issue at beginning of year	—	—	2,460
Number of shares issued	—	—	—
Number of shares redeemed	—	—	(2,131)
Number in issue at end of year	—	—	329
Class C SEK			
Shares in issue at beginning of year	—	—	7,132
Number of shares issued	—	—	—
Number of shares redeemed	—	—	(7,132)
Number in issue at end of year	—	—	—
Class D NOK			
Shares in issue at beginning of year	—	—	5,335
Number of shares issued	—	—	—
Number of shares redeemed	—	—	(5,335)
Number in issue at end of year	—	—	—
Class D SEK			
Shares in issue at beginning of year	—	—	127
Number of shares issued	—	—	—
Number of shares redeemed	—	—	(127)
Number in issue at end of year	—	—	—
Class L NOK			
Shares in issue at beginning of year	—	23,892	8,095
Number of shares issued	—	42	—
Number of shares redeemed	—	—	—
Number in issue at end of year	—	23,934	8,095

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class P NOK Hedged			
Shares in issue at beginning of year	1,183,288	—	—
Number of shares issued	566,724	—	—
Number of shares redeemed	(68,026)	—	—
Number in issue at end of year	1,681,986	—	—
Class P NOK Unhedged			
Shares in issue at beginning of year	355,323	—	—
Number of shares issued	374,128	—	—
Number of shares redeemed	(156,844)	—	—
Number in issue at end of year	572,607	—	—
Class P USD			
Shares in issue at beginning of year	201,725	—	—
Number of shares issued	2,536	—	—
Number of shares redeemed	(16,357)	—	—
Number in issue at end of year	187,904	—	—
Class X EUR			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	619	—
Number of shares redeemed	—	—	—
Number in issue at end of year	—	619	—
Class X USD			
Shares in issue at beginning of year	—	—	—
Number of shares issued	—	202,235	—
Number of shares redeemed	—	(2,877)	—
Number in issue at end of year	—	199,358	—

The following are the share class transactions for the financial year ended 31 December 2016 were as follows:

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class A EUR			
Shares in issue at beginning of year	—	63,745	47,693
Number of shares issued	—	54,108	2,350
Number of shares redeemed	—	(53,525)	(23,751)
Number in issue at end of year	—	64,328	26,292
Class A NOK			
Shares in issue at beginning of year	115	21,945	192,251
Number of shares issued	45,288	15,342	27,896
Number of shares redeemed	(4,072)	—	(67,028)
Number in issue at end of year	41,331	37,287	153,119
Class A USD			
Shares in issue at beginning of year	100	52,318	106,372
Number of shares issued	19,907	37,820	326
Number of shares redeemed	(101)	(34,486)	(33,065)
Number in issue at end of year	19,906	55,652	73,633
Class B EUR			
Shares in issue at beginning of year	—	—	12,513
Number of shares issued	—	—	12,242
Number of shares redeemed	—	—	(3,529)
Number in issue at end of year	—	—	21,226

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8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Signia Nordie Fund
Class B NOK			
Shares in issue at beginning of year	—	100,487	82,430
Number of shares issued	—	110,438	4,505
Number of shares redeemed	—	(50,014)	(22,565)
Number in issue at end of year	—	160,911	64,370
Class B SEK			
Shares in issue at beginning of year	—	1,034	—
Number of shares issued	—	14,140	—
Number of shares redeemed	—	(13,610)	—
Number in issue at end of year	—	1,564	—
Class C NOK			
Shares in issue at beginning of year	—	—	2,927
Number of shares issued	—	—	337
Number of shares redeemed	—	—	(804)
Number in issue at end of year	—	—	2,460
Class C SEK			
Shares in issue at beginning of year	—	—	39,105
Number of shares issued	—	—	10,397
Number of shares redeemed	—	—	(42,370)
Number in issue at end of year	—	—	7,132
Class D NOK			
Shares in issue at beginning of year	—	—	12,315
Number of shares issued	—	—	10,378
Number of shares redeemed	—	—	(17,358)
Number in issue at end of year	—	—	5,335
Class D SEK			
Shares in issue at beginning of year	—	—	73,684
Number of shares issued	—	—	9,836
Number of shares redeemed	—	—	(83,393)
Number in issue at end of year	—	—	127
Class L NOK			
Shares in issue at beginning of year	—	25,492	20,188
Number of shares issued	—	48	—
Number of shares redeemed	—	(1,648)	(12,093)
Number in issue at end of year	—	23,892	8,095
Class O NOK			
Shares in issue at beginning of year	1,634	—	—
Number of shares issued	3,200	—	—
Number of shares redeemed	(4,834)	—	—
Number in issue at end of year	—	—	—
Class P NOK Hedged			
Shares in issue at beginning of year	53,246	—	—
Number of shares issued	1,134,039	—	—
Number of shares redeemed	(3,997)	—	—
Number in issue at end of year	1,183,288	—	—
Class P NOK Unhedged			
Shares in issue at beginning of year	218,499	—	—
Number of shares issued	202,457	—	—
Number of shares redeemed	(65,633)	—	—
Number in issue at end of year	355,323	—	—

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share Capital (Continued)

	Sector Global Equity Kernel Fund	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Class P USD			
Shares in issue at beginning of year	182,955	—	—
Number of shares issued	21,191	—	—
Number of shares redeemed	(2,421)	—	—
Number in issue at end of year	<u>201,725</u>	<u>—</u>	<u>—</u>

9. Investment Management Fees

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

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

Class	Management Fee
Class A Shares	Up to 1.50%
Class B Shares	Up to 0.75%
Class C Shares	Up to 0.50%
Class P Shares	Up to 0.50%
Class O Shares	Up to 3.00%

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

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

Class	Management Fee
Class A Shares	Up to 1.0%
Class B Shares	Up to 2.0%
Class X Shares	Up to 0.5%

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

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

Class	Management Fee
Class A Shares	Up to 1.0%
Class B Shares	Up to 1.5%
Class C Shares	Up to 2.0%
Class D Shares	Up to 1.5%

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

The management fees accrued for the financial year ended 31 December 2017 were USD2,190,864 (31 December 2016: USD1,795,651) and the amount outstanding at 31 December 2017 was USD345,115 (31 December 2016: USD165,630).

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

The Investment Manager will invest in Class O NOK Shares in Sector Global Equity Kernel and beginning on the date the Class O NOK subscription is booked to the Fund, the aggregate fees for Class P USD above the Class P USD threshold will be funded in this order on an ongoing basis; i) by utilising the 3% management fee attributable to Class O NOK, then ii) by utilising any preliminary charges attributable to Class O NOK accrued on the Fund. If the amounts funded in accordance with (i) and (ii) are not sufficient to achieve the Class P USD TER Threshold, then this excess cost shall accrue and be offset against future fees attributable to the Investment Manager, including future preliminary charges attributable to future investments in Class O NOK. As at 31 December 2017, Class O NOK as fully redeemed.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Investment Management Fees (Continued)

The total fees waived by the Investment Manager for the financial year ended 31 December 2017 was USD177,897 (31 December 2016: USD213,443) and the net amount payable as at 31 December 2017 was USD112,175 (31 December 2016: USD44,323).

10. Incentive Fees

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

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. This method of calculation ensures that (i) any Incentive Fee paid to the Investment Manager is charged only to those shares which have outperformed their respective Prior High Net Asset Value (as defined below) over the course of a Calculation 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 "Prior High Net Asset Value" (as defined below) 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 the 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). As the Incentive Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Year and as a result, it may be paid on unrealised gains which may subsequently never be realised.

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

Sector Global Equity Kernel

The Fund, in respect of the Class C Shares and Class O NOK Shares pays the Investment Manager an incentive fee (the "Incentive Fee") equal to 10 per cent of the amount by which the Net Asset Value (before the deduction of any performance fee) of the relevant Class exceeds the MSCI ACWI Index ("Index") adjusted Prior High Net Asset Value ("Index adjusted Prior High Net Asset Value") (as defined below). No Incentive Fee is charged in respect of the Class A Shares, Class P Shares and Class L NOK Shares. Per the revised Supplement issued 16 December 2016, Class B Shares ceased to incur an Incentive Fee effective 16 December 2016.

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"), and in respect of Class X 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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10. Incentive Fees (Continued)

Sector Healthcare Value Fund (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 and Class L NOK Shares.

Sector Sigma Nordic Fund

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

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

The Incentive Fee accrues as at each valuation point and is calculated annually on the rate of return (net of the Investment Manager's fees) of each class, and will be payable annually in arrears (on or after the first business day of the following year), or upon redemption, if earlier. The calculation period for the Class A Shares, the Class B Shares and the Class C Shares shall be a calendar year, closing on the last business day each year (the "Calculation Period"). The First Calculation Period for any unlaunched Class A, Class B and/or Class C Shares shall commence from the conclusion of the relevant initial offer period and cease on the last business day of the relevant calendar year.

The Investment Manager shall also be entitled to an incentive fee ("Class D Incentive Fee") equal to 20% of the aggregated appreciation in value of the Class D Shares, in excess of the Prior High Net Asset Value (as defined below) adjusted by the performance of the following hurdle rates, (each a "Hurdle Rate"); Class D SEK Shares the return of 3 month Swedish treasury bills (Bloomberg Ticker: GSGT3M Index). The Investment Manager has agreed to waive the 3 month Swedish Treasury bill as hurdle rate whenever the return of the 3 month Swedish treasury bills is negative. In this instance the hurdle rate is set at zero:

- Class D USD Shares the return of 3 month US treasury bills (Bloomberg Ticker: USGG3M Index);
- Class D NOK Shares the return of 3 month Norwegian treasury bills (Bloomberg Ticker: GNGT3M Index); and
- Class D EUR Shares the return of 3 month German treasury bills (Bloomberg Ticker: GETB1 Index).

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

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

The Incentive Fees accrued by the Company for the financial year ended 31 December 2017 were USD105,531 (31 December 2016: USD750,987) and the amount outstanding at 31 December 2017 was USD591,122 (31 December 2016: USD1,148,136).

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 2017 an equalisation credit of USD789,461 (31 December 2016: USD1,288,849) was applied by the Company.

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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 BNY Mellon Trust Company (Ireland) Limited to act as Depositary (the "Depositary" from 14 April 2016 and the "Custodian" up to 14 April 2016). 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 2017 was USD746,937 (31 December 2016: USD685,549) and the amount outstanding at 31 December 2017 was USD169,880 (31 December 2016: USD181,821).

The Depositary/Custodian is/was 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/Custodian fee accrued for the financial year ended 31 December 2017 was USD228,957 (31 December 2016: USD163,185) and the amount outstanding at 31 December 2017 was USD42,683 (31 December 2016: USD30,810).

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 Directors' remuneration in any one year shall not exceed €20,000 or such higher amount as may be approved by resolution of the Directors and notified to shareholders. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the Company or in connection with the business of the Company. The Directors 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 2017 was USD17,494 (31 December 2016: USD17,831) and the amount outstanding at 31 December 2017 was USD5,887 (31 December 2016: USD5,005).

13. Auditors' Fees

Fees and expenses paid to the statutory auditors, Deloitte, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided to the auditors for the financial year ended 31 December 2017 and 31 December 2016.

Audit fees charged for the financial year ended 31 December 2017 were EUR20,625 ex VAT (31 December 2016: EUR20,625). Tax advisory fees charged for the financial year ended 31 December 2017 were EUR12,950 ex VAT (31 December 2016: EUR10,000).

14. Efficient Portfolio Management

The Company may enter into a variety of derivative instruments including, but not limited to, forward foreign exchange contracts, futures, options, swaps, contracts-for-difference, 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 2015 (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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Efficient Portfolio Management (Continued)

For the year ended 31 December 2017 and 31 December 2016, the Company has utilised forward foreign currency contracts, contracts-for-difference and options for efficient portfolio management. As at 31 December 2017 and 31 December 2016, all options are exchanged traded derivatives and forward foreign currency contracts and CFDs are OTC derivatives. All options held as at 31 December 2017 and 31 December 2016, by Sector Sigma Nordic Fund are considered to be covered options. 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, BNY Mellon Trust Company (Ireland) Limited, 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.

As at 31 December 2017 and 31 December 2016, the following key personnel as defined within Section 33 of FRS 102 held a beneficial interest in the Funds as follows:

31 December 2017

Key personnel	Role/Team	Fund/Class	Number of Shares held
Lars Tell	Director	Sector Sigma Nordic Fund, Class L NOK	91
Lars Tell	Director	Sector Healthcare Value Fund, Class L NOK	89
Jan Henrik Arvesen	Investment Manager, Sigma Fondsforvaltning AS	Sector Sigma Nordic Fund, Class L NOK	3,341
Trond Tviberg	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	7,945
Trond Horneland	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	15,665
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118

31 December 2016

Key personnel	Role/Team	Fund/Class	Number of Shares held
Lars Tell	Director, Sector Capital Funds plc	Sector Sigma Nordic Fund, Class L NOK	91
Lars Tell	Director, Sector Capital Funds plc	Sector Healthcare Value Fund, Class L NOK	48
Jan Henrik Arvesen	Investment Manager, Sigma Fondsforvaltning AS	Sector Sigma Nordic Fund, Class L NOK	3,341
Trond Tviberg	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	7,945
Trond Horneland	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	15,665
Sector Polaris	Related party fund	Sector Sigma Nordic Fund, Class A USD	13
Sector Polaris	Related party fund	Sector Sigma Nordic Fund, Class B NOK	6,496

As at 31 December 2017 and 31 December 2016, Sector Asset Management AS, ultimate parent company of the Investment Manager, held 3 Class A EUR Shares, 2 Class A NOK Shares and 2 Class A USD Shares in Sector Healthcare Value Fund.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Contingent Liabilities

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

As at 31 December 2017, there were three Funds in operation (31 December 2016: three) and there were no known contingent liabilities.

17. Soft Commission

There were no soft commissions for the financial years ended 31 December 2017 or 31 December 2016.

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 2017 and 31 December 2016 the Funds have received subscriptions in advance and these amounts are reflected on the Balance Sheet.

19. Comparative Year

The prior period comparatives are for the financial year 1 January 2016 to 31 December 2016.

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 2017

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Shares outstanding			
Class A EUR	—	26,709	—
Class A NOK	30,849	40,486	84,205
Class A USD	20,009	50,508	70,562
Class B EUR	—	1,757	1,420
Class B NOK	—	194,435	34,954
Class B SEK	—	4,424	—
Class B USD	—	14,544	—
Class C NOK	—	—	329
Class L NOK	—	23,934	8,095
Class P NOK Hedged	1,681,986	—	—
Class P NOK Unhedged	572,607	—	—
Class P USD	187,904	—	—
Class X EUR	—	619	—
Class X USD	—	199,358	—
Net Asset Value per Share			
Class A EUR	—	232.89	—
Class A NOK	1,044.36	2,054.42	1,485.43
Class A USD	125.92	330.72	113.03
Class B EUR	—	101.67	130.49
Class B NOK	—	1,153.07	1,414.08
Class B SEK	—	1,121.46	—
Class B USD	—	109.60	—
Class C NOK	—	—	1,366.53
Class L NOK	—	2,386.06	1,697.46
Class P NOK Hedged	949.20	—	—
Class P NOK Unhedged	1,046.74	—	—
Class P USD	142.67	—	—
Class X EUR	—	87.97	—
Class X USD	—	110.04	—

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Three Year Historical Net Asset Value (continued)

31 December 2016	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Shares outstanding			
Class A EUR	—	64,328	26,292
Class A NOK	41,331	37,287	153,119
Class A USD	19,906	55,652	73,633
Class B EUR	—	—	21,226
Class B NOK	—	160,911	64,370
Class B SEK	—	1,564	—
Class C NOK	—	—	2,460
Class C SEK	—	—	7,132
Class D NOK	—	—	5,335
Class D SEK	—	—	127
Class L NOK	—	23,892	8,095
Class P NOK Hedged	1,183,288	—	—
Class P NOK Unhedged	355,323	—	—
Class P USD	201,725	—	—
Net Asset Value per Share			
Class A EUR	—	200.86	116.19
Class A NOK	905.21	1,751.61	1,572.55
Class A USD	105.31	279.33	118.93
Class B EUR	—	—	140.28
Class B NOK	—	983.46	1,504.52
Class B SEK	—	970.94	—
Class C NOK	—	—	1,461.23
Class C SEK	—	—	1,036.46
Class D NOK	—	—	1,017.21
Class D SEK	—	—	991.03
Class L NOK	—	1,994.95	1,779.15
Class P NOK Hedged	813.00	—	—
Class P NOK Unhedged	909.63	—	—
Class P USD	117.81	—	—
31 December 2015	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
Shares outstanding			
Class A EUR	—	63,745	47,693
Class A NOK	115	21,945	192,251
Class A USD	100	52,318	106,372
Class B EUR	—	—	12,513
Class B NOK	—	100,487	82,430
Class B SEK	—	1,034	—
Class C NOK	—	—	2,927
Class C SEK	—	—	39,105
Class D NOK	—	—	12,315
Class D SEK	—	—	73,684
Class L NOK	—	25,492	20,188
Class O NOK	1,634	—	—
Class P NOK Hedged	53,246	—	—
Class P NOK Unhedged	218,499	—	—
Class P USD	182,955	—	—
Net Asset Value per Share			
Class A EUR	—	195.79	116.21
Class A NOK	857.61	1,696.66	1,554.85
Class A USD	99.12	269.48	117.67
Class B EUR	—	—	141.03
Class B NOK	—	941.14	1,494.54
Class B SEK	—	943.30	—
Class C NOK	—	—	1,457.37
Class C SEK	—	—	1,050.78
Class D NOK	—	—	1,009.91
Class D SEK	—	—	1,011.21
Class L NOK	—	1,870.97	1,738.16
Class O NOK	875.61	—	—

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Three Year Historical Net Asset Value (continued)

31 December 2015	Sector Global Equity	Sector Healthcare	Sector Sigma Nordic
Class P NOK Hedged	Kernel	Value Fund	Fund
Class P NOK Unhedged	760.27	—	—
Class P USD	868.22	—	—
	109.35	—	—

21. Significant Events during the Year

On 22 March 2017, revised supplements to the Prospectus for both Sector Sigma Nordic Fund and Sector Healthcare Value Fund were approved by the Central Bank of Ireland.

A revised Prospectus for the Company was noted by the Central Bank of Ireland on 12 July 2017.

The significant updates to the Prospectus were as follows:

- full update to the taxation sections to ensure the disclosures are in line with current industry standards and to reflect the relevant provisions of the Finance Act 2016;
- updates to reflect the coming into force of Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFT Regulations") to include drafting of relevant disclosure relating to the use of total return swaps and repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of the SFT Regulations that the funds are permitted to engage in ("Securities Financing Transactions");
- expanding the suite of risk factors bringing them into line with current industry standards and to include additional risk factors as necessitated by legal and regulatory changes;
- updates to reflect the power of the Depositary to delegate its depositary functions to include additional disclosure and the list of the Depositary's sub-delegates; and
- updates to reflect the change in the Company's address.

Each of the supplements for Sector Healthcare Value Fund, Sector Sigma Nordic Fund and Sector Global Equity Kernel were noted by the Central Bank of Ireland on 12 July 2017. The main updates for each of these supplements was to reflect the relevant disclosures relating to the use of total return swaps. In addition the supplement for Sector Healthcare Value Fund was updated to reflect an amended settlement date in respect of subscriptions.

Effective 24 August 2017, Paul Dobbyn resigned as a Director and Conor Walsh was appointed as a Director.

Effective 21 December 2017, the Central Bank of Ireland noted the supplement for Trient Dynamic Multi-Asset Fund. As at 31 December 2017, Trient Dynamic Multi-Asset Fund has not yet launched.

There were no other significant events during the year.

22. Significant Events after the Balance Sheet Date

On 2 January 2018, a revised supplement to the Prospectus for Sector Global Equity Kernel was approved by the Central Bank of Ireland. The main updates related to:

- Deletion of the preliminary redemption charge;
- Updates to the management fee payable to the Investment Manager;
- Deletion of the total expense ratio;
- Clarification that the Fund shall continue to be responsible for expenses, including the operating expenses related to researching, implementing, carrying out and disposing of specialised and specific investment research for the Fund, including amounts payable to third party consultants.

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

Trient Dynamic Multi-Asset Fund is scheduled to commence operations 20 April 2018.

23. Approval of Financial Statements

The financial statements were authorised for issue by the Directors on 17 April 2018.

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SIGNIFICANT PORTFOLIO MOVEMENTS

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015, a statement of the largest changes in the composition of the Schedule of Investments during the year is provided to ensure that the shareholders can identify changes in the investments held by the Fund. These statements present the aggregate purchases and sales of an investment, exceeding 1% of the total value of purchases and sales for the year. At a minimum the largest 20 purchases and sales are listed. If the Fund enters into less than 20 purchases or sales during the year, then all transactions are presented.

Sector Global Equity Kernel

LARGEST PURCHASES

	COST USD
iShares MSCI ACWI Index Fund	5,274,334
Annaly Capital Management, Inc.	5,138,829
Robert Half International, Inc.	5,040,819
UBS EFT MSCI World	5,032,623
Stockland NPV	4,910,156
Wesfarmers Ltd.	4,853,293
Celgene Corp.	4,820,307
Valero Energy Corp.	4,730,305
Marine Harvest ASA	4,539,182
Ingredion Inc.	4,389,744
AT&T, Inc.	4,368,397
Daito Trust Construction Co. Ltd.	4,190,306
J Sainsbury PLC	4,031,557
Telstra Corp Ltd.	3,973,595
Berkeley Group Holdings Plc	3,175,069
Citrix Systems, Inc.	3,050,269
Hitachi Metals Ltd.	3,029,685
Northern Star Resources Ltd.	3,002,623
UPM-Kymmene Oyj	2,990,386
DS Smith Plc	2,980,714

LARGEST SALES

	PROCEEDS USD
Marine Harvest ASA	5,568,557
iShares MSCI ACWI Index Fund	5,443,000
UBS EFT MSCI World	5,211,412
Robert Half International, Inc.	5,035,947
Fifth Third Bancorp	5,032,234
Chevron Corp.	4,475,690
PS Business Parks, Inc.	4,179,143
Celgene Corp.	4,095,717
AT&T, Inc.	4,075,267
J Sainsbury Plc	3,832,312
National Fuel Gas Co.	3,831,250
Telstra Corp Ltd.	3,790,372
Land Securities Group Plc	3,777,572
Verizon Communications, Inc.	3,593,771
Ingredion Inc.	3,498,451
Moelis & Co.	3,189,294
AMN Healthcare Services, Inc.	3,168,811
Deckers Outdoor Corp.	3,151,496
Lazard Ltd.	3,004,703
FNF Group	2,992,954

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SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

Sector Healthcare Value Fund

LARGEST PURCHASES

	COST USD
Roche Holding AG	3,590,272
Merck & Co., Inc.	3,388,326
Sanofi	3,157,100
Gilead Sciences, Inc.	3,103,338
Eli Lilly & Co.	3,048,431
Abbott Laboratories	2,984,026
AstraZeneca Plc	2,922,202
Bristol-Myers Squibb Co.	2,759,037
GlaxoSmithKline Plc	2,471,109
Otsuka Holdings Co. Ltd.	2,296,097
Boston Scientific Corp.	2,179,373
Biogen, Inc.	2,095,656
Alexion Pharmaceuticals, Inc.	1,779,919
Koninklijke Philips NV	1,685,440
Baxter International, Inc.	1,614,198
NuVasive, Inc.	1,475,143
Anthem, Inc.	1,365,870
Ono Pharmaceutical Co. Ltd.	1,302,441
Daiichi Sankyo Co. Ltd.	1,219,217
Lexicon Pharmaceuticals, Inc.	1,158,455
Shire Plc	1,050,432
Clovis Oncology, Inc.	1,049,752
GlaxoSmithKline Plc	1,013,332
Smith & Nephew Plc	995,029
Allergan Plc	962,015
Mylan NV	948,983
Integra LifeSciences Holdings Corp.	896,029
Laboratory Corp. of America Holdings	882,312
Astellas Pharma, Inc.	856,218
Perrigo Co. Plc	752,700
DaVita, Inc.	737,635
Cigna Corp.	726,028
PerkinElmer, Inc.	697,280
Hikma Pharmaceuticals Plc	692,404
Getinge AB	664,332
Stericycle, Inc.	659,924

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SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

Sector Healthcare Value Fund (Continued)

LARGEST SALES

	PROCEEDS
	USD
Eli Lilly & Co.	4,886,753
Sanofi	3,822,138
Roche Holding AG	3,213,630
Bristol-Myers Squibb Co.	2,853,408
Gilead Sciences, Inc.	2,735,881
Alexion Pharmaceuticals, Inc.	2,599,634
Vertex Pharmaceuticals, Inc.	2,452,681
Ipsen S.A.	2,251,453
Baxter International, Inc.	1,488,437
Abbott Laboratories	1,442,372
Shire Plc	1,340,566
Masimo Corp.	1,324,613
Merck & Co., Inc.	1,238,829
Otsuka Holdings Co. Ltd.	1,168,642
Koninklijke Philips NV	1,134,055
Anthem, Inc.	1,081,334
Impax Laboratories, Inc.	1,054,789
PerkinElmer, Inc.	730,999
H Lundbeck A/S	708,155
Momenta Pharmaceuticals, Inc.	647,648
McKesson Corp.	640,867
LifePoint Hospitals, Inc.	600,492
Exelixis, Inc.	584,508
United Therapeutics Corp.	568,433
Cigna Corp.	550,025
Ironwood Pharmaceuticals, Inc.	524,624

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SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

Sector Sigma Nordic Fund

LARGEST PURCHASES

	COST NOK
Norsk Hydro ASA	40,779,021
Statoil ASA	37,472,730
Telenor ASA	35,658,328
Boliden AB	25,882,114
ABB Ltd.	25,286,436
Svenska Handelsbanken AB	24,734,778
Essity AB	24,626,039
Yara International ASA	23,379,905
SKF AB	21,636,709
Atlas Copco AB	20,497,553
Stora Enso Oyj	20,021,750
Svenska Cellulosa AB	19,330,568
Novo Nordisk A/S	19,314,293
Outokumpu Oyj	18,930,968
Huhtamäki Oyj	16,559,290
Halliburton Co.	15,193,022
Subsea S.A.	14,751,083
Christian Hansen Holding A/S	14,059,105
Trelleborg AB	13,255,198
Det Norske Oljeselskap ASA	12,899,219
Cargotec Oyj	12,530,037
Electrolux AB	12,478,314
M-real Oyj	12,134,971
Billerud AB	12,118,965
Securitas AB	11,922,804
Royal Unibrew A/S	11,860,945
Lundin Mining Corp.	11,422,934
NCC AB, Class B	9,869,411
Danske Bank A/S	7,759,152
Orkla ASA	7,565,905
Aker Solutions ASA	7,540,110
Kungsleden AB	7,226,034
Volvo AB	6,702,551
Valmet OYJ	6,553,431
TeliaSonera AB	6,469,441

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SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

Sector Sigma Nordic Fund (Continued)

LARGEST SALES	PROCEEDS
	NOK
Norsk Hydro ASA	53,492,525
Statoil ASA	50,084,144
Boliden AB	41,161,197
Det Norske Oljeselskap ASA	40,272,353
Outokumpu Oyj	38,007,211
Telenor ASA	37,112,500
Huhtamaki Oyj	33,997,295
Stora Enso Oyj	29,779,338
Svenska Cellulosa AB	27,001,755
Svenska Handelsbanken AB	23,267,418
SKF AB, Class B	23,057,765
Trelleborg AB	22,774,159
M-real Oyj	22,084,278
Danske Bank A/S	20,695,815
Skandinaviska Enskilda Banken AB	19,863,598
Novo Nordisk A/S	18,733,374
Autoliv, Inc.	18,362,395
Volvo AB	18,286,641
Christian Hansen Holding A/S	18,244,488
Essity AB	18,104,686
Total S.A.	17,614,537
Royal Dutch Shell Plc	17,417,960
Yara International ASA	14,603,827
Amer Sports Oyj	14,573,112
ABB Ltd.	13,421,991
Baker Hughes, Inc.	12,924,594
Electrolux AB	12,625,912
Cargotec Oyj	12,521,896
Swedbank AB	12,196,643
Halliburton Co.	12,076,887
Schlumberger Ltd.	12,058,045
Pandora A/S	11,673,624
Billerud AB	11,335,978
Securitas AB	10,764,417
Helmerich & Payne, Inc.	9,830,609
Atlas Copco AB	9,165,320
Subsea S.A.	8,546,227

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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 2017.
- No annual reviews have as yet been undertaken and no material changes have been made to the remuneration policy since 1 January 2017.
- The first annual performance period in which the Company has to comply with the remuneration requirements set out in the UCITS Regulations shall be the year ending 31 December 2017, i.e. the Company's next financial year.
- 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 2017; € 16,000 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.