

Sector Capital Funds plc

An umbrella fund with segregated liability between sub-funds

A company incorporated as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 489443

(the **Company**)

ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

Information contained herein is selective, containing specific information in relation to the Company. This document (the UK Country Supplement) forms part of and should be read in conjunction with the Prospectus for the Company dated 9 August 2016 together with any supplement or addendum thereto (collectively the Prospectus). This document is for distribution in the United Kingdom only.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.

Dated : 3 May 2017

The Company is a recognised collective investment scheme within the meaning of Section 264 of the UK Financial Services and Markets Act 2000 as amended (the **FSMA**) and Shares in the Company may be promoted to the UK public by persons authorised to carry on investment business in the UK.

The Company does not carry on investment business in the UK, so as to require the conduct of its business to be regulated under the FCA. Shareholders will therefore not benefit from the protections provided by the UK regulatory system.

Important

Compensation under the Financial Services Compensation Scheme will generally not be available to UK investors.

A UK investor who enters into an investment agreement with the Company to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the FCA. The agreement will be binding upon acceptance of the order by the Company.

In connection with the Company's recognition under section 264 of the FSMA, the Company has entered into a Representative Agreement dated February 2017 with Maples Fiduciary Services (UK) Limited (the **Representative Agent**) who is responsible for providing facilities services to the Company and maintenance of the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook (**COLL**) published by the Financial Conduct Authority as part of the Financial Conduct Authority's Handbook of Rules and Guidance governing recognised schemes.

The facilities will be located at the offices of the Facilities Agent at 11th Floor, 200 Aldersgate Street, London EC1A 4HD, United Kingdom

At these facilities, any person may:

1. Inspect (free of charge), during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted), a copy of the following documents:
 - (a) the Constitution of the Company and any instruments amending these;
 - (b) the latest Prospectus including any addenda or supplements thereto;
 - (c) the latest key investor information documents;
 - (d) the latest annual and half-yearly reports; and
 - (e) any other documents required from time to time by COLL to be made available;
2. Obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b) and (c));
3. Obtain information (in English) relating to the prices of Shares;
4. Redeem or arrange for the redemption of Shares (and obtain payment for such Shares); any redemption request received shall be sent to the Administrator for processing;

5. Make a complaint about the operation of the Company, which complaint will be transmitted to the Company;
6. Obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

United Kingdom Taxation

The Company

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK through a permanent establishment situated in the UK for UK taxation purposes, the Company will not be subject to UK corporation tax on income and capital gains arising to it (other than withholding taxes (if any) on income arising to the Company from a UK source).

The Directors each intend that the respective affairs of the Company are conducted in such a way so that no such permanent establishment will arise insofar as this is within their respective control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

Interest and certain other income received by the Company which has a UK source may be subject to withholding taxes (which may not be reclaimable) in the UK, although the circumstances in which UK income tax must be withheld at source will become more limited from April 2017.

Interests in the funds of the Company will be made widely available institutional investors able to meet the minimum investment criteria and the funds will be marketed accordingly.

Shareholders

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax on dividends paid or other distributions of income made by the Company whether or not such distributions are reinvested in Company.

No credit will be available against a Shareholder's UK tax liability in respect of income distributions of the Company nor for any taxes suffered or paid by the Company on its own income, (except in the case of a Corporate Shareholder which is resident in the UK (or not resident but carrying on a business in the UK through a permanent establishment) owning directly or indirectly not less than 10 per cent. of the voting share capital of the Company where double taxation agreements provide for payment of tax credit).

Certain classes of overseas dividend distributions received by UK corporate shareholders are exempt from tax. The exemption will not be available where it is used for tax avoidance purposes.

Offshore Funds Regime

As of the date of this document, none of the Share Classes of the Funds outlined in Appendix 1 has obtained certification as a "reporting fund" under the Offshore Funds

(Tax) Regulations 2009 for the purposes of taxation in the UK. However, the Directors may at a future date apply to HM Revenue & Customs (“**HMRC**”) for UK reporting fund status in respect of these Share Classes and they will have UK reporting fund status.

In order to obtain certification as a reporting fund, the “reportable income” of the relevant Share Class for each period of account must be reported to its investors and to HM Revenue & Customs (“**HMRC**”). Investors will be liable to tax on their proportionate share of the “reportable income” of the Fund, whether or not that income is in fact distributed to them.

The effect of certification as a reporting fund is that any gains arising to Shareholders resident in the UK on a sale, redemption or other disposal of the relevant Shares should be taxed as capital gains and not as income.

There can be no guarantee or assurance that the law and regulations governing reporting fund status, or the interpretation of them, will remain the same. Investors are advised to seek their own specialist advice in relation to how (if at all) these rules will affect them.

Individual Shareholders: Transfer of assets abroad

The attention of individual Shareholders resident in the UK is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007 (“**ITA**”) pursuant to which income accruing to the Company could be attributed to such individuals making them liable to taxation in respect of undistributed income and profits of the Company.

It is not expected that these provisions will apply to income relating to a Share Class which has UK reporting fund status. Where a Share Class does not have UK reporting fund status, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected

In addition, those provisions of ITA will not apply if any relevant Shareholder can satisfy HMRC that either:-

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
- (iii) the transaction is considered to be a genuine transaction (i.e. on terms other than those that would have been made between unconnected persons dealing at arm’s length) and the individual’s liability to tax would contravene EU treaty freedoms.

Corporate Shareholders: Loan Relationships

Chapter 3 of Part 5 and 6 of the Corporation Tax Act 2009 (“**CTA 2009**”) provides that, if at any time in an accounting period a corporate investor within the charge to UK corporation tax holds a relevant interest in an “offshore fund” within the meaning of the

relevant provisions of the Taxation (International and Other Provisions) Act 2010 (“**TIOPA 2010**”), and there is a time in that period when that fund fails to satisfy the “non-qualifying investment test”, the relevant interest held by such corporate investor will be treated for the accounting period as if it were rights under a ‘creditor relationship’ for the purposes of the rules relating to the taxation of most corporate debt in CTA 2009 (the “**Corporate Debt Regime**”).

A holding of Shares in the Company will constitute a relevant interest in an offshore fund. In circumstances where the non-qualifying investment test is not satisfied (for example, where the Company invests in debt instruments, securities, cash or derivative contracts and the market value of such investments exceeds 60 per cent. of the market value of all its investments) the Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on the relevant Shares in respect of each corporate investor’s accounting period during which the test is not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as a loan relationship credit or debit calculated on a fair value basis of accounting. Accordingly, a corporate Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The provisions relating to holdings in controlled foreign companies (outlined below) would not then apply to such Shareholders.

Corporate Shareholders: Controlled Foreign Companies

Part 9A of TIOPA imposes a charge to tax on chargeable profits, affecting any UK resident Company with an interest of 25 per cent or more (including the interests of associated or connected persons) in the profits of a non-UK resident company provided no statutory exemptions apply. Where a CFC’s profits fall within certain “gateway” provisions (and are not otherwise excluded by any exemption) they will be apportioned to UK participators. This charge may be reduced by a credit for any foreign tax attributable to the relevant profits and by the offset of UK reliefs. UK resident companies holding a right to 25 per cent. or more of the profits of the Company (directly or indirectly) are advised to seek their own specific professional taxation advice in relation to whether and how these rules might affect their proposed investment in the Company. The legislation is not directed towards the taxation of capital gains.

Anti-avoidance: General

The attention of persons resident in the UK for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of the Taxation of

Chargeable Gains Act 1992 (“**Section 13**”). Section 13 applies to a “participator” for UK taxation purposes (which term includes a Shareholder) if at the same time: (i) a gain accrues to the Company which constitutes a chargeable gain for those purposes; and (ii) the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” Company for those purposes.

The provisions of Section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of UK taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the Company as a “participator”. No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one quarter of the gain. Furthermore, this rule should only apply where either the holding of the asset by the Company or its disposal formed part of a scheme or arrangements of which one of the main purposes was the avoidance of capital gains tax or corporation tax. The charge is also extended to UK resident individuals who are domiciled outside the UK in respect of gains relating to assets of the Company situated in the UK and in respect of gains relating to non-UK situs assets if such gains are remitted to the UK.

The summary given in this section is for information purposes only. It is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares. The tax consequences applicable to Shareholders may vary depending on their particular circumstances. It is the responsibility of all prospective investors to inform themselves as to the tax consequences and any foreign exchange or other fiscal or legal restrictions, which may be relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. The above is a brief summary of certain aspects of UK taxation law and practice relevant to the transactions contemplated in the Prospectus. While it is based on the law and practice and official interpretation currently in effect, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretation given or that changes in such law and practice will not occur.

Fees and Expenses

Information relating to the fees and expenses payable by investors in each of the Funds is set out in the section of the Prospectus headed “Fees and Expenses”. The attention of investors and/or prospective investors is drawn to the information relating to fees and expenses set out therein.

APPENDIX 1

LIST OF FUNDS AND SHARE CLASSES CURRENTLY REGISTERED OR WILL BE REGISTERED AS UK REPORTING ENTITIES.

Fund(s)	Class Shares	Begin Date of CBI Authorisation (Accounting Period begins on the CBI date or date subsequently seeded)
Sector Healthcare Value Fund	Class A EUR Shares	12 November 2010
	Class A NOK Shares	12 November 2010
	Class A SEK Shares	19 August 2013
	Class A USD Shares	12 November 2010
	Class X EUR Shares	11 April 2017
	Class X USD Shares	11 April 2017
	Class B EUR Shares	19 August 2013
	Class B NOK Shares	19 August 2013
	Class B SEK Shares	19 August 2013
	Class B USD Shares	19 August 2013
	Class X USD Shares	11 April 2017
	Class X EUR Shares	11 April 2017
Sector Sigma Nordic Fund	Class A EUR Shares	19 August 2013
	Class A NOK Shares	30 May 2012
	Class A SEK Shares	19 August 2013
	Class A USD Shares	19 August 2013
	Class B EUR Shares	30 May 2012
	Class B NOK Shares	30 May 2012
	Class B SEK Shares	19 August 2013
	Class B USD Shares	30 May 2012

	Class C NOK Shares	30 May 2012
	Class C SEK Shares	19 August 2013
	Class D EUR Shares	20 March 2015
	Class D NOK Shares	20 March 2015
	Class D SEK Shares	20 March 2015
	Class D USD Shares	20 March 2015