

**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 2018**

*Registration No. 489443*

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**GENERAL INFORMATION**

**Directors**

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

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

**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 (resigned 27 April 2018)  
Filipstad Brygge 2  
N-0250 Oslo  
Norway

**Investment Manager**

*Trient Dynamic Multi-Asset Fund*  
Trient Asset Management AS  
Filipstad Brygge 2  
N-0125 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 Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

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

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

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

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

**Sponsoring Brokers**

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

**Company Secretary**

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

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## **DIRECTORS' REPORT**

The Directors present to the shareholders their annual report and the audited financial statements of Sector Capital Funds plc (the "Company") for the financial year 1 January 2018 to 31 December 2018.

### **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 USD388,279,849 on 31 December 2018 (31 December 2017: USD426,168,899).

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 2018, the Company has four funds in existence (31 December 2017: four, of which three were active and one had not commenced trading), Sector Healthcare Value Fund, Sector Sigma Nordic Fund, Sector Global Equity Kernel and Trient Dynamic Multi-Asset Fund (the "Funds"). Trient Dynamic Multi-Asset Fund commenced operations on 28 April 2018. As at 31 December 2018, Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund had ceased 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 2018 ten classes are subscribed to in the Fund (31 December 2017: ten), 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.

Sector Sigma Nordic Fund commenced trading on 25 June 2012 and ceased trading effective 27 April 2018. The base currency of Sector Sigma Nordic Fund is Norwegian Krone ("NOK"). As at 31 December 2018, all share classes have been fully redeemed.

Trient Dynamic Multi-Asset Fund commenced trading on 23 April 2018 and ceased trading effective 26 October 2018. The base currency of Trient Dynamic Multi-Asset Fund is Norwegian Krone ("NOK"). As at 31 December 2018, all share classes have been fully redeemed.

Sector Global Equity Kernel commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel is USD. As at 31 December 2018 seven classes are subscribed to in the Fund (31 December 2017: five), Class P USD Shares, Class O NOK Shares, Class L NOK Shares, Class P NOK, Class P NOK Unhedged, Class A USD Shares and Class A NOK 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 9.

### **Statement of Directors' Responsibilities**

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

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements 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.

### **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' Report and note 7.

### **Significant events during the year**

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.

Sector Sigma Nordic Fund terminated its operations on 27 April 2018.

Trient Dynamic Multi-Asset Fund launched on 28 April 2018 and terminated its operations 26 October 2018.

Effective 26 June 2018, an update to the Prospectus was noted by the Central Bank of Ireland together with revised Supplements for Sector Healthcare Value Fund and Sector Global Equity Kernel Fund. The main provision of these changes was to update for general regulatory changes and some revisions to fees.

There were no other significant events during the year.

### **Significant events after the balance sheet date**

There were no significant events after the balance sheet date.

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## **DIRECTORS' REPORT (Continued)**

### **Directors**

Michael Boyce  
Lars Tell  
Conor Walsh

### **Directors' and Secretary's Interests**

The Directors and Secretary and their families had no interest in the shares of the Company at 31 December 2018, other than as disclosed below:

As at 31 December 2018, Lars Tell, Director of the Company held 160 Class L NOK in Sector Healthcare Value Fund (2017: 89) and nil Class L NOK Shares in Sector Sigma Nordic Fund (2017: 91).

### **Dividends**

Under the Articles of Association dividends may be paid out of the profits. During the financial year ended 31 December 2018, no dividends were paid (2017: nil).

### **Corporate Governance Statement**

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

The Board has adopted the voluntary Irish Funds ("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](http://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](http://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](http://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.

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## **DIRECTORS' REPORT (Continued)**

### **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.

### **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 Articles of Association.

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

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**DIRECTORS' REPORT (Continued)**

**Corporate Governance Statement (Continued)**

**Diversity Statement**

As the Company is constituted as an investment company pursuant to Part 24 of the Companies Act 2014 and has its shares listed on a "regulated market" in the EEA, namely the Main Securities Market of The Irish Stock Exchange, trading as Euronext Dublin, the Company must comply with diversity reporting obligations under S.I. No. 360/2017 - European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, as amended by SI 410 of 2018.

The Company believes in diversity and values the benefits that diversity can bring to its Board. The Board acknowledges the benefits of diversity, including diversity of age, gender, educational and professional backgrounds.

Given the nature, scale and complexity of the Company, the Board has resolved to appoint the most appropriate candidates as Directors of the Company. The Board has not set any specific objectives in respect of diversity but will periodically review the composition of its Board taking into account diversity of age, gender, educational and professional backgrounds.

**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.

**Independent Auditors**

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

On behalf of the Board of Directors



Michael Boyce, Director



Conor Walsh, Director

Date: 27 March 2019





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 27 MARCH 2019

For the period from 1 January 2018 to 31 December 2018 (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.

Registered in Ireland No 223184, VAT No. IE8223184C  
**Registered Office: One Dockland Central, Guild Street, IFSC, Dublin 1**

Directors: Mark Fitzgerald (Chairman), Alan Flanagan, Paula Kelleher C Dir (Managing Director), David Kelly, Damien McShane, Tom Young

BNY Mellon Trust Company (Ireland) Limited is regulated by the Central Bank of Ireland

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## **INVESTMENT MANAGERS' REPORTS**

### **Sector Global Equity Kernel**

2018 was a challenging year for the global equity markets. The ACWI index ended the year down 9.4%. US equities experienced their worst end to a year since the financial crisis of 2008. During the last 12 months, the ACWI index underperformed cash by 10.7% and 96% of the markets logged USD return less than USD return on cash. However, the steep plunge since late September has caused the market to become severely oversold, with the ACWI index trading 12% below its 40-week moving average before it bounced on support just before Christmas.

For the year, the Sector Global Equity Kernel returned -10.7% (Class P USD), and somewhat weaker than the broader market which returned -9.4% (MSCI AC World Daily TRN). Overall, the Fund saw positive performance from its exposure to the energy sector and its investments in Asia (ex Japan). On a single-stock basis, Kirkland Lake Gold and Deckers Outdoors were the largest contributors to performance, whilst Shenzhen Fuanna Bedding and Iamgold represented the largest drag.

The most important thing for equity investors, today more than ever, is liquidity. Risk asset markets are plunging in response to tight liquidity and economic slowdown, and probable recessions lie ahead. The future looks especially bad for economies, firms and institutions that have spent the last decade leveraging up. High debt levels require high liquidity to facilitate re-financing, and systemic risks rise when debt cannot be rolled over. The legislative onslaught against the Eurodollar / offshore wholesale markets is well known. The problems caused here is made worse by the fact that 80% of world central banks are in a tightening mode: of the major central banks, only China is easing monetary policy. Money is simply too tight, so we think the base case must be a major policy easing in 2019. China appears to have begun, and reading from the price action of gold and gold miners, Mr. Market is telling us that the Fed should be next. Nevertheless, liquidity is a leading indicator, typically leading stocks by 9-12 months. So, whereas there may well be a newsdriven rally, perhaps caused by a US/China deal, we don't think it is time to take excessive equity market risk

### **Sector Healthcare Value Fund**

2018 was a challenging year where investors have gone from displaying a genuine worry of missing out to being engulfed by fear, uncertainty and doubt. Post the February selloff, the healthcare sector rallied until the end of September hitting record highs in the process, before being caught up in the fourth quarter volatile risk off environment. However, the healthcare sector still managed to end the year up 2.5% unlike the broader market which declined 8.7% (MSCI World Gross Total Return USD Index). It was also the best performing defensive sector. From a regional perspective the US was the strongest performer with Japan being the weakest. Mid-caps suffered, especially during the fourth quarter following a significant switch out of growth and into large-cap value/ defensives. Although negative macro headlines have dominated recently, there were many positive developments for the sector during 2018. These included a record number of biotech IPO's coming to the market as well as 59 new molecular entities being approved. The M&A environment was also reasonably active although, bar healthcare services, most were smaller deals.

The Sector Healthcare Value Fund ended up 5%, which was 2.5% ahead of the global healthcare index, marking the 7th year of relative outperformance since the fund was launched in November 2010. On a single stock basis, the best performing were Boston Scientific, Merck Inc and Abbott Labs. Our largest losses came from Perrigo and Clovis.

With the bull market flirting with its demise recently, 2019 could be another challenging year for pure beta. However, in terms of healthcare sector as a whole and our strategy in particular, we do not see any material change to our generally positive opportunity set heading into the new year. From a thematic stand point, the headwinds are very much unknown for the sector, particularly the political climate in the US and continued price pressure across the board. As the US gears up to the presidential elections in 2020, healthcare is likely to face more political scrutiny and further negative headlines. The biologic patent cliff is also coming closer with the switch over to generic biologics continuing to be an underappreciated risk factor in our view, particularly in the US.

Innovation as the main long-term value driver for the sector remains intact. 2018 was a record year for new molecular entity approvals since records began in 1940. With over 28,000 clinical trials currently ongoing globally, medical device pipelines starting to mature and an FDA focused on clearing its approval backlog, the backdrop is certainly positive for this trend to continue going forward. The recent market selloff may help to spur more M&A activity. We may also see more vertical integrations as well as the possibility of further cross boarder consolidation, such as Takeda's purchase of Shire. The disruption theme will also play a key role going forward, not only in terms of new entrants into the healthcare arena such as Amazon in services and Bose within hearing aid segment, but also the introduction of new technology that help change the way patients are treated.

Finally, interest rates. The healthcare sector as a whole tends to underperform in a rising interest rate environment. As such, it is important to be mindful of credit spreads and balance sheets going forward.

## 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 2018 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014

The financial statements we have audited comprise:

- the 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").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended) ("the applicable Regulations").

#### Basis for opinion

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish 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

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> <li>• Valuation of Investments</li> <li>• Existence of Investments</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was 1% of average net assets calculated in respect of each Sub Fund.
<b>Scoping</b>	The scope of our key audit matters have been described below.
<b>Significant changes in our approach</b>	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.

## 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
<p><b>Valuation of investments</b></p> <p>For the financial year end 31 December 2018, the investments of the Company amount to USD 374m making up 96% of net assets of €388m. 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.</p> <p>There is a risk that investments traded on an exchange or a secondary market may not be valued correctly in accordance with FRS 102.</p> <p>Refer also to note 7 in the financial statements.</p>	<ul style="list-style-type: none"> <li>• We obtained an understanding and assessed the design of the key controls that have been implemented over the valuation process for investments.</li> <li>• 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.</li> <li>• We considered if the Company's valuation policy for investments is in line with FRS 102.</li> <li>• 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.</li> </ul>



## 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.

## 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.

## **Responsibilities of directors**

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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**

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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.



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

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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.

### Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 5 to 7 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.  
Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation [6(2)/6(3) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

## Matters on which we are required to report by exception

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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.

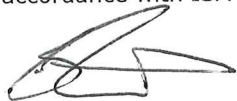
## Other matters which we are required to address

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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 8 years, covering the years ending 31 December 2011 to 31 December 2018.

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

Date: 27/3/2019



**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**BALANCE SHEET**

*As at 31 December 2018*


	Note	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
<b>Current Assets</b>				
Investments in financial assets held at fair value through profit or loss		265,585,996	108,094,325	—
Cash at bank and brokers	6	26,492,678	6,017,564	25,260
Interest receivable		532	—	—
Dividends receivable		342,967	168,839	—
Other assets		139,073	3,570	74,934
<b>Total Assets</b>		<b>292,561,246</b>	<b>114,284,298</b>	<b>100,194</b>
<b>Current Liabilities</b>				
Investments in financial liabilities held at fair value through profit or loss		5,054,464	1,446,115	—
Payable for securities purchased		8,251,409	—	—
Subscriptions received in advance		1,244,720	43,907	—
Payable to investment manager	9	227,319	115,252	—
Incentive fee/performance fee	10	—	460,568	—
Administration fee	11	69,402	47,919	—
Directors' fees and expenses	12	3,499	1,586	204
Auditors' fee	13	9,486	10,583	23,787
Depository/Custodian fee	11	21,919	9,617	—
Legal fee		20,475	10,404	—
Interest payable		767	—	—
Equalisation credit payable	10	—	1,509,951	—
Other creditors		2,723	3,610	76,203
<b>Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>		<b>14,906,183</b>	<b>3,659,512</b>	<b>100,194</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	20	<b>277,655,063</b>	<b>110,624,786</b>	<b>—</b>

Effective 27 April 2018, Sector Sigma Nordic Fund ceased trading.

Trient Dynamic Multi-Asset Fund commenced operations on 23 April 2018 and ceased trading on 26 October 2018.

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the Balance Sheet exchange rate of 0.1155.

On behalf of the Board of Directors

  
Michael Boyce, Director

  
Conor Walsh, Director

Date: 27 March 2019

**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**BALANCE SHEET (Continued)**

*As at 31 December 2018*

	Note	Trient Dynamic Multi-Asset Fund NOK	Sector Capital Funds Plc USD
<b>Current Assets</b>			
Investments in financial assets held at fair value through profit or loss		–	373,680,321
Cash at bank and brokers	6	301,714	32,548,007
Interest receivable		–	532
Dividends receivable		–	511,806
Other assets		48,107	156,855
<b>Total Assets</b>		<u>349,820</u>	<u>406,897,521</u>
<b>Current Liabilities</b>			
Investments in financial liabilities held at fair value through profit or loss		–	6,500,579
Payable for securities purchased		–	8,251,409
Subscriptions received in advance		–	1,288,627
Payable to investment manager	9	20,067	344,889
Incentive fee/performance fee	10	–	460,568
Administration fee	11	15,944	119,163
Directors' fees and expenses	12	–	5,109
Auditors' fee	13	–	22,816
Depository/Custodian fee	11	313,809	67,781
Legal fee		–	30,879
Interest payable		–	767
Equalisation credit payable	10	–	1,509,951
Other creditors		–	15,134
<b>Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>		<u>349,820</u>	<u>18,617,672</u>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	20	<u>–</u>	<u><b>388,279,849</b></u>

Effective 27 April 2018, Sector Sigma Nordic Fund ceased trading.

Trient Dynamic Multi-Asset Fund commenced operations on 23 April 2018 and ceased trading on 26 October 2018.

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the Balance Sheet exchange rate of 0.1155.

**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**BALANCE SHEET (Continued)**

*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
<b>Current Assets</b>					
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
<b>Total Assets</b>		<b>304,278,181</b>	<b>98,319,003</b>	<b>259,084,522</b>	<b>434,283,221</b>
<b>Current Liabilities</b>					
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/performance 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/Custodian fee	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	10	–	1,361,887	–	1,361,887
Other creditors		22,643	11,505	175,429	55,603
<b>Total Liabilities (excluding net assets attributable to holders of Redeemable Participating Shares)</b>		<b>2,540,700</b>	<b>5,166,278</b>	<b>3,330,694</b>	<b>8,114,322</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	20	<b>301,737,481</b>	<b>93,152,725</b>	<b>255,753,828</b>	<b>426,168,899</b>

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

**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**PROFIT AND LOSS ACCOUNT**

*For the financial year ended 31 December 2018*

	Note	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
<b>Income</b>				
Dividend income		7,097,163	1,833,621	1,650,131
Interest income		126,460	31,184	39,289
Other income		19,117	18,239	5,012,983
		<u>7,242,740</u>	<u>1,883,044</u>	<u>6,702,403</u>
Net realised gain/(loss) on:				
- investments		(3,813,199)	14,071,297	10,625,114
- foreign currency		(12,355,177)	(4,647,487)	2,634,987
Net change in unrealised appreciation/(depreciation) on:				
- investments		(29,013,980)	(8,308,530)	(11,810,386)
- foreign currency		(6,281,004)	(2,038,402)	(2,774,849)
<b>Net investment (loss)/gain</b>		<b>(44,220,620)</b>	<b>959,922</b>	<b>5,377,269</b>
<b>Expenses</b>				
Management fee	9	(1,593,916)	(1,260,786)	(567,270)
Incentive fee/performance fee	10	–	(207,069)	–
Administration fee	11	(327,755)	(208,285)	(326,462)
Depository/Custodian fee	11	(140,616)	(54,985)	(75,926)
Directors' fees and expenses	12	(14,784)	(5,043)	–
Auditors' fee	13	(10,126)	(10,125)	(59,657)
Dividend expense		–	–	(438,081)
Legal fee		(59,824)	(39,881)	–
Listing fee		(4,997)	(4,556)	(6,005)
Trading and research fees		(315,884)	(46,853)	(205,953)
Other expenses		(68,773)	(45,268)	(73,182)
Total expenses before waivers		<u>(2,536,675)</u>	<u>(1,882,851)</u>	<u>(1,752,536)</u>
Expense waiver from Investment Manager	9	–	–	–
<b>Net expenses after waivers</b>		<b>(2,536,675)</b>	<b>(1,882,851)</b>	<b>(1,752,536)</b>
<b>Net (loss)/gain before finance costs</b>		<b>(46,757,295)</b>	<b>(922,929)</b>	<b>3,624,733</b>
<b>Finance costs</b>				
Interest expense		(139,731)	(2,142)	(116,001)
<b>Total finance costs</b>		<b>(139,731)</b>	<b>(2,142)</b>	<b>(116,001)</b>
<b>Taxation</b>				
Withholding tax and other taxation		(1,222,274)	(319,795)	(465,560)
<b>Net (decrease)/increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>		<b>(48,119,300)</b>	<b>(1,244,866)</b>	<b>3,043,172</b>

There are no recognised gains or losses for the year other than those set out in the Profit and Loss Account. All activities relate to continuing operations except for Sector Sigma Nordic Fund which ceased trading on 27 April 2018 and Trient Dynamic Multi-Asset Fund which ceased trading on 26 October 2018.

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the average exchange rate of 0.1229.

**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**PROFIT AND LOSS ACCOUNT (Continued)**

*For the financial year ended 31 December 2018*

	Note	Trient Dynamic Multi-Asset Fund NOK	Sector Capital Funds Plc USD
<b>Income</b>			
Dividend income		3,937,594	9,617,515
Interest income		9,702,415	1,354,900
Other income		841,232	756,839
		<u>14,481,241</u>	<u>11,729,254</u>
Net realised gain/(loss) on:			
- investments		(39,681,380)	6,687,083
- foreign currency		12,374,135	(15,158,043)
Net change in unrealised appreciation/(depreciation) on:			
- investments		–	(38,774,006)
- foreign currency		40	(8,660,430)
<b>Net investment loss</b>		<u><b>(12,825,964)</b></u>	<u><b>(44,176,142)</b></u>
<b>Expenses</b>			
Management fee	9	(3,565,061)	(3,362,565)
Incentive fee/performance fee	10	–	(207,069)
Administration fee	11	(817,580)	(676,643)
Depository/Custodian fee	11	(391,674)	(253,069)
Directors' fees and expenses	12	(12,226)	(21,330)
Auditors' fee	13	(29,241)	(31,177)
Commission fee		(148,791)	(18,286)
Dividend expense		–	(53,840)
Legal fee		(273,005)	(133,257)
Listing fee		–	(10,291)
Stocklending charges		(312)	(38)
Trading and research fees		–	(388,049)
Other expenses		(215,587)	(149,531)
Total expenses before waivers		<u>(5,453,477)</u>	<u>(5,305,145)</u>
Expense waiver from Investment Manager	9	243,891	29,974
<b>Net expenses after waivers</b>		<u><b>(5,209,586)</b></u>	<u><b>(5,275,171)</b></u>
<b>Net (loss) before finance costs</b>		<u><b>(18,035,550)</b></u>	<u><b>(49,451,313)</b></u>
<b>Finance costs</b>			
Interest expense		(221,594)	(183,364)
<b>Total finance costs</b>		<u><b>(221,594)</b></u>	<u><b>(183,364)</b></u>
<b>Taxation</b>			
Withholding tax and other taxation		(676,903)	(1,682,478)
<b>Net decrease in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>		<u><b>(18,934,047)</b></u>	<u><b>(51,317,155)</b></u>

There are no recognised gains or losses for the year other than those set out in the Profit and Loss Account. All activities relate to continuing operations except for Sector Sigma Nordic Fund which ceased trading on 27 April 2018 and Trient Dynamic Multi-Asset Fund which ceased trading on 26 October 2018.

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the average exchange rate of 0.1229.

**SECTOR CAPITAL FUNDS PLC**  
**Annual Report and Audited Financial Statements**  
**For the financial year ended 31 December 2018**

**PROFIT AND LOSS ACCOUNT (Continued)**

*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
<b>Income</b>					
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
		<b>6,581,054</b>	<b>1,363,961</b>	<b>10,016,805</b>	<b>9,157,048</b>
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
<b>Net investment gain/(loss)</b>		<b>48,596,937</b>	<b>16,599,251</b>	<b>(16,506,370)</b>	<b>63,198,917</b>
<b>Expenses</b>					
Management fee	9	(764,723)	(916,445)	(4,212,367)	(2,190,864)
Incentive fee/performance fee	10	–	(103,547)	(16,400)	(105,531)
Administration fee	11	(315,720)	(225,958)	(1,696,355)	(746,937)
Depository/Custodian 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		–	–	(2,309,236)	(279,418)
Legal fee		(60,304)	(43,193)	(353,174)	(146,231)
Listing fee		(5,494)	(3,442)	(10,870)	(10,251)
Trading and research fees		(58,254)	(23,782)	(626,232)	(157,810)
Other expenses		(43,399)	(17,239)	(341,832)	(102,000)
Total expenses before waivers		(1,411,854)	(1,388,686)	(10,035,116)	(4,014,789)
Expense waiver from Investment Manager	9	177,897	–	–	177,897
<b>Net expenses after waivers</b>		<b>(1,233,957)</b>	<b>(1,388,686)</b>	<b>(10,035,116)</b>	<b>(3,836,892)</b>
<b>Net gain/(loss) before finance costs</b>		<b>47,362,980</b>	<b>15,210,565</b>	<b>(26,541,486)</b>	<b>59,362,025</b>
<b>Finance costs</b>					
Interest expense		(9,080)	(1,062)	(811,349)	(108,315)
<b>Total finance costs</b>		<b>(9,080)</b>	<b>(1,062)</b>	<b>(811,349)</b>	<b>(108,315)</b>
<b>Taxation</b>					
Withholding tax and other taxation		(978,280)	(178,785)	(2,608,133)	(1,472,649)
<b>Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>		<b>46,375,620</b>	<b>15,030,718</b>	<b>(29,960,968)</b>	<b>57,781,061</b>

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

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

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

*For the financial year ended 31 December 2018*

	Sector Global Equity Kernel USD	Sector Healthcare Value Fund USD	Sector Sigma Nordic Fund NOK
<b>Net Assets attributable to holders of Redeemable Participating Shares at beginning of the financial year</b>	<b>301,737,481</b>	<b>93,152,725</b>	<b>255,753,828</b>
<b>Capital transactions:</b>			
Issue of Redeemable Participating Shares	175,137,006	47,626,302	–
Redemption of Redeemable Participating Shares	(151,100,124)	(28,254,827)	(258,797,000)
Equalisation applied	–	(654,548)	–
<b>Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares</b>	<b>24,036,882</b>	<b>18,716,927</b>	<b>(258,797,000)</b>
Currency adjustment	–	–	–
<b>Net (decrease)/increase in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>(48,119,300)</b>	<b>(1,244,866)</b>	<b>3,043,172</b>
<b>Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year</b>	<b>277,655,063</b>	<b>110,624,786</b>	<b>–</b>

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the average exchange rate of 0.1229.

Effective 27 April 2018, Sector Sigma Nordic Fund ceased trading.

Trient Dynamic Multi-Asset Fund commenced operations on 23 April 2018 and ceased trading on 26 October 2018.

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

*For the financial year ended 31 December 2018*

	Trient Dynamic Multi-Asset Fund NOK	Sector Capital Funds Plc USD
<b>Net Assets attributable to holders of Redeemable Participating Shares at beginning of the financial year</b>	–	<b>426,168,899</b>
<b>Capital transactions:</b>		
Issue of Redeemable Participating Shares	1,222,325,154	372,987,069
Redemption of Redeemable Participating Shares	(1,203,391,107)	(359,057,869)
Equalisation applied	–	(654,548)
<b>Net increase in net assets resulting from capital transactions of Redeemable Participating Shares</b>	<b>18,934,047</b>	<b>13,274,652</b>
Currency adjustment	–	153,453
<b>Net decrease in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>(18,934,047)</b>	<b>(51,317,155)</b>
<b>Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year</b>	–	<b>388,279,849</b>

Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund are translated in the Company total column at the average exchange rate of 0.1229.

Effective 27 April 2018, Sector Sigma Nordic Fund ceased trading.

Trient Dynamic Multi-Asset Fund commenced operations on 23 April 2018 and ceased trading on 26 October 2018.



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

*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
<b>Net Assets attributable to holders of Redeemable Participating Shares at beginning of the financial year</b>	<b>179,520,177</b>	<b>60,850,518</b>	<b>498,324,221</b>	<b>298,263,511</b>
<b>Capital transactions:</b>				
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)
<b>Net increase/(decrease) in net assets resulting from capital transactions of Redeemable Participating Shares</b>	<b>75,841,684</b>	<b>17,271,489</b>	<b>(212,609,425)</b>	<b>67,387,433</b>
Currency adjustment	–	–	–	2,736,894
<b>Net increase/(decrease) in net assets attributable to holders of Redeemable Participating Shares resulting from operations</b>	<b>46,375,620</b>	<b>15,030,718</b>	<b>(29,960,968)</b>	<b>57,781,061</b>
<b>Net Assets attributable to holders of Redeemable Participating Shares at end of the financial year</b>	<b>301,737,481</b>	<b>93,152,725</b>	<b>255,753,828</b>	<b>426,168,899</b>

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

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**SCHEDULE OF INVESTMENTS**

*As at 31 December 2018*

**Sector Global Equity Kernel**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Assets at Fair Value through profit or loss</u></b>			
<b><u>Equities</u></b>			
<u>Australia</u>			
Evolution Mining Ltd.	1,102,500	1.03%	2,864,031
Northern Star Resources Ltd.	654,700	1.54%	4,258,797
Regis Resources Ltd.	850,000	1.04%	2,890,272
Wesfarmers Ltd.	121,300	0.99%	2,751,433
Total Australia		4.60%	12,764,533
<u>Brazil</u>			
Brasil, Bolsa, Balcão, B3 S.A.	403,700	1.00%	2,792,543
Iguatemi Empresa de Shopping Centers S.A.	276,500	1.07%	2,967,787
Total Brazil		2.07%	5,760,330
<u>Canada</u>			
B2Gold Corp.	1,044,000	1.10%	3,049,905
Cameco Corp.	283,700	1.16%	3,215,461
Kirkland Lake Gold Ltd.	181,400	1.70%	4,728,247
Rogers Communications, Inc.	52,600	0.97%	2,694,315
Wheaton Precious Metals Corp.	140,600	0.99%	2,745,918
Total Canada		5.92%	16,433,846
<u>Cayman Islands</u>			
Longfor Properties Co. Ltd.	998,000	1.07%	2,982,777
Zhen Ding Technology Holding Ltd.	1,073,000	1.01%	2,799,707
Total Cayman Islands		2.08%	5,782,484
<u>China</u>			
China Communications Services Corp. Ltd.	3,244,000	0.97%	2,684,913
China Mobile Ltd.	330,500	1.14%	3,180,746
Shenzhen International Group Holdings Ltd.	230,000	0.94%	2,607,177
Total China		3.05%	8,472,836
<u>Finland</u>			
Nokia Oyj	483,100	1.00%	2,777,847
Total Finland		1.00%	2,777,847
<u>France</u>			
Sanofi	39,400	1.23%	3,407,735
Total France		1.23%	3,407,735
<u>Hong Kong</u>			
Hong Kong & China Gas Co. Ltd.	1,382,000	1.03%	2,859,548
Lenovo Group Ltd.	3,734,000	0.91%	2,522,924
Total Hong Kong		1.94%	5,382,472
<u>Japan</u>			
Ain Pharmaciez, Inc.	36,800	0.95%	2,639,712
Hoya Corp.	45,100	0.98%	2,719,195
Japan Airlines Co. Ltd.	80,000	1.02%	2,837,169
Medipal Holdings Corp.	126,600	0.98%	2,717,431
NKSJ Holdings, Inc.	70,800	0.87%	2,408,291
Sawai Pharmaceutical Co. Ltd.	56,000	0.96%	2,669,462
Tokio Marine Holdings, Inc.	63,700	1.09%	3,039,996
Total Japan		6.85%	19,031,256
<u>Jersey</u>			
Shire Plc. ADR	17,400	1.09%	3,028,296
Total Jersey		1.09%	3,028,296
<u>South Africa</u>			
AngloGold Ashanti Ltd.	280,900	1.27%	3,525,295

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**SCHEDULE OF INVESTMENTS (Continued)**

*As at 31 December 2018*

**Sector Global Equity Kernel (Continued)**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Assets at Fair Value through profit or loss</u></b>			
<b><u>(continued)</u></b>			
<b><u>Equities (continued)</u></b>			
<b><u>South Africa (continued)</u></b>			
Total South Africa		1.27%	3,525,295
<b><u>South Korea</u></b>			
Fila Korea Ltd.	55,900	0.97%	2,680,274
KT Corp.	190,300	0.97%	2,706,066
Total South Korea		1.94%	5,386,340
<b><u>Spain</u></b>			
Repsol YPF S.A.	151,827	0.88%	2,443,739
Total Spain		0.88%	2,443,739
<b><u>Sweden</u></b>			
Telefonaktiebolaget LM Ericsson	318,400	1.01%	2,798,347
Total Sweden		1.01%	2,798,347
<b><u>Switzerland</u></b>			
Givaudan S.A.	1,100	0.92%	2,539,663
Roche Holding AG	13,300	1.18%	3,283,851
Swiss Life Holding AG	7,300	1.01%	2,803,591
Total Switzerland		3.11%	8,627,105
<b><u>Taiwan</u></b>			
Ruentex Industries Ltd.	883,200	0.81%	2,258,500
Total Taiwan		0.81%	2,258,500
<b><u>Turkey</u></b>			
Koza Altin Isletmeleri A.S.	297,200	1.03%	2,865,911
Total Turkey		1.03%	2,865,911
<b><u>United Kingdom</u></b>			
Anglo American Plc	123,200	0.99%	2,742,430
BHP Billiton Ltd.	116,700	1.01%	2,812,227
BP Plc	65,677	0.90%	2,490,472
British Telecommunications Plc	836,400	0.91%	2,536,334
Randgold Resources Ltd.	33,500	1.01%	2,792,890
Royal Dutch Shell Plc	85,540	0.90%	2,508,675
Smith & Nephew Plc	150,000	1.01%	2,796,826
Total United Kingdom		6.73%	18,679,854
<b><u>United States</u></b>			
Aflac Inc.	65,200	1.07%	2,970,512
Anthem, Inc.	13,000	1.23%	3,414,190
Arthur J. Gallagher & Co.	41,100	1.09%	3,029,070
Atmosphere Energy Corp.	32,800	1.10%	3,041,216
CDW Corp.	40,600	1.18%	3,290,630
CenterPoint Energy, Inc.	112,900	1.15%	3,187,167
Chevron Corp.	24,600	0.96%	2,676,234
Ciena Corp.	84,000	1.03%	2,848,440
Cigna Corp.	14,600	1.00%	2,772,832
Citrix Systems, Inc.	33,600	1.24%	3,442,656
Coca-Cola European Partners Plc	61,700	1.02%	2,828,945
Deckers Outdoor Corp.	33,400	1.54%	4,273,530
Dollar General Corp.	32,800	1.28%	3,545,024
Eli Lilly & Co.	24,700	1.03%	2,858,284
Entergy Corp.	37,700	1.17%	3,244,839
Equity Lifestyle Properties, Inc.	29,700	1.04%	2,884,761
Euronet Worldwide, Inc.	30,300	1.12%	3,102,114
Exelon Corp.	68,100	1.11%	3,071,310
Henry Schein, Inc.	33,800	0.96%	2,653,976
Hospitality Properties Trust	104,000	0.89%	2,483,520
Intercontinental Exchange, Inc.	34,700	0.94%	2,613,951

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**SCHEDULE OF INVESTMENTS (Continued)**

*As at 31 December 2018*

**Sector Global Equity Kernel (Continued)**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Assets at Fair Value through profit or loss</u></b>			
<b><u>(continued)</u></b>			
<b><u>Equities (continued)</u></b>			
<b><u>United States (continued)</u></b>			
Microsoft Corp.	26,000	0.95%	2,640,820
National Fuel Gas Co.	53,100	0.98%	2,717,658
National Health Investors, Inc.	38,600	1.05%	2,915,844
New Jersey Resources Corp.	78,100	1.28%	3,566,827
Nexstar Broadcasting Group, Inc.	35,300	1.00%	2,775,992
NextEra Energy, Inc.	15,700	0.98%	2,728,974
ONE Gas, Inc.	41,600	1.19%	3,311,360
PPL Corp.	92,200	0.94%	2,612,026
Public Service Enterprise Group, Inc.	62,200	1.17%	3,237,510
Republic Services, Inc.	36,600	0.95%	2,638,494
ResMed, Inc.	24,600	1.01%	2,801,202
Sprouts Farmers Market, Inc.	124,300	1.05%	2,922,293
The Hershey Co.	25,900	1.00%	2,775,962
The Walt Disney Co.	29,800	1.18%	3,267,570
Thermo Fisher Scientific, Inc.	15,500	1.25%	3,468,745
UnitedHealth Group, Inc.	12,300	1.10%	3,064,176
Verizon Communications, Inc.	50,100	1.01%	2,816,622
Visa, Inc.	22,800	1.08%	3,008,232
Walgreens Boots Alliance, Inc.	47,400	1.17%	3,238,842
Zebra Technologies Corp.	17,800	1.02%	2,834,294
Total United States		44.51%	123,576,644
<b>Total Equities</b>		<b>91.12%</b>	<b>253,003,370</b>
<b><u>Contracts-for-Difference</u></b>			
<b><u>China</u></b>			
Zhongjin Gold Corp.	2,585,272	0.11%	302,711
<b>Total Contracts-for-Difference</b>		<b>0.11%</b>	<b>302,711</b>
<b><u>Real Estate Investment Trust</u></b>			
Apartment Investment & Management Co.	63,900	1.01%	2,803,932
Blackstone Mortgage Trust, Inc.	65,900	0.76%	2,099,574
Simon Property Group, Inc.	16,900	1.02%	2,839,031
Welltower, Inc.	42,300	1.06%	2,936,043
<b>Total Real Estate Investment Trust</b>		<b>3.85%</b>	<b>10,678,580</b>
<b><u>Right</u></b>			
<b><u>Spain</u></b>			
Repsol S.A.	151,827	0.02%	69,424
<b>Total Right</b>		<b>0.02%</b>	<b>69,424</b>
Net unrealised gain on forward foreign currency contracts (Note 7)		0.53%	1,531,911
<b>Total Financial Assets at Fair Value through profit or loss</b>		<b>95.63%</b>	<b>265,585,996</b>
<b><u>Financial Liabilities at Fair Value through profit or loss</u></b>			
<b><u>Contracts-for-Difference</u></b>			
<b><u>China</u></b>			
China Railway Construction	1,576,500	(0.08)%	(232,798)
CRRC Corp. Ltd	1,986,000	(0.06)%	(155,946)
Total China		(0.14)%	(388,744)
<b>Total Contracts-for-Difference</b>		<b>(0.14)%</b>	<b>(388,744)</b>
Net unrealised loss on forward foreign currency contracts (Note 7)		(1.66)%	(4,665,720)

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**SCHEDULE OF INVESTMENTS (Continued)**

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**Sector Global Equity Kernel (Continued)**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Liabilities at Fair Value through profit or loss (continued)</u></b>			
Contracts-for-Difference (continued)			
Total Financial Liabilities at Fair Value through profit or loss		<b>(1.80)%</b>	<b>(5,054,464)</b>
<b>Total Investments at Fair Value</b>		<b>93.83%</b>	<b>260,531,532</b>
Cash at bank and brokers		9.54%	26,492,678
Liabilities in excess of other assets		(3.37)%	(9,369,147)
<b>Total Net Assets</b>		<b>100.00%</b>	<b>277,655,063</b>

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

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

<b>Analysis of Total Assets</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official exchange listing	
or traded on a regulated market	90.26%
Financial derivative instruments	0.52%
Other assets	9.22%
<b>Total Assets</b>	<b>100.00%</b>

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**SCHEDULE OF INVESTMENTS (Continued)**

*As at 31 December 2018*

**Sector Healthcare Value Fund**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Assets at Fair Value through profit or loss</u></b>			
<b><u>Equities</u></b>			
<u>France</u>			
Sanofi	76,222	5.96%	6,592,496
Total France		5.96%	6,592,496
<u>Germany</u>			
Bayer AG	26,517	1.66%	1,835,750
Merck KGaA	23,890	2.22%	2,457,340
Total Germany		3.88%	4,293,090
<u>Hungary</u>			
Richter Gedeon Nyrt	18,400	0.32%	356,030
Total Hungary		0.32%	356,030
<u>India</u>			
Dr Reddy's Laboratories Ltd.	21,287	0.73%	802,520
Total India		0.73%	802,520
<u>Ireland</u>			
Allergan Plc	7,493	0.91%	1,001,514
Perrigo Co. Plc	42,105	1.47%	1,631,569
Total Ireland		2.38%	2,633,083
<u>Japan</u>			
Olympus Corp.	40,780	1.13%	1,254,455
Ono Pharmaceutical Co. Ltd.	65,220	1.21%	1,334,538
Otsuka Holdings Co. Ltd.	79,832	2.95%	3,269,245
Takeda Pharmaceutical Co. Ltd.	55,300	1.69%	1,867,443
Total Japan		6.98%	7,725,681
<u>Jersey</u>			
Shire Plc	13,418	2.11%	2,335,269
Total Jersey		2.11%	2,335,269
<u>Netherlands</u>			
Koninklijke Philips NV	100,454	3.21%	3,551,815
QIAGEN NV	37,848	1.18%	1,303,864
Total Netherlands		4.39%	4,855,679
<u>Sweden</u>			
Getinge AB	204,968	1.67%	1,847,194
Total Sweden		1.67%	1,847,194
<u>Switzerland</u>			
Roche Holding AG	13,756	3.07%	3,396,440
Total Switzerland		3.07%	3,396,440
<u>United Kingdom</u>			
GlaxoSmithKline Plc	408,117	7.01%	7,750,927
Smith & Nephew Plc	192,860	3.25%	3,595,972
Total United Kingdom		10.26%	11,346,899
<u>United States</u>			
Abbott Laboratories	91,200	5.96%	6,596,496
Agilent Technologies, Inc.	32,300	1.97%	2,178,958
Alnylam Pharmaceuticals, Inc.	9,358	0.62%	682,292
Anthem, Inc.	10,185	2.42%	2,674,887
Array Biopharma, Inc.	42,154	0.54%	600,694
Baxter International, Inc.	56,396	3.36%	3,711,985
Biogen, Inc.	3,868	1.05%	1,163,959
Bio-Rad Laboratories, Inc.	10,439	2.19%	2,424,145
Boston Scientific Corp.	134,300	4.29%	4,746,162
Bristol-Myers Squibb Co.	115,773	5.44%	6,017,880
Cardinal Health, Inc.	25,067	1.01%	1,117,988

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**SCHEDULE OF INVESTMENTS (Continued)**

*As at 31 December 2018*

**Sector Healthcare Value Fund (Continued)**

<i>Investment</i>	<i>Units/Contracts</i>	<i>Fair Value as a % of Net Assets</i>	<i>Fair Value USD</i>
<b><u>Financial Assets at Fair Value through profit or loss</u></b>			
<b><u>(continued)</u></b>			
<b><u>Equities (continued)</u></b>			
<b><u>United States (continued)</u></b>			
Celgene Corp.	35,966	2.08%	2,305,061
Clovis Oncology, Inc.	39,578	0.64%	710,821
CVS Caremark Corp.	44,596	2.64%	2,921,930
Gilead Sciences, Inc.	44,353	2.51%	2,774,280
Incyte Corp. Ltd.	41,146	2.36%	2,616,474
Ionis Pharmaceuticals, Inc.	44,972	2.20%	2,431,186
Lexicon Pharmaceuticals, Inc.	79,392	0.48%	527,163
McKesson Corp.	15,397	1.54%	1,700,907
Merck & Co., Inc.	53,537	3.70%	4,090,762
NuVasive, Inc.	49,797	2.23%	2,467,939
Patterson Cos., Inc.	51,000	0.91%	1,002,660
PerkinElmer, Inc.	41,200	2.92%	3,236,260
Portola Pharmaceuticals, Inc.	32,816	0.58%	640,568
Sangamo Biosciences, Inc.	24,265	0.25%	278,562
Tenet Healthcare Corp.	33,342	0.52%	571,482
Ultragenyx Pharmaceutical, Inc.	8,000	0.31%	347,840
Universal Health Services, Inc.	7,647	0.81%	891,334
Total United States		55.53%	61,430,675
<b>Total Equities</b>		<b>97.28%</b>	<b>107,615,056</b>
Net unrealised gain on forward foreign currency contracts (Note 7)		0.43%	479,269
<b>Total Financial Assets at Fair Value through profit or loss</b>		<b>97.71%</b>	<b>108,094,325</b>
<b><u>Financial Liabilities at Fair Value through profit or loss</u></b>			
Net unrealised loss on forward foreign currency contracts (Note 7)		(1.30)%	(1,446,115)
<b>Total Financial Liabilities at Fair Value through profit or loss</b>		<b>(1.30)%</b>	<b>(1,446,115)</b>
<b>Total Investments at Fair Value</b>		<b>96.41%</b>	<b>106,648,210</b>
Cash at bank and brokers		5.44%	6,017,564
Liabilities in excess of other assets		(1.85)%	(2,040,988)
<b>Total Net Assets</b>		<b>100.00%</b>	<b>110,624,786</b>

**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**

<b>Analysis of Total Assets</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official exchange listing or traded on a regulated market	94.16%
Financial derivative instruments	0.42%
Other assets	5.42%
<b>Total Assets</b>	<b>100.00%</b>

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## **NOTES TO THE FINANCIAL STATEMENTS**

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

Sector Capital Funds plc (the “Company”) was incorporated and registered in Ireland with registered number 489443 and is governed by the Companies Acts 2014 as an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds on 27 September 2010. The Company is authorised by the Central Bank of Ireland pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the “Regulations”).

As at 31 December 2018, Company has four funds in existence (31 December 2017: four), Sector Global Equity Kernel, Sector Healthcare Value Fund, Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund (the “Funds”).

Sector Healthcare Value Fund commenced trading on 17 November 2010. The base currency of Sector Healthcare Value Fund is United States Dollars (“USD”). As at 31 December 2018, ten classes are subscribed to in the Fund (31 December 2017: ten), 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.

Sector Global Equity Kernel commenced trading on 19 March 2014. The base currency of Sector Global Equity Kernel is USD. As at 31 December 2018, seven classes are subscribed to in the Fund (31 December 2017: five), Class P USD Shares, Class O NOK Shares, Class L NOK Shares, Class P NOK, Class P NOK Unhedged, Class A USD Shares and Class A NOK Shares were listed on the Irish Stock Exchange on 27 March 2014.

Sector Sigma Nordic Fund commenced trading on 25 June 2012 and ceased trading effective 27 April 2018. The base currency of Sector Sigma Nordic Fund is Norwegian Krone (“NOK”). As at 31 December 2018, all share classes have been fully redeemed.

Trient Dynamic Multi-Asset Fund commenced trading on 23 April 2018 and ceased trading effective 26 October 2018. The base currency of Trient Dynamic Multi-Asset Fund is Norwegian Krone (“NOK”). As at 31 December 2018, all share classes have been fully redeemed.

### **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 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.

The investment objective of Sector Sigma Nordic Fund was to generate attractive risk adjusted return for its investors, primarily through investment in Norway, Sweden, Denmark, Finland and Iceland (the “Nordic Region”) with the aim of generating positive returns over time in rising as well as falling equity markets.

The investment objective of Trient Dynamic Multi-Asset Fund was to seek to achieve long-term capital appreciation consistent with the preservation of capital. The Fund did seek to achieve its objective primarily through investment in a diversified portfolio of equities and bonds, but also through exposure to collective investment schemes (“CIS”) with similar investment objectives and policies to the Fund, and cash and cash equivalents. There was no guarantee that the investment objective of the Fund would have been achieved.



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

### **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 FRS 102 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.

#### **(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.

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

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

#### **(d) Contracts-for-difference**

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

#### **(e) Foreign exchange translation**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The functional currency of 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 and Trient Dynamic Multi-Asset 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 2018, in accordance with FRS 102, a year end exchange rate of NOK/USD 0.1155 (31 December 2017: NOK/USD 0.1223) was used to translate the Balance Sheet of Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund in arriving at the total USD value for the Company in the financial statements.

At 31 December 2018, the Profit and Loss Account and Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares of Sector Sigma Nordic Fund and Trient Dynamic Multi-Asset Fund have been prepared using an average rate of exchange of NOK/USD 0.1229 (31 December 2017: NOK/USD 0.1210) 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 2018 was a gain of USD153,453 (31 December 2017: gain USD2,736,894).

#### **(f) Futures**

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

#### **(g) Offsetting financial instruments**

Financial assets and financial liabilities may be offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at 31 December 2018 and 31 December 2017, no offsetting has been presented in the Balance Sheet.

#### **(h) Income**

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

#### **(i) Expenses**

Operating expenses are accounted for on an accruals basis.

#### **(j) Net asset value per share**

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

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

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

#### **(k) Redeemable participating shares**

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

#### **(l) Amounts due from/to broker**

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

#### **(m) Taxation**

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

#### **(n) Transaction costs**

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense. For the financial year ended 31 December 2018 Sector Global Equity Kernel incurred transaction costs of USD1,141,591 (31 December 2017: USD587,596), Sector Healthcare Value Fund incurred transaction costs of USD67,839 (31 December 2017: USD65,473), Sector Sigma Nordic incurred transaction costs of NOK192,842 (31 December 2017: NOK2,139,689) and Trient Dynamic Multi-Asset Fund incurred transaction costs of NOK892,900 (31 December 2017: n/a).

#### **(o) Cash**

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

#### **(p) Anti-dilution levy**

During a period of continuous or significant net subscriptions or redemptions, an anti-dilution levy of up to 0.01% of the Net Asset Value of Trient Dynamic Multi-Asset Fund may be payable to the Fund at the discretion of the Directors to cover dealing costs and to preserve the value of the underlying assets of the Fund. Anti-dilution levy incurred during the period are presented in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares.

### **3. Dividend and Distribution Policy**

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

### **4. Taxation**

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

A chargeable event does not include:

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

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

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

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

**5. Exchange Rates**

The following exchange rates (against USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at 31 December 2018 and 31 December 2017:

<b>Currency</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Australian Dollar	1.4205	1.2784
Brazilian Real	3.8760	3.3167
British Pound	0.7852	0.7392
Canadian Dollar	1.3657	1.2530
Chinese Reminbi	6.8630	n/a
Danish Krone	6.5274	6.1996
Euro	0.8747	0.8328
Hong Kong Dollar	7.8309	7.8186
Hungarian Forint	277.7778	256.4103
Japanese Yen	109.8901	112.3596
Korean Won	1,110.9500	1,067.4000
Norwegian Krone	8.6580	8.1766
Singapore Dollar	1.3630	1.3364
Swedish Krona	8.8652	8.1900
Swiss Franc	0.9858	0.9745
Taiwan Dollar	30.7692	29.7619
Turkish Lira	5.3192	n/a

The following exchange rates (against NOK) were used to convert the investments and other assets and liabilities denominated in currencies other than NOK as at 31 December 2018 and 31 December 2017:

<b>Currency</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Australian Dollar	0.1641	n/a
British Pound	0.0907	0.0904
Canadian Dollar	0.1577	n/a
Danish Krone	0.7539	0.7580
Euro	0.1010	0.1018
Hong Kong Dollar	0.9045	n/a
Japanese Yen	12.6923	n/a
Swedish Krona	1.0239	1.0010
Swiss Franc	0.1139	n/a
US Dollar	0.1155	0.1223

An average exchange rate of 0.1229 was used to convert NOK to USD in the Income Statement (31 December 2017: 0.1210).

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

**6. Cash**

As at 31 December 2018 and 31 December 2017 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	Trient Dynamic Multi-Asset Fund NOK
<b>31 December 2018</b>				
BNY Mellon	24,257,009	6,017,564	25,260	301,714
Goldman Sachs	2,235,669	-	-	-
	<b>26,492,678</b>	<b>6,017,564</b>	<b>25,260</b>	<b>301,714</b>
<b>31 December 2017</b>				
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	
	<b>8,025,243</b>	<b>6,384,757</b>	<b>56,972,752</b>	

As at 31 December 2018, Sector Global Equity Kernel pledged USD2,250,000 as collateral with Goldman Sachs (31 December 2017: Nil). Any overdrafts noted above are temporary in nature as they relate to timing differences only.

**7. Financial Instruments and Associated Risks**

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

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

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

**(a) Market price risk**

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

**Value-at-Risk**

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

The main risk management tool for VaR calculations was Bloomberg. For all Funds, with the exception of Trient Dynamic Multi-Asset Fund, 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.

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

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

**(a) Market price risk (Continued)**

**For the financial year ended 31 December 2018**

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Global Equity Kernel	1.07%	98.0%	98.0%	0.75%	1.07%	0.90%

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Healthcare Value Fund	1.36%	97.3%	97.3%	0.94%	1.38%	1.09%

**For the financial year ended 31 December 2017**

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Global Equity Kernel	0.79%	97.5%	97.5%	0.77%	1.23%	0.93%

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Healthcare Value Fund	0.96%	96.2%	96.2%	0.96%	1.41%	1.17%

	<b>Period end VaR</b>	<b>Gross Exposure*</b>	<b>Net Exposure**</b>	<b>lowest VaR</b>	<b>highest VaR</b>	<b>average VaR</b>
Sector Sigma Nordic Fund	0.52%	112.1%	43.2%	0.25%	1.09%	0.64%

\* Exposure as % of NAV

\*\* Net open position as % of NAV

**Exposure**

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

**(b) Interest rate risk**

Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration. For the financial year ended 31 December 2018 and 31 December 2017 the Funds, have not invested in interest bearing assets, other than cash amounts. As at 31 December 2018 and 31 December 2017, the Funds do not have any significant fair value interest rate risk exposure.

Tables outlining the currency and interest exposure as at 31 December 2018 and 31 December 2017 are outlined in note 7(d).

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

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

**(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 2018 and 31 December 2017, 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 2018:

**Sector Global Equity Kernel**

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

**Sector Healthcare Value Fund**

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

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

**Sector Global Equity Kernel**

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

**Sector Healthcare Value Fund**

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

**Sector Sigma Nordic Fund**

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

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

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

**(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 2018 is as follows:

<b>Sector Global Equity Kernel</b>	<b>Cash at Bank and Brokers</b>	<b>Forward Currency Contracts</b>	<b>Investments in Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Liabilities</b>	<b>Net Other Assets/(Liabilities)</b>	<b>Total Net Asset Value</b>
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
AUD	(2,095)	186,732	—	15,576,760	—	—	15,761,397
BRL	—	—	—	5,760,330	—	18,321	5,778,651
CAD	12,589	136,303	—	13,687,928	—	28,250	13,865,070
CHF	5	—	—	8,627,105	—	—	8,627,110
CNY	—	(30,658)	—	302,711	(388,744)	—	(116,691)
DKK	127	—	—	—	—	—	127
EUR	99	(86,662)	—	11,207,420	—	—	11,120,857
GBP	2,838,112	—	—	10,868,480	—	(2,719,683)	10,986,909
HKD	3,178	15,402	—	16,838,085	—	—	16,856,665
JPY	35	(615,919)	—	19,031,256	—	—	18,415,372
KRW	(28)	—	—	2,680,274	—	1,954	2,682,200
NOK	9,749	(2,656,545)	—	—	—	(1,180,214)	(3,827,010)
SEK	6	—	—	2,798,347	—	35,208	2,833,561
SGD	431	—	—	—	—	—	431
TRY	2	(35,203)	—	2,865,911	—	—	2,830,710
TWD	169,616	(29,701)	—	5,058,207	—	—	5,198,122
USD	23,460,852	(17,558)	—	148,751,271	—	(5,552,983)	166,641,582
<b>Total</b>	<b>26,492,678</b>	<b>(3,133,809)</b>	<b>—</b>	<b>264,054,085</b>	<b>(388,744)</b>	<b>(9,369,147)</b>	<b>277,655,063</b>

<b>Sector Healthcare Value Fund</b>	<b>Cash at Bank and Brokers</b>	<b>Forward Currency Contracts</b>	<b>Investments in Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Liabilities</b>	<b>Net Other Assets/(Liabilities)</b>	<b>Total Net Asset Value</b>
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
CHF	845	—	—	3,396,440	—	—	3,397,285
DKK	257	—	—	—	—	—	257
EUR	11,958	14,030	—	14,437,401	—	—	14,463,389
GBP	3,857	—	—	11,346,899	—	45,220	11,395,976
HUF	278	—	—	356,030	—	—	356,308
JPY	50	—	—	7,725,681	—	30,810	7,756,541
NOK	41,005	(999,841)	—	—	—	—	(958,836)
SEK	3,033	18,965	—	1,847,194	—	31	1,869,223
USD	5,956,281	—	—	68,505,411	—	(2,117,049)	72,344,643
<b>Total</b>	<b>6,017,564</b>	<b>(966,846)</b>	<b>—</b>	<b>107,615,056</b>	<b>—</b>	<b>(2,040,988)</b>	<b>110,624,786</b>

<b>Sector Sigma Nordic Fund</b>	<b>Cash at Bank and Brokers</b>	<b>Forward Currency Contracts</b>	<b>Investments in Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Assets</b>	<b>Investments in Non-Interest Bearing Liabilities</b>	<b>Net Other Assets/(Liabilities)</b>	<b>Total Net Asset Value</b>
<b>Currency</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>
DKK	—	—	—	—	—	2,585	2,585
EUR	3	—	—	—	—	1,085	1,088
GBP	2,665	—	—	—	—	—	2,665
NOK	10,234	—	—	—	—	(48,703)	(38,469)
SEK	—	—	—	—	—	29,806	29,806
USD	12,358	—	—	—	—	(10,033)	2,325
<b>Total</b>	<b>25,260</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(25,260)</b>	<b>—</b>

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

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

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

	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
<b>Trient Dynamic Multi-Asset Fund</b>							
<b>Currency</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>
AUD	—	—	—	—	—	1,213	1,213
CHF	—	—	—	—	—	3,619	3,619
EUR	2,084	—	—	—	—	6,533	8,617
GBP	9,670	—	—	—	—	105	9,775
JPY	(29)	—	—	—	—	29	—
NOK	289,956	—	—	—	—	(312,651)	(22,695)
SEK	—	—	—	—	—	1,348	1,348
USD	33	—	—	—	—	(1,910)	(1,877)
<b>Total</b>	<b>301,714</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(301,714)</b>	<b>—</b>

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

	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
<b>Sector Global Equity Kernel</b>							
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
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
<b>Total</b>	<b>8,025,243</b>	<b>487,607</b>	<b>—</b>	<b>294,132,089</b>	<b>—</b>	<b>(907,458)</b>	<b>301,737,481</b>

	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
<b>Sector Healthcare Value Fund</b>							
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
CHF	(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
<b>Total</b>	<b>6,384,757</b>	<b>306,949</b>	<b>—</b>	<b>88,903,089</b>	<b>—</b>	<b>(2,442,070)</b>	<b>93,152,725</b>

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

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

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

Sector Sigma Nordic Fund	Cash at Bank and Brokers	Forward Currency Contracts	Investments in Interest Bearing Assets	Investments in Non-Interest Bearing Assets	Investments in Non-Interest Bearing Liabilities	Net Other Assets/ (Liabilities)	Total Net Asset Value
Currency	NOK	NOK	NOK	NOK	NOK	NOK	NOK
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
<b>Total</b>	<b>56,972,752</b>	<b>(377,362)</b>	<b>–</b>	<b>199,830,989</b>	<b>(871,479)</b>	<b>198,928</b>	<b>255,753,828</b>

As at 31 December 2018 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
04 January 2019	BNY Mellon	AUD	(321,671)	NOK	2,008,901	5,565
04 January 2019	BNY Mellon	AUD	(8,870,653)	NOK	55,399,001	153,471
04 January 2019	BNY Mellon	AUD	(13,836)	NOK	85,085	87
04 January 2019	BNY Mellon	AUD	(6,350)	NOK	38,899	22
04 January 2019	BNY Mellon	AUD	(22,427)	NOK	138,638	224
04 January 2019	BNY Mellon	AUD	(305,192)	NOK	1,886,588	3,040
04 January 2019	BNY Mellon	CAD	(22,103)	NOK	142,971	329
04 January 2019	BNY Mellon	CAD	(514,628)	NOK	3,310,086	5,501
04 January 2019	BNY Mellon	CAD	(13,947,436)	NOK	89,709,908	149,091
04 January 2019	BNY Mellon	CAD	(31,125)	NOK	197,761	52
04 January 2019	BNY Mellon	CAD	(22,804)	NOK	146,349	206
04 January 2019	BNY Mellon	CAD	(169,171)	NOK	1,085,679	1,527
04 January 2019	BNY Mellon	CHF	(151,787)	NOK	1,304,743	(3,326)
04 January 2019	BNY Mellon	CHF	(4,113,720)	NOK	35,361,126	(90,151)
04 January 2019	BNY Mellon	CHF	(8,131)	NOK	69,690	(201)
04 January 2019	BNY Mellon	CHF	(7,535)	NOK	65,119	(124)
04 January 2019	BNY Mellon	CHF	(51,926)	NOK	448,773	(858)
04 January 2019	BNY Mellon	CNY	(1,128,861)	USD	163,414	(1,028)
04 January 2019	BNY Mellon	CNY	(26,158,367)	USD	3,786,677	(23,838)
04 January 2019	BNY Mellon	CNY	(567,819)	USD	82,031	(684)
04 January 2019	BNY Mellon	CNY	(13,962,596)	USD	2,017,133	(16,812)
04 January 2019	BNY Mellon	EUR	(191,326)	NOK	1,861,808	(3,735)
04 January 2019	BNY Mellon	EUR	(5,164,273)	NOK	50,254,054	(100,826)
04 January 2019	BNY Mellon	EUR	(9,877)	NOK	95,877	(221)
04 January 2019	BNY Mellon	EUR	(8,467)	NOK	82,496	(153)
04 January 2019	BNY Mellon	EUR	(108,782)	NOK	1,059,861	(1,975)
04 January 2019	BNY Mellon	GBP	(105,784)	NOK	1,154,337	(1,420)
04 January 2019	BNY Mellon	GBP	(2,922,528)	NOK	31,891,205	(39,240)
04 January 2019	BNY Mellon	GBP	(6,255)	NOK	68,062	(107)
04 January 2019	BNY Mellon	GBP	(4,427)	NOK	48,287	(62)
04 January 2019	BNY Mellon	GBP	(5,413)	NOK	58,676	(119)
04 January 2019	BNY Mellon	GBP	(65,014)	NOK	703,351	(1,578)
04 January 2019	BNY Mellon	GBP	(1,577,493)	NOK	17,065,949	(38,272)
04 January 2019	BNY Mellon	HKD	(70,690)	USD	9,046	16
04 January 2019	BNY Mellon	HKD	(1,872,394)	USD	239,602	424
04 January 2019	BNY Mellon	HKD	(108,708)	USD	13,923	37
04 January 2019	BNY Mellon	HKD	(60,715)	USD	7,770	14
04 January 2019	BNY Mellon	HKD	(455,206)	USD	58,265	118
04 January 2019	BNY Mellon	HKD	(10,874,015)	USD	1,391,831	2,796
04 January 2019	BNY Mellon	HKD	(2,655,788)	USD	339,769	521
04 January 2019	BNY Mellon	HKD	(70,122,203)	USD	8,971,095	13,757
04 January 2019	BNY Mellon	HKD	(172,893)	USD	22,122	37
04 January 2019	BNY Mellon	HKD	(4,634,456)	USD	592,990	989
04 January 2019	BNY Mellon	HKD	(189,679)	USD	24,243	14

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

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

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

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
04 January 2019	BNY Mellon	HKD	(4,465,358)	USD	570,721	321
04 January 2019	BNY Mellon	JPY	(9,794,983)	NOK	745,183	(3,236)
04 January 2019	BNY Mellon	JPY	(217,615,781)	NOK	16,555,779	(71,903)
04 January 2019	BNY Mellon	JPY	(982,572)	NOK	74,496	(354)
04 January 2019	BNY Mellon	JPY	(48,539,144)	NOK	3,664,023	(19,357)
04 January 2019	BNY Mellon	JPY	(1,349,849,508)	NOK	101,894,660	(538,323)
04 January 2019	BNY Mellon	JPY	(709,421)	NOK	53,517	(287)
04 January 2019	BNY Mellon	JPY	(3,103,085)	NOK	233,543	(1,319)
04 January 2019	BNY Mellon	NOK	(613,334)	AUD	100,126	(349)
04 January 2019	BNY Mellon	NOK	(2,271,523)	AUD	368,288	(3,079)
04 January 2019	BNY Mellon	NOK	(54,315,294)	AUD	8,806,281	(73,618)
04 January 2019	BNY Mellon	NOK	(2,356,961)	AUD	375,258	(8,040)
04 January 2019	BNY Mellon	NOK	(3,224,000)	CAD	503,027	(4,052)
04 January 2019	BNY Mellon	NOK	(77,012,905)	CAD	12,015,993	(96,800)
04 January 2019	BNY Mellon	NOK	(573,167)	CAD	89,324	(797)
04 January 2019	BNY Mellon	NOK	(13,782,682)	CAD	2,147,936	(19,166)
04 January 2019	BNY Mellon	NOK	(1,388,194)	CHF	161,766	3,814
04 January 2019	BNY Mellon	NOK	(1,439,552)	CHF	164,556	713
04 January 2019	BNY Mellon	NOK	(34,421,705)	CHF	3,934,764	17,056
04 January 2019	BNY Mellon	NOK	(2,530,315)	EUR	261,232	6,458
04 January 2019	BNY Mellon	NOK	(2,040,181)	EUR	206,073	(3)
04 January 2019	BNY Mellon	NOK	(48,783,600)	EUR	4,927,502	(81)
04 January 2019	BNY Mellon	NOK	(400,985)	GBP	37,030	855
04 January 2019	BNY Mellon	NOK	(2,032,713)	GBP	185,617	1,658
04 January 2019	BNY Mellon	NOK	(48,556,169)	GBP	4,433,908	39,611
04 January 2019	BNY Mellon	NOK	(4,551,848)	JPY	59,783,971	19,337
04 January 2019	BNY Mellon	NOK	(1,085,560)	JPY	14,318,102	5,162
04 January 2019	BNY Mellon	NOK	(4,770,762)	JPY	61,713,146	11,641
04 January 2019	BNY Mellon	NOK	(112,813,030)	JPY	1,459,315,512	275,284
04 January 2019	BNY Mellon	NOK	(13,646,365)	USD	1,604,662	28,425
04 January 2019	BNY Mellon	NOK	(15,353,064)	USD	1,781,882	8,511
04 January 2019	BNY Mellon	NOK	(51,629,883)	USD	5,983,645	20,083
04 January 2019	BNY Mellon	NOK	(1,215,500,872)	USD	140,870,473	472,824
04 January 2019	BNY Mellon	NOK	(997,011)	USD	114,424	(737)
04 January 2019	BNY Mellon	NOK	(28,816,653)	USD	3,307,203	(21,294)
04 January 2019	BNY Mellon	NOK	(14,666,634)	USD	1,682,397	(13,925)
04 January 2019	BNY Mellon	NOK	(5,082,470)	USD	582,598	(5,233)
04 January 2019	BNY Mellon	NOK	(123,303,095)	USD	14,134,104	(126,960)
04 January 2019	BNY Mellon	SEK	(683,726)	NOK	665,686	(332)
04 January 2019	BNY Mellon	SEK	(15,827,661)	NOK	15,410,049	(7,685)
04 January 2019	BNY Mellon	TRY	(44,207)	USD	8,200	(91)
04 January 2019	BNY Mellon	TRY	(1,040,713)	USD	193,043	(2,151)
04 January 2019	BNY Mellon	TRY	(168,796)	USD	31,204	(455)
04 January 2019	BNY Mellon	TRY	(3,977,811)	USD	735,338	(10,734)
04 January 2019	BNY Mellon	TRY	(192,905)	USD	35,467	(714)
04 January 2019	BNY Mellon	TRY	(4,561,584)	USD	838,681	(16,883)
04 January 2019	BNY Mellon	TRY	(40,080)	USD	7,371	(146)
04 January 2019	BNY Mellon	TRY	(947,693)	USD	174,285	(3,463)
04 January 2019	BNY Mellon	TWD	(1,471,702)	USD	47,938	(139)
04 January 2019	BNY Mellon	TWD	(34,876,445)	USD	1,136,041	(3,281)
04 January 2019	BNY Mellon	TWD	(860,713)	USD	27,982	(135)
04 January 2019	BNY Mellon	TWD	(20,208,547)	USD	656,975	(3,185)
04 January 2019	BNY Mellon	TWD	(2,272,035)	USD	73,767	(455)
04 January 2019	BNY Mellon	TWD	(53,544,448)	USD	1,738,456	(10,701)
04 January 2019	BNY Mellon	USD	(246,682)	CNY	1,696,680	475
04 January 2019	BNY Mellon	USD	(5,833,231)	CNY	40,120,963	11,229
04 January 2019	BNY Mellon	USD	(310,061)	HKD	2,420,737	(839)
04 January 2019	BNY Mellon	USD	(4,028)	HKD	31,458	(10)
04 January 2019	BNY Mellon	USD	(133,121)	HKD	1,039,615	(322)
04 January 2019	BNY Mellon	USD	(470,583)	HKD	3,682,221	(220)
04 January 2019	BNY Mellon	USD	(11,311,225)	HKD	88,508,074	(5,294)
04 January 2019	BNY Mellon	USD	(5,354,819)	NOK	45,656,258	(81,247)
04 January 2019	BNY Mellon	USD	(145,795,081)	NOK	1,243,078,019	(2,212,106)
04 January 2019	BNY Mellon	USD	(221,243)	NOK	1,900,747	(1,695)
04 January 2019	BNY Mellon	USD	(306,295)	NOK	2,597,534	(6,264)

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

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

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

04 January 2019	BNY Mellon	USD	(122,717)	NOK	1,045,693	(1,933)
04 January 2019	BNY Mellon	USD	(2,348,809)	NOK	20,014,672	(36,994)
04 January 2019	BNY Mellon	USD	(84,042)	TRY	445,988	(394)
04 January 2019	BNY Mellon	USD	(1,983,870)	TRY	10,527,801	(9,292)
04 January 2019	BNY Mellon	USD	(149,641)	TWD	4,604,450	774
04 January 2019	BNY Mellon	USD	(3,530,369)	TWD	108,629,440	18,271
01 February 2019	BNY Mellon	AUD	(368,664)	NOK	2,271,523	3,008
01 February 2019	BNY Mellon	AUD	(8,815,271)	NOK	54,315,294	71,924
01 February 2019	BNY Mellon	AUD	(256,375)	NOK	1,574,504	1,496
01 February 2019	BNY Mellon	AUD	(5,652,913)	NOK	34,716,802	32,981
01 February 2019	BNY Mellon	CAD	(503,349)	NOK	3,224,000	4,034
01 February 2019	BNY Mellon	CAD	(12,023,685)	NOK	77,012,905	96,378
01 February 2019	BNY Mellon	CHF	(164,370)	NOK	1,439,552	(747)
01 February 2019	BNY Mellon	CHF	(3,930,316)	NOK	34,421,705	(17,858)
01 February 2019	BNY Mellon	CHF	(73,872)	NOK	655,596	661
01 February 2019	BNY Mellon	CHF	(1,586,433)	NOK	14,079,113	14,204
01 February 2019	BNY Mellon	CNY	(1,696,680)	USD	246,217	(712)
01 February 2019	BNY Mellon	CNY	(40,120,963)	USD	5,822,227	(16,846)
01 February 2019	BNY Mellon	EUR	(205,879)	NOK	2,040,181	(34)
01 February 2019	BNY Mellon	EUR	(4,922,863)	NOK	48,783,600	(814)
01 February 2019	BNY Mellon	EUR	(66,084)	NOK	660,804	676
01 February 2019	BNY Mellon	EUR	(1,374,261)	NOK	13,741,788	14,046
01 February 2019	BNY Mellon	GBP	(185,629)	NOK	2,032,713	(1,701)
01 February 2019	BNY Mellon	GBP	(4,434,191)	NOK	48,556,169	(40,633)
01 February 2019	BNY Mellon	HKD	(3,682,221)	USD	470,881	121
01 February 2019	BNY Mellon	HKD	(88,508,074)	USD	11,318,385	2,922
01 February 2019	BNY Mellon	JPY	(61,684,521)	NOK	4,770,762	(11,870)
01 February 2019	BNY Mellon	JPY	(1,458,638,633)	NOK	112,813,030	(280,694)
01 February 2019	BNY Mellon	TRY	(445,988)	USD	82,659	370
01 February 2019	BNY Mellon	TRY	(10,527,801)	USD	1,951,219	8,750
01 February 2019	BNY Mellon	TWD	(4,604,450)	USD	149,982	(1,255)
01 February 2019	BNY Mellon	TWD	(108,629,440)	USD	3,538,418	(29,595)
01 February 2019	BNY Mellon	USD	(5,991,700)	NOK	51,629,883	(20,260)
01 February 2019	BNY Mellon	USD	(141,060,111)	NOK	1,215,500,872	(476,975)
<b>Total unrealised loss on forward foreign currency contracts</b>						<b>(3,133,809)</b>

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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**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
04 January 2019	BNY Mellon	EUR	(24,000)	USD	27,468	24
04 January 2019	BNY Mellon	EUR	(5,081,120)	USD	5,834,142	23,759
04 January 2019	BNY Mellon	EUR	(186,352)	USD	213,969	871
04 January 2019	BNY Mellon	EUR	(55,348)	USD	63,551	259
04 January 2019	BNY Mellon	EUR	(155,688)	USD	177,547	(486)
04 January 2019	BNY Mellon	EUR	(5,958)	USD	6,795	(18)
04 January 2019	BNY Mellon	EUR	(2,512)	USD	2,865	(7)
04 January 2019	BNY Mellon	EUR	(191,689)	USD	218,197	(1,004)
04 January 2019	BNY Mellon	EUR	(7,022)	USD	7,993	(37)
04 January 2019	BNY Mellon	EUR	(2,961)	USD	3,370	(16)
04 January 2019	BNY Mellon	NOK	(2,598,756)	USD	306,450	6,278
04 January 2019	BNY Mellon	NOK	(73,089)	USD	8,613	171
04 January 2019	BNY Mellon	NOK	(3,060,331)	USD	359,489	6,002
04 January 2019	BNY Mellon	NOK	(12,693,906)	USD	1,491,120	24,898
04 January 2019	BNY Mellon	NOK	(1,977,909)	USD	232,340	3,879
04 January 2019	BNY Mellon	NOK	(325,733)	USD	38,210	586
04 January 2019	BNY Mellon	NOK	(98,866,789)	USD	11,482,786	63,078
04 January 2019	BNY Mellon	NOK	(412,306,399)	USD	47,886,922	263,057
04 January 2019	BNY Mellon	NOK	(62,131,274)	USD	7,216,176	39,641
04 January 2019	BNY Mellon	NOK	(3,590,684)	USD	413,364	(1,382)
04 January 2019	BNY Mellon	NOK	(15,109,767)	USD	1,739,454	(5,815)
04 January 2019	BNY Mellon	NOK	(2,276,242)	USD	262,044	(876)
04 January 2019	BNY Mellon	SEK	(8,481,342)	USD	950,487	(6,474)
04 January 2019	BNY Mellon	SEK	(302,356)	USD	33,750	(365)
04 January 2019	BNY Mellon	SEK	(271,720)	USD	30,255	(404)
04 January 2019	BNY Mellon	SEK	(316,865)	USD	35,141	(611)
04 January 2019	BNY Mellon	USD	(5,996,833)	EUR	5,255,908	13,425
04 January 2019	BNY Mellon	USD	(221,193)	EUR	193,864	495
04 January 2019	BNY Mellon	USD	(93,932)	EUR	82,326	210
04 January 2019	BNY Mellon	USD	(196,027)	EUR	172,589	1,332
04 January 2019	BNY Mellon	USD	(6,211)	EUR	5,468	42
04 January 2019	BNY Mellon	USD	(2,834)	EUR	2,495	19
04 January 2019	BNY Mellon	USD	(50,927)	NOK	444,175	378
04 January 2019	BNY Mellon	USD	(11,960,646)	NOK	102,075,742	(170,285)
04 January 2019	BNY Mellon	USD	(48,178,900)	NOK	411,173,186	(685,928)
04 January 2019	BNY Mellon	USD	(7,536,297)	NOK	64,317,021	(107,295)
04 January 2019	BNY Mellon	USD	(136,559)	NOK	1,172,889	(1,083)
04 January 2019	BNY Mellon	USD	(403,330)	NOK	3,442,062	(5,751)
04 January 2019	BNY Mellon	USD	(1,445,974)	NOK	12,340,085	(20,620)
04 January 2019	BNY Mellon	USD	(242,369)	NOK	2,068,404	(3,456)
04 January 2019	BNY Mellon	USD	(42,578)	NOK	362,908	(660)
04 January 2019	BNY Mellon	USD	(340,046)	NOK	2,896,955	(5,430)
04 January 2019	BNY Mellon	USD	(344,119)	NOK	2,917,926	(7,081)
04 January 2019	BNY Mellon	USD	(1,000,623)	NOK	8,533,917	(14,905)
04 January 2019	BNY Mellon	USD	(30,213)	NOK	258,581	(346)
04 January 2019	BNY Mellon	USD	(11,735)	NOK	100,374	(141)
04 January 2019	BNY Mellon	USD	(243,447)	NOK	2,085,127	(2,602)
04 January 2019	BNY Mellon	USD	(71,292)	NOK	614,000	(371)
04 January 2019	BNY Mellon	USD	(4,642)	NOK	40,000	(22)
04 January 2019	BNY Mellon	USD	(19,339)	NOK	167,527	11
04 January 2019	BNY Mellon	USD	(1,002,008)	SEK	9,058,654	20,091
04 January 2019	BNY Mellon	USD	(24,637)	SEK	222,230	437
04 January 2019	BNY Mellon	USD	(10,095)	SEK	91,399	218
01 February 2019	BNY Mellon	EUR	(271,371)	USD	310,896	(175)
01 February 2019	BNY Mellon	EUR	(1,857)	USD	2,127	(2)
01 February 2019	BNY Mellon	EUR	(144,194)	USD	165,141	(148)
01 February 2019	BNY Mellon	EUR	(5,520)	USD	6,322	(5)
01 February 2019	BNY Mellon	NOK	(11,957,599)	USD	1,380,156	(2,843)
01 February 2019	BNY Mellon	NOK	(159,707)	USD	18,434	(38)
01 February 2019	BNY Mellon	NOK	(2,606,257)	USD	300,443	(993)
01 February 2019	BNY Mellon	NOK	(12,254,151)	USD	1,412,631	(4,667)
01 February 2019	BNY Mellon	NOK	(1,842,780)	USD	212,432	(702)
01 February 2019	BNY Mellon	SEK	(16,291)	USD	1,819	(23)
01 February 2019	BNY Mellon	SEK	(247,614)	USD	27,583	(420)

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

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

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

**Sector Healthcare Value Fund (continued)**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
01 February 2019	BNY Mellon	USD	(5,847,861)	EUR	5,081,120	(23,394)
01 February 2019	BNY Mellon	USD	(214,473)	EUR	186,352	(859)
01 February 2019	BNY Mellon	USD	(63,700)	EUR	55,348	(255)
01 February 2019	BNY Mellon	USD	(23,790)	NOK	207,568	217
01 February 2019	BNY Mellon	USD	(417,704)	NOK	3,640,710	3,375
01 February 2019	BNY Mellon	USD	(11,498,277)	NOK	98,866,789	(63,482)
01 February 2019	BNY Mellon	USD	(47,951,526)	NOK	412,306,399	(264,743)
01 February 2019	BNY Mellon	USD	(7,225,911)	NOK	62,131,274	(39,895)
01 February 2019	BNY Mellon	USD	(952,660)	SEK	8,481,342	6,516
<b>Total unrealised loss on forward foreign currency contracts</b>						<b>(966,846)</b>

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

**Sector Global Equity Kernel**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
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

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

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

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

**Sector Global Equity Kernel (continued)**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
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
<b>Total unrealised gain on forward foreign currency contracts</b>						<b>487,607</b>

**Sector Healthcare Value Fund**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) USD</b>
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
<b>Total unrealised gain on forward foreign currency contracts</b>						<b>306,949</b>

**Sector Sigma Nordic Fund**

<b>Maturity Date</b>	<b>Counterparty</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Purchase Currency</b>	<b>Amount</b>	<b>Unrealised gain/(loss) NOK</b>
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
<b>Total unrealised loss on forward foreign currency contracts</b>						<b>(377,362)</b>

**(e) Credit risk**

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



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

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

**(e) Credit risk (Continued)**

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

**Management of credit risk**

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

**Exposure to credit risk**

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

**Derivative financial instruments**

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

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

**Trade counterparty**

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

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

The table below shows the long-term S&P credit ratings for the counterparties that hold cash as at 31 December 2018 and 31 December 2017:

	<b>31 December 2018</b>	<b>31 December 2017</b>
BNY Mellon	A	A
DNB	AA-	A+
Goldman Sachs	BBB+	A
Nordea	AA-	AA-
SEB	A+	A+

As at 31 December 2018, the Funds had not pledged any securities as collateral for contracts-for-difference trading. 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 are as outlined below:

**31 December 2017**

**Sector Sigma Nordic Fund**

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

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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 2018 or 31 December 2017. 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 2018 are as follows:

<b>Sector Global Equity Kernel</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	263,751,374	–	–	263,751,374
Derivative instruments	–	1,834,622	–	1,834,622
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instruments	–	(5,054,464)	–	(5,054,464)
<b>Total</b>	<b>263,751,374</b>	<b>(3,219,842)</b>	<b>–</b>	<b>260,531,532</b>

<b>Sector Healthcare Value Fund</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	107,615,056	–	–	107,615,056
Derivative instruments	–	479,269	–	479,269
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instruments	–	(1,446,115)	–	(1,446,115)
<b>Total</b>	<b>107,625,056</b>	<b>(966,846)</b>	<b>–</b>	<b>106,648,210</b>

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

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

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

The categories of investments above comprise:

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

The fair values of investments valued under Levels 1 to 3 as at 31 December 2017 are as follows:

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

<b>Sector Healthcare Value Fund</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	88,903,089	–	–	88,903,089
Derivative instruments	–	312,408	–	312,408
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instruments	–	(5,459)	–	(5,459)
<b>Total</b>	<b>88,903,089</b>	<b>306,949</b>	<b>–</b>	<b>89,210,038</b>

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

The categories of investments above comprise:

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

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

**8. Share Capital**

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

Sector 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 have issued 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. All shares have been fully redeemed during the financial period.

Trient Dynamic Multi-Asset Fund issued Class B NOK Shares, Class C NOK Shares, Class I NOK shares and Class I hedged 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/were 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 2018 were as follows:

	<b>Sector Global Equity Kernel</b>	<b>Sector Healthcare Value Fund</b>	<b>Sector Sigma Nordic Fund</b>	<b>Trient Dynamic Multi-Asset Fund</b>
<b>Class A EUR</b>				
Shares in issue at beginning of year	–	26,709	–	–
Number of shares issued	–	4,105	–	–
Number of shares redeemed	–	(11,165)	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>19,649</b>	<b>–</b>	<b>–</b>
<b>Class A NOK</b>				
Shares in issue at beginning of year	30,849	40,486	84,205	–
Number of shares issued	70,932	4,965	–	–
Number of shares redeemed	(25,210)	(5,586)	(84,205)	–
<b>Number in issue at end of year</b>	<b>76,571</b>	<b>39,865</b>	<b>–</b>	<b>–</b>

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund	Trient Dynamic Multi-Asset Fund
<b>Class A USD</b>				
Shares in issue at beginning of year	20,009	50,508	70,562	–
Number of shares issued	42	18,837	–	–
Number of shares redeemed	(116)	(28,904)	(70,562)	–
<b>Number in issue at end of year</b>	<b>19,935</b>	<b>40,441</b>	<b>–</b>	<b>–</b>
<b>Class B EUR</b>				
Shares in issue at beginning of year	–	1,757	1,420	–
Number of shares issued	–	–	–	–
Number of shares redeemed	–	–	(1,420)	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>1,757</b>	<b>–</b>	<b>–</b>
<b>Class B NOK</b>				
Shares in issue at beginning of year	–	194,435	34,954	–
Number of shares issued	–	189,480	–	701,230
Number of shares redeemed	–	(41,426)	(34,954)	(701,230)
<b>Number in issue at end of year</b>	<b>–</b>	<b>342,489</b>	<b>–</b>	<b>–</b>
<b>Class B SEK</b>				
Shares in issue at beginning of year	–	4,424	–	–
Number of shares issued	–	7,182	–	–
Number of shares redeemed	–	(4,353)	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>7,253</b>	<b>–</b>	<b>–</b>
<b>Class B USD</b>				
Shares in issue at beginning of year	–	14,544	–	–
Number of shares issued	–	1,960	–	–
Number of shares redeemed	–	(4,812)	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>11,692</b>	<b>–</b>	<b>–</b>
<b>Class C NOK</b>				
Shares in issue at beginning of year	–	–	329	–
Number of shares issued	–	–	–	571,924
Number of shares redeemed	–	–	(329)	(571,924)
<b>Number in issue at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Class I NOK</b>				
Shares in issue at beginning of year	–	–	–	–
Number of shares issued	–	–	–	6,576,290
Number of shares redeemed	–	–	–	(6,576,290)
<b>Number in issue at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Class I Hedged NOK</b>				
Shares in issue at beginning of year	–	–	–	–
Number of shares issued	–	–	–	2,558,539
Number of shares redeemed	–	–	–	(2,558,539)
<b>Number in issue at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Class L NOK</b>				
Shares in issue at beginning of year	–	23,934	8,095	–
Number of shares issued	–	308	–	–
Number of shares redeemed	–	–	(8,095)	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>24,242</b>	<b>–</b>	<b>–</b>
<b>Class P NOK Hedged</b>				
Shares in issue at beginning of year	1,681,986	–	–	–
Number of shares issued	1,206,635	–	–	–
Number of shares redeemed	(979,736)	–	–	–
<b>Number in issue at end of year</b>	<b>1,908,885</b>	<b>–</b>	<b>–</b>	<b>–</b>

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund	Trient Dynamic Multi-Asset Fund
<b>Class P NOK Unhedged</b>				
Shares in issue at beginning of year	572,607	–	–	–
Number of shares issued	223,574	–	–	–
Number of shares redeemed	(89,332)	–	–	–
<b>Number in issue at end of year</b>	<b>706,849</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Class P USD</b>				
Shares in issue at beginning of year	187,904	–	–	–
Number of shares issued	–	–	–	–
Number of shares redeemed	(173,828)	–	–	–
<b>Number in issue at end of year</b>	<b>14,076</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Class X EUR</b>				
Shares in issue at beginning of year	–	619	–	–
Number of shares issued	–	380	–	–
Number of shares redeemed	–	(409)	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>590</b>	<b>–</b>	<b>–</b>
<b>Class X USD</b>				
Shares in issue at beginning of year	–	199,358	–	–
Number of shares issued	–	63,607	–	–
Number of shares redeemed	–	(49,228)	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>213,737</b>	<b>–</b>	<b>–</b>

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

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
<b>Class A EUR</b>			
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)
<b>Number in issue at end of year</b>	<b>–</b>	<b>26,709</b>	<b>–</b>
<b>Class A NOK</b>			
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)
<b>Number in issue at end of year</b>	<b>30,849</b>	<b>40,486</b>	<b>84,205</b>
<b>Class A USD</b>			
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)
<b>Number in issue at end of year</b>	<b>20,009</b>	<b>50,508</b>	<b>70,562</b>
<b>Class B EUR</b>			
Shares in issue at beginning of year	–	–	21,226
Number of shares issued	–	2,876	–
Number of shares redeemed	–	(1,119)	(19,806)
<b>Number in issue at end of year</b>	<b>–</b>	<b>1,757</b>	<b>1,420</b>
<b>Class B NOK</b>			
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)
<b>Number in issue at end of year</b>	<b>–</b>	<b>194,435</b>	<b>34,954</b>

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
<b>Class B SEK</b>			
Shares in issue at beginning of year	–	1,564	–
Number of shares issued	–	6,765	–
Number of shares redeemed	–	(3,905)	–
<b>Number in issue at end of year</b>	–	4,424	–
<b>Class B USD</b>			
Shares in issue at beginning of year	–	–	–
Number of shares issued	–	19,718	–
Number of shares redeemed	–	(5,174)	–
<b>Number in issue at end of year</b>	–	14,544	–
<b>Class C NOK</b>			
Shares in issue at beginning of year	–	–	2,460
Number of shares issued	–	–	–
Number of shares redeemed	–	–	(2,131)
<b>Number in issue at end of year</b>	–	–	329
<b>Class C SEK</b>			
Shares in issue at beginning of year	–	–	7,132
Number of shares issued	–	–	–
Number of shares redeemed	–	–	(7,132)
<b>Number in issue at end of year</b>	–	–	–
<b>Class D NOK</b>			
Shares in issue at beginning of year	–	–	5,335
Number of shares issued	–	–	–
Number of shares redeemed	–	–	(5,335)
<b>Number in issue at end of year</b>	–	–	–
<b>Class D SEK</b>			
Shares in issue at beginning of year	–	–	127
Number of shares issued	–	–	–
Number of shares redeemed	–	–	(127)
<b>Number in issue at end of year</b>	–	–	–
<b>Class L NOK</b>			
Shares in issue at beginning of year	–	23,892	8,095
Number of shares issued	–	42	–
Number of shares redeemed	–	–	–
<b>Number in issue at end of year</b>	–	23,934	8,095
<b>Class P NOK Hedged</b>			
Shares in issue at beginning of year	1,183,288	–	–
Number of shares issued	566,724	–	–
Number of shares redeemed	(68,026)	–	–
<b>Number in issue at end of year</b>	1,681,986	–	–
<b>Class P NOK Unhedged</b>			
Shares in issue at beginning of year	355,323	–	–
Number of shares issued	374,128	–	–
Number of shares redeemed	(156,844)	–	–
<b>Number in issue at end of year</b>	572,607	–	–
<b>Class P USD</b>			
Shares in issue at beginning of year	201,725	–	–
Number of shares issued	2,536	–	–
Number of shares redeemed	(16,357)	–	–
<b>Number in issue at end of year</b>	187,904	–	–

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. Share Capital (Continued)**

	Sector Global Equity Kernel	Sector Healthcare Value Fund	Sector Sigma Nordic Fund
<b>Class X EUR</b>			
Shares in issue at beginning of year	–	–	–
Number of shares issued	–	619	–
Number of shares redeemed	–	–	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>619</b>	<b>–</b>
<b>Class X USD</b>			
Shares in issue at beginning of year	–	–	–
Number of shares issued	–	202,235	–
Number of shares redeemed	–	(2,877)	–
<b>Number in issue at end of year</b>	<b>–</b>	<b>199,358</b>	<b>–</b>

**9. Investment Management Fees**

The Company has appointed Sector Omega AS as Investment Manager to Sector Global Equity Kernel and Sector Gamma AS as Investment Manager to Sector Healthcare Value Fund. Sigma Fondsforvaltning AS was the Investment Manager to Sector Sigma Nordic Fund. Trient Asset Management AS had been appointed 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:

<b>Class</b>	<b>Management Fee</b>
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:

<b>Class</b>	<b>Management Fee</b>
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 paid the Investment Manager a management fee per annum of the Net Asset Value of each of the following classes:

<b>Class</b>	<b>Management Fee</b>
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.

Trient Dynamic Multi-Asset Fund paid the Investment Manager a management fee per annum of the Net Asset Value of each of the following classes:

<b>Class</b>	<b>Management Fee</b>
Class B Shares	Up to 1.25%
Class C Shares	Up to 1.00%
Class I Shares	Up to 0.60%
Class I Hedged Shares	Up to 0.60%



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

### **9. Investment Management Fees (Continued)**

The Investment Manager to Sector Global Equity Kernel did not anticipate that the "Total Expense Ratio" which included but was 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 would have exceeded 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 exceeded the TER Threshold, the Investment Manager did undertake to discharge that proportion of the Total Expense Ratio of Class P USD Shares above the TER Threshold and shall rebate the Fund accordingly. Effective 2 January 2018, the TER Threshold was removed.

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 2018, Class O NOK was fully redeemed.

The total fees waived by the Investment Manager for the financial year ended 31 December 2018 was USD29,974 (31 December 2017: USD177,897). The total management fees accrued for the financial year ended 31 December 2018 were USD3,362,565 (31 December 2017: USD2,190,864) and the net amount outstanding at 31 December 2018 was USD344,889 (31 December 2017 :USD345,114).

### **10. Incentive Fees/Performance Fees**

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

#### ***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.

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).

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**10. Incentive Fees/Performance Fees (Continued)**

***Sector Healthcare Value Fund***

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

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 was 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 was charged in respect of the Class L NOK Shares.

The Incentive Fee equalled 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 accrued as at each valuation point and was calculated annually on the rate of return (net of the Investment Manager's fees) of each class, and was 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 was 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 Share commenced from the conclusion of the relevant initial offer period and ceased on the last business day of the relevant calendar year.

The Investment Manager was 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 agreed to waive the 3 month Swedish Treasury bill as hurdle rate whenever the return of the 3 month Swedish treasury bills was negative. In this instance the hurdle rate was 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 was 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 commenced from the close of the relevant initial offer year for the Class D Shares and concluded on the next Business Day thereafter. The calculation year thereafter was each Business Day (the "Class D Calculation Year"). The Class D Incentive Fee was calculated and crystallised as at each Valuation Point (net of the Investment Manager's fees), and was payable monthly in arrears (on or after the first Business Day of the following month), or upon redemption, if earlier.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**10. Incentive Fees/Performance Fees (Continued)**

***Trient Dynamic Multi-Asset Fund***

The Investment Manager was entitled to receive a performance fee based on its investment management performance during a performance period ("Performance Period"). The performance fee for each Class is calculated by reference to a benchmark (each a "Performance Fee Benchmark"), which is composed of reference indices (each an "Index" and together the "Indices").

A yearly Performance Period shall: (i) in the case of the first Performance Period, commence upon the close of the initial offer period and end on the last Valuation Point of the same calendar year; and (ii) subsequent calculation periods run for a calendar year and therefore shall end on the last Valuation Point of each year.

A performance fee is calculated on a Share Class basis and shall be payable to the Investment Manager when: (i) the increase in the Net Asset Value per Share over the Performance Period is greater than the increase in the relevant Performance Fee Benchmark's performance for the same Performance Period ("Actual Out-performance"); and (ii) an Actual Out-performance (if any) at the end of the Performance Period is greater than the High Water Mark. The "High Water Mark" is defined as the highest positive percentage difference between the increase in the Net Asset Value per Share over a Performance Period and the increase in the relevant Performance Fee Benchmark's performance over the same Performance Period. The High Water Mark is set to zero per cent at the launch of the Fund. Any under-performance of the Performance Fee Benchmark in a Performance Period will be cleared before a performance fee becomes due in subsequent periods.

The performance fee shall be 10 per cent of the amount by which an Actual Out-performance (before the deduction of performance fees) exceeds the High Water Mark as aforesaid as at the end of a Performance Period, multiplied by the number of Shares in issue in that Class. For the purpose of calculating the performance fee at the end of a Performance Period, the Net Asset Value per Share shall be calculated at the Valuation Point.

The performance fee shall be calculated and accrued on each Dealing Day and paid yearly in arrears at the end of a Performance Period. The initial price at which the shares are issued will be taken as the starting price for the Performance Period. When calculating the performance fee payable, the Net Asset Value will be adjusted, as appropriate, for subscriptions, redemptions, dividends paid and any accruals of performance fee.

Where a performance fee is payable it will be based on the Net Asset Value of a Class as at the end of each Performance Period. As a result, a performance fee may be paid in respect of unrealised gains, which may subsequently never be realised. The performance fee calculation will be verified by the Depositary.

As described above, the performance fee for each Class is calculated by reference to a Performance Fee Benchmark. For the Class B Shares, Class C Shares and Class I Shares, the Performance Fee Benchmark is composed of the following Indices using the weighting indicated:

Index	Weighting
MSCI All Country World Net Total Return Index (Bloomberg Code NDUEACWF)	50%
Bloomberg Barclays Global Aggregate Total Return Index NOK Hedged (H00038NO Index)	40%
Bloomberg Barclays Euro Treasury Bills 0-3 Months Index NOK Hedged (H18260NO Index)	10%

For the Class I Hedged Shares, the Performance Fee Benchmark is composed of the following Indices using the weighting indicated:

Index	Weighting
MSCI All Country World Net Total Return Local Index (Bloomberg Code NDLEACWF)	50%
Bloomberg Barclays Global Aggregate Total Return Index NOK Hedged (H00038NO Index)	40%
Bloomberg Barclays Euro Treasury Bills 0-3 Months Index NOK Hedged (H18260NO Index)	10%

Each Index in the Performance Fee Benchmark will comprise the percentage weighting of the total Performance Fee Benchmark indicated in the relevant table above. The Performance Fee Benchmark is used solely for the purpose of calculating the performance fee. There is no guarantee that the Fund will outperform the Performance Fee Benchmark. Shareholders will be notified in advance of a change in Index weighting or change in Performance Fee Benchmark composition.

The Performance Fees accrued by the Company for the financial year ended year were USD207,069 (31 December 2017: USD105,531) and the amount outstanding at 31 December 2018 was USD460,568 (31 December 2017: USD591,122).

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

### **10. Incentive Fees/Performance Fees (Continued)**

#### ***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 2018 an equalisation credit of USD654,548 (31 December 2017: USD789,461) was applied by the Company.

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

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

The Administration fee accrued for the financial year ended 31 December 2018 was USD676,643 (31 December 2017: USD746,937) and the amount outstanding at 31 December 2018 was USD119,163 (31 December 2017: USD169,880).

The Depositary is entitled to an asset based fee of up to 0.02% per annum payable monthly together with sub-custodians' fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out of pocket expenses (plus VAT thereon if any).

The Depositary fee accrued for the financial year ended 31 December 2018 was USD253,069 (31 December 2017: USD228,957) and the amount outstanding at 31 December 2018 was USD67,781 (31 December 2017: USD42,683).

### **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 €15,000 (31 December 2017: €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 2018 was USD21,330 (31 December 2017: USD17,494) and the amount outstanding at 31 December 2018 was USD5,109 (31 December 2017: USD5,887).

### **13. Auditors' Fees**

Fees and expenses paid to the statutory auditors, Deloitte Ireland LLP, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. 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 2018 and 31 December 2017.

Audit fees charged for the financial year ended 31 December 2018 were EUR20,625 ex VAT (31 December 2017: EUR20,625). Tax advisory fees charged for the financial year ended 31 December 2018 were EUR9,600 ex VAT (31 December 2017: EUR12,950).

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

### **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.

For the year ended 31 December 2018 and 31 December 2017, the Company has utilised forward foreign currency contracts, contracts-for-difference, futures and options for efficient portfolio management. As at 31 December 2018, all derivatives are OTC derivatives. All open derivative positions are disclosed in the schedule of investments except for forward currency contracts which are disclosed in note 7 (d) above.

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

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

#### *Depository and Administrator*

Although not deemed to be related parties under FRS 102 as they do not exercise “significant influence” over the activities of the Company, the Regulations also deem a “Depository” and its “associated or group companies” to be “connected persons” to the Company. As such, 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.

Trient Dynamic Multi-Asset Fund commenced operations on 23 April 2018. Trient Dynamic Multi-Asset Fund received an initial subscription of NOK1,140,980,568 via an in-specie transfer from Trient Dynamic Balanced Fund, a sub-fund of Trient UCITS Funds (Ire) Plc, a fund with the same Investment Manager as Trient Dynamic Multi-Asset Fund. The subscription was received in form of cash of NOK110,118,304 and investments valued NOK1,030,862,264. On 26 October 2018 Trient Dynamic Multi-Asset Fund ceased to trade.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

As at 31 December 2018 and 31 December 2017 the following key personnel/entities as defined within Section 33 of FRS 102 held a beneficial interest in the Funds as follows:

**31 December 2018**

Key personnel	Role/Team	Fund/Class	Number of Shares held
Lars Tell	Director	Sector Healthcare Value Fund, Class L NOK	160
Trond Horneland	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	15,665
Trond Tviberg	Investment Manager, Sector Gamma AS	Sector Healthcare Value Fund, Class L NOK	7,945
Sector Gamma AS	Investment Manager	Sector Healthcare Value Fund, Class B SEK	118
Sector Speculare AS	Investment Manager	Sector Global Equity Kernel, Class P NOK Hedged	4,831

**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

As at 31 December 2018 and 31 December 2017, Sector Asset Management AS, ultimate parent company of the Investment Manager, held 3 Class A EUR Shares, 2 Class A NOK Shares and 3 Class A USD Shares in Sector Healthcare Value Fund.

**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 2018 and 31 December 2017 there were no known contingent liabilities.

**17. Soft Commission**

There were no soft commissions for the financial years ended 31 December 2018 or 31 December 2017.

**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 2018 and 31 December 2017 the Funds have received subscriptions in advance and these amounts are reflected on the Balance Sheet.

**19. Comparative Year**

The prior year comparatives are for the financial year 1 January 2017 to 31 December 2017.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**20. Three Year Historical Net Asset Value**

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

**31 December 2018**

	<b>Sector Global Equity Kernel USD</b>	<b>Sector Healthcare Value Fund USD</b>
<b>Total Net Asset Value</b>	277,655,063	110,624,786
<b>Shares outstanding</b>		
Class A EUR	–	19,649
Class A NOK	76,571	39,864
Class A USD	19,935	40,441
Class B EUR	–	1,757
Class B NOK	–	342,489
Class B SEK	–	7,253
Class B USD	–	11,693
Class L NOK	–	24,242
Class P NOK Hedged	1,908,885	–
Class P NOK Unhedged	706,847	–
Class P USD	14,076	–
Class X EUR	–	590
Class X USD	–	213,737

**Net Asset Value per Share**

Class A EUR	–	239.70
Class A NOK	912.46	2,134.37
Class A USD	111.27	347.39
Class B EUR	–	103.57
Class B NOK	–	1,186.76
Class B SEK	–	1,139.84
Class B USD	–	114.83
Class L NOK	–	2,505.02
Class P NOK Hedged	989.05	–
Class P NOK Unhedged	838.48	–
Class P USD	127.33	–
Class X EUR	–	90.96
Class X USD	–	116.36

**31 December 2017**

	<b>Sector Global Equity Kernel USD</b>	<b>Sector Healthcare Value Fund USD</b>	<b>Sector Sigma Nordic Fund NOK</b>
<b>Total Net Asset Value</b>	301,737,481	93,152,725	255,753,828
<b>Shares outstanding</b>			
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	–

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

**20. Three Year Historical Net Asset Value (Continued)**

**31 December 2017**

	<b>Sector Global Equity Kernel USD</b>	<b>Sector Healthcare Value Fund USD</b>	<b>Sector Sigma Nordic Fund NOK</b>
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	—

**31 December 2016**

	<b>Sector Global Equity Kernel USD</b>	<b>Sector Healthcare Value Fund USD</b>	<b>Sector Sigma Nordic Fund NOK</b>
<b>Total Net Asset Value</b>	179,520,177	60,150,518	498,324,221

**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	—	—



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

### **21. Significant Events during the Year**

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 commenced operations on 23 April 2018. As disclosed in note 14, the initial subscription into the Fund was received via an in-specie transfer from a Trient Dynamic Balanced Fund, a sub-fund of Trient UCITs Funds (Ire) Plc. On 26 October 2018 Trient Dynamic Multi-Asset Fund ceased trading.

Effective 27 April 2018, Sector Sigma Nordic Fund ceased trading.

Effective 26 June 2018, an update to the Prospectus was noted by the Central Bank of Ireland together with revised Supplements for Sector Healthcare Value Fund and Sector Global Equity Kernel Fund. The main provision of these changes was to update for general regulatory changes and some revisions to fees.

There were no other significant events during the year.

### **22. Significant Events after the Balance Sheet Date**

There were no significant events after the balance sheet date.

### **23. Approval of Financial Statements**

The financial statements were authorised for issue by the Directors on 27 March 2019.

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited)**

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

**Sector Global Equity Kernel**

<b>LARGEST PURCHASES</b>	<b>COST USD</b>
AngloGold Ashanti Ltd ADR	6,066,206
B3 SA - Brasil Bolsa Balcao	5,987,174
HollyFrontier Corp	5,957,997
Norbord Inc.	3,424,379
Goldcorp Inc.	3,376,151
Yangtze Optical Fibre and Cable Joint Stock Ltd Co	3,251,694
Enerplus Corp	3,249,528
Boliden AB	3,233,552
Husqvarna AB	3,224,126
Thermo Fisher Scientific Inc.	3,224,054
Industrial & Commercial Bank of China Ltd.	3,218,120
Aviva Plc	3,207,345
EDP - Energias do Brasil S.A	3,206,903
TransDigm Group Inc.	3,203,818
Extended Stay America Inc.	3,196,133
Huntington Bancshares Inc.	3,194,219
Discover Financial Services	3,185,423
Old Mutual Plc	3,181,004
Enel S.p.A	3,180,792
Banco de Sabadell S.A	3,179,768
Target Corp	3,179,159
Noble Corp plc	3,176,413
Supernus Pharmaceuticals Inc.	3,176,152
Dollar General Corp	3,174,011
Landstar System Inc.	3,172,041
Estacio Participacoes S.A	3,167,456
Kyowa Exeo Corp	3,164,315
IAMGOLD Corp	3,163,862
The Walt Disney Co	3,158,746
Imperial Oil Ltd.	3,151,536
Resona Holdings Inc.	3,149,850
Walgreens Boots Alliance Inc.	3,145,558
Bristol-Myers Squibb Co.	3,141,269
Next Plc	3,139,780
New Jersey Resources Corp	3,135,710
Jazz Pharmaceuticals Plc	3,135,407
SSE Plc	3,133,434
Pan American Silver Corp	3,128,763
Indivior Plc	3,126,043
JM AB	3,123,983

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Sector Global Equity Kernel (Continued)**

<b>LARGEST SALES</b>	<b>COST USD</b>
HollyFrontier Corp	6,513,576
Cisco Systems Inc	6,499,959
American Eagle Outfitters Inc	4,333,900
Kakaku.com Inc	4,171,817
Anhui Conch Cement Co Ltd.	4,141,592
Tokyo Electron Ltd.	3,988,562
Encompass Health Corp	3,928,288
TransDigm Group Inc	3,898,255
BE Semiconductor Industries NV	3,813,617
CNOOC Ltd.	3,636,301
ConocoPhillips	3,555,492
Teradyne Inc	3,478,614
Korn Ferry	3,454,385
Valero Energy Corp	3,420,995
Noble Corp Plc	3,393,871
HCP Inc	3,366,177
Sysco Corp	3,346,475
Old Dominion Freight Line Inc	3,335,893
Enerplus Corp	3,326,748
Next Plc	3,291,224
AIA Group Ltd.	3,263,132
Thales S.A	3,242,898
Nasdaq Inc	3,241,898
Intel Corp	3,230,978
Centene Corp	3,217,733
Equinor ASA	3,199,800
Biogen Inc	3,197,800
Extended Stay America Inc	3,155,627
Owens Corning	3,143,285
CubeSmart	3,132,393
DS Smith Plc	3,119,032
KDDI Corp	3,099,375
Spirit Aerosystems Holdings Inc	3,062,347
UPM-Kymmene OYJ	3,056,011
Huntington Bancshares Inc	3,038,693
CBRE Group Inc	3,037,082
Kyowa Exeo Corp	3,022,985
Infineon Technologies AG	3,016,510
LyondellBasell Industries NV	3,012,926
SK Innovation Co Ltd.	3,011,237
Federated Investors Inc	3,003,825
Old Mutual Plc	2,999,493
BHP Group Ltd.	2,987,575
EDP - Energias do Brasil S.A	2,974,440

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Sector Healthcare Value Fund**

<b>LARGEST PURCHASES</b>	<b>COST USD</b>
Bristol-Myers Squibb Co	5,448,784
Merck KGaA	4,575,241
Gilead Sciences Inc	4,237,962
Biogen Inc	3,991,733
GlaxoSmithKline Plc	3,708,734
CVS Health Corp	3,355,197
Roche Holding AG	3,310,231
Allergan Plc	3,289,423
Sanofi	3,259,457
Eli Lilly & Co	3,082,815
Shire Plc ADR	2,998,325
Merck & Co Inc	2,893,580
Incyte Corp	2,809,421
Ionis Pharmaceuticals Inc	2,589,655
Celgene Corp	2,564,659
Otsuka Holdings Co Ltd.	2,357,003
Cardinal Health Inc	2,263,034
Takeda Pharmaceutical Co Ltd.	2,221,145
Agilent Technologies Inc	2,144,537
McKesson Corp	2,062,932
Bayer AG	1,892,148
Perrigo Co Plc	1,777,120
Shionogi & Co Ltd.	1,667,332
Regeneron Pharmaceuticals Inc	1,621,773
Olympus Corp	1,517,692
Ono Pharmaceutical Co Ltd.	1,517,597
Bio-Rad Laboratories Inc	1,328,929
QIAGEN NV	1,324,425
NuVasive Inc	1,323,890
Geringe AB	1,225,551
Portola Pharmaceuticals Inc	1,200,457
Universal Health Services Inc	1,179,965
Clovis Oncology Inc	1,152,308
Tenet Healthcare Corp	1,096,228
Ultragenyx Pharmaceutical Inc	1,063,278
Abbott Laboratories	1,043,314
AstraZeneca Plc ADR	1,022,674
Cigna Corp	1,017,829
Alnylam Pharmaceuticals Inc	869,411
Astellas Pharma Inc	783,124
Smith & Nephew Plc	693,123
Dr Reddy's Laboratories Ltd.	667,493
Array BioPharma Inc	648,082
Koninklijke Philips NV	643,772
Baxter International Inc	594,383

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Sector Healthcare Value Fund (Continued)**

<b>LARGEST SALES</b>	<b>COST USD</b>
Eli Lilly & Co	5,570,790
Biogen Inc	5,068,345
AstraZeneca Plc ADR	4,441,869
Daiichi Sankyo Co Ltd.	4,032,999
Merck & Co Inc	3,817,997
Gilead Sciences Inc	3,683,935
Allergan Plc	3,231,218
Astellas Pharma Inc	2,956,287
Integra LifeSciences Holdings Corp	2,520,626
Merck KGaA	2,332,246
Shire Plc ADR	2,292,477
Roche Holding AG	2,172,020
Ironwood Pharmaceuticals Inc	2,138,163
Abbott Laboratories	2,065,451
Tenet Healthcare Corp	1,985,996
Shionogi & Co Ltd.	1,975,850
Cigna Corp	1,907,753
GlaxoSmithKline Plc ADR	1,880,259
Ono Pharmaceutical Co Ltd.	1,878,159
Otsuka Holdings Co Ltd.	1,834,042
Regeneron Pharmaceuticals Inc	1,821,453
Laboratory Corp of America Holdings	1,643,337
Hikma Pharmaceuticals Plc	1,586,521
Baxter International Inc	1,466,927
Bristol-Myers Squibb Co	1,326,176
McKesson Corp	1,203,675
Mylan NV	1,022,986
GlaxoSmithKline Plc ADR	1,019,386
Anthem Inc	967,794
Boston Scientific Corp	964,722
DaVita Inc	895,861
Ionis Pharmaceuticals Inc	780,975
Sarepta Therapeutics Inc	775,863
Ultragenyx Pharmaceutical Inc	774,139
Bio-Rad Laboratories Inc	722,065
Stericycle Inc	711,548
Richter Gedeon Nyrt	622,901
Perrigo Co Plc	590,776
Smith & Nephew Plc	589,792
Momenta Pharmaceuticals Inc	584,390
PerkinElmer Inc	519,529
Cardinal Health Inc	469,426
Sanofi	464,639
Radius Health Inc	456,578
Agios Pharmaceuticals Inc	433,156
Juno Therapeutics Inc	430,091

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Sector Sigma Nordic Fund**

<b>LARGEST PURCHASES</b>	<b>COST NOK</b>
Salmar ASA	4,869,112
Orkla ASA	4,650,433
Boliden AB	4,091,009
ABB Ltd	3,876,514
Lundin Mining Corp	3,300,679
Subsea 7 SA	2,879,145
Yara International ASA	2,692,675
Valmet OYJ	2,166,214
Novo Nordisk A/S	1,909,550
Essity AB	1,704,043
Atlas Copco AB	1,683,989
Volvo AB	1,660,984
Equinor ASA	1,602,302
Trelleborg AB	1,168,704
Stora Enso OYJ	1,049,107
Kvaerner ASA	1,027,100
March 18 Puts on OBX Put 700 16/03/2018	288,750
March 18 Puts on OMX Put 1480 16/03/2018	210,373
February 18 Puts on OBX Put 730 16/02/2018	205,750
March 18 Puts on OMX Put 1490 16/03/2018	178,660
April 18 Puts on OMX Put 1500 20/04/2018	178,016
April 18 Puts on OBX Put 700 20/04/2018	150,625

<b>LARGEST SALES</b>	<b>COST NOK</b>
Novo Nordisk A/S	17,699,726
Equinor ASA	16,002,165
ABB Ltd	15,342,263
Atlas Copco AB	14,756,668
Investor AB	12,053,821
Volvo AB	12,032,599
Yara International ASA	11,403,872
Royal Unibrew A/S	9,512,367
Metsa Board OYJ	9,296,937
Stora Enso OYJ	9,177,475
Subsea 7 SA	9,166,352
Valmet OYJ	8,729,418
Boliden AB	7,855,845
Trelleborg AB	7,540,764
Aker Solutions ASA	7,519,508
Essity AB	7,457,954
Sparebank 1 Oestlandet	7,362,620
Danske Bank A/S	7,303,289
Kungsleden AB	7,207,165
Lundin Mining Corp	7,119,098
SSAB AB	6,864,661
Telia Co AB	6,400,726

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Trient Dynamic Multi-Asset Fund**

<b>LARGEST PURCHASES</b>	<b>COST NOK</b>
Norway Treasury Bill Zero 12/19/18	84,857,400
Norway Government Bond 2 04/26/28	51,302,500
Spain Letras del Tesoro Zero 10/12/18	51,279,301
Portugal Treasury Bill Zero 07/20/18	28,495,992
Spain Letras del Tesoro Zero 09/14/18	22,203,897
Norway Treasury Bill Zero 09/19/18	19,992,000
United States Treasury Bill- When Issued Zero 11/08/18	18,029,800
Portugal Treasury Bill Zero 09/21/18	14,372,870
United States Treasury Bill Zero 10/25/18	10,640,759
Sparebank 1 Nord Norge	6,925,399
SpareBank 1 SMN	6,884,033
SpareBank 1 SR Bank ASA	6,406,176
Fukuoka Financial Group Inc	5,544,025
Verizon Communications Inc	5,539,588
DNB ASA	3,921,747
CGI Group Inc	3,822,554
National Retail Properties Inc	3,711,690
International Personal Finance Plc	3,711,156
Allgon AB	3,705,991
Kenedix Office Investment Corp	3,513,927
Baxter International Inc	3,495,364
SAP SE	3,491,946
Danaher Corp	3,491,187
Alphabet Inc	3,448,767
Deutsche Telekom AG	3,415,734
Berkshire Hills Bancorp Inc	3,277,355
Tokio Marine Holdings Inc	3,233,235
Marriott International Inc	3,200,945
Oracle Corp	3,097,616
Genpact Ltd.	3,089,434
Procter & Gamble Co/The	3,086,995
December 18 Calls on SPX Call 2825 21/12/2018	3,082,177
AT&T Inc	3,054,976
Roche Holding AG	3,050,894
Snap-on Inc	3,040,328
Sankyu Inc	2,965,065
Microsoft Corp	2,963,354
Visa Inc	2,954,835
Exelon Corp	2,954,117
Cognizant Technology Solutions Corp	2,949,269
Accenture Plc	2,947,303
Raytheon Co	2,920,598
CenterPoint Energy Inc	2,914,507
WesBanco Inc	2,914,030
Tyson Foods Inc	2,910,200
Shionogi & Co Ltd.	2,902,927

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**SIGNIFICANT PORTFOLIO MOVEMENTS (Unaudited) (Continued)**

**Trient Dynamic Multi-Asset Fund (Continued)**

<b>LARGEST SALES</b>	<b>COST NOK</b>
Norway Government Bond 1.75 02/17/27	149,324,250
Norway Treasury Bill Zero 12/19/18	84,861,000
Bundesrepublik Deutschland Bundesanleihe 1.25 08/15/48	51,942,648
Spain Letras del Tesoro Zero 10/12/18	51,575,492
Norway Government Bond 2 04/26/28	50,085,000
United States Treasury Note/Bond 2.75 11/15/47	39,439,058
iShares USD Corp Bond UCITS ETF	26,621,357
ABN AMRO Bank NV 1.87 02/18/19	20,057,600
Norway Treasury Bill 0 09/19/18	19,998,600
Xtrackers MSCI Emerging Markets Swap UCITS ETF	18,633,704
United States Treasury Bill- When Issued Zero 11/08/18	18,304,478
Danske Bank A/S 3.6 12/06/23	15,040,500
Portugal Treasury Bill Zero 09/21/18	14,388,925
Portugal Treasury Bill Zero 07/20/18	14,290,139
City of Oslo Norway 3.55 02/12/21	13,678,600
Kommunal Landspensjonskasse Gjensidig Forsikringselskap 4.25 06/10/45	12,679,674
ISHARES CORE MSCI EMERGING	12,606,513
Skandinaviska Enskilda Banken AB 5.75 05/13/20	11,598,658
DNB Bank ASA 5.75 12/29/49	11,580,789
Icelandair Group HF 5.86167 10/26/21	11,536,549
Swedbank AB 5.5 03/17/20	11,501,159
Svenska Handelsbanken AB 5.25 03/01/21	11,385,040
SpareBank 1 BV 3.85 09/18/19	10,217,000
Danske Bank A/S 5.75 04/06/20	9,735,374
Nordea Bank AB 5.5 09/23/19	8,203,556
Sparebank 1 Nord Norge	8,137,671
B2Holding ASA 7 10/04/21	7,451,528
Teekay LNG Partners LP 7.13 10/28/21	7,402,500
SpareBank 1 SMN	7,391,119
Aker ASA 5.03 06/06/20	7,271,500
SpareBank 1 SR Bank ASA	7,260,394
Sparebanken Vest 5.55 09/08/21	7,255,500
Sbanken ASA 5.24 10/12/20	7,171,500
Moellevparken 4 Senior BondCo AS 4.08 11/20/20	7,005,000
Stolt-Nielsen Ltd.	6,361,866
AT&T Inc	6,275,836
DNB ASA	6,187,431
Verizon Communications Inc	6,172,687
Sparebanken Sor 6.61 06/29/21	5,841,000
Mediobanca SpA	5,700,978
Navigator Holdings Ltd.	5,628,664
Danske Bank A/S	5,503,020
Fukuoka Financial Group Inc	5,374,965
Sparebanken Sor 2.78 01/30/25	5,051,275
Aurskog Sparebank 4.12 10/14/19	5,030,000
Bonheur ASA 3.99 11/09/20	5,025,000
Vardar AS 3.21 12/11/19	5,015,500



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**REMUNERATION INFORMATION (Unaudited)**

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

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

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

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 2018 €17,113 (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.