

**Sector Sigma Nordic Fund (the "Fund")**

**a sub-fund of**

**Sector Capital Funds plc**

**Supplement to the Prospectus dated 12 July 2017  
for Sector Capital Funds plc**

This Supplement contains specific information in relation to Sector Sigma Nordic Fund (the "**Fund**"), a fund of Sector Capital Funds plc (the "**Company**") an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**"). The Company has two other sub-funds, namely, Sector Healthcare Value Fund and Sector Global Equity Kernel.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 12 July 2017.**

The Directors of the Company, whose names appear under the section entitled "**Directors of the Company**" in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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

**Dated: 12 July 2017**

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## 1 DEFINITIONS

"Class A Shares"	means Class A Shares, which are comprised of Class A NOK Shares, Class A USD Shares, Class A EUR Shares and Class A SEK Shares;
"Class A NOK Shares"	means the Class A Shares in the capital of the Fund designated as Class A NOK Shares, which are denominated in NOK and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class A USD Shares"	means the Class A Shares in the capital of the Fund designated as Class A USD Shares, which are denominated in USD and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class A EUR Shares"	means the Class A Shares in the capital of the Fund designated as Class A EUR Shares, which are denominated in EUR and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class A SEK Shares"	means the Class A Shares in the capital of the Fund designated as Class A SEK Shares, which are denominated in SEK and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class B Shares"	means Class B Shares which are comprised of Class B EUR Shares, Class B USD Shares, Class B NOK Shares and Class B SEK Shares;
"Class B EUR Shares"	means the Class B Shares in the capital of the Fund designated as Class B EUR Shares, which are denominated in Euro and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class B NOK Shares"	means the Class B Shares in the capital of the Fund designated as Class B NOK Shares, which are denominated in NOK and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class B USD Shares"	means the Class B Shares in the capital of the Fund designated as Class B USD Shares, which are denominated in USD and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class B SEK Shares"	means the Class B Shares in the capital of the Fund designated as Class B SEK Shares, which are denominated in SEK and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class C Shares"	means Class C Shares, which are comprised of Class C NOK Shares and Class C SEK Shares;

"Class C NOK Shares"	means the Class C Shares in the capital of the Fund designated as Class C NOK Shares, which are denominated in NOK and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class C SEK Shares"	means the Class C Shares in the capital of the Fund designated as Class C SEK Shares, which are denominated in SEK and which charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class D Shares"	means Class D Shares which are comprised of Class D NOK Shares, Class D USD Shares, Class D EUR Shares and Class D SEK Shares;
"Class D NOK Shares"	means the Class D Shares in the capital of the Fund designated as Class D NOK Shares, which are denominated in NOK and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class D USD Shares"	means the Class D Shares in the capital of the Fund designated as Class D USD Shares, which are denominated in USD and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class D EUR Shares"	means the Class D Shares in the capital of the Fund designated as Class D EUR Shares, which are denominated in EUR and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class D SEK Shares"	means the Class D Shares in the capital of the Fund designated as Class D SEK Shares, which are denominated in SEK and which are charged a Management Fee as described in the <b>Charges and Expenses</b> section below;
"Class L NOK Shares"	means Class L Shares in the capital of the Fund designated as Class L NOK Shares, which are denominated in NOK;
"Investment Manager"	means Sigma Fondsforsvaltning AS or any successor thereto, duly appointed in accordance with the requirements of the Central Bank;
"Investment Management Agreement"	means the agreement dated 16 December 2016 between the Company and the Investment Manager as amended, supplemented, modified or novated from time to time, as further described in the <b>Material Contracts</b> section below;
"Management Fee"	means the management fee in respect of the Share classes payable to the Investment Manager as described in the <b>Charges and Expenses</b> section below; and
"Minimum Initial Investment Amount"	means the minimum subscription amount detailed in the <b>Key Information for Buying and Selling</b> section below.

## 2 INVESTMENT OBJECTIVE, POLICIES AND STRATEGY

### INVESTMENT OBJECTIVE

The Fund's investment objective is to generate attractive risk adjusted return for its investors, primarily through investment in Norway, Sweden, Denmark, Finland and Iceland ("the **Nordic Region**") with the aim of generating positive return over time in rising as well as falling equity markets.

**There can be no guarantee that the investment objective of the Fund will be achieved.**

### INVESTMENT POLICIES

The Fund is an absolute return fund focused on equity and equity related securities although the Investment Manager will be also entitled to invest in debt securities, money market instruments and Financial Derivative Instruments ("**FDI**") as further described below, which in the opinion of the Investment Manager may from time to time contribute more favourable returns than equity and equity related securities, for instance when equity markets are volatile. The Fund aims to generate a return that is less dependent on the general development of the equity market than what is the case for long only equity funds. The Fund is not benchmarked against an equity index.

The portfolio managers at the Investment Manager responsible for the management of the Fund have more than 50 years' combined experience and competence investing in the Nordic Region. The Fund will primarily invest in Nordic Region equity and equity related securities listed or traded on any Market. Investments outside of the Nordic Region may be held when, in the Investment Manager's opinion, such exposure offers more favourable returns to the Fund than investments in the Nordic Region.

The equity related securities which the Fund may invest in, include but are not limited to American Depositary Receipts ("**ADR**"), Global Depositary Receipts ("**GDR**") and European Depositary Receipts ("**EDR**") listed or traded on any Market. A Depositary Receipt (i.e. ADR, EDR or GDR) is a negotiable certificate issued by a bank of one country representing an ownership interest in a specific number of shares in another corporation which is traded independently from the underlying shares of that other corporation on an exchange or otherwise. The Fund's exposure to emerging markets will not exceed 20% of its Net Asset Value.

The Fund may invest in money market instruments, corporate bonds and/or government bonds as an alternative to equity and equity related securities, provided that in normal market conditions it is the intention that the Fund's exposure, which may include indirect exposure through the use of FDI, to equity and equity related securities will be at least 50% of the Fund's Net Asset Value. The Fund will primarily invest in money market instruments, corporate bonds and/or government bonds issued by governments or corporate issuers in the Nordic Region. The money market instruments will include, but are not limited to, deposits with credit institutions, short term commercial paper, floating rate notes, medium term notes, securities issued or guaranteed by any OECD government, its agencies or instrumentalities or by any supra-national entity and shall be in accordance with the requirements of the Central Bank. The money market instruments, corporate bonds and government bonds (which may be either fixed or floating) may or may not be rated, however so that exposure to below investment grade instruments shall be limited to 30% of the Fund's Net Asset Value.

The Investment Manager may also decide to invest in deposits, provided that they are repayable on demand or have the right to be withdrawn and will mature in no more than 12 months, subject to the maximum investment of 20% of the Fund's Net Asset Value in deposits with the same Relevant Institution (as defined in the Prospectus), which shall include the Depositary.

The Fund may invest up to but not exceeding 10% of its Net Asset Value in other collective investment schemes, including exchange traded funds ("**CIS**"). The Fund may invest in CIS to gain exposure to the Nordic Region. In some markets CIS can be more cost efficient than buying the underlying securities directly. The CIS may be authorised pursuant to the UCITS Regulations or may be non-UCITS which shall be domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man (in accordance with the provisions of the Central Bank Rules. The maximum annual management fees that will be charged by the CIS are estimated to be 2% of the Fund's net asset value together with any performance based incentive fee.

The Investment Manager may also invest up to 10% of the Net Asset Value of the Fund in unlisted equities and equity related securities, government bonds and money market instruments.

## **INVESTMENT STRATEGY**

### **Overall**

The Fund's investment strategy is based on fundamental equity analysis by identifying/recognising (i) economic cycles, (ii) the effect economic cycles have on secular growth trends and on particular sectors, and (iii) investment themes characterised by secular growth trends with above average growth rates during an economic cycle.

The Fund uses long and synthetic short positions in equities and equity related securities in furtherance of the Fund's investment objective. The Fund will typically hold synthetic short positions in companies where growth and earnings potential are deemed by the Investment Manager to be fully reflected in the underlying share price. The Fund will typically hold long positions in companies where growth and earnings potentials are deemed by the Investment Manager not to be fully reflected in the underlying share price. Investment selections are based on an investment process that is research driven, employing fundamental equity valuation criteria, with tactical implementation based on business cycle analysis. Furthermore, investments are primarily made in companies listed in the Nordic Region with established business models and operating history. The ratio of long / synthetic short positions in the Fund will vary depending on market conditions and the Investment Manager's assessment of the business cycle.

The Fund may also invest in cash deposits, money market instruments, corporate bonds and/or government bonds as an alternative to investments in equity and equity related securities in periods when the Investment Manager deems the equity markets to be highly unpredictable and volatile.

### **Investment process**

The investment process combines fundamental company and industry research with macroeconomic research. Understanding of secular growth trends are based on research of investment themes across industrial sectors. Fundamental company analysis and valuation are based on a broad set of parameters, including management quality, innovation rate and growth expectations. Continued monitoring and analysis of macroeconomic and business cycle indicators are utilised in the investment decision by the Investment Manager to better understand companies' position in the secular growth trends, and where they are in the business cycle.

### **Financial Derivative Instruments**

The Fund may, subject to the Investment Restrictions, also invest in FDIs for investment and share class hedging purposes such as convertibles, rights swaps, forwards, futures, contracts for differences ("**CFD**") and options with equities, bonds and money market instruments with primarily a Nordic Region focus as its underlying instruments. The Fund shall enter into FDI with Eligible Counterparties on either an over-the-counter ("**OTC**") basis or shall invest in FDIs listed or traded on a Market.

The Fund will be leveraged through its investment in FDI of up to but not exceeding 100% of the Fund's Net Asset Value using the commitment approach.

#### **(i) Convertibles**

A convertible entitles the holder to convert the note into shares in the issuing company, or into cash of equal value, at an agreed-upon price. The Fund will primarily invest in convertibles issued in respect of Nordic Region companies or companies with a Nordic Region focus.

#### **(ii) Rights**

Rights are notes issued by a company which gives the holder the right to purchase shares from that company at a specific price, within a certain time frame. The Fund will primarily invest in rights issued in respect of Nordic Region companies or companies with a Nordic Region focus.

#### **(iii) Swaps**

Swaps are agreements between two parties to exchange future payments in one underlying asset for payments in another. Swaps must include an exchange of principal at maturity or at the inception of the

contract. The Fund may also enter swaps in order to hedge existing long positions held in Nordic Region equities. The Fund may also invest in FX swaps for share class hedging purposes.

(iv) Total Return Swaps

Total return swaps ("**TRS**") may be used by the Investment Manager as an alternative to direct investments in the aforementioned equities and equity related securities. The assets that will be subject to the TRS shall be equities and equity related securities primarily with a Nordic Region focus. TRS are agreements between two parties whereby the total economic performance of an underlying asset(s) is transferred from one party to the other in return for a stream of payments based on an agreed interest rate. The Fund may enter into TRS with Eligible Counterparties. For the avoidance of doubt, such counterparty shall not assume any discretion or approval control over the composition or management of the Fund's investment portfolio.

The use of TRS by the Fund shall be subject to the requirements of the SFT Regulations. The Investment Manager anticipates that the Fund's exposure to TRS on an ongoing basis shall be approximately 40% of its Net Asset Value, subject to a maximum investment in TRS of 50% of its Net Asset Value.

(v) Forwards

In forward contracts, the contract holders are obligated to buy or sell an underlying asset at a specified price, at a specified quantity and on a specified future date. Forward contracts may be cash settled between the parties. The Fund's use of forward foreign contracts may include, but is not limited to, altering the exposure of securities held, hedging against exchange risks or increasing exposure to a particular asset.

(vi) Futures

Futures are contracts to buy or sell a standard quantity of a specific underlying asset (or currency in respect of FX futures) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow the Fund to take advantage of rising or falling markets or gain exposure to the underlying asset (i.e. a Nordic Region equity). Since these contracts are marked-to-market daily, the Fund can, by closing out its position, exit from its obligation to buy or sell the underlying asset prior to the contract's delivery date.

(vii) Contract for Differences

A CFD is a type of futures or forward contract on a financial instrument, a basket of financial instruments or an index whereby differences in settlement can be made only through payment in cash. The Fund may invest in CFD which enable it to gain exposure to Nordic Region equities.

(viii) Options

An option is a type of derivative that gives the owner the right, but not the obligation, to buy or sell an underlying asset (i.e. a Nordic Region equity). Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. Failure to do so as required may result in the position being closed or liquidated in the same way as a futures position.

## **CURRENCY HEDGING**

The Fund is a multi class fund with classes of Shares denominated in USD, EUR, NOK and SEK. The Fund may (but shall not be obliged to) engage in currency hedging transactions (utilising different FDI including FX futures, FX forwards and FX swaps) in respect of Classes not denominated in the Base Currency to seek to hedge against declines in the values of one or more Share Classes of the Fund as a result of changes in currency exchange rates. All hedging transactions will be clearly attributable to a specific Share Class and therefore currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Fund shall not be allocated to separate Share Classes. Therefore the costs, gains/losses of such hedging transactions will accrue solely to the relevant Class.

It is expected that the extent to which such currency exposure will be hedged will range from 95% to 105% of the Net Asset Value attributable to the relevant Share Class. Where the value of the hedges in place in respect of a given Share Class are less or more than 100% of the Net Asset Value attributable to that Share Class, the Investment Manager shall keep the situation under review and will ensure that over hedged positions do not exceed 105% of the Net Asset Value. Positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. While it is not the intention of the Fund, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund.

The adoption of this strategy may substantially limit holders of respective Classes from benefiting if the USD and/or the EUR and/or the SEK (as the case may be) falls or rises against the Base Currency.

### **3 INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading "**Investment Restrictions**" in the Prospectus shall apply.

### **4 BORROWING**

The Company, acting through the Investment Manager, may borrow up to 10% of the Fund's Net Asset Value on a temporary basis, at any time for the account of the Fund. The Company may charge the assets of the Fund as security for any such borrowing.

The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

### **5 PROFILE OF THE TYPICAL INVESTOR**

The Fund is suitable for investors who are prepared to assume a medium degree of volatility in return for longer-term rewards on their investment.

### **6 LISTING**

No application has been made to list the Shares on any stock exchange and currently there are no plans to list the Shares on any stock exchange. The Directors may, however, in the future decide to seek listing of the Shares on one or more stock exchanges following the approval of the Fund by the Central Bank.

### **7 RISK FACTORS**

The general risk factors set out in the heading "**Risk Factors**" in the Prospectus apply to the Fund.

In addition, the following risk factors apply to the Fund:

#### **General Considerations**

There is no guarantee that the investment objective of the Fund, or its risk monitoring and diversification goals, will be achieved and results may vary substantially over time.

#### **Investment and Trading Risk**

The investments of the Fund in financial instruments are subject to the risk of loss of capital. The Investment Manager believes the Fund's investment process will moderate this risk through a careful and timely selection of securities and other financial instruments, though no guarantee or representation is made that the Fund will be successful in this regard. The Fund's investment programme may utilise such investment techniques as trading in put and call options and other derivatives as listed above, limited diversification, margin transactions and forward contracts, which practices can, in certain circumstances, increase the adverse impact which the Fund may be subject to.

In certain transactions, the Fund may not be "hedged" against market fluctuations or, in reorganisation or liquidation situations, may not accurately value the assets of the Fund or the degree of legal and regulatory risk. This can result in losses, even if the proposed transaction is consummated.



The Investment Manager will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risk cannot be eliminated.

### **Operating Risk**

Potential losses may arise from the various facets of operating an investment fund such as the Fund. For example, there are regulatory risks, the potential for lawsuits and the potential for the occurrence of tax events which may adversely affect the Fund. There is also the risk of human error such as inaccuracies in booking and reporting of trades.

### **Credit Risk**

Credit risk refers to potential losses due to counterparty default, such as the failure to pay coupons or principal of a bond. Another type of credit risk is the risk of settlement failure, that is, the failure of a counter party to deliver or pay for securities.

### **Concentration of Investments**

Although it is the intention of the Investment Manager to follow a general policy of seeking to spread the Fund's capital at risk among a number of investments deemed attractive, the Fund may at certain times hold relatively few positions, with the result that a loss in any such position could have an adverse impact on the Fund's capital.

### **Dependence upon Key Individuals**

The success of the Fund will depend upon the efforts of the Investment Manager. There can be no assurance that the Investment Manager will be successful in the management of the Fund's investments, nor that the investment approach upon which the Fund relies will produce adequate returns. The death, disability or withdrawal of the Investment Manager's principal(s), or financial or operational difficulties of the Investment Manager could adversely affect the Fund.

### **Investing in ETFs**

The Fund incurs the costs of its own management and fees paid to the Administrator, the Depositary, the Investment Manager and other service providers. In addition, where the Fund invests in ETFs, the Fund indirectly incurs a share of similar costs in its capacity as an investor in such ETFs.

## **8 DIVIDEND POLICY**

The Directors do not currently intend to pay dividends. Accordingly, the price of the Shares shall rise as income and capital gains accrue. If the Directors change this policy full details will be provided in an updated Supplement and all shareholders will be notified in advance.

## **9 INVESTMENT MANAGER**

The Company has appointed Sigma Fondsforvaltning AS of Filipstad Brygge 2, PO Box 1994 Vika, 0125 Oslo, Norway as Investment Manager of the Fund pursuant to the Investment Management Agreement. The Investment Manager was established on 5 January 2006 as a Norwegian Limited Liability Company under and in accordance with the rules of the Norwegian Limited Liability Companies Act of 1997 and registered in the Register of Business Enterprises on 27 January 2006. The Investment Manager was licensed by the Financial Supervisory Authorities of Norway on 20 December 2006 as a management company pursuant to the Norwegian Act on Securities Funds of 2011, implementing amongst others Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investments in Transferable Securities (UCITS). The Investment Manager is also authorized to provide the investment service of portfolio management under and in accordance with the Norwegian Securities Trading Act 2007.

The Investment Manager's main activity is discretionary asset management.

## **10 DISTRIBUTORS**

The Company has appointed Sector Capital AS of Filipstad Brygge 2, PO Box 1994 Vika, 0125 Oslo, Norway as the global non-exclusive distributor of the Fund. In addition pursuant to the terms of the

Investment Management Agreement, the Investment Manager has also been appointed as a non-exclusive distributor of the Fund. Further details of the global distribution agreement between the Company and Sector Capital AS are detailed below in the "**Material Contracts**" section.

## 11 KEY INFORMATION FOR BUYING AND SELLING

### Base Currency

NOK

### Classes available

The Fund is a multi-class fund with Classes of Shares denominated in EUR, NOK, SEK and USD. The Net Asset Value per Share in each Class will be calculated in the relevant Class currency. In addition all subscriptions and redemptions will be effected in that currency.

Class	Initial Issue Price*	Minimum Shareholding**	Minimum Initial Investment Amount***
Class A USD Shares	N/A	NOK 100,000	NOK 20 million
Class A EUR Shares	N/A	NOK 100,000	NOK 20 million
Class A NOK Shares	N/A	NOK 100,000	NOK 20 million
Class A SEK Shares	SEK 1,000	NOK 100,000	NOK 20 million
Class B USD Shares	USD 100	NOK 100,000	EUR 250,000
Class B EUR Shares	N/A	NOK 100,000	EUR 250,000
Class B NOK Shares	N/A	NOK 100,000	EUR 250,000
Class B SEK Shares	SEK 1,000	NOK 100,000	EUR 250,000
Class C NOK Shares	N/A	NOK 100,000	NOK 100,000
Class C SEK Shares	N/A	NOK 100,000	NOK 100,000
Class D NOK Shares	N/A	NOK 100,000	NOK 2 million
Class D USD Shares	USD 100	NOK 100,000	NOK 2 million
Class D EUR Shares	EUR 100	NOK 100,000	NOK 2 million
Class D SEK Shares	N/A	NOK 100,000	NOK 2 million
Class L NOK Shares	N/A	N/A	N/A

\*or its equivalent in the relevant currency (net of initial fees and bank charges if any).

\*\*or the currency equivalent thereof or such greater or lesser amount as may be determined by the Directors.

\*\*\*or its equivalent in the relevant currency or such greater or lesser amounts as the Directors may, in their absolute discretion decide. The Directors may, at their discretion, waive the Minimum Initial Investment Amount in respect of any Class.

The Class L NOK Shares shall be open for public participation. However the Investment Manager intends that 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.

**Offer**

The Class A USD Shares, Class A EUR Shares, Class A NOK Shares, Class B EUR Shares, Class B NOK Shares, Class C NOK Shares, Class C SEK Shares, Class D NOK Shares, Class D SEK Shares and Class L NOK Shares are continuously open for subscriptions at each Dealing Day, at the prevailing Net Asset Value Per Share of the relevant Class.

Where the Initial Offer Period for a Class has closed and Shares in that Class have not been issued, the issue price per Share of that Class shall be the prevailing Net Asset Value of an issued Class of the same currency.

**Initial Offer Period**

For the Class A SEK Shares, Class B SEK Shares, Class D USD Shares and Class D EUR Shares from 9:00 a.m. (Irish time) on 19 December 2016 until 5:00p.m. (Irish time) on 19 June 2017 or such earlier or later date as the Directors may determine.

After such Initial Offer Period, Shares will be available for subscriptions on each Dealing Day at the then prevailing Net Asset Value per Share.

**Business Day**

Any day other than a Saturday or Sunday on which commercial banks are open for business in Oslo and Dublin.

**Dealing Day**

Each Business Day, or such day or days as the Directors may, in their absolute discretion, determine and notify to Shareholders in advance.

**Dealing Deadline**

In relation to applications for subscription of Shares, the Dealing Deadline is 2.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.

In relation to redemption of Shares, the Dealing Deadline is 2.00 p.m. (Irish time) two Business Days prior to the relevant Dealing Day.

In relation to exchange of Shares, the Dealing Deadline is 2.00 p.m. (Irish time) three Business Days prior to the relevant Dealing Day.

The Directors, in exceptional circumstances, reserve the right to waive the notice period at their discretion provided such applications are received before the Valuation Point for the relevant Dealing Day.

**Valuation Point**

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors, shall be the close of business of the relevant market that closes last on the Business Day immediately prior to each Dealing Day.

Any value expressed otherwise than in the Base Currency shall be converted into the Base Currency at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.

**Minimum Additional Investment Amount**

None.

**Preliminary Charge**

A Preliminary Charge of up to 5% of the Net Asset Value per Share may be charged at the discretion of the Directors. Class L NOK Shares will not be subject to a Preliminary Charge.

**Redemption Charge**

A Redemption Charge of up to 3% of the Net Asset Value per Share in respect of the Class C NOK Shares only may be charged at the discretion of the Directors.

**Exchange Charge**

None.

## **Settlement Date**

In the case of subscription(s), cleared funds must be received on or before 2.00 p.m. (Irish time) in Dublin on the Business Day after the relevant Dealing Day. However, the Directors may at their discretion, accept applications for Shares for a relevant Dealing Day, where subscription monies are not received by the Settlement Date provided that confirmation is received from the applicant's bank before the Settlement Date that subscription monies shall be received on or before the close of business in Dublin on the relevant Dealing Day.

In the case of redemptions, proceeds will be paid 3 Business Days after the relevant Dealing Day assuming timely receipt of all duly signed redemption documentation and all anti money laundering documentation, as requested by the Administrator.

## **12 HOW TO BUY SHARES**

Application for Shares should be forwarded either to the Administrator directly or to a Distributor for onward transmission to the Administrator prior to the Dealing Deadline for the relevant Dealing Day.

Unless the Administrator otherwise agrees, payment for Shares must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Class.

This section should be read in conjunction with the section entitled "**Subscription for Shares**" in the Prospectus.

## **13 HOW TO SELL SHARES**

Requests for the sale of Shares should be forwarded either to the Administrator directly or to a Distributor for onward transmission to the Administrator prior to the Dealing Deadline for the relevant Dealing Day. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A redemption request once given will not be capable of revocation without the consent of the Directors.

The amount due on the redemption of Shares of any Class will be paid by the Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of the proceeds of redemption will only be paid on receipt by the Administrator of relevant redemption documentation.

No Shareholder shall be entitled to realise part only of his holding of Shares of any Class if such realisation would result in his holding of Shares of such Class after such realisation being below the Minimum Shareholding of that particular Class.

This section should be read in conjunction with the section entitled "**Repurchase of Shares**" in the Prospectus.

## **14 NET ASSET VALUE**

The Administrator determines the Net Asset Value per Share as at the Valuation Point of each Dealing Day in accordance with the procedure provided for under the heading "**Calculation of Net Asset Value/Valuation of Assets**" in the Prospectus.

## **15 CHARGES AND EXPENSES**

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

### **Fees of the Investment Manager**

The Investment Manager shall be entitled to a Management Fee per annum of the Net Asset Value of each of the following Classes:

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

The Investment Manager will not charge a Management Fee in respect of the Class L NOK Shares.

The Investment Manager is also entitled out of the assets of the Fund, to be reimbursed for its out of pocket expenses incurred in the performance of its duties.

The Management Fee accrues as at each Valuation Point and will be payable monthly in arrears. The fees of Sector Capital AS will be discharged by the Investment Manager out of the Management Fee.

In addition the Investment Manager shall also be entitled to receive the applicable Preliminary Charge and/or Redemption Charge, in its capacity as a distributor of the Fund.

The Investment Manager may waive or rebate all or a portion of the Management Fee or Incentive Fee attributable to any Class, it being acknowledged that such waiver or rebate, if any, may differ between Shareholders and that the Investment Manager will have ultimate discretion in this matter.

#### Incentive Fee

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

#### Incentive Fee for Class A Shares, the Class B Shares and the Class C Shares

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

The Incentive Fee will accrue as at each Valuation Point and will be calculated annually on the rate of return (net of the Investment Manager's fees) of each Class, and will be payable annually in arrears (on or after the first Business Day of the following year), or upon redemption, if earlier. The calculation period for the Class A Shares, the Class B Shares and the Class C Shares shall be a calendar year, closing on the last Business Day each year (the "**Calculation Period**"). The First Calculation Period for any unlaunched Class A, Class B and/or Class C Shares shall commence from the conclusion of the relevant Initial Offer Period and cease on the last Business Day of the relevant calendar year. The Incentive Fee will be verified by the Depositary.

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

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

The "**Prior High Net Asset Value**" of each Share is the highest Net Asset Value per Share on which Incentive Fee was paid in respect of any previous Calculation Period (or, if no Incentive Fee has yet been paid with respect to any such Calculation Period, the Initial Issue Price of the relevant Share). As the Incentive Fee is based on net realised and net unrealised gains and losses as at the end of each

Calculation Period and as a result, it may be paid on unrealised gains which may subsequently never be realised.

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

If the Investment Management Agreement is terminated before the end of a Calculation Period, the Incentive Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period. For the avoidance of doubt, the Investment Manager may waive (or where necessary rebate to Shareholders) part or all of the Incentive Fee that would otherwise be payable to the Investment Manager in respect of any Calculation Period.

#### Incentive Fee Adjustments for the Class A Shares, the Class B Shares and the Class C Shares

If a Shareholder subscribes for Shares in the Fund at a time when the Net Asset Value per Share of the Class A Shares, the Class B Shares or the Class C Shares is other than the Prior Net Asset Value per Share, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager. Shares acquired by a transferee will be treated as if they were redeemed (by the transferor) and subscribed (by the transferee) on the date of the transfer at the most recent Net Asset Value for the relevant Class (this is only applicable if there is a change in beneficial ownership).

- (a) If Shares are subscribed at a time when the Net Asset Value per Share of a Class is less than the relevant Prior High Net Asset Value per Share, the Shareholder will be required to participate in the levying of the incentive fee payable ("**Equalisation Deficit**") in respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the relevant Prior High Net Asset Value per Share, an adjustment fee will be charged at the end of each Calculation Period by the Fund redeeming at par value such number of the Shares held as have an aggregate Net Asset Value (after accrual for any allocation of incentive fee) equal to 20% if Class B Shares or Class C Shares are held and equal to 15% if Class A Shares are held, of any such appreciation (an "**Incentive Fee Redemption**"). The aggregate Net Asset Value of the Shares so redeemed (less the aggregate par value which will be retained by the Fund) will be paid to the Investment Manager. Incentive Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share in each Class. As regards the Shareholder's remaining Shares in that Class, any appreciation in the Net Asset Value per Share above the relevant Prior High Net Asset Value per Share will participate in the levying of the incentive fee in the normal manner described above. An Incentive Fee Redemption may be a taxable event for some Shareholders.
- (b) If Shares are subscribed for at a time when the relevant Net Asset Value per Share is greater than the relevant Prior High Net Asset Value per Share, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to 20% if Class B Shares or Class C Shares are held and equal to 15% if Class A Shares are held, of the difference between the relevant Prior High Net Asset Value per Share and the then current Net Asset Value per Share of the particular Class (before accrual for the incentive fee) (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the pro-rata incentive fee per Share accrued with respect to the other Shares in the relevant Class (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share in that Class has been reduced to reflect an accrued incentive fee to be borne by existing Shareholders of that Class and serves as a credit against amounts of incentive fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares in that Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class, subsequent to the issue of the Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any

Valuation Point in the Net Asset Value per Share of the relevant Shares, the Equalisation Credit will also be reduced by an amount equal to 20% if Class B Shares or Class C Shares are held and equal to 15% if Class A Shares are held, of the difference between the Net Asset Value per Share (before accrual for the incentive fee) at the date of issue and as at that Valuation Point. Any subsequent appreciation in the Net Asset Value per Share will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit. At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Incentive Fee) exceeds the relevant Prior High Net Asset Value, that portion of the Equalisation Credit equal to 20% if Class B Shares or Class C Shares are held and equal to 15 % if Class A Shares are held, of the excess, multiplied by the number of Shares subscribed by the Shareholder, will be applied to subscribe additional Shares in the applicable Class for that Shareholder. Additional Shares will continue to be so subscribed at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for the relevant Shares was made, has been fully applied. If the Shareholder redeems his Shares before any applicable Equalisation Credit (as adjusted for appreciation and depreciation, as described above) has been fully applied, he will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction (the numerator of which is the number of Shares being redeemed and the denominator of which is the number of Shares held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription). Conversely, if the Shareholder redeems their Shares before any applicable Equalisation Deficit (as adjusted for appreciation and depreciation, as described above) has been fully applied, he will receive redemption proceeds less the applicable Equalisation Deficit payable at the time of redemption.

#### Incentive Fee for Class D Shares

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

Class D SEK Shares	the return of 3 month Swedish treasury bills (Bloomberg Ticker: GSGT3M Index);
Class D USD Shares	the return of 3 month US treasury bills (Bloomberg Ticker: USGG3M Index);
Class D NOK Shares	the return of 3 month Norwegian treasury bills (Bloomberg Ticker: GNGT3M Index); and
Class D EUR Shares	the return of 3 month German treasury bills (Bloomberg Ticker: GETB1 Index).

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

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

The crystallisation of the Class D Incentive Fee on a daily basis ensures that all Shareholders are treated equally. Shareholders subscribing for Shares in the Class D Shares do not bear the cost of underperformance in previous Class D Calculation Periods as a result of the daily crystallisation. For the avoidance of doubt if a Shareholder subscribes for Shares in the Class D Shares at a time when the Net Asset Value per Share of the relevant Class D Shares is other than the Prior Net Asset Value per Share, adjustments will not be made.

At the end of each Class D Calculation Period, where the Class D Incentive Fee has been paid, and only then, the Prior High Net Asset Value per Share will be reset to the Net Asset Value per Share of the relevant Class D Shares at the end of such Class D Calculation Period. As the Class D Incentive Fee is



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

Upon the Investment Management Agreement being terminated any Class D Incentive Fee will be calculated and paid to the Investment Manager as at the date of termination. For the avoidance of doubt, the Investment Manager may waive (or where necessary rebate to Shareholders) part or all of the Class D Incentive Fee that would otherwise be payable to the Investment Manager in respect of any Class D Calculation Period.

### **Fees of the Administrator and Depositary**

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears of up to but not exceeding 0.105% of the Net Asset Value of the Fund for all administration, accounting, registrar services. The Administrator is entitled to all its reasonable agreed upon transaction, transfer agency, shareholder services and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Fund (plus VAT thereon if any).

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears of up to but not exceeding 0.1% of the Net Asset Value of the Fund. The Depositary is also entitled to sub-custodian's 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).

### **Initial Expenses**

The Fund will cover its own establishment costs and expenses not estimated to exceed €100,000 which will be amortised over the first 5 years of the Fund's operation. The Fund also participated in its proportionate share of the establishment costs of the Company (as provided in the Prospectus).

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

## **16 MATERIAL CONTRACTS**

In addition to the material contract listed in the Prospectus, the Company has entered onto the following contracts in respect of the Fund, which are deemed material;

The investment management agreement as amended and restated on 16 December 2016 between the Company and the Investment Manager in respect of the Fund, as may be amended from time to time (the "**Investment Management Agreement**"). Pursuant to the terms of the Investment Management Agreement, the Investment Manager has been appointed as discretionary investment manager and non-exclusive distributor of the Fund. The Investment Management Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains certain indemnities payable out of the assets of the Fund in favour of the Investment Manager which are restricted to exclude matters resulting from the wilful misconduct, fraud, bad faith or negligence of the Investment Manager in the performance or non-performance of its obligations and duties.

The global distribution agreement ("**Global Distribution Agreement**") dated 16 December 2016 between the Company and Sector Capital AS (in such capacity the "**Distributor**"). The Global Distribution Agreement provides that the appointment of the Distributor will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the Global Distribution Agreement may be terminated forthwith by notice in writing by either party to the other. The Global Distribution Agreement contains certain indemnities in favour of the Distributor which are restricted to exclude matters arising by reasons of the negligence, fraud, bad faith or wilful default of the Distributor in the performance or non-performance by the Distributor of its duties or obligations. The Global Distribution Agreement contains limited recourse provisions under which the recourse against the Company by the Distributor in respect of any claims arising under or in relation to the Global Distribution Agreement is expressed to be limited to the Fund, and the Distributor will have no recourse to any other

assets or any other sub-funds of the Company. If following the realisation of the assets of the Fund and the application of such realisation proceeds in payment of all claims of the Distributor relating to the Fund and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the Fund (for these purposes the "**Relevant Date**"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Distributor will have no further right of payment in respect thereof and (c) the Distributor will not be able to petition for the winding-up of the Company as a consequence of any such shortfall; provided that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund between the Relevant Date and date of termination of the Fund in accordance with the requirements of the Central Bank.