Summit Sustainable Opportunities L/S Equity Fund

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The Summit Sustainable Opportunities L/S Equity Fund (the "Fund") is a sub-fund of Heptagon Fund Plc which is an open-ended umbrella type investment company authorised pursuant to UCITS regulations. Heptagon Capital Limited ("Heptagon") is the Investment Manager and Summit Partners Public Asset Management, LLC ("Summit" or "Summit Partners") is the Sub-Investment Manager meaning Summit exercises discretionary investment authority over the Fund. The Fund was launched on June 30, 2020, having returned 43.9% since inception to the end of December 2020 (C USD share class) and had AUM of $52m. During the fourth quarter of 2020, the Fund outperformed the S&P 500 TR USD ("S&P"), returning 23.8% compared to 12.2% for the S&P.

Annualized Total Returns

As of December 31, 2020 net of fees

	Q4 20	YTD	1-Year	3-Year	5-Year	10-Year
SPSO Funds	23.4%	80.3%	80.3%	31.3%	21.2%	15.1%
S&P 500 TR USD	*12.2%*	*18.4%*	*18.4%*	*14.2%*	*15.2%*	*13.9%*

Source: Summit Partners, Morningstar

Summit has been managing the Summit Partners Sustainable Opportunities L/S Strategy since its inception on November 1, 2007. The Summit Partners Sustainable Opportunities L/S Fund, L.P., Summit Partners Sustainable Opportunities L/S QP Fund, L.P and Summit Partners Sustainable Opportunities L/S Fund Limited are collectively referred to as the Summit Sustainable Opportunities L/S Funds ("SPSO Funds"), together with the UCITS Fund, these are referred to as the Summit Partners Sustainable Opportunities L/S Strategy (the "Strategy"). The UCITS Fund has the same Portfolio Manager and investment team, the same investment objective and uses the same philosophy and strategy as the SPSO Funds. Since the Fund has a relatively short time period, the SPSO Funds are used to provide a better understanding of how the team has managed this strategy over a longer time period. However it should be noted that due to certain factors including, but not limited to, differences in cash flows, fees, expenses, performance calculation methods, and portfolio sizes and composition, there may be variances between the investment returns demonstrated by each portfolio in the future.

Summit Partners – Sub-advisor Q4 2020 Commentary

The Summit Partners Sustainable Opportunities L/S Strategy is designed to achieve capital appreciation and deliver risk-adjusted returns over a market cycle and typically focus on investment opportunities in companies that offer market-driven solutions to global sustainability challenges. The Strategy views sustainably oriented businesses as companies that offer lower environmental impact or less resource-intensive products or services than incumbent players. As part of the Summit Partners alternative investment platform, we believe the Strategy benefits from a solid institutional infrastructure coupled with industry experience and relationships from more than three decades of investing in key sectors. The Strategy's investment process seeks to incorporate this sector knowledge and market perspective through regular collaboration with the Firm's global investment team. We believe our investment process combined with our approach to risk management creates a competitive advantage, which we believe helps the Strategy deliver its objective.

Past performance is no guide to future performance and the value of investments and income from them can fall as well as rise.

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Performance Review

2020 will be remembered in the stock market for the COVID-19 pandemic and the wild swings it produced. We watched businesses transform due to an amplifying blend of societal, behavioral and political forces. Over the course of the year, several key trends gained traction and, in our observation, began to dominate the equity markets in a way they had not previously. The COVID-19 pandemic pushed the work-from-home phenomenon to touch nearly every aspect of commercial existence. The gig economy and the sharing economy reshaped the way we think about jobs and assets, as many Americans lost their primary source of employment and looked for other means of supporting themselves. Cloud computing, automation and artificial intelligence continued to re-shape entire industries, including the biotech and pharmaceutical industries operating on the front lines of the COVID-19 fight. Amidst major social upheaval, we believe investors are more focused on ESG, as we discussed in our previous quarterly letter, dramatically shifting funds into ESG-oriented products and impacting the cost of capital for a variety of companies. Overall, we saw an acceleration of the adoption curve for new technology in a range of industries - management teams spoke of achieving outcomes they had established for 2025 or even 2030, driven by both client demand and internal operational requirements.

Throughout 2020, we saw many of the SPSO Funds' longer-term holdings recognized and rewarded in the marketplace for their innovation and execution. The Funds' top performers for the year were **Tesla, Inc. ("TSLA"), Enphase Energy, Inc. ("ENPH"), Fiverr International, Inc. ("FVRR"), Sunnova Energy International, Inc. ("NOVA")** and **Peloton Interactive, Inc. ("PTON"),** and together these positions accounted for approximately half of the total long-book gross performance of 122%. The short book cost the Funds 19% on a gross basis during the year but we believe provided a critical ballast during the dramatic sell off in March 2020, offering downside protection and helping the Funds to recommit to highest conviction long positions.

The SPSO Funds' long book contributed 33% on a gross basis and the Funds' short book detracted 4% on a gross basis during Q4 2020. Long book positive attribution for Q4 2020 came from positions in **ENPH, FUBO, Inc. ("FUBO"), TSLA, Chewy, Inc. ("CHWY")** and **FVRR**. The Funds ended the fourth quarter with delta adjusted gross exposure of 110% and net exposure of 62%, composed of 86% gross long and 24% gross short exposure, having entered the fourth quarter with delta adjusted gross and net exposures of 105% and 57%. At quarter-end, the Funds' five largest holdings on a delta adjusted exposure weighted basis were **ENPH, 1Life Healthcare, Inc. ("ONEM"), NOVA, TSLA** and **Generac Holdings, Inc. ("GNRC").**

Looking Ahead: Rational / Irrational Optimism

We believe there are many reasons to remain optimistic right now. While the COVID-19 pandemic dominated the narrative in 2020, the U.S. is marshalling additional resources to support Americans in 2021. We believe this year will see the widespread rollout of vaccines, additional stimulus money for consumers (who have pent-up demand for spending) and large amounts of infrastructure spending. Further, we believe the Biden administration will support climate-aware infrastructure investments and expect this to fuel continued excitement about all things renewable, from energy and transportation to agriculture and consumption.

There has been a wave of newly formed companies on the market using what was, until recently, a relatively rare method of capital formation, and as many of these companies are promoting some degree of "cleantech", we believe the practice is worth closer examination. Wall Street's latest innovation in fundraising is the Special Purpose Acquisition Corporation ("SPAC") (see chart below). A SPAC is a company with no commercial operations, formed specifically to raise funds through an IPO and to acquire or merge with another venture. The SPAC generally has two years to complete its acquisition or return funds to its investors.

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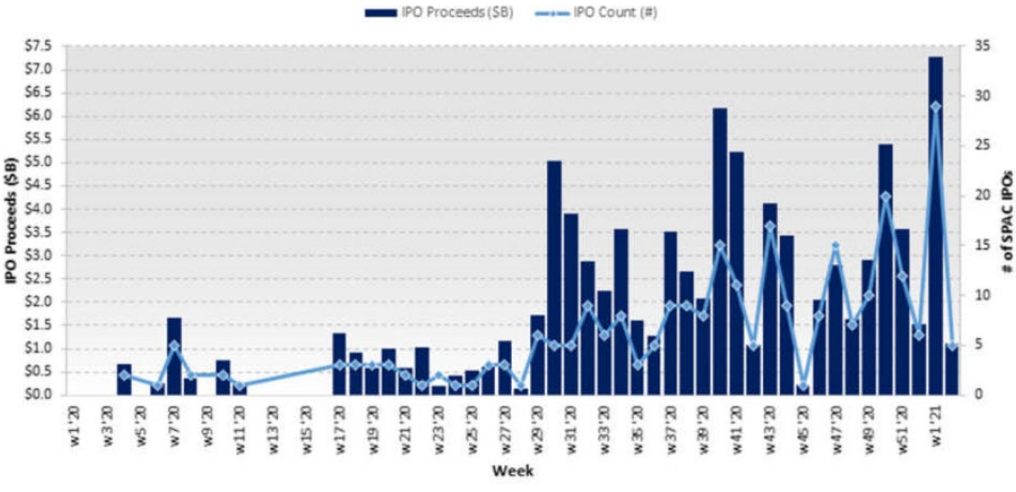
We have observed investors applying ‘market cap-to-TAM’ and 2030 EBITDA multiples to assign value and underwrite these business combinations where there are no expected commercial revenues for the next 18 months. For context, the SPSO Funds are actively tracking more than 30 publicly traded cleantech- focused SPACs with cumulative market capitalization in excess of $120 billion, but cumulative 2020 revenues of less than $1 billion. For those SPACs, we will just have to wait and see if actual results come anywhere near the 2025 targets the companies have published.

SPAC IPO’s by week



Source: Credit Suisse, Bloomberg, SPACResearch.com, SPACInsider.com / Data based on January 1, 2020 through January 12, 2021

From a personal standpoint, this is familiar territory. Before starting the SPSO Funds’ predecessor fund in 2007, I was a technology analyst during the underwriting craze of Dotcom v1.0 in the late 1990s. That was a time when IPOs would routinely trade up 1,000% on the first trading day. For a while it seemed as though anything got funded and everything went up. They were even crazy enough to sell pet food online! But when the bubble burst in 2000, everything fell to Earth, including Amazon, which I covered as an analyst. What we have learned since then is that the potential markets were bigger, and more market capitalization could be created than we imagined in the late 1990s. We have also learned that the technology being funded was indeed more transformative than anyone could have guessed, but not every company would turn out to be as transformative.

In January 2021, we find ourselves facing both an underlying shift in investing strategy towards ESG and a potential tide of infrastructure spending all targeted at the notion of a renewable infrastructure build out. There is reason for this enthusiasm, particularly given potential U.S. policy shift on climate, so there is reason to think that the market analogy is more in line with 1995, or even 1921, than the bubble of 1999. However, we are cognizant as always that not every disrupter will be successful, and our efforts are focused on finding those disruptive companies that can drive costs down.

With all this in mind, the SPSO Funds’ portfolio continues to be positioned with a comparatively low gross exposure and directional net exposure.

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As of the beginning of the year, the Funds had approximately 40 long equity positions and were somewhat less concentrated than they have been historically. Thematically, the Funds' largest concentrations at year end were in Energy Transformation and Electric Vehicles / Autonomous Vehicles ("EV/AV").

Short Book

The SPSO Funds seek to manage risk by using single name options and the Funds' short book. Typically, the selected shorts are thematically aligned and fall into two broad categories that we describe as "failed disruptors" or "disrupted incumbents." The failed disrupter short: these are innovation-focused companies that we believe have failed to gain a leadership role in the target market segment; they often present as balance sheet or management-challenged young companies. The disrupted incumbent short: these are typically companies that we view as legacy industry leaders that find themselves in the early to mid-stages of decline, demonstrated by under-investing in research and development or by levered balance sheets designed to increase near-term returns. Many of the innovative companies that make up the Funds' long book are competing directly with – and winning against – those companies we have categorized as disrupted incumbents. The threshold for inclusion in the Funds' short book is high, as the short book is intended to provide alpha generation and not simply to balance the long book exposure.

For the SPSO Funds, shorting was a detractor to performance in 2020. The Funds lost 19% on a gross basis on the short book for the year, and as a result, kept gross exposures low coming into 2021. However, sustainability themes have historically produced opportunities on both sides of the ledger for the Funds, and with the growth of SPAC listings, we believe there is an opportunity to generate alpha on the short side. The Funds' current short exposure includes delivery truck and truck component manufacturers, electric vehicle charging infrastructure and unproven battery technology. We routinely come across companies that claim to have the capacity to grow at 30%+ for years. We believe the vast majority of companies will fail to live up to these expectations and can become effective short positions.

Sustainability & ESG

As part of the Funds' investment process, we assess investment opportunities that focus on sustainability by evaluating each business based on its core operating activity. The SPSO Funds view sustainably oriented businesses as companies offering lower environmental impact or less resource-intensive products or services than incumbent players. The SPSO Funds strive for a positive inclusion bias (not a formal screen out list) and seek to consider material ESG-related risk factors as part of the Funds' investment process, leveraging several third-party resources to help identify company-specific ESG risks during investment evaluation.

The Funds seek exposure to a broad array of sustainability themes and to a variety of the United Nations' 17 Sustainable Development Goals ("UN SDGs"), and we identify how selected portfolio holdings align to various UN SDGs. The COVID-19 pandemic exposed strengths and weaknesses in companies and countries commitments to UN SDG 3 – Good Health and Well-Being. We believe the Funds' holdings in 1Life Medical, Inc., also known as One Medical, ("ONEM"), aligns to UN SDG 3 – Good Health and Well-Being. One year into the COVID-19 pandemic, ONEM has leveraged their multi-city network of clinics and telehealth resources to provide comprehensive primary care and COVID-19 testing, triage, and now vaccinations for their clients. Additionally, ONEM is expanding its efforts to provide community vaccinations in partnership with local health departments.

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Given this country's high spending on healthcare (18% U.S. GDP) and poorer outcomes relative to OECD peers, we are bullish on ONEM's integrated model for addressing inefficiencies at the consumer, employer, provider and health network levels.

As described in previous letters, we seek to evaluate and track the overall "sustainability intensity" of the SPSO Funds on an ongoing basis by dividing the Funds' long portfolio holdings into three exposure categories: core, peripheral or opportunistic. Core sustainability holdings include companies that generate more than 50% of revenues from sustainability-oriented product or service. Peripheral sustainability holdings are companies that generate between 5% and 50% of revenues from sustainability-oriented product or service. The final category – opportunistic holdings – describes a broad group of companies, but which may not be associated with a specific sustainability product or service. The SPSO Funds sustainability intensity exposure profile based on revenues over the trailing twelve-month period ending November 30, 2020 was as follows: 32% Core Sustainability, 36% Peripheral Solutions, 32% Opportunistic Holdings.

Outlook & Positioning Cont.

We expect 2021 to be a dynamic year in the markets. The prospect of widespread COVID-19 vaccination and the resulting reopening in domestic and international trade and travel is heartening. In addition, we believe the continuation of a low interest rate environment and historic fiscal stimulus should support and strengthen the domestic economy. However, the prospect of inflation, interest rate increases and potential flare-ups in global COVID-19 hot spots require continued consideration. As fundamental investors, we assess the impact of a transforming economic landscape on the Funds' underlying holdings and are on the alert for both left field risks and emerging opportunities. We seek to capitalize on market dislocations to create value on both sides of the book. The SPSO Funds have honed an investment approach designed to look past short-term market gyrations and focus on owning high-quality, disruptive growth names with long-term economic opportunities.

As always, we appreciate your continued support for our strategy and encourage you to reach out with any questions.

Sincerely,

Summit Partners and Heptagon Capital

The views expressed represent the opinions of Summit Partners, as of December 31, 2020, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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Summit Sustainable Opportunities L/S UCITS Fund Positioning

Top 5 Long Holdings as of 30th November 2020

Name	% of portfolio
Enphase Energy Inc	5.2%
Tesla Motors Inc	4.2%
Fiverr International Ltd	4.2%
Sunnova Energy International Ltd	3.8%
Generac Holdings Ltd	3.6%

Top 5 Short Holdings by issuer as of 30th November 2020

Industry Group	% of portfolio
Semiconductor Equipment	-2.2%
Software & Services	-1.8%
Tech Hardware & Equipment	-1.4%
Software & Services	-1.4%
Semiconductor Equipment	-1.3%

Portfolio Sector Weights as of 30th November 2020

	Long (%)	Short (%)	Net (%)
Communication Services	2.8%	-0.9%	1.9%
Consumer Discretionary	22.4%	-5.4%	17.0%
Consumer Staples	1.9%	0.0%	1.9%
Energy	0.0%	0.0%	0.0%
Financials	1.9%	0.0%	1.9%
Health Care	6.3%	-1.1%	5.2%
Industrials	7.9%	-1.1%	6.8%
Information Technology	29.4%	-14.6%	14.8%
Materials	0.8%	0.0%	0.8%
Real Estate	3.0%	0.0%	3.0%
Utilities	6.1%	-2.3%	3.8%

Q4 2020

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Risk Warning

The Fund is subject to special risk considerations including geographic concentration risk, portfolio concentration risk and operational risk. The investment return and principal value of an investment will fluctuate so that the investor's shares, when redeemed, may be worth more or less than their original cost. Any investor should consider the investment objectives, risks and charges and expenses of the fund carefully before investing. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment.

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The information contained herein is provided for informational purposes only, is not complete, and does not contain certain material information about the funds, including important disclosures and risk factors associated with an investment in the funds. Before making an investment in any fund, prospective investors are advised to thoroughly and carefully review the fund's private placement memorandum with their financial, legal and tax advisors to determine whether an investment is suitable for them. An investment in these funds is not suitable for all investors.

For all definitions of the financial terms used within this document, please refer to the glossary on our website: https://www.heptagon-capital.com/glossary