Driehaus US Micro Cap Equity Fund

A Tribute To Richard,

Before we begin our regular quarterly discussion of the markets and the portfolio, we would like to take a moment to reflect and pay tribute to our Founder and Chairman Richard H. Driehaus, who unexpectedly and suddenly passed away on March 9. Richard was many things to those who knew him. He was a generous philanthropist who did enormous good for so many terrific causes and for so many in need. He was also a mentor and friend to many. He was a real-life Horatio Alger story who grew up from very humble beginnings to become a civic giant in Chicago.

To us, he was an investment legend who pioneered an investment philosophy that has helped generate top of the industry returns for six decades and counting. He was a visionary who saw the big picture but was detailed enough to catch the critical nuances and subtleties. He founded a great investment firm (DCM) that reflects him, his style and his obsession for top investment performance. While he hasn't managed our external clients' investment portfolios in many years, his teachings and philosophy are reflected in our portfolios each-and-every day. He taught us how to select stocks; how to see trends; how to find the next big thing; and how to put it all together in a way that is intelligent, differentiated and well-constructed to succeed.

Personally, I am honored and forever thankful for the opportunity when he hired me as a new analyst. He then gave me a shot to manage portfolios. His countless funny one-liners and brilliant quotes will endure as daily reminders to all of us on the team. Those reminders, along with his philosophy and the pattern recognition of thousands of prior stock examples taught us how to analyze and select stocks and to interpret situations, trends and industries. He would often ask the simple yet critical questions that required difficult answers. He would ask, is a company sustainable; differentiated; open-ended; dynamic or it is just "dull"? He taught how and when to act quickly and decisively but also how to be patient and ignore the noise. He stressed the importance of how to observe situations open mindedly, to think differently, to see opportunity and to have constancy of purpose. While we will never forget his kindness, generosity and the loud cackle of his infectious laugh, we will always remember what he taught us as investment professionals. He was one-of-a kind, a true original, a legend and will be deeply missed.

Sincerely,

Jeff James | *Portfolio Manager*

Driehaus US Micro Cap Equity Fund

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The Driehaus US Micro Cap 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 Driehaus Capital Management LLC ("Driehaus") is the Sub-Investment Manager meaning Driehaus exercises discretionary investment authority over the Fund. The Fund was launched on December 7, 2016 and had AUM of USD 867m as of March 31st, 2021. During the first quarter of 2021, the Fund underperformed its benchmark, the Russell Micro Cap Growth Index TR (the "Index"), returning 12.7% (I USD share class) compared to 16.9% for the Index.

Annualized Total Returns

As of March 31st, 2021 gross of fees

	Q1 21	YTD	1-Year	3-Year	5-Year	10-Year
Driehaus Micro Cap Growth Composite	13.0	13.0	179.6	42.7	38.3	23.2
Russell Micro Cap Growth Index TR	*16.9*	*16.9*	*123.1*	*19.7*	*18.8*	*12.5*

Source: Driehaus Capital Management, Bloomberg

Driehaus manages the Irish regulated Driehaus US Micro Cap Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the Driehaus Micro Cap Growth Composite, however it should be noted that due to different regulation, fees, taxes, charges and other expenses there can be variances between the investment returns demonstrated by each portfolio. The Driehaus Micro Cap Growth Composite is provided in the table above to show a longer track record for the underlying strategy.

Driehaus Capital Management – Sub-advisor Q1 2021 Commentary

Market Review

In the first quarter, US equities had solid gains as the outlook for economic growth in 2021 strengthened throughout the quarter. Massive monetary and fiscal support are providing record setting liquidity and stimulus. The efficacy of the COVID-19 vaccines is setting up a great economic reopening. The Director of the CDC recently warned that another potential wave of COVID cases was an "impending doom", but the capital markets seem to be discounting an "impending boom". While the warnings from our health officials may be losing their efficacy contributing to the recent plateau of new cases in the US, the efficacy of the vaccines is becoming more and more clear. This efficacy is leading to market leadership by cyclicals and other stocks that will benefit of the economy reopening and daily life trending towards normalcy.

Vaccine Update

The manufacturing rollout and administration of the vaccines in the US has improved steadily and has outpaced most of the developed world (the UK and Israel have also had impressive rollouts). As of the first week of April, over 110 million Americans (40% of eligible adults) have received at least one dose and more than 60 million (nearly 20%) are fully vaccinated. The current pace of 3 to 4 million doses per day implies over 50% of the population will be fully vaccinated in May. Overall, the US is currently vaccinating at a rate of 50 people for every one new case and later this quarter the total supply of vaccines in the US will exceed the total US population. Additionally, we recently learned that Pfizer's vaccine maintains effectiveness through 6 months (and perhaps longer), prevents severe disease, and is effective against the concerning South African variant.

Driehaus US Micro Cap Equity Fund

Vaccine Update cont.

While new COVID variants remain a scary wild card, the mRNA approaches (Pfizer and Moderna) have the flexibility to specifically address current and future variants and trials have already begun. All of this is incredible news; however, risks remain as the variants are unpredictable, a large portion of the US population remains disinclined to take the vaccine and unvaccinated groups in the US are seeing rising new cases. Still add it all together and the promise of "normal" this summer and in the second half is palpable.

2021 is not 2020

This backdrop is bullish for the economy, earnings and equity prices. However, what is currently working in the market thus far in 2021 is nearly the exact opposite of what worked in 2020. In the March quarter, value has dominated versus growth. Energy, the worse performing group sector in 2020, was the best in the first quarter. Technology and healthcare, the best performing sectors in 2020, have been the worst performers thus far.

Further, unlike in 2020, valuation was a key factor in the quarter. The Russell 2000 Value Index was up 21.2% while the Russell 2000 Growth up "just" 4.9%. That outperformance of 16.3% was value's best quarterly outperformance since Q4 2000 and its second best ever. Cyclicals within MEI (materials, energy and industrials), consumer discretionary and banks drove value's leadership and was driven by economic reopening optimism and higher interest rates. According to Jefferies, small cap cyclicals (those within the Russell 2000) were up 21.3% vs 6.8% for secular growth stocks. Breaking the Russell 2000 Growth into valuation quintiles, the cheapest valuation cohort was up 29.86% while the most expensive valuation cohort was down 3.23%. For the Russell 2000, its cheapest valuation cohort was up 29.75% while the most expensive valuation cohort was down 7.10%. Again, this is the mirror opposite of 2020, when secular and more expensive led.

Size was also a strong factor as the smaller the capitalization the better the performance. Stocks within the Russell 2000 Growth below $500m were up 17.1% versus up 3.8% above $1b. For the core Russell 2000, stocks below $500m were up 25.5%, while stocks above $1B were up 10.9%.

Looking intra-quarter, as the 10-year treasury yield broke higher during the second week of February, value began to outpace growth and individual industries diverged. Biotech and software, last year's leaders, made their intra-quarter highs in mid-February and then declined. Banks and other cyclicals followed rates steadily higher for the second half of the quarter.

Outlook Supports the Economy Reopening

Looking forward, several variables are supporting a strong outlook. Consumer confidence is increasing, and we believe it will continue to rise. After over a year of quarantining and social distancing, we see the pent-up demand as massive. Leisure related activities are on the verge of a huge inflection in demand. Advanced bookings for leisure travel are already growing sharply. Surveys suggest there is tremendous demand to "get out", to travel and to return to what people used to do. Additionally, from a supply perspective, inventories are at low levels across much of the economy. Numerous major industries have inventories at multi-year, multi-decade or even all-time lows, including residential homes, autos and semiconductors and many others. As demand continues to rise, many companies are reporting that it will take well into 2022 to replenish inventories and their supply chains.

The upcoming reopening plus the stimulus, pent up demand, low inventories and easy year over year comparisons are likely to drive GDP growth up in the high digit percentage range in 2021.

Driehaus US Micro Cap Equity Fund

Outlook Supports the Economy Reopening cont.

The concern for the market is when will such robust growth force upward pressure on inflation and interest rates, thereby pressuring the Federal Reserve to shift its monetary policy stance before its wants to. The Fed is willing to let inflation run hot as it focused on bringing down the level of unemployment. A key and unanswerable question for now is whether the inflation pressures are just cyclical or will they endure and become structural. Secular force such as, technology, demographics and globalization, have resulted in disinflation for the past few decades and those forces remain very much in place. However, the current cyclical forces are the strongest we have seen in several cycles. In the short-term, higher rates from here would continue to drive the value "reflation" trade. The recent rate of change in yields was extreme looking at past moves historically. As the expansion continues the key is when does it begin to tighten financial and negatively impact credit availability. For now, yields remain quite low and credit conditions continue to be very favorable. As a result, the cycle part of this economic cycle will likely be positive for smaller stocks and for both cyclical and secular ones.

Performance Review

For the March quarter, the Driehaus US Micro Cap Equity Fund (UCITS) underperformed its benchmark. The Fund had a 12.7% return, I USD share class, while the Russell Microcap Growth Index experienced a gain of 16.9% The Fund did outperform other major indices including the the Russell 2000 Growth which rose 4.9% and the S&P 500 which grew 6.2%.

The relative underperformance versus the Russell Micro Cap Growth Index was directly due to the portfolio's underperformance in healthcare and to a lesser extent in software and specialty insurance. Each of these groups were strong areas of outperformance in 2020 but each lagged recently as the market rotated to cyclical stocks that benefit more from economic acceleration and higher interest rates. Another factor hurting relative performance was a few large index weightings that we did not hold but which performed well despite having inferior fundamentals. In general, many secular COVID ("WFH") beneficiaries saw fundamental acceleration last year and now face potential deceleration this year largely due to tough year-over-year comparisons. While many cyclical "reopening" beneficiaries experienced fundamental deceleration last year and are likely to have accelerating growth in 2021 as the economy reopens.

After the large gains in many secular holdings in 2020, we did lower the portfolio's exposure to secular companies and have maintained a relative underweight for most of the March quarter. These underweights include software, specialty insurance, biotech and e-commerce. Conversely, the portfolio has been overweight cyclical industries and we increased those exposures throughout the quarter. This positioning boosted the portfolio's performance on an absolute basis. We also lowered the level of valuation across the portfolio by reducing exposure to higher valued stocks and rotated to fresher opportunities with lower valuations.

By sector, the Strategy's absolute performance was broad based as all major sectors contributed with positive absolute returns, except healthcare which returned zero percent. The positive absolute returns for the quarter came from (in order of magnitude) consumer discretionary, industrials, technology, financials, energy and consumer staples.

Consumer Discretionary

The consumer discretionary sector holdings experienced strong gains and was the portfolio's largest sector overweight vs the benchmark . As the economy begins to reopen and the labor market recovers, the benefits of stimulus, very high savings rates and massive pent-up demand is driving consumer spending above expectations. Notable outperformers during the quarter include several specialty retailers, online gaming/casino companies and leisure product companies.

Driehaus US Micro Cap Equity Fund

Performance Review cont.

Industrials

The industrial sector also performed well. Outperformance came from alternative energy, such as solar, wind, liquefied natural gas (LNG) and hydrogen companies. Machinery, building material companies and other cyclical related stocks performed well. Transportation and leisure focused airlines also boosted performance. The opportunity for airlines and their profitability is particularly appealing as leisure demand is roaring back, pricing power is evident and expenses have been cut.

Technology

Technology benefitted across the whole sector from the pandemic as it accelerated the digitalization transformation of the economy. In the first quarter, however the sector's sub-industries diverged. Cloud software, outsourced IT services and ecommerce lagged as cyclicals bounced back and higher valuations held back these secular tech 2020 beneficiaries. Attractive situations remain abundant, however. Semiconductors and semi capital equipment are incredibly robust. Semiconductors is one of many industries seeing shortages as inventories are at very low levels. These shortages have been well publicized as auto original equipment manufacturer (OEMs) around the world have had to halt production due to the lack of critical chips. Demand is very strong and a chronic lack of semiconductor capital expenditures at all, but the leading geometries has led to shortages that the industry has never seen before. We are hearing similar commentary across many different industries. Telco equipment is also strong as rural broadband spending is robust due to government stimulus to catch up and upgrade the rural sections of the country. Also robust are advertising technology providers as well as streaming TV providers who are benefiting from both households cutting their relatively expensive cable TV service.

Healthcare

Healthcare, while it took a breather for the quarter, remains our largest sector weighting on an absolute basis. Other industries outperformed for cyclical and reopening reasons, but the amount of innovation we see in healthcare is exciting. Biotech/therapeutics, molecular diagnostics and med-tech all stand to benefit strongly looking forward.

Outlook & Positioning

The outlook for the economy, earnings and equities is positive as there are multiple drivers supporting the reopening outlook. The vaccines are working and the percentage of Americans who have received at least one dose is expanding rapidly and most adults will be vaccinating over the next couple months and the supply of vaccines will exceed the eligible U.S. population by the end of May.

We believe the US economy likely will have its highest growth in many decades this year due to many positives, including: the vaccines, the economy reopening, pent-up demand, high savings rates, multi-decade low inventories, easy monetary policy, large fiscal policy stimulus. Additionally, smaller cap valuations are favorable compared to large caps and small caps earnings growth rates are much stronger than large caps.

The many positives need to be measured and framed by the risks that exist. These include: virus variants, the sizable segment of the population that is hesitant or refuses to take the vaccines (this will potentially delay or stunt the reopening), rising inflation pressures, its possible impact on monetary policy, the rate of change of interest rates, higher taxes, additional regulation, a stronger dollar, labor shortages, rising wages and premium valuations. All these risks are nuanced and may end up helping the market climb the wall of worry, but we are monitoring each one carefully.

Driehaus US Micro Cap Equity Fund

Outlook & Positioning cont.

We are confident that the US has entered a new economic expansion with many powerful drivers. This should result in a sustained new economic cycle and we anticipate broad participation from most sector and industries, including both secular ones and cyclical companies. In terms of portfolio positioning, healthcare remains our largest absolute weight, followed by technology, consumer discretionary, industrials and financials. Versus the index, the Strategy is overweight consumer discretionary, industrials, energy, materials and technology and is underweight health care, financials, real estate and consumer staples.

Overall, we see many dynamic investment opportunities in improving or sustainable industries, many of which fit our investment philosophy of companies exhibiting positive growth inflections, differentiation, market share gains, growing revenues and expanding margins which will likely lead to expectations being exceeded over time.

Quarterly Contributors

- Plug Power Inc. (ticker: PLUG) is a manufacturer of fuel cell systems that are used for the industrial off-road and stationary power markets. The company was a significant outperformer for the funds in January after PLUG made several favorable announcements. These announcements included a $1.5B strategic investment in the company by SK Group and a Memorandum of Understanding (MOU) to launch a 50-50 joint venture with Groupe Renault. Both of these announcements served as a validation of PLUG's leadership position in the hydrogen fuel cell space and were favorably viewed by investors.
- Fulgent Genetics, Inc. (Ticker: FLGT) is a commercial diagnostics company that pivoted into COVID testing during the pandemic. In March, Fulgent announced a massive fourth quarter, beating EPS estimates by 50% and driving positive forward estimate revisions, which propelled the stock materially higher.

Quarterly Detractors

- ACM Research (Ticker: ACMR) engages in the development, manufacture, and sale of single-wafer wet cleaning equipment. In March, the stock detracted from strategy performance as macro factors such as rising interest rates reset valuations lower across expensive growth stocks. Additionally, company's proposed STAR IPO listing in China that was expected to be a valuation unlock was delayed by a quarter. We made no changes to our position.
- Immuovant Inc (Ticker: IMVT) is a clinical stage therapeutics company developing drugs to treat autoimmune conditions. In February, IMVT voluntarily paused a clinical trial due to an unexpected side effect that appears to be drug-related. As a result, though it has yet to be confirmed, the current expectation is that IMVT's drug product profile will be relatively less competitive and therefore its peak sales are likely lower than what was previously projected. As a result, we exited our position.

Outright Buy

- Spirit Airlines, Inc. (ticker: SAVE) is a leisure focused airline that offers travel to price-conscious customers mostly in the United States. As vaccination rates increase and the economy begins to reopen, travel demand should accelerate as Americans look to vacation and visit friends and family. We expect Spirit Airlines to benefit due to its low-cost structure and favorable demographic exposure to domestic leisure.

Driehaus US Micro Cap Equity Fund

Outlook and Positioning cont.

Outright Sell

- Domo, Inc. (Ticker: DOMO) develops Business Intelligence software solutions connecting disparate data sources with an easy to use interface for executive management. In March company issued Fiscal year 2022 guidance that called for significantly increased spending in Sales and Marketing expense that will be a headwind for continued margin expansion. We sold out of the position to better understand company's expense profile in upcoming quarters.

Sincerely,

Heptagon Capital and Driehaus Capital Management

Driehaus US Micro Cap Equity Fund

Sector performance attribution – Q1 2021

	Driehaus Micro Cap Growth Composite (Port) (%)		Russell Microcap® Growth Index (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	2.41	-0.15	2.29	0.27	0.04	-0.37	-0.34
Consumer Discretionary	20.61	3.75	12.25	2.34	0.24	-0.13	0.12
Consumer Staples	4.98	0.64	1.91	0.15	-0.23	0.15	-0.08
Energy	2.69	0.92	0.38	0.10	0.20	0.45	0.64
Financials	7.99	1.67	2.02	0.41	-0.04	0.05	0.01
Health Care	28.10	-0.03	47.82	6.97	0.65	-4.79	-4.14
Industrials	10.88	3.49	8.83	2.08	0.22	1.22	1.43
Information Technology	18.78	2.34	20.26	3.72	-0.04	-0.76	-0.80
Materials	1.39	-0.11	1.18	0.27	-0.09	-0.63	-0.73
Real Estate	0.74	0.46	2.32	0.47	-0.06	0.18	0.12
Utilities	0.97	0.00	0.74	0.06	-0.13	-0.08	-0.20
Cash	0.46	-0.00	0.00	0.00	0.10	0.00	0.10
Other*	0.00	-0.33	0.00	0.00	-0.34	0.00	-0.34
Total	**100.00**	**12.64**	**100.00**	**16.85**	**-0.57**	**-4.71**	**-4.20**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
**Other refers to the securities not recognised by Factset.*

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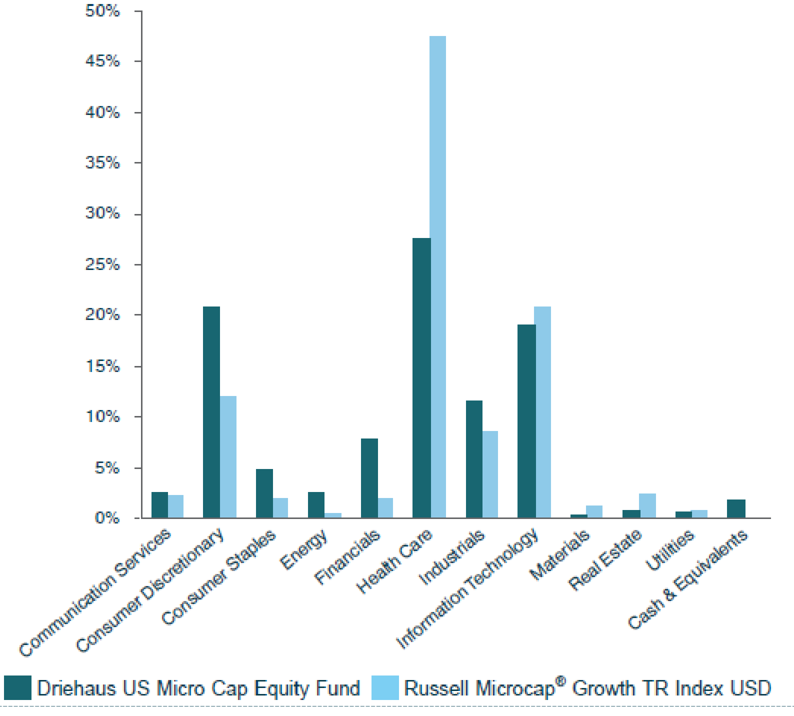
Driehaus US Micro Cap Equity Fund

Driehaus US Micro Cap Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 28th February 2021

Name	% of portfolio
Magnite Inc	2.1%
Springworks Therapeutics Inc	1.9%
Calix Inc	1.7%
GrowGeneration Corp	1.7%
Celsius Holdings Inc	1.6%
Natera Inc	1.6%
Pubmatic Inc	1.5%
Chart Industries Inc	1.5%
Digital Turbine Inc	1.4%
Inspire Medical Systems Inc	1.4%
Total of Top 10 Holdings	**16.4%**

Portfolio Sector Weights as of 28th February 2021



Driehaus US Micro Cap Equity Fund

Important Information

Past performance is not an indication or guarantee of future performance and no representation or warranty is made regarding future performance. This communication is for information purposes only. It is not an invitation or inducement to engage in investment activity.

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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.

Risk Warnings

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.

The views expressed represent the opinions of Driehaus Capital Management, as March 31st, 2021, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

Driehaus US Micro Cap Equity Fund

SFDR

The Fund takes sustainability risks into account within the investment process, and this is disclosed in accordance with Article 6 requirements of the Sustainable Finance Disclosure Regulation ('SFDR') in the Fund's prospectus. However, the Fund does not have as its objective sustainable investment and does not promote environmental or social characteristics for the purposes of the SFDR. Sustainability risks may occur in a manner that is not anticipated by the Sub-Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence the returns of the Fund. As a result of the assessment of the impact of sustainability risks on the returns of the Fund, the Sub-Investment Manager aims to identified that the Fund may be exposed to sustainability risks and will aim to mitigate those risks.

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