Levin Easterly US Equity Fund

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The Levin Easterly US 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 Easterly Investment Partners LLC ("Easterly") is the Sub-Investment Manager meaning Easterly exercises discretionary investment authority over the Fund. The Fund was launched on June 30, 2020 and had AUM of USD 37m as of March 31st, 2021. During the first quarter of 2021, the Fund outperformed its benchmark, the Russell 3000 Value Index NR (the "Index"), returning 15.9% (C USD share class) compared to 11.7% for the Index.

Annualized Total Returns

As of March 31st , 2021 gross of fees

	Q1 21	YTD	1-Year	3-Year	5-Year	7-Year
Levin Easterly All-Cap Value	16.4	16.4	85.5	9.9	13.0	11.7
Russell 3000 Value Index TR	*11.9*	*11.9*	*58.4*	*11.0*	*11.9*	*9.4*

Source: Easterly Investment Partners LLC, Morningstar, Date sourced: 23.04.2021

Easterly manages the Irish regulated Levin Easterly US Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the Levin Easterly All-Cap Value strategy, 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 Levin Easterly All-Cap Value strategy is provided in the table above to show a longer track record for the underlying strategy.

Easterly Investment Partners LLC– Sub-advisor Q1 2021 Commentary

Market Environment

During the first quarter of 2021, the U.S. stock market, as measured by the Russell 3000 Value Index®, increased 11.9%. The best performing sectors during the quarter were Energy (+31.7%), Financials (+17.8%), and Consumer Discretionary (+16.8%). The worst performing sectors were Utilities (+3.0%), Consumer Staples (+3.6%) and Health Care (+4.5%). For the second quarter in a row, the Value index outperformed the broader market index, as the S&P 500 gained only 6.2% for the quarter.

Equity markets were once again driven by COVID-19 news. Equities retreated in January on news of highly transmissible, and potentially more deadly variants. They then rose in February and March as Johnson & Johnson's vaccine was approved for use in the United States and the general population in the US began getting vaccinated. Near the end of the quarter, US Congress passed a third stimulus package, which included checks for many Americans. The Federal Reserve also reiterated its commitment to keeping interest rates low and liquidity high for as long as possible, perhaps years. The aggressively stimulative fiscal and monetary policies, combined with the improving pandemic outlook, have led to a significant rise in interest rates and inflation expectations so far in 2021.

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Levin Easterly US Equity Fund- Review

The Fund was up 15.9% (C share class), outperforming the Russell 3000 Value Index NR by 420 basis points during the quarter. Stock selection was the main driver of outperformance as sector allocation detracted from relative performance, all of which was due to cash drag. Additionally, the Fund has returned 51.3% since its inception on 30th June 2020, outperforming the Index by 1,370 basis points which has returned 37.6% over the same period.

Contributors

Below is commentary on three of the top contributors to performance during the quarter:

- **General Motors (GM)** – rose +38.0% during the quarter and contributed +152 basis points to performance. GM's pivot from an automobile company to a mobility technology platform is in full swing, and numerous catalysts played out over the course of the quarter to highlight that. These highlights include Microsoft's $2B investment in GM Cruise which raised its valuation from $19B to $30B, the launch of the BrightDrop EV delivery van subsidiary, exploration of a second battery factory in the U.S., and the announcement of the all-electric GMC Hummer SUV. GM also reported exceptional 4th quarter earnings, which allowed the multiple to rerate even higher.

- **Bank of America (BAC)** – rose +28.3% during the quarter and contributed +89 basis points to performance. Bank of America was aided by increased strength in equity and debt capital markets, the anticipation of an economic reopening and pent-up consumer demand. Bank of America's investment banking business continued to trend better than expectations and, while net interest income was guided down for the coming quarter, investors instead focused on their ability to both release reserves of approximately $750 million this quarter and to begin buying back stock. Bank of America has made great strides as a consumer bank and with the improving economic conditions it should continue to benefit over the next two years.

- **nVent Electric (NVT)** – rose +20.7% during the quarter and contributed +83 basis points to performance. nVent Electric benefited from the economy beginning to reopen, as well as a renewed cycle of spend on electrification. nVent has exposure to upgrading cycles in data center capacity, the growth of electric vehicles, grid hardening at utilities and other secular themes through its electric enclosures and other protective circuitry products. They held an investor day in early March and highlighted the potential for 15% free-cash-flow margins, growing market share, and strengthening of distribution partnerships to accelerate organic growth.

Detractors

Below is commentary on two of the largest detractors to performance during the quarter:

- **Merck (MRK)** – declined -4.9% during the quarter and detracted -21 basis points from performance. Merck missed their 4th quarter earnings expectations, partially due to a $400m revenue impact because of COVID-19. They are still on track to spinoff Organon, their woman's health business, by the end of June. We believe that the spinoff of Organon makes strategic sense and will allow each company to maximize its earnings potential. We remain cautiously optimistic that one of Merck's COVID-19 therapeutic candidates will be successful and could provide a long tail of revenues.

Detractors cont.

- **Pfizer (PFE)** – declined -0.5% during the quarter and detracted -8 basis points from performance. Pfizer's earnings fell short of expectations and were complicated by analysts not properly accounting for the completed spinoff of their Upjohn division into Mylan, which formed the new company, Viatris. Management also provided COVID-19 vaccine revenue guidance which only included "booked" sales and left open the opportunity for additional sales and earnings, which we believe sets Pfizer up for a beat and raise scenario. Pfizer has reiterated its long-term sales guidance of 6%+ thru 2025 and the street is still below this forecast by 200 basis points. This growth target, along with the very little value that is being ascribed to the COVID-19 opportunity, should allow the earnings multiple to rerate higher.

Buy/Sell Example

Below is commentary on three names that we added to the portfolio during the quarter:

- **Vodafone (VOD)** – we initiated a position in Vodafone during the quarter in anticipation of the IPO of its mobile tower business, Vantage Towers. Vantage was successfully listed in March, and we believe that this catalyst will rerate the story and highlight the significant discount inherit in Vodafone's base wireless and wireline businesses. We value Vodafone's wireless assets at 7x EBITDA and the company's wireline assets at 9x. We believe the company is currently trading at a substantial discount to its sum-of-the-parts valuation.

- **International Business Machines (IBM)** – We initiated a position in IBM during the quarter. The stock traded off significantly after a weak 4th quarter report, particularly around software (outside of RedHat) and services, though their backlog remained strong. We believe that our thesis remains intact and that the company can unlock significant value with the spinoff of their infrastructure services business, which is slated for the fall. New management is focused on highlighting growth, and we think IBM is primed for multiple expansion.

- **TJX Companies (TJX)** – We initiated a position in TJX during the quarter, as the stock lagged due to the company facing near-term margin issues related to higher costs on freight, wages, and COVID-19, while revenue has yet to inflect significantly higher. We expect a robust comp from March 2021 on, as TJX will be a large beneficiary of the economy reopening and shoppers returning to stores.

Sincerely,

Heptagon Capital and Easterly Investment Partners LLC

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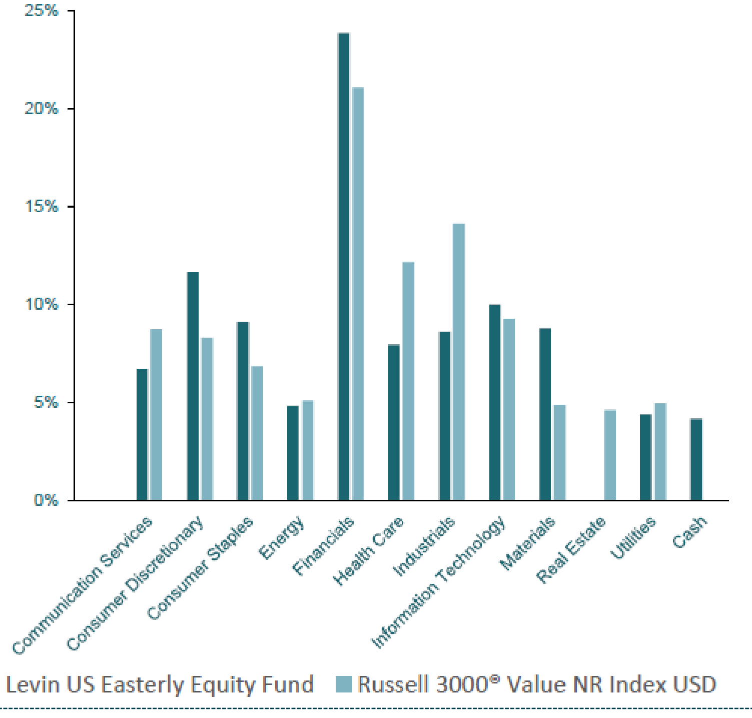
Levin Easterly US Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 31st March 2021

Name	% of portfolio
DuPont de Nemours Inc	4.6%
General Motors Co	4.5%
Merck & Co Inc	4.4%
CenterPoint Energy Inc	4.4%
nVent Electric Plc	4.3%
International Paper Co	4.2%
Cisco Systems Inc	3.8%
Berkshire Hathaway Inc	3.6%
Owens Corning	3.5%
Abbvie Inc	3.5%
Total of Top 10 Holdings	**40.8%**

Portfolio Sector Weights as of 31st March 2021



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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

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.

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

HEPTAGON Capital

Q1 2021

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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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