Yacktman U.S. Equity Fund

Heptagon Yacktman US Equity Fund

The Heptagon Yacktman US Equity Fund (the "Fund"), 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 Yacktman Asset Management LP ("Yacktman") is the Sub-Investment Manager meaning Yacktman exercises discretionary investment authority over the Fund. The Fund was launched on 14th December 2010 and had AUM of USD 812m as of 31st March 2021. During Q1 2021, the Fund (I USD share class) underperformed its benchmark returning 9.6% compared to 11.1% for the Russell 1000 Value NR USD Index.

TOTAL RETURNS

As of 31st March 2021

				ANNUALIZED		
	Q1 21	YTD	1-Year	3-Year	5-Year	10-Year
Yacktman US Equity Fund (UCITS)*	**9.6%**	**9.6%**	**59.5%**	**16.5%**	**13.8%**	**10.9%**
Russell 1000 Value NR USD	*11.1%*	*11.1%*	*55.0%*	*10.1%*	*10.9%*	*10.2%*
AMG Yacktman Fund (YACKX)	**8.8%**	**8.8%**	**60.2%**	**15.2%**	**13.9%**	**11.7%**
Russell 1000 Value TR USD	*11.3%*	*11.3%*	*56.1%*	*11.0%*	*11.7%*	*11.0%*

* Class I Shares

Source: Morningstar

Yacktman manages the Irish regulated Yacktman US Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the Yacktman Strategy (YACKX) a US mutual fund, 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 fund.

Yacktman Asset Management LP – Sub advisor Q1 2021 Commentary

In the first quarter we produced solid returns for the Yacktman U.S. Equity Fund (the Fund). Markets continued to rise due to government stimulus and investor enthusiasm for an economic recovery. Valuations are now substantially above pre-pandemic levels, with markets at or near record-high levels on many metrics.

We think domestic markets are priced to deliver low returns with significant potential risk over the long term. In the first quarter we saw bizarre and reckless behavior, including short squeezes driven, in part, by retail traders, a family office over-leveraged and liquidated, continued high issuance of SPACs, and public offerings of companies that are barely out of the business plan stage at high valuations.

This kind of activity tends to happen when too many people have too little concern about price and risk, and we believe this should be a time when thoughtful investors pay even more attention than usual to what they own and why they own it.

Our strategy, which focuses on the attributes of individual investments, allows us to be less concerned about overall market valuations because our results will largely be determined over time by our security selection. While it can be more difficult to find bargains in an expensive environment, we are confident in our ability to continue to find mispriced securities successfully.

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During the quarter we added the following new positions: Armstrong World Industries, Berkshire Hathaway Class B, L3Harris Technologies Inc, Lockheed Martin Corp, Northrop Grumman Corporation, and Canadian Natural Resources Ltd.

Contributors:

Shares of **News Corp.** rose due to continued strong performance in the company's online real estate and news business. During the quarter, the news business signed multi-year agreements with Google and Facebook, which will make that business more valuable.

The online real estate businesses, including Realtor.com and REA Group, a publicly traded company in Australia, also performed well. News Corp.'s REA holding is valued at approximately $9 billion or roughly $15 per News Corp. share, which is remarkable, considering News Corp. rescued the company 20 years ago for a small investment. News Corp.'s Realtor.com division also produced exceptional results during the quarter and could trade at a substantial valuation if that business is taken public or spun off with the REA stake.

AMERCO, known for dominating the self-moving sector with its U-Haul business, produced strong results for the quarter. We think the stock continues to be undervalued, especially considering the company's valuable public storage unit, which we believe remains underappreciated.

Bolloré's stock responded well to the news that Universal Music Group (UMG) would be publicly traded by year-end and another solid earnings report. We think the company could be in the early stages of unlocking significant additional value by simplifying its corporate structure or better highlighting its value.

Detractors:

Samsung's shares lagged during the quarter after producing solid returns in 2020. Over the balance of the year, we expect the company's earnings to grow substantially, especially in the semiconductor businesses. Samsung is a fantastic business that should produce strong growth over time even though it trades at a low multiple and offers excellent value.

Cognizant's stock was modestly weaker during the quarter after reporting modestly lower sales and profits. However, we think the shares are attractively priced, and the company is well-positioned for the long term, possessing a strong franchise and exceptional balance sheet.

Coca-Cola's shares declined with general weakness in consumer staples. In the recent market run, which has been focused more on momentum than stability, the consumer sector has lagged, impacting holdings like Procter & Gamble and PepsiCo.

Heptagon Capital, 63 Brook Street, Mayfair, London W1K 4HS ~ Tel: +44 20 7070 1800 ~ Fax: +44 20 7070 1881

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Conclusion

We are pleased with the results for the first quarter and the new additions we were able to add to the Fund. We think we are now—or soon will be—in an environment where finding and owning mispriced securities will perform far better than owning a highly priced index over the long term. We will continue to be patient, objective, and diligent when managing the Yacktman U.S. Equity Fund.

Sincerely,

Heptagon Capital and Yacktman Asset Management

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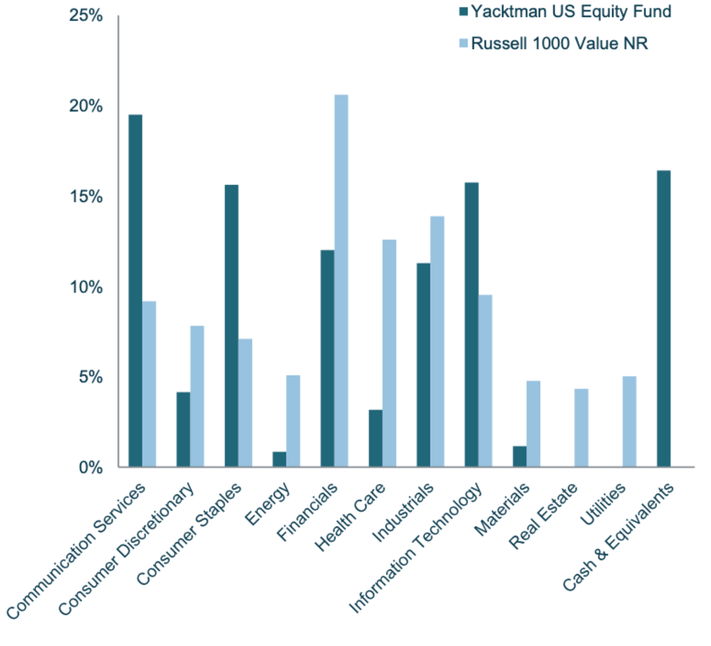
Yacktman US Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 31st March 2021

Name	% of portfolio
Samsung Electronics Co.	8.8%
Bollore SA	8.2%
AMERCO	4.5%
Ingredion Inc.	3.2%
Alphabet Inc.	3.0%
Sysco Corporation	2.8%
News Corp	2.7%
Berkshire Hathaway Inc.	2.6%
Microsoft Corporation	2.5%
PepsiCo Inc.	2.5%
Total of Top 10 Holdings	**40.8%**

Portfolio Sector Weights as of 31st March 2021



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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.

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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.

Heptagon Capital LLP, 63 Brook Street, Mayfair, London W1K 4HS
tel +44 20 7070 1800
fax +44 20 7070 1881
email london@heptagon-capital.com

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