Q1 2021

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 45.3% since inception to the end of March 2021 (C USD share class) and had AUM of $48m. During the first quarter of 2021, the Fund underperformed the S&P 500 TR USD ("S&P"), returning 0.9% compared to 6.2% for the S&P.

Annualized Total Returns

As of March 31, 2021 net of fees

	Q1 21	YTD	1-Year	3-Year	5-Year	10-Year
SPSO Funds	0.9%	0.9%	74.4%	29.1%	21.1%	14.0%
S&P 500 TR USD	*6.2%*	*6.2%*	*56.3%*	*16.8%*	*16.3%*	*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 Q1 2021 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

Following a solid year of performance for the SPSO Funds in 2020, with net returns of approximately 80%, we anticipated a pullback in growth stocks in 2021, and this expectation played out during the first quarter of the year. In the context of rising interest rates – the U.S. 2-year treasury yield rose over 30% in Q1 2021 — growth stocks fell out of favour; technology and sustainability-focused companies in particular faced headwinds. Several names in the SPSO Funds' long book experienced a significant peak-to-trough draw down through the same period. In spite of this draw down, the Funds maintained significant exposure to core themes such as sustainable transportation, sustainable infrastructure, cloud architecture and direct-to consumer offerings through long-term positions in companies such as **Tesla, Inc. ("TSLA"), Enphase Energy, Inc. ("ENPH"), Generac Holdings, Inc. ("GNRC"), Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("HASI") and RingCentral, Inc. ("RNG")**. In addition, the Funds have built newer positions such as **1Life Medical, Inc. ("ONEM")**, **Fiverr International Ltd. ("FVRR")** and **Nordic Semiconductor ASA ("NOD NO").** We attribute the Funds' positive quarterly performance to the aggregate actions we took during the quarter, including seeking to actively manage the Funds' position sizes and exposures, hedge individual names, and benefit from exposure to failed disrupters in the Funds' short book.

Over more than fourteen years of managing the SPSO Funds, we have experienced periods of rising interest rates and witnessed similar growth-to-value factor shifts on multiple occasions. Regardless of the market environment, the SPSO Funds remain committed to investing in growth companies that we believe offer sustainability and disruptive solutions. In Q1 2021, as in similar periods in the past, we worked to take advantage of market turbulence, search for large disruptive themes, stay committed to sustainability driven opportunities, identify what we believe to be leading companies and keep a balanced set of gross and net exposures.

The COVID-19 pandemic produced dramatic swings in the stock market in 2020, as businesses were transformed by a blend of societal, behavioural and political forces. In our view, Q1 2021 was somewhat of a denouement, with a combination of monetary and fiscal stimulus and a cyclical recovery combining to shift funds away from secular themes. Many of the Funds' top performers in 2020 accounted for the Funds' largest draw downs in Q1 2021, including **ENPH, FVRR, Sunnova Energy International, Inc. ("NOVA") and Peloton Interactive, Inc. ("PTON")**. The long book contributed 94 bps on a gross basis for Q1 2021 while the short book contributed 60 bps on a gross basis over the same period. However, we believe the short book provided critical ballast during the dramatic sell-off in growth names in March 2021, offering downside protection and helping the Funds to recommit to high conviction long positions.

The Fund ended the first quarter of 2021 with delta adjusted gross exposure of 120% and net exposure of 64%, composed of 92% gross long and 28% gross short exposure, having entered the first quarter with delta adjusted gross and net exposures of 108% and 66%. At quarter-end, the Funds' five largest holdings on a delta adjusted exposure weighted basis were **ENPH, GNRC, TSLA, Airbnb, Inc. ("ABNB")** and **Etsy, Inc. ("ETSY").**

The Transformation of Work: FVRR and ETSY

The SPSO Funds seek disruptive thematic opportunities to identify potential investments and, in the process, often draw upon ESG factors to help analyse these investments. A persistent theme for the Funds has been the transformation of work and employment; the cloud-based digital ecosystem has transformed the way people work. In this space we are looking for companies that we believe enable individuals and businesses to operate more efficiently – that de-centralize work and maximize the earnings potential of contributors.

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The Transformation of Work: FVRR and ETSY cont.

We seek to identify how selected companies align with a number of the United Nations' 17 Sustainable Development Goals ("UN SDGs"); in our thematic work on the transformation of work and employment we believe we have identified companies that align to UN SDG 5 – Gender Equality, UN SDG 8 – Decent Work and Economic Growth and UN SDG 10 – Reduced Inequalities.

We believe two of the SPSO Funds' investments, **Fiverr, Inc. ("FVRR") and Etsy, Inc. ("ETSY")**, are tapping into the transformation of work opportunity set in differentiated ways. FVRR operates a marketplace for freelance workers across hundreds of listing categories, addressing a $100 billion market opportunity. For the freelancer we believe there are clear advantages to the FVRR platform, including the ability to set their own prices, the flexibility to choose the frequency and length of projects and the ability to bundle accounting, advertising and additional services in one place. According to the company's data, FVRR has found that women earn 9% more on average than men on the marketplace, which, in our view, aligns well with UN SDG 10 – Reduced Inequalities. We believe there is a long runway for growth in FVRR's model, as only a small portion of current freelance transactions take place online. We believe FVRR's business model is also well aligned with UN SDG 10 and UN SDG 8 – Decent Work and Economic Growth, as the marketplace empowers and promotes the economic inclusion of freelancers in the modern business ecosystem.

FVRR's gross service value in 2020 was approximately $700 million and it has grown more than 70% year over-year. The company's initial take rate is 25% of gross service value, and this is expanding as it adds services such as advertising and bookkeeping to its platform. Given the customer acquisition cost for the newer cohorts of customers and the opportunities in expanded categories, we believe FVRR's revenue growth rate is underestimated by Wall Street. Additionally, in our view, FVRR's capital-efficient model allows the company to invest in new geographies and new product categories while maintaining significant EBITDA margins. FVRR combines open-ended growth with high capital efficiency –characteristics that we believe support strong continued growth and solid return potential for the SPSO Funds' investment.

We believe ETSY offers an equally powerful opportunity. The online platform is designed to offer anyone who has the talent for making something a global marketplace for handmade items. The company estimates the addressable market for these "things you can't find anywhere else" represents more than $100 billion in annual opportunity. As a tool for small business enablement, ETSY supports a community of creators – more than 81% of whom identify as women – and provides a valuable connection to 82 million customers. Through its development of customized sales tools and services, ETSY has demonstrated that it values creative entrepreneurs, and the company offers sellers expanded economic opportunities as well as the creativity and flexibility they are seeking. We believe this business model and the community it supports are well-aligned to UN SDG 5 – Gender Equality and UN SDG 8 – Decent Work and Economic Growth.

In 2020, the ETSY marketplace generated $10.3 billion in gross merchandise sales ("GMS"), representing 106% growth year-over-year. Revenues increased by more than 100% to $1.7 billion for the same time period, and the company generated EBITDA margins of 32%. GMS per seller increased 22% in Q4 2020, with the average seller generating over $2,000 in trailing twelve-month GMS for 2020. These metrics appear to indicate that buyers are finding more reasons to go to ETSY – currently the fourth most visited ecommerce website – and sellers are finding it more profitable to offer their goods on the marketplace. We believe ETSY will continue to grow as the company is focused on building out its international presence and category offerings. With a scarcely penetrated global market opportunity, a marketplace model built upon community and a scalable business model, we believe ETSY has significant potential for growth and, like FVRR, can also become a much bigger company.

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The Transformation of Work: FVRR and ETSY cont.

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 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. 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 February 28, 2021 was as follows: 32% Core Sustainability, 36% Peripheral Solutions, 32% Opportunistic Holdings.

Short Book

The SPSO Funds seek to manage risk and generate alpha through the use of 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." These two types of shorts are often uncorrelated to one another. During Q1 2021, we believe the Funds' short book benefited from the drawdown in special purpose acquisition companies ("SPACs") but suffered from the reflation trade in traditional technology and cyclical type investments. The net result was a flat Q1 2021 performance in the short book. However, in the context of a quarter punctuated by "meme-stock" short blow ups in January and growth stock liquidations in March, we view this result as a neutral outcome. The Funds' current short exposure includes what we believe are a number of sustainability-oriented SPACs, including several manufacturers of electric vehicle ("EV") trucks and truck components, EV charging infrastructure businesses and vendors of what we view as unproven battery technology and economically-challenged hydrogen technology. The Funds are also short selected utilities with business models tied to stranded fossil fuel assets, companies that require large investments to modernize their service territories, and businesses that risk customer attrition due to alternative energy sources.

Outlook

We believe there are many reasons to remain optimistic about the current state of the U.S. equity markets; the widespread vaccine rollout, additional consumer stimulus money and the prospect of a significant infrastructure spending bill support above-trend economic growth. However, these factors have also contributed to inflation expectations and rising bond yields, resulting in part in falling valuation multiples, particularly for growth stocks. The SPSO Funds look to invest in secular growth opportunities, where companies can compound sales and earnings growth at high levels for long periods of time. We maintained and expanded selected positions in the Funds' core holdings during this period of relative weakness, as we believed that the Q1 2021 earnings reports would demonstrate strong fundamentals and long-term growth outlooks for these holdings.

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In this context, we believe the SPSO Funds' portfolio continues to be positioned with a comparatively low gross exposure and directional net exposure relative to historical averages. As fundamental investors, we assess the impact of a transforming economic landscape on our underlying holdings and are 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 March 31, 2021, 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 28th February 2021

Name	% of portfolio
Tesla Motors Inc	4.9%
Fiverr International Ltd	4.5%
Generac Holdings Ltd	4.4%
Airbnb Inc.	3.6%
Enphase Energy Inc.	3.4%

Top 5 Short Holdings by issuer as of 28th February 2021

Industry Group	% of portfolio
Semiconductor Equipment	-3.2%
Software & Services	-1.6%
Software & Services	-1.4%
Tech Hardware & Equipment	-1.3%
Retailing	-1.1%

Portfolio Sector Weights as of 28th February 2021

	Long (%)	Short (%)	Net (%)
Communication Services	2.9%	0.0%	2.9%
Consumer Discretionary	29.8%	-5.5%	24.3%
Consumer Staples	4.8%	-2.2%	2.6%
Energy	0.0%	0.0%	0.0%
Financials	5.3%	0.0%	5.3%
Health Care	7.7%	-0.7%	7.0%
Industrials	8.5%	-1.7%	6.8%
Information Technology	27.8%	-13.7%	14.1%
Materials	3.8%	0.0%	3.8%
Real Estate	2.8%	0.0%	2.8%
Utilities	3.7%	-2.5%	1.2%

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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.

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SFDR

This Fund has been classified as an Article 8 for the purposes of the EU's Sustainable Finance Disclosure Regulation ('SFDR'). The Fund promotes environmental and/or social characteristics but does not have sustainable investment as its primary objective. It might invest partially in assets that have a sustainable objective, for instance assets that are qualified as sustainable according to EU classifications but does not place significantly higher importance on the environmental objective of each underlying investment. Please see prospectus for further information on the Funds environmental and/or social characteristics and relevant sustainability risks and principal adverse impacts which may impact the Fund's performance.

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