

## Easterly US Value Equity Fund\*

Q2 2021



\*A sub-fund of Heptagon Fund plc

The Fund has been classified as an Article 6 for the purposes of the EU's Sustainable Finance Disclosure Regulation ('SFDR'). The Fund takes sustainability criteria into account within the investment process but does not have sustainable investment as its objective and does not promote environmental or social characteristics.

# Important Information



The following presentation provides information on the Easterly US Value 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 Easterly Investment Partners LLC (“Easterly”) is the the Sub-Investment Manager meaning Easterly exercises discretionary investment authority over the Fund.

Easterly has been managing its All-Cap Value Strategy since December 2011. The Fund has the same Portfolio Managers and investment team, the same investment objective and uses the same philosophy and strategy as the Easterly Investment Partners All-Cap Value Strategy. Since the Fund has a relatively short time period, the following presentation makes extensive reference to the Easterly Investment Partners All-Cap Value Composite (“Composite”) to provide a better understanding of how the team has managed this strategy over a longer time period. The Composite was created on 20.12.2011.

Easterly manages the Fund according to the same investment principles, philosophy and execution of approach as those used for the Composite, 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.

For the same reason, although the following presentation makes extensive reference to the performance of Easterly as sub-investment manager of the Composite, the data for the Composite is provided purely for indicative purposes to demonstrate how Easterly has performed historically in its role as investment advisor to this specific strategy. The performance for the Composite is not the performance of the Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. This material should not be viewed as a solicitation or offer of services by Easterly. It is provided for informational purposes only. The information contained herein does not constitute an offer to sell or the solicitation of an offer to purchase any U.S. registered security or U.S. investment product.

Any performance data quoted represents past performance. Performance figures are also shown for the Russell 3000® Value TR USD Index. The Russell 3000® Value TR USD Index is a trademark/service mark of the Frank Russell Company. Russell is a trademark of the Frank Russell® Company. The Russell 3000® Value TR USD Index measures the performance of those Russell 3000® companies with lower price-to-book ratios and lower expected growth rates. The Russell 3000® Index is represented by the 3,000 largest companies in the U.S. equity market, which represents around 98% of all U.S. equity securities. Performance figures are also shown for the S&P 500 Total Return Index (“S&P 500”). The S&P 500 Index is an American stock market index that includes the 500 largest companies by market capitalization.

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. The Funds' prospectus and simplified prospectus contain these and other important information about the Fund. The prospectus should be read carefully before investing. Please email [london@heptagon-capital.com](mailto:london@heptagon-capital.com) for a free copy of these documents. Easterly claims compliance with the Global Investment Performance Standards (®).

# Table of Contents



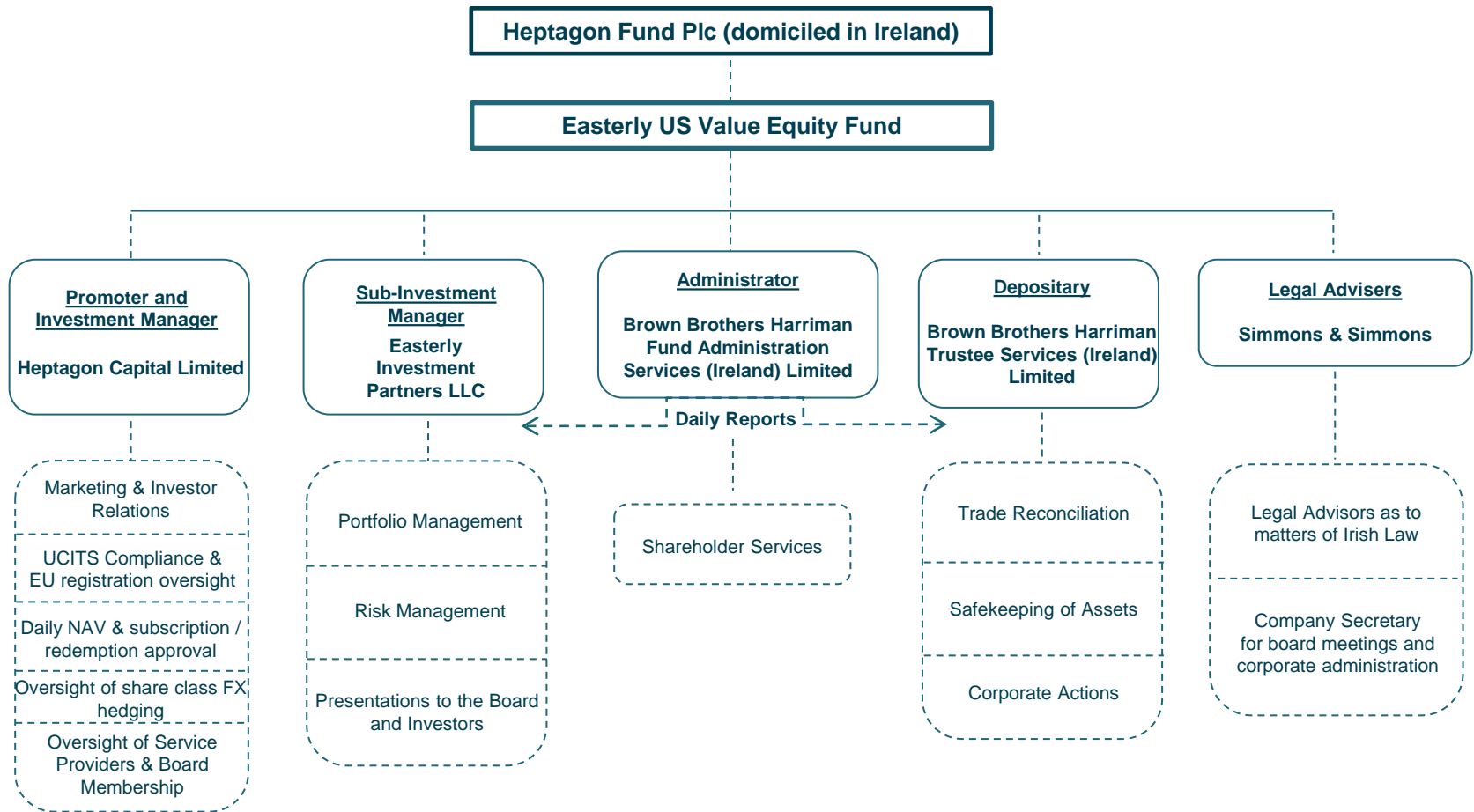
1. The Investment Manager & Sub-Investment Manager.....	4
2. Easterly Investment Partners All-Cap Value Strategy, Philosophy & Process.....	9
3. The Current Investment Opportunity: Value vs. Growth.....	16
4. Stock Examples.....	22
5. Performance – Easterly Investment Partners All-Cap Value Composite.....	27
6. Portfolio Analysis – Easterly Investment Partners All-Cap Value Composite.....	30
7. Easterly Investment Team Biographies.....	34
8. Fund Particulars.....	37
9. Notes and Disclaimers.....	39

## The Investment Manager & Sub-Investment Manager



# Irish UCITS Fund Structure

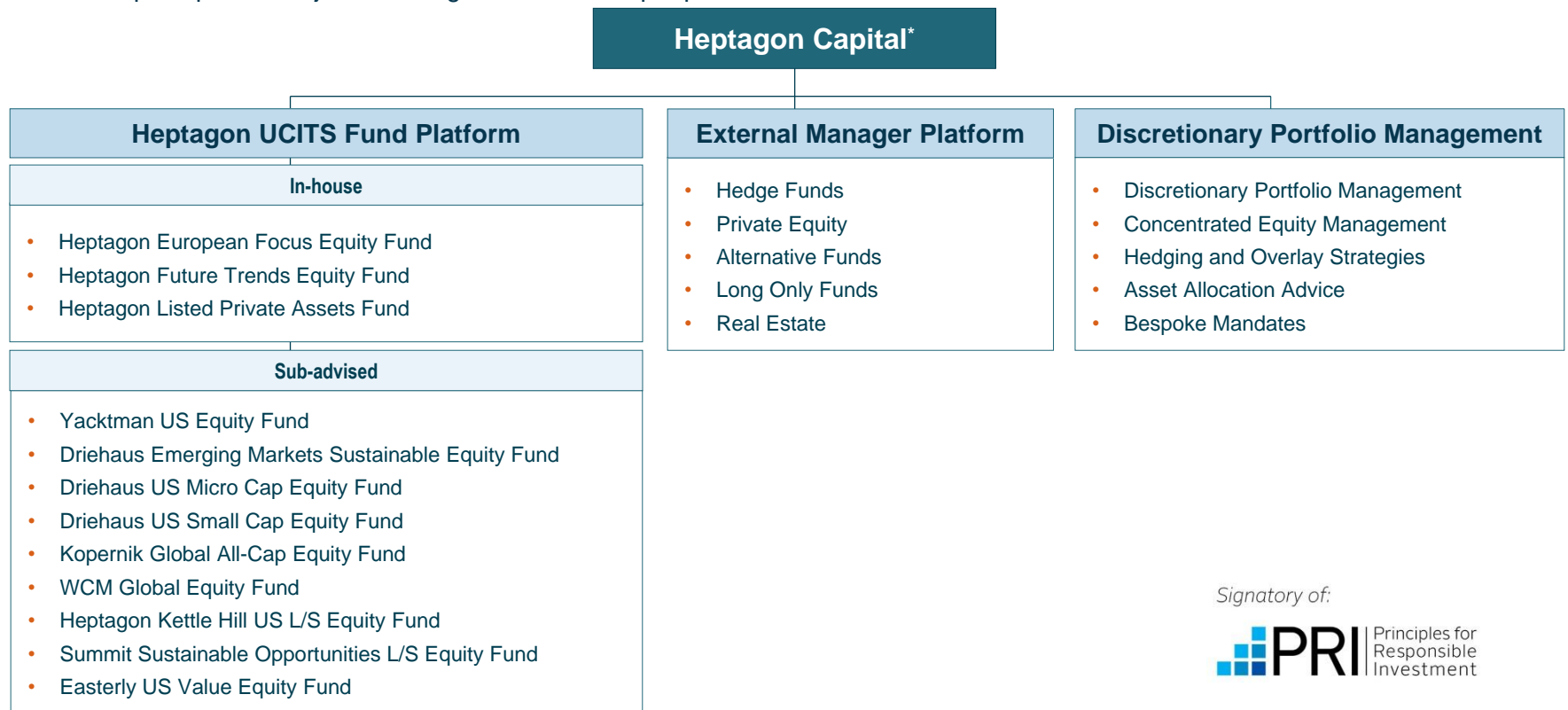
The diagram below explains the Irish UCITS fund structure and the relationship between the Investment Manager, Sub-Investment Manager and other relevant service providers for the Easterly US Value Equity Fund.



# Investment Manager - Heptagon Capital



- Heptagon Capital\* is a **private** investment firm, run on partnership principles, that was founded in 2005 by three senior former Morgan Stanley Executives.
- The Company has extensive investment management, structuring and advisory expertise, across multiple asset classes, and currently actively advises on/manages approximately **\$14.8bn in assets\*\***.
- Further principals have joined taking the team to 36 people of 16 different nationalities.



Signatory of:



PRI is a leading global network for investors who are committed to integrating environmental, social and governance considerations into their investment practices and ownership policies. Heptagon Capital signed the UN PRI on 10th July 2019.

\***Heptagon Capital** includes **Heptagon Capital Limited**, licensed to conduct investment services by the Malta Financial Services Authority and **Heptagon Capital LLP**, authorised and regulated by the Financial Conduct Authority

\*\* As of 31.03.2021

\*\*\* The Levin Easterly US Equity Fund changed to the Easterly US Value Equity Fund on 06.05.2021 following a change in the Sub-Investment Manager's name.

# Sub-Investment Manager – Easterly Investment Partners

- Boutique asset management firm
- \$2.2 billion of assets under management
- 7 experienced investment professionals
- Located in Connecticut, USA
- Founded in 1982
- Registered with the SEC



## Contrarian, Value Investors Seeking Catalysts

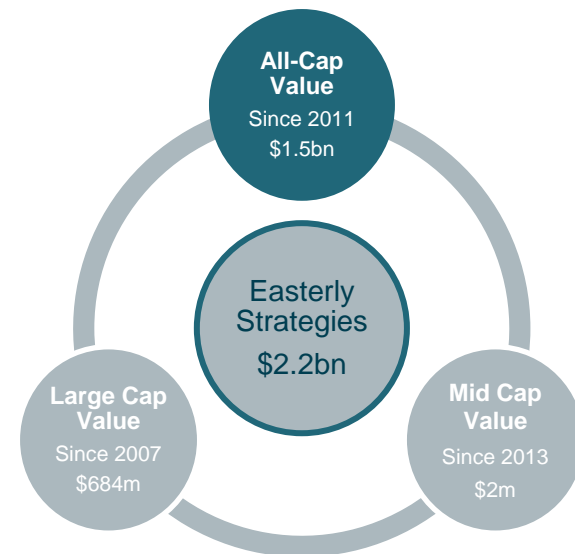
- Solely focusing on Value equity portfolios.

## Tenured Team

- Experienced team of 7 investment professionals with an average 25 years of industry experience.

## Bottom-up, Fundamental Analysis

- Enables the team to predict clear, identifiable catalysts in companies whose stocks are down in price and temporarily out-of-favour – good businesses with proprietary positions at reasonable prices.



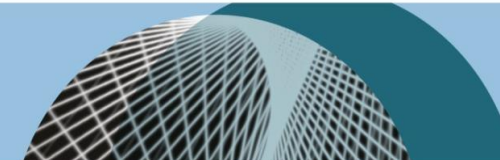
Signatory of:



PRI is a leading global network for investors who are committed to integrating environmental, social and governance considerations into their investment practices and ownership policies. Easterly signed the UN PRI on 8th June 2020.

Source: Easterly Investment Partners as of 31.03.2021.

# Investment Team Profile



The below employees at Easterly are responsible for the portfolio management (including idea generation, portfolio construction, security selection, investment research and risk management) of the Easterly US Value Equity UCITS Fund.

Portfolio Managers	Primary Sector Coverage	Previous Experience	Years of Industry Experience	Years with Easterly*
Jack Murphy, Lead PM & CIO	Industrials & Consumer	Prudential Securities Bain & Co	33	25
Chris Susanin, PM & Director of Research	Industrials & Consumer	Point72 Asset Mgmt FrontPoint Partners	24	8
Research Analysts				
Sam Hendel, President	Energy & Utilities	Satellite Asset Mgmt UBS	17	11
Rich Petersen, Analyst	Technology & Telecom	Pacific Crest Securities	29	15
John Mackin, Analyst	Consumer, Retail & Insurance	SAC Capital Advisors Archimedes Capital Partners	30	17
Brian Turner, Analyst	Healthcare	J&W Seligman	28	13
Evan Ratner, Analyst	Diversified Financials, Banks & Consumers	Charter Advisors	13	7

\*Includes periods at predecessor firms, Levin Capital Strategies, L.P. and John A. Levin & Co., Inc.



# Easterly Investment Partners All-Cap Value Strategy, Philosophy & Process



# Easterly Investment Partners All-Cap Value Strategy

## Overview



<b>Investment Philosophy</b>	Contrarian and value-oriented philosophy buying quality companies—when their stocks are down—with an identifiable catalyst that has the potential to unlock value
<b>Investment Objective</b>	The strategy aims to outperform, net of fees, the Russell 3000® Value Index, and longer-term, over a full market cycle, expects to outperform the S&P 500 Index.
<b>Investment Style</b>	Fundamental, bottom up value equity investment approach
<b>Portfolio Managers</b>	Lead Portfolio Manager has managed the strategy since 20.12.2011 <ul style="list-style-type: none"><li>• Jack Murphy, Lead PM &amp; CIO</li><li>• Chris Susanin, PM &amp; Director of Research</li></ul>
<b>Benchmark</b>	Primary: Russell 3000® Value Index Secondary: S&P 500 Index
<b>AUM</b>	Total Strategy Assets: \$1.5bn
<b>Concentration Constraints</b>	Single security < 10% of NAV as per prospectus
<b>Diversification</b>	Concentrated in number of positions (generally 25-40) but diversified by sector Position weights generally between 0.5% and 7.0%

# Investment Philosophy



Easterly's investment philosophy is **contrarian** and **value-oriented**.

Fundamental bottom-up research is used to identify and buy quality companies—when their stocks are down—with an identifiable **catalyst** that has the potential to unlock value.

## Value

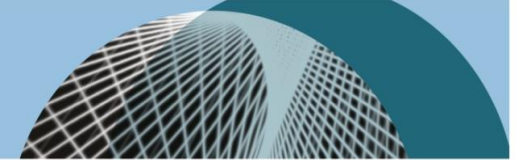
- Invest in companies at attractive valuations relative to historic norms
- Use Free Cash Flow as the desired valuation metric (P/FCF)
- Seek an asymmetric risk/reward profile with good downside protection
- Asset values and dividend yield are important metrics

## Contrarian

- Buy stocks that are down in price; generally down from 52-week highs and often down 15-30% from peak
- Buy stocks where Easterly has a differentiated view and where there is a market misperception or misunderstanding

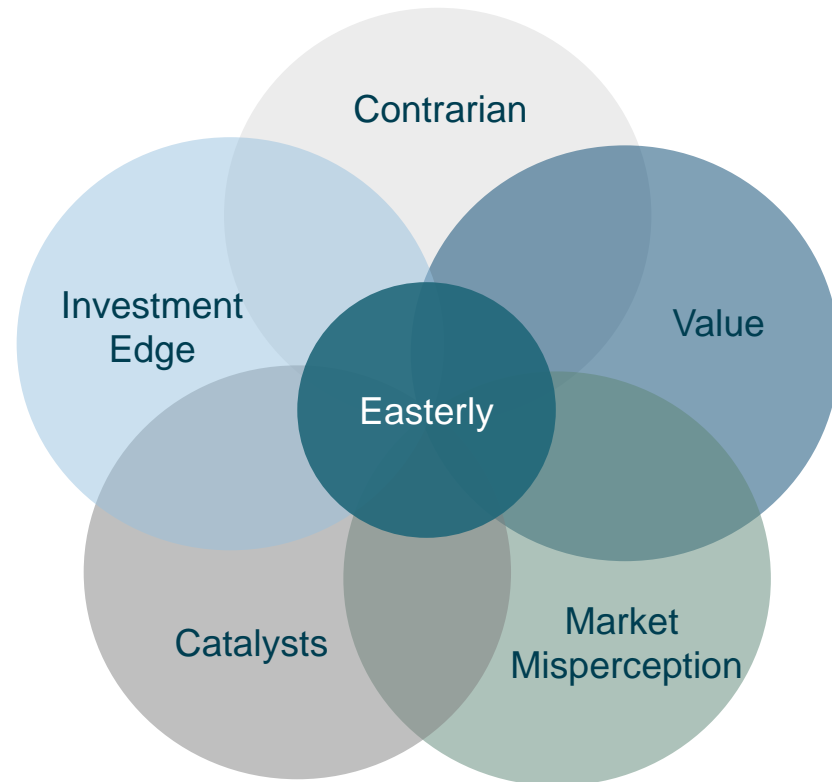
## Catalyst

- Identify discrete events or “catalysts” that can shift market sentiment and get a stock moving toward a price objective
- Focus on the medium-term timeframe, typically 9-18 months
- Catalysts are not typically binary events and are often evolutionary

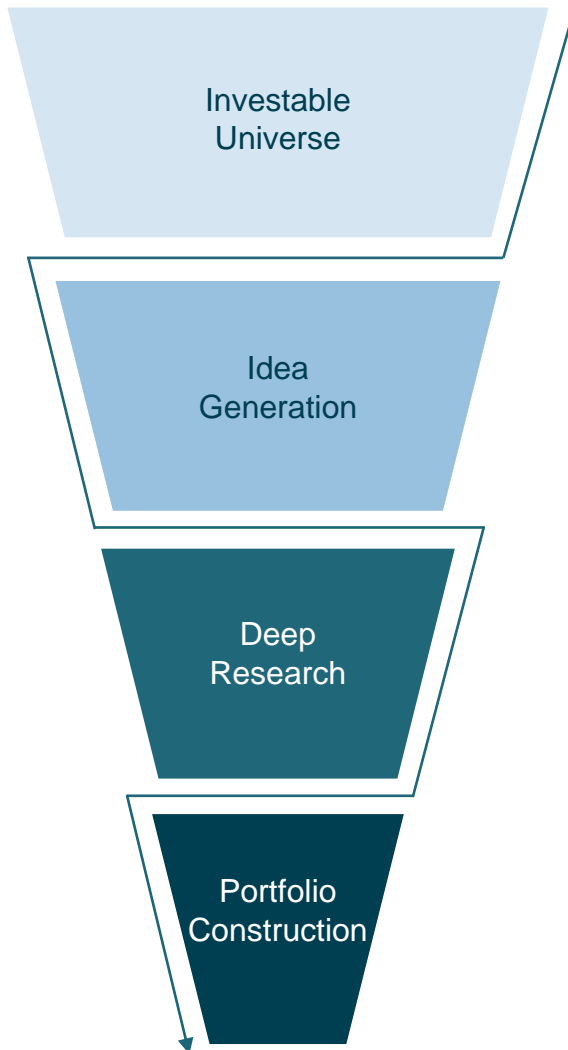
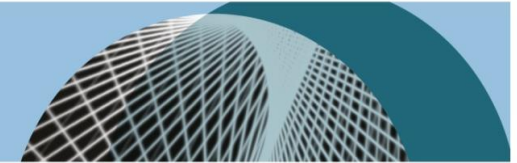


## Five Key Investment Criteria – A Disciplined Approach

- ✓ **Contrarian:** Is the price of the stock low enough to reflect good value and warrant a buy?
- ✓ **Value:** Is there underlying value in the stock? How does it compare to its peers? Is there an asymmetric risk/reward?
- ✓ **Market Misperception:** What do we understand that the market does not?
- ✓ **Catalysts:** How will this impact stock performance?
- ✓ **Investment Edge:** Do we possess an analytic or informational advantage?



# Idea Generation



## Investable Universe

- Approximately 1,000 companies inclusive of all constituents of the Russell 3000 Value and a subset of other companies across all industries

## Idea Generation

- **Screen\***
  - Stocks down in price
  - P/FCF, Relative FCF
  - EV/EBITDA
- **Fundamental\***
  - Company Management
  - Sector / Industry Expertise
  - Thematic Outlook

## Deep Research

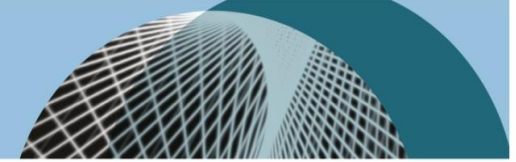
- Approximately 300 Companies
- “Predictive” Research
- Formulate proprietary models
- Deep fundamental analysis

## Portfolio Construction

- 30-40 companies
- All names fit Value / Contrarian / Catalyst criteria

\* Not exhaustive.

# Investment Process



## Idea Generation

### Research Process

- Comprehensive engagement with management
- Maximise company touchpoints
- Conduct field research
- Monitor supply chain, competitive framework
- Analyse sector / industry data
- Build robust models / forecasts
- Determine valuation (risk / reward)
- ESG evaluation and engagement



### Team Process

- Daily Morning Meeting
- Weekly Idea Generation Forum
- Formal Thesis Review
- Ongoing risk / reward analysis
- Flat team structure and daily informal interaction

## Recommendation



## Portfolio Construction



## Sell Discipline

- Price objective achieved
- Position size optimised for risk/reward and strength of story
- Catalyst unlocked
- Fundamental change results in change to thesis, valuation, catalyst
- New portfolio ideas
- Raise cash

## Risk Management

- Moves 15% up / down trigger an automatic review with whole team
- Monitor Risk – weekly report, liquidity, strength of story, strength of business, risk/return expectations, sector and industry exposures
- Weekly deep dives ensure continued thesis support
- Track portfolio for unintended bets to ensure balanced portfolio
- Committee coverage to provide multi-departmental oversight
- Compliance supports adherence to firm policies and obligations

## The Current Investment Opportunity: Value vs. Growth





# Russell 3000 Index: FAANG + M + T



- ❖ The Russell 3000 Index is increasingly driven by **7 companies Easterly refers to as FAANG+M+T\***
- ❖ Over the last 10 years, FAANG+M+T:
  - **9.9%** of the Russell 3000 Index by weight
  - Annualized returns of **+29.4%**
  - Contributed **+21%** of the Index's total performance
- ❖ Today, these names are dominating the Index. In 2020, they were **18.9%** of the index weight, but generated **+51%** of the total performance.

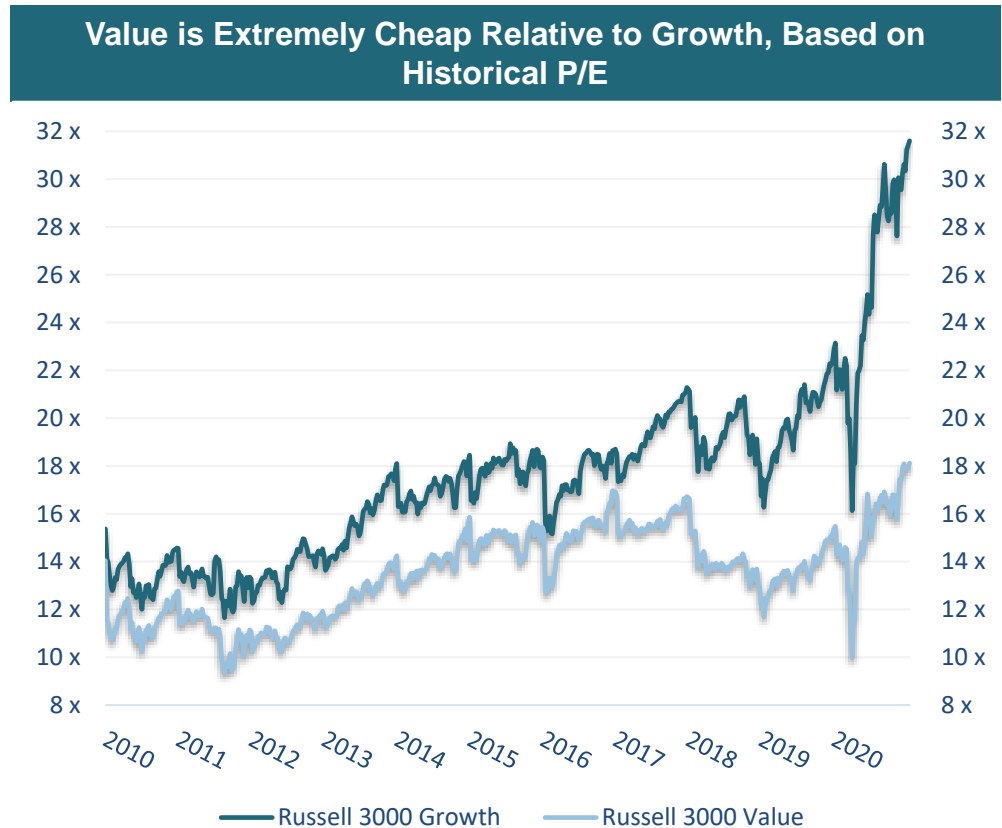
	FAANG + M + T*		
	% Average weight	Return	
		Total	Annualised
<b>1-Year</b>	18.9%	81.2%	81.2%
<b>2-Year</b>	16.3%	161.9%	61.8%
<b>3-Year</b>	15.2%	174.9%	40.1%
<b>5-Year</b>	13.1%	336.6%	34.3%
<b>10-Year</b>	9.9%	1212.4%	29.4%

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

\*FAANG + M + T includes Facebook, Apple, Amazon, Netflix, Alphabet Cl A, Alphabet Cl C, Microsoft, and Tesla  
 Source: Easterly, sourced 02.02.2021

# Russell 3000: Value vs. Growth

- ❖ FAANG+M+T is not the only driver of this bifurcated market.
- ❖ All Growth stocks have experienced dramatic multiple expansion, while Value has lagged.
- ❖ Using forward consensus estimates, the P/E on the Russell 3000 Growth from 2010 through the end of 2017 averaged **16.0x**, compared to **13.3x** for the Russell 3000 Value Index.
- ❖ Since then, the Growth P/E has dramatically expanded to nearly **32x** (nearly double the historic average).



# Value vs. Growth

- ❖ This has created a **historic gap** in the Growth versus Value P/E multiple.
- ❖ Growth historically has been **2.5x-3.0x** P/E higher than Value.
- ❖ Currently, Growth is a staggering **13.5x** P/E more expensive.



While unsure of the timing of normalisation, we think this clearly favours and creates opportunities for Value investors

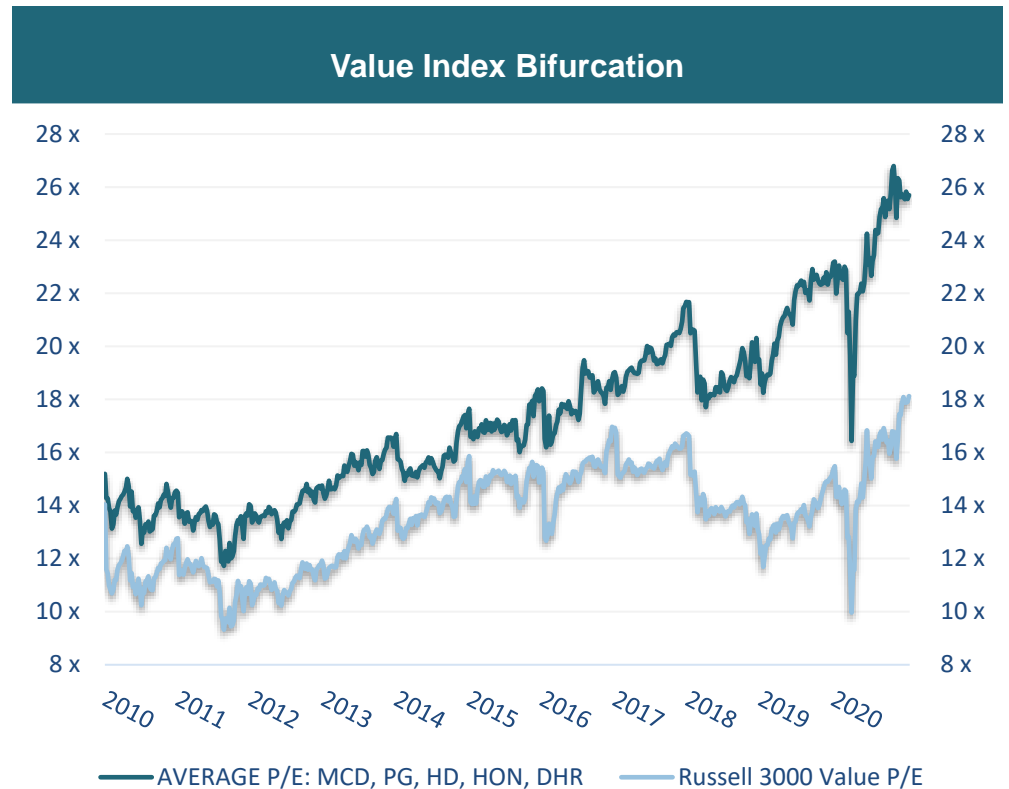
## Growth vs. Value P/E Differential

### Growth vs. Value P/E Differential



# Bifurcation Within Value Stocks

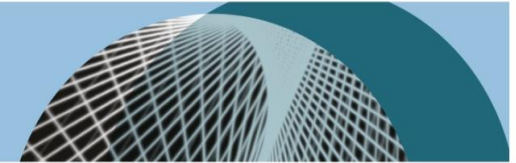
- ❖ Even within Value indices, the market has experienced a meaningful bifurcation.
- ❖ We analyzed the top **25%** most expensive names of the Russell 3000 Value Index. These names, which account for **49% of the index**, have an average forward P/E of **25.7x**.
- ❖ The remaining names, which account for **43%** of the index, have an average P/E of just **12.7x\***.
- ❖ Analysing five of the largest stocks in the Russell 3000 Value Index: MCD, PG, HD, HON, and DHR
  - Through 2017, these 5 Value stocks traded at an average P/E premium above the Index by **2.6x**.
  - **Today, that premium is over 7.5x.**



Source: Bloomberg and Russell Investments. Data is through 01.01.2021. Sourced 02.02.2021.

\*Stocks with losses or no street estimates are excluded

# What's Driving the Market?



**Monetary &  
Fiscal  
Stimulus**

**Election of Joe  
Biden**

**COVID-19  
Pandemic**

**US – China  
Trade Tensions**

## Stock Examples



The companies discussed in this document below were chosen as representations of the type of stocks held the Easterly Investment Partners All-Cap Value Composite. The stocks are not presented to demonstrate performance. Holdings are subject to change and may not reflect recent market activity or current holdings.

This information is provided by Easterly. This information is not provided to the recipient for the purpose of soliciting investment advisory clients for Easterly. This information is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, market sectors, other investments or to adopt any investment strategy or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives.

This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Easterly as of March 31, 2020 and are subject to change at any time due to changes in market or economic conditions. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Easterly to be reliable and are not necessarily all inclusive. Easterly does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.



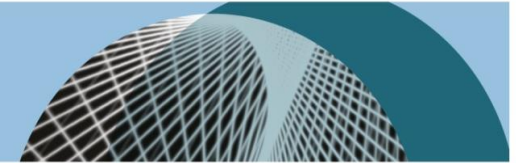
- **Business Repositioning:** Base business has been repositioned to drive earnings power and free cash flow
- **Electric Vehicles:** Historic acceleration into EV's with new vehicles leveraging Ultium Battery and Drive System
- **Technology:** SuperCruise driver assist & Hydrotek hydrogen fuel cells

## Catalysts

- 4Q20 Unveiling of new EV strategy
- 1Q21 Closing of Honda deal
- 2021 GM Cruise commercial launch
- 2021 EV Launch & Growth

## Valuation

- 12-18 Mo Price Target: \$75
- Long Term Target: \$100+
- Price as at 31.03.2021: \$57.46



- **Business Repositioning:** Selling individual life insurance business to Resolution Re
- **Rate Exposure:** With business repositioned, Voya has reduced exposure to low interest rates

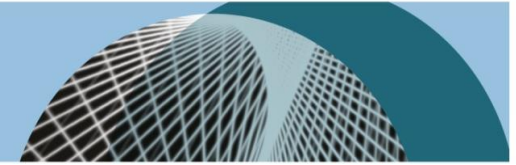
## Catalysts

- 4Q20 Closing of Life business sale
- TBD Potential acquisition target

## Valuation

- 12-18 Mo Price Target: \$81
- Price as at 31.03.2021: \$63.64





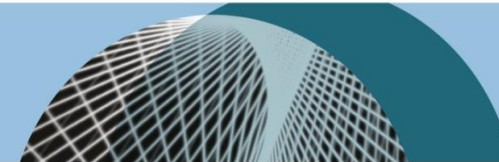
- **Drug Pipeline:** AbbVie has an underappreciated pipeline of new products and approvals
- **Humira:** Impending patent expiration is causing investors to avoid the name
- **Pfizer:** Successfully navigated a similar issue 10 years ago with Lipitor

## Catalysts

- 4Q20 Immunology investor day
- 2021 Key pipeline events
- TBD Multiple expansion to peer average

## Valuation

- 12-18 Mo Price Target: \$125
- Price as at 31.03.2021: \$108.22



- **Trends:** Health & Wellness focus, increased work from home, water quality concerns
- **Legacy Business:** The old Primo business was underfollowed by the street
- **Leader:** Leadership in fragmented home and office water category

## Catalysts

- 4Q21 Synergies from Primo/Cott combination
- 2021 Nestle exit of US Home and Office business
- TBD Post-COVID opportunity set

## Valuation

- Price Target: \$17
- Upside Case: \$23
- Price as at 31.03.2021: \$16.26

## Performance – Easterly Investment Partners All-Cap Value Composite



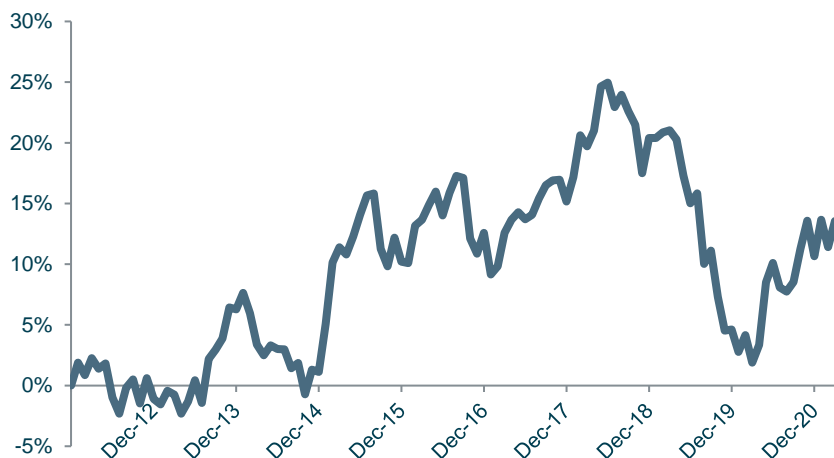
# Performance of Easterly Investment Partners All-Cap Value Composite

as of 31/03/2021 (gross of fees)

## Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Russell	Excess Return
<b>2012</b>	6.4%	3.2%	4.7%	-2.0%	-6.2%	2.8%	-0.4%	4.7%	4.3%	-2.6%	2.1%	0.8%	18.5%	17.5%	1.0%
<b>2013</b>	6.8%	2.7%	4.1%	-0.0%	3.9%	0.8%	4.3%	-0.6%	3.8%	5.7%	5.7%	2.6%	47.7%	32.7%	15.0%
<b>2014</b>	-2.7%	3.3%	0.1%	-0.1%	2.4%	2.8%	-2.3%	2.7%	-2.3%	0.4%	4.1%	0.7%	9.0%	12.7%	-3.7%
<b>2015</b>	-0.6%	10.2%	-0.1%	0.2%	2.7%	-0.5%	1.6%	-6.4%	-7.4%	7.0%	2.8%	-4.5%	3.7%	-4.1%	7.8%
<b>2016</b>	-6.0%	2.8%	8.6%	3.4%	2.7%	-0.8%	5.1%	2.2%	-0.3%	-6.2%	5.9%	4.5%	23.1%	18.4%	4.7%
<b>2017</b>	-2.4%	4.4%	1.4%	0.8%	0.2%	1.5%	1.8%	-0.2%	4.6%	1.1%	3.5%	-0.1%	17.5%	13.2%	4.3%
<b>2018</b>	5.8%	-2.4%	-2.5%	1.6%	4.1%	0.6%	2.6%	2.6%	-1.1%	-7.0%	-0.0%	-8.5%	-5.2%	-8.6%	3.4%
<b>2019</b>	9.0%	4.0%	0.6%	3.4%	-9.8%	6.1%	1.6%	-8.5%	5.1%	-1.8%	0.8%	3.2%	12.5%	26.3%	-13.8%
<b>2020</b>	-4.4%	-9.5%	-21.9%	14.1%	8.8%	1.0%	2.5%	4.4%	-2.2%	1.3%	17.6%	2.0%	7.7%	2.9%	4.8%
<b>2021</b>	2.1%	5.1%	8.5%										16.4%	11.9%	4.5%

## Cumulative Alpha above Russell 3000 Value Index



## Statistics – 31/12/2011-31/03/2021

	Easterly	Russell	S&P 500
Annualised return	15.6%	12.6%	15.6%
Annualised volatility	17.2%	14.2%	13.2%
Annual Sharpe Ratio (Rf=LIBOR USD 3M)	0.89	0.87	1.16
Max drawdown	-36.1%	-27.3%	-19.6%
Correlation to Russell 3000® Value Index	0.92	1.00	-
Beta to Russell 3000® Value Index	1.12	1.00	-
Bull Beta to Russell 3000® Value Index	1.12	1.00	-
Bear Beta to Russell 3000® Value Index	1.18	1.00	-

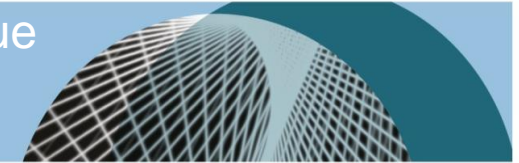
**Past performance is no guide to future performance and the value of investments and income from them can fall as well as rise.**

Sources: Easterly, Bloomberg, AlternativeSoft.

Easterly represents the Easterly Investment Partners All-Cap Value Composite (gross of fees). Russell represents the Russell 3000® Value TR USD Index. Past performance of Easterly Investment Partners All-Cap Value Composite is no indication of future performance of the Easterly US Value Equity Fund (Irish UCITS Fund).

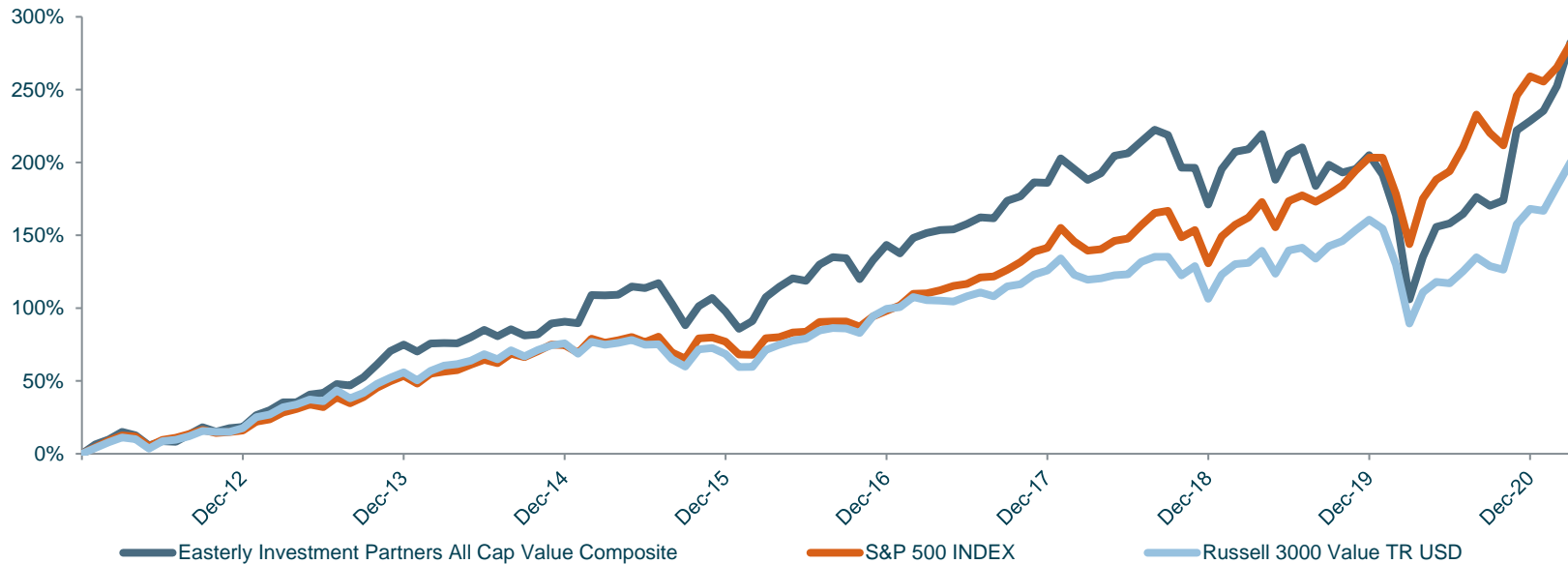
# Performance of Easterly Investment Partners All-Cap Value Composite

as of 31/03/2021 (gross of fees)



## Historical Cumulative Returns

Investment growth in the **Easterly Investment Partners All-Cap Value Composite** since 2012 vs. **Russell 3000® Value Index** and **S&P 500**.



	YTD	1 Yr	Ann. 3 Yrs	Ann. 5 Yrs	Ann. 7 Yrs	2020	2019	2018	2017	2016	2015	2014	2013	2012
Easterly	16.4%	85.5%	9.9%	13.0%	11.7%	7.7%	12.5%	-5.2%	17.5%	23.1%	3.7%	9.0%	47.7%	18.5%
Russell	11.9%	58.4%	11.0%	11.9%	9.3%	2.9%	26.3%	-8.6%	13.2%	18.4%	-4.1%	12.7%	32.7%	17.5%
S&P 500	6.2%	56.3%	16.8%	16.3%	13.6%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%

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

Sources: Easterly, Bloomberg, AlternativeSoft.

Easterly represents the Easterly Investment Partners All-Cap Value Composite (gross of fees). Russell represents the Russell 3000® Value TR USD Index. Past performance of Easterly Investment Partners All-Cap Value Composite is no indication of future performance of the Easterly US Value Equity Fund (Irish UCITS Fund).

## Portfolio Analysis – Easterly Investment Partners All-Cap Value Composite



# Portfolio Characteristics

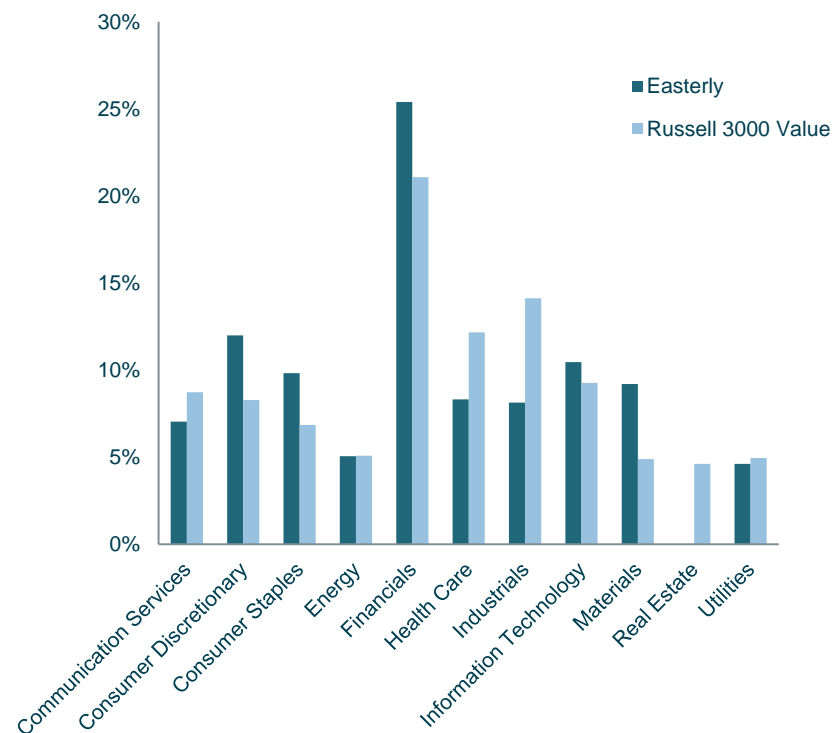
as of 31/03/2021



Top 10 Holdings	%
DuPont de Nemours Inc	4.6
General Motors Co	4.5
Merck & Co	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

Portfolio Characteristics	Easterly	Russell
Number of Holdings	34	2,366
Weighted Average Market Cap	\$117.7bn	\$121.7bn
Forecast 12-Month P/E	14.3x	17.6x
Price to Book Ratio	2.1x	2.5x
Dividend Yield	2.4%	2.1%
Active Share	84.4%	-

## Sector Weights

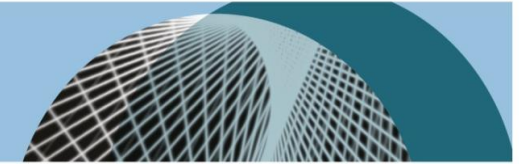


Source: Easterly

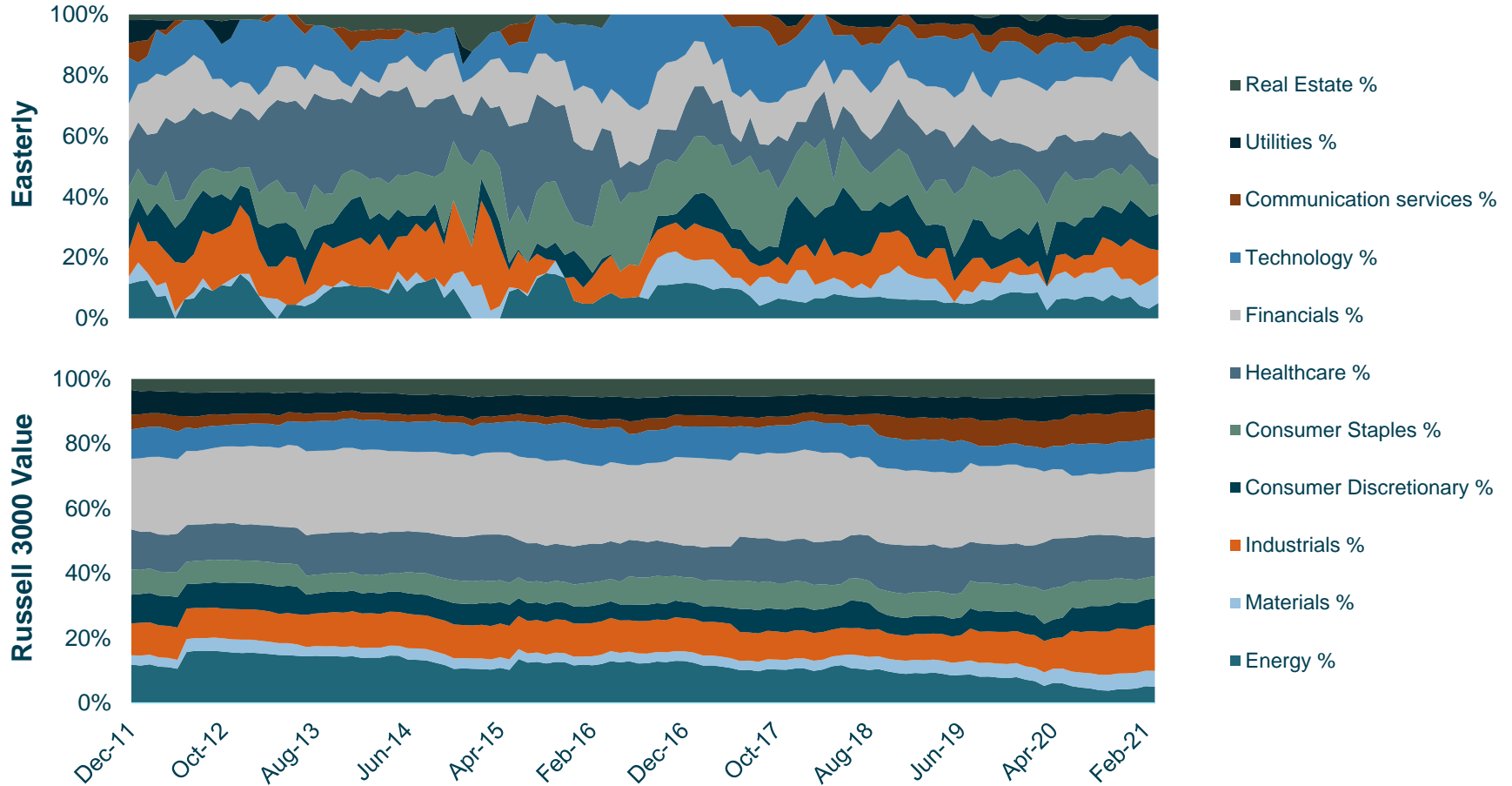
Easterly represents the Easterly Investment Partners All-Cap Value Composite (gross of fees). Russell represents the Russell 3000® Value TR USD Index.

# Portfolio Characteristics

as of 31/03/2021



## Historical GICS Sector Weights



Source: Morningstar

Easterly represents the Easterly Investment Partners All-Cap Value Composite (gross of fees). Russell represents the Russell 3000® Value TR USD Index.

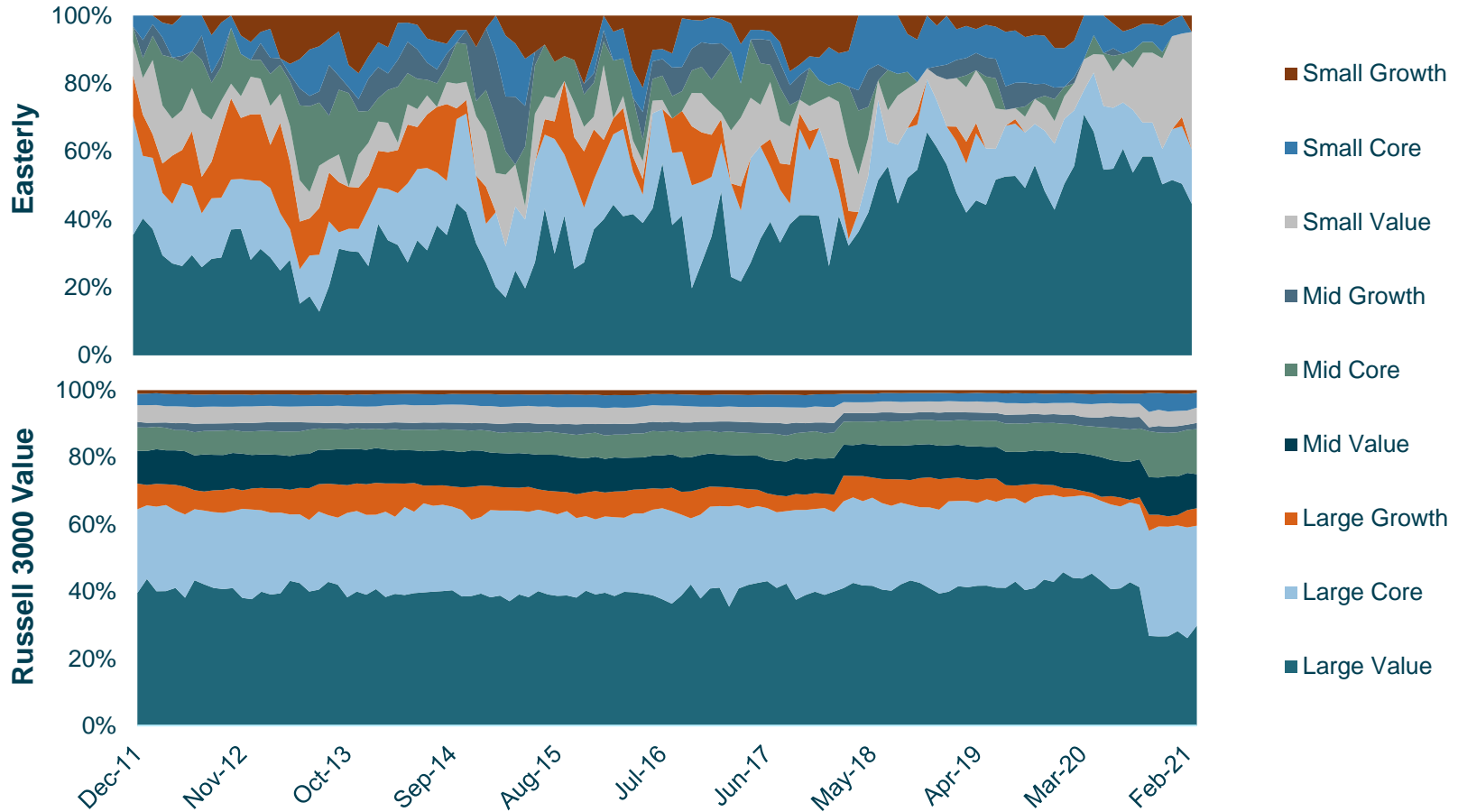


# Portfolio Characteristics

as of 31/03/2021



## Historical Equity Capitalisation Weights



Source: Morningstar

Easterly represents the Easterly Investment Partners All-Cap Value Composite (gross of fees). Russell represents the Russell 3000® Value TR USD Index.

## Easterly Investment Team Biographies



# Easterly Investment Team



The below employees at Easterly are responsible for the portfolio management (including idea generation, portfolio construction, security selection, investment research and risk management) of the Easterly US Value Equity UCITS Fund.



## **Jack Murphy** – CIO & Lead Portfolio Manager

Jack Murphy is the CIO, Lead PM and senior analyst for Easterly. His sector focuses are Industrials and Consumers. Jack joined Easterly\* in 1995 as an analyst and became a PM in 2001. He was at Prudential Securities (1991-1995) and worked at Bain & Co. (1988-1991). Mr. Murphy earned a BS from Bryant College and an MBA from Northeastern University.



## **Chris Susanin** – Co-Portfolio Manager and Analyst

Chris Susanin is a Co-Portfolio Manager, Director of Research and analyst for Easterly focusing on the consumer and industrial sectors. Prior to rejoining the team\* in 2017, Mr. Susanin was a PM in the industrials group of Point72 Asset Management (2011-2016), PM of the FrontPoint Consumer & Industrial Fund at FrontPoint Partners (2006-2011), PM and analyst at John A Levin & Co., Inc. focusing on the consumer and industrial sectors (2001-2006). He also was an Institutional Investor All-Star analyst at Lehman Brothers covering building products and electrical equipment (1996-2001). Chris earned a BA in Economics from Franklin & Marshall College and an MBA from Columbia Business School.



## **Sam Hendel** – Research Analyst

Sam Hendel is an analyst for Easterly. Prior to joining the team\* in 2009, Mr. Hendel was a PM for event driven strategies at Satellite Asset Management (2006-2009). Prior to Satellite, Mr. Hendel was an associate director at UBS and worked in both the portfolio trading and proprietary trading groups (2003-2006). Mr. Hendel is a co-founder of Dataminr, a real-time information analytics company. He also serves as an associate fellow of Davenport College at Yale University, from which he received his BA in 2003.

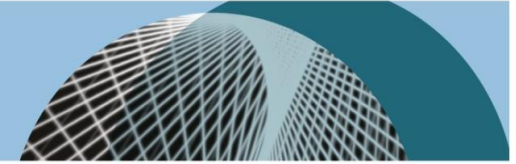


## **Evan Ratner** – Research Analyst

Evan Ratner is an analyst for Easterly with a sector focus on consumer staples. Prior to joining the team\* in 2014, Mr. Ratner began his career as a trader at Richmond Capital before becoming an analyst at Charter Advisors, both family offices. Mr. Ratner holds an undergraduate degree in finance from Emory University and an MBA from the NYU Stern School of Business.

\*Includes periods at predecessor firms, Levin Capital Strategies, L.P. and John A. Levin & Co., Inc.

# Easterly Investment Team



## **Rich Petersen** – Research Analyst

Rich Petersen is an analyst for Easterly responsible for the technology sector. Mr. Peterson joined the team\* in 2007, from Pacific Crest Securities, where he was a senior analyst on the software research team ranked “Top Boutique” by Institutional Investor for the three-year period he was employed. Previously, Mr. Petersen worked in equity research at WR Hambrecht, CSFB Tech Group, and Volpe Brown Whelan. Mr. Peterson earned a BA from Connecticut College and an MBA from Columbia Business School.



## **Brian Turner** – Research Analyst

Brian Turner is an analyst for Easterly focusing on the Healthcare sector. Prior to joining the team\* in 2008, Mr. Turner was with J & W Seligman as a Senior Vice President covering the healthcare industry. Mr. Turner also held positions with Janney Montgomery Scott and Lehman Brothers. Mr. Turner earned a BS in Finance from the University of Maine.



## **John Mackin** – Research Analyst

John Mackin is an analyst for Easterly focusing on the consumer and retail sectors. Prior to joining the team\* in 2004, Mr. Mackin was an analyst for SAC Capital Advisors (2003–2004); president and co-founder of Archimedes Capital Partners (2000–2003); PM and senior equity analyst for Forstmann-Leff International (1998–2000); and an equity analyst for Merrill Lynch Capital Fund (1991–1998). Mr. Mackin earned a BA from Lake Forest College.

*\*Includes periods at predecessor firms, Levin Capital Strategies, L.P. and John A. Levin & Co., Inc.*

## Fund particulars



# Easterly US Value Equity Fund Particulars



<b>Legal Structure</b>	An open-ended umbrella type investment company authorised pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.
<b>Share Classes</b>	A (Retail) / B (Retail) / C (Seed) / I (Institutional)
<b>ISIN / Bloomberg Ticker</b>	A        IE00BLF9WY64 B        IE00BLF9XB03 C        IE00BMX0K335 I        IE00BLF9XQ55
<b>Exchange Listed</b>	None
<b>Registered for Retail Sale</b>	Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, UK
<b>Registered for Accredited Investors</b>	Singapore (CISNET restricted scheme)
<b>Minimum Investment</b>	A = \$15,000 / B = \$15,000 / C = \$1,000,000 / I = \$2,000,000
<b>Management Fee</b>	A = 1.50% / B = 1.95% / C = 0.90% / I = 1.15%
<b>Subscriptions</b>	Daily - T+3 Settlement
<b>Redemptions</b>	Daily - T+5 Settlement
<b>Lock-up Provision</b>	None
<b>Leverage</b>	None
<b>Sub-Investment Manager</b>	Easterly Investment Partners LLC
<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited
<b>Lawyers</b>	Simmons & Simmons, Dublin
<b>Auditor</b>	Grant Thornton

Please refer to important information on page 2.

## Notes & Disclaimers



# Easterly Investment Partners All-Cap Value Composite

## Disclaimer



Year End	Total Assets (millions)			Number of Accounts	Composite Performance		Russell 3000 Value	S&P 500	Annualized 3-Year Standard Deviation			Composite Dispersion
	Firm AUM	Firm (AUA) **	Composite		Gross	Net			Composite	Russell 3000 Value	S&P 500	
2021*	700	1,469	38	2	16.37%	16.36%	11.89%	6.17%	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>2</sup>
2020			29	2	7.68%	7.00%	2.87%	18.40%	24.54%	20.24%	18.79%	N/A <sup>2</sup>
2019	-	-	55	1	12.50%	11.39%	26.26%	31.49%	14.24%	12.01%	11.93%	N/A <sup>2</sup>
2018	-	-	452	2	-5.21%	-6.16%	-8.58%	-4.38%	12.90%	11.06%	10.80%	N/A <sup>2</sup>
2017	-	-	52	1	17.53%	16.38%	13.19%	21.83%	13.71%	10.33%	9.92%	N/A <sup>2</sup>
2016	-	-	62	1	23.07%	21.86%	18.40%	11.96%	13.91%	10.97%	10.59%	N/A <sup>2</sup>
2015	-	-	3	1	3.67%	2.64%	-4.13%	1.38%	12.46%	10.74%	10.47%	N/A <sup>2</sup>
2014	-	-	4	1	9.03%	7.95%	12.70%	13.69%	10.19%	9.36%	8.97%	N/A <sup>2</sup>
2013	-	-	9	1	47.65%	46.23%	32.69%	32.39%	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>2</sup>
2012	-	-	6	1	18.48%	17.32%	17.55%	16.00%	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>2</sup>
2011***	-	-	5	1	1.54%	1.46%	1.97%	1.37%	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>2</sup>

Source: Easterly, sourced 14.04.2021.

\* - Assets and performance are as of March 31, 2021.

\*\* - Supplemental Information: Assets under Advisement (AUA) includes the assets where Easterly provides its advisory services in similar strategies and does not have discretionary trading authority.

\*\*\* - Performance represents a non-annualized partial period return beginning on December 20, 2011.

N/A <sup>1</sup> - Information is not shown as 36 months of performance is not available.

N/A <sup>2</sup> - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

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



# Easterly Investment Partners All-Cap Value Composite

## Disclaimer



All-Cap Composite - Contains fully discretionary equity accounts. The strategy reflects the performance of long-only portfolios substantially invested in domestic listed equities and ADR's that primarily trade on U.S. stock exchanges and may occasionally investment in convertible and corporate bonds taking into account various factors. The inception of the strategy is December 20, 2011 and is biased toward All-Cap capitalization value stock. Since May 2016 the strategy has been managed more concentrated with positions typically around 20 to 25 which formerly were 30 to 45. Performance presented prior to March 29, 2019 occurred while the Portfolio Manager and the research team were affiliated with a prior firm (Levin Capital Strategies, L.P.). Leverage is not used in this strategy. The minimum initial investment for this composite is \$1,000,000. The Long Only Strategy – All-Cap Composite was created in April 2019 when the Portfolio Manager and the research team were acquired by Easterly Investment Partners LLC (“Easterly”).

Easterly claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Easterly has been independently verified for the period April 1, 2019 through April 30, 2019 by ACA Performance Services, LLC.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Long Only Strategy – All-Cap Composite has been examined for the period April 1, 2019 through April 30, 2019. The verification and performance examination reports are available upon request.

Easterly is an independent registered investment adviser with the SEC under the U.S. Investment Advisers Act of 1940. The firm primarily manages various long-only strategies. The firm maintains a complete list and description of composites, which is available upon request.

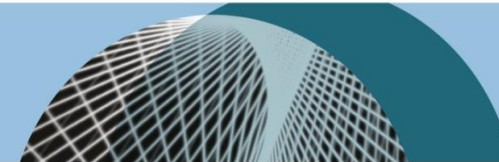
The U.S. Dollar is the currency used to express performance. Results are based on fully discretionary accounts under management, including those investors no longer with the firm. Composite performance is presented gross of foreign withholding taxes on interest income and capital gains and net of foreign withholding on dividends. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the maximum fee structure (1.0% with no performance fees), applied monthly. The investment fee schedule for the composite is 1.00% per annum on accounts less than \$5 million. Fees for accounts greater than \$5 million but less than \$15 million are 0.75% per annum. Fees for accounts greater than \$15 million but less than \$100 million are 0.75% on the first \$15 million and 0.50% on the remainder. Fees for accounts in excess of \$100 million are negotiable. Actual investment advisory fees incurred by clients may vary.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. The annualized 3-year standard deviation represents the annualized standard deviation of actual composite and benchmark returns, using the rolling 36 months ended each year end. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not a guarantee of future results.

There can be no assurance that the stated investment objective for this strategy can be achieved. Information in this presentation has been obtained from sources believed to be reliable but cannot be guaranteed. The above referenced index is a benchmark of unmanaged securities, and the index is not a security that can be purchased or sold. Standard deviation is a measurement of historical volatility of investment returns. The above returns are unaudited, and subject to change without notice. Results may be higher or lower based on IPO eligibility, and actual investor's returns may differ, depending upon date(s) of investment(s). Additional information is available upon request.

**GIPS® is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement.**

# Disclaimer



Heptagon Capital Limited, Heptagon Capital LLP and its Partners disclaim any and all liability relating to these materials, including, without limitation, any express or implied representations or warranties for statements or errors contained in, and omissions from, these materials. Certain assumptions have been made, and/or parameters set, in the preparation of these materials which have resulted in the returns detailed herein, and no representation or warranty is made that any returns indicated will be achieved. Changes to assumptions or parameters may have a material impact on the returns detailed. This document should not be copied to any other person without our express consent. This document should not be considered an offer to buy or sell investments.

Heptagon Capital Limited has issued this communication as investment manager for Heptagon Fund PLC and is licensed to conduct investment services by the Malta Financial Services Authority. Heptagon Capital LLP is authorised and regulated in the UK by the Financial Conduct Authority.

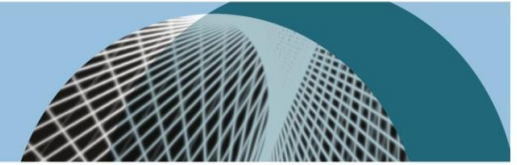
The results given in this document are based solely upon historical fund performance as gathered and supplied by Euro-VL, BBH, Morningstar and Bloomberg. That past performance has not been independently verified by either Heptagon Capital Limited or Heptagon Capital LLP. It is not intended to predict or depict the future performance of any investment.

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 Prospectus 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.

The distribution of information contained herein and the sale of shares in the Funds may be subject to legal or regulatory restrictions in certain countries in which users are resident or of which they are citizens. In particular, neither the shares in the Funds nor the Funds themselves have been registered under any United States ("US") Securities legislation and are not available for purchase by US Persons.

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 identify that the Fund may be exposed to sustainability risks and will aim to mitigate those risks.

# Disclaimer



FTSE Russell Source: London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). © LSE Group 2020. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company’s express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The S&P 500 (“Index”) is a product of S&P Dow Jones Indices LLC, its affiliates and/or their licensors and has been licensed for use by Heptagon Fund plc. Copyright © 2020 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC’s indices please visit [www.spdji.com](http://www.spdji.com). S&P® is a registered trademark of Standard & Poor’s Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

The Global Industry Classification Standard (“GICS”) was developed by and is the exclusive property and a service mark of MSCI Inc. (“MSCI”) and S&P Global Market Intelligence (“S&P”) and is licensed for use by Heptagon Fund plc. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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>.

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