

2023

SUMMIT SUSTAINABLE OPPORTUNITIES L/S EQUITY FUND

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Sustainable Finance Disclosures Regulation (SFDR) - Article 8 Website Disclosures

1. Summary

The Fund's Sub-Investment Manager ("Summit Partners Public Asset Management, LLC") seeks to make investments based on individual theses and focuses on companies that offer disruptive, market-driven solutions to global sustainability challenges.

The Sub-Investment Manager believes that the long-term case for sustainably oriented investing is strong and supported both by the increasing availability of economically viable, sustainably oriented business models and by meaningful demographic tailwinds. Target companies may offer sustainably oriented products or services or take an efficient approach to resource generation or consumption – including through the consideration of environmental, social and governance ("ESG") factors. The Fund may also sell short securities and apply hedging strategies, the Sub-Investment Manager believes this approach allows for alpha generation, active volatility management relative to the broader market and more effective risk management.

2. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

The characteristics promoted by the Fund consist of investing in companies that may exhibit E/S characteristics such as:

- Reduced resource consumption;
- Improved process efficiency; and
- Resource generation and/or overall waste reduction.

The Sub-Investment Manager focuses on companies that offer market-disruptive/market-driven solutions to global sustainability challenges. The Sub-Investment Manager seeks to make investments based on individual theses and focuses on companies that offer exposure to a broad array of sustainability trends. The Sub-Investment Manager views sustainability as a driver of disruption and sustainably oriented businesses as companies offering lower environmental impact and less resource-intensive products or services than incumbent players.

4. Investment strategy

The Fund is designed to achieve capital appreciation and deliver risk-adjusted returns over a market cycle and seek investments in companies that offer market-driven solutions to global sustainability challenges. The Sub-Investment Manager seeks to make investments based on individual theses and focuses on companies that offer exposure to a broad array of sustainability trends. The Sub-Investment Manager views sustainability as a driver of disruption and sustainably oriented businesses as companies offering lower environmental impact and less resource-intensive products or services than incumbent players.

The Sub-Investment Manager believes that the long-term case for sustainably oriented investing is strong and supported both by the increasing availability of economically viable, sustainably oriented business models and by meaningful demographic tailwinds. Target companies may offer sustainably oriented products or services or take an efficient approach to resource generation or consumption – including through the consideration of environmental, social and governance ("ESG") factors. The Fund may also enter into hedging transactions of companies it believes have revenues and earnings that may fall short of consensus estimates or that may be susceptible to the impact of sustainability-driven disruption. The Fund may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the sub-investment manager if it had not engaged in any such hedging transactions.

5. Proportion of investments

The investment strategy has no limits on asset allocations, but historically approximately 60% of long positions have adhered to the E/S characteristics described. The remainder typically falls into investments which may not be associated with a specific sustainability product or service, but generally are investments that follow the same ESG process (such as investments in technology sectors with lower carbon options). Target companies generally operate in the energy, infrastructure, industrials, information technology and consumer industries.

The Fund uses options primarily as a hedging tool around event risk. Options utilised are generally single name hedges meaning that the derivative matches the E/S considerations of the underlying name.

6. Monitoring of environmental or social characteristics

The Sub-Investment Manager may consider the following environmental and social criteria which may vary depending on the sector as well as data availability:

Environment:

- Resource intensity;
- Energy consumption;
- Waste management; and
- Greenhouse gas (GHG) emissions.

Social:

- Contribution to local communities / regeneration;
- Avoidance of controversies;
- Employee diversity.

7. Methodologies

When considering these criteria, the Sub-Investment Manager aims to:

- Understand the business activity of the company and whether a component, core component or by-product of that company's activities is in the opinion of coming up the Sub-Investment Manager, a more sustainable way of doing business;
- Map the business activity to the United Nations Sustainable Development Goals; and
- Cross reference the investment thesis with third party sustainability data providers.

8. Data sources and processing

The data sources used to analyse each of the environmental or social characteristics promoted by the Fund are:

- Bloomberg data: for e.g. carbon metrics;
- Sustainalytics;
- Sustainability Accounting Standards Board ("SASB");
- Various company reports; and
- Management engagement.

9. Limitations to methodologies and data

Limitations on methodologies and ESG data include the lack of consistency, reliability, comparability, and quality of the data available. This is driven by issues including, but not limited to:

- Lack of common methodology across providers of ESG ratings;
- Lack of standardised reporting by companies;

- Different estimation models for unreported data;
- Difficult to quantify factors and unverified or unaudited information; and
- Backward looking information that fails to capture “direction of travel”.

These limitations are addressed by:

- Use of varied data sources;
- Company engagement to understand data at source; and
- Reliance on internal research and analysis using third party data as complementary information.

10. Due diligence

The Sub-Investment Manager assesses sustainability risks at the pre-investment stage and on an ongoing basis as follows:

Pre-investment - due diligence assessment

Any business identified as having a high probability of a potential sustainability risk impacting future returns would not be included in the final portfolio. As a result of this pre-investment due diligence assessment and adherence to the selection process, the Sub-Investment Manager believes that potential impact of sustainability risks on returns are significantly decreased at the outset.

Ongoing assessment

Where there is a marked deterioration in sustainability, evidenced both by quantitative factors and/or qualitative ones such as negative perceptions over a business' operating practices, the Sub-Investment Manager will seek to engage with the business' management, and if unsatisfactory, potentially exit from the investment.

11. Engagement policies

The Sub-Investment Manager regularly engages with investee and prospect companies on sustainability and other issues during management interactions and actively votes proxies.

12. Designated reference benchmark

The Fund does not have a sustainable designated reference benchmark.

I 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>.

I 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.

I 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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