

Heptagon Easterly US Value Equity Fund

C USD Acc (IE00BMX0K335)

SFDR Classification: Article 8

Fund Manager



**Jack
Murphy**



**Chris
Susanin**

ESG Summary

The strategy incorporates ESG into its bottom-up, fundamental research process and it is one of many factors in the mosaic of each investment thesis. The overall combination of factors allows Easterly to better evaluate the risk/reward profile of each company in their portfolios. Easterly proactively engages with companies, addressing ESG-related issues that may materially impact the business, supplemented with a global 3rd party ESG data provider, to enhance our strategy.

The Fund incorporates the below ESG strategies as an intrinsic part of the investment process.



Exclusion Screening



ESG Integration



Company Engagement

Exclusions

The Fund excludes companies that are directly involved in, and/or derive significant revenue from, industries or product lines that include:

- Adult entertainment
- Coal Production
- Gambling
- Tobacco
- Conventional Weapons
- Violations of international norms
- Controversial Weapons

MSCI ESG Rating

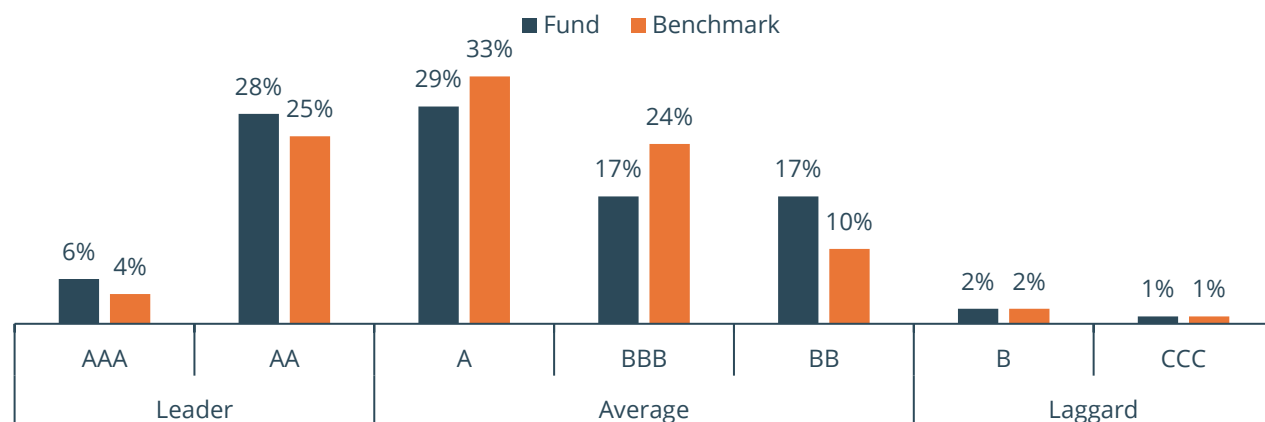
AA

Fund: Heptagon Easterly US Value Equity Fund

AA

Benchmark: Russell 3000 Value

ESG Rating Distribution

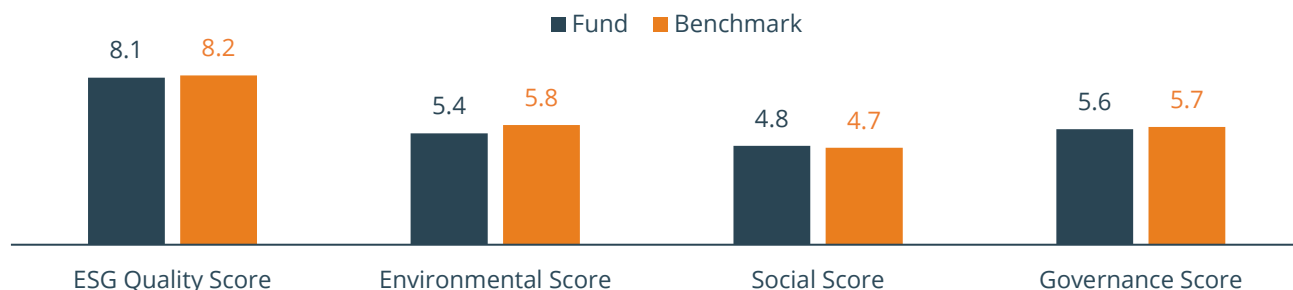


MSCI rating data is no guide to future performance and the value of investments and income from them can fall as well as rise.

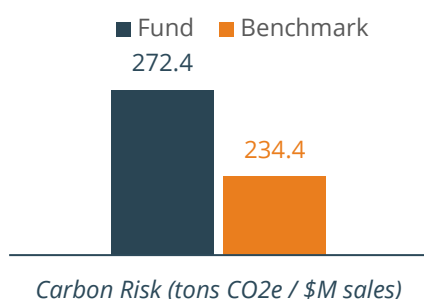
The definitions of the aforementioned ESG strategies are in accordance with Heptagon's Sustainable Investment Framework. Please also be aware that third party data providers, such as MSCI, are used to support some aspects of the in-house research as well as for reporting purposes. Investors should therefore draw no specific inference from data provided by MSCI and the size of positions held within the Fund. The MSCI ESG ratings for the Fund are calculated by aggregating the ratings associated with each of the Fund's individual positions as of the reporting date.

Source: Heptagon Capital, MSCI ESG Research. ESG Ratings are on a scale of AAA to CCC. Data as of 31/12/2022.

ESG Quality Scorecard



Carbon Risk



Carbon Footprint

	Carbon Emissions Scope 1+2	Carbon Intensity Scope 1+2
Fund	155.4	196.1
Benchmark	98.8	178.6

(tons CO2e / \$M invested) (tons CO2e / \$M sales)

Top 10 Holdings

Company Name	Portfolio Weight	Overall Rating	ESG Rating Momentum	Reputational Risk	Overall ESG Score
Dominion Energy Inc.	5.4	AA	Stable	Severe	7.6
Viatis Inc.	5.3	BB	Stable	Severe	3.6
Truist Financial Corporation	5.2	A	Stable	Moderate	6.7
American International Group Inc.	5.0	BBB	Stable	Moderate	4.5
Bio-Rad Laboratories Inc.	4.8	BB	Upward	Minor	3.9
Cisco Systems Inc.	4.3	AA	Stable	Moderate	7.4
nVent Electric Plc	3.8	A	Upward	None	6.9
The Goldman Sachs Group Inc	3.7	A	Stable	Severe	7.1
Primo Water Corporation	3.7	BB	Stable	Moderate	3.7
Unilever Plc	3.7	AAA	Upward	Severe	9.1

Market Value Coverage

	ESG Quality	Carbon Risk	Reputational Risk	Governance Risk
Fund	100%	100%	100%	100%
Benchmark	100%	100%	100%	100%

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Methodology

ESG Quality Score measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from environmental, social, and governance factors. It is based on MSCI ESG Ratings and is measured on a scale of 0 to 10 (worst to best). The distribution of scores is based on the universe of approximately 28,000 funds included in MSCI ESG Fund Metrics.

ESG Ratings Distribution represents the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).

Carbon Risk measures exposure to carbon intensive companies. It is based on MSCI Carbon Metrics and is calculated as the portfolio weighted average of issuer carbon intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. Carbon Risk is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525).

Carbon Emissions - Scope 1+2 Intensity. This figure represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions normalized by sales in USD (t/USD million sales), which allows for comparison between companies of different sizes.

ESG Ratings Momentum represents the percentage of a portfolio's market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment.

Reputational Risk represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. It is based on MSCI ESG Controversies. Portfolio level Reputational Risk is categorized as Very Low (0%), Low (>0% to <1%), Moderate (1% to <5%), High (5% to <10%), and Very High (>=10%).

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 the [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.

ESG Credentials

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. The Sub – Investment manager, Easterly Investment Partners, signed the UN PRI on 8th June 2020.



Climate Action 100+, is an investor – led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Easterly Investment Partners is a member of the Aviation Engagement Group.



Carbon Disclosure Project is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Easterly Investment Partners is a signatory of the CDP, and is an engagement lead on 3 companies.



The Task Force on Climate – related Financial disclosures releases climate – related financial disclosure recommendations to help companies provide better information to support informed investing. EIP is a supporter of the TCFD.

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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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The results given in this document are based solely upon historical fund performance as gathered and supplied by Morningstar. 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.

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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>

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