Q4 2020

Driehaus Emerging Markets Sustainable Equity Fund

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The Driehaus Emerging Markets 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 Driehaus Capital Management LLC (“Driehaus”) is the Sub-Investment Manager. Driehaus exercises discretionary investment authority over the Fund. The Fund was launched on June 25, 2012 and had AUM of USD 131m as of December 31st 2020. Driehaus Capital Management LLC was appointed Sub-Investment Manager of the Fund on December 6, 2016. Prior to this OFI Global Institutional, Inc. was the Sub-Investment Manager from June 25, 2012 to December 5, 2016.

The Fund (I USD share class) now has a 5-star Morningstar rating over the past 3 years since Driehaus took over portfolio management. During the fourth quarter of 2020, the Fund outperformed its benchmark the MSCI Emerging Markets NR (“Index”) returning 19.8% (I USD), compared to 19.7% for the Index.

Annualized Total Returns

As of December 31st, 2020 gross of fees

	Q4 20	YTD	1-Yr	3-Yrs	5-Yrs	10-Yrs
Driehaus Emerging Markets Growth composite	18.4	28.8	28.8	11.5	16.7	8.0
MSCI Emerging Markets NR Index	*19.7*	*18.3*	*18.3*	*6.2*	*12.8*	*3.6*

Source: Driehaus Capital Management, Bloomberg

Driehaus manages the Irish regulated Driehaus Emerging Markets Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the Driehaus Emerging Markets Growth Composite, 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 portfolio. The Driehaus Emerging Markets Growth Composite is provided in the table above to show a longer track record for the underlying strategy.

Driehaus Capital Management – Sub-advisor Q4 2020 Commentary

Market Overview

Emerging markets (EM) expanded for the third straight quarter after the selloff in March. The MSCI EM Index posted a total return of 19.70% in the fourth quarter, above the S&P 500 12.15% return and the MSCI World Index 14.07% return, all in US dollars (USD).

Global markets rallied sharply in early November after initial vaccine results came in above expectations, showing efficacy rates north of 90%. The positive vaccine results enabled markets to begin discounting a reopening of the global economy in 2021 even as new cases continued to rise. Interest rates spiked higher and there was a violent factor unwind on the first trading session after the Pfizer vaccine news. BofA’s momentum factor index fell 6% on the 9th of November, a 10 standard deviation move. Cyclical, value, and EM stocks also benefitted from the rotation this initiated.

The USD continued to weaken throughout the fourth quarter, generating positive returns for most developed and emerging market currency pairs. The USD was under pressure as the US Federal Reserve’s average inflation targeting framework commits them to not raising rates until inflation overshoots their 2% target. This

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Market Review Cont.

USD weakness was further amplified by the election win of Joe Biden, which prompted rising expectations for more fiscal stimulus. Additionally, the US current account deficit expanded to the widest level since 2008 as demand for key exports like services, aircraft, and tourism dried up while domestic demand for imported goods surged. By the end of the year, the MSCI EM Currency Index was nearing all-time high levels. Particularly important for EM was the near 7% appreciation in the Chinese Yuan on the year.

Oil prices trended higher during the fourth quarter despite weaker demand. The Organization of the Petroleum Exporting Countries (OPEC) was able to overcome the competing interests of its member states and agreed to delay production increases. In addition to energy prices, USD weakness and rising growth expectations supported industrial metals, precious metals, and agricultural commodities.

The Chinese government shocked the world by scuttling the highly anticipated IPO of fintech company Ant Group at the last minute. They subsequently published a draft paper outlining new anti-monopoly guidelines for internet companies. The primary focus of the regulation is to restrict ecommerce companies from forcing merchants into exclusive supply agreements (i.e. forbidding them from selling goods on multiple competing ecommerce platforms).

Predictably, given this regulatory clampdown, China lagged the overall MSCI EM Index in the quarter. However, relative performance was also a function of how China has already managed to get a handle on Covid-19 and normalize its economy. Therefore, they did not stand to benefit as much at the margin from a vaccine as some other countries. Brazil, Colombia, Indonesia, Mexico, Poland, and Turkey all saw at least 30% returns in USD during the quarter.

Performance Review

The Heptagon Driehaus Emerging Markets Sustainable Equity Fund (Class I) returned 19.8% in the fourth quarter, just ahead of the 19.7% return of the MSCI EM Index (both in USD). For the year 2020, the Fund returned 29.7%, which was ahead of the 18.3% return for the MSCI EM Index.

On a country basis, Hong Kong, India and Taiwan contributed the most to positive attribution. Within Taiwan, the Fund's largest semiconductor holdings performed particularly well. The entire semiconductor industry is experiencing strong demand and tight supply thanks to the launch of 5G smartphones, robust notebook and tablet sales as a result of work/learn-from-anywhere, and a rebound in chip demand from cyclical industries like autos and industrials. Brazil was the biggest detractor as the fund did not own large energy and materials companies and was underweight financials, all of which outperformed.

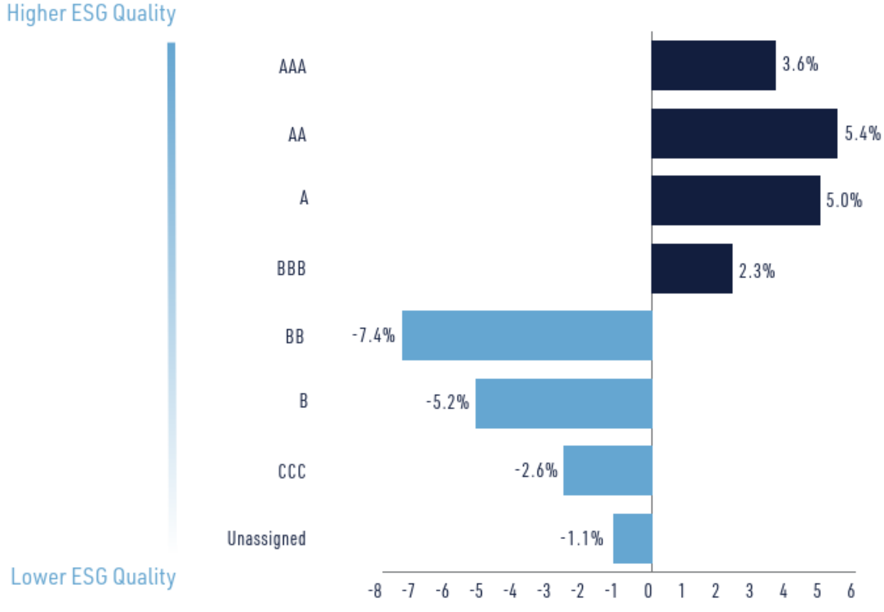
From a sector perspective, information technology, financials and health care were the top relative contributors to relative performance. Within health care, the Fund benefitted from its biotech and contract research organization (CRO) holdings related to China. Local biotech firms were rewarded by the market for showing an increasing ability to move up the value chain and develop innovative drugs. The Materials sector was the largest detractor from relative performance. The Fund was underweight the sector, which outperformed.

Driehaus Emerging Markets Sustainable Equity Fund

Sustainability

The Fund finished the quarter and year with markedly better ESG characteristics, on an aggregate basis, than its benchmark index.

Exhibit 1: Relative ESG Ratings: Fund vs. MSCI EM Index as of 31/12/20



Source: FactSet Research Systems LLC & MSCI Inc.

During the quarter the Fund increased its focus in the renewable energy space by investing in companies where we see growth being supported both on a secular basis and on a short-term basis due to more committed government policies. These exposures have helped the Fund's sustainability profile and also its returns. We remain positive on the outlook there, particularly given China's commitment to solar and wind power generation. Similarly, the Fund continues to have higher exposure to electric vehicles, both through battery producers and through traditional original equipment manufacturers (OEMs) where we see a more compelling shift in their business models away from combustion engines and where we believe that change is not appreciated yet by a majority of investors. Finally, our focus in technology hardware related companies with better sustainability profiles contributed to absolute and relative returns as well.

Notwithstanding the Fund's superior ESG exposures, not all of the portfolio companies are highly rated by external parties. While the portfolio composition certainly is tilted toward better-rated companies, we continue to believe that companies experiencing an improving trend in their sustainability profile, but which have not yet been appreciated by external parties and are a key source of alpha. One of these companies, Kia Motors, receives the lowest ranking by a few external agencies but was a material source of outperformance for the Fund in 2020. While still far from perfect, the company is fully transitioning from a combustion vehicle manufacturer to an electric vehicle company and external parties give them zero credit for this change. The company has historically had very poor disclosures with regard to ESG factors and our engagement with the company the past year has been received very positively by management, which is a major change. We are confident this company will see higher ratings in the future and believe that a selective approach to poorly rated companies, where we see a potentially improving trend, are key opportunities for the Fund.

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Driehaus Emerging Markets Sustainable Equity Fund

Emerging Markets Outlook

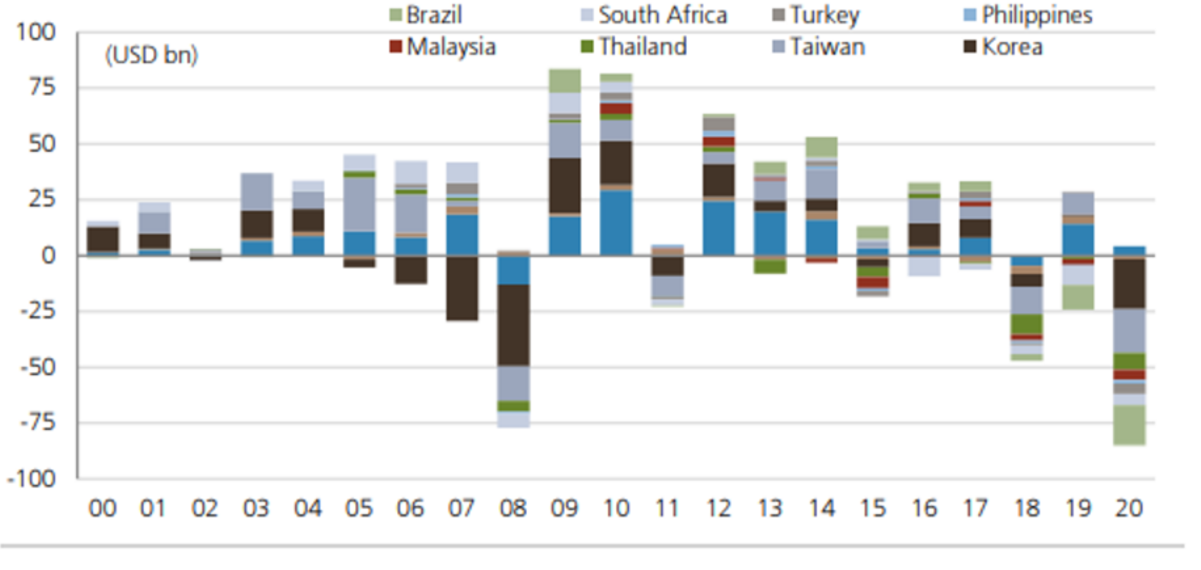
EM equities appear well positioned for 2021. The pace of the vaccine rollout and new strains of Covid-19 complicate the short-term outlook, but there are several tailwinds in the medium-term. First, EM equities have historically exhibited a strong negative correlation with the US Dollar. Second, a rebound in global growth and trade would provide support to EM economies. Finally, low valuation and light positioning suggest there is meaningful room for further upside.

The USD has already depreciated against most major developed and emerging market currency pairs. While there could be some recovery in the USD as domestic growth expectations rebound, we do not expect USD strength to persist. This is principally a function of US monetary and fiscal policy, as discussed above. Additionally, the USD sat at an all-time expensive level on a real effective exchange rate (REER) basis as recently as May. Economic growth and trade should normalize as the global economy recovers from Covid-19. In addition to a reopening of the economy, growth will be supported by historically high consumer savings, which are likely to be increased further with more stimulus payments. A shift away from unilateral trade restrictions is also likely to support the global economy. These dynamics can further support manufacturing demand and commodity prices, critical drivers of emerging economies.

Indeed, macroeconomic data indicates the rebound has already begun. Global manufacturing PMI is in expansionary territory and hit a three-year high in December. Exports from Korea and Taiwan, both dependable indicators of global demand, are growing by double-digits on a year over year basis. Citi economists expect the GDP of EM countries to expand by 6.2% in 2021 after falling by 2% in 2020.

The third set of factors that could support EM going forward are light positioning and low valuation. 2020 saw the largest outflows in EM since 2008 as risk-aversion increased during the pandemic. The outflows were sharpest in the first half of the year but started to turn positive in November after the vaccine announcements.

Exhibit 2: Annual foreign flows into major EM equities ex-China



Source: Bloomberg

We do not expect valuation, absolute or relative, to act as a trigger for EM outperformance on its own. But after a decade of underperformance, we think there is substantial headroom for EM to outperform as the global economy rebounds.

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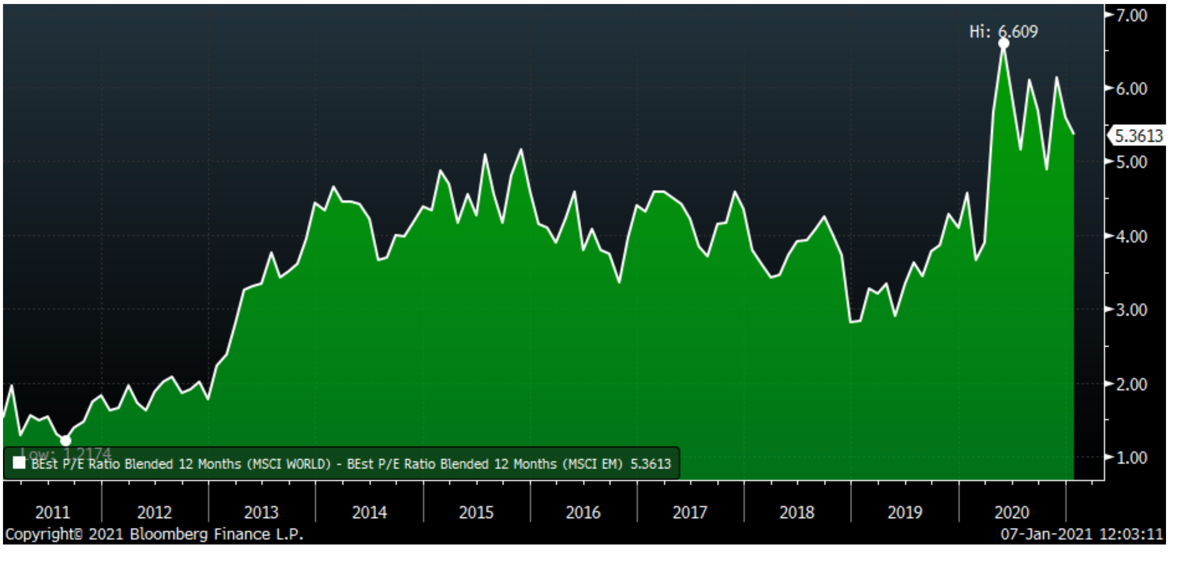
Emerging Markets Outlook Cont.

Exhibit 3: Relative performance of MSCI EM Index vs. MSCI World Index

Source: Bloomberg

Exhibit 4: Forward PE Spread between MSCI World Index and MXEF EM peaked in 2020 but remains extended



Source: Bloomberg

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Emerging Markets Outlook Cont.

If historical patterns hold, we would expect the above dynamics to play out rather predictably. Regionally, we would expect Latin America (LatAm) and Europe, the Middle East and Africa (EMEA) to outperform Asia as these economies are more commodity-exposed and are more reliant on external funding. These factors give them higher sensitivity to the global economic cycle and fund flows. Intuitively, we would expect cyclical sectors to outperform defensive ones. Similarly, we would expect small caps to outperform large caps.

We don't disagree with these ideas and think they are more likely than not to occur if we have gotten the broad-brush strokes of 2021 correct. However, we also think some nuance can get lost when speaking about markets in this way (not to mention usually when the common knowledge is so widely accepted something unexpected happens).

Clearly, higher global growth and manufacturing would help industrials and commodities more than staples, especially when considering where relative valuations sit today. The reopening of the global economy would of course benefit the retail and travel industry more than it will utilities.

However, we would caution against applying a mean reversion lens to everything. As we have argued in previous commentaries, we think Covid-19 has acted to accelerate many structural changes that were already in place, such as what kind of media we engage with and how we consume it. We believe the pandemic has permanently altered how we work, live, and communicate. And it has become even more clear that technology is the critical driver of the 21st century economy. While these changes have received much attention from everyone, we think the long-term impact of 2020 cannot be truly understood until more time passes. Most importantly, we don't think any of these dynamics fit neatly into the top-down narratives we just mentioned.

Given that, we are not making wholesale changes to the fund's positioning. We do expect to find more opportunities in the more cyclical sectors and high-beta countries. Indeed, the fund increased its weight during the quarter in financials and industrials at the expense of consumer staples and healthcare. On a country basis, the fund increased its exposure to Brazil, Mexico, Russia, and South Africa.

Our philosophy remains focused on identifying positive second-derivative changes in the earnings outlook rather than a specific top down allocation. We believe that our process is well-suited to adapt to changes in market leadership as we look for where the best growth opportunities are emerging. We look forward to continuing this work on your behalf and thank you for your trust.

Sincerely,

Heptagon Capital and Driehaus Capital Management

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Driehaus Emerging Markets Sustainable Equity Fund

Sector performance attribution- Q4 2020

	Driehaus Emerging Markets Sustainable Equity Fund (Port) (%)			MSCI Emerging Markets Index (Bench) (%)			
GICS Sector	Port Avg. Weight	Port Total Return	Port Contrib. To Return	Bench Avg. weight	Bench Total Return	Bench Contrib. To Return	Total Effect
Comm. Services	11.73	10.60	1.48	12.45	11.56	1.57	0.05
Consumer Discretionary	16.18	7.04	1.36	19.68	7.55	1.74	0.32
Consumer Staples	7.97	17.40	1.40	5.91	16.70	0.98	-0.01
Energy	1.71	-8.63	-0.24	5.15	14.93	0.74	-0.32
Financials	14.54	31.44	4.41	17.70	24.37	4.23	0.76
Health Care	7.09	25.17	1.73	4.38	19.18	0.85	0.33
Industrials	5.08	22.59	1.09	4.36	21.33	0.92	0.01
Information Technology	24.83	34.10	7.99	19.00	34.19	6.06	0.78
Materials	5.17	19.66	1.00	7.18	29.84	2.04	-0.65
Real Estate	0.63	-26.00	-0.10	2.24	6.07	0.16	0.08
Utilities	0.12	17.10	0.08	1.97	21.12	0.41	0.03
Cash	4.94	0.56	0.03	-	-	-	-0.84
Total	**100.00**	**20.13**	**20.13**	**100.00**	**19.70**	**19.70**	**0.43**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

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Driehaus Emerging Markets Sustainable Equity Fund

Top 10 Country performance attribution- Q4 2020

	Driehaus Emerging Markets Sustainable Equity Fund (Port) (%)			**MSCI Emerging Markets Index (Bench) (%)**			**Attribution Analysis (%)**
Country	Port Avg. Weight	Port Total Return	Port Contrib. To Return	Bench Avg.weight	Port Total Return	Bench Contrib. To Return	Total Effect
Hong Kong	7.64	25.07	1.84	3.52	14.10	0.50	0.51
India	11.71	25.23	2.89	8.48	21.04	1.78	0.49
Taiwan	10.69	27.73	2.93	12.67	23.15	2.84	0.46
Kazakhstan	0.54	98.81	0.48	--	--	--	0.39
China	25.91	8.26	2.66	36.42	11.26	4.50	0.26
Argentina	1.04	54.91	0.45	0.12	21.15	0.03	0.22
Hungary	0.72	49.58	0.32	0.20	39.19	0.07	0.14
Singapore	1.36	22.83	0.39	0.02	27.07	0.01	0.12
Germany	0.86	35.07	0.28	--	--	--	0.12
Malaysia	0.34	-6.77	-0.04	1.63	10.08	0.17	0.05
Total	**100.00**	**20.13**	**20.13**	**100.00**	**19.70**	**19.70**	**0.43**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

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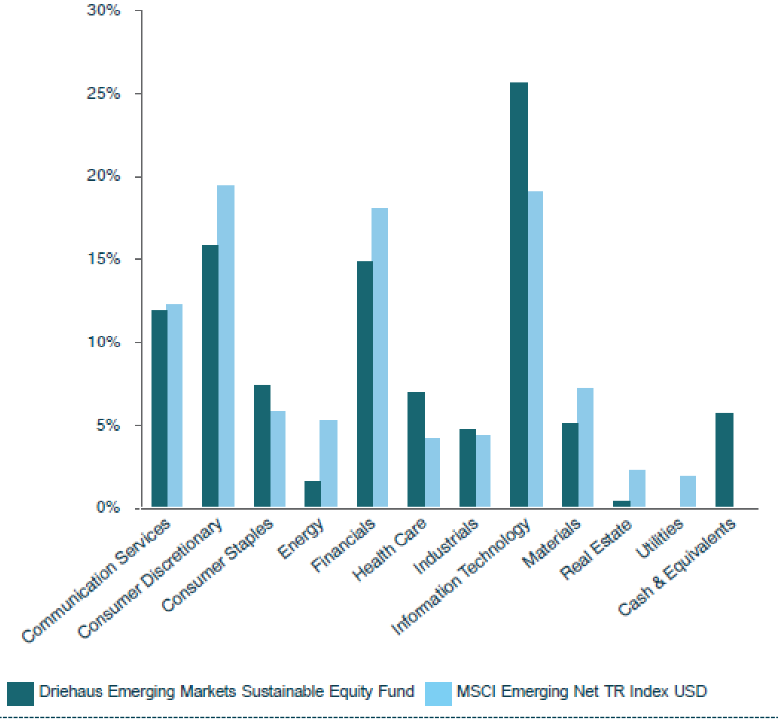
Driehaus Emerging Markets Equity Sustainable Fund

Driehaus Emerging Markets Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 30th November 2020

Name	% of portfolio
Tencent Holdings Ltd	6.7%
Taiwan Semiconductor	6.6%
Samsung Electronics Co	4.3%
Alibaba Group Holdings Ltd	4.0%
Nike Inc	2.2%
HDFC Bank Ltd	1.9%
Advanced Micro Devices	1.7%
L'Oreal	1.5%
JD.com Inc	1.4%
Tata Consultancy Services	1.4%
Total of Top 10 Holdings	**31.7%**

Portfolio Sector Weights as of 30th November 2020



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Risk Warning

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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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