

WCM Global Equity Fund

Quarterly Commentary for the Strategy

The WCM Global 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 WCM Investment Management (“WCM”) is the Sub-Investment Manager meaning WCM exercises discretionary investment authority over the Fund. The Fund was launched on January 18, 2017 and had AUM of USD 1,781m as of September 30, 2020. During the third quarter of 2020, the Fund (I1 share class) significantly outperformed its benchmark, returning 9.9% compared to 8.1% for the MSCI ACWI NR USD Index.

TOTAL RETURNS

As of September 30, 2020 gross of fees

| | Q3 20 | YTD | 1-Yr | 3-Yrs | Annualised | |
|-------------------------------------|-------|-------|-------|-------|------------|--------|
| | | | | | 5-Yrs | 10-Yrs |
| WCM Quality Global Growth Composite | 10.5% | 23.1% | 31.9% | 20.0% | 19.0% | 15.2% |
| MSCI ACWI GR USD Index | 8.3% | 1.8% | 11.0% | 7.7% | 10.9% | 9.1% |

Source: Morningstar, WCM

WCM manages the Irish regulated WCM Global Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the WCM Quality Global 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 fund. The WCM Quality Global Growth Composite (gross of fees) (the “strategy”) is provided in the table above to show a longer track record for the underlying strategy.

WCM Investment Management – Sub advisor Q3 2020 Commentary

For 2020’s 3rd quarter, the WCM Quality Global Growth composite portfolio returned +10.5%, outperforming the MSCI ACWI index by ~+220 basis points (bps). For the year-to-date, the composite is ~+2,130 bps ahead of that benchmark. For the trailing twelve months, the composite is ~+2,100 bps ahead of that benchmark.

2020 Q3 markets confounded the pessimists yet again by delivering solid, positive returns. July and August built on the momentum of Q2, though September saw a modest pullback. Amidst this backdrop, the strategy outperformed and expanded its YTD lead on the benchmark. Attribution analysis revealed that stock selection in Q3 was positive – whether viewed via the sector or the regional lens – and drove the lion’s share of our alpha. Further, sector and regional allocation each provided a very modest tailwind.

Overall, Q3 continued to demonstrate, we believe, the advantage of owning businesses with moat-aligned, adaptable cultures that are using the current environment to strengthen their competitive position.

Keeping an eye on the longer term, the three-year excess (relative to benchmark) return now stands at ~+1,240 bps (annualized), the five-year is ~+810 bps (annualized), the ten-year excess is ~+610 bps (annualized), and the since-inception (now over 12 years!) is ~+710 bps (annualized).

Attribution

Sector-based attribution showed a very small contribution from *allocation*, with stock *selection* accounting for more than 80% of the strategy’s outperformance. Regional attribution revealed a very similar story; *allocation* helped ever-so-slightly, meaning stock *selection* was the primary driver of outperformance.

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

WCM Global Equity Fund



Contributors:

Sector-wise, the primary *allocation* contributor was our underweight to Energy (worst benchmark performer) with smaller contributions from our overweight to Tech and underweight to Financials. For sector *selection*, the standout was Healthcare, followed by Industrials, and Staples. By geography, *allocation* was neutral, but *regional selection* was strongly positive. All major regions has similar contributions; the Americas led, but was nearly matched by Asia/Pac and Europe.

Detractors:

The primary detractors vis-à-vis sector *allocation* were our overweight to Healthcare (5th worst in benchmark) and our underweight to Discretionary (best in benchmark). For sector *selection*, the only notable detractor was Discretionary. Regionally, there were no detractors vis-à-vis either *allocation* or *selection*.

Other Factors:

In Q3, the simple market factors were all in WCM's favour: Large beat Small, Growth outdid Value, and High Quality topped Low Quality ("Quality" uses ROE as a proxy).

Comments

Global equities marched higher in Q3, extending their run since the March lows. And like your favourite song on repeat, markets continued to vote for Growth over Value.

On a related note, we would be remiss if we didn't mention valuations – though truth be told, we do so mostly because people keep asking us about it. Objectively, an 11-year bull market run is inevitably going to drive up price tags. How could it not? But is this unwarranted?

It's not lost on us that trailing (and forward) P/E multiples look high vs. the ten-year average – though that's partly because the "E" is now fully reflecting COVID-19. Other measures, like free cash flow, paint a different, much more sanguine picture. And interest rates are basically zero. So it's not clear. It rarely is, right?

Hence the strategy's approach is to remain firmly focused on the individual holdings, and how they work together in the portfolio. Businesses that can defy the fade that's built into conventional analysis, all collected in a concentrated portfolio with thoughtful construction, makes the valuation issue easier to navigate.

In the end, we believe the strategy is well positioned for almost any scenario that might lie ahead. And despite the strong performance of the "style", true growth remains uncommon. That's why we think our emphasis on positive moat trajectories, combined with our "all-weather" approach to construction, should deliver both downside protection and solid, broad-based returns.

Portfolio Activity

Buy: Adyen NV

Netherlands-based Adyen is a global payments company that enables merchants to accept payments from websites, brick-and-mortar stores, POS terminals, etc. on a global basis. Tailwinds include growth in "unified commerce" (commerce across channels such as mobile, desktop, and brick-and-mortar)- which is a large opportunity for Adyen because it involves managing complex environments born out of marrying the physical and online shopping experiences. Adyen's moat is supported by significant switching costs, long-term contracts, and meaningful scale advantages.

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

WCM Global Equity Fund



Portfolio Activity cont.

No sells in Q3

Buy and Manage:

We added to **Amphenol Corp.** and **Sherwin-Williams Company** to round into more full position sizes.

We trimmed **Shopify, Inc.**, **Lululemon Athletica Inc.**, and **West Pharmaceutical Services, Inc.** as position size management moves.

As always, we appreciate your patience and support.

Sincerely,

Heptagon Capital & WCM Investment Management

The views expressed represent the opinions of WCM Investment Management as of September 30, 2020, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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

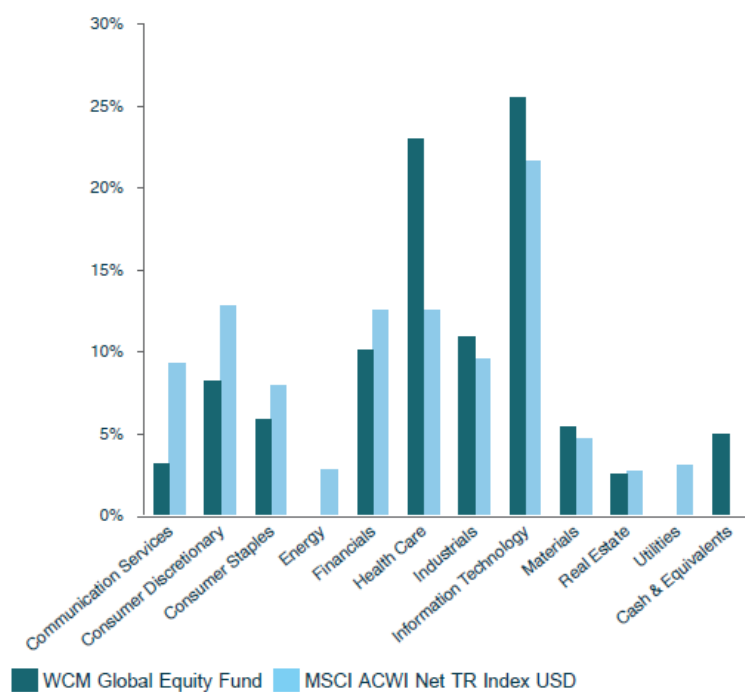
WCM Global Equity Fund

WCM Global Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 30th September 2020

| Name | % of portfolio |
|---------------------------------|----------------|
| Mercadolibre Inc | 4.5% |
| Shopify Inc | 4.3% |
| West Pharmaceutical Services | 4.0% |
| Stryker Corp | 3.9% |
| Taiwan Semiconductor | 3.7% |
| Visa Inc | 3.5% |
| Tencent Holdings Ltd | 3.2% |
| Sherwin-Williams Company | 3.0% |
| Amphenol Corp | 3.0% |
| Thermo Fisher Scientific Inc | 2.7% |
| Total of Top 10 Holdings | 35.8% |

Portfolio Sector Weights as of 30th September 2020



WCM Global Equity Fund



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.

Disclaimer

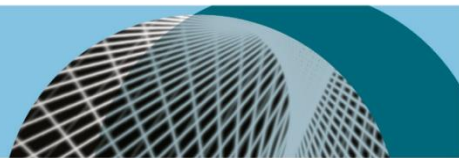
Heptagon Capital Limited, Heptagon Capital LLP and its Partners disclaim any and all liability relating to these materials, including, without limitation, any express or implied representations or warranties for statements or errors contained in, and omissions from, these materials. Certain assumptions have been made, and/or parameters set, in the preparation of these materials which have resulted in any 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 any 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 licenced to conduct investment services by the Malta Financial Services Authority. Heptagon Capital LLP, acting as Distributor, 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 BBH 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. Past performance is not necessarily indicative of future returns.

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 private placement memorandum 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.

WCM Global Equity Fund



Glossary

| | |
|------------------------------------|---|
| Alpha | A measure of investment performance relative to a risk-adjusted benchmark performance. |
| Annualized | A rate or return that is recalculated to show it as an annual rate. |
| Asset Allocation | The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on the investors specific situation and goals. |
| Assets under management (AUM) | The total market value of all assets a financial institution or fund manages on behalf of its clients. |
| Basis Point (bps) | A common unit of measure in finance. One basis point is equal to one hundredth of 1%, e.g. 0.01%. |
| Benchmark | A point of reference against which investment performances can be measured. |
| Bloomberg | A company that provides business and market news, data and analysis. |
| Bull Market | A market environment in which the general prices of securities are rising. |
| Composite | A combination of all investments managed by an investment manager to measure an overall performance over time. |
| Discretionary Portfolio Management | Where the portfolio manager has the authority to make investment decisions without the consent of the portfolio's owner. |
| Discounted Free Cash Flow | A valuation method that calculates the value of a company based on the current value of its expected cash flows after payment of all expenses (free cash flow). |
| Equity Security | A security that represents ownership in an entity and that may pay income as dividends. |
| Growth Style | Investment strategy focusing on capital appreciation. Companies sought are those whose earnings are predicted to grow at an above-average rate. |
| Large Cap | A company with market capitalization of typically more than \$10 billion. |
| Moat | A business' ability to maintain competitive advantages over its competitors in order to protect its profits and market share. |
| MSCI All Country World Index | A market cap weighted benchmark index that captures large and mid caps across 23 Developed Markets and 26 Emerging Markets countries (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK, the US, Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates) |

WCM Global Equity Fund



Glossary

| | |
|-------------------------------|---|
| Open-ended Fund | A collective investment scheme that is able to issue or redeem shares at any point in time. |
| Overweight | An excess amount of a certain stock/sector/country relative to the benchmark or market. |
| Performance Attribution | An analysis used to explain a portfolio's performance by looking at the performance of each of its investments. |
| Portfolio Weight | The percentage amount of a holding in a portfolio. |
| Price to Earnings (P/E) ratio | Values a firm by measuring the firm's current share price relative to the firm's earnings per share. |
| Return on Equity (ROE) | An indicator of a company's profitability and shows the amount of net income as a percentage of shareholders equity. |
| Small Cap | A company with market cap of between \$300 million to \$5 billion. |
| Tailwind | A situation that helps growth to move higher. |
| Total Return | The actual rate of return for an investment that includes all capital gains, dividends and distributions over the investment time period. |
| UCITS | Undertakings for Collective Investment in Transferable Securities. It is a regulatory framework in the European Union. |
| Underweight | A recommendation given by a research analyst to hold a smaller position in a security relative to other securities in a portfolio. |
| Value Investment Strategy | When the portfolio manager selects stocks that he/she believes are undervalued by the market and hence are trading for less than their intrinsic value. |