

Kopernik Global All-Cap Equity Fund

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The Kopernik Global All-Cap Equity Fund (the “Fund”) is 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 Kopernik Global Investors LLC (“Kopernik”) is the Sub-Investment Manager meaning Kopernik exercises discretionary investment authority over the Fund. The Fund was launched on December 16, 2013 and had AUM of USD 569m as of March 31, 2020. During the first quarter of 2020, the Fund outperformed its benchmark, the MSCI ACWI NR USD Index, returning -17.3% compared to -21.4% for the benchmark.

TOTAL RETURNS

As of March 31st, 2020 net of fees

	Q1 2020	2019	2018	2017	2016	2015
Kopernik Global All-Cap*	-17.3%	10.7%	-12.0%	8.1%	52.0%	-12.0%
MSCI ACWI NR USD Index	-21.4%	26.6%	-9.4%	24.0%	7.9%	-2.4%

* Class I shares

Kopernik Global Investors, LLC – Sub advisor Q1 2020 Commentary

Contributors

The first quarter of 2020 saw chaotic changes in global markets. The Fund was not immune to losses during the quarter, while the month of March was particularly volatile as the markets saw the impacts of the widespread response to the coronavirus pandemic and a rapid decrease in the oil price.

Even as the Fund suffered losses overall, certain holdings performed positively. The Fund’s put option position on the S&P 500 Index had a strong quarter and was able to generate positive returns, ending the quarter as the leading contributor for the Fund with a total contribution of 9.4%. The price of the put option rose significantly with the S&P 500 declining 12.5% in March and with the sharp increase in volatility from the teens to a high of 82.6 in mid-March. We trimmed the bulk of the Fund’s position in the put option, and with challenging fundamentals now more accurately priced into the option, the Fund will likely not roll the put at expiration in mid-April.

Draegerwerk AG & Co. (“Draegerwerk”) was up 55.7% during the quarter. The sole name in the Fund’s healthcare sector, Draegerwerk is a manufacturer of medical devices including machines and ventilators, as well as safety equipment. The company is a market leader in many of their business segments and has been a beneficiary of increased ventilator demand. We trimmed on strength after the large run.

While the Fund mostly saw detractors in the metals and mining sector, there were a few positive contributors. A leading contributor was **Polyus PJSC (“Polyus”)**, which gained 20.3% during the quarter. Polyus is the largest gold producer in Russia and the world’s second-largest gold producer by reserves, with an existing reserve mine life of 32 years. The company has six operating mines and several advanced development projects, with all of its operations in Russia. Polyus has long-producing mines, minimizing the geological and capital expenditure inflation. We trimmed the Fund’s holdings in Polyus during the quarter.

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

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Contributors cont.

Another contributor was **Fresnillo PLC (“Fresnillo”)**, the world’s largest primary silver producer, which operates four underground silver mines, three open pit gold mines, and two growth projects. While the stock was down 2.5% overall for the quarter, our conviction and process allowed us to purchase before large run-ups in January and February, making it one of the top contributors to the Fund for the quarter.

Detractors

Energy holdings contributed to the largest portion of the Fund’s losses, detracting 7.8% from Fund returns. During the first two months of the quarter, the price of oil fell to a four-year low before March saw a supply glut driving prices down to an eighteen-year low. This supply glut happened on top of a demand shock, as the government-imposed shutdown of the economy due to the coronavirus pandemic halted travel and economic activity around the globe. As a result, the Fund saw losses in oil holdings.

The two largest detractors were **Crescent Point Energy (“Crescent Point”)** and **MEG Energy Co. (“MEG”)**, which lost 82.7% and 79.4%, respectively. Both Crescent Point and MEG are Canadian oil exploration and production companies with significant proved reserves. We remain attracted to the long-lived, high quality reserves of both companies. While both Crescent Point and MEG have higher debt levels than we would like, the debt maturities are termed out and we believe the companies have a couple of years before the balance sheets become problematic. We value their staying power because the eventual upside potential is significant. We believe that the oil price as it stands at the end of the quarter is unsustainably low and that prices will revert to a more sustainable level. The majority of the industry loses money at current prices, and we have already started to see price-induced supply cuts in oil. In the long run, the oil price cannot stay below the cost it takes to produce a barrel of oil. The Fund added to its position in Crescent Point throughout the quarter.

The Fund’s holdings in natural gas also lost ground during the quarter. **Range Resources Corporation (“Range”)** lost 52.9%, while **Gazprom PJSC (“Gazprom”)** lost 43.8%. Range, a U.S. exploration and production company, had a poor 2019 and has continued to lose value in the first quarter of 2020. Range has a vast resource base and a relatively low cost of production, and our conviction remains that the stock is trading well below its risk-adjusted intrinsic value. Gazprom is the largest producer of natural gas in the world, with reserves over three times those of its next biggest non-government competitor. It has a monopoly on gas exports from Russia and is one of the main suppliers of natural gas to Europe, with approximately a quarter share of the overall market. Their pipeline to China is now operational, as well. It is our belief that Gazprom’s low-cost reserves will provide decades worth of profitable production, and that the company is well-positioned to expand its share across Europe, which is a market that continues to grow. The Fund maintains a sizeable position as we think the stock continues to discount the possibility of significant economic losses due to Russian government interference, which we view as being more than priced into Gazprom shares. The Fund added only marginally to its position in Range as we reached a maximum issuer limit due to our internal diversification guidelines, as measured at cost. The Fund added to its position in Gazprom during the quarter, after trimming last year at much higher prices.

Kopernik reiterates that we maintain a positive outlook on natural gas in the long term as a more environmentally-friendly alternative to other hydrocarbons. It is currently trading at a steep discount to the price required to maintain adequate production to meet demand. Interestingly, the U.S. natural gas companies may turn out to be a beneficiary of significantly lower oil prices. As companies respond to low oil prices and cut supply in the Permian Basin, the supply of natural gas, a by-product of oil, should also decline.

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Detractors cont.

Moving beyond the Energy sector, the Fund saw losses in metals and mining holdings as well. **Turquoise Hill Resources (“Turquoise Hill”)** lost 48.1%, while **Newcrest Mining (“Newcrest”)** lost 33.4%. Turquoise Hill owns 66% of Oyu Tolgoi, one of the largest copper/gold/silver mines in the world, with an estimated production life of 100 years. Open pit production began in 2013, and the underground deposit is currently under construction and has an estimated completion date between May 2022 and June 2023, after being delayed due to technical difficulties. Deposits on the scale and quality of Oyu Tolgoi are extremely rare. The Fund added marginally to its position in Turquoise Hill; unfortunately, the Fund was unable to purchase more as it was limited by the maximum issuer limit at cost. Newcrest is a senior gold producer in Australia that has producing mines in Australia, Papua New Guinea, and Canada. It has a long reserve life (estimated at 23 years), and an equally long resource life. Newcrest has a strong balance sheet and a management team that has performed well both operationally and strategically. Despite low gold prices for years, Newcrest has created free cash flow, and has been one of the few gold companies globally to invest countercyclically and grow its resource per share. Newcrest had a particularly volatile quarter, and the Fund trimmed its position in early-to-mid January on strength and then opportunistically added to its position later in the quarter on weakness.

The Fund continues to have sizable holdings in undervalued gold mining stocks, a position it holds because the fundamentals have long suggested that gold miners were trading far below their risk-adjusted intrinsic value. Overall, gold is one of the few assets that had positive returns over this tumultuous quarter. We believe that opportunities in gold and gold mining look even more promising after the Fed announced that there would be no limit to the amount of money it would print. In our opinion, scarcity matters, and unlimited fiat currency printing should ultimately benefit not only gold but other hard assets as well. This increased likelihood of higher gold prices is just icing on the cake, as we have not incorporated any top-down views into our bottom-up valuation models.

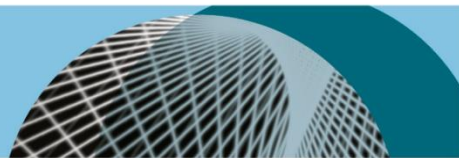
Lastly for detractors, the Fund saw losses in the Communication Services and Consumer Staples sectors. A negative contributor in the Communication Services sector was **KT Corp (“KT Corp”)**, one of the Fund’s largest positions, which lost 32.3% in the quarter. The company is the dominant fixed-line phone provider in Korea, where it also controls 30% of mobile phone and 45% of the broadband internet markets in that country. It is inexpensive on book value and on earnings, even though they vastly underearn relative to other leading telecom companies around the world. Our conviction has only grown with the decline in share price; however, the Fund was not able to purchase more of the company during the quarter. KT Corp is now at our maximum issuer limit at cost. In Consumer Staples, **Golden Agri-Resources Limited (“Golden Agri”)** lost 43.4% during the quarter. Golden Agri is one of the largest palm oil plantation companies in the world. We continue to like Golden Agri due to its low valuation, as well as the positive supply and demand fundamentals of palm oil. Palm oil demand is growing while supply is effectively fixed due to environmental regulations.

Portfolio activity

Lastly, the Fund initiated four new positions during the quarter, and did not eliminate any positions. All of these positions were initiated in March, and so, in accordance with our 30-day holding policy, we will not be discussing those positions and our theses until next quarter.

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Why Kopernik? *By Kopernik Global Investors, LLC*

Philosophically, we view ourselves as owners of businesses. Our job is to appraise these businesses and take advantage at times when an inefficient, emotional marketplace offers securities at a price that is significantly different from our appraisal. Like our namesake, Kopernik (better known by his Latin name – Copernicus), we trust the results of our own analysis even when (especially when) it generates vastly different conclusions from those of the crowd and/or those taught by many academics. Similarly, we commonly question the data issued by governments, central bankers, and companies themselves. We understand that bargains appear often because people focus on fear or panic, and other forms of risk that are not relevant to the investment portfolio. High tracking error, bad headlines or unpopular stocks/countries/regions/industries can present a degree of risk to a manager's career, while often lowering the potential of permanent loss of capital (due to lower initiation prices and higher potential upside) to the portfolio. Similarly, Kopernik believes volatility and other measures of past price movements are not relevant to long-term investors' assessment of risk. It can be indicative of potential risk to short-term speculators or to highly levered players, but can often present opportunity for true long-term investors.

In closing, we acknowledge the tumult in global markets that led to significant detractions this quarter. In our view, diligent and continuous underwriting of our holdings makes us optimistic that our portfolio, now more than ever, is laden with material risk-adjusted upside potential. Our conviction in the long-term positioning of the portfolio remains. We continue to opportunistically buy and hold companies that we believe are trading at significant discounts to their risk-adjusted intrinsic value, with a portfolio that is one of our cheapest of all time when we look at price-to-book ratio. You can count on us continuing to employ our disciplined, fundamentals-based, long-term approach that has produced a proven track record through full market cycles.

As always, we appreciate your patience and support.

Sincerely,

Heptagon Capital & Kopernik Global Investors

The views expressed represent the opinions of Kopernik Global Investors, LLC as of March 31, 2020, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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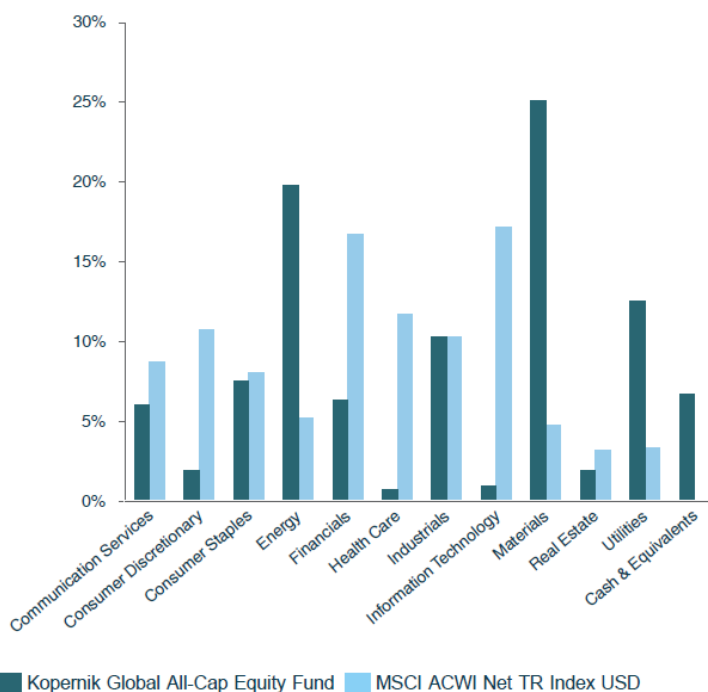
Kopernik Global All-Cap Equity Fund

Kopernik Global All-Cap Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 31st March 2020

Name	% of portfolio
Cameco Corp	4.5%
Centerra Gold Inc	3.9%
KT Corp	3.9%
Newcrest Mining Ltd	3.9%
Gazprom OAO	3.7%
Rushydro PJSC	2.7%
Electricite de France	2.6%
Southwestern Energy Co	2.6%
Gabriel Resources Ltd	2.4%
Wheaton Precious Metals Corp	2.2%
Total of Top 10 Holdings	32.4%

Portfolio Sector Weights as of 31st March 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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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.

Glossary

Glossary

Assets Under Management (AUM)	The total market value of all assets a financial institution or fund manages on behalf of its clients.
Balance Sheet	A document that provides information on the financial position of a company at a particular point in time. It includes what it owns (assets), what it owes (liabilities) and the value of business to equity holders (shareholders' equity).
Benchmark	A point of reference against which investment performances can be measured.
Book Value	The value of an asset as per a balance sheet, which is calculated by subtracting its liabilities from its assets.
Bottom-Up Investing	Focuses on the analysis of individual companies first before looking at market cycles and the economy as a whole.
Discretionary Portfolio Management	Where the portfolio manager has the authority to make investment decisions without the consent of the portfolio's owner.
Diversification	A technique to reduce risk by investing in a variety of assets.
FED	The Federal Reserve System is the Central Bank of the United States.
Fiat Money	Currency without intrinsic value, issued by a government that isn't backed by a commodity.
Free Cash Flow (FCF)	A measure of the cash that a firm produces after the cost of expenditures to maintain or expand its asset base.
Fundamental Analysis	The evaluation of a company by investigating its intrinsic value, where intrinsic value is measured without reference to the security's market value.
Inflation	The rate in which the cost of goods and services is rising
Intrinsic Value	The value of an asset based on fundamental analysis of the business without regard to its current market value.
Market Cycle	A trend or pattern that emerges during different markets or business environments.
Momentum	When rising asset prices continue to rise, and falling asset price continue to fall.
Monopoly	A market structure characterized by a single seller, selling a unique product in the market. In a monopoly market, the seller faces no competition, as he is the sole seller of goods with no close substitute.
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)
Open-ended Fund	A collective investment scheme that is able to issue or redeem shares at any point in time.
Price/Book Ratio	A ratio that compares the share price of a firm to the book value of its equity, which in turn is the value of the assets of that firm.
Price to Earnings (P/E) ratio	Values a firm by measuring the firm's current share price relative to the firms earnings per share.

Glossary

Glossary

Risk-adjusted return	A risk measure used to show how much risk is taken to produce the return, usually shown as a number or rating.
S&P 500 Index	Standard & Poor's 500. An American stock market index that includes the 500 largest companies by market capitalization.
Share	A unit of ownership that gives the holder the right to a proportion of the capital of the company.
Single issuer	One legal entity that develops, registers and sells a stock.
Top-Down Investing	Focuses on the overall economy and market cycles first before looking at individual companies and analyzing various components in more detail.
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.
Valuation	The process of determining how much a company or an asset is currently worth at a particular point in time.
Volatility	A statistical measure to show the degree of movement of asset prices over a set period of time.