HEPTAGON Capital

Driehaus US Micro Cap Equity Fund

Q4 2024 Commentary

Portfolio Management

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Investment Objective

The investment objective of the Fund is to achieve long-term capital growth. The Fund's Sub-Investment Manager, Driehaus Capital Management LLC, is a privately-held boutique asset management firm located in Chicago, USA. The firm was founded in 1982 and has USD 19.7 billion of assets under management.

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Opinions expressed whether in general or in both on the performance of individual investments and in a wider economic context represent the views of the contributor at the time of preparation.

The **Driehaus US Micro Cap Equity Fund** (the "Fund") is a sub-fund of Heptagon Fund ICAV which is an open-ended umbrella type investment vehicle authorised pursuant to UCITS regulations. Heptagon Capital Limited ("Heptagon") is the Investment Manager and Driehaus Capital Management LLC ("Driehaus") is the Sub-Investment Manager meaning Driehaus exercises discretionary investment authority over the Fund. The Fund was launched on 7th December 2016 and had AUM of USD 970m as of 31st December 2024. During the fourth quarter of 2024, the Fund underperformed the Russell Micro Cap Growth Index TR USD (the "Index"), returning 5.9% (C USD share class) compared to 11.6% for the Index. For the full year the fund returned 31.3% outperforming the Index by 9.4%

Market Overview

The U.S. equity market experienced broad dispersion of leadership during the December quarter. Growth outperformed value by a wide margin. Large caps and micro caps both outperformed small caps handily. The broader U.S. indices saw slight declines throughout October, following the U.S. election in November the market saw robust gains. The market was optimistic following Donald Trump's victory and the Republicans winning both the Senate and the House in Congress fueled by the belief that pro-growth and pro-US policies will drive economic strength.

However, the strength in November was not sustained as equities saw a sharp decline in December. That weakness was caused by several factors. One being that the market was overbought after the move higher in November and investor sentiment reached bullish extremes entering December. An overbought market with too many bulls doesn't typically trigger a broad sell-off alone without a catalyst. That major catalyst was the sharp rise in long-term treasury yields which had risen nearly 90 basis points from the September lows to mid-December. Another factor was a key shift in the Federal Reserve's forward guidance when it cut the federal funds rate for the third time this year in mid-December. The Fed's "Dot plots" in its Summary of Economic Projections (SEP) was updated to suggest only two rate cuts in 2025 which was less than the four cuts expected by the market.

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

Another factor was the reality of some of the emerging aspects of President-Elect Trump's new administration (let's call it Trump 2.0) which were beginning to weigh on the market's initial optimism. These concerns include the impact of new proposed tariffs and some of the rather unorthodox nominees of Trump's new cabinet. More on this below.

The market's rise in November was arguably well deserved as many market variables were flashing green, such as:

- Corporate earnings continued to display strength during the September quarter earnings season in late October and early November.
- Many sectors and industries are benefiting from robust themes and secular trends.
- The U.S. economy continues to hum along. Consumer spending remains solid. The service economy (ISM Services remains nicely above 50) continues to expand more than offsetting the sluggish manufacturing side of the economy (ISM Manufacturing still below 50, though it appears to be recovering).
- The labor market remains strong as payrolls and new job formation continue to increase. Jobless claims remain low, and the unemployment rate remains steady at just over 4%.
- Though wage growth is moderating, overall inflation is not falling as fast as hoped. It does continue to show progress towards the Fed's 2% target, but this is partly why the Fed reduced its rate cut forecast for 2025.
- The Fed does remain in a dovish cutting cycle despite the less than dovish new rate reduction forecast for 2025 (potentially two cuts versus the estimate of four).
- The Trump and Republican's victory in early November are pro-growth and have awakened the market's animal spirits.
- So, the market now has two bullish "Puts" out of Washington D.C. – a "Fed Put" and a "Trump Put". This Trump Put was powerful during Trump's first term (2016-2020) and historically the evidence suggests the market performs well when the Fed is in a cutting mode.
- Further supporting the equity market are relative valuations that are favorable for small caps relative to large caps. Valuations have been supportive of micro caps and small caps in past market cycles with the early 2000's being the most similar period to now when small caps traded at similar deep relative discounts to large caps. See Exhibits 1 and 2 below which show how small caps often trade at a premium forward P/E multiple to large caps but have traded at a deep discount for a few years now.

Exhibit 1: Small Caps Remain Historically Cheap vs Large Caps

Relative Forward P/E: Russell 2000 vs Russel 1000, 1985-12/31/2024

Source: BofA US Equity & Quant Strategy, FactSet

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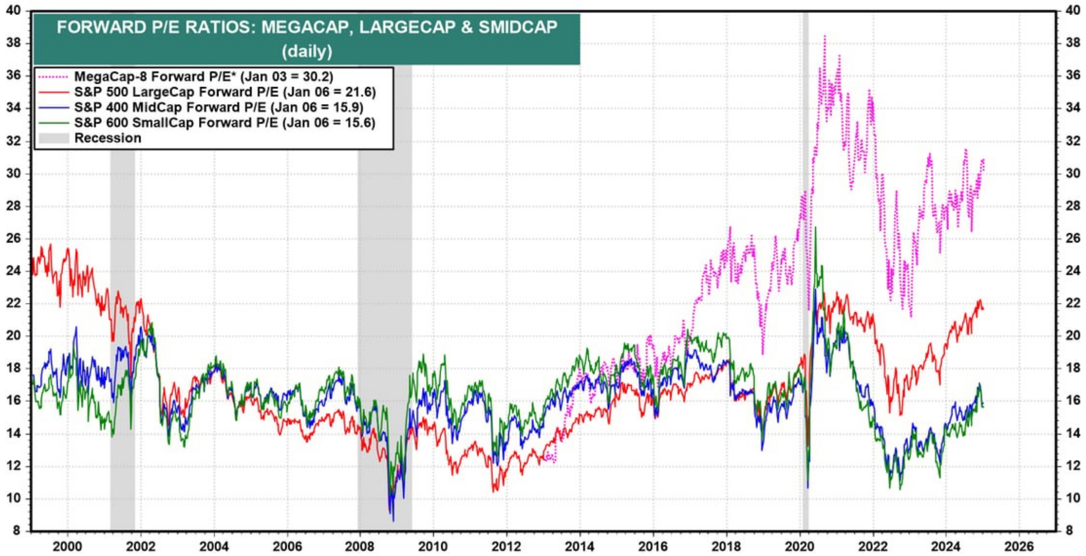
Exhibit 2: Forward P/E Ratios: Mega Cap, Large Cap, SMID Cap (daily)

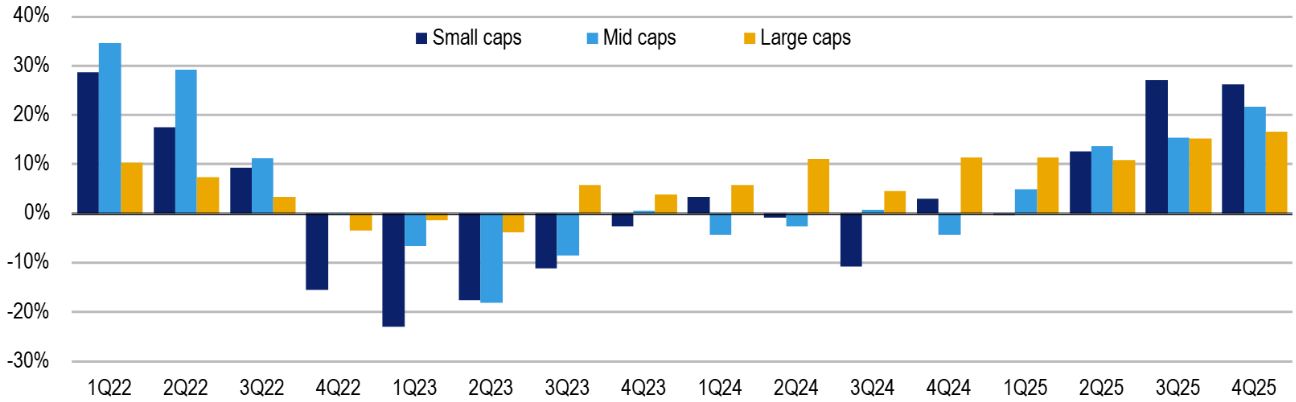


Source: Yardeni Research

**MegaCap-8 stocks include Alphabet, Amazon, Apple, Meta, Microsoft, Netflix, NVIDIA, and Tesla. Both classes of Alphabet are included.*

- Key to this valuation set up is the consensus forecast for small cap earnings to continue to recover and accelerate from 2024 throughout 2025. Exhibit 3 below shows consensus earnings for small caps (the darker blue bars) are expected to continue to recover and accelerate on a year-over-year basis:

Exhibit 3: Bottom-up Consensus Quarterly YoY ESP Growth for S&P 600, S&P 400 and S&P 500, 1Q22-4Q25E



Source: BofA US Equity & Quant Strategy, FactSet

After the strong November, going into early December, sentiment had become elevated. Then the rise in rates caused equities to fall sharply. A strong rebound in economic surprises, mixed inflation data (not falling fast enough), the concern that Trump's growth-oriented policies would sustain deficit spending and a more hawkish tone from the Fed together drove long-term treasury yields higher. After bottoming in September at 3.6%, the 10-year treasury yield rose nearly 100 basis points hitting 4.6% in early January. This sharp rise in longer-term yields began to weigh on economic growth expectations and put pressure on P/E's and overall valuation multiples.

Market breadth (the ratio of advancers to decliners) in November was strong but breadth flipped very negatively in December. By some measures market breadth saw some of its weakest readings in decades. It is unusual to see such weak price action and breadth during December, a strong seasonal month. However, from a positive perspective, the sell-off in December may have resolved the elevated sentiment and the overbought technical conditions. Observing the broader market, many stocks pulled back price-wise in a constructive manner (there was relatively little technical damage). Additionally, the core drivers of the market's strength in 2024 remain very much in place: improving earnings, sustained economic growth, a positive shift in Washington DC with Trump winning a second term, the Republicans regaining control of Congress and the Fed still in an easing mode. Notably, this positive backdrop will need long-term rates to behave without rising to new highs for this cycle.

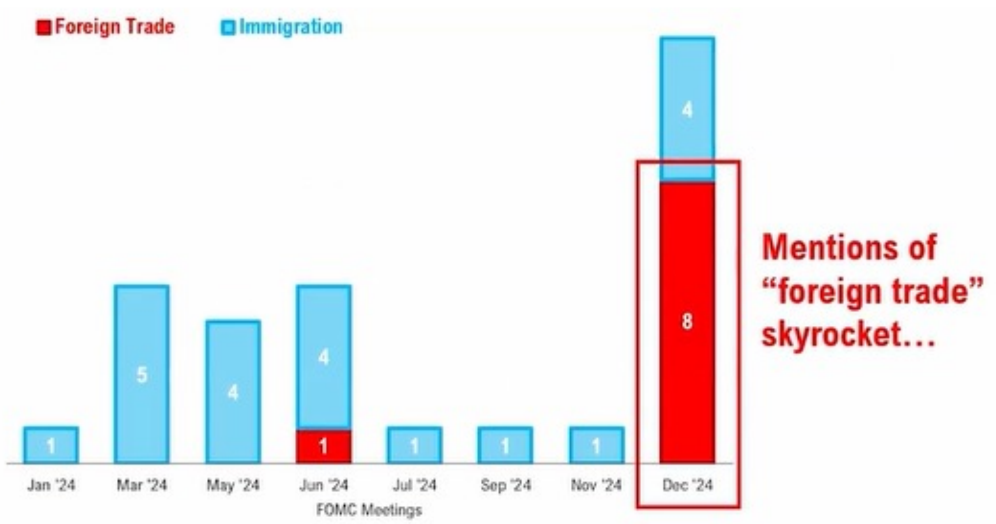
What do Trump and the Republicans winning control of Congress potentially mean for U.S. equities and the economy?

There is general optimism that the incoming administration will positively affect regulatory, tax and energy policies which will spur economic improvement. The President-Elect has sharply increased optimism in public opinion polls as well as animal spirits in market prices and in terms of market investor sentiment and psychology.

However, there is concern and uncertainty surrounding several issues. The first concern is tariffs. The recent December Federal Open Market Committee (FOMC) minutes showed a lot of discussion and concern among FOMC members about the impact of upcoming trade policy and tariffs on inflation (see bar chart below). Theoretically, additional tariffs may raise inflation and hurt economic growth. Surveys show tariffs are causing companies to begin to look for alternative suppliers, to adjust purchasing decisions and to consider implementing price increases. On the other hand, higher prices if they occur would be a one-time rise rather than a sustained rise in the rate of change of prices. Also, Trump is aware that one of the reasons he won the election was due to inflation so he may be careful to not further increase it. It may be a matter of watching what he does rather than what he says. Additionally, many of his tariff threats are his way of negotiating with other countries on certain issues. Further, evidence of incremental inflation caused by tariffs during his first term is minimal. Either way, at a minimum, tariffs certainly do raise the level of risk of inflation, and they increase uncertainty, both of which are drivers of increasing yields, which has been responsible for recent volatility and multiple compression in the U.S. equity market since early December.

Another concern for the market is the likely reduced immigration and potential deportations. While deportations are likely to be very limited (despite the rhetoric, Trump's first term saw far fewer deportations than other presidential terms since at least 1980), they are causing concern around labor availability in the housing, construction, hospitality and other industries with higher levels of migrant labor.

Exhibit 4: Of Mentions of "Trade " and "Immigration" in FOMC Minutes



Source: Fundstrat, FOMC

Despite this elevated uncertainty surrounding tariffs, the December FOMC minutes also show overall inflation is largely trending favorably. Positively, the minutes show core inflation is trending back to long-term trends as "participants observed...core goods and...core services...excluding housing" are trending "close to those seen during earlier periods of price stability". Also, "firms are more reluctant to increase prices" and "the price increases were concentrated largely in categories that...aren't reliable signals...of the future trajectory of inflation".

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An additional concern is Trump's new appointees to his Cabinet and other key leadership positions. While most of these appointees are not impactful to individual stocks, one nomination in particular has had an impact. Trump's nomination of Robert F Kennedy Jr (RFK Jr) to head Health and Human Services (HHS) has caused volatility and multiple compression in the healthcare sector. RFK Jr has unorthodox and controversial views on vaccines, the relationship between drug companies and the Food and Drug Administration (FDA) and the drug approval process in general. While the FDA will have a separate commissioner, it is a critical department that falls under the purview of HHS. So many fear he will change and elongate the drug approval process. While possible, this is unlikely to have a material impact on the approval process of innovative and novel therapeutics in most disease categories.

Another area of the market that has seen multiple compression is for the many companies that have the federal government as a customer. The Department of Government Efficiency (DOGE) is a brand new presidential advisory committee headed by Elon Musk and Vivek Ramaswamy to recommend removing regulations in order to reduce federal government expenditures and to increase government efficiency. It has a stated goal to cut federal government expenditures by $2 trillion dollars. The market's knee jerk response is to sell off any stock that has revenue exposure to the federal government. While some companies will see reduced expenditures, most companies will see little to no impact.

Overall, the impact of Trump's policies should be positive for many parts of the economy, and Driehaus believe many industries will see a benefit from deregulation, lower taxes, reshoring, infrastructure and other policies.

Performance Review

The Driehaus Micro Cap Equity Fund underperformed its benchmark by 570 basis points for the December quarter, gaining 5.9% (C USD share class) net of fees, versus a gain of 11.6% for the Russell Micro Cap Growth (RMG). Additionally, the Russell Micro Index gained 5.9%, the Russell 2000 0.3%, the Russell 2000 Growth 1.7%, and the S&P 500 2.4% for the quarter.

So, it was a solid quarter in absolute terms but very challenging in relative terms versus the RMG. As the above returns show the RMG Index was an outlier this quarter compared to the other indices. This strength in the RMG was driven by sharp rallies in many speculative, low-quality non-earners with little to no revenues. Despite rising rates and a general equity selloff in the month of December the market's animal spirits post the election caused many of these speculative, low-quality stocks to rally materially, boosting the returns of the benchmark.

These stocks were often single digit price stocks in industries with big long-term potential but little to no current or near-term revenues. Many of these are operating in areas such as quantum computing, rockets, autonomous vehicles, electrical trucks, electrical commuter helicopters, batteries, AI software and other speculative (very) long-term end markets. Driehaus believe the ascent in many of these speculative stocks will be temporary and in fact many of them have begun to return to earth early in January.

Specifically, 39 stocks in the benchmark experienced gains of over 100% during the quarter, which detracted 7.4% to the Strategy's relative performance. 37 of these 39 stocks or 95% had negative estimated Earnings Per Share (EPS) for the upcoming fiscal year. The Strategy only held a few of these 100% plus performers as most were not profitable, had negative estimate revisions, had little to no revenues, and were former SPACs with dubious near-term prospects. Most had lagged for years until after the election. By year end, they were also wildly expensive on a near-term basis given their lack of revenue. The average Enterprise Value to Sales (EV/Sales) multiple for these 39 stocks companies was 38.1x. The top five detracting stocks had a forward EV/Sales multiple of 79.9x.

In addition to the performance of speculative stocks, the month of December was also challenging as multiple compression was widespread in many companies that had experienced strong returns and strong earnings during the first eleven months of the year as the broader market pulled back sharply. This decline was largely driven by rising long-term treasury yields as the Fed guided to fewer expected rate cuts in 2025.

For the full year of 2024, the Fund outperformed its benchmark by 940 basis points, gaining 31.3% versus 21.9% for the Russell Micro Cap Growth Index and versus 13.7% for the Russell Micro Cap Index, 15.2% for the Russell 2000 Growth, 11.5% for the Russell 2000 and 25.0% for the S&P 500. 2024 also marked the 25th year out of the past 27 where the Strategy managed by the current Portfolio Manager has outperformed its relevant Russell benchmark.

Sectors detracting from relative returns during the quarter (in order of relative impact):

Technology

Technology detracted 198 basis points on a relative basis but contributed 440 basis points in absolute performance. The holdings gained 36.1% versus a gain of 42.6% for the Index's tech holdings. The team increased their exposure to the sector from 14.1% to 16.4% during the quarter, an underweight vs the benchmark at 22.3%, an unusual rise from 17.2% to start the quarter. Strength during the quarter came from semiconductors, networking suppliers, and emerging data center companies. This was offset by relative weakness in software as the Index saw large gains in numerous low quality Index constituents. The portfolio's software holdings were up 38.1% but the Index's software holdings gained 66.2%, driven by nine stocks that were up over 100%, several of which were lower quality AI related software companies and quantum computing stocks.

Artificial Intelligence (AI) was the dominant theme for 2024. Particularly AI infrastructure spending was robust for the year especially for companies exposed to the strong and growing capital expenditures (capex) trend in data centers. Looking ahead, the team continue to be positive on AI as a powerful and transformational theme. While they do expect the 40% increase in capex to decelerate in 2025 and 2026, they believe AI infrastructure spending will remain strong.

Industrials

Industrials detracted 197 basis points on a relative basis, though it did contribute 106 basis points in absolute terms, with the holdings rising 4.6% versus 16.0% for the Index. Driehaus remain overweight the sector. Their exposure to Industrials was steady at 19.8% versus 15.0% for the Index. The aerospace sub-industry was the primary factor behind the relative underperformance. One Index constituent, an electric commuter helicopter company with no revenues rose 222% to a market cap of $4.66 billion and detracted 100 basis points in relative underperformance.

Overall, Driehaus continue to be positive on the sector based on numerous holdings with compelling earnings outlooks alongside several compelling investment themes. These include positions benefitting from attractive trends within reshoring, infrastructure, commercial aerospace, and data centers where AI is driving demand for various technologies and equipment.

Consumer Discretionary

Consumer Discretionary detracted 130 basis points on a relative basis but contributed 30 basis points in absolute terms. The holdings rose 3.4% versus a gain of 20.0% for the Index. The team increased their sector exposure from 10.4% to 12.1%, maintaining an overweight versus 6.2% for the Index. The relative underperformance was due to a few holdings that had been strong through most of the year that pulled back late in the quarter. The general rise in more speculative positions in the Index also detracted from performance like it did in a few other sectors. Driehaus have a positive outlook for consumer spending as the labor market remains healthy, and consumer incomes and net worth remain at new highs.

Healthcare

Healthcare underperformed by 55 basis points and detracted 174 basis points on an absolute basis as the portfolio's holdings declined 6.6% versus 2.6% for the Index. The team decreased their exposure from 34.3% to 29.7% during the quarter, versus 34.7% for the Index. The portfolio is slightly overweight biotech and medical devices and underweight pharmaceutics and the smaller healthcare sub-industries within the benchmark.

The Healthcare sector saw widespread multiple compression after the appointment of RFK Jr to HHS. As mentioned earlier he is controversial, and the market fears he will have a negative impact on the approval process for new drugs and medical devices. His impact remains to be seen, and a lot will depend on the new FDA commissioner. Driehaus believes the portfolio holdings with innovative new therapies will still see their drug candidates get approved. The only holding that potentially has direct exposure to RFK Jr's actions is a developer of pneumococcal vaccines. While the team believe the company does have a best-in-class vaccine in a very large market that will ultimately get approved, they were uncomfortable with its potential multiple compression, so they did reduce this position during the quarter. This particular stock was one of the largest outperforming stocks in the September quarter after it posted positive data, so Driehaus essentially took profits on those gains.

Biotech underperformed slightly due to multiple compression related to RFK Jr and higher interest rates during the quarter, with strong gains from several positions. The biotech positions declined 9.2% versus 8.8% for the Index for the quarter. For the full year, the biotech positions were still a material outperformer, gaining 29.4% versus 3.9% for the Index.

Driehaus remain encouraged fundamentally as they believe their biotech holdings have very promising and innovative clinical stage therapies demonstrating superior efficacy and safety in important disease indications, such as obesity, epilepsy, endocrinology, diabetes, neurology, autoimmune diseases, vaccines, and oncology. The team anticipate promising results from upcoming clinical trials.

Medical devices saw declines for the portfolio, with one holding seeing price fall after disappointing earnings and forward guidance. This stock accounted for most of the negative contributions for the sector during the quarter. The team did reduce this position sharply while maintaining a small weighting for now.

Materials

Materials detracted 42 basis points on a relative basis and 50 basis points on from an absolute perspective as the holdings declined 16.0% versus 8.4% for the Index. Driehaus decreased their exposure from 3.6% to 1.6% during the quarter, compared to 2.1% for the Index. The underperformance was largely due to multiple compression in a supplier to the electric vehicle (EV) market. There is concern that under Trump funding and incentives for EVs will be reduced. The position was eliminated due to increased uncertainty. This weakness was partially offset by strength in positions exposed to infrastructure which Driehaus views as a strong theme.

Consumer Staples

Consumer Staples detracted 29 basis points in relative terms but contributed 32 basis points in absolute terms. The holdings gained 11.0% versus a gain of 18.9% for the Index. Driehaus maintained their exposure at 2.4% during the quarter, an underweight versus 3.7%.

Sectors contributing positively to returns during the quarter (in order of relative impact):

Financials

Financials contributed 61 basis points on a relative basis for the quarter and 205 basis points in absolute terms. The holdings rose 22.4% versus 16.8% for the Index. Strength was broad based, with outperformance in specialty insurance, fintech, specialty finance lenders and regional banks. Driehaus increased their exposure from 8.7% to 9.8%, versus an Index weight of 7.9% by the end of the quarter.

Energy

The Energy sector contributed 16 basis points in relative returns and 21 basis points in absolute terms. The Energy stocks rose 5.2% versus a gain of 1.8% for the Index. The team increased their position from 3.0% to 4.4%, an overweight versus 2.9% for the Index. Driehaus continue to have exposure to exploration and production and uranium mining.

Outlook & Positioning

Equities saw gains in the December quarter. Micro and small caps outperformed after the election with strong gains in November but then sharp declines in December as interest rates rose and the Fed proved less dovish than anticipated.

Looking ahead, corporate earnings are improving, economic strength appears sustainable, valuations for smaller cap equities are relatively attractive, the new Trump administration should be largely positive for equities and the Fed is still in a rate cutting cycle, all of which are historically favorable for equity prices.

Driehaus believe these positive variables outweigh several bearish concerns or risks, including potential stickiness of the rate of inflation, the risk of tariffs, geopolitical events and rising interest rates. Of these, they view rising interest rates to be the biggest risk.

In terms of portfolio positioning, Driehaus have an attractive mix of secular and cyclical growth holdings with strong earnings. By sector, Healthcare is their largest absolute weight, followed by Industrials, Technology, and Consumer Discretionary. On a relative basis, the Strategy is overweight Industrials, Consumer Discretionary, Financials, and Energy. The Strategy is underweight Healthcare, Technology, Consumer Staples, and Materials.

Quarterly Contributors

SoundHound AI, Inc Class A (SOUN) engages in the development, owning, and commercialization of voice, sound, and natural language artificial intelligence technologies and related activities. SOUN appreciated after it issued a press release noting Church's Texas Chicken was piloting its voice-based AI ordering at its drive-thru.

Applied Optoelectronics, Inc (AAOI) engages in the design and manufacture of optical communications products. The company was a top contributor as it reported better 3Q24 results with revenues 4% higher and guided 4Q24 sales 1% higher than expected. Strength in the business was driven by increased optical transceiver sales to datacenter customers and a rebound in Cable TV module sales driven by DOCSIS 4.0 deployments.

Quarterly Detractors

TransMedics Group, Inc (TMDX) was a top detractor for the fourth quarter of 2024. The company sells equipment and services that enable more, and higher-quality transplants for patients that need them. During the fourth quarter the company released their fiscal third quarter earnings and in that release the company missed consensus expectation on revenue for the first time since the team bought the stock. The market had been accustomed to large revenue (and earnings) beats, and the miss relative to expectations was poorly received by the market. Shares of TMDX traded down 38% the day of the release.

Aspen Aerogels Inc (ASPN) was a detractor for the fourth quarter. The company reported a significant year-over-year increase in Q3 2024 revenue, reaching $117.30 million, primarily driven by the EV Thermal Barrier segment, which saw revenues surge by 176% to $90.60 million. The company also received a conditional commitment from the U.S. Department of Energy for a proposed loan of up to $670.60 million to finance the construction of a new manufacturing plant in Georgia. However, after the conclusion of the United States Presidential election, investors began to fear that the loan from the Department of Energy would not be finalized and ASPN's stock sold off significantly. As a result, ASPN was a detractor during 4Q24.

Outright Buy

Kura Sushi USA, Inc. (KRUS) is a technology-enabled Japanese restaurant concept with 63 locations across the United States. KRUS was a top buy after sales and traffic data indicated an acceleration in sales trends in August and September, demonstrating a marked recovery after weakness seen in the spring and early summer.

Grid Dynamics Holdings, Inc. (GDYN) provides digital engineering and information technology services. The company reported 3Q24 results 3% higher and guided 4Q24 revenues 3% higher with better margins. Strength in the business was driven by a rebound in IT services spend with AI related projects positively contributing to its future pipeline and backlog of projects for 2025.

Outright Sell

Aspen Aerogels Inc (ASPN) was a detractor for the fourth quarter. The company reported a significant year-over-year increase in Q3 2024 revenue, reaching $117.30 million, primarily driven by the EV Thermal Barrier segment, which saw revenues surge by 176% to $90.60 million. The company also received a conditional commitment from the U.S. Department of Energy for a proposed loan of up to $670.60 million to finance the construction of a new manufacturing plant in Georgia. However, after the conclusion of the United States Presidential election, investors began to fear that the loan from the Department of Energy would not be finalized and ASPN's stock sold off significantly. Due to the increased uncertainty in the fundamental outlook and the weakness in the stock, the position was eliminated during 4Q24.

Mercury General Corporation (MCY) offers personal automobile and homeowners insurance. MCY was a top sell as Driehaus expected incremental growth in rate to slow and competition to increase as other auto insurers began to achieve rate adequacy.

Sincerely,
Heptagon Capital and Driehaus Capital Management

Sector performance attribution- Q4 2024

	Driehaus Micro Cap Growth Composite (Port) (%)		Russell Microcap® Growth Index (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg. weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	2.76	-0.14	3.33	0.05	0.08	0.54	0.57
Consumer Discretionary	10.84	0.30	5.89	1.08	0.47	0.62	0.38
Consumer Staples	2.47	0.32	3.55	0.66	-0.12	-0.48	-0.44
Energy	3.67	0.21	3.12	0.10	-0.08	-0.41	-0.56
Financials	10.04	2.05	7.93	1.27	0.10	0.05	0.05
Health Care	31.33	-1.74	37.90	-0.27	0.98	2.36	2.19
Industrials	19.43	1.06	14.76	2.24	0.19	0.04	-0.12
Information Technology	15.58	4.40	19.07	6.64	-0.88	-2.17	-2.26
Materials	2.60	-0.50	2.39	-0.18	-0.01	0.18	0.22
Real Estate	0.67	0.01	1.70	-0.13	0.22	-0.06	-0.23
Utilities	0.00	0.00	0.35	0.05	0.00	0.00	0.03
Cash	0.61	0.00	0.00	0.00	-0.05	0.00	-0.04
Other*	0.00	-0.30	0.00	0.00	0.00	0.00	-0.30
Total	**100.00**	**5.66**	**100.00**	**11.52**	**0.64**	**-6.49**	**-5.85**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
**Other refers to securities not recognised by Factset.*
Data as of 31st December 2024

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Annualized Total Returns as of 31st December 2024 gross of fees

	Q4 24	YTD	1-Year	3-Year	5-Year
Driehaus Micro Cap Growth Composite	6.0%	32.3%	32.3%	0.5%	19.2%
Russell Micro Cap Growth Index TR	11.6%	21.9%	21.9%	-2.2%	5.7%

Source: Driehaus Capital Management, Bloomberg

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

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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.

SFDR

The Fund takes sustainability risks into account within the investment process, and this is disclosed in accordance with Article 6 requirements of the Sustainable Finance Disclosure Regulation ('SFDR') in the Fund's Prospectus. However, the Fund does not have as its objective sustainable investment and does not promote environmental or social characteristics for the purposes of the SFDR. Sustainability risks may occur in a manner that is not anticipated by the Sub-Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence the returns of the Fund. As a result of the assessment of the impact of sustainability risks on the returns of the Fund, the Sub-Investment Manager aims to identified that the Fund may be exposed to sustainability risks and will aim to mitigate those risks.

Authorised & Regulated by the Financial Conduct Authority (FRN: 403304)

Disclaimers

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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