

Driehaus US Small Cap Equity Fund

Q4 2024 Commentary

Portfolio Management



**Jeff
James**



**Michael
Buck**



**Prakash
Vijayan**

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 Small 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 31st July 2019 and had AUM of USD 951m as of 31st December 2024. During the fourth quarter of 2024, the Fund underperformed its benchmark, the Russell 2000 Growth Index TR USD (the “Index”), returning 0.1% (C USD share class) compared to 1.7% for the Index. For the full year the returned 26.1%, outperforming the Index by 10.9%.

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.

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.

Contact

Heptagon Capital

63 Brook Street, Mayfair,
London W1K 4HS

Tel: +44 20 7070 1800

email london@heptagon-capital.com

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 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 Exhibit 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.

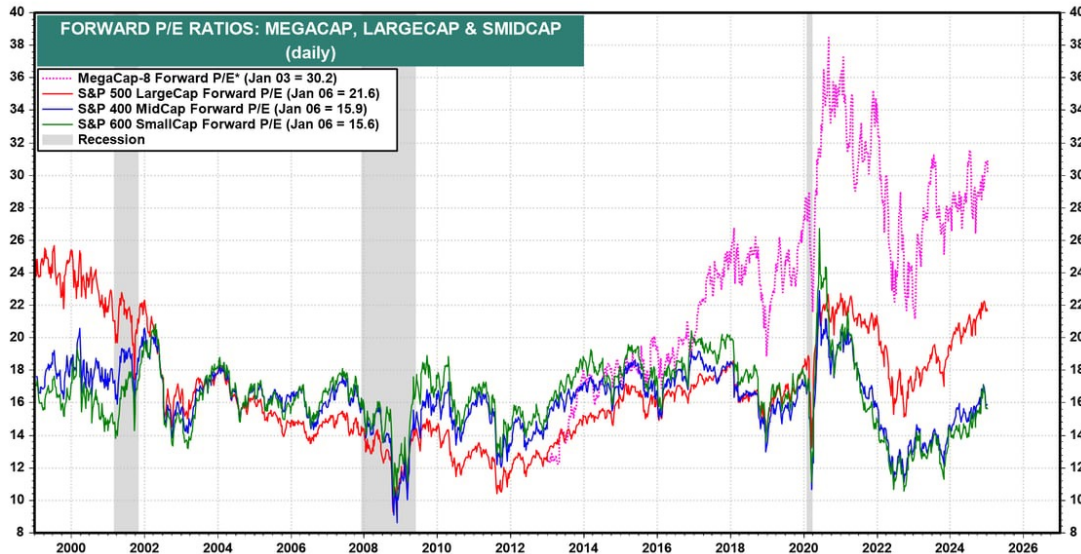
Exhibit 1: Small Caps Remain Historically Cheap vs Large Caps

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



Source: BofA US Equity & Quant Strategy, FactSet

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

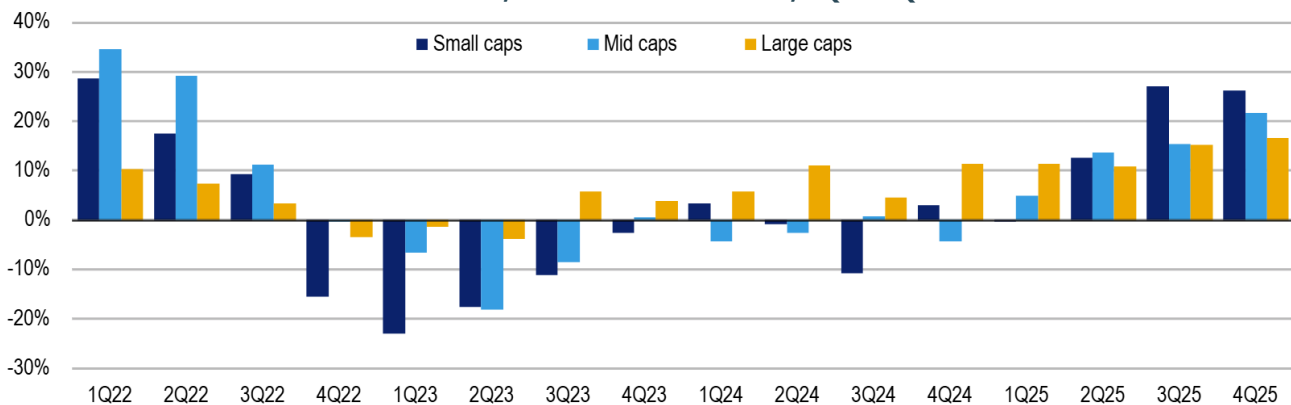


Source: Yardeni Research

*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.

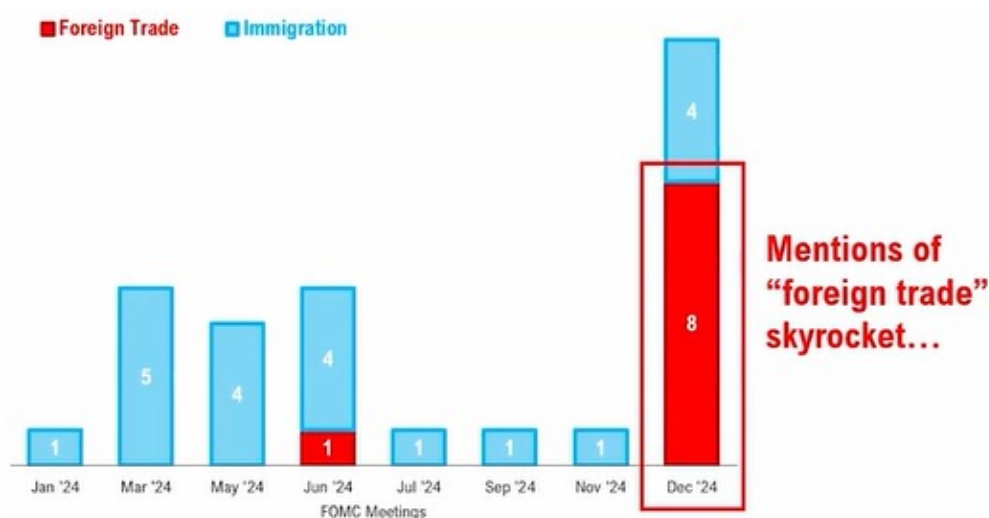
What do Trump and the Republicans winning control of Congress potentially mean for U.S. equities and the economy?

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”.

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.

I Performance Review

The Driehaus Small Cap Equity Fund underperformed its benchmark by 160 basis points for the December quarter, gaining 0.1% versus a gain of 1.7% for the Russell 2000 Growth. Additionally, the Russell 2000 gained 0.3%, and the S&P 500 2.4%.

For the full year of 2024, the Fund outperformed its benchmark by 1,090 basis points gaining 26.1% versus 15.2% for the Russell 2000 Growth, 11.5% for the Russell 2000 and 25.0% for the S&P 500.

By month during the quarter, the Fund outperformed the Russell 2000 Growth by 30 basis points in October, but subsequently underperformed by 50 basis points in November and 140 basis points in December.

The month of December was 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 small cap market pulled back sharply with the Russell 2000 Growth declining 8.2% for the month. This decline was largely driven by rising long-term treasury yields as the Fed guided to fewer expected rate cuts in 2025. Additionally, animal spirits post the election caused many very speculative and unprofitable stocks in the index to rally sharply. Many companies operating in areas such as quantum computing, rockets, autonomous vehicles and other areas with long-term potential but little to no current revenues saw their stock prices rise substantially. The team believes 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.

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

Healthcare

Healthcare underperformed by 110 basis points and detracted 298 basis points on an absolute basis as the holdings declined 13.6% versus 7.7% for the Index. The team decreased the exposure from 23.0% to 21.2% during the quarter, reducing the underweight versus 23.6% for the Index. The portfolio is slightly overweight biotech and pharmaceuticals, equal weight medical devices and underweight 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 team's biotech positions declined 11.8% versus 10.1% for the index for the quarter. For the full year, their biotech positions were still a material outperformer, gaining 19.4% versus 6.4% 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.

Consumer Discretionary

Consumer Discretionary detracted 101 basis points on a relative basis and 49 basis points in absolute terms. The holdings fell 4.6% versus a gain of 3.8% for the Index. The team saw a pullback in many of their stronger positions in the month of December in restaurants and home builders as the market declined and interest rates rose. Driehaus decreased their sector exposure from 14.0% to 11.4% versus 10.2% for the Index, mostly by reducing exposure to home builders and building suppliers. The team have a positive outlook for consumer spending as the labor market remains healthy, and consumer incomes and net worth remain at new highs.

Materials

Materials detracted 21 basis points on a relative basis and 35 basis points on an absolute basis as the holdings declined 8.4% versus 5.3% for the index. Driehaus decreased their exposure from 5.6% to 2.8% during the quarter, compared to 3.7% 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 as a strong theme.

Financials

Financials detracted 11 basis points on a relative basis for the quarter but contributed 16 basis points in absolute terms. The portfolio's holdings appreciated 4.5% versus 4.9% for the index. Driehaus maintained their exposure to the sector at 7.1%, versus an index weighting of 8.6% by the end of the quarter. They saw strength among the portfolio's holdings in capital markets and within fintech, offset by small declines in banks and mixed results in specialty insurance.

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

Consumer Staples

Consumer Staples contributed 45 basis points in relative terms and 63 basis points in absolute terms. The portfolio holdings gained 15.0% versus a gain of 10.1% for the index. The team increased their exposure from 4.2% to 4.8% during the quarter, a slight overweight versus the index at 3.3%. Strength came from a specialty beverage company, a specialty grocery store and a pet food supplier as each outperformed with strong earnings surprises and market share gains.

Industrials

Industrials again saw strength as the sector contributed 43 basis points of relative outperformance and 168 basis points in absolute terms, with the holdings rising 6.5% versus 5.4% for the index. The portfolio remains overweight in the sector. The team increased their exposure by 50 basis points, from 24.3% to 24.8% versus 22.7% for the index. The team continue to be positive on the sector with numerous holdings with strong earnings outlooks and also 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. One software and hardware supplier to police departments and first responders saw strong gains after it posted robust earnings and increased guidance. Driehaus did see small declines in two service companies with modest exposure to the federal government.

Technology

Technology contributed 34 basis points on a relative basis and 195 basis points in absolute performance, as the portfolio's holdings gained 11.7% versus a gain of 9.7% for the index's tech holdings. The investment team increased their exposure to the sector from 17.5% to 22.6% during the quarter, a slight overweight vs the benchmark at 20.8%. Strength during the quarter came from semiconductors, networking suppliers, and emerging data center companies. This was offset by relative weakness in software as the group saw multiple compression as interest rates rose and some very speculative low-quality stocks in the index saw large gains that were not held in the portfolio.

AI (Artificial Intelligence) was the dominant theme for 2024. Particularly AI infrastructure spending was robust for the year especially for companies exposed to the strong and growing capex (capital expenditures) 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.

Energy

The Energy sector contributed 22 basis points on a relative basis and 7 basis points in absolute terms. The energy stocks rose 6.0% versus a decline of 2.8% for the index. Driehaus increased their exposure from 1.9% to 2.9% maintaining an underweight versus 3.3% for the index. They continue to have exposure to oil services, exploration and production and uranium mining.

Outlook & Positioning

Equities saw gains in the December quarter. 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, the team have an attractive mix of secular and cyclical growth holdings with strong earnings. By sector, industrials remain their largest absolute weight, followed by technology, healthcare, and consumer discretionary. On a relative basis, the Fund is overweight industrials, consumer discretionary, technology, and consumer staples. The Fund is underweight healthcare, financials, energy and materials.

Quarterly Contributors

Astera Labs, Inc. (ALAB) designs semiconductors used in high-speed connectivity applications in data centers, such as PCIe retimers, switches. ALAB was a top contributor as the company reported strong 3Q24 results with revenues 16% higher and guided 4Q24 revenues 15% higher than expected. Strength was driven by robust retimer product sales

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

to multiple hyperscalers with company expecting new Switch product sales to start in 4Q24 and to accelerate revenues through 2025.

Axon Enterprise Inc (AXON) develops advanced electronic control devices for law enforcement, military, and corrections/consumer markets. In August, AXON reported 2Q24 revenue and earnings per share that exceeded consensus expectations by 5% and 17%. The company also raised its guidance for 2024 due to the strong 2Q24 results and potential for new products to expand its total addressable market. As a result, AXON's stock showed significant gains and was a top contributor during the quarter.

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.

Vaxcyte, Inc. (PCVX) was a top detractor for the fourth quarter of 2024. The company is a clinical stage biopharmaceutical company that is developing highly differentiated vaccines for infectious disease. During the fourth quarter, President-elect Trump announced the nomination of Robert F. Kennedy Jr. to lead the US Department of Health and Human Services, and given Kennedy's negative opinion of vaccines the market perceived increased risk to Vaxcyte's future, potential dominance of the markets for which they had shown best-in-category data. Shares of PCVX traded down 28% during the fourth quarter of 2024.

Outright Buy

Astera Labs, Inc. (ALAB) designs semiconductors used in high-speed connectivity applications in data centers, such as PCIe retimers and switches. As above, in 4Q24, the company reported strong 3Q24 results with revenues 16% higher and guided 4Q24 revenues 15% higher than expectations. Strength was driven by robust retimer product sales to multiple hyperscalers with company expecting new Switch product sales starting in 4Q24 and expected revenues to increase through 2025. Driehaus initiated a position in the Fund as ALAB is experiencing product cycle driven growth with both retimer and switch product seeing increased sales to drive upside to 2025 consensus revenues and earnings estimates.

JBT Marel Corporation (JBTM) makes food processing machinery. During October, JBTM reported 3Q24 Revenue and Earnings per share that exceeded estimates by 3% and 6%. The company also reported orders +10% and expressed some confidence in end market stabilization. Additionally, JBTM provided increased confidence in closing their announced acquisition of Marel Corporation which would increase market share into a stabilizing market. To gain exposure to the expected uplift, the Fund initiated a position in JBTM.

Outright Sell

Baldwin Insurance Group, Inc (BWIN) is an independent insurance distribution firm. BWIN was a top sell after concerns arose regarding funding capacity for a homeowners insurance program that had been a meaningful driver of organic growth. Moderating tailwinds from rate and exposure also pressured the outlook for organic revenue growth.

Wingstop, Inc (WING) engages in operating and franchising over 2,450 restaurants worldwide that focus on chicken wings. WING was a top sell due to moderating same store sales growth after lapping more difficult comparisons.

Sincerely,

Heptagon Capital and Driehaus Capital Management

This update is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives.

This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC ("Driehaus") as of January 10, 2025 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since January 10, 2025 and may not reflect recent market activity.

The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

I Sector performance attribution- Q4 2024

GICS Sector	Driehaus Small Cap Growth Strategy (Port) (%)		Russell 2000 Growth Index (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	1.26	-0.06	2.06	0.15	-0.05	-0.16	-0.20
Consumer Discretionary	12.99	-0.49	10.05	0.34	0.05	-1.06	-1.01
Consumer Staples	4.57	0.63	3.37	0.16	0.03	0.42	0.46
Energy	2.32	0.07	3.35	-0.06	0.04	0.18	0.22
Financials	6.81	0.16	8.62	0.39	-0.07	-0.03	-0.10
Health Care	21.27	-2.98	24.42	-1.77	0.32	-1.42	-1.10
Industrials	24.29	1.68	22.49	1.18	0.12	0.32	0.44
Information Technology	20.97	1.95	19.88	1.60	0.16	0.18	0.34
Materials	4.04	-0.35	3.82	-0.19	-0.02	-0.18	-0.21
Real Estate	0.54	-0.03	1.47	-0.12	0.10	0.02	0.11
Utilities	0.00	0.00	0.46	-0.02	0.03	0.00	0.03
Cash	0.94	0.00	0.00	0.00	-0.05	0.00	-0.05
Other*	0.00	-0.15	0.00	0.00	-0.15	0.00	-0.14
Total	100.00	0.46	100.00	1.67	0.56	-1.78	-1.21

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

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

	Q4 24	YTD	1-Year	3-Year	5-Year
Driehaus Small Cap Growth Composite	0.5%	28.1%	28.1%	0.5%	15.4%
Russell 2000 Growth Index TR	1.7%	15.2%	15.2%	0.2%	6.9%

Source: Driehaus Capital Management, Morningstar

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

The views expressed represent the opinions of Driehaus Capital Management, as 31st December 2024, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

I Important Information

Past performance is not an indication or guarantee of future performance and no representation or warranty is made regarding future performance. This communication is for information purposes only. It is not an invitation or inducement to engage in investment activity.

The document is provided for information purposes only and does not constitute investment advice or any recommendation to buy or sell or otherwise transact in any investments.

The contents of this document are based upon sources of information which Heptagon Capital believes to be reliable. However, except to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to the accuracy or completeness of this document or its contents and, Heptagon Capital, its affiliate companies and its members, officers, employees, agents and advisors do not accept any liability or responsibility in respect of the information or any views expressed herein. 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. Where this document provides forward-looking statements which are based on relevant reports, current opinions, expectations and projections, actual results could differ materially from those anticipated in such statements. All opinions and estimates included in the document are subject to change without notice and Heptagon Capital is under no obligation to update or revise information contained in the document. Furthermore, Heptagon Capital disclaims any liability for any loss, damage, costs or expenses (including direct, indirect, special and consequential) howsoever arising which any person may suffer or incur as a result of viewing or utilising any information included in this document.

The document is protected by copyright. The use of any trademarks and logos displayed in the document without Heptagon Capital's prior written consent is strictly prohibited. Information in the document must not be published or redistributed without Heptagon Capital's prior written consent.

Heptagon Capital Limited has issued this communication as investment manager for Heptagon Fund ICAV, and is licensed 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.

I 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.

I 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 [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.

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

I Disclaimers

FTSE Russell Source: London Stock Exchange Group ICAV and its group undertakings (collectively, the "LSE Group"). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trade mark of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and S&P Global Market Intelligence ("S&P") and is licensed for use by Heptagon Fund ICAV. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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>

Heptagon Capital, 63 Brook Street, Mayfair,
London W1K 4HS
Tel: +44 20 7070 1800
(FRN 403304)

Authorised & Regulated by the Financial Conduct
Authority in the UK
12 Endeavour Square, London