HEPTAGON Capital

Driehaus US Small Cap Equity Fund

Q3 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 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 3rd July 2019 and had AUM of USD 909m as of 30th September 2024. During the third quarter of 2024, the Fund underperformed its benchmark, the Russell 2000 Growth Index TR USD (the "Index"), returning 5.6% (C USD share class) compared to 8.4% for the Index.

Market Overview

The U.S. equity market experienced a volatile but strong September quarter. Small caps outperformed large caps as inflation data continued to trend lower and the Federal Reserve began its rate cutting cycle by reducing the Federal Funds Rate by 50 basis points in mid-September. Despite concerns of a potential recession, largely due to a rise in the unemployment rate, the U.S. economy continued to exhibit positive growth. There were some areas of economic weakness but overall healthy consumer spending, strength in the service economy and evidence of improved productivity helped estimated GDP rise nearly 3% over the quarter.

Each individual month during the quarter was quite eventful:

- The month of July saw near record setting outperformance by small caps versus large caps. For the month, the small cap Russell 2000 Index rose 10.2%, the Russell 2000 Growth Index gained 8.2%, while the S&P 500 lagged, rising just 1.2%. The trigger for the surge in small caps began on July 11th as the U.S. CPI (Consumer Price Index) was favorably below expectations. Together with dovish comments by Fed Chair Jerome Powell, the odds of a reduction in the Federal Funds Rate beginning in September increased from 75% to near 100% based on the Fed Fund Futures market. Another factor that drove the rotation into small caps was the failed assassination attempt on Donald Trump causing a surge in the polls for

Past performance is no guide to future performance, and the value of investments and income from them can fall as well as rise the former president. Then continued health concerns for Joe Biden and his sudden exit from the presidential race dramatically increased the odds in favor of Donald Trump winning in November. The market viewed a Trump victory as bullish for small caps and the U.S. economy. The election picture soon shifted again when Vice President Kamala Harris became the Democratic nominee causing the election odds to be roughly a 50/50 toss up for the time being.

- The small cap outperformance in July was quickly reversed in the first few days of August as the S&P 500 fell over 6% and the Nasdaq Composite and the Russell 2000 both dropped nearly 10%. This sharp sell-off was due to a partial unwind of the Yen carry trade. Additionally, the July nonfarm payrolls report came in well below expectations with the unemployment rate rising to 4.3% from 4.1% in July. This increased the fear of a recession as the Sahm Recession Indicator was triggered. Then strength in several economic indicators and a continued strong earnings season quickly caused equities to stabilize and rally throughout the rest of the month. Small cap indices finished down just over a percent and the S&P 500 gained just over two percent for the month.
- The month of September (nearly always a volatile month historically) also saw a sell-off to begin the month. This was triggered by renewed fears of an economic slowdown. Sentiment temporarily shifted to the idea that the Fed was about to cut rates due to economic weakness rather than simply inflation positively trending towards their 2% target. Then, like in August, economic data quickly turned positive again causing equities to rally broadly for the rest of September.

If the Fed is cutting rates due to economic weakness leading to a recession, U.S. equities have a rather poor track record of performance over the coming year with the market averaging low single digit negative returns in five instances since 1974. However, if the Fed is cutting rates with no recession, the market has averaged positive double digit returns over the seven instances since 1971, with all seven periods delivering positive returns. Driehaus believe the current economic conditions fit the latter case with no recession expected in the near-term. Please see the table below.

Exhibit 1: Fed Cut Versus Economic Cycle

Fed cut + recession:
July '74, April '80, June '81, Jan '01, Sept '07

	% return (avg)	Win-ratio
12 Months Trailing	1.6%	60%
Week 1	-0.3	20
Weeks 2-4	0.1	60
1 Month Forward	0.5	60
3 Months Forward	-7.5	20
6 Months Forward	-3.5	20
9 Months Forward	-4.0	40
12 Months Forward	-2.3	40

We are here

Fed cut + "no landing":
Jan '71, Oct '84, Oct '87, June '89, July '95, Sept '98, July '19

	% return (avg)	Win-ratio
12 Months Trailing	7.9%	71%
Week 1	-0.8	57
Weeks 2-4	3.0	71
1 Month Forward	2.9	71
3 Months Forward	8.4	100
6 Months Forward	12.8	100
9 Months Forward	13.1	86
12 Months Forward	15.8	100

100%

Source: Fundstrat

Why do Driehaus see the current economic environment as non-recessionary?

Over the past two years, a U.S. recession was widely expected by market participants due to: 1) the 500 basis point rise in the Federal Funds Rate as the Federal Reserve tightened monetary policy conditions to fight inflation and 2) the yield curve became sharply inverted for a record length of time. Typically, and historically, these two factors lead to a recession. However, a recession has not appeared. Why?

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It is possible that a series of major industries across the U.S. experienced downturns or rolling recessions individually but combined they never caused the broader economy to turn negative. For instance, major industries such as technology, housing, banking, transports and manufacturing all saw slowdowns over the past few years but not all at once. As offsets, themes such as reshoring, infrastructure, AI (Artificial Intelligence) all appear to have boosted the broader economy. Additionally, the service side of economy and consumer spending have both remained strong and both make up significant portions of the U.S. economy. Finally, the strong labor market, the lack of a credit contraction and rising productivity have all been supportive of economic growth as well. If these current dynamics prove sustainable, it is likely that the economy will continue to grow and will defy the usual historical pattern of a recession after a sharp rate tightening cycle and the inverted yield curve. There are certainly areas of weakness within the economy such as in transports, manufacturing and the lower end consumer, but lower rates should help support and strengthen these areas.

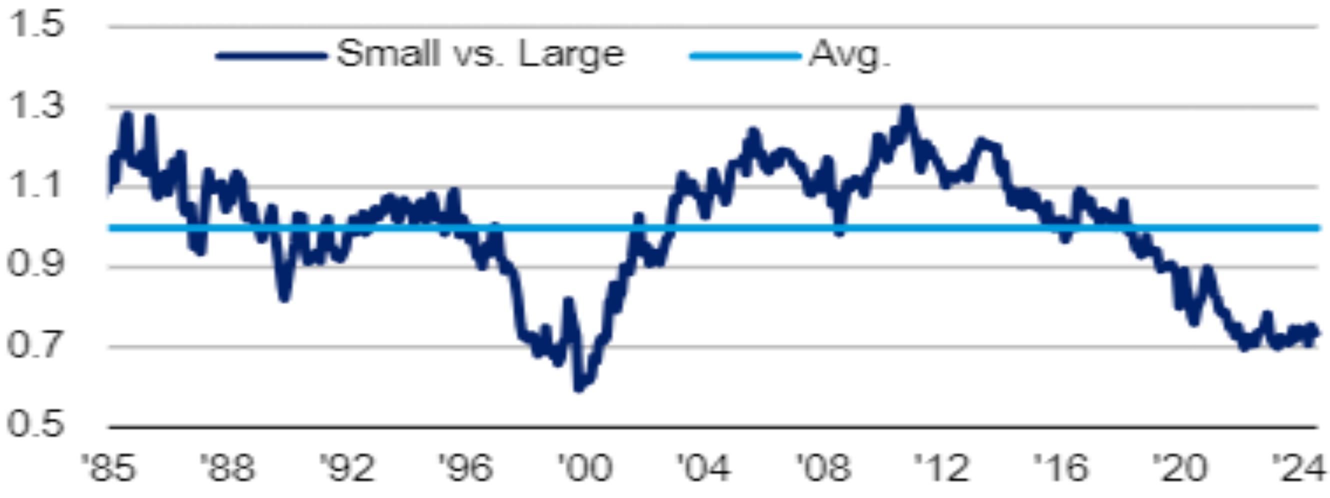
What is Driehaus's current outlook for small caps?

Small caps have generally underperformed large caps over the past several years. This has caused many market observers to question the outlook for small caps given the tremendous outperformance of large caps and the love for the Magnificent Seven mega cap technology stocks. Nonetheless, the investment team view the current environment as supportive of small caps for several reasons:

- The early 2021 to late 2023 bear market for the U.S. equity market overall caused small caps to underperform which is consistent with other bear markets historically. Driehaus believe a new bull cycle has been underway since the late October 2023 market low. Historically small caps do well versus large caps in the initial handful of years after major market lows, looking at data over the past five decades.
- This underperformance of small caps and relative outperformance of large caps have created a historical anomaly where small caps trade at a deep valuation discount relative to large caps. Looking at the valuation data since the inception of the Russell 2000 small cap index in 1979, small caps often trade at a premium to large caps, but there have been two periods where small caps have traded at a deep discount – the early 2000s and currently. After the early 2000s Nasdaq Bubble, that valuation discount helped propel small caps to outperform the broader market for much of the remainder of that decade until before the GFC (the Great Financial Crisis). Consider the following two exhibits on valuation:

Exhibit 2: Small Caps Remain Historically Cheap vs Large Caps

Relative Forward P/E: Russell 2000 vs Russell 1000, 1985-9/30/2024



Source: BofA US Equity & Quant Strategy, FactSet

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Exhibit 3: Small caps trade at a historical discount vs large on all metrics we track

Relative Valuations for the Russell 2000 vs the Russell 1000 (1/31/1985-9/30/2024)

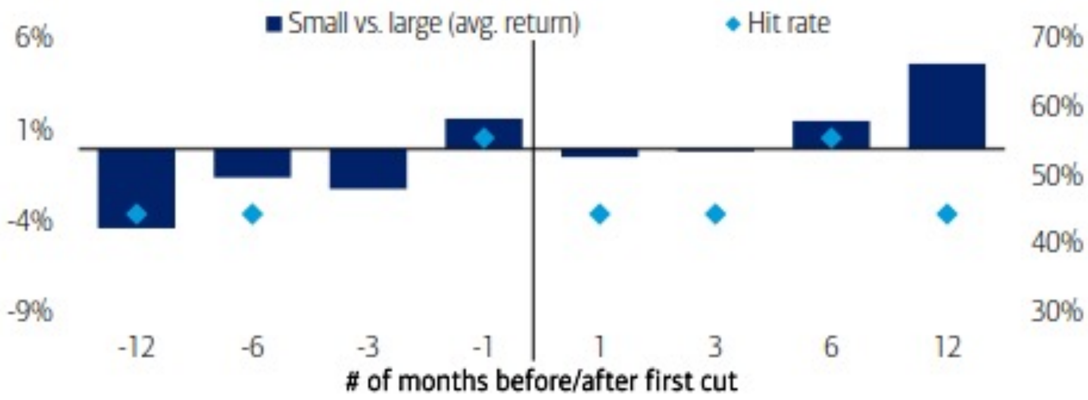
	Relative Valuation				% Difference From		
Valuation Metric	As of Sep-24	Max	Min	Long-Term Average	Max	Min	Long-Term Average
Trailing P/E	0.66	1.27	0.54	0.99	-48%	21%	-34%
Forward P/E	0.73	1.30	0.59	1.00	-43%	24%	-26%
Price/Book	0.44	1.11	0.44	0.75	-60%	0%	-41%
Price/Sales	0.48	1.02	0.43	0.74	-53%	11%	-35%
P/E To Growth	0.62	1.07	0.49	0.77	-42%	28%	-19%
Enterprise Value to FCF	0.63	1.22	0.56	0.84	-48%	12%	-25%

Source: BofA US Equity & Quant Strategy, FactSet
Note: P/E measures exclude negative earnings. Forward P/E is on I/B/E/S consensus N12m forecast earnings.
EV/FCF excludes negative FCF.

- Looking at the first rate cut by the Federal Reserve in past cycles, small caps typically underperform during the 12-month period before the first rate cut, but they typically outperform large caps on a 6 and 12-month basis after the first rate cut. Note the following table:

Exhibit 4: Small caps have typically outperformed large caps in the 6 months after the first rate cut, but have underperformed in the inital months, and had mixed performances over 12m (positive avg. relative returns but >50% outperformance rate)

Small vs. large cap relative returns in the 1/3/6/12 mos. before and after the first Fed rate since 1974



Source: Fama French data library, Haver Analytics, BofA US Equity & US Quant Strategy

- Naturally, it all comes down to earnings. Stock prices are driven by earnings growth over time. This is historically and empirically true. Ignoring, for a moment, inflation, interest rates and concerns about a recession, the key reason large caps have performed better over the past few years is because they have had better earnings. However, looking ahead, small caps are expected to see accelerating earnings growth over the next year or so based on consensus earnings. Consider the following table:

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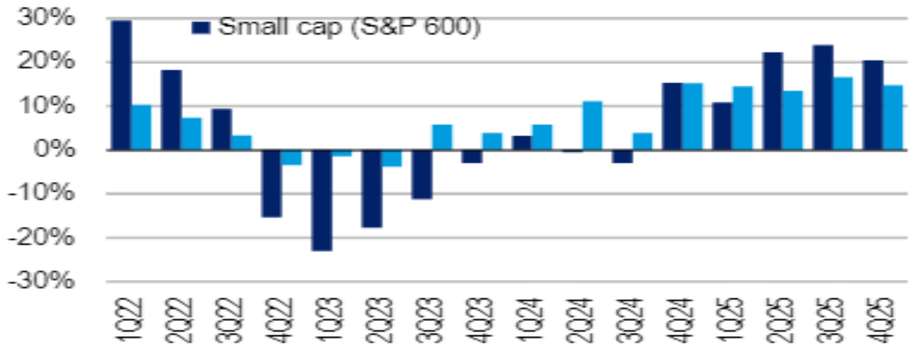
Exhibit 5: Small caps profits growth not expected to recover until 4Q24
Quarterly y/y bottom up EPS growth trajectory for S&P 600 vs S&P 500
(Consensus estimates 4Q23 onward; based on historical index constituents)



Source: FactSet, BofA US Equity & US Quant Strategy
Note: Based on historical index constituents, e.g. bottom-up EPS of constituents as of each quarter compared to bottom-up EPS in the year-ago quarter of the year-ago constituents.

So, for several reasons - valuation, earnings growth, historical tendencies, Fed rate cuts and a potentially sustained positive economy, the team believe the current outlook could be very supportive of small caps.

Performance Review

For the September quarter, the Driehaus US Small Cap Equity Fund underperformed its benchmark by 279 basis points. The fund gained 5.6% (C USD share class) net of fees, while the Russell 2000 Growth index rose 8.4%, the Russell 2000 9.3%, and the S&P 500 5.9%. Year-to-date through the end of September, the fund is outperforming its benchmark by 12.7%, gaining 25.9% versus 13.2% for the Russell 2000 Growth.

Individual company earnings and their fundamental outlooks were strong for the Fund's holdings during the third quarter. These bottom-up results are supported by multiple themes and industry trends that Driehaus view as sustainable. The underperformance for the quarter occurred in mid-July when the Russell 2000 and the Russell 2000 Growth rose rapidly over a two-week period. Many laggard stocks within the benchmark outperformed during that brief period as short covering and index buying by market participants caused the index to rise rapidly. On a monthly basis, the Fund underperformed in July but outperformed in August and September. The Fund has outperformed in eight of the nine months year-to-date. On a sector basis, the industrials sector led the way, contributing outperformance of 0.9%, followed by healthcare outperformance of 0.5%. More than offsetting this strength was the technology sector detracting 2.2%. followed by consumer staples detracting 0.5%, energy detracting 0.4% and consumer discretionary detracting 0.3%.

For more detail by sector, the September quarter performance is summarized as follows (in order of relative underperformance):

Technology
Technology detracted 221 basis points on a relative basis and 117 basis points in absolute performance, as the holdings fell 6.3% versus a gain of 4.5% for the index's holdings. The sector proved difficult during the quarter as AI related technology stocks and most of the semiconductor industry pulled back after seeing strength in the first half of the year. Earnings overall in tech remained positive but many faster growing stocks experienced multiple compression. The Strategy's software holdings again had several outperformers during the quarter. Semiconductors accounted for nearly half of the underperformance during the quarter. A few software stocks and several hardware stocks also pulled back after performing well in the first two quarters. As the team saw better opportunities in other sectors and as breadth in tech weakened considerably, Driehaus reduced their exposure to the sector from 21.2% to 17.5% during the quarter. The Strategy ended the quarter underweight versus the benchmark's 19.6% tech weighting.

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Looking ahead, Driehaus continue to be positive on AI as a powerful and transformational theme. Specifically, and in the near to intermediate term, they believe capex (capital expenditures) spending on data centers and related AI infrastructure should remain robust and sustainable. The Hyperscalers (i.e., several of the Magnificent Seven and some other large cap tech stocks) have increased their AI and datacenter related capex by nearly 40% so far in 2024 versus 2023. The pace of this spending has been an area of debate for tech investors. Many are skeptical of the sustainability of this strong capex when they look at current revenues and ROI being generated from AI.

Driehaus believe the better way to look at AI capex is to view AI as the Hyperscalers/Mag Seven companies do, as an existential threat to their business models. For much of the past couple decades they didn't compete much as each dominated their own distinct, large addressable market. Increasingly though they are competing with each other. On Google's Q2 earnings call, they said "the risk of underinvesting [in AI] is dramatically greater than the risk of overinvesting. They all want to increase the intelligence of their AI GPU clusters." Think of it in terms of IQ: they want to increase the IQ of their AI GPU clusters from just above average currently (say, an IQ of 100 to 120 currently) to the genius level of 160 plus and potentially far beyond that (some have said an IQ of 1,000). Each 10 points of incremental IQ requires a tremendous of investment capex spending and that means continued strong spending on GPUs, servers, networking equipment and new data centers. So, while Driehaus do expect the 40% increase in capex to decelerate in 2025 and 2026, they believe AI infrastructure spending will remain strong.

Consumer Staples

Consumer staples detracted 46 basis points in relative terms but contributed 4 basis points in absolute terms. The investment team reduced their exposure from over 6.2% to 4.2% during the quarter, overweight versus the index at 3.2%. Again, this quarter a specialty grocery store and a pet food supplier outperformed as they continue to gain share and post strong earnings surprises. This strength was offset by weakness in a cosmetics supplier that had been a very strong performer over the prior two years, but that company experienced sharp revenue deceleration during the quarter as it faces tough comparisons from the past two years. Driehaus still believe the company is well positioned longer-term, but they exited the position as the current deceleration is causing multiple compression.

Energy

The energy sector detracted 37 basis points in relative returns and 73 basis points in absolute terms. The sector was broadly weak as the price of crude oil declined. Driehaus' energy stocks fell 6.5% versus a decline of 8.1% for the index. The team reduced their exposure from an overweight to an underweight going from 5.8% to 1.9% versus the index which went from 4.2% to 3.4%.

Consumer Discretionary

Consumer discretionary detracted 31 basis points on a relative basis but contributed 89 basis points in absolute terms. The Strategy's holdings gained 4.3% versus 9.7% for the index. Driehaus saw strength in restaurants, specialty retail, and an auto dealer. This was offset by strength in various index holdings and weakness in one restaurant holding that gave conservative guidance causing that stock to be weak. Overall, the team increased the sector exposure from 10.8% to 14.0% versus 10.1% for the index, as they added new positions in retail, leisure and home building, ending the quarter with an overweight position. Driehaus have a positive outlook for consumer spending as the labor market remains healthy, consumer net worth is hitting record highs and interest rates are trending lower.

Sectors contributing positively on a relative basis:

Industrials

Industrials saw strength as it contributed 88 basis points of relative outperformance and 299 basis points in absolute terms, with the Strategy's holdings rising 13.1% versus 9.3% for the index. Driehaus remain overweight the sector. They increased their exposure by 40 basis points, going from 23.7% to 24.1% versus 21.8% for the index. The investment team continue to be positive on the sector due to various stock specific positions with strong earnings outlooks and several strong themes. This includes positions benefitting from attractive trends within reshoring, infrastructure, commercial aerospace, and data centers where AI is driving demand for various technologies and equipment.

Healthcare

Healthcare outperformed by 51 basis points and contributed 274 basis points on an absolute basis as the holdings gained 12.6% versus 9.8% for the index. Driehaus increased their exposure from 21.3% to 23.0% during the quarter, reducing the underweight versus 25.6% for the index. The portfolio is slightly overweight biotech and medical devices but is underweight the smaller healthcare sub-industries within the benchmark.

Biotech outperformed with strong gains from several positions. One was a vaccine company focused on bacterial diseases including pneumonia that appreciated over 51% after it reported best-in-class clinical data that believe has de-risked the approval of its drug candidate. The portfolio also showed strength in other positions in oncology and in other orphan diseases. The team's biotech positions appreciated 17.9% versus 11.4% 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. Driehaus anticipate promising results from upcoming clinical trials.

Financials

Financials were in line on a relative basis for the quarter but contributed 104 basis points in absolute terms. The holdings appreciated 17.3% versus 15.3% for the index as the sector outperformed due to strong earnings and falling interest rates. The team increased the exposure to the sector from 5.6% to 7.3%, versus the index which increased from 7.9% to 8.3% by the end of the quarter.

Most of the absolute performance came from specialty insurance as several positions saw strong gains and strong earnings reports. The Strategy remains overweight the insurance industry as it is undergoing significant positive change in pricing and the supply/demand environment. The portfolio also benefitted from strength in several (ecommerce) lead generation companies within the insurance industry that are classified within the communication services, which outperformed the index. The team are also positive on other holdings in the capital markets and regional banking sub-industries which added modestly to absolute performance.

Materials

Materials contributed 15 basis points and 65 basis points on an absolute basis as the holdings gained 13.6% versus 11.0% for the index. The team increased the exposure from 4.1% to 5.6% during the quarter, maintaining an overweight position versus 3.9% for the index. The outperformance was generated by materials holdings related to infrastructure and specialty metals in commercial aerospace. These companies saw continued strength in earnings and in end market demand.

Outlook & Positioning

Equities saw broad but volatile strength in the September quarter. Small caps outperformed as earnings improved, U.S. economic strength appears sustainable and as the Fed joins other global central banks by beginning an easing cycle. Small caps also continue to trade at a deep discount to large caps. The market's breadth and overall technical picture also remain attractive.

The investment team have a positive outlook for U.S. equities in general. They believe the strengths outweigh several bearish concerns or risks, including the (relatively low, in the team's view) risk of economic weakness and any headwinds to lower inflation. Other risks include weaker earnings trends, US political disfunction and several major geopolitical issues outside of the U.S. Driehaus continue to lean positively, as they see the economy, inflation and earnings continuing to trend in a favorable direction.

In terms of portfolio positioning, Driehaus have an attractive mix of secular and cyclical growth holdings with strong earnings. By sector, industrials remains the largest absolute weight, followed by healthcare, technology, and consumer discretionary. On a relative basis, the Strategy is overweight industrials, consumer discretionary, consumer staples and materials. The Strategy is underweight healthcare, technology, financials and energy.

Quarterly Contributors

Vaxcyte, Inc. is a clinical stage biopharmaceutical company developing optimized vaccines for infectious disease. In September, Vaxcyte released proof of concept data with their VAX31 clinical candidate which showed that their product was competitive and in some cases superior to standard of care, in addition to having superior coverage. As a result, visibility into product differentiation in what is projected to be a $10b market increased, driving down risk, driving up valuation, and contributing positively to returns.

Axon Enterprise Inc 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 performed strongly and was a top contributor during the quarter. The team continue to hold a position in AXON.

Quarterly Detractors

Camtek Ltd engages in the business of developing and manufacturing high-end inspection and metrology equipment for the semiconductor industry. Camtek was a detractor in the quarter as concerns of overcapacity in High Bandwidth Memory (HBM) buildouts and weakness in wafer fabrication spending in China weighed on its valuation multiple along with rest of the semiconductor capital equipment group.

Dutch Bros, Inc. engages in operating and franchising over 900 drive-thru shops that focus on handcrafted beverages. The company was a top detractor after providing weaker than expected guidance on its 2Q24 earnings report. Guidance implied that same store sales would be flat in 2H24 vs the estimate for 3.5% growth. Driehaus reduced the position as a result.

Outright Buy

Varonis Systems, Inc. engages in the provision of security software platforms enabling enterprises and industries to protect data stored in the cloud and on-premise. During the quarter the company reported revenues 4% higher than estimates and guided revenues 3% higher than expectations with recently launched managed service offerings driving strong sales momentum. Driehaus initiated a position in the Strategy as the company is in early stages of realizing growth acceleration driven by this product offering that is finding new use case alongside Microsoft Office AI Co-Pilot deployments.

Life Time Group Holdings, Inc. operates a portfolio of over 175 athletic country clubs across the US and Canada. The team initiated a position in the company after it reported strong JunQ24 earnings with a meaningful increase in revenue and EBITDA guidance and an improved balance sheet outlook. The investment team see upside to the revised EBITDA guidance as the company upgrades its membership base and sees growth from the popularity of pickleball.

Commvault Systems, Inc. engages in the provision of data protection, information management software applications, and related services. During the quarter the company reported revenues 4% higher than estimates and guided revenues 1% higher than expectations with the company's recently launched cyber-resilience products driving strong sales momentum. Driehaus initiated a position as the company is in early stages of realizing growth acceleration as its cyber-resiliency product offerings are resonating well with CIOs/CSOs at large enterprises and attracting dollars from cybersecurity IT budgets.

Outright Sell

Camtek Ltd engages in the business of developing and manufacturing high-end inspection and metrology equipment for the semiconductor industry. Camtek was a top sell in the quarter as concerns of overcapacity in High Bandwidth Memory (HBM) buildouts and weakness in wafer fabrication spending in China weighed on its valuation multiple along with rest of the semiconductor capital equipment group.

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Super Micro Computer, Inc. engages in the distribution and manufacture of server solutions and computer products. During the quarter, news of a delay in Nvidia's Blackwell GPU and sell side checks noting SMCI's gross margins under pressure from ramping production volumes of liquid cooled rack-scale servers weighed on the stock. Driehaus eliminated the position in the Strategy given the risks to consensus revenue and margin estimates.

e.l.f. Beauty, Inc. is a leading manufacturer of beauty products. The company was a top sell after providing weaker than expected guidance for SepQ24 on its JunQ24 earnings report along with decelerating growth in retail scanner data that materialized in subsequent weeks. With retail scanner data suggesting a lack of upside to estimates the team eliminated the position.

Sincerely,
Heptagon Capital and Driehaus Capital Management

Sector performance attribution- Q3 2024

	Driehaus Small Cap Growth Strategy (Port) (%)		Russell 2000 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	1.17	0.14	2.07	0.10	0.02	0.13	0.15
Consumer Discretionary	12.46	0.89	9.85	0.93	0.10	-0.41	-0.31
Consumer Staples	4.72	0.04	3.24	0.25	-0.06	-0.40	-0.46
Energy	4.00	-0.73	3.75	-0.34	-0.7	-0.30	-0.37
Financials	6.67	1.04	8.24	1.20	-0.15	0.14	0.01
Health Care	22.20	2.74	25.77	2.59	-0.07	0.58	0.51
Industrials	23.38	2.99	21.58	1.92	0.02	0.86	0.88
Information Technology	18.47	-1.17	19.66	0.97	-0.04	-2.16	-2.21
Materials	5.32	0.65	3.87	0.40	0.04	0.11	0.15
Real Estate	0.23	0.06	1.48	0.30	-0.16	0.01	-0.15
Utilities	0.00	0.00	0.50	0.03	0.01	0.00	0.01
Cash	1.39	0.00	0.00	0.00	0.08	0.00	0.08
Other*	0.00	-0.15	0.00	0.00	-0.15	0.00	-0.15
Total	**100.00**	**6.49**	**100.00**	**8.36**	**-0.43**	**-1.43**	**-1.86**

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
**Other refers to securities not recognised by Factset.*
Data as of 30th September 2024

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Annualized Total Returns as of 30th September 2024 gross of fees

	Q3 24	YTD	1-Year	3-Year	5-Year
Driehaus Small Cap Growth Composite	6.5%	27.5%	39.5%	2.2%	18.0%
Russell 2000 Growth Index TR	8.4%	13.2%	27.7%	-0.4%	8.8%

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.

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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

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)

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For all definitions of the financial terms used within this document, please refer to the glossary on our website: https://www.heptagon-capital.com/glossary

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