WCM Global Equity Fund

Q2 2026 Commentary

Portfolio Management

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Investment Objective

The Fund aims to achieve long-term capital growth by investing primarily in equity securities of large cap global companies located throughout the world.

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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 **WCM Global 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 WCM Investment Management ("WCM") is the Sub-Investment Manager meaning WCM exercises discretionary investment authority over the Fund. The Fund was launched on 18th January 2017 and had an AUM of USD 5,228m as of 30th June 2026.

Performance review

In the second quarter of 2026, the WCM Global Equity Fund (the "Fund") returned +20.7%, outperforming the MSCI ACWI index (the "Index") by approximately +580 basis points (bps). Year-to-date the Fund is approximately +268 bps ahead of that benchmark, and on a trailing twelve-month basis the Fund leads by approximately +241 bps.

Following a challenging Q1, global equities rebounded sharply. Factor leadership reversed decisively: Growth outperformed Value, Tech surged while Energy retreated, and the market rewarded businesses with durable earnings growth and exposure to the accelerating AI infrastructure super cycle.

The Quality Global Growth (QGG) strategy's outperformance reflected what we believe is the portfolio's core strength: balanced exposure to positive moat trajectory businesses across diversified growth drivers. Trading activity this quarter centred on upgrading the portfolio's AI exposure while also consolidating conviction. The result is a portfolio concentrated in businesses with strengthening moats tied to megathemes like the AI buildout, alongside businesses we view as defensive compounders less sensitive to market cycles. Corporate culture remains a critical focus throughout, offering a key unlock for underappreciated long-term earnings growth and market share gains.

Looking ahead, we remain sanguine about the portfolio's positioning. Despite the strong recent performance, valuations remain attractive. QGG's current next-twelve-month P/E of 18.7x sits near its lowest level since Q3 2012 on an absolute basis and hovers at all-time lows relative to ACWI.

Past performance does not predict future returns, the value of investments and income from them can fall as well as rise.

Attribution

While sector allocation contributed modestly in Q2, stock selection was the dominant driver of alpha in the quarter. Regional allocation detracted, meaning that selection was wholly responsible for QGG's outperformance.

Contributors:
Zero weights to Energy (worst in the Index), Consumer Staples (4th worst), and Utilities (3rd worst) were the key allocation contributors. Picks in Industrials and Tech were the key drivers from the selection angle. Our overweight to Asia/Pac (best) was additive from an allocation standpoint. The Americas and Asia/Pac were the key contributors vis-a-vis regional selection.

Detractors:
Our underweight to Tech (best in the Index) was the primary allocation headwind, while our overweights to Health Care and Industrials also weighed on sector allocation. Although Industrials was the 2nd best-performing sector in the benchmark and Health Care ranked 4th, both meaningfully trailed the Tech sector, which drove the majority of the index's return. This gap explains the negative allocation effect. Communication Services was the notable selection detractor. Our overweight to Europe (worst) hurt regional allocation. Europe was the lone detractor vis-à-vis regional selection.

Other Factors:
In Q2, the simple market factors were mostly tailwinds for QGG: Growth outpaced Value, but Low Quality topped High Quality, while Large Caps narrowly outperformed Small Caps.

Comments:
Same as it ever was? The quarter that just ended looked little like the one before it. Global equities rallied, Growth surged past Value, and energy prices retreated as geopolitical tensions momentarily eased. AI capital investment ran as a tailwind through both quarters; much else did not. For investors who had repositioned toward Q1's Value winners, Q2 was a punishing quarter. Risk appetite expands and contracts, style leadership rotates, and the environment that rewards one posture habitually gives way to the one that punishes it.

This pattern is not new. Risk-on and risk-off cycles have always defined the short-term behaviour of equity markets, and the distance between them has admittedly shortened in recent years. What changes is the specific catalyst: tariffs, geopolitics, a new technology wave. The underlying dynamic does not. Investors who reposition in response tend to arrive early to the wrong trade and late to the right one.

Moat Trajectory and Culture serve as our compass for exactly this reason. They don't insulate us from volatility, but they give us a consistent basis for separating businesses whose competitive positions are genuinely strengthening from those whose prices are simply moving with the cycle. That basis is durable; how precisely we apply it continues to evolve. Better reads on moat trajectory, sharper cultural assessments, more deliberate portfolio construction: this is the ongoing work. When markets oscillate between fear and greed, we believe the advantage belongs to the investor who knows what they own and why it compounds. The market changes constantly. Our long-term framework does not.

Buy: Ventas, Inc. (VTR)
Chicago-based Ventas is the second-largest senior-housing REIT in the U.S., a natural complement to our existing Welltower position. Tailwinds are powered by strong demographic drivers, with the 80-and-over population climbing sharply. At the same time new construction sits at all-time lows. With demand outstripping supply, Ventas can leverage its current footprint and scale advantages to grow its edge and further improve the economics of the business. Culturally, management is focused on raising standards for operational execution, with early signs of improvements being evident in our research.

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Buy: Meta Platforms, Inc. (META)
California-based Meta runs the world's largest family of social apps, including Facebook, Instagram, and WhatsApp, and makes almost all its money selling ads to that enormous, engaged audience. We've long admired Meta's effective founder-led culture, which keeps decisions fast and aligned with shareholders, and we've grown to appreciate that the core business is underappreciated and powered by a highly favourable AI position. In our view, Meta has more ad surface area but less-optimized inventory than search-based platforms, which we believe leaves more room for AI-driven improvement than at most other large ad platforms. We believe this flywheel is still accelerating, and that the AI systems used to select ads remain early in their scale-up. Critically, the thesis does not hinge on Meta building the world's best AI model.

Buy: Alphabet Inc. (GOOGL)
California-based Alphabet owns Google Search, YouTube, Google Cloud, custom TPU chips, and the Gemini model, uniquely giving it a claim on every layer of the AI stack. The moat trajectory is positive: Alphabet controls the silicon, a frontier model, its own data centres, and distribution across 13 products with more than a billion users each. This stack monetizes through search, cloud, and external TPU demand. Search is holding up well despite AI-disruption fears, adding to our conviction. Alphabet is undergoing what we view as a cultural shift for the AI era: reducing management layers, shipping at speed, moving to voluntary buyouts in place of layoffs, and applying a disciplined, ROIC-focused capital-allocation framework.

Buy: Seagate Technology Holdings plc (STX)
Ireland-domiciled Seagate is a leading provider of high-capacity hard disk drives (HDDs) for hyperscale data centres, generating approximately 80% of its revenue from datacentre (cloud and enterprise) customers. In recent years, the HDD industry has consolidated from a half dozen to just three players — and, at the high-capacity nearline end that serves hyperscalers, is effectively a duopoly between Seagate and Western Digital. This consolidation has created a dramatically improved market structure with capacity rationalization and discipline on pricing. These favourable developments are coinciding with a strengthening tailwind driven by cloud expansion and increasingly storage-intensive AI workloads. Seagate, having addressed prior pricing and supply issues, is poised to accelerate its earnings growth. Additionally, Seagate has developed a technology called Heat Assisted Magnetic Recording (HAMR), further supporting a positive-moat-trajectory.

Sell: GoDaddy (GDDY)
The continued rise of generative AI has introduced meaningful uncertainty for the domains business, and we no longer believe the upside justifies the risk. We consolidated this sub-scale position and redeployed into other, higher-conviction ideas.

Sell: Adyen NV (ADYEN)
While there is still a lot to like about Adyen's product offering and business model, the relative value of their customer proposition is weakening at the margin, making it difficult to argue for a growing moat.

Sell: Tencent Holdings Ltd (700 HK)
Our conviction in the underlying moat trajectory is intact; this exit reflects a portfolio construction decision to consolidate a lower-conviction position and create capacity for higher-conviction ideas. We will keep monitoring Tencent as a barometer for China AI and agentic development.

Buy and Manage:
We trimmed AppLovin (APP) and Western Digital (WDC) as position-size-management moves.

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Top 5 – Contributors and Detractors for the quarter

Top Contributors		Top Detractors	
Western Digital Corporation	6.4%	**Saab AB**	-0.6%
SK Square Co., Ltd.	4.6%	**Seagate Technology**	-0.6%
Corning Incorporated	2.3%	**3i Group plc**	-0.5%
Taiwan Semiconductor Manufacturing Company Limited	2.3%	**Nintendo Co., Ltd.**	-0.4%
AppLovin Corporation	1.4%	**BAE Systems plc**	-0.4%

As of 30th June 2026.

As always, the team appreciates your patience and support.

Sincerely,
Heptagon Capital and WCM Investment Management

The views expressed represent the opinions of WCM Investment Management as of 30th June 2026, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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Annualised Total Returns

	Q2 2026	YTD	1-Year	3-Year	5-Year	7-Year
WCM Global Equity Fund	20.7%	13.9%	26.1%	27.9%	12.5%	16.4%
MSCI ACWI NR USD Index	14.9%	11.2%	23.7%	19.7%	11.0%	13.3%

Source: Factset Research Systems, Inc.
Fund performance relates to the UCITS Fund (IE00BYZ09Q19, net of fees, in USD).

WCM manages the Irish regulated WCM Global Equity UCITS Fund according to the same investment principals, philosophy and execution of approach as it manages the WCM Quality Global Growth Composite, however it should be noted that due to different regulation, fees, taxes, charges and other expenses there can be variances between the investment returns demonstrated by each fund. The WCM Quality Global Growth Composite (net of fees) (the "strategy") 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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