Driehaus Emerging Markets Equity Fund

Q2 2026 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 32.2 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 Emerging Markets 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 25th June 2012 and had an AUM of USD 1,625m as of 30th June 2026. During the second quarter of 2026, the Fund outperformed its benchmark, the MSCI Emerging Markets Index NR USD (the "Index"), returning 27.5% (C USD share class) compared to 24.1% for the Index. Driehaus Capital Management LLC was appointed Sub Investment Manager of the Fund on 6th December 2016. Prior to this OFI Global Institutional, Inc. was the Sub-Investment Manager from 25th June 2012 to 5th December 2016.

Market Overview

Emerging markets posted strong gains in the second quarter as investors looked past Middle East tensions and focused on solid economic growth, rising corporate earnings, and continued investment in AI-related technologies. Taiwan and South Korea led performance, supported by strong demand for semiconductors and other technology products, while China also contributed positively. Despite ongoing uncertainty around energy markets, improving sentiment and strong earnings helped support risk assets across emerging markets. Overall, strong earnings growth and continued demand for technology helped drive market gains during the quarter.

Performance Review

The Driehaus Emerging Markets Equity Fund gained 27.45% in the second quarter of 2026, outperforming the MSCI Emerging Markets Index by 340 basis points, as the Index returned 24.05%. Relative results were supported by a sizable underweight to Consumer Discretionary and strong selection within Financials, partially offset by weaker relative results in Industrials and Information Technology. From a country perspective, China and India were the largest relative contributors, while South Korea was the largest country-level relative detractor. The strategy's

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outperformance came amid another strong quarter for emerging markets equities, supported by continued enthusiasm around artificial intelligence, semiconductor demand, and broader technology supply-chain growth.

The performance data below represents the strategy's composite of emerging markets growth accounts managed by Driehaus Capital Management LLC (DCM) (the composite). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Strategy Overview and Positioning

The strategy has seen increased exposure in Information Technology and Industrials during the quarter, both due to recent appreciation of positions and a few new names within the global emerging markets supply chain. We retain conviction in the semiconductor, artificial intelligence, and advanced manufacturing opportunities, but are being more selective with regard to where we are taking active risk. Information Technology is now the portfolio's largest absolute sector weight, followed by Financials. Industrials and Information Technology are the strategy's largest active sector overweights. These increases were funded primarily by reductions in Communication Services, Energy, and Materials over the previous three months.

Starting with the topic on most investors' minds, we continue to find compelling opportunities across the semiconductor complex, where AI-related demand and China's technology-localisation theme support multi-year earnings growth and is an area that we believe largely remains unappreciated. During the quarter, we increased our exposure to China's semiconductor supply chain where companies are moving up the value chain and capturing incremental demand given tight industry supply. We also added to our semiconductor equipment holdings as we believe the industry is still in the early stages of a robust capacity expansion cycle. In Financials, we remain constructive on select emerging market banks where we see higher for longer rates supporting profitability and generally better than appreciated corporate and investment lending. For now, near-term asset quality risk also remains minimal in most countries.

On the country level, the most significant shift was a reduction in China primarily in more cyclical areas of the market, alongside increased exposure to Taiwan and South Korea. On an active basis, the strategy remains underweight South Korea, China, and India, though the India underweight narrowed during the quarter and we continue to look for opportunities to add. The portfolio also maintains a modest overweight to Brazil.

The strategy remains underweight Materials and Energy, where we continue to see less compelling risk/reward, as well as Consumer Discretionary, where valuation and earnings-visibility concerns remain important considerations. In aggregate, the portfolio maintains a growth-oriented tilt, concentrated in sectors and markets demonstrating durable earnings power and structural tailwinds, most notably the semiconductor, artificial intelligence, and power-infrastructure supply chains across Taiwan, South Korea, China, and India.

Attribution Comments

Financials was the largest contributor to relative performance, driven by effective stock selection. A Central European bank contributed after improved political clarity, expectations for European Union funding, healthy loan growth, and capital flexibility supported investor confidence. Positions in a Taiwanese financial holding company and an Indian exchange operator also added to results. We continue to favour select financial companies with strong balance sheets, funding advantages, and improving credit conditions, while remaining cautious toward institutions with weaker profitability or less favourable risk profiles.

Consumer Discretionary added on a relative basis while detracting on an absolute basis. The strategy's underweight to the sector was beneficial as Consumer Discretionary declined during the quarter, reducing the impact of weakness

in large benchmark constituents. Selection within the sector was more mixed, but the decision to maintain limited exposure to the group drove the positive relative effect. We continue to approach the space selectively, emphasizing companies with improving unit economics, resilient demand, and durable competitive advantages.

Energy contributed on a relative basis while detracting on an absolute basis. The strategy benefited primarily from its underweight to a weak sector, while limited portfolio exposure helped reduce the impact of sector-level weakness. An Indian diversified energy and digital-infrastructure company was a modest detractor in absolute terms, though its telecom, retail, new-energy, and AI-infrastructure roadmaps continued to support the longer-term investment case.

Information Technology detracted on a relative basis while contributing on an absolute basis. The primary headwind was an underweight to the benchmark's largest semiconductor foundry, which appreciated meaningfully during the quarter. The portfolio held the stock, but at a smaller weight than the benchmark, so the position weighed slightly on total returns. A newly added Taiwanese AI-server manufacturer also declined. These headwinds offset strong gains from Chinese semiconductor-equipment holdings, which benefited from domestic localization demand and improving order visibility.

Industrials was the second largest sector detractor on a relative basis, although it contributed positively to absolute performance. The strategy carried an overweight to the sector, but several holdings lagged as the group trailed the broader market's advance. A Chinese precision-components manufacturer pulled back after a strong prior run, as investors reassessed near-term margin and revenue-conversion risks, although its long-term demand outlook remains supported by order activity and favourable industry fundamentals. Weakness in Korean and Chinese electrical-equipment holdings also weighed on results. We continue to believe in the long-term opportunity in these businesses, while managing position sizes and focusing on companies with clearer catalysts for renewed earnings momentum.

China was the largest country contributor on a relative basis. Stock selection was strong, led by semiconductor-equipment holdings that benefited from domestic localization and expanding demand from local fabs. India was the second-largest country contributor. India's contribution was helped by holdings in an exchange operator and port and airport infrastructure companies.

South Korea was the largest country detractor. South Korea detracted as the strategy remained underweight a market that rallied sharply on AI and semiconductor enthusiasm. The strategy had less exposure to several memory-linked benchmark constituents that led the advance. China, particularly the strategy's Hong Kong-listed holdings, also detracted, reflecting weaker selection across gold, internet, and data-centre companies. Taiwan detracted modestly on a relative basis despite strong absolute gains, as the portfolio's exposure did not fully keep pace with the benchmark's broader technology-led rally.

Market Outlook

The beginning of the third quarter has felt quite different than the first half of the year, despite nothing major actually having changed on the fundamental side of things. We see some behavioural signs that some parts of the AI trade have become better understood, stocks have generally been trading with more volatility and reacting less-well to seemingly positive news. We do think those are relevant considerations and generally feel like insights we had several months ago on the outlook for specific areas within the tech supply chain are better appreciated now. That has so far resulted in some small changes at the portfolio level, but we don't believe the overall story has changed very much and expect to see continued advances in tech capex that will support continued earnings growth. That growth will slow on a second-derivative level in many parts of the semiconductor supply chain, and as always, we are paying very close attention to that. We do continue to see a very quickly evolving landscape within tech and believe that our nimble approach will be rewarded.

At a very high level, we see the past two years having marked a major shift globally where the massive free cash flow that had accrued to US mega caps for a decade is now being recycled back into the hardware space, most of which is in Asia.

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While there will be fits and starts to this shift, we anticipate that it is not over and that most of these businesses have become more capital-intensive than they were previously. Within the EM tech universe, we are starting to see evidence that some of the massive windfall of profits is being recycled more into equipment and investments in new capacity. This is all normal, but we see some improved potential for earnings in some of these upstream equipment suppliers and related businesses.

We have not discussed macro, FX or interest rates much in this update. We continue to monitor these factors closely, but they have not been very important to returns during the quarter or year thus far. Stocks have been mostly driven by perceptions on AI and related thematics with FX remaining a slight positive to EM returns and the dollar remaining in a broad range. We don't foresee any imminent change to these dynamics but remain cautiously optimistic that the second quarter's nominal strength in USD has now played out leaving limited immediate appreciation risk.

Sincerely,
Heptagon Capital and Driehaus Capital Management

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Annualised Total Returns

	Q2 2026	1-Year	3-Year	5-Year	10-Year
Driehaus Emerging Markets Equity Fund	27.5%	49.9%	25.0%	8.5%	12.7%
MSCI Emerging Markets NR Index	24.1%	43.5%	23.0%	7.2%	10.1%

Source: Factset Research Systems, Inc.
Fund performance relates to the UCITS Fund (IE00B6ZZNB36, net of fees, in USD).

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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.

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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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