Kopernik Global All-Cap Equity Fund

Q2 2026 Commentary

Portfolio Management

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Investment Objective

The Fund seeks to provide long-term capital appreciation by investing primarily in equity securities of U.S. and non-U.S. companies. The research driven investment process seeks to add value through active management and by selecting securities of companies that, in the manager's opinion, are misperceived and undervalued by the market.

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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 **Kopernik Global All-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 Kopernik Global Investors LLC ("Kopernik") is the Sub-Investment Manager meaning Kopernik exercises discretionary investment authority over the Fund.

The Fund was launched on 16th December 2013 and had an AUM of USD 2,723m as of 30th June 2026. During the second quarter of 2026, the Fund (C USD share class) underperformed its benchmark, returning -4.6% compared to 14.9% for the MSCI ACWI NR USD (the "Index").

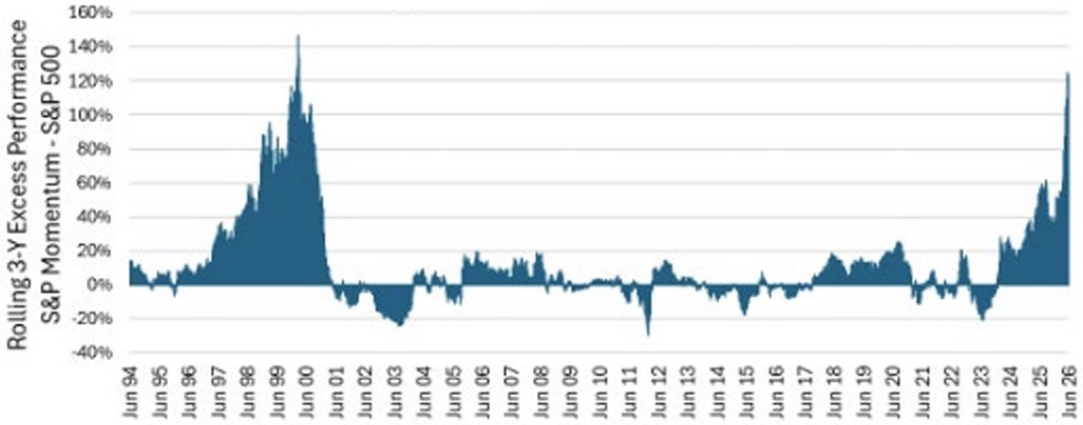
The views expressed represent the opinions of Kopernik Global Investors, LLC as of 30th June 2026. These views are not intended as a forecast or guarantee of future results and are subject to change without notice.

Quarter Review

It was an extremely manic quarter in which semiconductor stocks soared (the DRAM ETF was up an astounding 157% between its launch in April and the end of June; it has since pulled back) and momentum outperformed by the largest margin in decades, as shown in the chart below. Kopernik has a history of lagging manic and momentum-driven markets. The last three months were no exception.

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

S&P 500® Momentum vs S&P 500®
Rolling 3-year Excess Performance of Momentum



Source: S&P Dow Jones Indices LLC. Data as of June 29, 2026. Based on total return in U.S. dollars. The S&P 500 Momentum Index was launched on Nov. 18, 2014. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance.

The ACWI index headline number is increasingly driven by the U.S. stock market, and, more specifically, technology stocks in the U.S., Korea, and Taiwan (as of 30/06/2026, the U.S. made up 63% of the MSCI ACWI and information technology made up 32% of the index). Many areas outside U.S. technology suffered, and the volatility allowed us to opportunely add to several areas of the portfolio, utilising a significant amount of cash that had built up in the first three months of the year.

Contributors:

Positive contributors to the Fund included two U.S.-managed care companies, **Centene Corp ("Centene")** and **Molina Healthcare Inc ("Molina")**, which had total returns of 96.1% and 73.2%, respectively. Two Southeast Asian conglomerates also contributed positively: **LG Corp**, a large South Korean family-owned conglomerate known as a chaebol, had a total return of 19.8%, while **CK Hutchison Holdings Ltd**, a Hong Kong-based conglomerate with multiple business segments, had a total return of 13.8%. Finally, **Franklin Resources Inc ("Franklin Resources")**, a U.S.-based asset manager, had a total return of 43.7%, and **Northern Dynasty Minerals Ltd**, which owns the Pebble Project in Alaska, the largest undeveloped copper/gold project in the world, had a total return of 37.1%. We trimmed the Fund's positions in **Centene** and **Franklin Resources** on strength, eliminated the Fund's position in **Molina** as the price approached Kopernik's estimate of its risk-adjusted intrinsic value, and took advantage of price volatility in LG Corp to add and trim opportunistically.

Detractors:

The Fund's materials sector detracted during the quarter. Precious metals companies were down significantly. The gold price fell 14.1% during the quarter; silver fell 22.0%, and platinum and palladium fell 20.5% and 18.1%, respectively. A large detractor was **Novagold Resources Inc**, a gold developer that owns 60% of the Donlin Project in Alaska, with a total return of -33.5%. The Fund owns three South African platinum group metals (PGM) producers, all of which detracted: **Valterra Platinum Ltd ("Valterra")** had a total return of -17.3%; **Impala Platinum Holdings Ltd ("Impala")** had a total return of -24.0%; and **Sibanye Stillwater Ltd ("Sibanye")** had a total return of -27.8%. Since this sector had such phenomenal returns the prior four quarters, this correction isn't entirely unexpected. We took advantage of price volatility in **Valterra**, **Impala**, and **Sibanye** to trim and add opportunistically.

Elsewhere in materials, **Champion Iron Ltd ("Champion Iron")**, a Canada-based iron ore producer that also has 2 development projects, had a total return of -23.8%. Fertilizer producers **K+S AG ("K+S")**, Europe's largest potash producer, based in Germany, and **Nutrien Ltd ("Nutrien")**, the world's largest integrated potash producer and also a producer of phosphate fertilizers, had total returns of -19.3% and -15.8%, respectively. We added to the Fund's position in

Champion Iron, K+S, and **Nutrien**. See our recent commentary Bayou Jubilee for context as to why this painful correction in hard assets may be a godsend to investors needing protection from the consequences of current fundamental imbalances in the system.

Many of the Fund's energy companies also detracted. **Range Resources Corp**, a U.S.-based natural gas producer with long-lived reserves, had a total return of -17.7%, while **Paladin Energy Ltd**, an Australian uranium producer with a large project in Namibia, had a total return of -14.3%. Two Japanese energy companies, **Japan Petroleum Exploration Co Ltd**, Japan's leading oil and gas exploration & production company, and **Inpex Corp**, which owns the Ichthys liquified natural gas project in Australia, had total returns of -39.69% and -30.9%, respectively. We added to the Fund's positions in all four companies on lower prices.

Other detractors were spread across multiple sectors and geographies. Agricultural producers **Golden Agri-Resources Ltd ("Golden Agri")** and **SLC Agricola SA ("SLC Agricola")** had total returns of -9.3% and -30.9%, respectively. **Golden Agri** is a palm oil producer with plantations in Indonesia and **SLC Agricola** is one of Brazil's largest agricultural producers, focusing on the large-scale production of row crops such as corn, soybeans, and wheat. In healthcare, **Kyorin Pharmaceutical Co Ltd ("Kyorin")**, a Japanese pharmaceutical company that develops prescription, generic, and over-the-counter drugs, had a total return of -31.1%, and **Chong Kun Dang Pharmaceutical Group**, a large South Korean pharmaceutical company with a diversified portfolio of prescription and over-the-counter medications, as well as health supplements, had a total return of -26.8%. Finally, in South Korea, two members of the country's triopoly of telecom companies, **LG Uplus Corp ("LG Uplus")** and **KT Corp** had total returns of -10.5% and -18.7%, respectively. We added to the Fund's positions in **Golden Agri**, **SLC Agricola**, **Kyorin**, and **KT Corp**, and took advantage of price volatility in **LG Uplus** to trim and add opportunistically.

Buys:

Lower prices provided multiple new opportunities during the quarter. The Fund initiated positions in: **Melrose Industries PLC**, a UK-based global aerospace and defence company; **Lumina Metals Corp**, a pre-production gold and silver developer with assets in Poland; **DiDi Global Inc.**, the "Uber of China," which has 70% of the Chinese ride-sharing market; **Ayala Corp**, a Filipino conglomerate with investments in various segments including real estate, banking, telecommunication, renewable energy, health, logistics, and mobility; **EPAM Systems Inc.**, a specialized software-engineering firm; **Mosaic Co.**, the largest phosphate producer in the United States and a global producer of potash; **Birchcliff Energy Ltd.**, a Canadian natural gas producer with long-lived low-cost reserves; **GT Capital Holdings Ltd**, a Filipino holding company; **Grupo Financiero Inbursa SAB de CV**, a Mexico-based financial holding company; and **Soop Co., Ltd.**, a leading social media platform in South Korea. All of these companies are discounted on multiple metrics and trade at substantial discounts to Kopernik's estimates of their risk-adjusted intrinsic values.

The Fund re-initiated positions in **Suzuken Co Ltd.**, a Japanese pharmaceutical distributor, and **Sinopharm Group Co Ltd.**, China's leading pharmaceutical and medical device distributor, as prices decreased to levels that suggested significant upside, and finished building a position in **Empresas COPEC SA**, a Chile-based diversified natural resources and retail company with operations spanning forestry, fuel distribution/retail, and mining. **Seabridge Gold Inc**, another portfolio holding, spun off their Courageous Lake gold project to shareholders, and we received shares in the new company, **Valor Gold**. Courageous Lake is a large undeveloped gold asset in Canada; even after applying a substantial margin of safety to account for all risks (including permitting and financing for the project), we see upside to our estimates of its intrinsic value. **Seabridge** has a royalty which still allows them to capture value from Courageous Lake.

Sells:

As mentioned above, the Fund eliminated its position in **Molina** as prices appreciated. The Fund also eliminated positions in **Hyundai Department Store Co. Ltd.**, **Amundi SA**, **First Resources Ltd**, **Barrick Mining Corp**, **Humana Inc** as prices appreciated, and in **Euroapi SA** as fundamentals deteriorated. Additionally, the Fund's position in **Air Lease Corp** was eliminated as the company was acquired and taken private. The deal was completed at a premium to Kopernik's estimate of the company's risk-adjusted intrinsic value.

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Conclusion:

In closing, we remain focused on appraising businesses and mitigating risks through diversification across sectors and countries. We are pleased to see so many hard asset companies fall back to attractive prices. This is particularly important given current events. Our investment process is centred on buying and holding companies trading at significant discounts to our estimates of risk-adjusted intrinsic value, and we view volatility as an opportunity to add and trim. You can count on us to employ our disciplined, fundamentals-based, long-term approach that has produced a proven track record throughout full market cycles. We take heart in the fact that value often bounces back strongly from periods of extreme underperformance. As always, thank you for your support.

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Sincerely,

Heptagon Capital & Kopernik Global Investors

Why Kopernik? By Kopernik Global Investors, LLC

Philosophically, we view ourselves as owners of businesses. Our job is to appraise these businesses and take advantage at times when an inefficient, emotional marketplace offers securities at a price that is significantly different from our appraisal. Like our namesake, Kopernik (better known by his Latin name – Copernicus), we trust the results of our own analysis even when (especially when) it generates vastly different conclusions from those of the crowd and/or those taught by many academics. Similarly, we commonly question the data issued by governments, central bankers, and companies themselves. We understand that bargains appear often because people focus on fear or panic, and other forms of risk that are not relevant to the investment portfolio. High tracking error, bad headlines or unpopular stocks/countries/ regions/industries can present a degree of risk to a manager's career, while often lowering the potential of permanent loss of capital (due to lower initiation prices and higher potential upside) to the portfolio. Similarly, Kopernik believes volatility and other measures of past price movements are not relevant to long-term investors' assessment of risk. It can be indicative of potential risk to short-term speculators or to highly levered players, but can often present opportunity for true long-term investors.

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Annualised Total Returns

	Q2 2026	YTD	1-Year	3-Year	5-Year	10-Year
Kopernik Global All-Cap Equity Fund	-4.6%	2.0%	27.4%	25.5%	12.6%	13.6%
MSCI ACWI NR USD Index	14.9%	11.2%	23.7%	19.7%	11.0%	12.8%

Source: Factset Research Systems, Inc.
Fund performance relates to the UCITS Fund (IE00BH4GY777, 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

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

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

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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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