

Driehaus US Micro Cap Equity Fund

Q3 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 29.1 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 Micro Cap Equity Fund** (the "Fund") is a sub-fund of Heptagon Fund ICAV, 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 7th December 2016 and had an AUM of USD 1,279m as of 30th September 2026. During the third quarter of 2026, the Fund returned -14.4% (C USD share class) compared to -12.1% for its benchmark, the Russell Micro Cap Growth TR USD (the "Index"). YTD, the Fund appreciated 15.0%, compared to 8.5% for the Index.

Market Overview

The September quarter was a challenging quarter for small caps and growth as a style. Large caps and value outperformed during the quarter. Economic growth continued to be strong, which helped drive robust earnings growth. Despite record earnings, multiple compression broadly occurred during the quarter as market breadth deteriorated badly and many industries corrected as bond yields rose sharply. Stocks tied to Artificial Intelligence (AI) and data centre capex, the market's dominant theme for the past few years, declined sharply during the quarter. This weakness drove underperformance particularly in the Information Technology and Industrials sectors. In terms of risk factors, medium-term momentum and market sensitivity saw their most severe declines on record in July and August according to a variety of measures. Looking ahead, despite higher interest rates and other macroeconomic headwinds, we believe US economic growth and corporate earnings will remain strong as valuations have pulled back, and we are constructive on the market's near-term outlook.

Sector Rotation and AI Correction

Sharp sector rotation and extreme single-stock volatility dominated the market action during the September quarter. Much of the market's leadership from the first half of the year shifted and did not prove sustainable during the recent quarter. Across the smaller cap indices, the strongest sectors during the

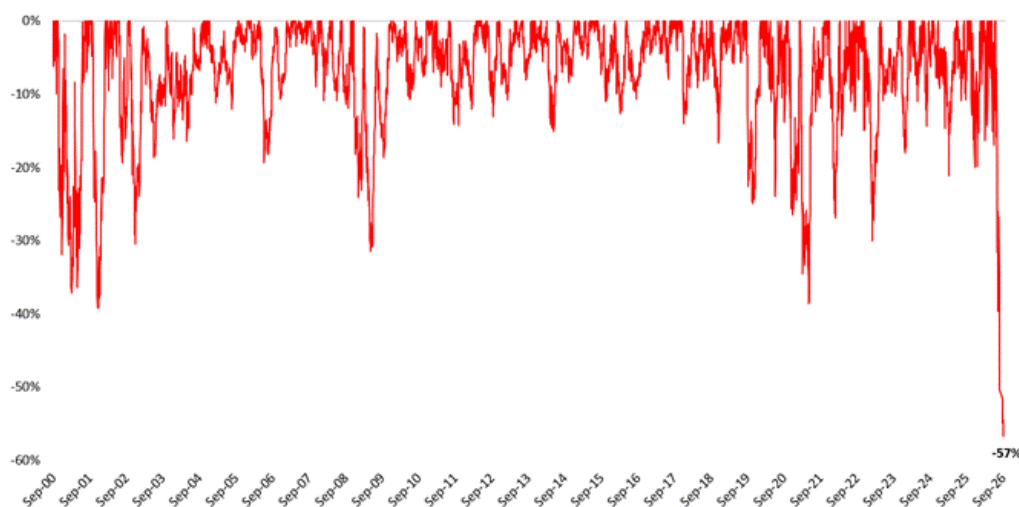
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first half of 2026, Industrials and Information Technology, were the weakest sectors during the third quarter. As the first-half market leaders performed poorly during the quarter, the weaker sectors (Financials and the Consumer sectors for example) in the first half performed relatively better than the indices but were still down for the quarter.

After robust performance in the June quarter, stocks tied to the AI theme saw sharp declines in July and August. This weakness was widespread across both the industrial sector and the technology sector. The sell-off started out as profit-taking, likely due to crowding as too many investors piled into the recent AI leaders, then the selling accelerated throughout July as several concerns grew about the sustainability of the AI capex theme and leveraged market participants faced margin calls. There was concern about how open-source Chinese AI models would impact AI spending, ongoing worries about circular financing, debt financing, and rising CDSs (Credit Default Swaps) especially for Oracle and CoreWeave. Then there were additional concerns about declining AI token pricing and potential legislation and community pushback against the proliferation of data centres causing delays in permit approvals. Further, there were capex concerns and fear that the growth rates would slow for Meta, OpenAI and Anthropic, among others. As demand for AI compute continues to exceed supply (data centre capacity), we believe most of these concerns are noise rather than actual negatives. Importantly, earnings for the hyperscalers and for suppliers across the AI theme have remained very strong as have their guidance and fundamental outlooks. Capex continues to rise and many indicators suggest demand for AI compute continues to exceed supply.

Exhibit 1 shows the negative momentum within the tech sector for July and August. It was the worst on record, far worse than post the Nasdaq bubble and other sharp declines since then.

Exhibit 1: Tech Momentum Rolling 60-Day % Drawdown



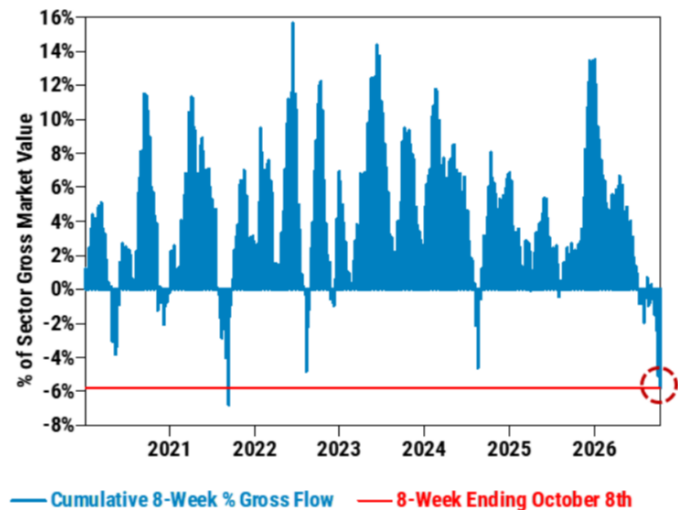
Source: Jefferies.

Within the technology sector there was also a severe rotation between semiconductors and software. As semis weakened, software recovered. On a daily basis, semis and software have consistently traded in an inverse fashion this year as software is viewed as a beneficiary of AI worries. This daily rotation between semis and software is among the most extreme in our experience.

Another example of the sharp group rotation occurred within Health Care, specifically within biotech/pharma. Biotech performed well during the AI sell-off in July and August. However, late in the quarter, the strength in biotech was unwound as the group sold off sharply. Exhibit 2 shows the second worst correction in biotech positioning so far this decade.

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Exhibit 2: US Biotech (Positive Value = Long Buy and/or Short Sales)



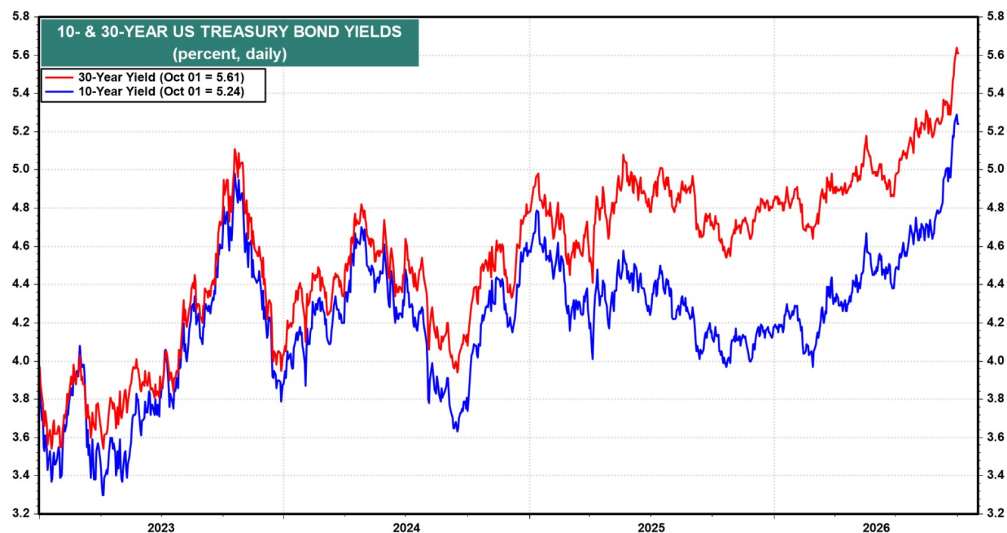
Source: Goldman Sachs.

Outside of AI, there is no shortage of market concerns, which is further driving pessimistic investor sentiment. Higher interest rates are at the top of the list of these concerns. Geopolitical issues, namely the two wars (Iran and Ukraine) continue to create uncertainty and volatility in energy and commodity markets. Political division and the US mid-terms are adding further uncertainty. Despite strong consumer spending, near record low consumer sentiment and the K-shaped economy are additional worries. AI is a tremendous driver of economic growth and productivity gains, and it is resulting in the largest capex cycle we have ever seen. However, it is the most disruptive technological change in decades, impacting countless industries and creating labour market anxiety. We will discuss some of these issues below.

Higher Interest Rates

The 10-year and 30-year Treasury bond yields both surged during the September quarter to levels over 5% (shown in Exhibit 3) and have reached their highest levels since 2002.

Exhibit 3: 10-year and 30-year Treasury bond yields



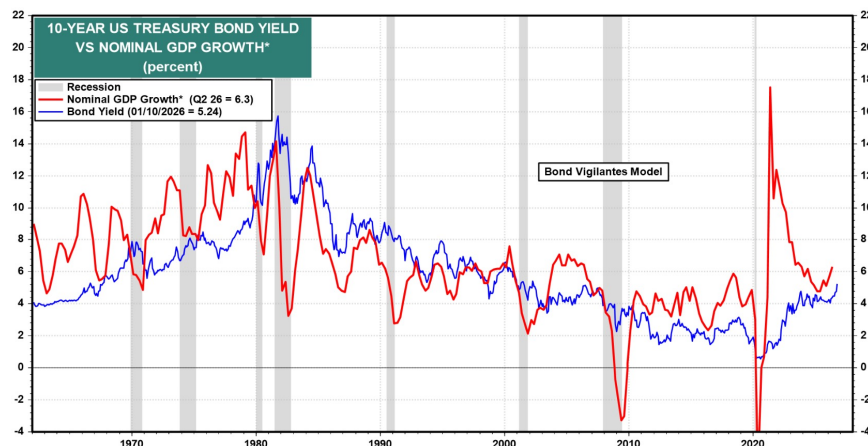
Source: LSEG Datastream and Yardeni Research. Bureau of Economic Analysis and Federal Reserve.

A range of factors from benign to troublesome have driven US bond yields higher. On the benign side is strong nominal economic growth and higher demand for financial capital. Nominal US GDP growth is over 6% and continues to remain remarkably resilient. Consumer spending along with strong manufacturing and services as well as robust capex all continue to drive economic growth. Capex is overwhelmingly driven by AI. The five largest US hyperscalers (Amazon,

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Alphabet, Microsoft, Meta, and Oracle) are on track to spend roughly \$800 billion in 2026 and over \$1 trillion in 2027. This demand for capital is in part driving interest rates higher. These benign drivers are resulting in higher 'neutral' interest rates. A higher neutral rate suggests the economy can perform just fine when nominal GDP growth is above the 10-year Treasury yield. Exhibit 4 shows this long-term relationship.

Exhibit 4: 10 Year US Treasury Bond Yield vs Nominal GDP Growth



Source: LSEG Datastream and Yardeni Research. Bureau of Economic Analysis and Federal Reserve. *Yearly percent change.

On the more concerning side are three other drivers of higher interest rates. One is inflation remaining stubbornly above the Federal Reserve's target rate of two percent, and as a result, a now hawkish Fed monetary policy. Another is the unwind of the Japanese carry trade. This is driving both US and global yields higher. The yen carry trade had helped keep US and global yields low since early last decade. This dynamic was built on ultra-low Japanese interest rates and a weak or stable yen. Investors were able to borrow cheaply in yen and invest the proceeds in higher-yielding foreign assets including US Treasuries. As the Bank of Japan (BOJ) has raised its policy rate, the yen has become less stable, Japanese yields have risen and the yen carry trade has been unwinding, contributing to a rise in US and global yields.

An additional driver of interest rates is more worrisome; the larger and larger rise of fiscal budget deficits in the US and also globally. In the US, larger government deficits have been an ongoing concern but given interest rates were so low for so long, debt service has been seen as manageable. However, as both the fiscal debt and interest rates rise, so does the level of federal interest expense and in the long run it will crowd out other federal spending and make debt service more worrisome which could further push up interest rates.

While each of these reasons are likely pushing up yields, we view the current level of interest rates as manageable given the 10-year yield is still below the rate of nominal GDP growth. In addition, the economy is increasingly digital and boosted by technology driving productivity and as a result, it is less interest rate sensitive than it used to be. At their current pace, both the economy and earnings are currently strong enough to overcome higher interest rates. However, it is also likely that higher interest rates are causing multiple compression in equities. This has been a key cause of the weak breadth and sharp pullback in stocks during the third quarter. Exhibit 5 below shows the cumulative advance/decline within the S&P 500 over the last month of the quarter after it reached a new high in late August. We do believe the multiple compression is likely correlated with the rate of change of interest rates and when rates stabilise, so will equities.

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Exhibit 5: S&P 500 vs Cumulative A/D Line: 2026



Source: Bespoke Investment Group

Market Outlook

Mid-term Elections

A lot of investors are concerned about the upcoming US elections in November. There is tremendous division between the two primary political parties, and it increasingly feels as though both parties are being pulled towards the extreme views on both the left and the right. It is currently the consensus market view that the Democrats could capture the majority in both the House of Representatives and the Senate in Congress. If that happens, some market participants fear less market-friendly policies could be passed regarding taxes, regulation overall and specifically on data centres. However, if the Democrats do win control of Congress their majority will likely be narrow and with the Republicans still controlling the White House, the result could still be a divided government or gridlock, which the market generally likes. Historically, the market performs well after the mid-terms. Exhibit 6 below shows the S&P 500 returns after each of the mid-term elections since 1950. Returns post the election have been positive 100% of the time on a six, nine and twelve-month basis. The returns on a three-month basis have been positive every time except twice. The six-month return has an impressive median return of 15.7%.

Exhibit 6: S&P 500 Returns after each of the mid-term elections since 1950

Midterm Election Date	Same Pres/Congress Party	Held?	Flipped?	SPX 1M Return	SPX 3M Return	SPX 6M Return	SPX 9M Return	SPX 12M Return
Average				1.4%	7.4%	13.8%	15.7%	14.8%
Median				2.3%	7.6%	15.7%	17.5%	14.5%
% Green				74%	89%	100%	100%	100%
Min				-12.0%	-7.8%	1.2%	4.0%	1.1%
Max				7.2%	14.9%	22.6%	32.6%	30.5%
11/3/2026	Y (Republican)							
11/8/2022	Y (Democrat)	N	HOUSE	3.5%	7.6%	8.1%	17.5%	14.5%
11/6/2018	Y (Republican)	N	HOUSE	-2.2%	-0.9%	6.4%	4.6%	11.7%
11/4/2014				3.0%	1.5%	5.1%	4.0%	4.5%
11/2/2010	Y (Democrat)	N	HOUSE	2.3%	9.3%	14.0%	5.1%	3.7%
11/7/2006	Y (Republican)	N	BOTH	1.8%	4.9%	9.2%	6.8%	6.7%
11/5/2002				-1.0%	-7.8%	1.2%	5.5%	14.9%
11/3/1998				3.5%	14.5%	21.9%	19.0%	22.0%
11/8/1994	Y (Democrat)	N	BOTH	-4.3%	3.3%	12.5%	20.3%	27.1%
11/6/1990				5.6%	14.9%	22.0%	25.4%	25.1%
11/4/1986				2.8%	13.6%	17.5%	28.4%	1.1%
11/2/1982				1.0%	4.2%	17.9%	17.8%	19.9%
11/7/1978	Y (Democrat)	Y		3.4%	3.5%	5.5%	12.6%	6.4%
11/5/1974				-12.0%	5.1%	19.9%	14.8%	18.7%
11/3/1970				5.6%	14.7%	22.6%	12.2%	12.7%
11/8/1966	Y (Democrat)	Y		0.8%	7.8%	16.2%	17.6%	12.0%
11/6/1962	Y (Democrat)	Y		7.2%	13.1%	18.4%	19.5%	24.0%
11/4/1958				1.0%	5.8%	10.8%	16.5%	10.1%
11/2/1954	Y (Republican)	N	BOTH	5.4%	12.9%	17.3%	32.6%	30.5%
11/7/1950	Y (Democrat)	Y		-0.8%	12.4%	15.7%	17.7%	15.0%

*SPX return data pulled from bloomberg based on closing prices on election day

Source: Cantor Fitzgerald, Bloomberg.

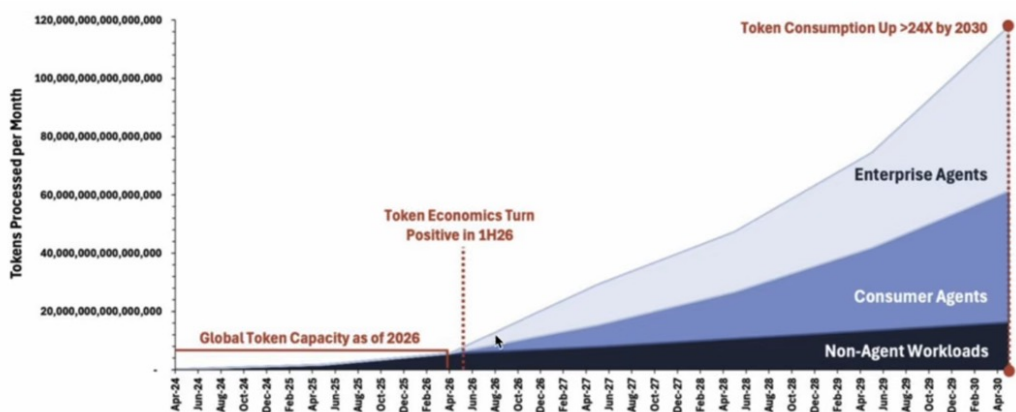
AI - Artificial Intelligence

It is important to discuss AI further as it remains the most dominant economic driver and most disruptive trend today. It is broadly boosting productivity, profit margins, and corporate earnings on an aggregate basis. Despite the sell-off

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during the quarter, we continue to see the fundamental outlooks for many companies within the AI theme as robust and hyperscaler AI data centre capex as sustainable. The simple reason for this thesis is that demand for AI compute continues to outpace AI supply (i.e., data centre capacity). This is unlike during the dot-com bubble, when dark fibre and network capacity was built ahead of internet demand, and the result was excess capacity and a burst spending cycle. In this AI cycle, it is quite different as demand continues to far exceed supply. AI token consumption continues to grow exponentially. AI use cases continue to grow dramatically. An example of this is the recent growth in AI agents. Six months ago, AI agents were nearly unknown. Now both consumer AI agents and enterprise agents are growing exponentially. They work 24/7, do an increasing number of tasks, consume an unprecedented number of AI tokens, and require greater levels of AI compute capacity and infrastructure. Note Exhibit 7 below which is a chart by Goldman Sachs. They estimate that consumer and enterprise AI agents will drive AI tokens processed per month to grow 24x between now and 2030.

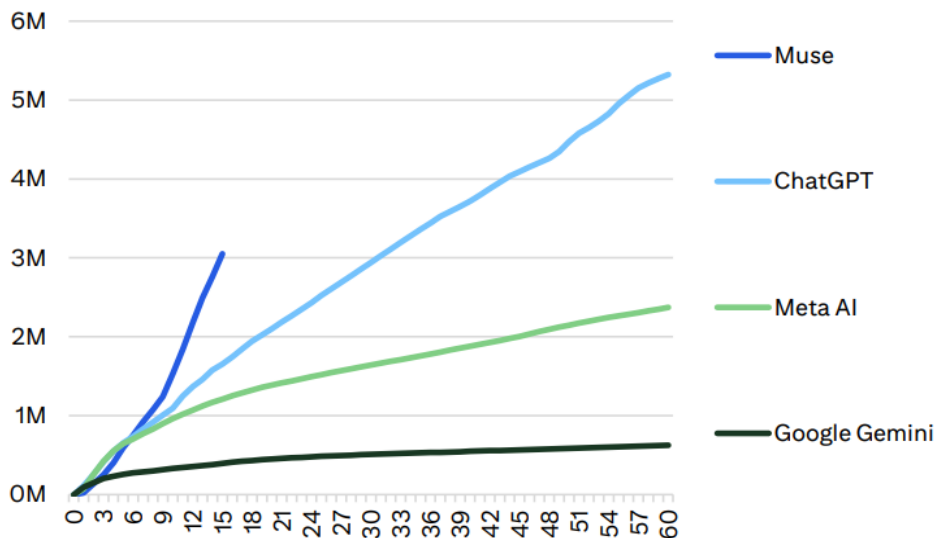
Exhibit 7: Projected Growth in Global AI Token Consumption Through 2030



Source: Goldman Sachs.

On the consumer AI agent side, Muse, which was just introduced by Meta during the quarter, is showing faster adoption than even ChatGPT. It is expected that the other hyperscalers and AI labs will soon launch their own new consumer AI agents, driving adoption, innovation and further token and capex demand.

Exhibit 8: Muse U.S. Downloads Post Launch Outpacing Launches from ChatGPT, Gemini, and Meta



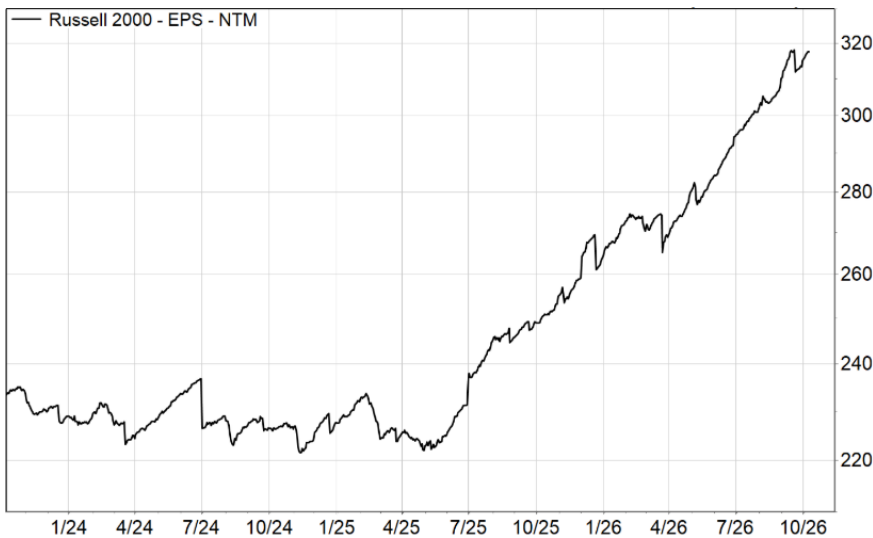
Source: Citi Research, Sensor Tower.

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Record Earnings and Modest Valuations

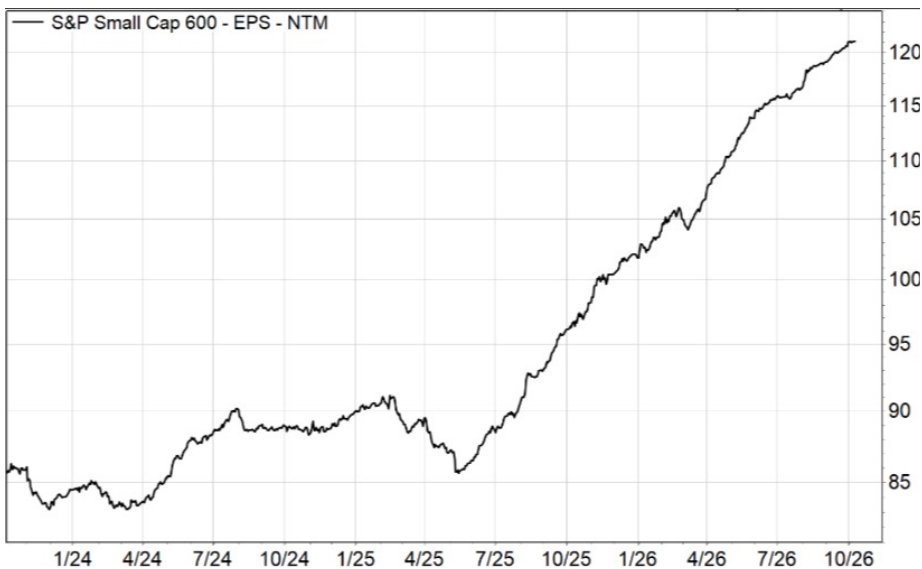
Despite higher interest rates, the absolute weakness in the smaller cap indices and the relative underperformance compared to large caps during the September quarter, the fundamental earnings outlook remains strong. Exhibits 9 and 10 below show the Russell 2000 and the S&P 600 small cap indices which both demonstrated robust earnings progression throughout the quarter to new all-time highs.

Exhibit 9: Russell 2000 NTM EPS



Source: Factset/DCM.

Exhibit 10: S&P Small Cap 600 NTM EPS

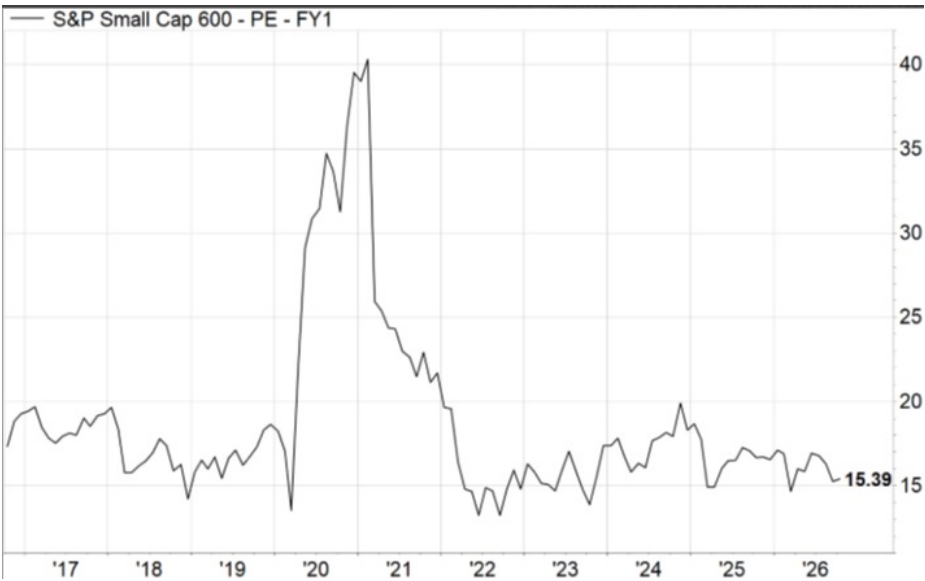


Source: Factset/DCM.

Despite surging earnings, the small cap indices declined during the quarter as higher interest rates drove multiple compression. As a result, small cap valuations are now towards the lower end of their historical range.

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Exhibit 11: S&P Small Cap 600 PE - FY1



Source: Factset/DCM.

Performance Review

The Driehaus US Micro Cap Equity Fund underperformed its benchmark, the Russell Micro Cap Growth Index, by 220 basis points for the third quarter of 2026. The Fund declined 14.35% versus a decline of 12.15% for the benchmark. For comparison, the Russell Microcap Index fell 7.20%, the Russell 2000 Index fell 7.23% and the S&P 500 Index was resilient, gaining 2.30%.

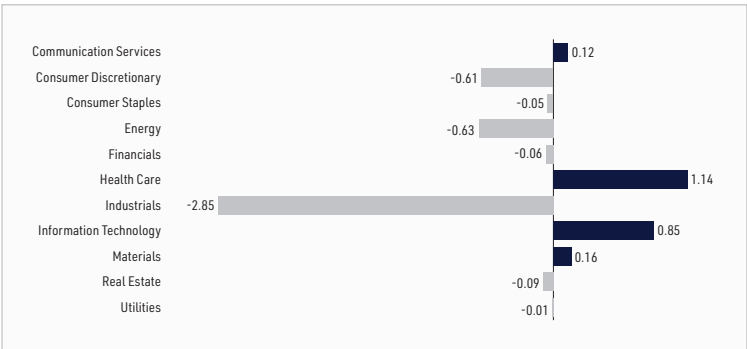
On a year-to-date basis, the Driehaus US Micro Cap Equity Fund is outperforming its benchmark, the Russell Micro Cap Growth Index, by 651 bps, with a return of 15.01% vs a return of 8.50% for the benchmark.

The performance data below represents the strategy’s composite of Micro cap growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period, as the underlying accounts’ data has yet to be reconciled with the custodian bank. Net-of-fee returns reflect the deduction 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 figures are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown below represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Sector Attribution

For the September quarter, the top three contributors on a relative basis were Health Care, Information Technology and Materials while the largest detractors were Industrials, Energy and Consumer Discretionary.

Exhibit 12: Sector Attribution Relative to Benchmark



Source: Driehaus. Note: The sector attribution relative to benchmark for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector. The cash weighting at 9/30/2026 was 1.9%.

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Sector Commentary – Contributors:**Health Care**

Health Care was the largest contributor on an absolute and relative basis. Our Health Care holdings gained 3.2%, compared with a 2.2% decline for the benchmark. The strategy's biotechnology and pharmaceutical holdings outperformed on a relative basis. Several holdings reported positive clinical data and others reported strength in their new and ongoing commercial drug launches. One long-held holding focused on drug development in the field of endocrinology appreciated over 100% as it was acquired by a larger pharma company. Diagnostic holdings were also a notable area of strength as well as a company tied to AI-enabled drug discovery. We believe we continue to hold multiple biotech, pharma and diagnostic companies with innovative products that are well positioned for further clinical milestones, approvals, and successful commercial launches. The strategy slightly increased its Health Care sector exposure during the quarter but remains underweight the sector.

Information Technology

Information Technology was the second largest relative contributor but the second largest detractor on an absolute basis. After gaining 86.9% in the June quarter, our technology holdings declined 19.9%, compared with a 23.8% decline for the benchmark. Semiconductors, optical equipment, and tech hardware companies were weak due to the sell-off in the AI theme in July and August, which followed sharp gains during the first half of the year. We reduced exposure to semiconductors and tech hardware overall from an overweight to an underweight through profit-taking and recognition of the group's reduced relative strength.

We did increase our exposure to software as several opportunities are emerging in various companies that are well positioned for growth in agentic AI and cyber security. Our software positioning went from underweight to a relative overweight.

Materials

Materials outperformed modestly in relative terms but detracted slightly in absolute terms. Our Materials holdings declined 14.4%, compared with an 18.0% decline for the benchmark. The portfolio saw strength in a specialty chemical holding which was offset by weakness in specialty and precious metals holdings. Our allocation to Materials decreased during the quarter, widening our underweight relative to the benchmark.

Sector Commentary - Detractors:**Industrials**

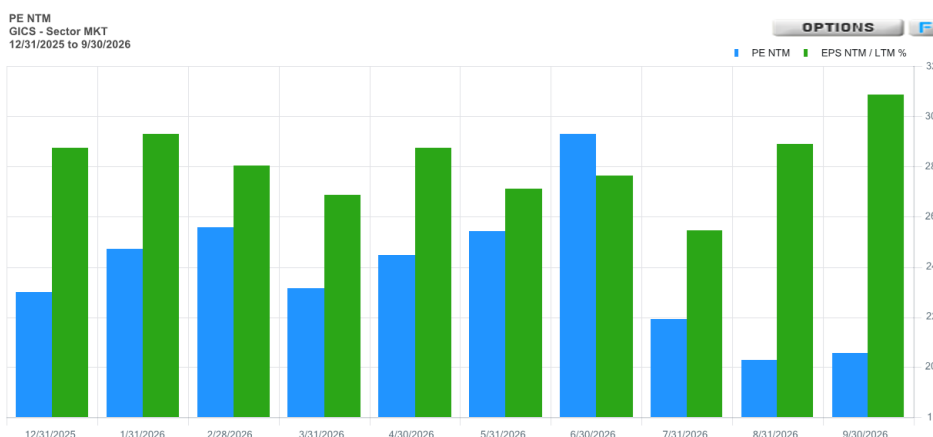
Industrials accounted for the vast majority of the strategy's relative underperformance during the quarter and was the largest detractor in absolute terms. Our industrial holdings declined 27.5%, compared with a 14.4% decline for the benchmark. Performance reflected broad-based weakness across the sector. This weakness was a notable departure from the strength experienced over the past three years. Industrials went from being a sustained outperformer for the strategy and the market, to the market's worst sector during the quarter.

The sharp correction in the AI theme was a key part of the sector's weakness. The earnings reported by our AI-related industrial holdings continued to be very strong. However, our holdings saw sharp multiple contractions in July and August both prior to as well as after each company's earnings report. We did reduce our exposure to the AI theme and to the industrial sector overall given the poor price action and deteriorating relative strength. Our AI-related holdings included engineering and construction companies, electrical power and grid-related electrical equipment suppliers. The fundamental outlook for these companies remains positive despite the weak price action.

Other sub-industries also saw broad weakness across the industrial sector despite strong earnings and favourable outlooks. These included defence contractors, commercial aerospace suppliers, satellite, machinery, and transportation companies. Commercial aerospace likely saw weakness due to the potential impact of higher crude oil prices on future travel demand. Our industrial sector allocation was reduced substantially during the quarter, from a large overweight which had been maintained for roughly the past three years to a slight underweight. To illustrate the multiple contraction during the quarter, consider Exhibit 13 below. The green bars show the strong upward estimate revisions and increased growth rates versus the multiple compression and lower valuations by quarter end shown in blue bars.

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Exhibit 13: Strong Earnings Growth Amid Valuation Compression



Source: Factset/DCM.

Energy

Energy was the second largest detractor on a relative basis. Our Energy holdings declined 31.4%, compared with an 18.8% decline for the benchmark. Our allocation to Energy decreased during the quarter, although we maintained an overweight versus the benchmark. We reduced our exposure to the oil service industry as the group pulled back during the quarter.

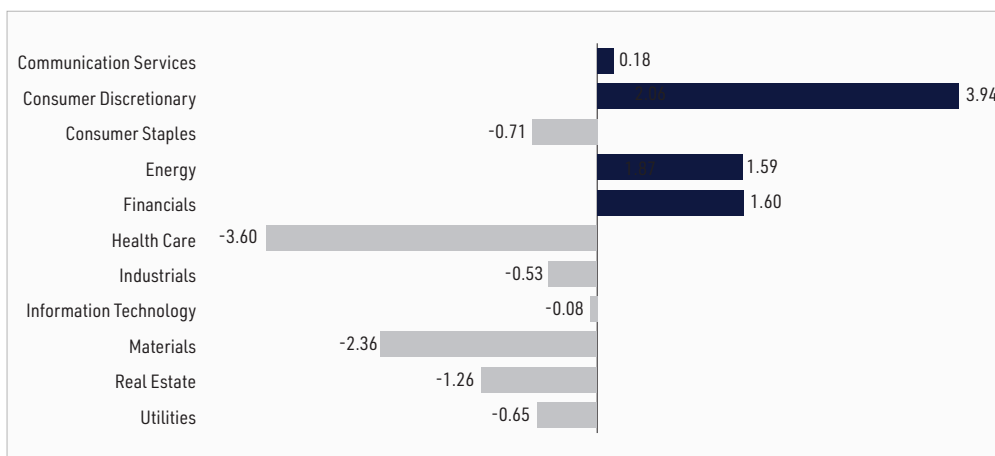
Consumer Discretionary

Consumer Discretionary was the third largest detractor on a relative and absolute basis. Our Consumer Discretionary holdings declined 22.1%, compared with a 22.7% decline for the benchmark. Our allocation to the sector increased during the quarter, widening our overweight versus the benchmark. We saw weakness across the career-education providers, travel/leisure, gaming and specialty retail.

Strategy Overview and Positioning

At quarter-end, Health Care remained the portfolio's largest sector allocation, followed by Information Technology and Industrials. Consumer Discretionary was the largest overweight, followed by overweights in Financials and Energy. Health Care and Materials were the largest underweights. The most significant changes in relative positioning were increases in Health Care, Communication Services, Financials, and Consumer Discretionary and reductions in Industrials, Materials, and Consumer Staples.

Exhibit 14: Variation in Ending Weight



Source: Driehaus. Note: Variation in ending weight is the difference between the benchmark ending weight and the portfolio ending weight. The cash weighting at 9/30/2026 was 1.9%.

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While near-term volatility may persist, we remain constructive given resilient economic growth, strong corporate earnings, and more attractive small-cap valuations. We continue to focus on companies with improving fundamentals, durable growth prospects, robust earnings and the potential to outperform as market breadth stabilises.

Quarterly Contributors

Amylyx Pharmaceuticals, Inc. (AMLX) develops medicines for serious metabolic and neurological diseases, led by avexitide for post-bariatric hypoglycemia. Shares outperformed after Phase 3 LUCIDITY showed a 55% reduction in severe hypoglycemia versus placebo and met all secondary endpoints, with a clean safety profile. Strong patient retention into the open-label extension signalled real-world demand and durable benefit. Management moved toward a year-end regulatory filing, while a new PBH insurance code starting October 2026 should aid diagnosis, coding, and payer coverage. They also secured capital and manufacturing partners, extending runway and de-risking launch execution, which improved confidence in future revenue and supported the stock's strong contribution during the period.

Crinetics Pharmaceuticals, Inc. (CRNX) develops oral medicines for rare endocrine diseases, including Palsonify for acromegaly and atumelnant for congenital adrenal hyperplasia (CAH). Vertex announced an all-cash acquisition at a large premium on July 6, which closed on September 1, 2026, crystallising value and lifting shares during our measurement period. Palsonify's launch accelerated, with second-quarter sales more than doubling sequentially, rising reimbursement coverage, and growing prescriber adoption, strengthening confidence in a compounding revenue base. Atumelnant advanced in Phase 3 for CAH, with earlier data showing androgen reduction and steroid-sparing effects, highlighting additional long-term potential. These developments reduced uncertainty, improved visibility into future growth, and attracted strategic demand, making Crinetics a top contributor to portfolio performance.

Quarterly Detractors

Cardinal Infrastructure Group Inc. (CDNL) provides site development services, including grading, wet utilities, and paving, for residential and commercial projects across the Southeast. Shares fell after a surprise profit-margin drop, as subcontractor and equipment rental costs rose and crews sat idle during delayed Charlotte projects and heavy Atlanta rain. A shift toward more commercial work reduced efficiency, while elevated general and administrative spending from ERP and CRM upgrades increased overhead. Management lowered margin expectations for the year, signalling slower profit recovery despite strong backlog and growth, which weighed on investor confidence. However, estimates were still revised higher given the magnitude of the revenue beat and revenue guidance increase. Sentiment also weakened after a June stock offering and a broader sell-off in "data centre" names, even though data centre exposure is small.

Ultra Clean Holdings, Inc. (UCTT) supplies critical subsystems and services to semiconductor equipment manufacturers, with demand tied to wafer fabrication equipment spending. UCTT was a detractor during the period despite reporting strong results, with Q2 sales 10% above consensus and Q3 guidance 9% higher than expectations. The stock was pressured by a market-wide unwind in high-beta and momentum names, while the launch of a \$400 million at-the-market equity offering created dilution concerns and added to the weakness.

Outright Buy

CareDx, Inc. (CDNA) provides precision diagnostics and digital tools that help transplant and oncology clinicians monitor patients through non-invasive blood tests and supporting services. We initiated the position after three de-risking events reshaped fundamentals: divesting low-margin Lab Products, acquiring Naveris, and a favourable Medicare coverage policy. These moves sharpen focus on higher-growth, higher-margin testing, add an oncology revenue stream with established reimbursement, and remove a reimbursement overhang in transplant. Second-quarter results confirmed momentum, with strong test growth, rising realised prices, 74% gross margins, and a material increase to full-year revenue and profit guidance. Expanding Epic integrations and improved billing processes should lift ordering efficiency and collections, while rising transplant volumes and new assays support durable growth.

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Rapid7, Inc. (RPD) provides cybersecurity software and services that help organisations identify vulnerabilities, detect threats, and manage security and compliance risks. RPD was initiated in the strategy as a deep-recovery turnaround opportunity following leadership changes, cost reductions, and improved operating discipline that supported stronger margins and cash generation. Declines in legacy products have masked the underlying health of the core platform, while greater focus on smaller deals is intended to improve win rates and stabilise recurring revenue. Rising security risks from AI-driven attacks and AI-generated code should increase demand for exposure management and managed detection and response. With the stock trading at a significant discount to peers and 7x current-year earnings, the position offered attractive upside if execution improves and core growth resumes, with profitability and cash flow providing downside support.

Outright Sell

nLIGHT, Inc. (LASR) designs high-power semiconductor and fibre lasers for defence, sensing, and advanced manufacturing. The position was exited after Chinese export controls delayed approximately \$17 million of shipments, pressured margins, and increased execution risk. While long-term defence opportunities remain promising, key ramps are weighted toward 2027, and near-term visibility is constrained by product redesigns, supplier qualifications, HELSI's phase-down, and potential federal budget delays. With guidance reduced, the position was sold until supply conditions and program timing improve.

TETRA Technologies, Inc. (TTI) provides completion fluids and water management services for offshore oil and gas, plus emerging desalination, bromine, and battery electrolyte products. We exited because near-term earnings visibility weakened despite a strong second quarter. Management cautioned H2 2026 results could be hit by global volatility, hurricane risks, and the timing of Neptune shipments. Margins missed, and higher reliance on third-party bromine and unfavourable product mix signalled pressure on profitability. Key growth drivers were uncontracted or distant: Oasis lacked a signed customer, the bromine plant ramps in 2028, and lithium royalties and Eos battery volumes are still ramping. We redeployed capital to opportunities with nearer cash flows and lower execution risk.

Sincerely,

Heptagon Capital and Driehaus Capital Management

Annualised Total Returns

	Q3 2026	YTD	1-Year	3-Year	5-Year	7-Year
Driehaus US Micro Cap Equity Fund	-14.4%	15.0%	25.5%	28.4%	9.3%	21.6%
Russell Micro Cap Growth Index TR	-12.1%	8.5%	10.8%	23.1%	2.6%	10.8%

Source: Factset Research Systems, Inc.

Fund performance relates to the UCITS Fund (IE00BDB53K54, net of fees, in USD).

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

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

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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

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 identify that the Fund may be exposed to sustainability risks and will aim to mitigate those risks.

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For all definitions of the financial terms used within this document, please refer to the glossary on our website:
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