HEPTAGON Capital

Kopernik Global All-Cap Equity Fund

Q3 2026 Commentary

Portfolio Management



David Iben



Alissa Corcoran

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.

Contact

Heptagon Capital
63 Brook Street, Mayfair,
London W1K 4HS

Tel: +44 20 7070 1800
email london@heptagon-capital.com

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 2,850m as of 30th September 2026. During the third quarter of 2026, the Fund (C USD share class) outperformed its benchmark, returning 7.7% compared to 1.6% for the MSCI ACWI NR USD (the "Index").

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

Quarter Review

U.S. markets continued to post gains, but market breadth deteriorated materially. The capitalisation-weighted S&P 500 Index outperformed its equal-weight counterpart by more than 4 percentage points, its largest margin in decades; small caps (as measured by the Russell 2000 Index) fell roughly 7%; and more than 60% of the stocks in the S&P 500 lost ground.

Concentration in the indices continues to be pronounced. The MSCI ACWI Index has more than 64% in the U.S. as of September 30. Three mega-cap technology stocks make up approximately 21% of the S&P 500 Index, which has 39.7% in Information Technology and another 10% in Communication Services. In this market environment, Kopernik believes that it is more important than ever to provide our clients with a price-conscious and diversified portfolio.

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

Contributors

On a sector basis, the Fund's largest relative contributor was Industrials. U.S.-based **Concentrix Corp. ("Concentrix")** and **France-based Teleperformance SE ("Teleperformance")** contributed positively. Both companies provide outsourced business services, primarily in customer service, and have been regarded as "AI losers" (unfairly, in our opinion). The stock prices had been penalised as investors assumed that the businesses would disappear in the face of increased AI adoption. **Teleperformance** had a total return of 58.3% during the quarter, and **Concentrix** had a total return of 15.9%. Also in Industrials, **West Japan Railway Co. ("JR West")** had a total return of 13.5%. **JR West** is the second-largest passenger railway company in Japan, accommodating approximately 5 million passengers per day on a railway network that extends over a total of 3,000 miles and includes the cities of Osaka, Kyoto, Hiroshima, and Hakata. The company also has three non-transportation business segments: retail, real estate, and travel/regional solutions (including a hotel business, travel agency, and advertising agency). We trimmed **Teleperformance** on stronger prices, added to **JR West** on lower prices early in the quarter, and took advantage of volatility in **Concentrix** to trim and add opportunistically. Several of the Fund's industrial companies in South Korea also performed strongly; these are discussed in our paragraph on South Korea below.

The Fund's Materials sector also performed strongly. Precious metals companies recovered some of their losses from Q2. The Fund's three South African platinum producers contributed positively. **Valterra Platinum Ltd.** was the Fund's largest individual contributor, with a total return of 19.8%. **Impala Platinum Holdings Ltd.** had a total return of 23.4%; **Sibanye Stillwater Ltd.** had a total return of 27.5%. Additionally, **Seabridge Gold Inc**., which owns KSM, the largest undeveloped copper/gold project in Canada, had a total return of 10.6%. Precious metals companies tend to have extremely volatile stock prices; we took advantage of this during the quarter to trim and add to all these four companies opportunistically. Another Materials company contributing positively was Europe's largest potash producer, **K+S AG ("K+S")**, which had a total return of 15.3%. We trimmed **K+S** on higher prices.

The South Korean indices are also extremely concentrated; two semiconductor companies make up approximately 63% of the MSCI Korea Index. Those companies were down significantly during the quarter, dragging down much, but not all, of the index (the KOSPI was also down 19%). Fortunately, many of the portfolio holdings proved to be uncorrelated with the KOSPI. The resulting volatility has provided many opportunities within the South Korea holdings, which contributed to total Fund returns during the quarter. **LG Uplus Corp. ("LG Uplus")** and **KT Corp.**, two members of South Korea's triopoly of telecom companies, had total returns of 21.0% and 10.6%, respectively. Several South Korean conglomerates, known as chaebols, also performed strongly. **GS Holdings Corp. ("GS Holdings")**, which has business segments in oil refining, retail, and power generation, had a total return of 86.5%; **LG Corp.**, which has electronics, batteries, energy, chemicals, and telecom businesses, had a total return of 31.5%. Other South Korean companies contributing positively included **DL E&C Co., Ltd. ("DL E&C")**, an engineering and construction firm with exposure to multi-family housing, civil projects, and industrial plants, with a total return of 38.5%; and **Pan Ocean Co. Ltd. ("Pan Ocean")**, a large South Korean dry bulk shipping company, with a total return of 41.4%. We trimmed **Pan Ocean** on higher prices, and took advantage of volatility in the price of **DL E&C** and **LG Uplus** to trim and add opportunistically. We eliminated the Fund's position in **GS Holdings** as the stock price approached Kopernik's estimate of its risk-adjusted intrinsic value.

Other positive contributors included two Brazilian companies: **Petroleo Brasileiro SA ("Petrobras"**), a leading integrated oil and gas producer, with a total return of 34.5%; and **SLC Agricola SA ("SLC Agricola")**, a large agricultural producer focused on row crops such as soybeans, cotton, and corn, with a total return of 30.4%. **Golden Agri-Resources Ltd. ("Golden Agri")**, a palm oil producer with plantations in Indonesia, had a total return of 21.8%; **Draegerwerk AG & Co. ("Draegerwerk")**, a leading German medical device company, had a total return of 45.5%; **Cenovus Energy Inc. ("Cenovus")**, one of Canada's largest integrated oil and gas producers, had a total return of 26.2%; and **EPAM Systems Inc. ("EPAM")**, a specialised software engineering firm, had a total return of 64.3%. We trimmed **Draegerwerk, SLC Agricola**, and **Cenovus** on higher prices, took advantage of volatility in the stock price of Petrobras to add and trim opportunistically, and added to **Golden Agri** on lower prices. We added to **EPAM** on lower prices early in the quarter before eliminating the position near the end of the quarter as our thesis was realised quickly and the stock price approached Kopernik's estimate of its risk-adjusted intrinsic value.

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

Detractors

Detractors included **Northern Dynasty Minerals Ltd.**, which owns the Pebble Project, the largest undeveloped copper/gold project in the world, with a total return of -28.7%; **Champion Iron Ltd. ("Champion")**, a Canada-based iron ore producer that also has two development projects, with a total return of -20.9%; and **Weyerhaeuser Co. ("Weyerhaeuser")**, a large U.S.-based timber producer, with a total return of -19.8%. We added to **Champion** and **Weyerhaeuser** on lower prices.

Buys

Investors' determination to pile further into the most crowded areas of the markets is providing many opportunities for price-conscious investors. The Fund initiated positions in **Trip.com Group Ltd.**, a Chinese online travel agency that has 50% market share in China and 10-20% market share in various other Asian countries; **Tourmaline Oil Corp.**, Canada's largest natural gas producer; **Amentum Holdings Inc.**, a U.S.-based government services contracting company; **VTEX,** a provider of e-commerce software to retailers, especially in Brazil and Latin America; and **Virtus Investment Partners**, an "asset manager of managers," which provides exposure to various specialised investment boutiques. All of these companies are undervalued on multiple metrics and trade at significant discounts to Kopernik's estimates of their risk-adjusted intrinsic values.

Sells

As discussed above, the Fund eliminated positions in **GS Holdings** and **EPAM**. The Fund also eliminated positions in **Michael Page PLC, Lotte Chemical Corp., Aris Mining Corp., Alpek SAB de CV, Man Group PLC, Comcast Corp., Korean Air Lines Co. Ltd.**, and **Vodafone Group PLC** as prices approached Kopernik's estimates of their risk-adjusted intrinsic values.

During the quarter, the Fund re-initiated a position in gold producer **Newmont Corp.** as its price again dropped to attractive levels. The value was recognised quickly, and we eliminated the Fund's position prior to the end of the quarter.

Conclusion

In closing, we remain focused on appraising businesses and mitigating risks through diversification across sectors and countries. 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. As always, thank you for your support.

Sincerely,

Heptagon Capital & Kopernik Global Investors

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

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.

The views expressed represent the opinions of Kopernik Global Investors, LLC as of 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.

Annualised Total Returns

	Q3 2026	YTD	1-Year	3-Year	5-Year	10-Year
Kopernik Global All-Cap Equity Fund	7.7%	9.9%	19.2%	27.4%	14.3%	13.3%
MSCI ACWI NR USD Index	1.6%	13.0%	16.8%	21.7%	11.6%	12.4%

Source: Factset Research Systems, Inc.
Fund performance relates to the UCITS Fund (IE00BH4GY777, net of fees, in USD).

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

Important Information

Past performance is not an indication or guarantee of future performance and no representation or warranty is made regarding future performance. This communication is for information purposes only. It is not an invitation or inducement to engage in investment activity.

The document is provided for information purposes only and does not constitute investment advice or any recommendation to buy or sell or otherwise transact in any investments.

The contents of this document are based upon sources of information which Heptagon Capital believes to be reliable. However, except to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to the accuracy or completeness of this document or its contents and, Heptagon Capital, its affiliate companies and its members, officers, employees, agents and advisors do not accept any liability or responsibility in respect of the information or any views expressed herein. 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. Where this document provides forward-looking statements which are based on relevant reports, current opinions, expectations and projections, actual results could differ materially from those anticipated in such statements. All opinions and estimates included in the document are subject to change without notice and Heptagon Capital is under no obligation to update or revise information contained in the document. Furthermore, Heptagon Capital disclaims any liability for any loss, damage, costs or expenses (including direct, indirect, special and consequential) howsoever arising which any person may suffer or incur as a result of viewing or utilising any information included in this document.

The document is protected by copyright. The use of any trademarks and logos displayed in the document without Heptagon Capital's prior written consent is strictly prohibited. Information in the document must not be published or redistributed without Heptagon Capital's prior written consent.

Heptagon Capital Limited has issued this communication as investment manager for Heptagon Fund ICAV, and is licensed to conduct investment services by the Malta Financial Services Authority. Heptagon Capital LLP, acting as Distributor, is authorised and regulated in the UK by the Financial Conduct Authority.

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)

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

Disclaimers

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and S&P Global Market Intelligence ("S&P") and is licensed for use by Heptagon Fund ICAV. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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

Heptagon Capital, 63 Brook Street, Mayfair,
London W1K 4HS
Tel: +44 20 7070 1800
(FRN 403304)

Authorised & Regulated by the Financial Conduct Authority in the UK
12 Endeavour Square, London

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