

Kopernik Global All-Cap Equity Fund



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The Kopernik Global All-Cap Equity Fund (the “Fund”) is a sub-fund of Heptagon Fund Plc which is an open-ended umbrella type investment company 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 December 16, 2013 and had AUM of USD 556m as of March 31, 2018. During the first quarter of 2018 the Fund returned -1.7% compared to -1.0% for its benchmark, the MSCI ACWI NR USD Index.

TOTAL RETURNS

As of March 29, 2018 net of fees

	Q1 2018	2017	2016	2015	Since inception [†]
Kopernik Global All-Cap Equity Fund*	-1.7%	8.4%	52.4%	-11.8%	21.0%
MSCI ACWI NR USD Index	-1.0%	24.0%	7.9%	-2.4%	39.6%

[†]Cumulative performance from Fund inception 16.12.2013

* Class C shares

Kopernik Global Investors, LLC – Sub advisor Q1 2018 Commentary

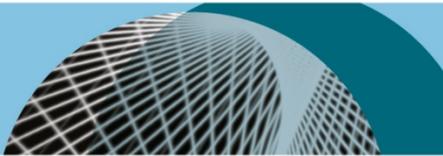
Detractors

The top detractor from the Fund’s quarterly performance was Nexgen Energy, a Canadian-based uranium exploration, and development company, down 32.8% for the quarter. In addition to Nexgen, our other uranium-related holdings all saw their shares decline, with Fission Uranium, Denison Mines, Uranium Participation, and Cameco, down 21.0%, 18.3%, 11.3%, and 1.5% respectively. While the market continued to lack conviction in the uranium industry, we see positive developments. In late March, the US Department of Energy (“DOE”) announced that it would suspend government sales of uranium from excess inventories, which had previously been undertaken on a gradual basis in order to fund the environmental clean-up of the department’s Portsmouth enrichment facility in Ohio. This suspended disbursement of uranium in the secondary market, coupled with earlier production cuts by the world’s largest uranium producers Kazatomprom and Cameco, brings the expected total of all uranium supply removed from the market recently to 30 million pounds, nearly a quarter of world uranium production in 2016. We believe that increasing demand, and supply cuts will eventually move the now oversupplied market to an undersupplied one and push the price of uranium higher. We maintain our strong conviction in our uranium holdings.

Another significant detractor was Northern Dynasty Minerals, a Canadian-based gold exploration company, down 48% for the quarter. During the quarter, the U.S. Environmental Protection Agency (“EPA”) announced that it was withdrawing its plan to suspend environmental protections for the Bristol Bay watershed, where the massive Pebble Mine copper and gold deposits, owned by Northern Dynasty, are located. We note that the company is currently working toward permitting, pre-feasibility and engineering studies that should allow it to bring the Pebble Mine into production. We believe that the market overreacted to the news. The company is still able to go through the permitting process as the company was always going to have to propose a project that is environmentally sound and that doesn’t disrupt the fishery at Bristol Bay. We added to our position in Northern Dynasty.

Past performance is no guide to future performance and the value of investments and income from them can fall as well as rise.

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Detractors cont.

Within the Materials sector, Ivanhoe Mines, a South African-based company which owns a platinum project in South Africa and the world's largest undeveloped, high-grade copper deposit in the Democratic Republic of Congo ("DRC"), declined 37.7% in price for the quarter, following strong performance last year. Proposed mining law changes in the DRC could increase the income tax from 30% to 35% and impose a super-profit income tax of 50%. Details are still being disputed. We have a higher than average margin of safety built into our intrinsic value assessment to account for the geopolitical risks such as unexpected tax increases. At today's market price, the risk-adjusted return prospect is very attractive and we iterate our conviction in the company.

Elsewhere, Cloud Peak, a US-based coal producer, declined 34.6% in price. As the market continues to gyrate in response to short-term quarterly earnings "beats" or "misses", we stay focused on the long-term value of the company which is supported by its massive coal reserves in the Powder River Basin. With the lower stock price, we like the company more and added to our existing positions.

Contributors

The top contributor for the quarter was EDF, a French-based utilities company. We took advantage of the higher share prices and trimmed our position in EDF.

Another significant contributor was the put option on the S&P 500 index, contributing 0.47% to the Fund's overall performance. As the market had gone up every month in 2017, and got off to a positive start in 2018, this strategy thus far has cost the Fund money. While performance in the first quarter doesn't offset much of the previous year's loss, the doubling for the month of February, combined with the price going up 15 times from January's low point to February's high-point, shows that if/when a real correction arrives, the return potential is substantial. Future prospects for this strategy are a function of the degree of continued undervaluation of the put options in the future.

In addition to the put option, our agriculture-related holdings, as a group, contributed significantly to the Fund's quarterly performance. SLC Agricola SA, a Brazilian-based owner and developer of agricultural land, MHP SE, a Ukrainian-based poultry producer, and Kernel, one of the largest agribusiness companies in Ukraine across the entire grain supply chain, rose 41.9%, 18.3%, and 6.7% respectively for the quarter. These are profitable and large-scale modern agricultural companies that sell what people need – food. They all operate in the growing parts of the world. At an undemanding valuation of double-digit earnings yield, we believe they are attractive investments and reiterate our conviction in these holdings.

Elsewhere, EDF, a French-based utilities company, rose 15.6% for the quarter. Notably, the vast majority of our Russian holdings had positive returns for the quarter and contributed significantly, as a group, to the Fund's overall quarterly performance. Some of our larger position companies such as Lukoil, an oil exploration and production company, Sberbank, a commercial bank, Federal Grid, an electricity transmission company, and Gazprom, a gas production and transportation company, rose 20.0%, 12.7%, 12.0%, and 10.1% in price respectively.

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Portfolio Activity

We added new positions in China Mobile, Range Resources, and Stolt-Nielsen Ltd.

China Mobile is the largest mobile phone operator in China and the world with more than 800 million subscribers. We are attracted to the company's massive scale advantage over the competitors. Trading at a price-to-earnings ratio in the low teens, we believe the market underappreciates China Mobile's franchise value, which is solidified by its scale, strong brand, superior technology, and a leading market share in a large and growing market in China.

Range Resources is an independent exploration and production company engaged primarily in producing natural gas from the Marcellus Basin in Southwest Pennsylvania and Northern Louisiana. The company owns a vast resource base of natural gas with a very long reserve life. It's a relatively low-cost operator benefitting from improvements in fracking technologies. Based on our long-term estimated incentive price for natural gas, we paid a small fraction of what the company's massive natural gas reserve is worth.

Stolt-Nielsen is a global leader in the parcel/chemical tanker market business with ownership of the largest fleet of specialty parcel tankers in the world. The company has an entrenched global distribution network (parcel tankers, terminals, storage facilities, containers, and rail cars). We purchased the shares at less than half book value and a low P/E ratio based on cyclically depressed earnings.

We eliminated positions in Yandex, a Russian-based online search company, Kroger, a US-based grocery retailer, Mail.ru, a Russian-based online social media company, and Golden Ocean, a Norwegian-based dry bulk shipping company, as each company's share price reached our estimated intrinsic value.

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.

As always, we appreciate your patience and support.

Sincerely,

Heptagon Capital & Kopernik Global Investors

The views expressed represent the opinions of Kopernik Global Investors, LLC as of March 31, 2018, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

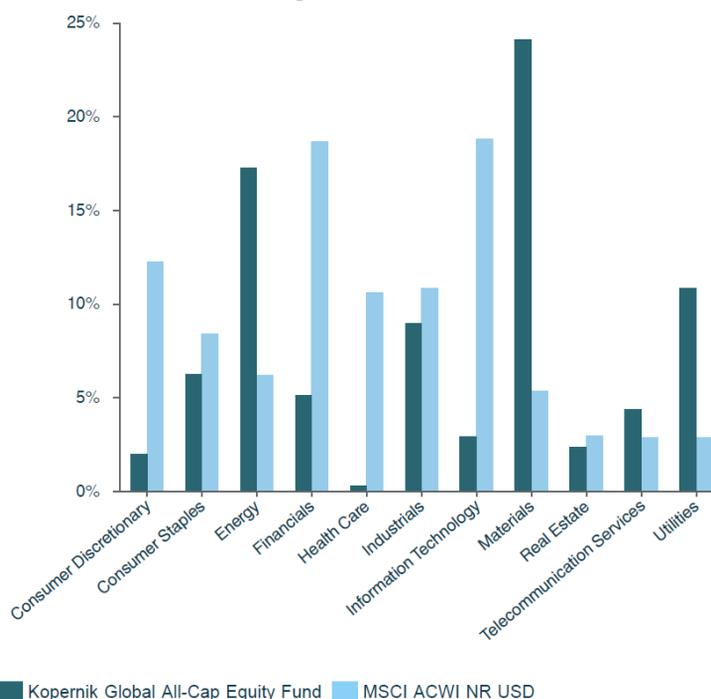
Kopernik Global All-Cap Equity Fund

Kopernik Global All-Cap Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 31st March 2018

Name	% of portfolio
Gazprom OAO	4.0%
Electricite de France	4.0%
Newcrest Mining Ltd	3.9%
Cameco Corp	3.4%
Range Resources Corp	2.9%
KT Corp	2.8%
Meg Energy Corp	2.6%
Golden Agri-Resources Ltd	2.6%
Wheaton Precious Metals Group	2.5%
Mitsui & Co Ltd	2.4%
Total of Top 10 Holdings	31.1%

Portfolio Sector Weights as of 31st March 2018



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Risk Warning

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.

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The results given in this document are based solely upon historical fund performance as gathered and supplied by BBH and Bloomberg. That past performance has not been independently verified by either Heptagon Capital Limited or Heptagon Capital LLP. It is not intended to predict or depict the future performance of any investment. Past performance is not necessarily indicative of future returns.

The information contained herein is provided for informational purposes only, is not complete, and does not contain certain material information about the funds, including important disclosures and risk factors associated with an investment in the funds. Before making an investment in any fund, prospective investors are advised to thoroughly and carefully review the fund's private placement memorandum with their financial, legal and tax advisors to determine whether an investment is suitable for them. An investment in these funds is not suitable for all investors.

Glossary



Assets Under Management (AUM)	The total market value of all assets a financial institution or fund manages on behalf of its clients.
Benchmark	A point of reference against which investment performances can be measured.
Cumulative Return	Aggregate return over a period of time.
Intrinsic Value	The value of an asset based on fundamental analysis of the business without regard to its current market value.
Leverage	The amount of debt that is utilized to increase the potential return on an investment.
Market Share	The proportion of the market controlled by a company.
MSCI All Country World Index	A market cap weighted benchmark index that captures large and mid caps across 23 Developed Markets and 24 Emerging Markets countries (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK, the US, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates)
Net Return	The return to an investor after deducting all fees, expenses and taxes from the gross return generated by an investment.
Price to Earnings (P/E) ratio	Values a firm by measuring the firm's current share price relative to the firm's earnings per share.
Put Option	A contract that gives the buyer of the option the right to sell a specified asset in the future for a price agreed upon today.
S&P 500 Index	Standard & Poor's 500. An American stock market index that includes the 500 largest companies by market capitalization.
Share	A unit of ownership that gives the holder the right to a proportion of the capital of the company.
Total Return	The actual rate of return for an investment that includes all capital gains, dividends and distributions over the investment time period.
Tracking error	A measure to show the difference between the returns of a portfolio and the returns of its benchmark.
UCITS	Undertakings for Collective Investment in Transferable Securities. It is a regulatory framework in the European Union.
Valuation	The process of determining how much a company or an asset is currently worth at a particular point in time.
Volatility	A statistical measure to show the degree of movement of asset prices over a set period of time.
Yield	The income that is generated from an investment.