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 425m as of December 31, 2017. During the fourth quarter of 2017 the Fund returned 2.3% compared to 5.7% for its benchmark, the MSCI ACWI NR USD Index.

TOTAL RETURNS

As of December 31, 2017 net of fees

	Q4 2017	2017	2016	2015	Since inception+
Kopernik Global All-Cap Equity Fund*	2.3%	8.4%	52.4%	-11.8%	23.1%
MSCI ACWI NR USD Index	*5.7%*	*24.0%*	*7.9%*	*-2.4%*	*41.0%*

+Cumulative performance from Fund inception 16.12.2013

** Class C shares*

Kopernik Global Investors, LLC – Sub advisor Q4 2017 Commentary

Contributing to the Fund's quarterly performance were all of our uranium-related holdings which rose significantly in price, except Cameco, which was down 3.7% for the quarter. Fission Uranium, Uranium Participation, Denison Mines and Nexgen rose by 20.9%, 19.6%, 18.8%, and 15.7%, respectively. During the quarter, Cameco, the world's second-largest uranium producer with 22% share of global annual uranium production, announced their decision to temporarily shut-down its McArthur River and Key Lake mines. The two mines represent about 12% of total global uranium production. Combined with the 10% annual production reduction announced by Kazatomprom, the state-owned Kazak uranium company and the largest uranium miner in the world, more than 15% of supply is coming off the global market.

As we have commented multiple times in the past, in addition to primary production cuts, the secondary market supply is also dwindling due to a planned nuclear reactor restart in Japan, reduction in underfeeding by the enriching facilities, and the planned reduction of inventory dispersion by the Department of Energy in the U.S.

Primary production curtailment and secondary supply reduction should help the oversupplied uranium market shift to a balanced or even undersupplied situation in the near future. The uranium price should rise to the incentive price, estimated to be between $60 and $90 per pound, to incentivize adequate amount of new production. The spot uranium price, currently at about $25/pound, appears unsustainably low. We reiterate our strong conviction in our uranium holdings. Elsewhere, Japan Steel Works, a Japanese-based industrial and energy equipment manufacturer, rose 39.9% in price for the quarter. The market seems excited about the company's small but fast-growing business in separator film which goes into the production of lithium batteries. We are trimming our position in response to the favourable price movement.

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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Another significant performance contributor was Hua Hong Semiconductors, which is based in Shanghai, China, and is the world's 6th largest pure-play foundry by revenue, up 45.2% in price for the quarter. We are trimming our position in Hua Hong. In addition, two of our oil-related companies, Marathon Oil and Lukoil, performed strongly during the quarter, apparently helped by a more than 16% rise in the oil price for the quarter. The two companies rose by 20.4% and 11.6% in price, respectively.

As the U.S. stock markets continued to march higher and reach historically high levels, our put options on the S&P 500 index declined in price, detracting from the Fund's performance for the fourth quarter. We find the put options on the S&P 500 index highly undervalued with compelling risk/return parameters. From a value investor's perspective, an extremely overvalued stock market combined with an all-time low VIX (the CBOE Volatility Index) offers bargain-priced put option. Attractive valuation, plus the fact that cycles still exist, and that this one is long in the tooth, portends significant prospective returns on this investment. In the meantime, losses are limited to a maximum of 1% every two months while the upside could be tremendous.

Pandora Media, a U.S. based internet music streaming company, declined 37.4% in price during the quarter. Pandora has struggled to take market share from the terrestrial radio operators. However, the company continues to enjoy a cost advantage over the larger competitors. We reiterate our belief that the potential is significant while the downside is limited. We added to our position in Pandora, taking advantage of the price weaknesses.

Elsewhere, Centerra Gold, a Canadian-based intermediate gold mining company, decreased by 26.9%. The company announced that they were temporarily shutting down their mill at Mount Milligan mine, one of the major gold mines owned by the company in Canada. The company is diligently addressing the operational issue. This event does not reduce the ounces of gold that the company owns, thus is doesn't meaningfully change the intrinsic value of the company.

Another significant detractor from the Fund's quarterly performance was Diebold Nixdorf, a newly added portfolio holding during the quarter (please see more detail about our investment thesis towards the end of the commentary). The company announced that the CEO and President would step down and be replaced by the Chief Operating Officer in the interim. We view this event as having no meaningful impact on the company's intrinsic value and added to our position as it continues to trade at mid-single digit Price-to-Earnings (P/E) multiple.

Another notable decline during the quarter was Etalon, the largest homebuilder in St. Petersburg (Russia) and a growing presence in Moscow, down 26.7% in price for the quarter. The company announced that two controlling shareholders, the Zarenkov family and Baring Vostok (a private equity firm), would sell 28 million or 10% of outstanding shares. We note that the share price had more than doubled within two years before the announced share sale. In our view, the planned share sale, while certainly not a positive event, had minimal impact on the company's intrinsic value. We added to our position.

Notably, PAX Global, a Chinese-based manufacturer of point-of-sale (POS) terminals, and Guoco Group, a Hong Kong-based conglomerate with operations in commercial banking, hotel and property management, declined 15.9% and 12.4% in price, respectively. PAX Global has been a weak performer for some time due to pressure on their business in China. Growth is strong outside of China, which doesn't seem to be priced into the stock price. Guoco Group is correcting after it had appreciated significantly over the past few months. During this period, we had trimmed the position at higher prices. We maintain our conviction in both companies.

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Portfolio Activity

We added two new positions, Diebold Nixdorf and Kroger. Diebold is a U.S.-based manufacturer of Automatic Teller Machines (ATM) and Point of Sale (POS) terminals for retail stores. The company is one of two dominant providers of ATMs/POS and enjoys a large network of field service employees worldwide. The company's share price had declined substantially in the past year due to the market's concern that cash and machines that disperse cash seem to be in terminal decline. We believe this view is overstated. Market expectation and sentiment were so low that we were able to acquire the shares at mid-single digit P/E multiple. Stabilization of units sold, which we believe is likely, would suggest a significantly higher value for the company than what is implied in current market price.

Kroger is one of the world's largest grocery retailers. The company has a distinct competitive advantage due to it's large-scale, a vertically integrated supply chain, and a private label product offering that accounts for more than a quarter of sales and carries higher margins than traditional grocery items. Due to the market's concern about the rise of e-commerce and the threat posed by large and fast-growing online retailers such as Amazon, the share price has significantly declined in the past year. We believe that the market's fear is overblown and the market under-appreciates the value of Kroger's business franchise. We acquired the company at a low valuation of fewer than 10 times our estimated normalized earnings. Subsequent to our purchase, the price increased about 30% and we trimmed the position.

We eliminated positions in Sanshin Electronics, a Japanese based electronic device and business solution company, Marathon Oil, a U.S.based oil exploration and production company, Masan Group, a Vietnamese-based consumer and resource company, KBR, a U.S.-based engineering, and construction company, and Consol Energy, a U.S.-based natural gas, and coal 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 December 31, 2017, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

Heptagon Capital, 63 Brook Street, Mayfair, London W1K 4HS ~ Tel: +44 20 7070 1800 ~ Fax: +44 20 7070 1881

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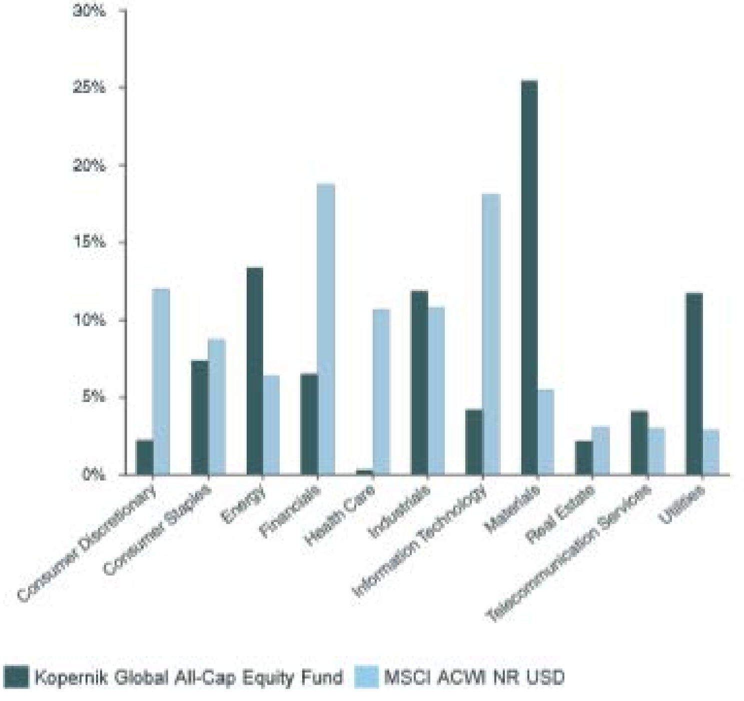
Kopernik Global All-Cap Equity UCITS Fund Positioning

Top Ten Holdings by Issuer as of 31st December 2017

Name	% of portfolio
Electricite de France	3.9%
Gazprom OAO	3.9%
Newcrest Mining Ltd	3.4%
Mitsui & Co Ltd	3.1%
Cameco Corp	3.1%
Centrais Electricas Brasileiras	3.0%
Mitsubishi Corp	2.7%
KT Corp	2.6%
Wheaton Precious Metals Group	2.5%
Rushydro PJSC	2.5%
Total of Top 10 Holdings	**30.7%**

Portfolio Sector Weights as of 31st December 2017



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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 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.
Outstanding shares	The number of shares of a company's stock held by all shareholders and owners.
Price to Earnings (P/E) ratio	Values a firm by measuring the firm's current share price relative to the firms earnings per share.
Private Equity	Investments made in companies that are not publicly traded.
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.
Spot price	The current market price of an asset that can be bought or sold for immediate delivery.
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.
VIX (CBOE Volatility Index)	A ticker symbol for the Chicago Board Options Exchange. It is a measure of volatility that calculates expected price fluctuations in the S&P 500 Index options.