

Kopernik Global All-Cap Equity Fund

Q1 2026 Commentary

Portfolio Management



David Iben



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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.

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.

The Fund was launched on 16th December 2013 and had an AUM of USD 2,768m as of 31st March 2026. During the first quarter of 2026, the Fund (C USD share class) outperformed its benchmark, returning 6.9% compared to -3.2% for the MSCI ACWI NR USD (the "Index").

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

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I Fund Soft Close

Consistent with Kopernik's approach of limiting capacity to enhance return potential, the Fund will be soft-closed on the 30/04/2026. Please note that investors of the UCITS Fund at the soft close date will continue to be able to access the Fund going forward.

I Quarter Review

The Strategy delivered positive returns in January and February, before declining substantially in March. In the last third of the quarter, volatility was pronounced as markets absorbed current events, including the energy-price ramifications of war in the Middle East. In this environment, we believe that it is more important than ever to focus on the fundamentals, avoid overpriced securities, and diversify across sectors, countries, and businesses.

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

I Contributors:

The Strategy's largest contributor on a sector basis was Energy, which contributed 3.5% to total Strategy returns. Oil and gas producers contributed positively. **Cenovus Energy Inc ("Cenovus")**, one of Canada's leading integrated oil and gas producers, was one of the Strategy's largest contributors with a total return of 60.7%. Other positive contributors in the oil and gas space included **Range Resources Corp ("Range Resources")**, a U.S.-based natural gas producer with a large reserve base, with a total return of 29.4%; **Petroleo Brasileiro SA ("Petrobras")**, a Brazilian integrated oil and gas producer which also has downstream operations (including the majority share of refining in Brazil), with a total return of 72.3%; and two Japanese oil and gas producers, **Japan Petroleum Exploration Co. ("Japex")** and **Inpex Corp ("Inpex")**, with total returns of 64.7% and 47.9%, respectively. Also in Energy, uranium producers contributed positively. **Paladin Energy Ltd ("Paladin")**, an Australian uranium mining company with operations in Namibia and development projects in Canada and Australia, had a total return of 23.9%. **NAC Kazatomprom JSC ("Kazatomprom")**, the world's largest uranium producer, based in Kazakhstan, had a total return of 41.4%. We took advantage of higher prices to trim **Kazatomprom, Paladin, Petrobras, Japex, and Inpex**; stock price volatility in **Cenovus** and **Range Resources** gave us the opportunity to trim and add around price movements.

The Materials sector contributed to total Strategy returns, building on its strong 2025 performance. The Strategy has continued to broaden its Materials exposure, trimming back gold positions and redeploying those proceeds into areas with more upside, in our opinion. In Materials, European potash producer **K+S AG ("K+S")** had a total return of 29.9%; **Glencore PLC**, one of the world's largest diversified natural resources companies, had a total return of 36.6%; **Vale SA**, the world's largest producer of iron ore, based in Brazil, had a total return of 21.7%; and Canada-based potash producer **Nutrien Ltd ("Nutrien")** had a total return of 23.2%. While we have decreased the Strategy's exposure to gold mining companies, we still see significant upside to our estimates of risk-adjusted intrinsic value in platinum group metals (PGM) producers; **Valterra Platinum Ltd ("Valterra")**, a South African PGM producer and one of the Strategy's largest holdings, had a total return of 3.4%. Additionally, **Royal Gold Inc ("Royal Gold")**, a precious metals streaming company which has leverage to higher metals prices without exposure to mining risk, had a total return of 16.3%. We trimmed **K+S, Vale SA, Nutrien, and Royal Gold** on higher prices, and took advantage of volatility in **Valterra** to trim and add opportunistically.

Other positive contributors were spread across multiple sectors and geographies. In Industrials, **DL E&C Co Ltd ("DL E&C")**, a South Korean engineering and construction company, had a total return of 58.0%; **CK Hutchison Holdings Ltd ("CK Hutchison")**, a Hong Kong-based conglomerate with multiple business segments, had a total return of 11.1%. In Financials, **Schroders PLC ("Schroders")**, a UK-based asset manager, had a total return of 43.5%. The stock price rose after **Nuveen LLC** announced in February that it had agreed to acquire **Schroders** in an all-cash deal, which is expected to close later this year. Other positive contributors included **KT Corp ("KT")**, a member of the triopoly of South Korean telecom companies, with a total return of 13.7%; **Draegerwerk AG & Co ("Draegerwerk")**, a German medical device manufacturer, with a total return of 28.8%, and **AXIA Energia SA**, Brazil's leading electric utility and a large producer of hydroelectric power, with a total return of 22.8%. We trimmed **CK Hutchison, Schroders, KT, Draegerwerk**, and took advantage of price volatility in **DL E&C** to trim and add opportunistically.

I Detractors:

Northern Dynasty Minerals Ltd was one of the Strategy's largest detractors, with a total return of -26.5%. The stock price fell after the U.S. Environmental Protection Agency filed a court briefing in the ongoing lawsuit signaling that they would support the prior administration's misguided and (in our opinion) illegal veto of the project. Other detractors included **Empresa Nacional de Telecomunicaciones SA ("Empresa Nacional")**, a telecom company with a market-leading presence in Chile and a large presence in Peru, with a total return of -23.9%; **Centene Corp ("Centene")**, a U.S.-based managed care organization specializing in government-sponsored health care programs, with a total return of -19.9%; and **Ivanhoe Mines Ltd ("Ivanhoe Mines")**, which owns the **Kamoa-Kakula** copper project in the Democratic Republic of the Congo and the Platreef platinum project in South Africa, with a total return of -24.5%. We added to **Ivanhoe Mines** on weakness and took advantage of price volatility in **Empresa Nacional** and **Centene** to trim and add opportunistically.

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I Buys:

The Strategy initiated multiple new positions during the quarter. We have recently been finding significant opportunities in the global timber industry. Timber is a relatively scarce, needed asset that is significantly undervalued by the markets, in our opinion, and timber producers provide an opportunity to take advantage of that mispricing. The Strategy initiated positions in two U.S.-based timber producers, **Rayonier Inc** and **Weyerhaeuser Co**, Finnish producer **Stora Enso Oyj**, and Chilean producer **Empresas CMPC SA**. The Strategy also initiated positions in **Vista Gold Corp**, a gold development company that owns the Mt. Todd project in Australia; **Humana Inc**, a large U.S. health care company; **Tokyo Metro Co Ltd**, the largest of two subway/metro-rail system providers in Tokyo; **Concentrix Corp**, a market leader in the outsourced consumer experience market; and **NICE Ltd**, a provider of cloud-based customer experience software. All of these companies are undervalued on multiple metrics and trade at significant discounts to Kopernik's estimates of their risk-adjusted intrinsic values. The Strategy also re-initiated a position in **Indofood Sukses Makmur TBK PT**, a leading Indonesian producer of noodles and other branded consumer products. The company also has a palm oil business that we believe is valuable. The price once again dropped to an attractive level.

I Sells:

The Strategy eliminated positions in **Japex**; **Air Lease Corp**; **Schroders**; **Suzuken Co, Ltd**; **Korean Reinsurance Co**; **Bear Creek Mining Corp**; **SLB Ltd**; and **Newmont Corp** as prices appreciated.

I Conclusion:

In closing, we remain focused on appraising businesses and mitigating risks through diversification across sectors and countries. We continue to see substantial upside to Kopernik's estimate of risk-adjusted intrinsic value in the Strategy's holdings. Our investment process is centered 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, and we are encouraged by recent changes in the marketplace.

As always, thank you for your support.

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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I Annualised Total Returns

	Q1 2026	YTD	1-Year	3-Year	5-Year	10-Year
Kopernik Global All-Cap Equity Fund	6.9%	6.9%	58.3%	28.4%	15.8%	16.3%
MSCI ACWI NR USD Index	-3.2%	-3.2%	20.0%	16.6%	9.5%	11.3%

Source: Factset Research Systems, Inc.

Fund performance relates to the UCITS Fund (IE00BH4GY777, net of fees, in USD).

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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.

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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