

# Qblue Global Sustainable Leaders Fund

## Q1 2025 Commentary

### Portfolio Management



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### Investment Objective

The investment objective of the Fund is to provide long-term capital growth, investing globally in companies that the Fund's Sub-Investment Manager believes contribute positively to social and environmental factors.

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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 **Qblue Global Sustainable Leaders 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 Qblue Balanced A/S ("Qblue") is the Sub-Investment Manager, meaning that Qblue exercises discretionary investment authority over the Fund. The Fund was launched on 12<sup>th</sup> January 2022 and had an AUM of \$578m as of 31<sup>st</sup> of March 2025.

Global equity markets in Q1 were influenced by the Trump administration's threats of tariffs against key trading partners, increasing investor concerns about a global trade war. The MSCI World NTR (USD) ended the first quarter of 2025 down 1.79% with North American equities declining and European equities rising, reversing the regional performance trends from the last quarter of 2024.

Across sectors, Communication Services, Consumer Discretionary, and Information Technology experienced declines, driven in part by a 14.8% drop in the 'Magnificent 7.' In contrast, Financials, Energy, and Utilities performed better.

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### I Performance review

In Q1, the Fund (C share class) is down -3.7% compared to -1.8% for the MSCI World NTR (USD). The Fund benefited from its low exposure to the Magnificent 7, holding only Nvidia, as well as its equity factor positioning, with higher exposure to Value and lower exposure to Momentum than its benchmark.

However, the Fund's overweight position in Information Technology and stock selection in the sector contributed negatively. Adobe, Hewlett Packard Enterprise, and ServiceNow, three IT holdings in the Fund, saw share price declines following their quarterly earnings releases, explaining much of the negative stock selection in Information Technology during the quarter.

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

Since inception, 12<sup>th</sup> of January 2022, and until 31<sup>st</sup> of March 2025, the Fund’s (C-share class) cumulative performance has returned 11.2%, compared to 18.7% for the MSCI World NTR (USD).

In Q1 2025, eight of the eleven sectors in MSCI World NTR (USD) were up with Financials and Health Care being the strongest, whilst Information Technology and Consumer Discretionary were the weakest. The Fund outperformed the benchmark in three out of eleven sectors, with Consumer Discretionary and Communication Services being the strongest, whereas Consumer Staples and Information Technology being the weakest. Regionally, Asia outperformed the benchmark, while both North America and Europe underperformed.

The headwinds facing sustainability persisted in Q1 2025. While the Climate Transition and ESG Industry Leaders dimensions posted gains, these were more than offset by continued weakness in the UN SDG dimension, which extended its negative trend that began in early 2023. Within the dimensions, innovation scores along with environment and social scores of the ESG Industry leaders dimension showed strong performance.

**| Expected upcoming Changes to the Sustainability Cube™**

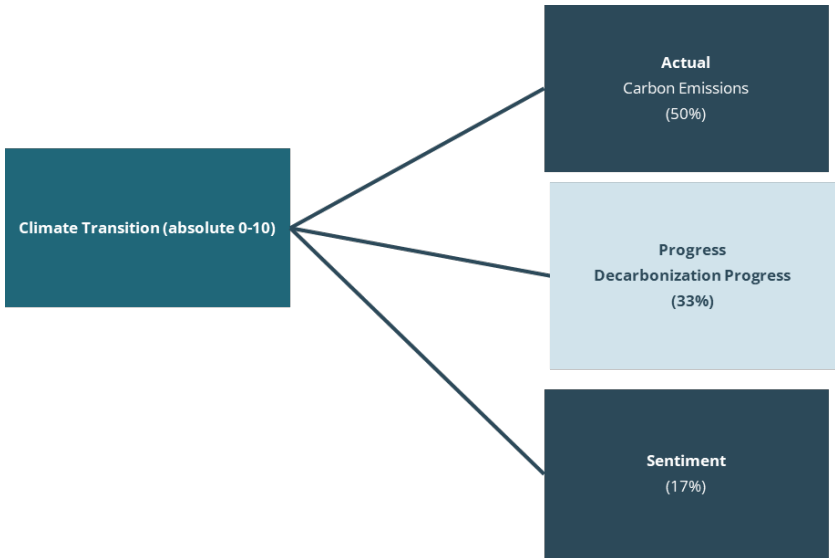
We are planning to implement important updates to how we measure the Climate Transition Progress:

1. Introduction of a New Proprietary Climate Transition Progress Score: Realized Carbon Reduction

We are adding a new score, developed internally, that measures the climate transition progress based on realized carbon reductions by investee companies—putting emphasis on real-world decarbonization.

2. Refined Weighting in Climate Transition Dimensions

Due to the introduction of the realized carbon reduction score, the balance between Actual, Progress, and Sentiment dimensions is planned to be adjusted. This change will enhance greater emphasis on Progress.



*The diagram above is based on the Sustainability Cube™ , which was updated on 2<sup>nd</sup> May 2023.*

3. Increased Focus on Scope 3 Emissions

We are moderately increasing the weight of Scope 3 emissions relative to Scope 1 and 2 to better reflect the full emissions footprint of companies, as we have seen some improvements in scope 3 emissions measures.

These changes are expected to be implemented during the next quarter and are part of our ongoing commitment to innovate and drive meaningful climate impact.

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## Stock Attribution

Top 3 Stocks	Average weight in Portfolio %	Portfolio's Stock Return %	Portfolio's Stock Contribution %
Gilead Sciences, Inc.	1.77	25.73	0.49
International Business Machines Corporation	4.24	13.22	0.39
Elevance Health, Inc.	1.80	19.70	0.38
Bottom 3 Stocks	Average weight in Portfolio %	Portfolio's Stock Return %	Portfolio's Stock Contribution %
Hewlett Packard Enterprise Co.	4.67	-27.57	-1.28
NVIDIA Corporation	4.89	-20.93	-1.07
ServiceNow, Inc.	2.96	-24.05	-0.87

Source: Heptagon Capital, FactSet Research Systems

## Sector Attribution

GICS Sector	Portfolio Avg Wgt (%)	Benchmark Avg Wgt (%)	Portfolio Sector Cont (%)	Benchmark Sector Cont (%)	Portfolio's Attribution Effect		
					GICS Sector Allocation (%)	Selection + Interaction (%)	Total Effect (%)
Communication Services	4.62	8.21	-0.02	-0.36	0.08	0.18	0.27
Consumer Discretionary	8.61	10.77	-0.70	-1.09	0.17	0.24	0.42
Consumer Staples	4.52	6.06	-0.03	0.31	-0.12	-0.26	-0.38
Energy	2.49	3.83	0.23	0.38	-0.17	-0.01	-0.17
Financials	17.76	16.57	0.98	0.91	0.10	0.05	0.15
Health Care	11.46	10.73	0.20	0.47	0.06	-0.32	-0.26
Industrials	11.56	10.84	0.01	0.23	0.02	-0.21	-0.20
Information Technology	31.93	25.08	-4.00	-2.98	-0.68	-0.32	-1.00
Materials	2.80	3.31	-0.03	0.12	-0.03	-0.13	-0.16
Real Estate	2.49	2.09	0.01	0.05	0.02	-0.07	-0.05
Utilities	1.55	2.51	-0.03	0.17	-0.06	-0.13	-0.19
Cash	0.21	--	-0.00	--	0.00	--	0.00

Source: Heptagon Capital, FactSet Research Systems

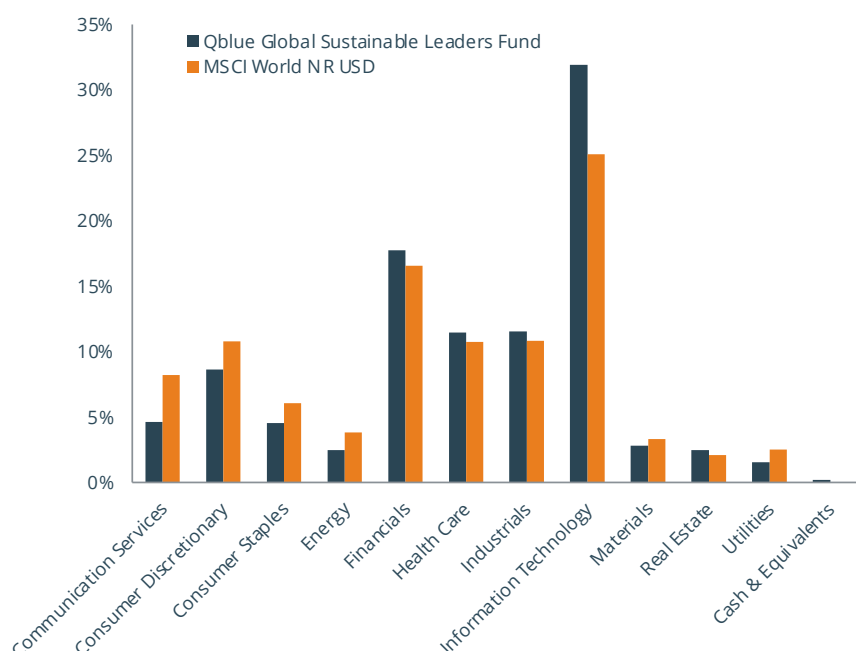
## Region Attribution

Region	Portfolio Avg Wgt (%)	Benchmark Avg Wgt (%)	Portfolio Region Cont (%)	Benchmark Region Cont (%)	Portfolio's Attribution Effect		
					Region Allocation (%)	Selection + Interaction (%)	Total Effect (%)
North America	75.64	76.33	-4.06	-3.16	0.02	-0.95	-0.93
Pacific Rim	7.65	7.89	0.13	-0.01	-0.00	0.14	0.14
Western Europe	16.51	15.64	0.55	1.38	0.08	-0.87	-0.79
[Cash]	0.21	--	-0.00	--	0.00	--	0.00

Source: Heptagon Capital, FactSet Research Systems

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## Portfolio Sector Weights



Source: Heptagon Capital, Morningstar.

### Top 10 Holdings

### % of Portfolio

<b>Automatic Data Processing, Inc.</b>	4.9%
<b>Adobe Inc.</b>	4.9%
<b>NVIDIA Corporation</b>	4.9%
<b>International Business Machines Corporation</b>	4.6%
<b>Hewlett Packard Enterprise Company</b>	4.0%
<b>ServiceNow, Inc.</b>	3.8%
<b>Gilead Sciences, Inc.</b>	3.1%
<b>Edwards Lifesciences Corporation</b>	2.5%
<b>National Bank of Canada</b>	2.4%
<b>General Mills, Inc.</b>	2.4%
<b>Total of Top 10 Holdings</b>	<b>37.5%</b>

## Portfolio Activity

### Top 5 Bought

### Country Code

### Industry (GICS 3)

### Ending Weight %

<b>Rogers Communications Inc. Class B</b>	CA	Wireless Telecommunication Services	1.89%
<b>LKQ Corporation</b>	US	Distributors	1.08%
<b>QIAGEN NV</b>	NL	Life Sciences Tools & Services	0.90%
<b>T. Rowe Price Group</b>	US	Capital Markets	0.85%
<b>Berkeley Group Holdings plc</b>	GB	Household Durables	0.78%

### Top 5 Sold

### Country Code

### Industry (GICS 3)

### Beginning Weight %

<b>Autodesk, Inc.</b>	US	Software	1.42%
<b>Gartner, Inc.</b>	US	IT Services	1.27%
<b>ICON Plc</b>	IE	Life Sciences Tools & Services	1.19%
<b>PPG Industries, Inc.</b>	US	Chemicals	0.91%
<b>Interpublic Group of Companies, Inc.</b>	US	Media	0.80%

Source: Heptagon Capital, FactSet Research Systems

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**Total Returns** as of 31<sup>st</sup> March 2025.

	Q1 25	January 25	February 25	March 25	Since Inception* (ann.)
<b>Qblue Global Sustainable Leaders</b>	-3.7%	2.3%	-0.9%	-5.1%	3.9%
<b>MSCI World NR USD</b>	-1.8%	3.5%	-0.7%	-4.4%	5.6%

Source: Morningstar, Bloomberg. \*Since inception date 12<sup>th</sup> January 2022.

All figures shown are net of fees for the C USD share class.

Sincerely,

**Heptagon Capital and Qblue Balanced A/S**

The views expressed represent the opinions of Qblue Balanced A/S as of 31<sup>st</sup> March 2025, are not intended as a forecast or guarantee of future results, and are subject to change without notice

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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 has been classified as an Article 9 for the purposes of the EU's SFDR. The Fund has sustainable investment as its objective alongside financial return. The Fund invests primarily in assets classified as sustainable investments as defined under the SFDR. Please see [Prospectus](#) for further information on the Fund's sustainable objective and relevant sustainability risks and principal adverse impacts which may impact the Fund's performance.

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