

Qblue Global Sustainable Leaders Fund

Q4 2024 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 12th January 2022 and had an AUM of \$658m as of 31st of December 2024.

Key highlights

- In Q4, the Fund (C share class) was down 2.7% compared to 0.2% for the MSCI World NTR USD (the Benchmark).
- The U.S. presidential election heavily influenced global equity markets during Q4, also leading to a reversal of the sustainability theme tailwinds seen during the summer.

Performance review

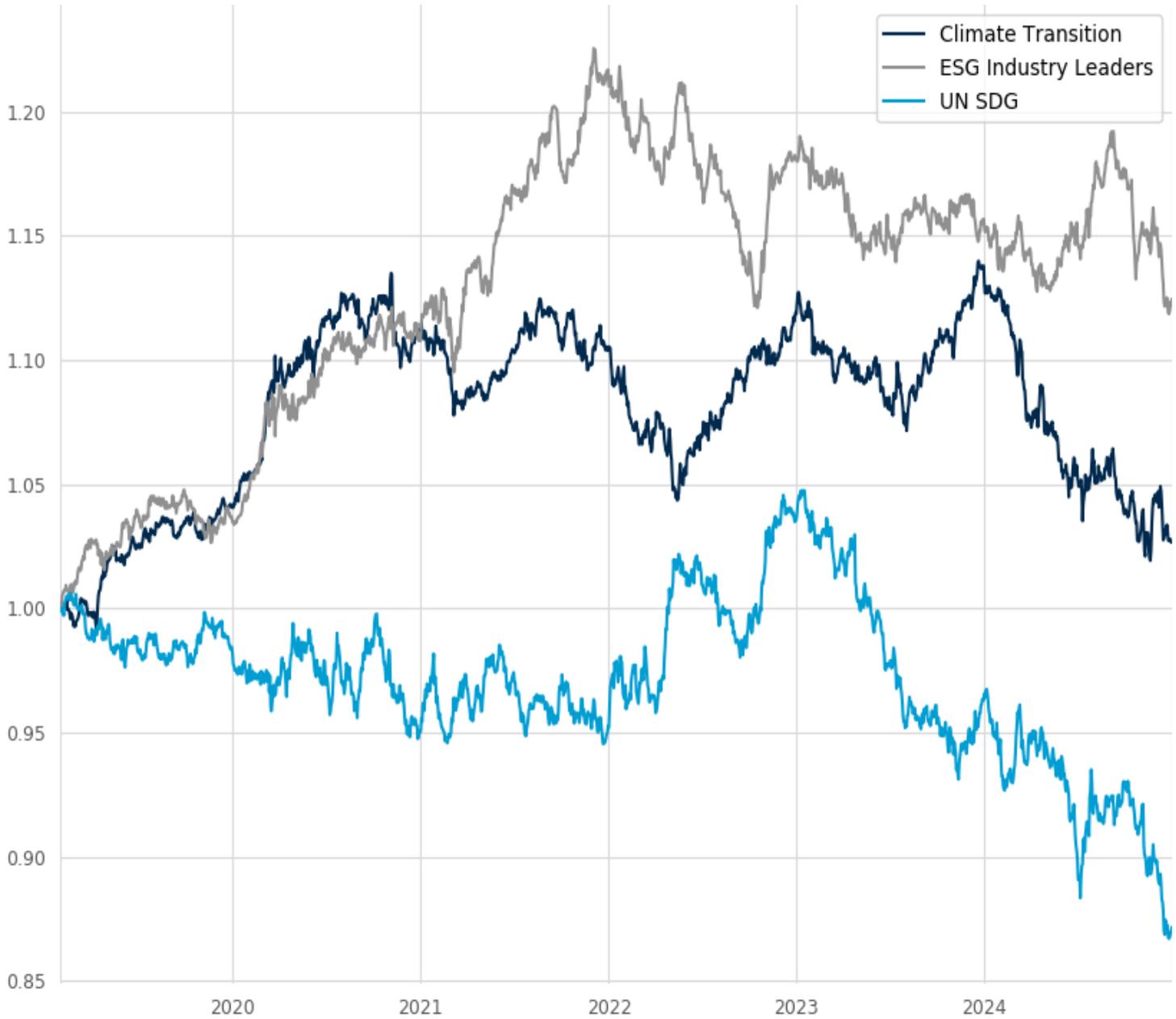
The Fund ended Q4 2024 down 2.7%, whereas the MSCI World was down 0.2%. During 2024, the Fund was up 16.1% compared to 18.7% for the Benchmark.

In Q4, global equity markets were significantly influenced by the U.S. presidential election, which resulted in a decisive victory for Donald Trump and the Republican Party. The Benchmark finished Q4 with a slight decline of 0.2%, but there were notable regional disparities: North America rose by 2.5%, whereas Europe and Asia fell by 9.7% and 5.4%, respectively. Additionally, there were substantial performance differences among global sectors, with IT and Financials up 4.7% and 4.0%, respectively, while Materials, Healthcare, and Energy declined by 14.3%, 11.4%, and 2.8%.

The positive momentum in the sustainability theme seen during the summer turned into a headwind around the time of the U.S. election. Despite this headwind, the Fund's performance was in line with the Benchmark in October and November, partly due to the Fund's lack of exposure to renewable energy, which experienced significant sell-offs around the election.

In December, the Fund underperformed mainly due to the strong relative performance of the “Magnificent 7,” which contributed 1.4% to the total 2.3% underperformance. In contrast to the first nine months of the year, the Fund’s core holding in Nvidia did not produce sufficient stock selection gains in Q4 to counterbalance this underweight.

Excess Return in USD of Sustainability Cube™ Dimension Portfolios (01/01/2019 -31/12/2024)



Source: Qblue Balanced A/S

** Excess Returns over MSCI World (in USD gross of fees)

Methodology: QGSL Portfolio Construction with same parameters as the live portfolio but using individual dimensions as the sustainability factor. Portfolios are rebalanced monthly.

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

Stock Attribution

Top 3 Stocks	Average weight in Portfolio %	Portfolio's Stock Return %	Portfolio's Stock Contribution %
NVIDIA Corporation	5.26	13.64	0.74
Hewlett Packard Enterprise Co.	5.31	5.13	0.27
International Business Machines Corporation	5.09	0.40	0.01
Bottom 3 Stocks	Average weight in Portfolio %	Portfolio's Stock Return %	Portfolio's Stock Contribution %
Adobe Inc.	4.83	-14.07	-0.67
Applied Materials, Inc.	3.85	-17.37	-0.64
Elevance Health, Inc.	2.34	-29.32	-0.63

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	4.64	7.80	-0.65	0.50	-0.19	-0.98	-1.18
Consumer Discretionary	7.96	10.55	-0.41	0.84	-0.27	-1.07	-1.34
Consumer Staples	4.45	6.19	-0.42	-0.42	0.11	-0.11	-0.00
Energy	2.41	3.91	0.20	-0.08	0.03	0.27	0.29
Financials	16.91	15.90	0.52	0.63	0.05	-0.14	-0.08
Health Care	11.64	10.95	-1.21	-1.31	-0.07	0.19	0.11
Industrials	12.29	10.93	-0.11	-0.47	-0.07	0.49	0.42
Information Technology	32.20	25.54	0.25	1.12	0.31	-1.20	-0.89
Materials	3.35	3.46	-0.39	-0.52	0.01	0.12	0.14
Real Estate	2.48	2.19	-0.11	-0.21	-0.03	0.14	0.10
Utilities	1.47	2.57	-0.22	-0.21	0.09	-0.10	-0.01
Cash	0.21	0.00	-0.01	0.00	-0.01	0.00	-0.01

Source: Heptagon Capital, FactSet Research Systems

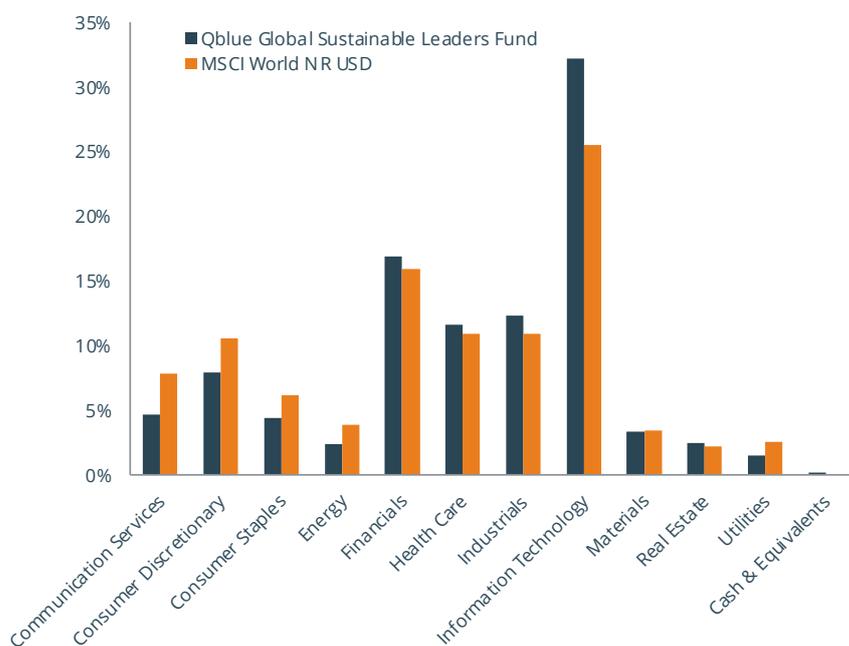
Region Attribution

Region	Portfolio Avg Wgt (%)	Benchmark Avg Wgt (%)	Portfolio Region Cont (%)	Benchmark Region Cont (%)	Portfolio's Attribution Effect		
					Region Allocation (%)	Selection + Interaction (%)	Total Effect (%)
Pacific Rim	7.95	7.99	-0.05	-0.46	0.01	0.39	0.41
Western Europe	16.18	15.22	-1.39	-1.60	-0.08	0.32	0.23
North America	75.66	76.67	-1.11	1.91	-0.02	-3.02	-3.04
[Cash]	0.21	0.00	-0.01	0.00	-0.01	0.00	-0.01

Source: Heptagon Capital, FactSet Research Systems

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Portfolio Sector Weights



Top 10 Holdings by Issuer	% of Portfolio
Hewlett Packard Enterprise Co.	5.4%
NVIDIA Corp	5.1%
International Business Machines Corp	5.1%
Applied Materials Inc	4.9%
Adobe Inc	4.9%
Automatic Data Processing Inc	3.4%
Visa Inc Class A	3.3%
Elevance Health Inc	2.8%
General Mills Inc	2.7%
Edwards Lifesciences Corp	2.4%
Total of Top 10 Holdings	39.8%

Source: Heptagon Capital, Morningstar.

Portfolio Activity

Top 5 Bought

Name	Country Code	Industry (GICS 3)	Weight
General Mills, Inc.	US	Food Products	2.68
D.R. Horton, Inc.	US	Household Durables	1.89
Home Depot, Inc.	US	Specialty Retail	1.03
Pearson PLC	GB	Diversified Consumer Services	0.71
Thomson Reuters Corporation	CA	Professional Services	0.69

Top 5 Sold

Name	Country Code	Industry (GICS 3)	Weight
BorgWarner Inc.	US	Automobile Components	2.18
Rogers Communications Inc. Class B	CA	Wireless Telecommunication Services	0.99
Church & Dwight Co., Inc.	US	Household Products	0.91
Amadeus IT Group SA Class A	ES	Hotels Restaurants & Leisure	0.91
Clorox Company	US	Household Products	0.78

Source: Heptagon Capital, FactSet Research Systems

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I Total Returns as of 31st December 2024.

	Q4	YTD	Oct	Nov	Dec	Since Inception* (ann.)
Qblue Global Sustainable Leaders	-2.7%	16.1%	-2.9%	4.9%	-4.5%	5.0%
MSCI World NR USD	-0.2%	18.7%	-2.0%	4.6%	-2.6%	6.6%

Source: Morningstar, Bloomberg. *Since inception date 12th January 2022.

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

Sincerely,

Heptagon Capital and Qblue Balanced A/S

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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 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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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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