

**Q3 2022**

# **QBLUE GLOBAL SUSTAINABLE LEADERS FUND\***

\*A sub-fund of Heptagon Fund ICAV

The Fund has been classified as an Article 9 for the purposes of the EU's Sustainable Finance Disclosure Regulation ("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.

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Authorised & Regulated by the Financial Conduct Authority  
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# IMPORTANT INFORMATION

The following presentation provides information on the Qblue Global Sustainable Leaders Fund (the “Fund”), a sub-fund of Heptagon Fund ICAV which is an open-ended umbrella type investment company 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 Qblue exercises discretionary investment authority over the Fund.

Qblue was founded in October 2018 and created its proprietary investment framework, The Sustainability Cube™, in Q1 2020, from which The Sustainable Global Equity Portfolio (the “Strategy”) was developed. The Fund has the same Portfolio Managers and Investment Team, the same investment objective and principles and uses the same philosophy and strategy as the Strategy.

Since the Fund launched on 12<sup>th</sup> January 2022, this presentation makes extensive reference to the Strategy’s simulated performance (“simulated performance”), which has been calculated solely by Qblue, to provide a better understanding of how the Strategy would have performed over a longer time period. The simulated performance is presented to show a representative global equity account with the same investment objectives, policies and strategy for which the Qblue Investment Team act as Portfolio Manager. Performance of the Fund in the future may vary from the simulated performance shown due factors such as differences in cash flows, fees, expenses, performance calculation methods, portfolio size and composition.

For the same reason, although the following presentation makes extensive reference to the performance of Qblue as Sub-Investment Manager of the Strategy, the data is provided purely for indicative purposes to demonstrate how Qblue has performed historically in its role as investment advisor to this specific Strategy. The performance for the Strategy is not the performance of the Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. This material should not be viewed as a solicitation or offer of services by Qblue. It is provided for informational purposes only.

Any performance data quoted represents past performance. Performance figures are also shown for the MSCI® World Index (gross) Return, (“**MSCI World GR**”). The MSCI® World Index (gross) is a trademark/service mark of Morgan Stanley Capital International. The MSCI® World Index (gross) is designed to measure global developed market performance. The index is unmanaged; is market-value weighted; and is shown for illustration only; and cannot be purchased directly by investors.

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. The Funds' prospectus and simplified prospectus contain these and other important information about the Fund. The prospectus should be read carefully before investing. Please email [london@heptagon-capital.com](mailto:london@heptagon-capital.com) for a free copy of these documents.

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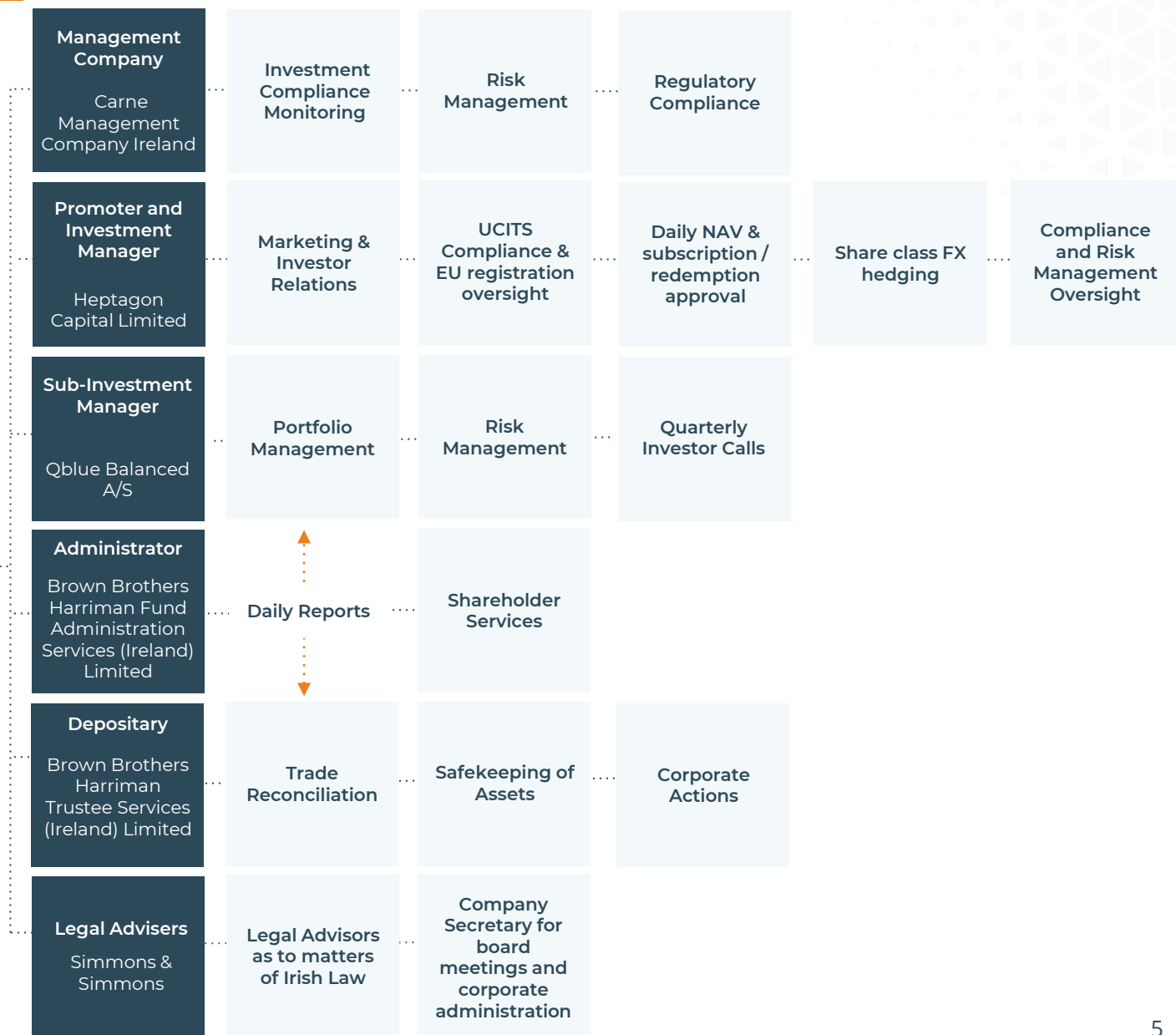
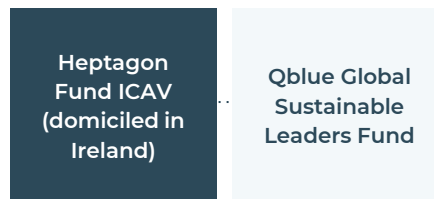
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# THE INVESTMENT MANAGER & SUB-INVESTMENT MANAGER



# IRISH UCITS FUND STRUCTURE

The diagram below explains the Irish UCITS fund structure and the relationship between the Investment Manager, Sub-Investment Manager and other relevant service providers for the Qblue Global Sustainable Leaders Fund.



**Independent  
boutique  
asset  
management  
firm**

**\$12.0bn\*\*  
Assets under  
Management  
and Advice**

**Established in  
2005**

**4 Office  
Locations**

**45 Total  
Employees**

**20 Different  
Nationalities**

**18  
Languages**

## Heptagon Capital

### Heptagon UCITS Fund Platform

#### In-house

- Heptagon European Focus Equity Fund
- Heptagon Future Trends Equity Fund
- Heptagon Future Trends Hedged Fund
- Heptagon Listed Private Assets Fund

#### Sub-advised

- Yacktman US Equity Fund
- Driehaus Emerging Markets Sustainable Equity Fund
- Driehaus US Micro Cap Equity Fund
- Driehaus US Small Cap Equity Fund
- Kopernik Global All-Cap Equity Fund
- WCM Global Equity Fund
- Heptagon Kettle Hill US L/S Equity Fund
- Summit Sustainable Opportunities L/S Equity Fund
- Easterly US Value Equity Fund
- **Qblue Global Sustainable Leaders Fund**

### External Manager Platform

- Hedge Funds
- Private Equity
- Alternative Funds
- Long Only Funds
- Real Estate

### Discretionary Portfolio Management

- Discretionary Portfolio Management
- Concentrated Equity Management
- Hedging and Overlay Strategies
- Asset Allocation Advice
- Bespoke Mandates

Signatory of:



*PRI is a leading global network for investors who are committed to integrating environmental, social and governance considerations into their investment practices and ownership policies. Heptagon signed the UN PRI on 10th July 2019.*

*\*Heptagon Capital includes Heptagon Capital Limited, licensed to conduct investment services by the Malta Financial Services Authority and Heptagon Capital LLP, authorised and regulated by the Financial Conduct Authority*

*\*\* As of 30/06/2022*

# SUB-INVESTMENT MANAGER – QBLUE BALANCED A/S

**Qblue Balanced A/S (“Qblue”), was founded by Bjarne Graven Larsen & Fredrik Martinsson in October 2018 and operates out of Copenhagen, Denmark**

- Co-founded by a team of experienced pension fund investment professionals with a long and successful history together.
- Systematic and process oriented in nature and approach.

## Our Vision

“A global leader that defines the industry standards in the field of systematic investments”



## Our story

Qblue Balanced was established on a distinct idea:

*“Based on our collective experience, help institutional investors achieve their objectives by providing sustainable solutions to obtain more diversified, more robust portfolio construction designs.”*



PRI is a leading global network for investors who are committed to integrating environmental, social and governance considerations into their investment practices and ownership policies. Qblue signed the UN PRI on 7<sup>th</sup> June 2022.

Source: Qblue Balanced A/S.

Signatory of:



# THE QBLUE BALANCED TEAM

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# THE QBLUE BALANCED TEAM

- Qblue Balanced is a Copenhagen based **asset manager** founded in 2018 by Bjarne Graven Larsen, former CIO at ATP and Ontario Teachers' Pension Plan.
- Co-founded by a team of **experienced** pension fund investment professionals with a long and **successful history together**.
- We are **systematic and process oriented** in nature and approach.



**Fredrik Martinsson**  
CIO



**Bjarne Graven Larsen**  
CEO



**Tine Lundegaard**  
CCO



**Henrik Gade Jepsen**  
Senior Advisor



**Martin Richter PhD**  
Senior PM



**Thomas Stryger Olsen**  
Senior PM



**Lars Voss Toft**  
Senior PM



**Lars Hougaard Nielsen PhD**  
Senior PM



**Amanda Ladeira Pereira**  
Sales and Relationship  
Manager



**Andreas Wulff**  
Operations Manager



**Caterina Stifano**  
Operations Manager



**Julie Lauritzen**  
Finance and Compliance



**Kevin Mitchell**  
Head of  
Technology and Risk



**Sebastian Baltser**  
Financial  
Software Engineer



**Kristian G. Hansen**  
Data Analyst

# QBLUE BALANCED – BJARNE GRAVEN LARSEN



**Bjarne Graven Larsen**  
CEO

- Pension fund and financial sector veteran with **30+ years of experience in the industry**
- Founded Copenhagen based asset management company, **Qblue Balanced** in 2018
- Former Chief Investment Officer and executive board member of **Ontario Teachers' Pension Plan (OTPP)**
- Former Chief Investment Officer and executive board member of **ATP**, Denmark's largest and Europe's fourth largest pension fund, and a **global pioneer in sustainability integration**
- Former Chair of the Investment Committee at Europe's leading renewable infrastructure fund, **CIP** and the held the position as **CFO at Novo A/S** and before that he was the **CEO of FIH Erhvervsbank A/S (FIH)**
- Bjarne has also held positions at **Realkredit** Denmark, the country's largest Mortgage Bank, in **Denmark's Central Bank** and in the **Ministry of Finance**



## ATP blæser til aktionær-kamp

Bjarne Graven i spidsen for Dong-guldfugle



"Our partnership with Glencore presents an opportunity to earn steady cash flows tied to global growth and inflation, as well as support continual improvement in sustainable mining."

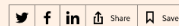
Bjarne Graven, Ontario Teachers' Pension Plan

### virksomhedernes sociale ansvar

Virksomhedernes sociale ansvar omfatter ikke kun emner som menneskerettigheder, børnearbejde og miljø, men er Danmarks største investor.



European companies + Add to myFT  
TDC hit by fund's hostility to offer



Annukka Oksanen in Copenhagen JANUARY 9 2006

Shares in TDC fell on Monday after the company's biggest shareholder said on Sunday night it would not accept an agreed \$12bn cash offer for Denmark's largest telecoms operator from a consortium of private equity groups.

## Berling

NYTIEDER OPINION BUSINESS

### Pengetank vil belønne åbenhed

Ny politik: Den største pengetank i dansk erhvervsliv, ATP, vil gå hårdere til værks over for virksomhederne. De skal have point efter deres vilje til at forkekle aktionærerne. Stemmeretsbegrænsninger vil trække ned, mens bonusprogrammer for medarbejdere trækker op.

## How do we integrate Sustainability?

Qblue makes use of a three step process when integrating the sustainability policy into investment practice. The process is subject to continuous evaluations and improvements and is expected to evolve over time. Below the three steps are laid out.

### Engagements and Exclusions

The first step is to identify the companies in the universe to engage with and to exclude

#### Engagements

The second step engagement is generally the best strategy for contributing to improving sustainability and responsible behaviour in companies. Therefore, Qblue engages in dialogue with a selected number of companies in which we have invested.

In the Engagement policy this is described in further details.

#### Exclusions

Even though Qblue as a general rule seeks engagement more effective than exclusion, there are certain



# WHY INVEST WITH US



# WHY INVEST WITH US

01

Qblue founded and managed by a **team** of experienced investment professionals **with a long and successful history together**

02

We have **ingrained buy side expertise** being **pension fund managers** and know the Investment Committee and Board Room from the inside

03

We have been **investing** large scale funds **sustainably** for **20 years**. The **Sustainability Cube™** is integrated in Qblue products and in our DNA

04

We believe in **continuously improving** implementation and extraction design as an integrated part of our commitment to take **fiduciary responsibility**

05

Our goal is to help investors to achieve results and we will **remain size constrained** to do this

06

**Radical transparency.** We are partners and will share everything we have with you

07

Our approach and expertise in **creating robust and balanced portfolios** is unique and has been **tested** at some of the worlds most advanced pension plans


08

We offer a **strategic partnership** and **access** to expertise beyond products and solutions offerings

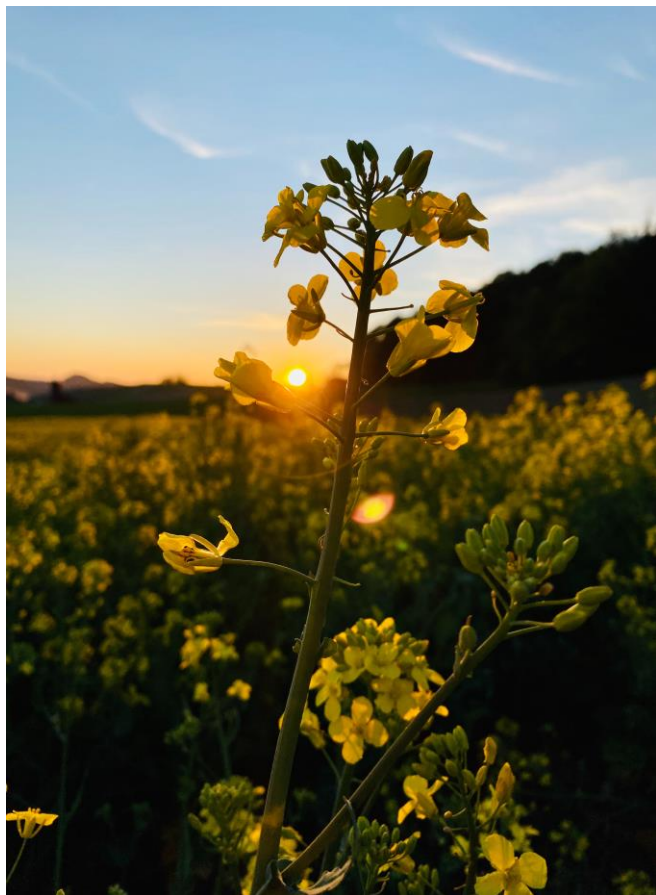
09

**Solution provider approach** with client objectives as the focal point – Everything we do is directed by a desire to **help our clients!**

# QBLUE GLOBAL SUSTAINABLE LEADERS FUND\*

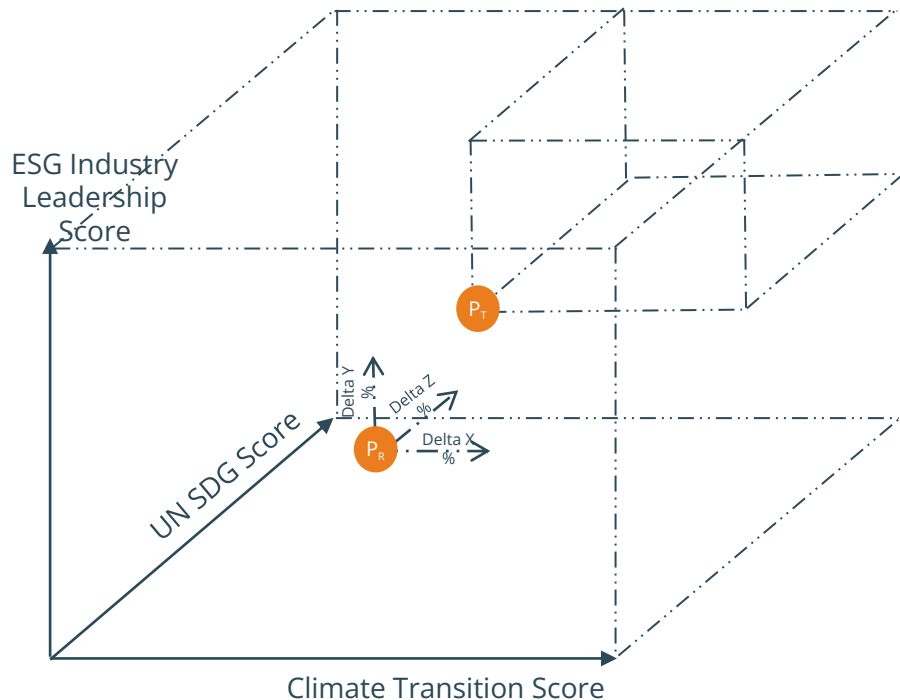


\*Since the Qblue Global Sustainable Leaders Fund launched on 12<sup>th</sup> January 2022, the following slides make reference to **The Sustainable Global Equity Portfolio** to provide a better understanding of the Strategy.



- Strategy based on our proprietary Sustainability Cube™ framework **launched** as an Irish UCITS Fund in Q1 2022
- **Strong sustainability characteristics** front and centre. Significant carbon emissions reductions, industry leadership in ESG and alignment with SDG's obtained simultaneously, creating robustness
- Our **equity factor toolbox** applied to control for unwanted exposures and to ensure sensibility in valuations
- We believe that our Sustainable Global Equity Portfolio will deliver a **meaningful excess return** compared to the MSCI World index
- The **portfolio volatility** is expected to be at the same level as the benchmark or slightly below. **Better tail risk** properties expected

# THE SUSTAINABILITY CUBE™



## X-axis: Climate Transition Score

Measures how well a company is positioned to deal with the current and future challenges imposed by climate change. Both current carbon footprint, carbon targets and decarbonisation progress is taken into account. All companies are scored on an absolute scale between 0-10, where 10 is the best.

## Y-axis: ESG Industry Leadership Score

Measures how well a company is positioned to deal with the potential risks related Environmental, Social and Governance issues. All companies are scored on an industry relative scale between 0-10, where 10 represents the leading company within an industry.

## Z-axis: UN SDG Score

Measures how aligned a company is with the 17 UN Sustainable Development Goals (SDG). Measured e.g. by identifying revenue and R&D that can be attributed to products and services that can help solve some of the world's major social and environmental challenges. All companies are scored on an absolute scale between 0-10, where 10 is the best.

$P_{R, X, Y, Z}$

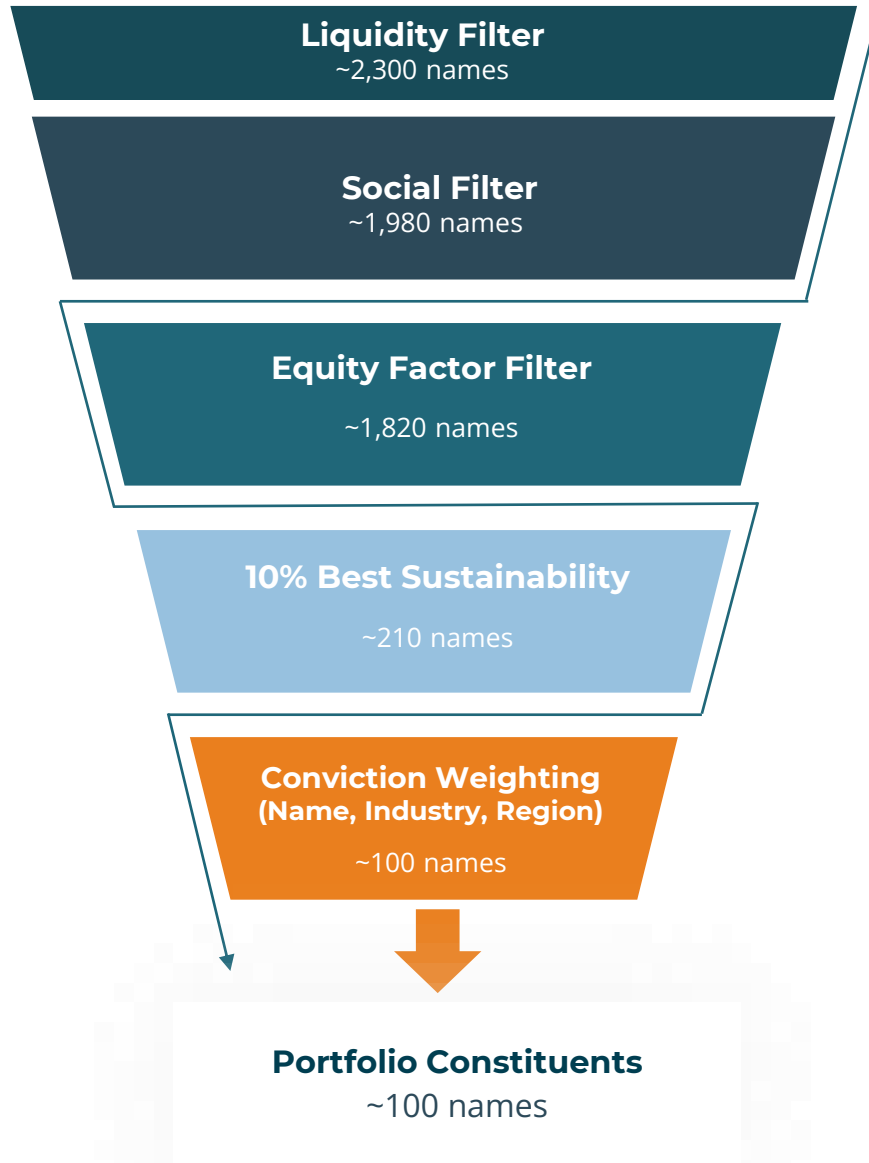
The reference or benchmark portfolio.

$P_{T, X, Y, Z}$

A hypothetical target portfolio.

# PORTFOLIO CONSTRUCTION PROCESS

## | The Sustainability Cube ~15,000 names



- **Benchmark:** MSCI World
- **Portfolio Universe:** Developed Markets, ~2,300 names
- Initial screening to remove companies with low social score, and companies on the exclusion list



- Remove mispriced companies using the five Qblue Equity factors (Value, Momentum, Profitability, Yield and Low Risk)



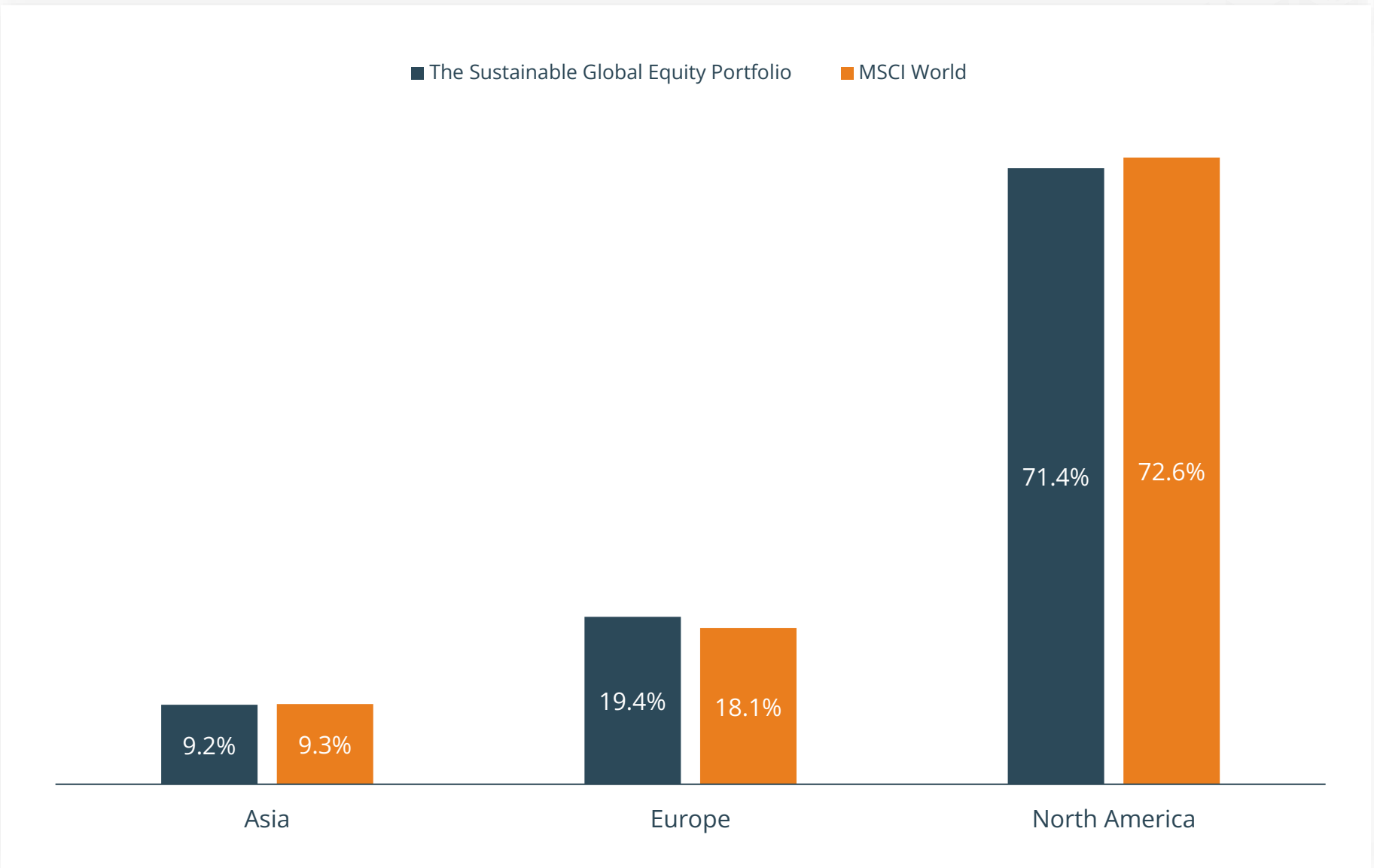
- Select 10% best companies along the three dimensions of the Sustainability Cube™



- Apply conviction score to decide company weights

Apply portfolio risk framework to balance the portfolio (regions, industries, size, beta and equity factors) to obtain **Qblue Global Sustainable Leaders.**

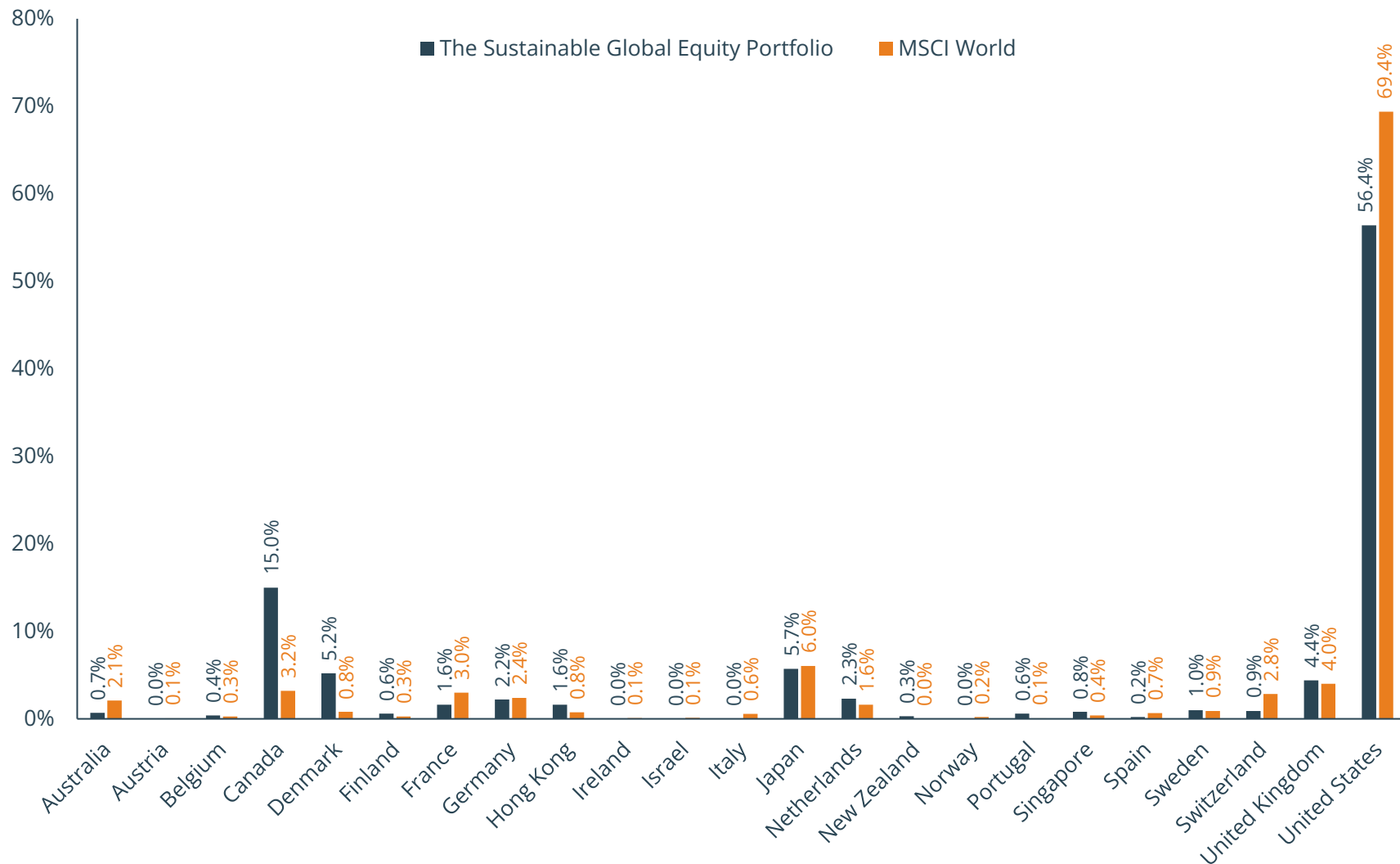


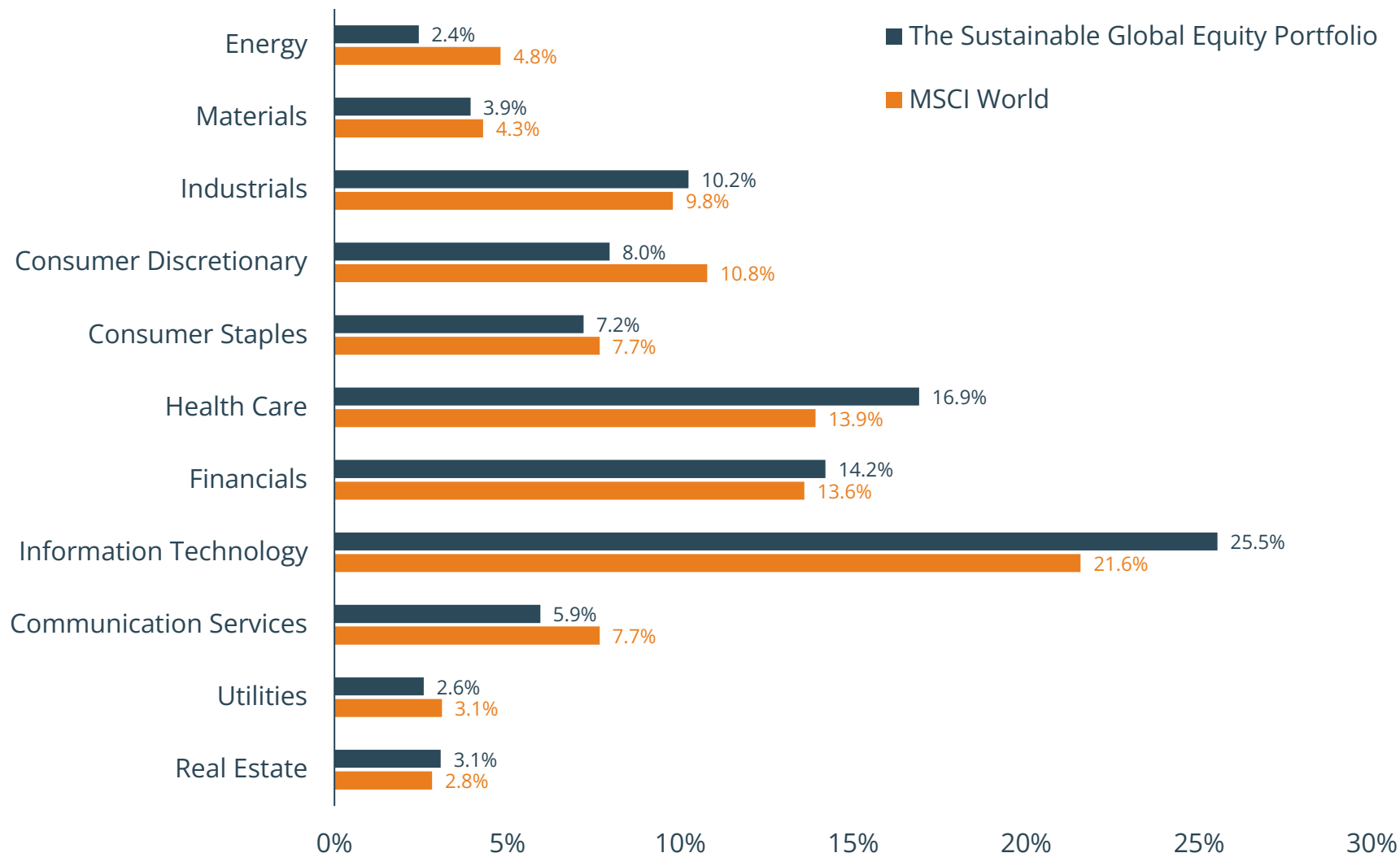


Sources: Qblue Balanced A/S, Refinitiv

# COUNTRY EXPOSURES

as of 30/06/2022





# BACK-TEST PORTFOLIO RESULTS

This presentation provides information on the Qblue Sustainable Global Leaders Fund (the “Fund”), a sub-fund of Heptagon Fund ICAV which is an open-ended umbrella type investment company authorised pursuant to UCITS regulations. Heptagon Capital Limited is the Investment Manager and Qblue Balanced A/S (“Qblue”) is the Sub-Investment Manager meaning Qblue exercises discretionary investment authority over the Fund.

Since the Fund launched on 12<sup>th</sup> January 2022, the following pages (slides 21 to 25) in this presentation reference Qblue’s simulated ‘Sustainable Global Equity Portfolio’ performance back-test (“simulated performance”) which has been calculated solely by Qblue. The simulated performance is presented to show a representative global equity account with the same investment objectives, policies and strategy for which the Qblue Investment Team act as Portfolio Manager. This simulated performance should not be viewed as that of the Qblue Sustainable Global Leaders Fund or an indication of how the UCITS Fund will perform in the future. Performance of the Fund in the future may vary from the simulated performance shown due factors such as differences in cash flows, fees, expenses, performance calculation methods, portfolio size and composition. The period covered for this simulated performance is 01.02.2017 – 31.08.2022. The inception date 01.02.2017 was chosen for the simulated performance due to the inclusion of a second dimension, the “Climate Transition” dimension, to Qblue’s proprietary sustainability scoring framework, the Sustainability Cube™. This reflects a more accurate representation of the strategy to which the Fund will adhere. Evolution of the framework has been as follows:

- Dimensions - Climate Transition, ESG Industry Leaders (from 01.02.2017 to 31.12.2018)
- Dimensions - Climate Transition, ESG Industry Leaders, UN SDG (from 01.01.2019 to present)

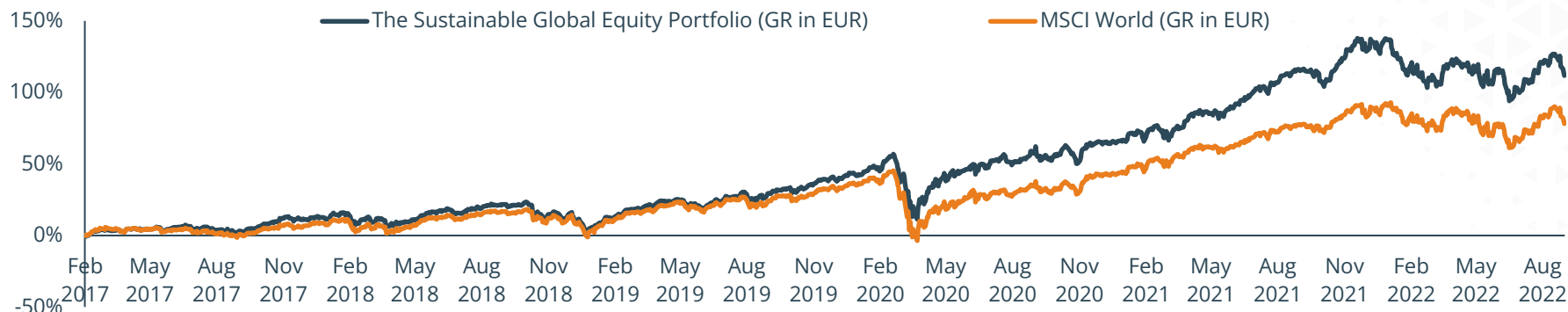
Heptagon Capital has not verified the simulated performance. The simulated performance is shown gross of any fees and is denoted in EUR.

Any performance data quoted represents past performance and does not guarantee future results. Performance figures are also shown for the MSCI® World Index (gross) Return, (“MSCI World GR”). The MSCI World Index is a trademark/service mark of Morgan Stanley Capital International. The MSCI World Index is a market capitalization-weighted index that represents large and mid caps across 23 Developed 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 and the US.).

# BACK-TEST PORTFOLIO RESULTS

01/02/2017 – 31/08/2022

## Cumulative Performance



		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Excess Return
2017	Fund		3.39%	1.12%	-0.29%	0.26%	-0.20%	-0.83%	-0.55%	3.20%	5.39%	-0.73%	0.16%	11.23%*	+3.66%
	MSCI		4.57%	0.48%	-0.28%	-1.02%	-0.99%	-0.92%	-0.64%	2.86%	3.43%	-0.13%	0.67%	7.57%*	
2018	Fund	2.28%	-1.95%	-2.81%	2.05%	4.39%	0.07%	2.95%	2.33%	0.80%	-6.76%	0.81%	-8.35%	-4.95%	-1.38%
	MSCI	1.50%	-2.05%	-2.93%	3.02%	4.25%	-0.03%	2.93%	1.85%	0.77%	-4.99%	1.26%	-8.45%	-3.58%	
2019	Fund	6.95%	4.12%	3.59%	2.33%	-5.43%	4.96%	3.69%	0.66%	3.16%	1.26%	3.71%	1.16%	34.06%	+3.30%
	MSCI	7.41%	3.85%	2.82%	3.80%	-5.14%	4.34%	2.82%	-0.92%	3.21%	0.23%	4.05%	1.21%	30.76%	
2020	Fund	2.26%	-5.48%	-7.97%	12.37%	3.29%	2.38%	-0.41%	5.37%	-0.71%	-3.67%	9.94%	0.80%	17.58%	+10.70%
	MSCI	0.70%	-7.60%	-13.07%	11.18%	3.29%	1.70%	-0.44%	5.52%	-1.49%	-2.39%	9.87%	1.95%	6.88%	
2021	Fund	-0.59%	1.47%	7.89%	1.98%	2.44%	5.99%	2.80%	4.33%	-3.65%	7.93%	2.58%	2.92%	41.89%	+10.25%
	MSCI	-0.27%	2.69%	6.77%	2.22%	-0.06%	4.67%	1.82%	2.98%	-2.33%	5.85%	0.59%	3.24%	31.64%	
2022	Fund	-7.57%	-3.85%	4.10%	-2.04%	0.08%	-6.86%	10.72%	-4.26%					-10.47%	-3.77%
	MSCI	-3.90%	-2.69%	3.78%	-3.25%	-1.37%	-6.37%	10.70%	-2.80%					-6.70%	

\*Since back-test inception 01.02.2017

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

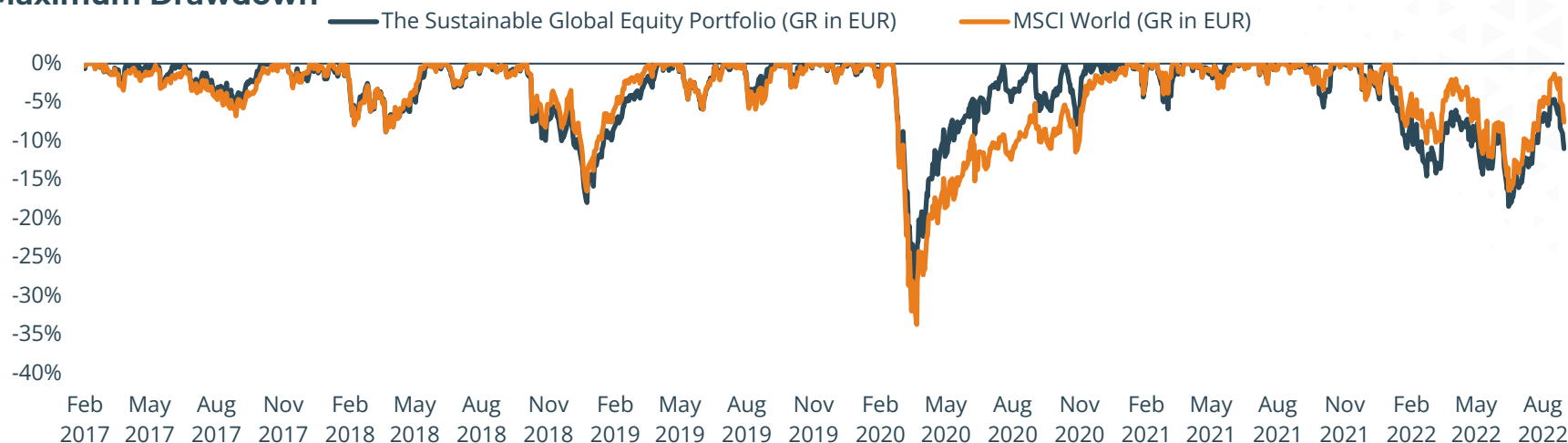
All returns are unhedged and denoted in EUR, gross of fees. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment.

Sources: Qblue Balanced A/S, Bloomberg

# BACK-TEST PORTFOLIO RESULTS

01/02/2017 – 31/08/2022

## Maximum Drawdown



	2017*		2018		2019		2020		2021		2022			
	Qblue	MSCI	Qblue	MSCI	Qblue	MSCI	Qblue	MSCI	Qblue	MSCI	Qblue	MSCI		
Return	11.2%	7.6%	-4.9%	-3.6%	34.1%	30.8%	17.6%	6.9%	41.9%	31.6%	-10.5%	-6.7%		
Volatility	7.2%	6.5%	13.6%	12.9%	10.6%	11.0%	20.4%	23.4%	11.4%	9.1%	19.9%**	16.9%**		
Sharpe Ratio	1.7	1.3	-0.4	-0.3	3.2	2.8	0.9	0.3	3.7	3.5	-0.8**	-0.6**		
Maximum Drawdown	-6.1%	-6.7%	-18.0%	-16.5%	-5.9%	-5.9%	-29.2%	-33.7%	-5.9%	-4.6%	-18.1%	-16.6%		
	Annual Return		Annual Volatility		Sharpe Ratio		Tracking Error		Max Drawdown		Skewness		Kurtosis	
The Sustainable Global Equity Portfolio	14.4%		14.9%		1.0		4.3%		-29.2%		-0.1		0.4	
MSCI World GR	10.9%		14.6%		0.7		-		-33.7%		-0.4		1.6	

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

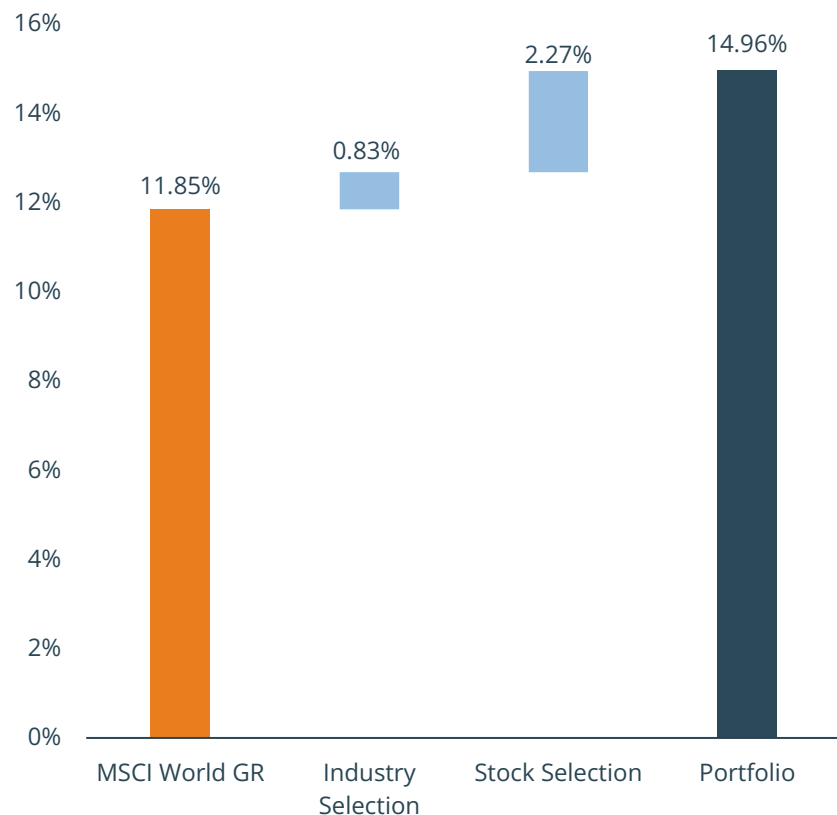
2017 calendar year covers the period 01.02.2017 – 31.12.2017

\*\*Volatility and SR for year 2022 is based on monthly returns over the last 12 months

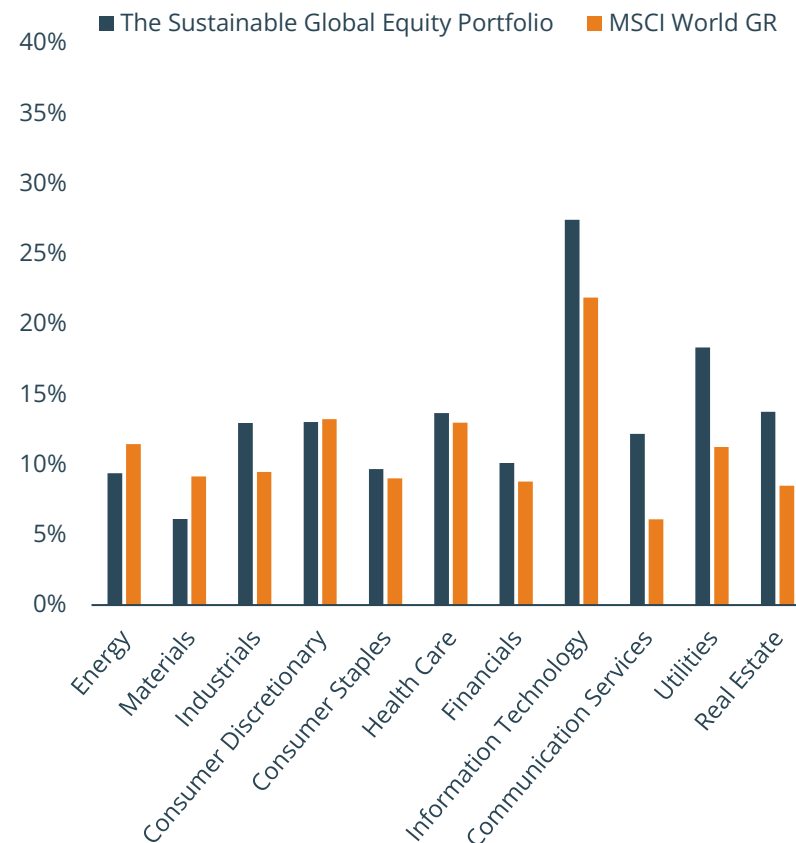
All returns are unhedged and denoted in EUR, gross of fees. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment.

Sources: Qblue Balanced A/S, Bloomberg

## Annualised Return Attribution



## Industry Performance



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

**Industry Selection:** The attributed return is calculated by taking higher or lower weightings to the MSCI World universe through selecting various industries and regions.

**Stock Selection:** The attributed return is calculated by selecting a number of stocks within industries from the MSCI World universe.

Sources: Qblue Balanced A/S

## Significant reductions in carbon emission and carbon intensities scope 1+2\*

	Scope 1+2 Carbon Intensity, tons CO2e/\$M Sales	Scope 3 Carbon Intensity estimated, tons CO2e/\$M Sales	Scope 1+2 Carbon Emissions, tons CO2e/\$M Invested	Scope 3 Carbon Emissions estimated, tons CO2e/\$M Invested
The Sustainable Global Equity Portfolio	17.73	351.86	7.13	146.72
MSCI World	129.01	617.37	74.91	412.90
Reduction	86%	43%	90%	64%

\*GHG Protocol. 2013. "Corporate Value Chain (Scope 3) Accounting and Reporting Standard."

[https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard\\_041613\\_2.pdf](https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf)

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

Source: Qblue Balanced A/S



# BACK-TEST SUSTAINABILITY FACTOR EXPOSURES

as of 30/06/2022

- The portfolio scores very well on **Climate Transition**, **ESG Industry Leadership** and **SDG** alignment
- The balanced overall score places the portfolio **in the best 5 percent globally**

	Sustainability Cube Score™ (percentile)	Climate Transition Score (percentile)	ESG Industry Leaders Score (percentile)	UN SDG Score (percentile)	Number of Names
<b>The Sustainable Global Equity Portfolio</b>	7.23 (95%)	7.42 (84%)	8.74 (91%)	5.91 (83%)	101
<b>MSCI World</b>	6.07 (57%)	6.62 (64%)	7.03 (60%)	4.98 (39%)	1425

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

Sources: Qblue Balanced A/S, MSCI, Matter, Google, WIPO and Refinitiv

# APPENDICES



# TOP 20 HOLDINGS – THE SUSTAINABLE GLOBAL EQUITY PORTFOLIO as of 30/06/2022

Name	Country	Industry	Weight*	Sustainability Cube Score™
GILEAD SCIENCES	US	Biotechnology	5.00%	7.45
NVIDIA	US	Semiconductors & Semiconductor Equipment	4.71%	7.52
APPLIED MATS.	US	Semiconductors & Semiconductor Equipment	4.14%	7.39
COLGATE-PALM.	US	Household Products	4.14%	7.09
NOVO NORDISK 'B'	DK	Pharmaceuticals	3.70%	7.76
NATIONAL BANK OF CANADA	CA	Banks	2.92%	7.43
SALESFORCE	US	Software	2.71%	7.14
TELUS	CA	Diversified Telecommunication Services	2.63%	6.84
TORONTO-DOMINION BANK	CA	Banks	2.26%	6.99
HOLOGIC	US	Health Care Equipment & Supplies	2.23%	7.63
ADVANCED MICRO DEVICES	US	Semiconductors & Semiconductor Equipment	2.21%	7.62
AUTOMATIC DATA PROC.	US	IT Consulting & Services	2.07%	6.97
TEXAS INSTRUMENTS	US	Semiconductors & Semiconductor Equipment	2.03%	7.24
UNILEVER (UK)	GB	Personal Products	2.02%	7.26
HOME DEPOT	US	Specialty Retail	1.94%	6.43
BANK OF MONTREAL	CA	Banks	1.91%	7.12
DANAHER	US	Life Sciences Tools & Services	1.74%	7.30
WOLTERS KLUWER	NL	Professional Services	1.72%	7.51
AIA GROUP	HK	Insurance	1.63%	7.01
SAP	DE	Software	1.54%	7.96

\* Sum of weights 53.26%  
Source: Qblue Balanced A/S

# THE QBLUE BALANCED STORY



## Qblue Balanced was established on a distinct idea

Based on our collective experience, help institutional investors achieve their objectives by providing **solutions to obtain more diversified, more robust portfolio construction designs**



## Mission

"We help our clients to identify and achieve their goals by developing and delivering robust and sustainable investment solutions with superior risk-adjusted returns at an attractive price"



## Vision

"A global leader that defines the industry standards in the field of systematic investments"

**I We use our proprietary equity factor toolbox to add value, control for unwanted exposures and ensure sensibility in valuations of sustainability.**

	Value	Momentum	Profitability	Shareholder Yield	Low Risk
<b>Qblue Global Sustainable Leaders</b>	0.00	0.11	0.58	0.26	0.46
<b>MSCI World</b>	-0.07	0.22	0.45	0.22	0.38

*\*Bottom-up exposures, calculated as weighted Z-scores. Sources: Qblue Balanced A/S.*

**Value:** Forward Earnings to Price, Earnings to Price, Free Cashflow to Price, Operating Cashflow to Price

**Momentum:** 12-1 Months Price Momentum

**Profitability:** Gross Profitability over Assets, Cash Flow over Assets

**Shareholder Yield:** Earnings Distribution to Price

**Low Risk:** Low Beta, Low Residual Volatility



## Sustainability is about



- Meeting the needs of the present **without compromising** the ability of **future generations** to meet their needs
- Recognising that your **contribution to society** is instrumental in how you are assessed

## Sustainable investing is about



- Investing in **innovation** and progress
- Identifying and invest in the companies best positioned to solve the **world's biggest challenges**
- **Avoid** investing in the companies that are part of the problem, showing no signs of a fast transition

## We believe that

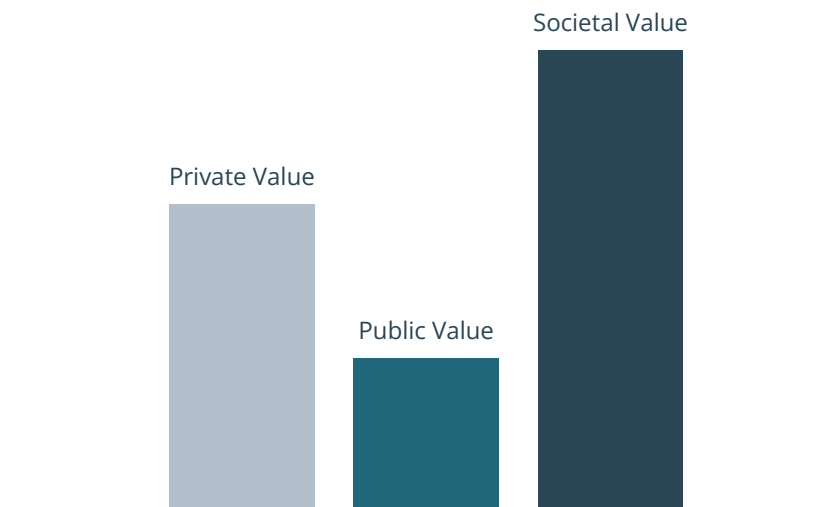


- Sustainability is one of the most **powerful trends** we have seen in investing, and it is going to accelerate in decades to come

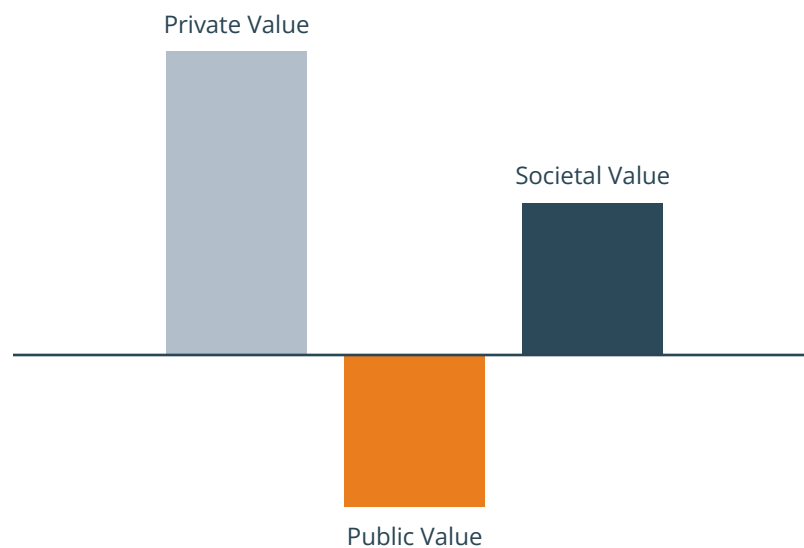
# SOCIETAL VALUE OF CORPORATE ACTIVITIES

- The public value of business activities will **increasingly be included** in company valuations
- Sustainable business models will be able to **attract more capital** at a lower cost of capital
- New **innovative business models** and stranded assets

## | Case A: Positive Externalities



## | Case B: Negative Externalities



# A SUSTAINABLE AND RESPONSIBLE INVESTMENT APPROACH

## I We have integrated The Sustainability Cube™ in our ARP Fund



A **long track** record in this field

Multifaceted determined effort

Partnerships – Engagement  
International, Matter

We comply with **best practices**  
regarding international ESG  
standards – Engagement and  
Exclusions

We have developed the  
**Sustainability Cube™**

Three dimensional company  
screening and ranking across:  
- Climate transition  
- ESG Industry leadership  
- UN SDG's

Sustainable investment portfolio  
**integration**

More to come...

**Constantly** developing  
framework...

Adoption and integration of **new**  
**data** as it becomes available



# OUR SUSTAINABLE INVESTMENT PROCESS

## Our 2-step approach to sustainable investments

### Engagement & Exclusions

Identify **problematic** companies

We favour engagement over exclusion

Fact based assessments

We exclude companies that *intentionally* and *repeatedly* violate national/internationally endorsed standards

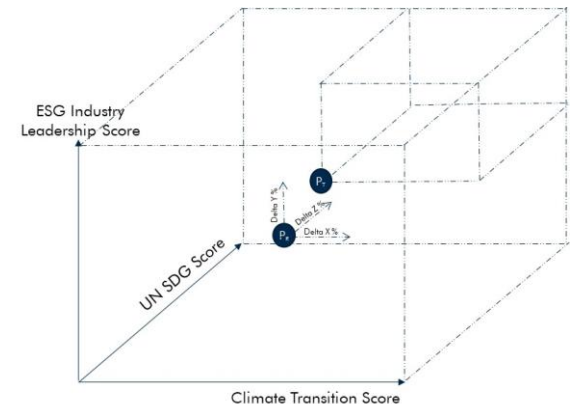
Identify **unwanted** product and/or industry exposure

Harmful or inhumane products

Industries with unacceptable *negative externalities*

We exclude companies associated with production of controversial weapons, tobacco, thermal coal mining, nuclear weapons, oil sand extraction, arctic drilling, adult entertainment, gambling, and cannabis

**Sustainability Cube™**  
screening & portfolio construction



# HOW TO ACHIEVE A ROBUST AND BALANCED SUSTAINABILITY MEASURE?

- 01 Societal value and sustainability are multi-dimensional
- 02 Data are short, incomplete and noisy
- 03 Comparisons between as well as within industries matter
- 04 Sustainability definition is dynamic and changes over time
- 05 A company's current position and forward looking trajectory may very well differ
- 06 Perceptions and sentiments are important



The Sustainability Cube™ deals with all of the above

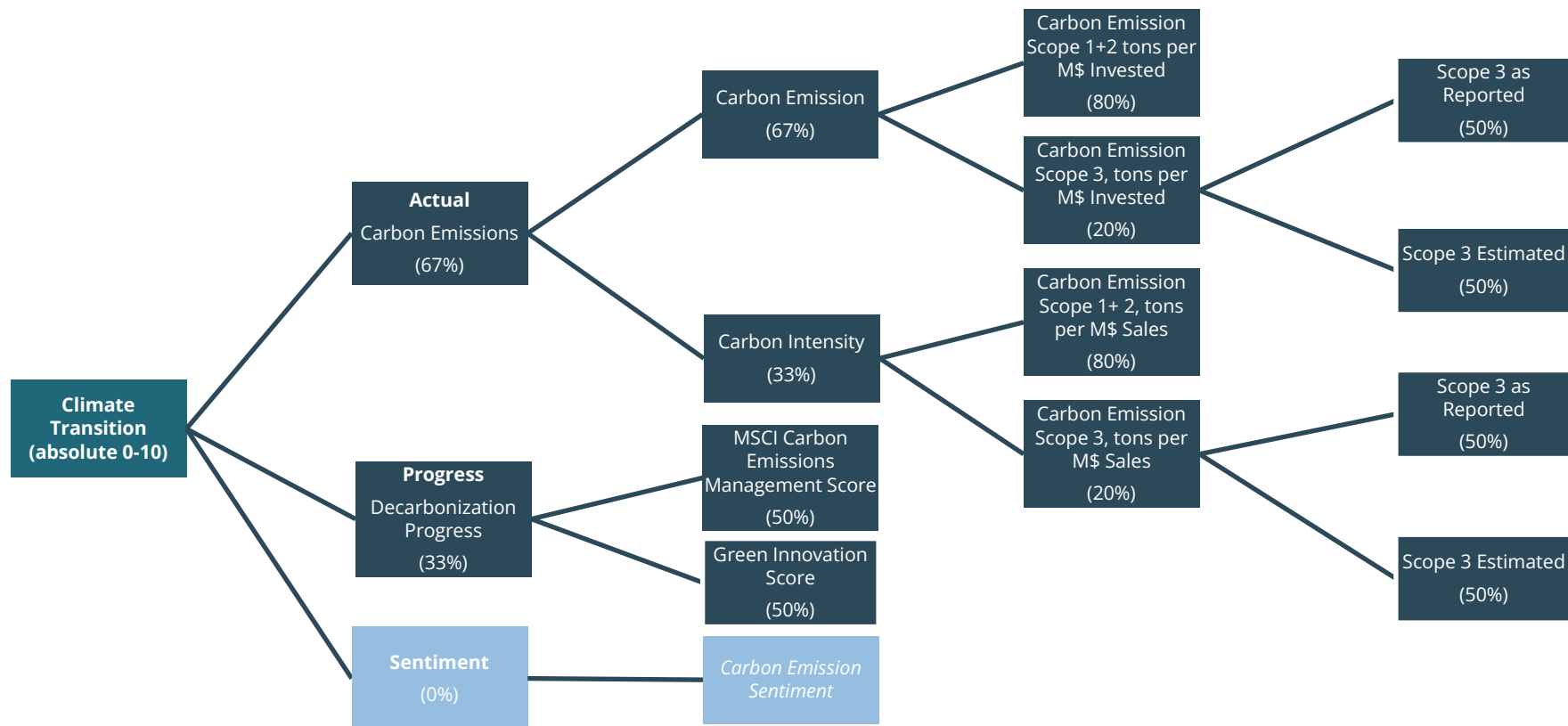
# THE CLIMATE TRANSITION SCORE

## Continuous Improvement

Since not all companies disclose carbon emissions, we continuously work on improving data quality by incorporating estimated values both from analysts and from own models.

It is our belief that it will become increasingly important how well a company is delivering on their carbon reduction promises and Paris agreement alignment. Therefore, we will include e.g. carbon target analysis, both on historical and future targets, and have included patent data in measuring the decarbonization progress of a company.

Due to the lacking nature of reported values and to get a “public” opinion on how well a company is doing with respect to solving carbon related issues we will measure the market wide sentiment using e.g. NLP methods.



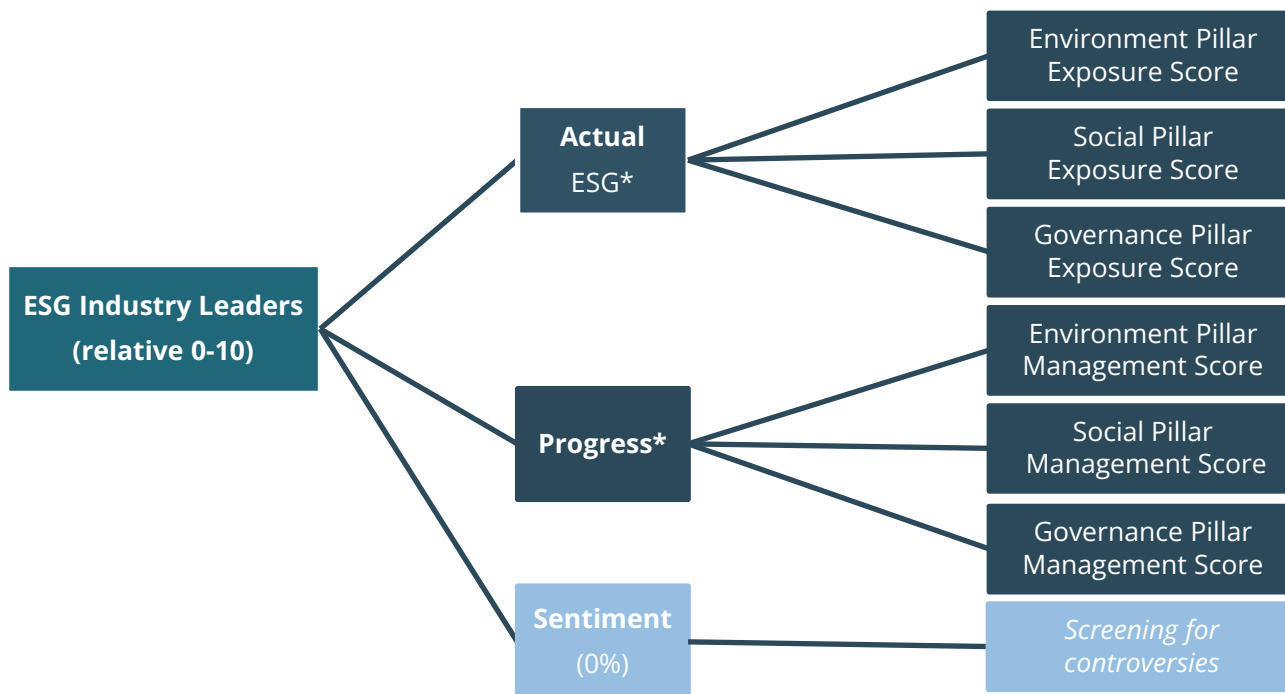
# THE ESG INDUSTRY LEADERSHIP SCORE

## Continuous Improvement

Even though ESG is well-known there is a lack on consensus on how to measure it. We will continue to incorporate ESG data from various sources to improve the robustness.

In addition, we are looking into the weightings of the different ESG scores. The research on the tax governance score is ongoing and the weight is expected to be increased.

Due to the lacking nature of reported values, we will include real-time controversies screening to ensure that we address potential issues early.

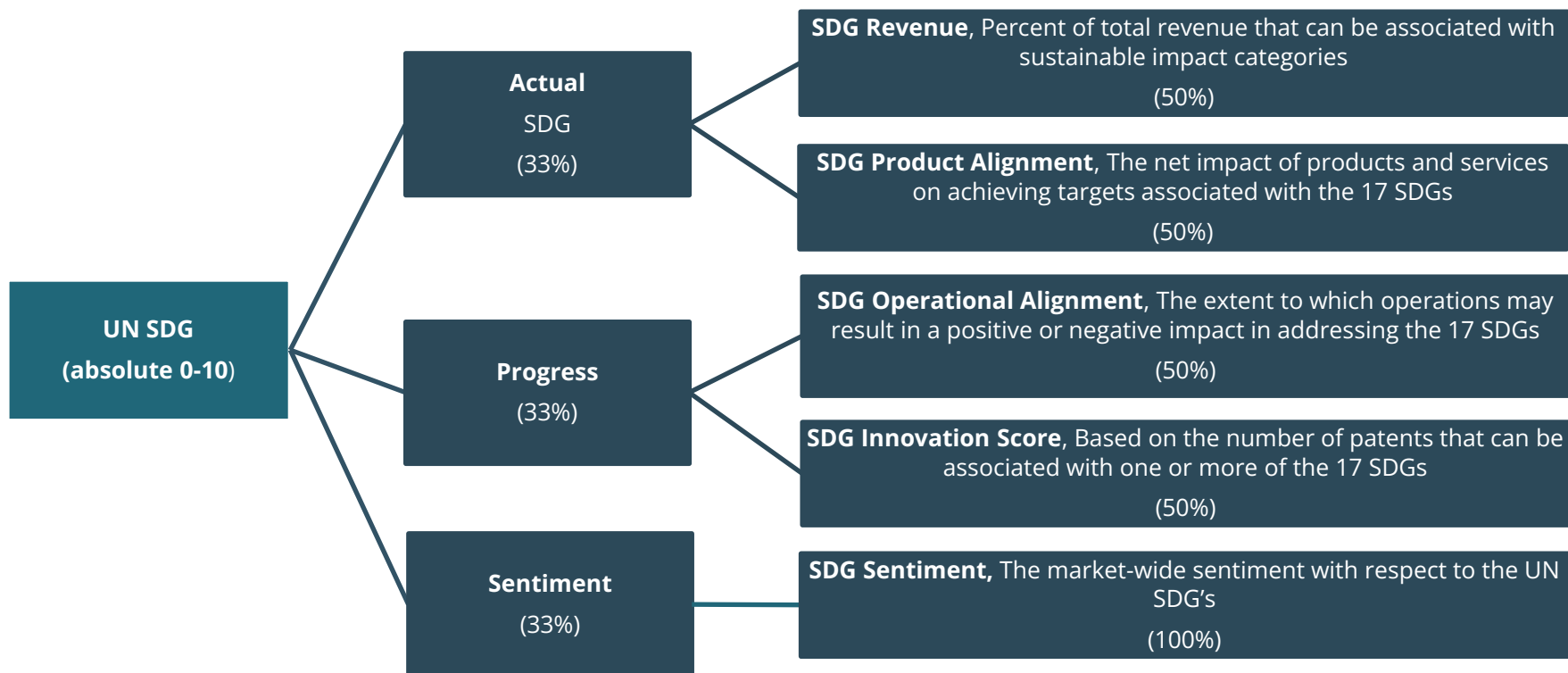


# THE UN SDG SCORE

## Continuous Improvement

All revenue and R&D that can be attributed to the 17 UN SDGs are not equal. We will continue to work on ways to differentiate companies on their efforts to solve some of the world's major challenges. As an example, we will soon include issued SDG innovation patents as an indicator of progress.

To get a "public" opinion on how well a company is doing with respect to addressing UN SDGs we have recently included a market wide sentiment score using NLP methods.



# ADDING IT ALL UP – THE SUSTAINABILITY CUBE™ SCORE

- 01 The inputs are the sub-scores from each dimension (ESG, Climate and SDG)
- 02 Sub-scores are equally weighted in order to calculate the final Score
- 03 Companies can now be ranked between as well as within industries
- 04 Continued improvements in data and data quality
- 05 The Score can be used for portfolio construction purposes as well as reporting



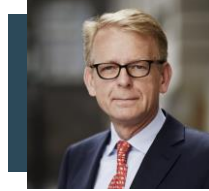
The Sustainability Cube™ is integrated into everything we do

# QBLUE TEAM BIOGRAPHIES

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# QBLUE BALANCED TEAM

Bjarne Graven Larsen is a pension fund and financial veteran with more than 30 years of experience in the industry. He is the former Chief Investment Officer and executive board member of Ontario Teachers' Pension Plan (OTPP). From 1999-2010 Bjarne was the Chief Investment Officer and executive board member of ATP (Denmark's largest and Europe's fourth largest pension fund). Before joining OTPP, Bjarne was CFO at Novo A/S and prior to that he was the CEO of FIH Erhvervsbank A/S (FIH). Bjarne has also held positions at Realkredit Danmark, the country's largest Mortgage Bank, now part of Danske Bank, in Denmark's Central Bank, and in the Ministry of Finance.



**Bjarne Graven Larsen**  
CEO



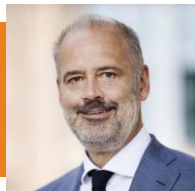
**Fredrik Martinsson**  
CIO

Fredrik Martinsson has many years of experience within the financial industry. He spent 15 years at ATP, the last five years of which as CIO Investments. During this time, Fredrik was responsible for building, developing, and implementing ATP's proprietary Alternative Risk Premia (ARP) program across assets and internal teams. In the period 2005-2011, under the leadership of Bjarne Graven Larsen, Fredrik was responsible for developing, and managing ATP Alpha, ATP's multi-team and multi-asset in-house alpha operation. Fredrik joined ATP in 2001 as an equity portfolio manager and was promoted by Bjarne Graven Larsen in 2004 to become Head of Equities. Prior to ATP, Fredrik was an equity analyst for 10 years, working for Danske Bank, Goldman Sachs, and Hagströmer & Qviberg.

Tine has more than 20 years of experience in the financial sector in various positions such as Head of Investor relations and sustainability at Jyske Bank, Member of the Executive management, International Banking at Danske Bank, Sales Director PFA Asset management, Senior sales manager at Nordea Markets. Tine started her career as trainee at A.P. Moller Maersk and worked there for 8 years. Tine holds a Graduate Diploma in Finance, a Graduate Diploma in Accounting & Credit Risk and an Executive MBA from IMD.



**Tine Lundegaard**  
CCO



**Henrik Gade Jepsen**  
Senior Advisor

Henrik has three decades of experience in the financial industry. He spent 17 years at ATP, Denmark's largest pension fund, as a colleague to the entire investment team at Qblue Balanced. From 2011 to 2016 he held the position of Chief Investment Officer and executive board member. After ATP, Henrik was the Head of Asset Management of Danske Bank, Denmark's largest bank. He has also held positions at Realkredit Danmark, Denmark's largest mortgage bank, the International Monetary Fund (IMF) in Washington, D.C., and Denmark's Central Bank. He has served on multiple boards and advisory councils. Henrik holds a MA degree in Economics from Aarhus University, Denmark.



# QBLUE BALANCED TEAM

Martin spent five years at ATP Alpha as Senior Portfolio Manager, developing and implementing a portfolio of quantitative FX trading strategies and risk management systems for both systematic and discretionary trading. From 2013 to 2016 Martin served as quantitative strategist at Nordea Markets. Prior to joining ATP Martin spent five years as Senior Analyst at Danske Markets. From 2003 to 2008 he was senior analyst at Danske Markets. Martin has a Ph.D. in Finance from Copenhagen Business School, an M.Sc. in Statistics and B.Sc. in Mathematics from University of Copenhagen.



**Martin Richter, PhD**  
Senior Portfolio Manager



**Thomas Stryger Olsen**  
Senior Portfolio Manager

Thomas served four years as senior portfolio manager in Global Equities and Volatility team at ATP. In this position he worked with designing, implementing and managing systematic equity risk premia strategies. As part of this work he designed and implemented a proprietary risk model for performance attribution and risk factor exposure monitoring. Thomas was also portfolio manager at ATP Alpha developing and trading a portfolio of global long/short equity quant alpha strategies. Before that, Thomas worked for 15 years in the software industry as a consultant, manager, and system developer. Thomas holds an M.Sc. In Engineering (Computer science) from the Technical University of Denmark.

Lars worked for four years as senior portfolio manager at ATP, being responsible for the development and management of purely systematic alternative risk premia strategies in equities, both long/short and long only with special focus on efficient and low-impact market implementation. Previously, from 2009 to 2013, Lars was portfolio manager at ATP Alpha, developing and implementing systematic long/short alpha strategies in equities. Additionally, Lars has 15 years of experience from the software industry, both as consultant, technical architect and software developer. Lars holds an M.Sc. In computer science from the Technical University of Denmark.



**Lars Voss Toft**  
Senior Portfolio Manager



**Lars Hougaard Nielsen, PhD**  
Senior Portfolio Manager

Lars spent six years as senior portfolio manager at ATP. Here, he developed and traded ATP's alternative risk premia and beta portfolio in commodities and headed ATP's cross-asset alternative risk premia forum. Prior to joining ATP, he worked for four years in the insurance industry as an actuary focusing on liability modelling and risk management. Since 2009, Lars has maintained a role as statistical researcher and advisor at University of Copenhagen. Lars holds a M.Sc. In mathematical statistics and probability theory and a Ph.D. in applied statistics from the University of Copenhagen.

# QBLUE BALANCED TEAM

Amanda brings more than 13 years of experience working in sales in European Markets, focusing on EUR Government as well as Scandinavian Bonds and Derivatives. Amanda started her professional career in Alfa Investment Bank, São Paulo, Brazil, before moving on to Cecabank and CM Capital Markets in Madrid, Spain. Prior to joining Qblue Balanced she worked as Senior Fixed income and Derivative Sales at Danske Bank. Amanda holds a Master in Banking and Financial Markets.



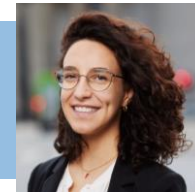
**Amanda Ladeira  
Pereira**  
Sales and Relationship  
Manager



**Andreas  
Papadopoulos Wulff**  
Operations Manager

Andreas spent 8 years working at ATP as Senior Operations Manager, being responsible for the overall back office and working to optimize transaction management and enhance operation processes. Furthermore, Andreas has been instrumental in the implementation of a new clearing platform, focusing on trading derivatives and commodities with multiple counterparts, markets and clearing brokers. Prior to joining ATP, Andreas worked for Nordea in Copenhagen and as Product Manager for Citigroup in London, where he managed the Nordic product portfolio with responsibility to grow revenue as well as lead the regional strategy and product development. Andreas holds a Degree in Business Administration in Finance from the European School of Economics in London.

Prior to becoming Operations Manager at Qblue Balanced, Caterina started her professional career in Milan, Italy, as a Portfolio Analyst, responsible for running statistical analysis focused on optimising the diversification index when the percentage of asset classes in the portfolio were adjusted. Subsequently, Caterina moved to Denmark and graduated with a MSc in Economics and Finance and worked as Investment Manager in a growing start-up implementing the portfolio optimisation model through adjusting the different asset classes weights in the portfolio.



**Caterina Stifano**  
Operations Manager



**Julie Helene Lauritzen**  
Finance and Compliance

Prior to joining Qblue Balanced, Julie spent a few years in Spain working for Mærsk as a Custom and Manifest agent, responsible for monitoring and controlling import and export procedures and ensuring compliance with Spanish and international maritime legislation. Julie holds a M.Sc. in Business & Development Studies from Copenhagen Business School.

# QBLUE BALANCED TEAM



**Kevin Mitchell**  
Head of  
Technology and Risk

Prior to becoming Head of Technology and Risk at Qblue Balanced, Kevin spent three years as a student analyst at Mermaid Asset Management, a Nordic focused multi-family office, where he was responsible for developing and implementing the reporting and management systems. Kevin graduated first in class with an M.Sc. and B.Sc. in Business Administration and Mathematical Business Economics from Copenhagen Business School in 2017 and 2015 respectively. Kevin also teaches at Copenhagen Business School, in Probability theory and Statistics.

Sebastian is currently studying for his M.Sc. in Business Administration and Mathematical Business Economics with focus on programming, statistics and computational finance. Before joining Qblue Balanced he has been teaching Numerical analysis and computer science as an instructor at Copenhagen Business School. Besides he has been in charge of developing business intelligence solutions concerning inventory management and managerial economics for the wholesale distributor Nordic Distribution.



**Sebastian Baltser**  
Financial  
Software Engineer



**Kristian G. Hansen**  
Data Analyst

Kristian is a Data Analyst at Qblue Balanced where he assists with the development and maintenance of our data and reporting platforms in the Data and Technology department. He is studying Data Science at IT University of Copenhagen.

# FUND PARTICULARS



# QBLUE GLOBAL SUSTAINABLE LEADERS

<b>Legal Structure</b>	An open-ended umbrella type investment company authorised pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.		
<b>Share Classes</b>	A (Retail) / C (Seed) / I (Institutional) / S (Institutional)		
<b>ISIN / Bloomberg Ticker</b>	A	IE000SMMFJK9	HEPQBLA
	B	IE0009YDLNS5	HEPQBLB
	C	IE000I45W962	HEPQBLC
	I	IE000KRTYOL9	HEPQBLI
<b>Exchange Listed</b>	None		
<b>Registered for Retail Sale</b>	Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, United Kingdom		
<b>Registered for Accredited Investors</b>	Singapore (CISNET restricted scheme)		
<b>Minimum Investment</b>	A = \$15,000 / B = \$15,000 / C = \$1,000,000 / I = \$2,000,000		
<b>Management Fee</b>	A = 0.95% / B = 1.50% / C = 0.60% / I = 0.80%		
<b>Subscriptions</b>	Daily - T+2 Settlement		
<b>Redemptions</b>	Daily - T+3 Settlement		
<b>Lock-up Provision</b>	None		
<b>Leverage</b>	None		
<b>Sub-Investment Manager</b>	Qblue Balanced A/S		
<b>Management Company</b>	Carne Management Company Ireland		
<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited		
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited		
<b>Lawyers</b>	Simmons & Simmons LLP, Dublin		
<b>Auditor</b>	Grant Thornton LLP		

Please refer to important information on page 2

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Back-tested models are developed with the benefit of hindsight but might not have foresight of the future. Hypothetical returns do not reflect the macroeconomic risks of using the strategy in a different time period or the financial risk of executing trades in a live portfolio which include the potential market impact on financial instrument prices caused by buying or selling that could cause the model's buy or sell prices to differ from the expected model assumptions.

Although the information contained in this presentation gives you some idea of the historic risks involved in investing in the portfolio strategy, past hypothetical performance is not a guarantee of future returns.

*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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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.

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

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