



# Disruption Fund

Capturing the full innovation cycle

March  
2021

Document intended exclusively for professional clients

Disruption Fund is a **multi-cap fund** investing in global equities focusing on **high growth disruptive** businesses in technology, healthcare and consumer sectors.

Our **unique VC-derived** approach identifies disruption themes early, with a focus on tipping points in adoption and growth acceleration.

Disruption Fund is actively managed with a priority for speed and nimbleness, and mindful of volatility. The fund targets a **20% compound return**, long-only, unlevered, with a **five-year horizon**.

## COMMENTS FROM THE PORTFOLIO MANAGER

March 2021 marks a significant breather for high growth stocks everywhere. In approximately 4 weeks from Feb 19 to March 8, investors took profits out of the 2020 tech surge; they rotated aggressively from Growth to Value. The catalyst was a tangible inflection in global vaccination rates, shifting investor focus from a fear of Covid to one of reopening inflation.

Our January « peace dividend » scenario is coming to fruition. Vaccines are working, personal savings are at 50 year highs, the global recovery is surging. An emotional consumer, rich with stimulus largesse, is looking to step outside and splurge. This demand wave is hitting against manufacturing supply chains still in disarray from the pandemic. From homes to cars to semiconductors, many businesses are running on ultra low inventories.

While reopening is our playbook, the inflation scare did cause our portfolio to correct -15.1% from its Feb 12 peak. Still, we close this tricky 1Q21 with a +2.8% ytd gain, and continue to tread cautiously as we anticipate US 10 year yields to normalize to 2% and German Bunds to 0% in 2Q21.

We think the specter of 1970s double digit inflation is overdone. Radical innovation continues to disrupt every industry. The gains of 2020 were driven by a real and tangible acceleration in digitization, electrification and leaps in biotechnology. The global economy is only just coming to terms with the permanence of these changes, and while reopening will drive consumers « outside », it will not reverse the profound productivity gains achieved through the crisis.

Since late Feb, the portfolio is one third exposed to reopening consumer spending such as Uber, Airbnb, Booking.com, Eventbrite, LightspeedPOS, while we switched Tesla for Volkswagen and QuantumScape, and we continue to see great promise in CRISPR innovators despite the volatility of the space.

## PERFORMANCE

	Since Inception	YTD	Month Mar.
Disruption Fund (A)	+97.1%	+2.8%	(5.2%)
MSCI World TR EUR	+40.6%	+9.2%	+6.7%

Disruption Fund performance since January 31<sup>st</sup>, 2019 (starting date of new investment strategy)  
Data as of March 31<sup>st</sup>, 2021



## TOP 20 HOLDINGS\*

Square Inc	2.61%	Visa Inc	2.44%
Baidu Inc	2.58%	Booking Holdings Inc	2.42%
Lightspeed POS Inc	2.58%	Mastercard Inc	2.41%
Adobe Inc	2.54%	Paycom Software Inc	2.02%
Nvidia Corp	2.54%	Airbnb Inc	2.01%
Paypal Holdings Inc	2.51%	Veeva Systems Inc	1.99%
ServiceNow Inc	2.49%	Eventbrite Inc	1.97%
Workday Inc	2.49%	Uber Technologies Inc	1.94%
STMicroelectronics NV	2.48%	Moderna Inc	1.87%
ASML Holding NV	2.45%	Cree Inc	1.68%

\*As % of NAV.

Data as of March 31st, 2021.

Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results. Performance target is based on market assumptions taken by the fund management company and under no circumstances constitute a promise of return or performance. The risks, fees and recommended investment period for Disruption Fund are detailed in the KIIDs (key investor information documents) and prospectus available on this website. The KIID must be made available to the investor prior to subscription.



## FUND CHARACTERISTICS

### About the fund

Headquarters	Paris
Fund manager	Quadrille Capital SAS
Legal structure	FCP UCITS

### Practical Information

Currency	EUR
ISIN code - B share	FR0012770162
Ref. index	MSCI World Total Return EUR
Valuation frequency	Weekly and Monthly
Cut off time	5pm (D-1 valuation day)

### Investor Information

Recommended investment period	5 years
Minimum investment	€100,000
Investor type	Institutional

## PORTFOLIO MANAGER



Jean-Edwin Rhea

- 20-year experience of equity capital markets in tech and healthcare
- MBA from HEC Paris and Columbia University and BA in Anthropology from Princeton University

## FEES AND EXPENSES - B SHARE

Max. subscription/redemption fees	3.2%
Management fees	1.5%
Performance fees	15%*

\*above reference index

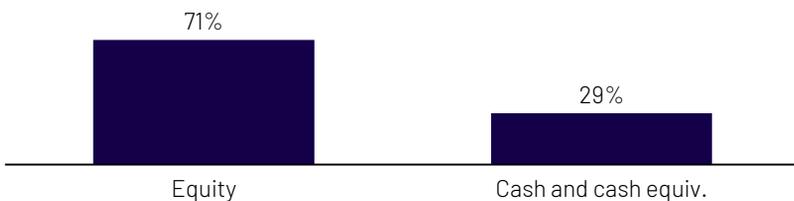
## RISK AND REWARD PROFILE

Lower risk Higher risk  
Typically lower rewards Typically higher rewards

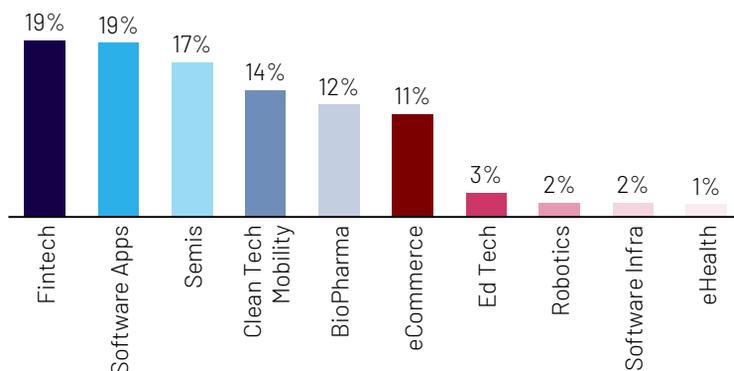


The Fund is ranked 6 on the synthetic risk and reward indicator scale, which is based on the Fund's allocation to equity markets. The risk category shown is not guaranteed and may shift over time.

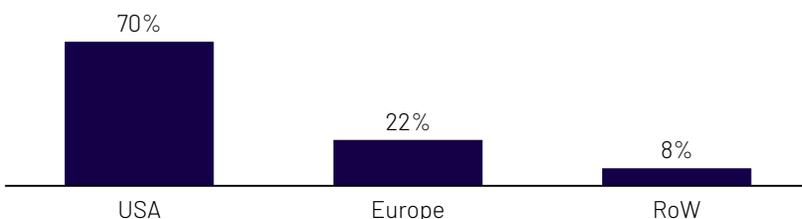
## ASSET ALLOCATION



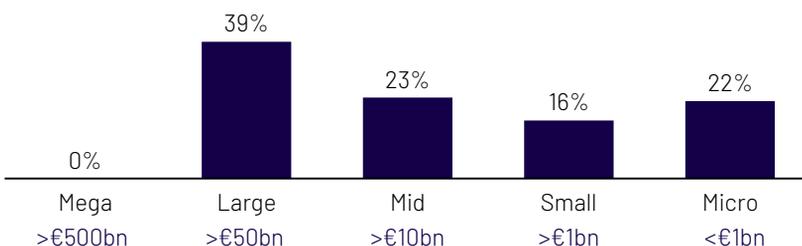
## SECTOR ALLOCATION\*



## GEOGRAPHIC ALLOCATION\*



## CAPITALISATION ALLOCATION\*



## RISK MEASURES\*\*

Period: 31/01/2019 - 31/03/2021

Sharpe Ratio	1.71
Max Drawdown	(-16.7%)
Annualized Volatility	23.3%

\*As % of equity holdings.

\*\*Risk measures based on weekly performance, monthly performances are excluded.

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