



Disruption Fund Master

Capturing the full innovation cycle

June
2022

Disruption Fund Master is a **multi-cap fund** investing in global equities focusing on **high growth disruptive businesses** in technology, healthcare, energy, mobility 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

Inflation is out of control. But as they say in the Texas oil patch, the cure for higher prices is higher prices. And so, the liquidity drain continues, the tide keeps pulling out and until prices relax, every castle is made of sand. June 2022 closes its door on some of the most vicious half year returns in 80 years: commodities are +46%, their strongest rally since 1946, while GDP-weighted global bonds dropped -15.4% so far in 2022, a drop unseen since WW2 as well. If we push our luck, annualizing these bond returns would set us back to the worst sell-off since the US Civil War in 1865. People have noticed. The Univ. of Michigan Consumer Confidence Index is at its lowest point since its creation in 1978. UK, German and French surveys shed the same tears. The BofA global investor sentiment survey is at its most pessimistic low point in 20 years. Nasdaq tested a 35% drawdown on June 16. The mood so grim, how much worse can it get?

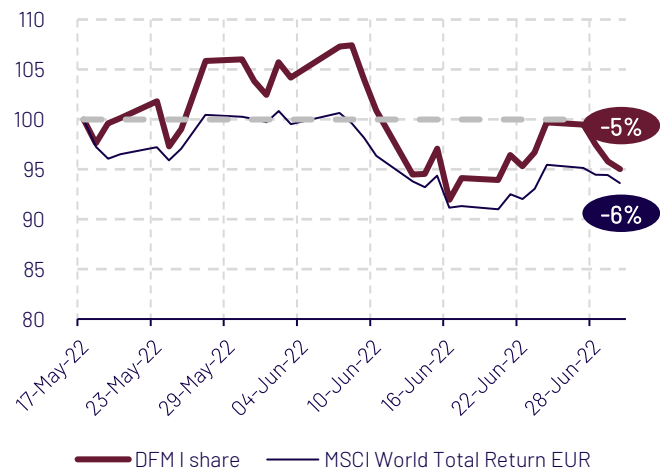
The range of possible outcomes this summer sits between worse case stagflation and plausible virtuous slowflation (1-2% growth with 4-5% inflation). Right now, the global consensus is for a shallow recession in 2H22, but uncertainty is high on peak inflation. A single month could make a world of difference. A lot could go wrong. With wholesale inventories surging, unsold goods piling up (Walmart, Target, Nike, Samsung, Zalando), retail energy prices still rising, mortgage rates up 2x in 6 months... most likely we are at the inflection point, and there lies our troubled hope. Our real worry now is earnings risk. Companies with commodity exposure have pricing power but cyclical downside, while those with inflationary input costs have margin risk. Not much room to hide, although in the last 10 days of June, the recession narrative relieved some of the pressure on global bonds, giving Software and Biotech some breathing room. With our focus on high FCF metrics, our core Software names performed well, with Snowflake +9.0% and CrowdStrike +5.4%; China EVs also had a very strong month, with Nio +24.9%, as well as Biotech with CRISPR +4.7% and Intellia +12.2%. But the energy and commodity pieces of our Clean Tech allocations suffered, with Schlumberger -22.2%, Core Labs -29.7% and Quimica Chile (lithium) -21.3%. Overall, the fund was down -8.9%.

With many Tech sectors like Software, New Media, e-Commerce, Biotech and Clean Tech trading in the vicinity of 10-year valuation lows, the market may be turning back to growth, but the risk of getting it wrong on inflation is just too high, keeping our allocations unchanged for now. As July earnings season unfolds, we expect to adjust our weightings. Our priority remains high FCF metrics which we stress test under a 10% revenue cut.

PERFORMANCE

| | Since Inception* | YTD | Month June |
|----------------------------|------------------|---------|------------|
| Disruption Fund Master (I) | (4.99%) | (4.99%) | (8.49%) |
| MSCI World TR EUR | (6.38%) | (6.38%) | (6.41%) |

Disruption Fund Master performance since May 17th, 2022*



TOP 20 HOLDINGS**

| | | | |
|-----------------------------|-------|---------------------------|-------|
| Crowdstrike Holdings Inc | 4.05% | Orsted AS | 3.19% |
| Enphase Energy Inc | 3.80% | ASML Holding NV | 3.14% |
| Schlumberger Ltd | 3.76% | CRISPR Therapeutics AG | 3.12% |
| KLA Corp | 3.74% | Airbnb Inc | 3.11% |
| SolarEdge Technologies Inc. | 3.73% | Quimica y Minera de Chile | 3.02% |
| BioNTech SE ADR | 3.48% | Lam Research Corp | 2.97% |
| Adyen NV | 3.44% | Palo Alto Networks Inc | 2.91% |
| Alphabet Inc | 3.30% | Cameco Corp. | 2.89% |
| Alfen Beheer BV | 3.21% | Snap Inc | 2.68% |
| Snowflake Inc | 3.20% | Stratasys Ltd | 2.63% |

*Disruption Fund Master performance since May 17th, 2022.

**As % of NAV.

Data as of June 30th, 2022.

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 Master are detailed in the KIIDs (key investor information documents) and prospectus available on www.quadrillecapital.com. 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 - I share | FR0014007W31 |
| Ref. index | MSCI World Total Return EUR |
| Valuation frequency | Daily |
| Cut off time | 10am (D-1 valuation day) |

Investor Information

| | |
|-------------------------------|------------|
| Recommended investment period | 5 years |
| Minimum investment | €1,000,000 |

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 - I SHARE

| | |
|-----------------------------------|------|
| Max. subscription/redemption fees | 0% |
| Management fees | 1.5% |
| Performance fees | 0% |

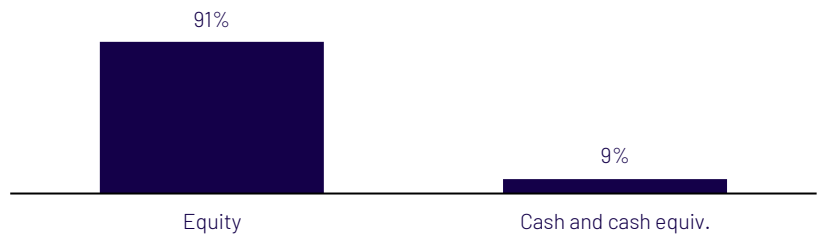
RISK AND REWARD PROFILE

Lower risk Higher risk
Typically lower rewards Typically higher rewards

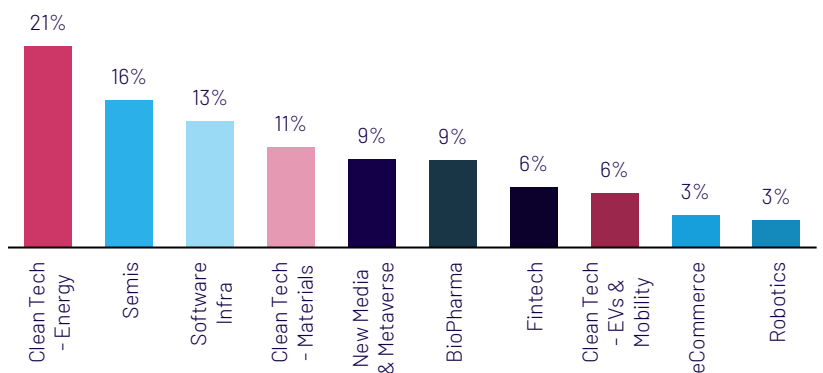


The Fund is ranked 6 on the synthetic risk and reward indicator scale, which is based on the Fund's allocation to equity markets. The risk category shown is not guaranteed and may shift over time.

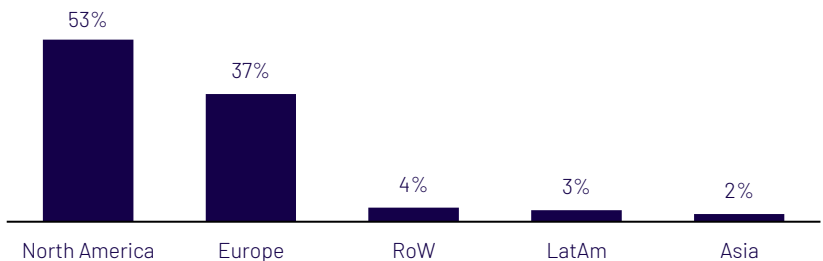
ASSET ALLOCATION



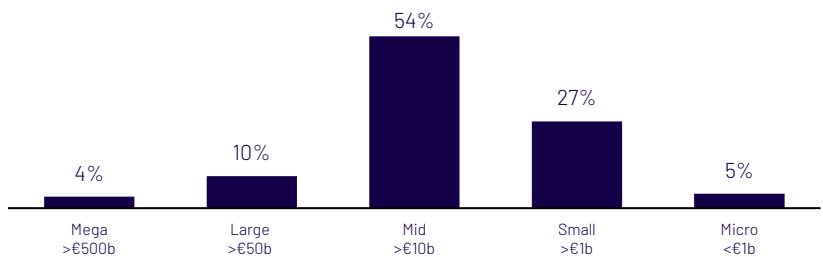
SECTOR ALLOCATION*



GEOGRAPHIC ALLOCATION*



CAPITALISATION ALLOCATION*



RISK MEASURES

Period: 17/05/2022 - 30/06/2022

| | |
|-----------------------|---------|
| Sharpe Ratio | (0.71%) |
| Max Drawdown | (14.4%) |
| Annualized Volatility | 38.4% |

*As % of equity holdings.

Data as of June 30th, 2022.

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