Disruption Fund Master

Capturing the full innovation cycle

June 2023

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. The fund promotes ESG characteristics as defined by the SFDR Article 8.*

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

Disruption Fund Master 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

Expect the unexpected. It wasn't just a +31.7% rally. So far in 2023, the Nasdaq Composite index delivered its best first half performance in 40 years. And given the microscopic size and irrelevance of Nasdaq in 1983, this 6 months performance is arguably the best technology stock market performance of all time. Yet no one saw it coming. From Bridgewater to Pimco to Amundi, the global smart money remains bearish and continues to publish worried research about further rate hikes, inflation and recession. In our Tech sector as well, world renowned Tech funds such as Tiger, Baillie Gifford and Softbank, still bruised from the 2022 bear market, have only slowly embraced the rebound, highlighting the narrowness of the advance as evidence of its fragility. We however, think this narrow advance is the precursor of a broader bull market across the Tech sector. The mega caps have led the rally initially because they are immensely cash rich and unaffected by the funding crunch of our ecosystem; but they are also the first beneficiaries of the generative AI revolution. The hyperscalers fund and own the entire infrastructure that makes generative AI possible. By some estimates Microsoft alone could generate $90b in incremental revenue from AI by 2025, just around the corner. The massive +76% rally of the "Magnificent 7" tech mega caps—Nvidia, Tesla, Apple, Alphabet, Amazon, Microsoft and Meta—comes with a cloud capex and utilization rate rebound that we believe has already begun to revive the entire ecosystem. Already, June brought a widening out of performance, with liquidity and breadth returning to smaller companies. The US Russell 2000 index of smaller companies which was flat for the five months ending in May, rallied 8.1% this month. So while there is still plenty to worry about in the global economy, the Tech stock recovery is now infusing the broader market with fresh liquidity. At the same time we are weary of the inevitable AI hubris and as we look into the balance of 2023, we continue to build our portfolio on our three dominant themes: Decarbonization, Deglobalization and Dehumanization.

Underneath these mega trends sit not just AI but Cloud infrastructure, Application software, Semiconductors, Automation and Cleantech, which itself encompasses Energy, Mobility and Materials. Altogether, these remain our top priorities with 28% allocated to Cloud, 23% to Semis and 16% to Cleantech. Cleantech remains penalized by being the most interest rate sensitive among our sectors, and we await more clarity on the true Fed/ECB pivot before committing more to it.

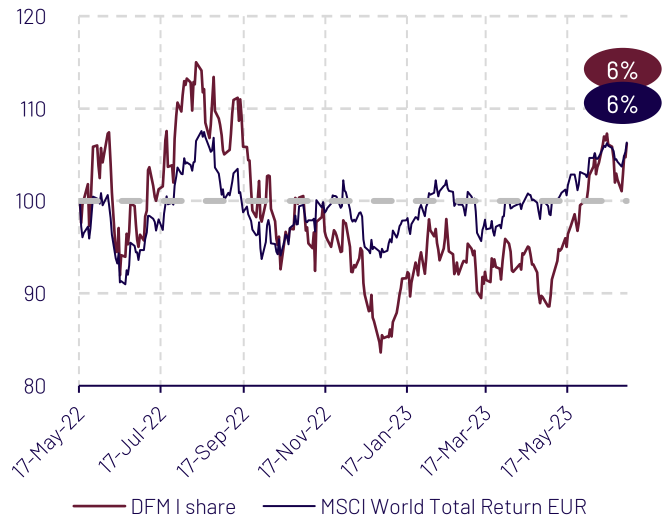
With the Tech rally broadening out, June extended the good performance started in May. Our DF Alpha Fund gained +5.9%, and DF Master rose +6.1%, both in EUR, while Nasdaq Composite rose +6.6% in USD and +4.4% in EUR. The MSCI World TR EUR rose +3.6%. Our top contributors were scattered across our themes, with AI related cloud infrastructure continuing to stand out; MongoDB, Palo Alto, Gitlab each reported stellar results and raised guidance specifically driven by AI; IonQ confirmed shipping their second quantum computer and signed a big customer with Quantum Basel; Tesla saw an acceleration in Model 3 and Y deliveries, boosted by price cuts; ON Holding rose on reported market share gains. On the negative side, Cleantech was mixed with both First Solar and Solar Edge underperforming due to trade war noise around solar panel imports from China; CRISPR Therapeutics was weak despite getting a BLA green light from the FDA; CrowdStrike did not participate in the AI rally. Our biggest change for the month was to sell out of AMD and buy into Intel as subsidies pile up to help them become an alternative foundry to TSMC over the next 3 years.

The extraordinary 2023 rally of the Tech mega caps begs the question of an AI bubble, and we are watchful for signs of excess, but we think this new cycle of innovation is real, long term, and funded by the deepest pockets in the tech world.

PERFORMANCE

	Since Inception*	YTD	Month June
Disruption Fund Master (I)	+6.23%	+24.8%	+6.08%
MSCI World TR EUR	+6.31%	+12.6%	+3.63%

Disruption Fund Master performance since May 17th, 2022



TOP 20 HOLDINGS**

Tesla Inc	4.10%	SOITEC	3.31%
MongoDB Inc	4.02%	Intel Corp	3.27%
Palo Alto Networks Inc	4.00%	Wise plc	3.27%
Microsoft Corp	3.87%	Airbnb Inc	3.26%
ASML Holding NV	3.54%	ON Holding Class A	3.23%
Oracle Corp	3.50%	Celsius Holdings Inc	3.21%
Snowflake Inc	3.45%	Eli Lilly & Co	3.21%
Splunk Inc	3.43%	SolarEdge Technologies Ir	3.16%
ASM International NV	3.32%	Amazon.com Inc	3.06%
NVIDIA Corp	3.31%	Crowdstrike Holdings Inc	2.95%

**Disruption Fund Master performance since May 17th, 2022.*
***As % of NAV.*

Data as of June 30th, 2023.
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 KIDs (key information documents) and prospectus available on www.quadrillecapital.com. The KID must be made available to the investor prior to subscription.

Disruption Fund Master
16, Place de la Madeleine, 75008 Paris
Phone: + 33 (0)1 79 74 23 40

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FUND CHARACTERISTICS

About the fund

Headquarters	Paris
Fund manager	Quadrille Capital SAS
Legal structure	FCP UCITS
SFDR Classification	Art. 8

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

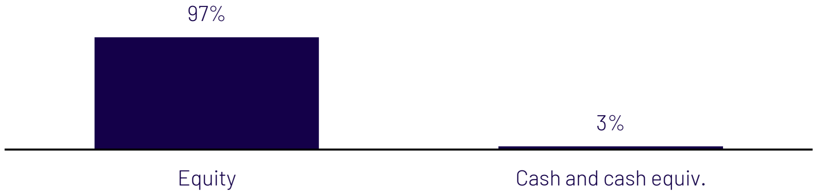
Lower risk *Higher risk*

Typically lower rewards *Typically higher rewards*

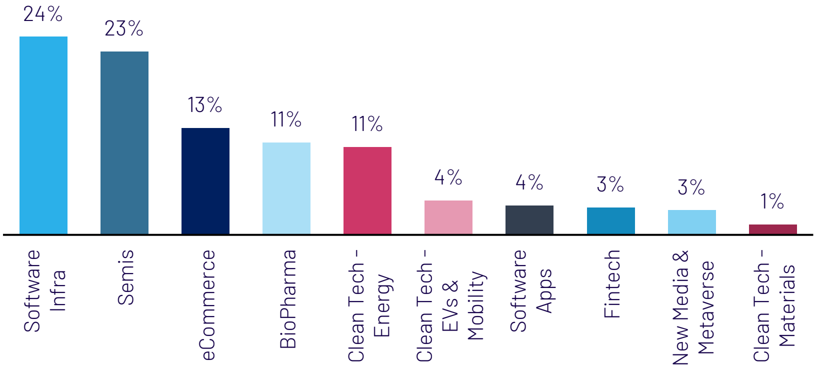
1	2	3	4	**5**	6	7

The Fund is ranked 5 on the synthetic risk 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.

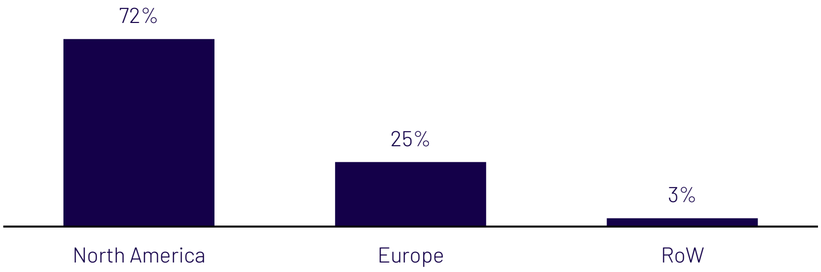
ASSET ALLOCATION



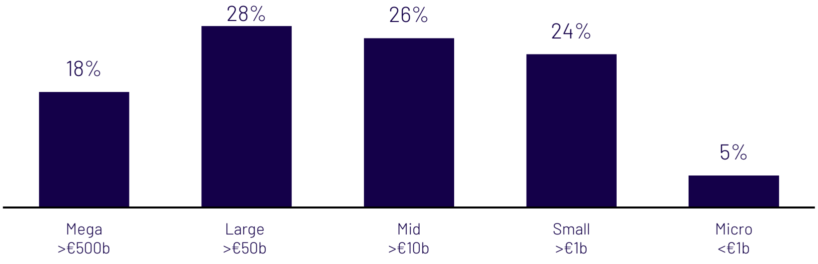
SECTOR ALLOCATION*



GEOGRAPHIC ALLOCATION*



CAPITALISATION ALLOCATION*



RISK MEASURES

Period: 17/05/2022 - 30/06/2023	
Sharpe Ratio	0.41
Max Drawdown	(27.3%)
Annualized Volatility	28.8%

**As % of equity holdings.*

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ESG CHARACTERISTICS

About the fund

SFDR Classification	Art. 8
ISR Label	No
Impact strategy	No
Principle Adverse Impact Indicators (PAI)	No
Taxonomy Alignment	0%
Exclusion policy	Yes
Vote policy	Yes
Constrained universe	Yes

Fund's ESG Strategy

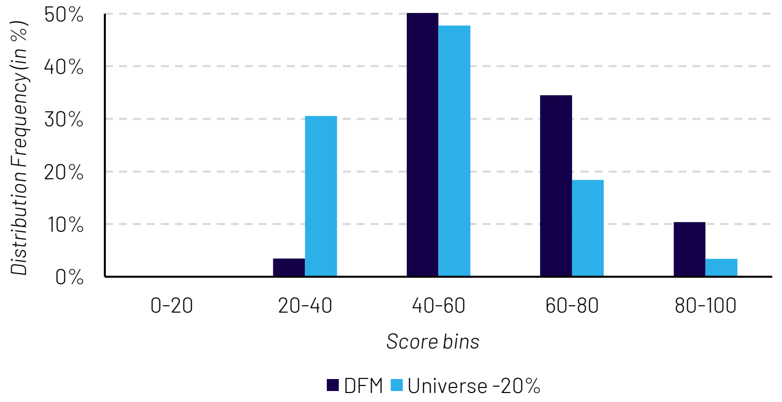
The fund seeks to select issuers that combines growth potential, profitability and ESG characteristics. A methodology has been developed to capture ESG opportunities and manage related risks: it systematically integrates sustainability criterias in its investment approcah through a proprietary ESG analysis matrix to ensure the fund only invests in companies whose solutions are adressing sustainability standards and goals. Finally, the fund exercises active ownership through sustainability-based voting and engagement.

ESG SCORE AND COVERAGE*

Score		Coverage	
DFM	Universe -20%	DFM	Universe -20%
58/100	49/100	90.4%	100%

Note: DFM's score is calculated using a weighted average. Coverage of DFM only includes issuers with a score as a % of NAV. The fund's objective is to consistently keep it's score above the universe score.

ESG SCORE FREQUENCY DISTRIBUTION*



Note: The score frequency distribution calculated above compares frequency of score ranges (bins). The fund aims to keep (best effort basis) a negatively skewed distribution relative to the constrained universe.

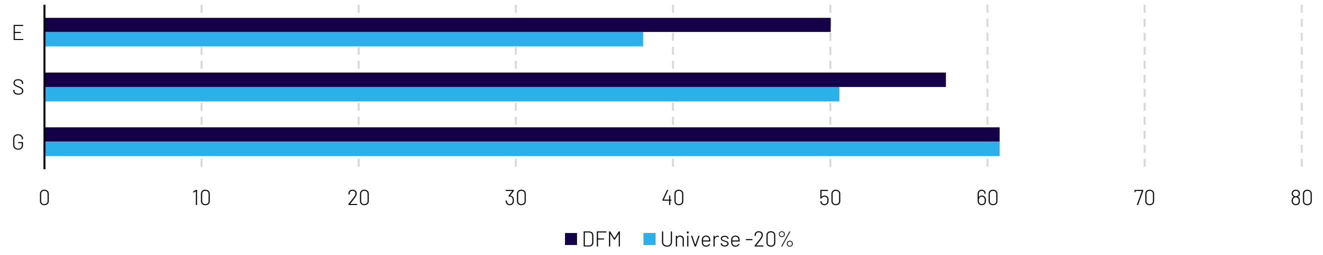
TOP 5 ESG SCORES*

Company Name	Score	% of NAV
Carbios	90	1.12%
ASML Holding NV	82	3.54%
NVIDIA Corp	81	3.31%
Palo Alto Networks Inc	80	4.00%
ON Holding Class A	73	3.23%

BOTTOM 5 ESG SCORES*

Company Name	Score	% of NAV
Tesla Inc	35	4.10%
Alphabet Inc	40	2.93%
Wise plc	44	3.27%
MongoDB Inc	45	4.02%
Intel Corp	48	3.27%

ESG AVERAGE SCORE PER PILLAR*



**The Quadrille Capital's rating scale ranks issuers from 0 to 100, with 0 being the worst issuers and 100 the best. "Universe -20%" corresponds to a constrained universe excluding 20% of the worst ESG scores. The ESG methodology is detailed in the fund's prospectus and on Quadrille Capital's website (https://www.quadrillecapital.com/esg).*

Source: Sustainalytics.

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