



Disruption Fund Master

Capturing the full innovation cycle

May
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

Fear, uncertainty and doubt. As the growth and inflation newsflow continued to deteriorate in early May, the temptation was high to capitulate, give up on growth altogether and seek shelter in consumer staples and commodities. In aggregate, this has been happening all around us. In the US and Europe, start-up funding has begun to dry up and the IPO window is firmly shut; in China the tech sector is in survival mode. And as digital companies everywhere tend to be clients of each other, group think leads to group cuts. Meanwhile China's Covid 2.0 added to both manufacturing scarcity and an overall demand slowdown. Volatility has remained parked at 2020 levels. On May 20th global markets tested new lows, putting the SP500 briefly past a -20% drawdown and the Nasdaq Composite past -30% (intraday basis). But hope springs eternal. One week on, June is starting off with a China reopening rally, boosted by pro-business rhetoric in Beijing, US willingness to lift non-strategic US/China tariffs, and OPEC agreeing to pump more oil. These are helpful developments, especially for clean tech where China dominates manufacturing in solar polysilicon and lithium batteries, as well as subcomponents in hydrogen fuel cells and wind turbines. It's a strategic conundrum as these industries will need to be at least partially onshored, but the near-term impact will help lower prices and lower the cost of energy decarbonization.

Things can look quite dark before the dawn and no one will predict the bottom, yet our valuation work on 75 SaaS and Cloud software names suggests average EV/Sales NTM slipped from 21x in Nov '21 to 6.0x on May 20th, a -71% drop. The May 20th level was the lowest in 5 years (Sept 2017), lower than the two drawdowns of Dec 2018 and March 2020. Our New Media index is also at a 5 year low on EV/Sales NTM and eCommerce at a 12 year low. In price terms, China Tech is at a 15 year low. Looking back to the Dotcom years of 1998-2002, the entire Nasdaq Composite corrected 78% peak to trough over 2.5 years, with the first -70% clocked within 1.5 years. Comparisons are tricky, but using the Goldman Sachs Non-Profitable Co's Index as a proxy we find that it too has dropped -70% since its peak in Feb 2021. We think Tech, Software and Internet sector valuation risk is now low.

Clean Tech remains our biggest overweight at 40%; we have broken the sector down into three subsegments: Energy (23%), Materials (12%) and EVs & Mobility (5%); we added to Nio Inc. Our second biggest overweight is Cloud Software (16%), including Cybersecurity; we think large corporate cloud migrations will offset spending cuts by startups and unprofitable companies; we added to CrowdStrike and bought back Snowflake after earnings. Our third overweight are Semiconductors (16%) where scarcity continues to outrun fears of a multi-ordering slowdown; we added to Soitec. In all, we are 99% long.

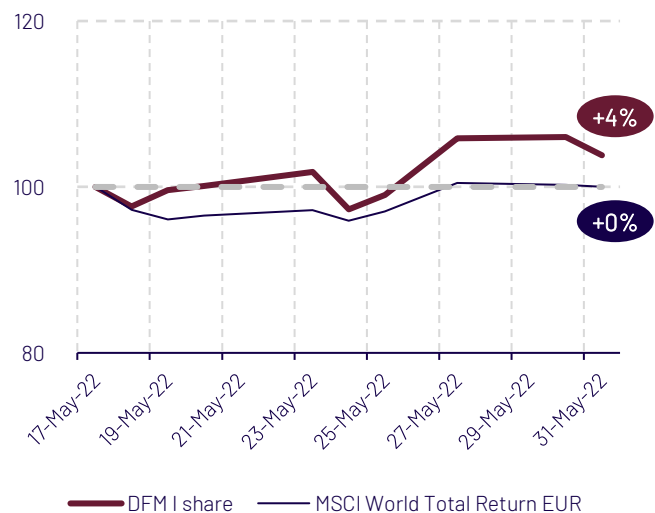
Data as of May 31st, 2022.

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.

PERFORMANCE

	Since Inception*	YTD	Month May
Disruption Fund Master (I)	+3.82%	+3.82%	+3.82%
MSCI World TR EUR	+0.03%	+0.03%	+0.03%

Disruption Fund Master performance since May 17th, 2022*



TOP 20 HOLDINGS**

Schlumberger Ltd	5.75%	ASML Holding NV	3.37%
Quimica y Minera de Chile SA	5.30%	Adyen NV	3.28%
KLA Corp	4.57%	Lam Research Corp	3.24%
Palo Alto Networks Inc	4.19%	SOITEC	3.23%
CrowdStrike Holdings Inc	4.18%	Microsoft Corp	3.12%
SolarEdge Technologies Inc.	4.01%	Orsted AS	3.09%
Enphase Energy Inc	3.88%	Alphabet Inc	3.08%
Airbnb Inc	3.76%	Ubisoft Entertainment	2.71%
Cameco Corp.	3.57%	CRISPR Therapeutics AG	2.66%
BioNTech SE ADR	3.45%	Core Laboratories Inc.	2.65%

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

**As % of NAV.



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

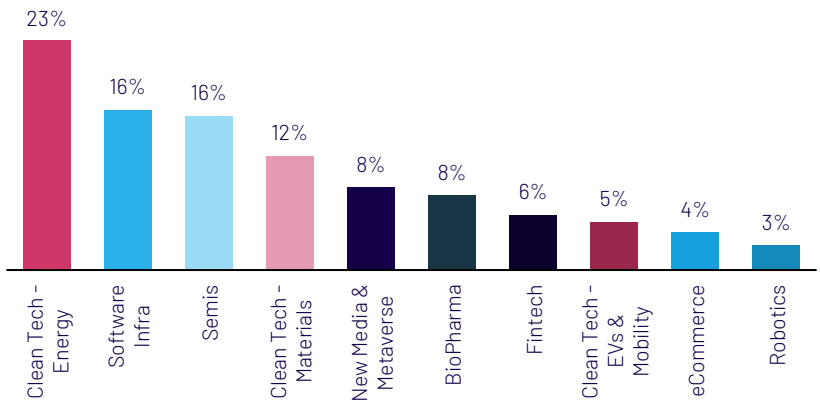


The Fund is ranked 6 on the synthetic risk and reward indicator scale, which is based on the Fund's allocation to equity markets. The risk category shown is not guaranteed and may shift over time.

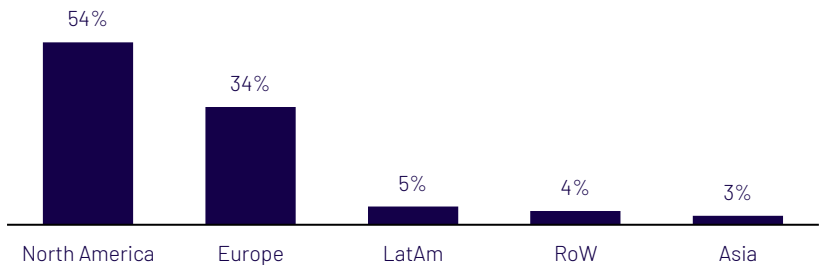
ASSET ALLOCATION



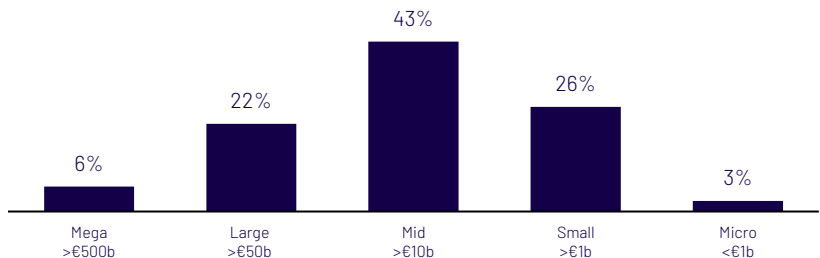
SECTOR ALLOCATION*



GEOGRAPHIC ALLOCATION*



CAPITALISATION ALLOCATION*



RISK MEASURES

Period: 17/05/2022 - 31/05/2022

Sharpe Ratio	-
Max Drawdown	(4.43%)
Annualized Volatility	-

*As % of equity holdings.

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