Disruption Fund Master

Capturing the full innovation cycle

December 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

Year-end is about lessons learned and predictions humbled. 2023 rehashed two old lessons for us: 1/ expect the unexpected and 2/ don't short innovation. The first lesson is a stock market classic. A spectacular rally in the face of a bearish chorus of economists and strategists is almost a proverb. Still, the extreme narrowness of the recovery, concentrated in a handful of the world's mega tech companies, was genuinely unexpected. 2023 delivered the narrowest rally of all time, with the Magnificent 7 stocks rising +111.3% (equal weighted), adding nearly $4.5 trillion in market cap just among themselves to reach 29% of the SP500, also an all time high in terms of concentration. This Tech tsunami alone carried the MSCI World TR (EUR) +19.6% and the SP500 +24.2% (USD), despite 75% of the latter's constituents underperforming. For most of the year, the bond market didn't help either, with US yields touching a 16-year high at 5% in late October; that too was unexpected. It was only in November that the Goldilocks macro scenario finally took hold for the market to broaden out at last to our midcap growth universe.

In the final tally, our *Disruption Fund Master* rose 5.5% in Dec and 33.3% for the year, while *Disruption Fund Alpha* rose 5.4% in Dec, and 27.8% for the year. Our best contributors for Dec and for the year were Cloud and AI related; the worst were in Cleantech. This month, data analytics company Elastic was the top contributor following two consecutive quarters of usage acceleration. For the year, the notable contributors were cybersecurity leaders Palo Alto, Splunk and CrowdStrike, database disruptor MongoDB, data analytics platforms Splunk and Elastic, and of course the GPU giant Nvidia. The worst names in the portfolio this year were all in Cleantech, notably SolarEdge, Enphase and Wolfspeed, hurt by interest rates, demand slippage, and idle capacity. Despite its importance and significant growth potential, Cleantech is far more cyclical and unfortunately political, than the Cloud or AI, leaving it sensitive to interest rates and subsidies. Our allocation is now small, but we still believe in it and expect to return in 2024 with a focus on solid state batteries, solar cell efficiency and grid software. In quantum computing we more than doubled our money with IonQ, but lost some of it back with Rigetti; we think a breakthrough is imminent and chose to remain early investors in the space. In Biopharma we were very well positioned for the obesity drug boom, holding both Eli Lilly and Novo Nordisk, but the worst biotech market in a decade diluted our gains due to our positions in CRISPR and Intellia; Biotech M&A is back however, highlighting the cheapness of the sector. Our most idiosyncratic contributor to performance was Celsius, the plant-based energy drinks company disrupting the lunch box dominance of Red Bull and Monster. Growth investing is a tortuous path to wealth indeed.

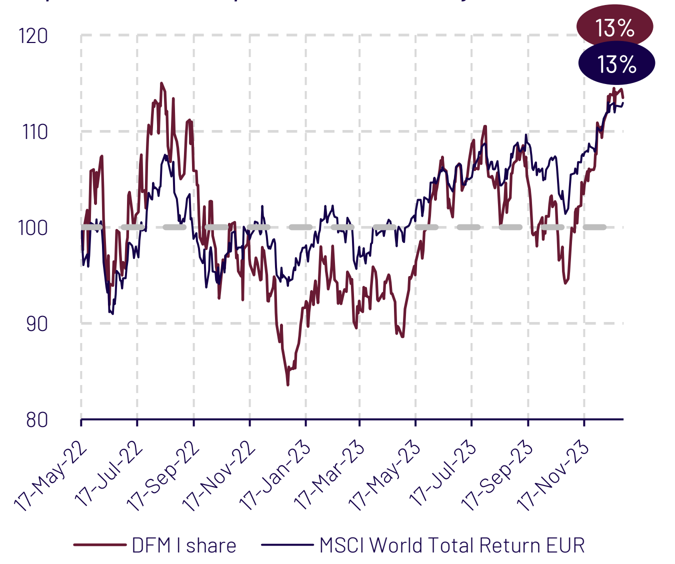
The second lesson relearned is the power of innovation. Our *Disruption Fund* mantra is technology optimism. We believe that technology innovation underpins our economy, our societies, and human civilization at large. Innovation is productivity enhancing for the economy because it solves real world problems. The seminal innovation of the day is LLM based AI, and with it a new tech cycle has begun. AI brings immense productivity gains to computing, material sciences, molecular science, climate modeling, financial modeling and more. AI might be a chatbot gimmick for digital consumers, but it is a revolution for Deep Tech, a new piece on the geopolitical chess board, with uncharted consequences. All our major themes are affected by it.

Probable things fail to happen, and improbable things happen all the time. But that won't stop us from another belated attempt at predictions for 2024: 1/ AI's computing intensity and high costs will push software vendors to shift from user to usage based models; 2/ vector search is the new database paradigm, accelerating usage trends at MongoDB and Snowflake; 3/ AMD should succeed at becoming a second source for AI GPUs; 4/ the next Cleantech upcycle will come from solid state batteries, solar efficiency and AI infused smart grids; 5/ Quantum computing error correction will improve enough to generate real commercial revenue; 6/ oral obesity drugs will be both approved and reimbursed, prompting TAM revisions above $100b; 7/ high speed and low cost blockchains will find commercial use for copyright protection in the media, luxury and pharma sectors; 8/ the IPO market will reopen with Databricks, Stripe and Anthropic as the biggest winners. We are tech optimists. A new tech cycle has begun, and we expect innovation, productivity and growth to surprise even us.

PERFORMANCE

	Since Inception*	YTD	Month Dec.
Disruption Fund Master (I)	+13.5%	+33.3%	+5.47%
MSCI World TR EUR	+12.9%	+19.6%	+3.62%

Disruption Fund Master performance since May 17th, 2022



TOP 20 HOLDINGS**

Advanced Micro Devices Inc	*5.46%*	*Zscaler Inc*	*3.28%*
MongoDB Inc	*4.55%*	*Crowdstrike Holdings Inc*	*3.22%*
Palo Alto Networks Inc	*4.43%*	*Tesla Inc*	*3.22%*
Adobe Inc	*4.42%*	*NVIDIA Corp*	*3.21%*
ASML Holding NV	*4.19%*	*Elastic NV*	*3.13%*
Micron Technology Inc	*3.87%*	*Alphabet Inc*	*3.11%*
SOITEC	*3.64%*	*Wise plc*	*3.10%*
STMicroelectronics NV	*3.47%*	*PayPal Holdings Inc*	*2.96%*
Amazon.com Inc	*3.38%*	*Global-e Online Ltd*	*2.94%*
Snowflake Inc	*3.32%*	*Shopify Inc*	*2.89%*

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

Data as of December 29th, 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

Disruption Fund Master

Capturing the full innovation cycle

December 2023

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

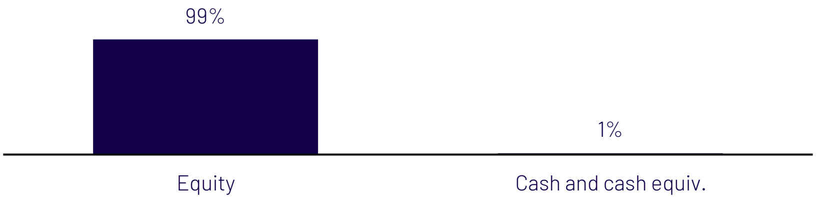
Lower risk — *Higher risk*

Typically lower rewards — *Typically higher rewards*

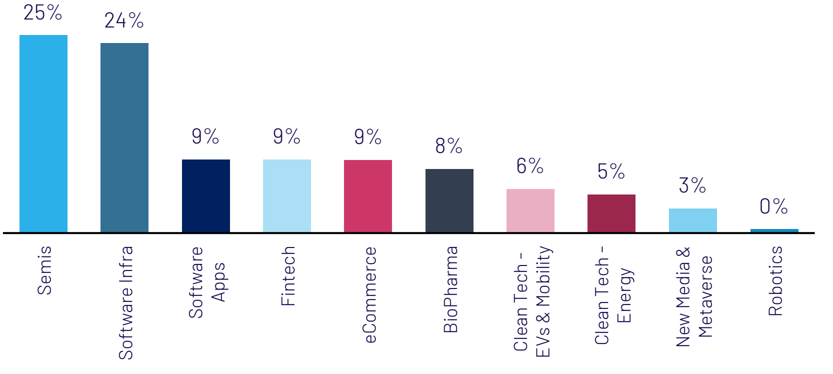
1	2	3	4	**5**	6	7

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.

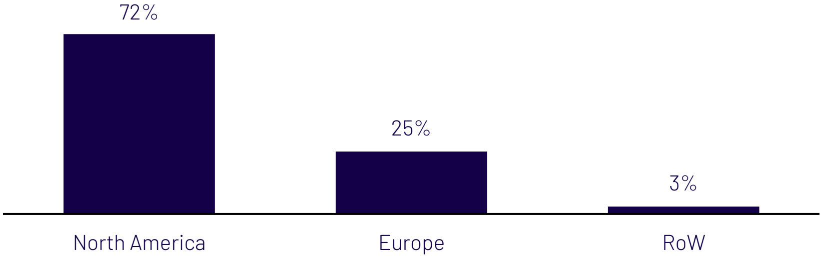
ASSET ALLOCATION



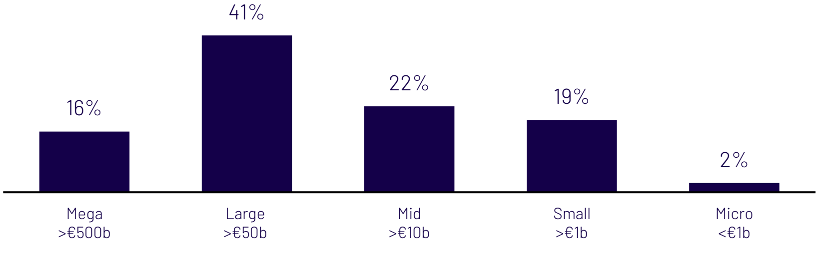
SECTOR ALLOCATION*



GEOGRAPHIC ALLOCATION*



CAPITALISATION ALLOCATION*



RISK MEASURES

Period: 17/05/2022 - 29/12/2023	
Sharpe Ratio	0.31
Max Drawdown	(27.3%)
Annualized Volatility	26.5%

**As % of equity holdings.*

Data as of December 29th, 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

Capturing the full innovation cycle

December 2023

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

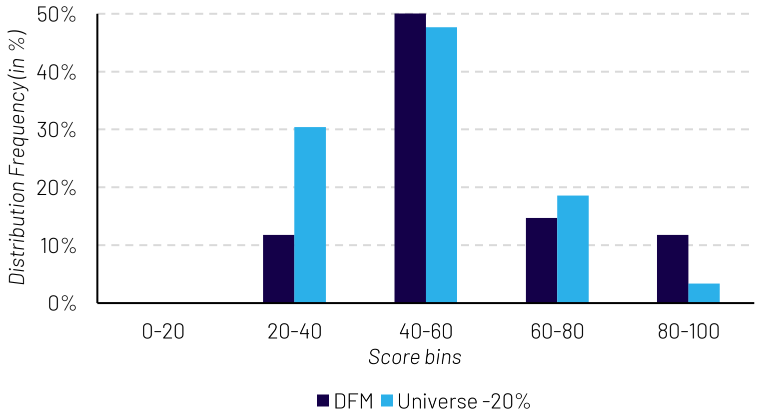
The fund seeks to select issuers that combines growth potential, profitability and ESG characteristics. A methodology has been developed to capture ESG opportunities and manage related risks: it systematically integrates sustainability criterias in its investment approcah through a proprietary ESG analysis 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%
55/100	49/100	92.6%	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.

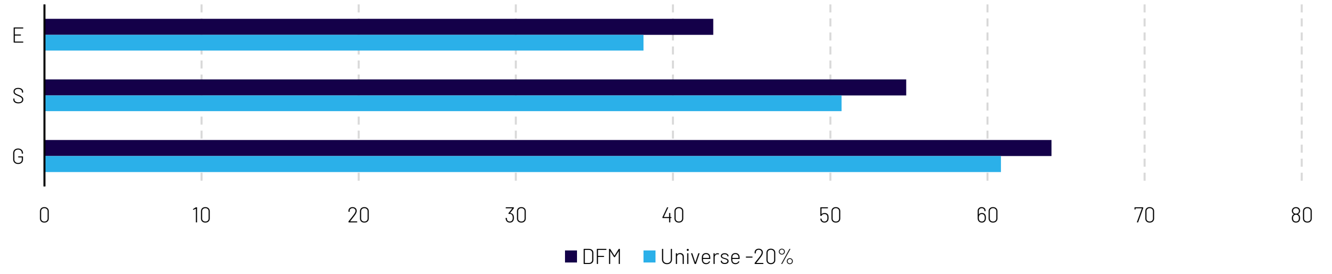
TOP 5 ESG SCORES*

Company Name	Score	% of NAV
ASML Holding NV	82	4.15%
Joby Aviation Inc	81	0.63%
NVIDIA Corp	81	3.15%
Palo Alto Networks Inc	80	4.34%
SMA Solar Technology AG	76	2.37%

BOTTOM 5 ESG SCORES*

Company Name	Score	% of NAV
Micron Technology Inc	31	3.82%
Tesla Inc	35	3.22%
Block Inc	38	2.16%
Alphabet Inc	40	3.05%
Bill Holdings Inc	41	2.27%

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/our-impact).*
Source: Sustainalytics.

Data as of December 29th, 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.