



Disruption Fund Alpha

Capturing the full innovation cycle

December
2024

Disruption Fund Alpha is a feeder fund of Disruption Fund Master.

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

"There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns—the ones we don't know we don't know. And if one looks throughout history, it is the latter that tend to be the difficult ones." --Donald Rumsfeld

Doubt is the building block of a strong investment conviction. The more you doubt, the more you dig; the more you verify, the more you know; the more you know, the more you doubt again and dig some more. The art of the plausible, committing capital with a leap of faith, aware of our unknowns, convinced by our vision. That is our job.

2024 was the year of five major themes: 1/ AI exuberance and semiconductor volatility; 2/ AI = Energy and the great electricity reckoning; 3/ SaaS haves and have-nots, 4/ Trump, Musk, and American exceptionalism; 5/ Innovation and risk appetite. These themes shaped the market narrative of 2024, and we think 2025 will tell a very similar, if not louder, story. The most widely known unknown is the latent inflationary risk from tariffs and deficits; will Musk's DOGE program really cut \$2tn in government spending? The least known unknowns, we think, are likely to come from Deep Tech innovations that few people are expecting: quantum computers "collaborating" with GPU clusters to augment parallelism; material sciences breakthroughs in superconductors, graphene or solid-state batteries; protein folding models allowing for dramatically shorter and cheaper pre-clinical trials across all biotech research. Any one of these outlandish events could well be ChatGPT moments in their own right, surprising investors with more extraordinary upside in the coming year. Stay invested; it's a long game; patience is the essence.

December was a flattish month, but it was an exciting one for us nonetheless. For the first time in a while, top contributors were from our most disruptive technologies, where we had been patiently waiting for an awakening. Our long dormant quantum computing companies Rigetti and D-Wave, as well as our Moon-lander operator Intuitive Machines, each progressed on key milestones and raised fresh equity funding, extending their runways by 2 to 3 years with significant investor interest. These early stage companies were our top contributors, alongside better known Broadcom and Tesla. On the negative side, software names Snowflake, MongoDB and SentinelOne gave back a lot of their Nov gains, as did crypto platform Coinbase and micro nuclear specialist NuScale, on no major news. Novo Nordisk was also very weak on disappointing weight loss benefits from their Cagrisema drug. All in, post-election enthusiasm was met by some holiday profit taking, but we think the revival of smaller cap innovation is a prescient signal for 2025 optimism.

Our outlook and positioning for 2025 rests on some key debates which we summarize as follows. 1/ AI exuberance: AI is hyped and overhyped, but it remains the dominant technology and investment theme of the decade; we expect to focus most of our efforts on this technology. 2/ AI scaling laws: the pause is temporary, due to hardware configuration challenges; new GPUs, fully integrated with memory and networking while less power hungry, will revive scaling laws; ie. the network is the computer; this opens the door for Broadcom and Marvel's networking expertise to bring ASICs to properly compete with Nvidia; as evidenced by xAI's Colossus project to interconnect 1m GPUs, hyperscalers are not backing down from gigantism. 3/ AI = Energy: electricity shortages remain the critical bottleneck of the AI boom. 4/ The SaaS palindrome: Software-as-a-Service is flipping to Service-as-a-Software, where AI agents invade the white color workforce, at unknown costs and margins; despite appearance, legacy SaaS is in danger. 5/ R&D explosion: AI is boosting R&D productivity, accelerating Deep Tech research; as we have seen already in protein folding, material sciences, battery materials, quantum computing, we expect many breakthroughs to surprise us throughout the year. 6/ Trump 2.0: as we have written extensively, the Trump-Musk tandem introduces a fresh "move fast and break things" culture to US policy, with a primary focus on deregulation and "first principle" thinking across government planning and spending; we expect this theme to dominate the macro discussion as evidence mounts that inflation remains stubbornly above the Fed's 2% target. We worry about rising 10-year yields and keep an eye out for unknown unknowns.

Data as of December 31, 2024

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 Alpha are detailed in the KIDs (key information documents) and prospectus available on www.quadrillegcapital.com. The KID must be made available to the investor prior to subscription.

PERFORMANCE

	Since Inception*	YTD	Month Dec.
Disruption Fund Alpha (A)	+95.7%	+25.1%	+0.8%
MSCI World TR EUR	+123%	+26.6%	(0.66%)

Disruption Fund Alpha** performance since January 31st, 2019*



TOP 20 HOLDINGS OF DFM***

ServiceNow Inc	5.19%	Adyen NV	3.64%
Broadcom Inc	5.04%	Schneider Electric SE	3.59%
Siemens Energy AG	4.96%	Tesla Inc	3.29%
Datadog Inc	4.66%	CyberArk Software Ltd	3.17%
GE Vernova Inc	4.47%	ASM International NV	3.15%
Intuitive Surgical Inc	4.26%	Gitlab Inc	3.06%
Coinbase Global Inc	4.05%	International Business Machine	2.99%
Amazon.com Inc	3.88%	Snowflake Inc	2.94%
Alphabet Inc	3.86%	Cloudflare Inc	2.93%
NVIDIA Corp	3.65%	Shopify Inc	2.89%

*Disruption Fund Alpha performance since January 31st, 2019 (starting date of new investment strategy).

**Disruption Fund Alpha FCP became a feeder fund of Disruption Fund Master on July 31st, 2022.

***As % of NAV of Disruption Fund Master.



FUND CHARACTERISTICS

About the fund

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

Practical Information

Currency	EUR
ISIN code - B share	FR0012770162
Ref. index	MSCI World Total Return EUR
Valuation frequency	Daily
Cut off time	9am (D-1 valuation day)

Investor Information

Recommended investment period	5 years
Minimum investment	€100,000

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 from Princeton University

FEES AND EXPENSES - B SHARE

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

*above reference index

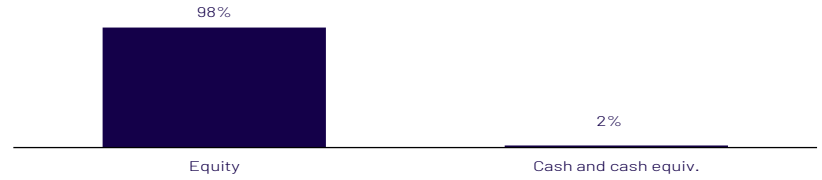
RISK AND REWARD PROFILE

Lower risk Higher risk
Typically lower rewards Typically higher rewards

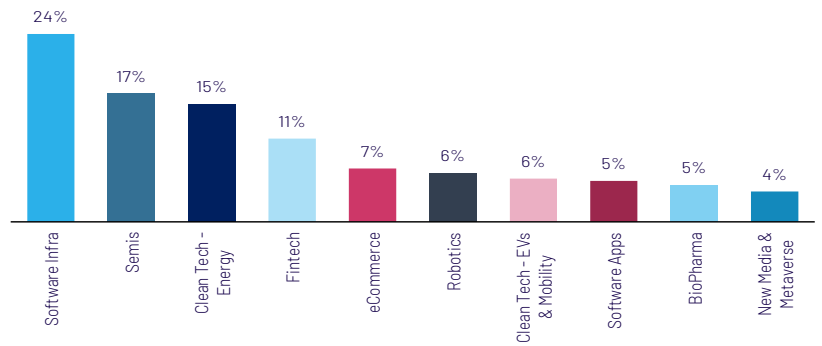


The Fund is ranked 5 on the synthetic risk indicator scale, which is based on the Fund's allocation to equity markets. The risk category shown is not guaranteed and may shift over time.

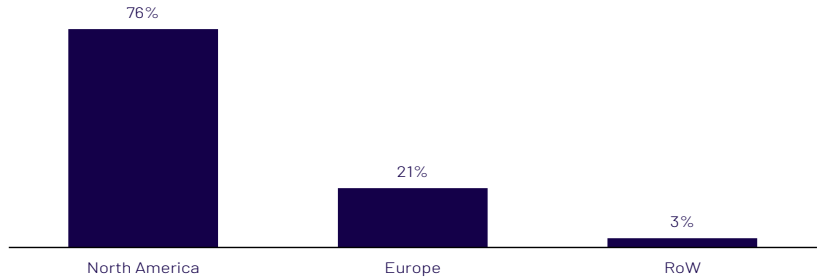
ASSET ALLOCATION*



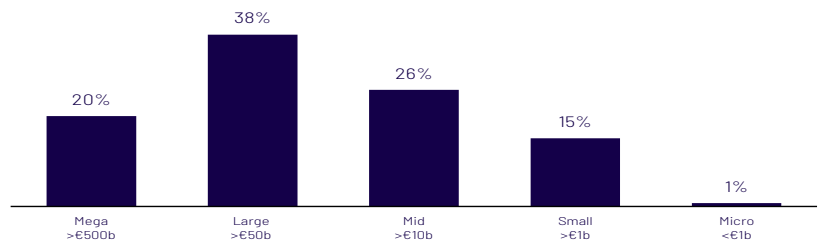
SECTOR ALLOCATION**



GEOGRAPHIC ALLOCATION**



CAPITALISATION ALLOCATION**



RISK MEASURES

Period: 31/01/2019 - 31/12/2024

Sharpe Ratio	0.51
Max Drawdown	(47.8%)
Annualized Volatility	23.5%

*As % of NAV of Disruption Fund Master.

**As % of equity holdings of Disruption Fund Master.

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ESG CHARACTERISTICS

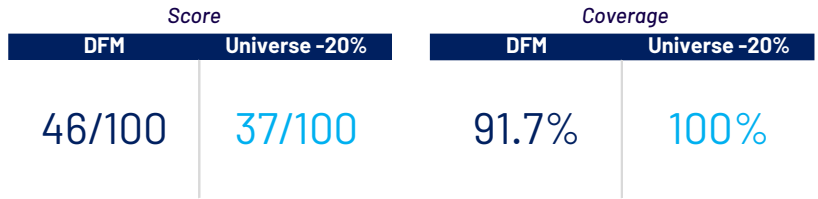
About the fund

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

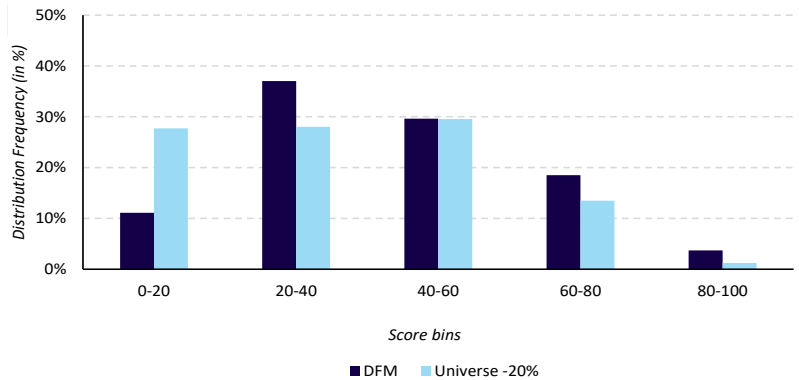
The fund seeks to select issuers that combines growth potential, profitability and ESG characteristics. A methodology has been developed to capture ESG opportunities and manage related risks: it systematically integrates sustainability criterias in its investment approach through a proprietary ESG analysis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

ESG SCORE AND COVERAGE*



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

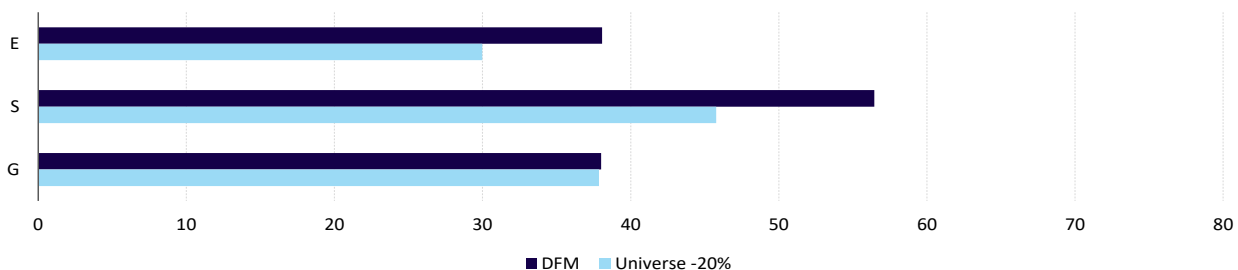
TOP 5 ESG SCORES*

Company Name	Score	% of NAV
Joby Aviation Inc	81	2.21%
ServiceNow Inc	76	5.19%
ASM International NV	75	3.15%
Intuitive Surgical Inc	74	4.26%
Gitlab Inc	70	3.06%

BOTTOM 5 ESG SCORES*

Company Name	Score	% of NAV
Honeywell International Inc.	14	2.76%
Interactive Brokers Group Inc.	18	2.88%
Crowdstrike Holdings Inc	19	2.33%
Coinbase Global Inc	21	4.05%
Datadog Inc	25	4.66%

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 worse ESG scores. ESG data illustrated above relates to the Disruption Fund Master fund ("DFM") holdings. The ESG methodology is detailed in the fund's prospectus and on Quadrille Capital's website (<https://www.quadrillecapital.com/our-impact>). Source: Sustainalytics.

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