

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

**DeepSeek Sputnik?** Maybe, maybe not. We've seen some of this before. AI scaling laws hit a plateau last summer, provoking the first AI overbuild panic. Then came "inference time compute", or improving reasoning by slowing down the machine. It worked. OpenAI's GPT1 was a storm. Enter DeepSeek R1. They maximized even more the inference time paradigm, using a combination of data compression, distillation (load balancing across models) and mix-of-experts (a form of containerization), leading to far lower compute costs. They also added a chain-of-thought reasoning scroll live on the user interface for transparency and wow factor. Adding it all together, it's not quite GPT, but it's so close, so cheap, and open source. So, while it isn't the fully agentic and autonomous AI that the hyperscalers are chasing, it is a smart low-cost GPT-class AI that can run on a phone, an appliance, a car, and surely a robot. DeepSeek is a cost genie, not an AI genius, but embedded and low-power AI is also very disruptive and much more monetizable.

The stock market hurricane of Jan 20 is therefore justified, and we see five major implications for tech markets: **1/ Cheap AI has a path to ubiquity**, compounding the software positive supply shock; we expect consumer apps and DevOps to benefit first, ie. names like Uber, Shopify, Intuit, Booking, Gitlab and of course model buyers Amazon, Meta and Apple—the AI innovation flywheel spins faster, the AI TAM is bigger, earlier. **2/ AI capex scrutiny is here to stay**, rebalancing the server/networking/GPU buyer-supplier conversation, capping the hardware space until at least the release of GPT5; hyperscaler gigantism and the AGI race are still on, with Stargate as a posterchild, but there's a new commercial market for cheaper AI where hardware buyers are no longer beggars. **3/ Open Source and Closed Source AI are bifurcating**, possibly at loggerheads (eg Meta vs Google and Stargate), but also possibly just drifting apart to serve different markets (eg Meta, DeepSeek & Mistral mass consumer vs Google, OpenAI & Stargate chasing AGI; Microsoft is joining Amazon into neutral ground; Tesla/Xai are primarily focused on serving FSD and Optimus. Despite the apparent commoditization, not all AIs are the same; the future remains wide open. **4/ As shown by DeepSeek, cheap AI can run without Nvidia's CUDA** software, breaching an important moat, and boosting the GPU TAM for ASIC vendors like Broadcom, Marvel, and ARM in the open-source camp. **5/ DeepSeek being a Chinese breakthrough, AI protectionism is inevitable**, with bullish consequences on cyber defense software, notably Identity Access protections like CyberArk, closed loop edge networks like Cloudflare, and large-scale VPNs like Zscaler and CrowdStrike. On balance, optimization is the art of tech innovation, we should expect more of it. **The DeepSeek Sputnik moment is a spending accelerator for the tech ecosystem.**

**Tariff poker.** Two weeks into the inauguration and the Trump team has renegotiated sovereignty over the Panama Canal, the US borders with Mexico and Canada, and placed a wedge in Greenland, all while the DOGE applies a dose of Twitter zero-based costing chaos at the Treasury Department. Threat, negotiation, posture: in a Trump world, everything is a deal, everything is a negotiation. We can only speculate at the outcome of so many intertwined deals. As investors we remains fixated on the US 10-year yield. Trump has a free hand so long as that yield remains below 5%-5.50%. Anything higher would bring panic. For now, our base case is that 1/ global trade finds its new equilibrium within the next 3 months, and 2/ government spending cuts can offset the associated GDP slowdown with lower inflation and interest rates. Volatility in these two assumptions is likely understated, but those are the cards we have.

**January** delivered good performance, almost according to plan. The bullish software rotation started last Nov continued, led by Cloudflare, Gitlab, Snowflake, combined with our Fintech leaders Adyen, Coinbase and Interactive Brokers. IBM delivered another solid software acceleration quarter, with software now representing 45% of revenues. ServiceNow on the other hand showed signs of AI pricing challenges; they introduced hybrid pricing tiers, more AI freeware, and withdrew AI/Pro+ guidance; we think large scale SaaS vendors are still working through their ideal pricing and margin structure on AI, especially Agentic AI, even if we see very low risk of customer churn during the AI exploration phase. Microsoft, which we don't own, also has a somewhat soft quarter as Copilot lags, while Azure was just in-line. The other weakness in the portfolio was all Semiconductor related, notably Nvidia and Broadcom during the DeepSeek storm.

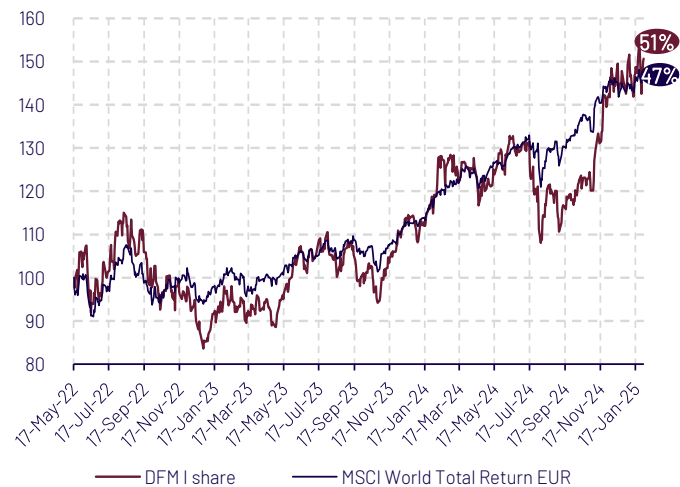
Data as of January 31, 2025

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.quadrilcapital.com](http://www.quadrilcapital.com). The KID must be made available to the investor prior to subscription.

## PERFORMANCE

|                            | Since Inception* | YTD    | Month January |
|----------------------------|------------------|--------|---------------|
| Disruption Fund Master (I) | +50.7%           | +5.69% | +5.69%        |
| MSCI World TR EUR          | +47.4%           | +3.13% | +3.13%        |

### Disruption Fund Master performance since May 17th, 2022



## TOP 20 HOLDINGS\*\*

|                                |       |                                |       |
|--------------------------------|-------|--------------------------------|-------|
| ServiceNow Inc                 | 4.98% | CyberArk Software Ltd          | 3.52% |
| Broadcom Inc                   | 4.80% | Tesla Inc                      | 3.29% |
| Coinbase Global Inc            | 4.74% | Siemens Energy AG              | 3.26% |
| Intuitive Surgical Inc         | 4.66% | ASM International NV           | 3.20% |
| Schneider Electric SE          | 4.15% | Datadog Inc                    | 3.10% |
| Alphabet Inc                   | 4.15% | GE Vernova Inc                 | 3.04% |
| Shopify Inc                    | 4.12% | Gitlab Inc                     | 2.96% |
| Adyen NV                       | 3.99% | Snowflake Inc                  | 2.96% |
| Cloudflare Inc                 | 3.76% | International Business Machine | 2.78% |
| Interactive Brokers Group Inc. | 3.54% | Honeywell International Inc.   | 2.73% |

\*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             |
| 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

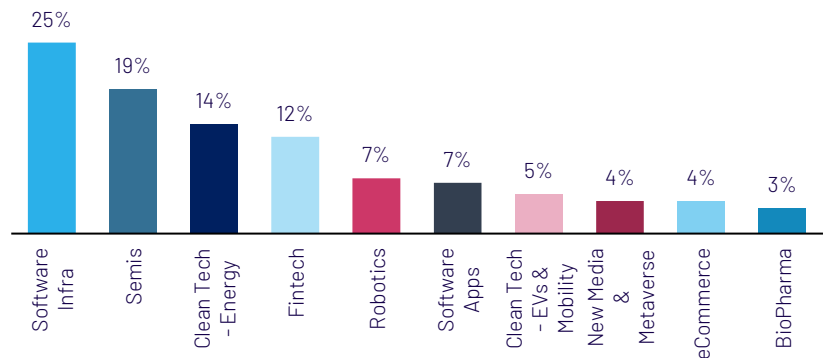


The Fund is ranked 5 on the synthetic risk indicator scale, which is based on the Fund's allocation to equity markets. The risk category shown is not guaranteed and may shift over time.

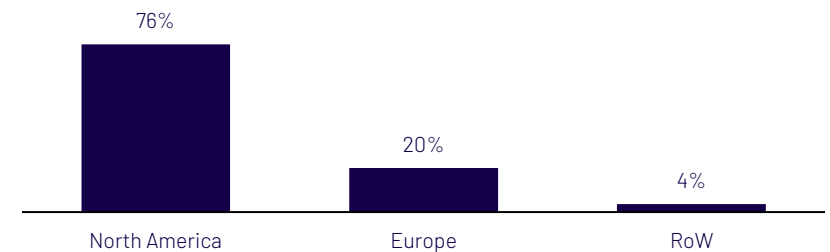
## ASSET ALLOCATION



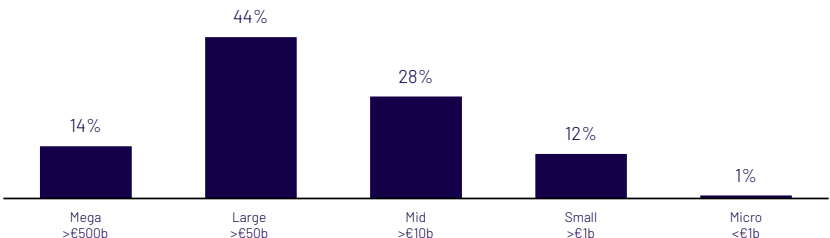
## SECTOR ALLOCATION\*



## GEOGRAPHIC ALLOCATION\*



## CAPITALISATION ALLOCATION\*



## RISK MEASURES

Period: 17/05/2022 - 31/01/2025

|                       |         |
|-----------------------|---------|
| Sharpe Ratio          | 0.63    |
| Max Drawdown          | (27.3%) |
| Annualized Volatility | 25.9%   |

\*As % of equity holdings.

Data as of January 31, 2025

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](http://www.quadrillecapital.com). The KID must be made available to the investor prior to subscription.

## ESG CHARACTERISTICS

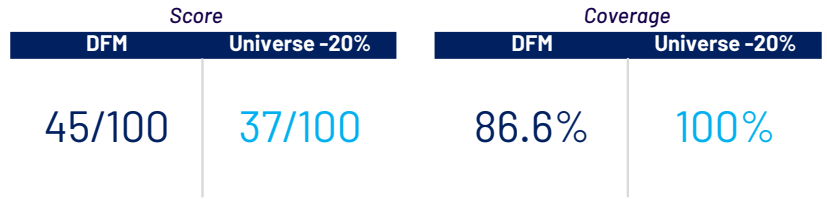
### About the fund

|   |        |
|---|--------|
| 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

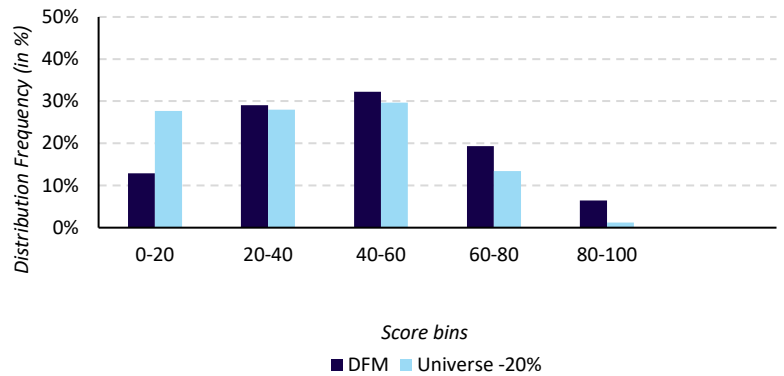
The fund seeks to select issuers that combines growth potential, profitability and ESG characteristics. A methodology has been developed to capture ESG opportunities and manage related risks: it systematically integrates sustainability criterias in its investment approach through a proprietary ESG analysis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

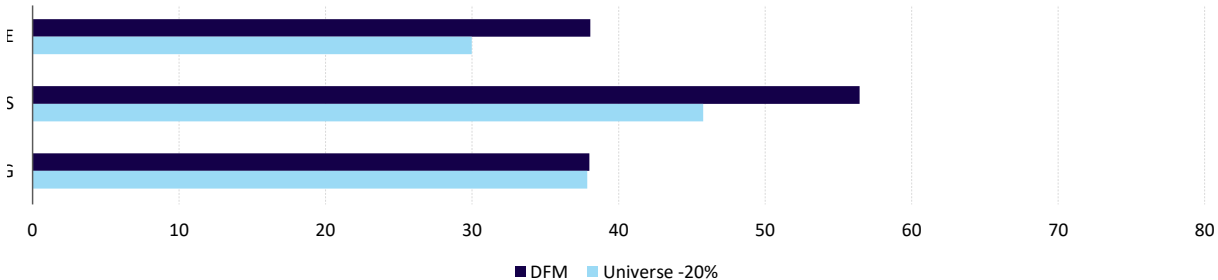
## TOP 5 ESG SCORES\*

| Company Name           | Score | % of NAV |
|------------------------|-------|----------|
| Joby Aviation Inc      | 81    | 1.68%    |
| ServiceNow Inc         | 76    | 4.98%    |
| ASM International NV   | 75    | 3.20%    |
| Intuitive Surgical Inc | 74    | 4.66%    |
| Duolingo               | 70    | 1.48%    |

## BOTTOM 5 ESG SCORES\*

| Company Name                   | Score | % of NAV |
|--------------------------------|-------|----------|
| Honeywell International Inc.   | 14    | 2.73%    |
| Interactive Brokers Group Inc. | 18    | 3.54%    |
| CrowdStrike Holdings Inc       | 19    | 2.70%    |
| Coinbase Global Inc            | 21    | 4.74%    |
| Datadog Inc                    | 25    | 3.10%    |

## 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 January 31, 2025

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](http://www.quadrillecapital.com). The KID must be made available to the investor prior to subscription.