

TANTALLON TECH & SUSTAINABILITY FUND

The Tantallon Tech & Sustainability Fund is a Cayman Island vehicle that invests in listed equities globally. The fund targets a concentrated portfolio of around 20 names seeking returns from long-term growth companies as well as cyclical opportunities.

Tantallon Capital Advisors, the advisor since inception in 2017, is a Singapore-based entity holding a Capital Markets Service License in Fund Management from the Monetary Authority of Singapore.

The fund fell 2.4% in February as the broader market slid 4.4%. Technology continued to outperform the markets on the back of an increasingly select group of winners. The market reacted stronger to earnings misses and broker downgrades while pushing a small selection of strong growth companies such as Netflix and Micron rapidly higher.

The Philadelphia Semiconductor Index (SOX) ended up setting an all-time high at the end of the month after having gone on a roller-coaster ride over the past 3 months: It corrected by 10% into December after failing to break through the **Year2000** peak of 1,362, it then recovered and broke the old all-time high in mid-January followed by a 14% correction into mid-Feb. It then recovered and ended the month touching a new AT high. The fund's performance has been affected by this volatility, moving up as much as 5.5% this year and down as much as 4.5%. We have cut our exposure to the commodity semiconductor sector with the exception of a position in wafer maker Sumco as the shortage here appears more structural.

Performance

Tantallon Tech & Sustainability Fund Size USD 15mn (Cayman is Feeder)
(Inception Jan 17)

	Fund	MXWD*	BW Tech**	DJ Sust***	Tech&Sust	O/U Perf
Feb 2018	-2.4%	-4.4%	-0.3%	-4.5%	-2.4%	+0.0%
2018 YTD	+1.4%	+1.0%	+6.1%	+0.1%	+3.1%	-1.6%
2017	+24.4%	+21.6%	+36.8%	+20.6%	+28.7%	-4.3%
Inception	+26.2%	+22.8%	+45.1%	+20.7%	+32.9%	-6.7%

* MSCI ACWI Index

** Bloomberg World Technology Index

*** Dow Jones Sustainability World Diversified

FUND DETAILS

Investment Manager:

Tantallon Capital
(Cayman Islands)

Fees:

1.5%pa Management fees

Administrator:

DBS Bank Ltd

Minimum Investment:

USD 1,000,000

Domicile:

Cayman Islands

Custodian:

DBS Bank Ltd

Feeder funds

Offshore (Cayman Is)

Auditor:

KPMG

Lawyers

Harney Westwood & Riegels Singapore
Morgan Lewis Stamford LLC

Dealing:

Monthly

Contact:

Alex Hill
(alex@tantalloncapital.com)

We are also reviewing our tech growth names in light of our cyclical concerns in order to assure that our growth drivers will not be overwhelmed. Several of our positions are in the semiconductor industry and here we sold our holding in logic IP company CEVA and are reviewing our position in Japanese chip company Renesas which we added to the portfolio last year due to its auto exposure.

	2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Fund Monthly Gross Return		4.5%	-2.3%										
Fund Cumulative Gross Returns		4.5%	2.1%										
Fund Monthly Net Returns		4.0%	-2.4%										
Fund Cumulative Net Returns		4.0%	1.4%										
Equity Monthly Returns		5.2%	-3.0%										
Equity Cumulative Returns		5.2%	2.1%										

Our only tech position to show gains in the month was Nintendo which has been benefitting from a strong new product launch as well as its change in strategy to increasingly embrace on-line distribution, albeit at a measured pace. This combination led to a dramatic recovery in revenues and profitability in the December quarter and sets the company up for multi-year growth.

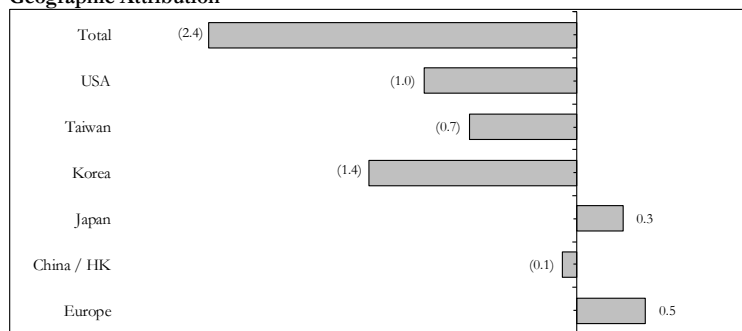
On the sustainability front, both the solar and battery supply chains traded weaker on the back of softening polysilicon prices (solar) and a negative report on the pricing outlook for lithium (batteries). Morgan Stanley argued for a lithium price correction in the face of major announced capacity expansion of the larger lithium producers.

We disagree with this analysis as the lithium capacity expansion, while large, will be stretched out over several years and we feel may still not be sufficient to support a steady ramp of Electric Vehicles. It actually lessens our fear that EV growth could be dramatically constrained by a lithium shortage and we remain positive on EV unit expansion as diesel-aversion, particularly in Europe, is making consumers re-examine their options for personal transportation in step with cities deciding on cleaner air policies.

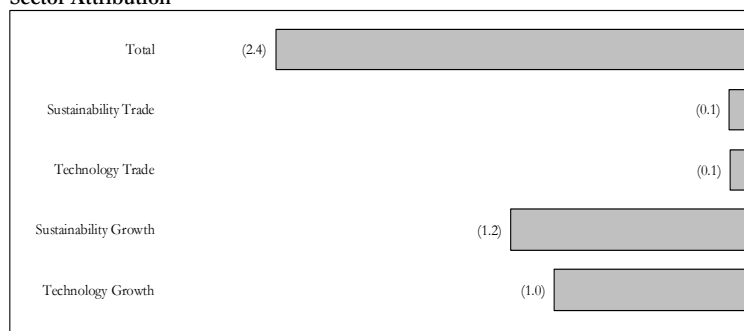
Our holdings in the battery supply chain varied widely as Europe based Umicore rose while Lithium maker SQM and battery makers Samsung SDI and LG Chem declined. We are looking to add to these positions on weakness.

% OF ASSETS ALLOCATION	EXPOSURE
Japan	30.0%
Taiwan	25.3%
Korea (South)	7.4%
United States	7.3%
Europe	6.7%
China / Hong Kong	5.7%
Cash	17.6%
Total	100.0%

Geographic Attribution



Sector Attribution



Equity Positions

Total	15	Largest 5	47.1% of NAV	Liquidity	0.2 days	Mkt Capitalization	>7.5Bn	66.2%
						Gross Exposure (USD)	>1Bn-7.5Bn<	33.8%
							<1Bn	0.0%

Top Holdings

Ememory Technology Inc (TT)	16.4%
Nintendo Co Ltd (JT)	12.8%
Umicore (BB)	6.7%
BYD Co Ltd-H (HK)	5.7%
Nidec Corp (JT)	5.5%

Main Contributors - Feb

Nintendo Co Ltd (JT)
Umicore (BB)
Nidec Corp (JT)

Main Detractors - Feb

LG Chem Ltd (KP)
Ememory Technology Inc (TT)
Samsung SDI CO Ltd (KP)
Ceva Inc (US)
Advanced Micro Devices (US)

The Fund has appointed Hugo Fund Services SA, 6 Cours de Rive, 1204 Geneva, Switzerland, as its Swiss Representative. Banque Heritage SA, 61 Route de Chêne, CH-1208 Geneva, Switzerland is the Swiss Paying Agent. In Switzerland shares shall be distributed exclusively to qualified investors. The fund offering documents, articles of association and audited financial statements can be obtained free of charge from the Representative.