

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 moved in line with the overall markets on the back of gains in our leading solar and battery investments while our large tech holding moved lower.

The markets were a lot more volatile than the monthly change would indicate as the technology sector initially corrected from its H1 rally and then continued to move to new highs before easing at month's end.

2019Q2 earnings delivered on reduced expectations, falling about 10% yoy, but a majority of companies improved earnings sequentially and thereby marked 2019Q1 as a bottom. Notable exceptions with sequentially lower earnings were Samsung Semis & Wireless, Apple, Amazon and Tencent.

The big question remains whether this set of decent results was a temporary snap-back or if the positive momentum can last on the back of more supportive rate policy but in the face of an intensifying trade war. We remain selective with our tech investments and continue to look for high quality exposure to 5G deployment and the resulting growth in data.

On the sustainability front, the fortunes of renewable energy and electric mobility continued to diverge.

Performance

Tantallon Tech & Sustainability Fund Size USD 12mn (Cayman is Feeder) (Inception Jan 17)

| | <u>Fund</u> | <u>MXWD*</u> | <u>O/U Perf</u> | <u>MXWD0IT**</u> | <u>GSIN***</u> |
|-----------|-------------|--------------|-----------------|------------------|----------------|
| Jul 2019 | + 0.5% | + 0.2% | + 0.3% | + 2.7% | + 0.6% |
| 2019 YTD | + 7.1% | +15.1% | - 8.0% | +27.5% | +15.9% |
| 2018 | - 14.1% | - 11.2% | - 2.9% | - 6.8% | - 9.5% |
| 2017 | +24.4% | +21.6% | + 2.8% | +40.3% | +18.7% |
| Inception | +14.5% | +24.3% | -9.8% | +66.8% | +24.4% |

* MSCI ACWI Index

** MSCI ACWI Information Technology Index

*** MSCI World ESG Leaders Index

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)

Auction activity for renewable investments continues to accelerate into the second half of the year as the increasingly apparent cost advantage of solar drives public procurement in the post-subsidy age.

E-mobility on the other hand is experiencing the pain of subsidy reduction this year as the largest market China has rejiggered and thereby reduced its broad support of all things e-mobility and focused on longer-range vehicles.

| | 2019 | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|-------------------------------|------|------|-------|-------|-------|--------|-------|-------|-----|-----|-----|-----|-----|
| Fund Monthly Gross Return | | 3.3% | 0.1% | 3.9% | 5.3% | -5.7% | 1.7% | 0.8% | | | | | |
| Fund Cumulative Gross Returns | | 3.3% | 3.5% | 7.5% | 13.2% | 6.8% | 8.6% | 9.4% | | | | | |
| Fund Monthly Net Returns | | 3.1% | -0.2% | 3.6% | 4.9% | -6.0% | 1.4% | 0.5% | | | | | |
| Fund Cumulative Net Returns | | 3.1% | 2.9% | 6.6% | 11.9% | 5.2% | 6.6% | 7.1% | | | | | |
| Equity Monthly Returns | | 7.5% | 0.1% | 8.2% | 8.3% | -10.4% | 3.0% | 0.3% | | | | | |
| Equity Cumulative Returns | | 7.5% | 7.6% | 16.5% | 26.1% | 13.0% | 16.4% | 16.7% | | | | | |

The US has also been reducing support as industry pioneer Tesla has hit threshold levels and GM is getting there as well.

Meanwhile European volumes continue to expand on the back of Tesla's Model 3 introduction and select efforts by some of the niche brands before the volume push by German mainstream brands commences next year.

We expect sentiment to trough in 2019H2 and are looking to take advantage of attractive entry prices. The increased activity around Lithium mentioned during the 19Q2 conference calls gives us some confidence that the major industry players are also starting to plan for the next acceleration while the financial markets have yet to follow through.

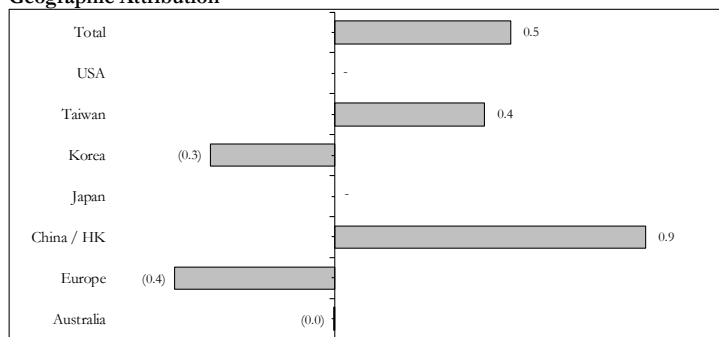
Among our holdings, only Samsung SDI managed to show improving profitability in the second quarter, for the battery division as well as the equity earnings from Samsung OLED which staged a strong recovery following losses in 2019Q1. LGC still registered battery losses in 19Q2, albeit lower, on the back of dramatic expansion. BYD posted flat sequential NEV unit shipments for Q2 of 72,500 but conventional auto shipments declined sequentially from 44,400 to 38,000.

We are also looking to continue to build our positions in renewable energy as we expect steadier growth with fewer policy induced hick-ups. We are still looking to adjust to the new global trade realities where certain US-China barriers may exist, where some markets may align with either block and where the remaining world will be open for business to all comers.

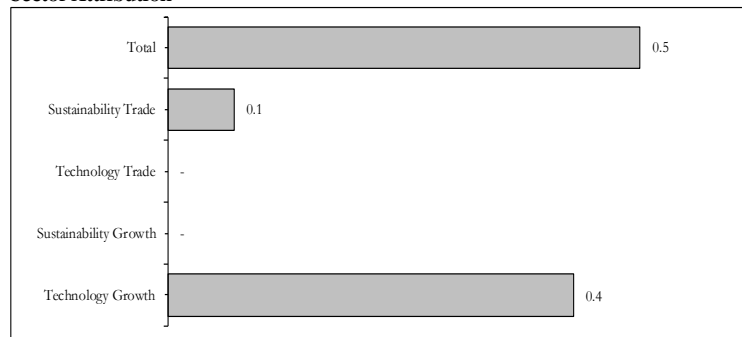
Among our current holdings, we are encouraged by the pick-up in revenues at SMA Solar Technology and a return to breakeven following the restructuring in late 2018. Xinyi Solar Industry reported a solid HoH earnings recovery for the 6 months to 6/2019 and looks to expand aggressively over the next 12 months. Leader Longi has yet to report.

| % OF ASSETS ALLOCATION | EXPOSURE |
|------------------------|---------------|
| Taiwan | 32.0% |
| Hong Kong / China | 11.0% |
| Korea (South) | 7.5% |
| Europe | 2.0% |
| Australia | 0.4% |
| Japan | 0.0% |
| Cash | 47.1% |
| Total | 100.0% |

Geographic Attribution



Sector Attribution



Equity Positions

| | | | | | | | | |
|-------|---|-----------|--------------|-----------|----------|----------------------|-------------|-------|
| Total | 8 | Largest 5 | 47.8% of NAV | Liquidity | 0.5 days | Mkt Capitalization | >7.5Bn | 30.1% |
| | | | | | | Gross Exposure (USD) | >1Bn-7.5Bn< | 5.7% |
| | | | | | | | <1Bn | 64.2% |

Top Holdings

| | |
|-----------------------------------|-------|
| Ememory Technology Inc (TI) | 32.0% |
| Longi Green Energy Technol-A (CN) | 5.8% |
| LG Chem LTD (KP) | 4.8% |
| BYD Co Ltd-H (HK) | 2.7% |
| Xinyi Solar Holdings LTD (HK) | 2.5% |

Main Contributors - Jul

| |
|-----------------------------------|
| Longi Green Energy Technol-A (C1) |
| Xinyi Solar Holdings LTD (HK) |
| BYD Co Ltd-H (HK) |
| Samsung SDI Co Ltd (KP) |

Main Detractors - Jul

| |
|------------------------------|
| SMA Solar Technology AG (GR) |
| LG Chem LTD (KP) |
| Ememory Technology Inc (TI) |
| Orocobre Ltd (AU) |

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

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