

# 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 had a strong start into the year with a 4% gain but cracks in the technology bounce and the overall market rally were appearing toward the end of January after setting new record highs in the week of January 22.

The fund started the year with a 43% cash position after selling down a majority of its cyclical commodity semiconductor positions in December. It ended January with a 12% cash position after establishing several new positions in sustainability companies such as SQM (lithium), LG Chemicals (batteries) and Nidec (motors) as well as tech companies Murata and Nvidia with battery and autonomous vehicle exposure, respectively.

On the tech front, we remain broadly concerned about the combination of peak cyclical earnings and the effect of rising interest rates on growth outlook and liquidity. While rising rates may be a reflection of the robust global growth outlook, we cannot identify an acceleration in earnings growth for the broad sector and are worried that lower liquidity may reduce the momentum of sector wide share buy-back which have been a big support of higher multiples over the past five years.

We are refocusing our tech holdings on companies that have high exposure to our major growth theme of electric and autonomous vehicles or where growth relies on what we feel are more resilient drivers such as IoT (internet of things) or company specific circumstances that allow for growth despite possible macro headwinds.

## Performance

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

	<b>Fund</b>	<b>MXWD*</b>	<b>BW Tech**</b>	<b>DJ Sust***</b>	<b>Tech&amp;Sust</b>	<b>O/U Perf</b>
<b>Jan 2018</b>	<b>+4.0%</b>	<b>+5.6%</b>	+6.4%	+4.8%	<b>+5.6%</b>	<b>-1.6%</b>
<b>2018 YTD</b>	<b>+4.0%</b>	<b>+5.6%</b>	+6.4%	+4.8%	<b>+5.6%</b>	<b>-1.6%</b>
<b>2017</b>	<b>+24.4%</b>	<b>+21.6%</b>	+36.8%	+20.6%	<b>+28.7%</b>	<b>-4.3%</b>
<b>Inception</b>	<b>+29.4%</b>	<b>+28.4%</b>	+45.6%	+26.3%	<b>+36.0%</b>	<b>-6.6%</b>

\* 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)

On the sustainability front, we continue to be excited about the clash of disruptors and traditional brands in the electric vehicle market and the knock-on effect on minerals, metals, battery and component demand.

Fourth quarter earning reports confirmed that lithium battery volumes for automotive use are reaching critical volumes and therefore entering a profit cycle for the leading players. The current share price volatility is allowing us to add to our holdings in this area.

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

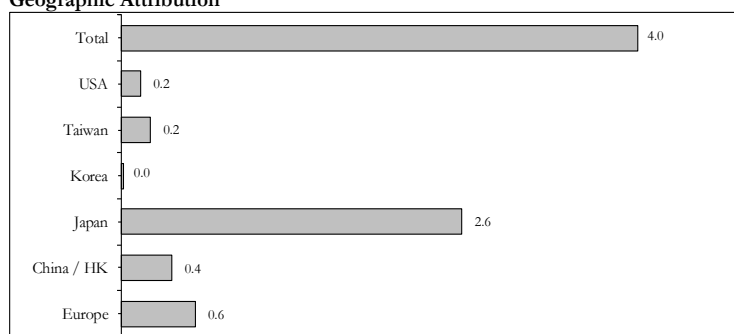
We are still evaluating the leading Chinese players in the EV supply chain and have so far not yet found an A-share to own.

China also dominates the renewable energy space given it has grown to be the single biggest market for solar energy and 7 of the top-10 global solar panel power equipment providers hail from China. We have looked in detail at A-share LONGi Green Energy Technology but not yet made an investment.

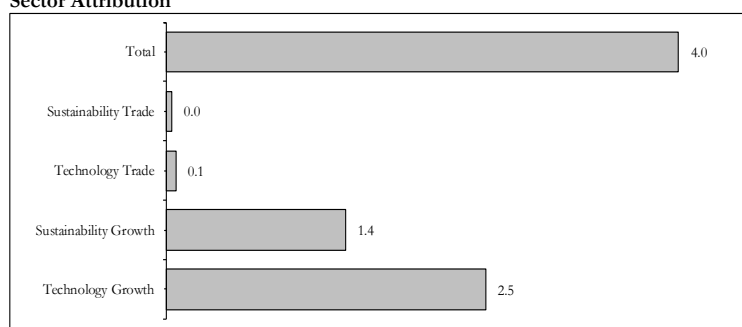
We will be focusing our research on North Asian opportunities now that the New Year has started and China gets back to work: Gong Shi Fa Cai !

% OF ASSETS ALLOCATION	EXPOSURE
Japan	29.0%
Taiwan	20.3%
Korea (South)	16.3%
United States	9.7%
Europe	6.1%
China / Hong Kong	5.7%
Cash	12.9%
<b>Total</b>	<b>100.0%</b>

#### Geographic Attribution



#### Sector Attribution



#### Equity Positions

Total	18	Largest 5	40.9% of NAV	Liquidity	0.1 days	Mkt Capitalization	>7.5Bn	71.4%
						Gross Exposure (USD)	>1Bn-7.5Bn<	26.4%
							<1Bn	2.2%

#### Top Holdings

Nintendo Co Ltd (JT)	11.9%
Ememory Technology Inc (TT)	11.4%
Umicore (BB)	6.1%
Samsung SDI Co Ltd (KP)	5.8%
BYD Co Ltd-H (HK)	5.7%

#### Main Contributors - Jan

Nintendo Co Ltd (JT)
Umicore (BB)
Nidec Corp (JT)
BYD Co Ltd-H (HK)
Realtek Semiconductor Corp (TT)

#### Main Detractors - Jan

Ememory Technology Inc (TT)
Quimica Y Minera Chil-SP ADR (US)
Samsung SDI Co Ltd (KP)
SK Hynix Inc (KP)
Ceva Inc (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.