TANTALLON CAPITAL

July 2026

THE TANTALLON FUND

The Tantallon Fund is a Cayman Island vehicle which targets a concentrated portfolio of 35 names, with a 3-5 year investment horizon. At the portfolio manager's discretion the fund may hedge its market and currency exposure, and short sell individual securities.

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

Performance
Tantallon Fund Size USD 96mn (Cayman is Feeder)
(Inception Nov 03)

	Tan	MSCI Pacific Free Index	Over/(Under)perf
July 2026	**- 31.72%**	+ 2.69%	- 34.41%
2026 YTD	**+ 44.77%**	+ 14.59%	+ 30.18%
2025	**+ 95.95%**	+ 20.20%	+ 75.75%
2024	**+ 69.71%**	+ 4.33%	+ 65.38%
Inception	**+ 866.72%**	+ 166.44%	+ 700.27%
Compound	+12.40%pa	Volatility	+27.14%
3 mth T-bill return	+3.75%	Sharpe Ratio	+0.32

FUND DETAILS

Investment Manager: Tantallon Capital Advisors Pte Ltd	**Fees:** 1.5%pa Management fees
Administrator: Portcullis Trust (Singapore) Ltd	**Minimum Investment:** USD 1,000,000
Domicile: Cayman Islands	**Prime Broker:** Morgan Stanley
Feeder funds Offshore (Cayman Is)	
Auditor: PricewaterhouseCoopers	**Lawyers** Harney Westwood & Riegels Shearman & Sterling LLP
Dealing: Monthly	**Contact:** Nick Harbinson (Nick@tantalloncapital.com)

The fund declined -31.7%, reducing our year-to-date advance to +44.8%. Steady the Buffs.

I prefigured some of the damage we were experiencing in the June report. It was however the final week of the month that caused the sharpest pain before some sanity returned in the last two trading days as the implosion of the USD45billion Situational Awareness fund ended with Citadel picking up some very cheap assets. This is however the second largest drawdown in the fund's 23-year history, exceeding the -28% we gave back in the Lehman crash. Whereas the 2008 crash was at once all-encompassing and terrifying, this was an entirely sector specific leverage-driven unwind, occurring as the underlying data supporting the investment case was repeatedly confirmed by results and commentary while the broad market made new highs. A short-seller attack on Bloom Energy claiming that Bloom was inter alia the Theranos of the AI era and disputing everything from its scandium usage to the efficacy of the company's fuel cells, further compounded our woes. I was sufficiently concerned by the scandium debate to have exited the entire position around $230, and it was our holding in SiTime, the silicon timing company, that was our biggest loser (their Q2 numbers early in August proved to be exceptionally strong!). Kioxia and Cerebras were also costly, albeit that I had halved the former position before the worst of the crash. It was also irritating that, in contrast to June, we made NO money on our short book, with Meta soaring on swiftly retracted suggestions that it was going to rent out its compute. Gains in Oklo, GEVernova, ARM and Tesla were insufficient to offset this. Call options, which I opted to retain, on Bloom and Cerebras, were also expensive and we made minimal gains in futures on top of losing -21% on our long book. All in all a month to forget.

Having exited Micron, Samsung, Hynix et al, and trimmed many of our other tech names into the June volatility, I was prematurely eager to re-load as the same names cratered in July. Having been badly burnt in my first attempt at bottom-fishing I was a great deal more circumspect, but again buying, into the climactic unwind in the final week. Suffice it to say that we entered August positioned for a rebound, albeit with substantially smaller individual positions, in the belief that the bulk of the leverage unwind was behind us. While the bear chorus, always deafening at the lows, fixates on widening CDS spreads, ballooning debt issuance, and questions swirl around the appropriate depreciation schedule of a GPU, earnings and commentary remain consistently robust and ahead of already high expectations. Korea, with a peak to trough Kospi decline of a third, predominantly due to the collapse of Hynix and Samsung, looks especially compelling, with both companies announcing strong Q2 numbers at the end of the month. Both are seeing unprecedented cashflow strength, and report end first half cash balances of USD66billion at Hynix and USD134billion at Samsung, implying substantial capital returns and stock cancellation. Meanwhile foreign ownership of Samsung has fallen to 20-year lows. It is ironic and non-sensical that the bears punish both the hyperscalers for free-cash flow weakness, and at the same time pummel the Koreans for the opposite virtue! We have modest positions in both stocks.

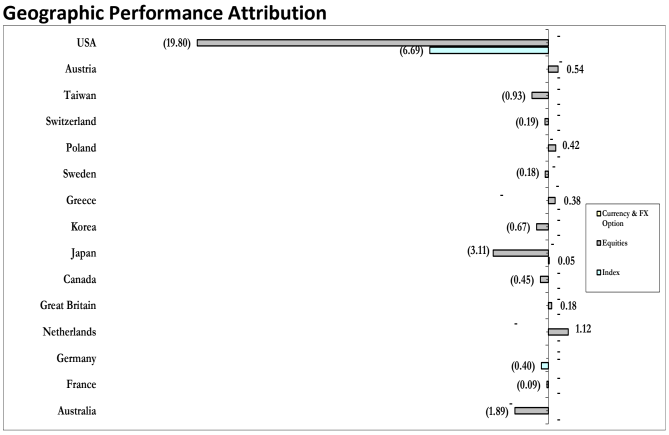
	RETURN	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Inception	+866.72%												
2026	+44.77%	+49.43%	+3.79%	-15.10%	+49.81%	+10.29%	-2.54%	-31.72%					
2025	+95.95%	-10.92%	-11.53%	-6.53%	+11.68%	+10.76%	+10.61%	+18.27%	+28.85%	+31.89%	-0.02%	-2.92%	-0.34%
2024	+69.71%	+5.20%	+3.86%	+1.68%	+2.29%	+16.65%	+0.97%	+3.77%	+2.76%	-0.95%	-0.27%	+43.60%	-16.20%
2023	-20.03%	+3.69%	-11.50%	-3.55%	-3.60%	+7.62%	+3.31%	-0.33%	-14.03%	-6.53%	-11.25%	+11.84%	+6.03%
2022	-22.55%	-9.65%	+7.55%	-5.02%	+0.64%	-0.78%	+1.17%	-14.53%	+3.17%	+7.94%	-7.77%	-7.66%	+2.49%

Bloom's Q2 numbers were as expected exceptional. Every hyperscaler and neo-cloud is in discussion with the company about fuel cell deployment, capacity expansion is in full swing at their Fremont plant, and revenue projections and profitability were all well ahead of street forecasts. Nebius in their own results call, specifically praised their decision to switch from gas turbines to Bloom boxes in their NJ project, and implied that this success would likely lead to further adoption at other sites, and the Brookfield partnership, originally signed last year at USD5billion, has now quintupled. The Bloom balance sheet boasts USD2.5billion in cash, and the company expect to move to annual production of 25GW by 2030, an astonishing acceleration from a business that has shipped barely 5% of that number in the period up to 2025. What the management failed to address was how their scandium supplies would scale in tandem with this explosion in their business. Well before this ramp in their production Bloom was the largest user of scandium, with the bulk of their supplies traceable directly or indirectly to China, unsurprisingly given that China is the source for 90% of its ore and oxides. The CEO's denial of their China sourcing, which can be traced back to 2009 in multiple ventures, has now occasioned several class action lawsuits for misleading shareholders. Geo-politics now restrict Chinese rare earth shipments, and the question is reasonably posed how Bloom secures adequate scandium sourcing in the future from the cluster of new projects in the West, where a re-energised and cost-indifferent defence complex is seeking to secure the bulk of all slated offtake. The more successful Bloom becomes, the more pertinent the question. Management's persistent obfuscation on this issue, coupled with their less-than-frank explanation of their previous China reliability, is mystifying. The few non-China firms mining scandium or reclaiming it from tailings in the West believe Bloom's annual requirements are likely to be a multiple of global production. Bloom's response effectively implies that neither the mining nor defence industries know what they are talking about. In the absence of any guidance on what an accurate tonnage/GW of scandium implies, with estimates ranging from 4 to 45 tonnes/GW, this issue may increasingly overshadow the otherwise exceptional adoption of their fuel cells. We first bought into Bloom at $12 two years ago and have made a great deal of money in the move to the mid-200's. The stock may double again, but this debate, so avoidable and so unnecessary, is an irritant and I have sharply reduced our remaining position.

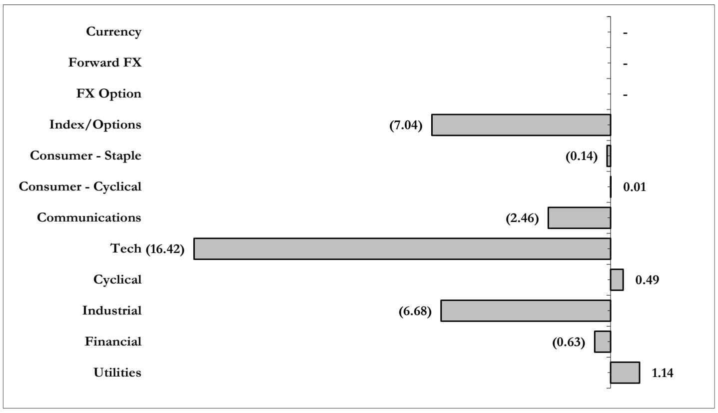
For all the worries about an AI bubble, higher rates and geopolitical disturbance, economic growth remains strikingly resilient. The DJ Transport Index is up by 25% so far this year, and that bellwether of global trade, Maersk, has just revised up earnings for the second time in 2 months. Earnings in both Europe and the US remain robust, and most major equity indices flirt with the highs, with the notable exception of China. This remains the most hated bull market I can recall. We were long and wrong in July, but I am confident that will prove an aberration.

% OF ASSETS ALLOCATION	EQUITY LONG	EQUITY SHORT	INDEX LONG	INDEX SHORT	NET EXPOSURE	GROSS EXPOSURE
Australia	4.86%	(16.61%)			(11.75%)	21.47%
Japan	13.17%		1.97%		15.14%	15.14%
South Korea	7.06%				7.06%	7.06%
Taiwan	5.72%				5.72%	5.72%
Canada	2.87%				2.87%	2.87%
Europe	63.87%	(0.02%)			63.85%	63.89%
United States	95.46%	(79.45%)	4.28%	(22.10%)	(1.81%)	201.29%
Total	**193.01%**	**(96.08%)**	**6.25%**	**(22.10%)**	**81.08%**	**317.44%**

Geographic Performance Attribution



Sector Performance Attribution



Equity Positions

Long	45	Largest 10 Longs	115.08% of NAV	Long Liquidity	0.89days	Mkt Capitalization	>2Bn	96%
Short	19	Largest 10 Shorts	74.47% of NAV	Short Liquidity	0.00days	Gross Exposure	>500m-2Bn>	2%
						(USD)	<500mn	2%

Top 5 % Longs		Top 5 Contributors	Top 5 Detractors
Bloom Energy	32.03%	Oklo Inc. (S)	SiTime Corp (L)
Micron Tech	16.01%	ArcelorMittal (L)	Bloom Energy (L)
ArcelorMittal	10.23%	GE Vernova (S)	Meta Platforms (S)
SiTime Corp	10.06%	Arm Holdings (S)	Kioxia Holdings (L)
Impinj Inc	9.52%	Tesla Inc (S)	Cerebras Systems (L)