TANTALLON CAPITAL

September 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 102mn (Cayman is Feeder)
(Inception Nov 03)

	Tan	MSCI Pacific Free Index	Over/(Under)perf
September 2026	**+ 8.76%**	- 0.97%	+ 9.73%
2026 YTD	**+ 54.21%**	+ 16.76%	+ 37.44%
2025	**+ 95.95%**	+ 20.20%	+ 75.75%
2024	**+ 69.71%**	+ 4.33%	+ 65.38%
Inception	**+ 929.71%**	+ 171.50%	+ 758.21%
Compound	+10.71%pa	Volatility	+27.91%
3 mth T-bill return	+4.10%	Sharpe Ratio	+0.24

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:
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(Nick@tantalloncapital.com)

The fund rose +8.76%, and we recover to +54.2% year to date.

Intra-month volatility remains high and, as with August, we finished well of the best. Strength in our major AI names, Intel, AMD and Bloom accounted for the bulk of our gains while our European exposure detracted, as contagion from weakness in French OATS led to a broad markdown with sharp losses in Piraeus Bank, Holcim and Mittal. (We own nothing in France, having realized speedily the error of our ways in bottom fishing in LVMH in July). Overall, the long book rose +5.95%, and futures and options gains (mostly realized) on Bloom Energy added a further +4%. Our short book detracted (-2.26%) as weakness in Australian banks on RBA tightening and an earnings miss at Fortescue were offset by strength in the few tech sector shorts we run as a hedge against the dominant theme in the long book.

Writing this in Tokyo mid-October after brief visits to Taiwan and Korea, volatility across the AI/tech space has surged again, taking with it September's gains. Rumours of trouble at several tech-focused hedge fund and forced risk reduction across the universe of multi strats add grist to universally bearish commentary. Of particular note was an outburst from Hock Tan, the ceo of Broadcom, scorning the knowledge level of investors in the sector in a direct riposte to the upbeat commentary of Jensen Huang. Not exactly what one expects to hear from someone hoping to raise USD100billion from those same disparaged investors! Meanwhile earnings continue to roll in on a steadily upbeat note, with Samsung (now, as with Hynix, trading on a cash flow yield in excess of 30%) ASML, Nvidia and TSMC all emphasizing the strength of demand and the widening gap with forecast supply; to no avail. Pessimism on the end uses of artificial intelligence, its species-ending propensity, accelerating Chinese competition (prompting immediate assumptions of over-supply in memory) and the hurdle higher rates now present to the debt raising of neo-clouds and frontier labs, stifle any optimism. The second week of October has proved to be the worst week on record for AI tech beneficiaries, and my invocation of Farragut's Mobile, Alabama order was singularly misplaced: we have taken a few torpedoes.

The disconnect between the views of manufacturing companies in the tech sector, and the financial commentariat, is unbridgeable. This is especially true in Taiwan, where order visibility to 2030 is underpinning unprecedented investment, and bonus payments are

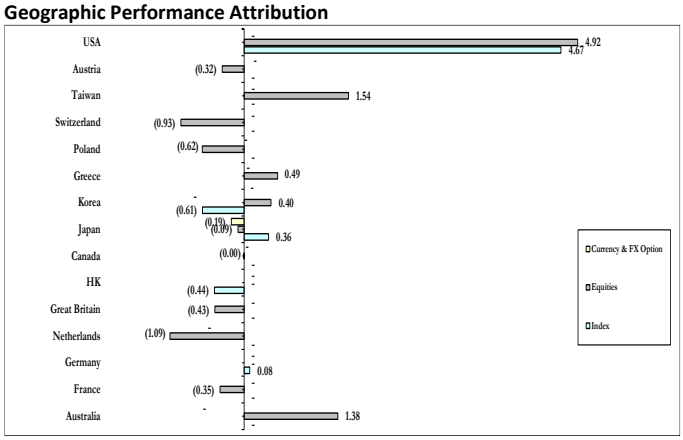
	RETURN	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Inception	+929.71%												
2026	+54.21%	+49.43%	+3.79%	-15.10%	+49.81%	+10.29%	-2.54%	-31.72%	-2.06%	+8.76%			
2025	+95.95%	-10.92%	-11.53%	-6.53%	+11.68%	+10.76%	+10.61%	+18.27%	+28.85%	+31.89%	-0.02%	-2.92%	-0.34%
2024	+69.71%	+5.20%	+3.86%	+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%

happily ploughed back into the stock market. Taiwan has been a noticeably less volatile market than Korea, absent the leveraged products that left 4% of the Korean population facing margin calls in July. In the Q2 earnings call TSMC chairman CC Wei emphasized both the rigour of the auditing the company performs on their clients' projects to ensure their viability, and their resulting confidence in the duration of this investment cycle. I have long viewed Taipei as the canary in the tech coal mine: she continues to sing sweetly.

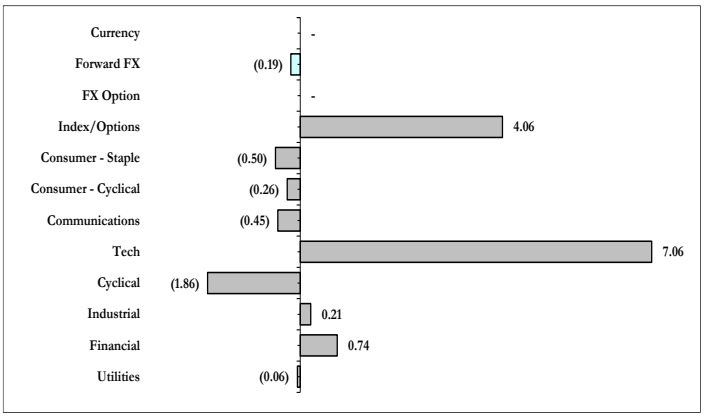
I have been positioned for a fourth quarter rally, based largely on my belief that this investment cycle has legs, and that after the deep corrections in price and positioning in the second quarter, a melt-up into year-end was the probable scenario. That view looks challenged, with an investor funk ahead of the mid-terms, concerns on the ability of the debt markets to fund the ambitions of the frontier labs, and the probable majority of investors who never subscribed to the AI story indulging in some schadenfreude. I have reduced risk, as our year-to-date returns have shrunk, but retain upside optionality in Japan and Korea, and on a handful of individual names in the US. The defence theme remains, perplexingly, moribund, higher rates are an obvious negative for large swathes of the economy, and absent the tech trade there is precious little to get excited about. The underperformance of China is a case in point, as the liberties and optimism of the post WTO years are steadily extinguished, with travel bans, retrospective tax audits and the airbrushing from history of Zu Rong Zhi, the last survivor of the openness that once made getting rich glorious, who passed away unremarked in August. China and Australia remain our largest and most long-standing short positions; frankly my biggest challenge is in finding anything in the AI space to offset somewhat the risk in the long book.

% OF ASSETS ALLOCATION	EQUITY LONG	EQUITY SHORT	INDEX LONG	INDEX SHORT	NET EXPOSURE	GROSS EXPOSURE
Australia	3.54%	(20.84%)			(17.30%)	24.38%
Hong Kong			1.58%	(7.77%)	(6.19%)	9.35%
Japan	14.76%			(5.76%)	9.00%	20.52%
South Korea	6.65%		1.26%	(0.43%)	7.48%	8.34%
Taiwan	12.74%	(2.21%)			10.53%	14.95%
Europe	56.85%	(0.01%)			56.84%	56.86%
United States	117.75%	(15.62%)	2.46%	(43.65%)	60.94%	179.48%
Total	**212.29%**	**(38.68%)**	**5.30%**	**(57.61%)**	**121.30%**	**313.88%**

Geographic Performance Attribution



Sector Performance Attribution



Equity Positions

Long	47	Largest 10 Longs	110.15% of NAV	Long Liquidity	2.07days	Mkt Capitalization	>2Bn	94%
Short	10	Largest 10 Shorts	38.68% of NAV	Short Liquidity	0.00days	Gross Exposure (USD)	>500m-2Bn>	4%
							<500mn	2%

Top 5 % Longs		Top 5 Contributors	Top 5 Detractors
Bloom Energy	18.77%	Intel Corp (L)	ArcelorMittal (L)
SiTime Corp	14.73%	Advanced Micro Devices (L)	Super Micro Comp (S)
Impinj Inc	12.15%	Bloom Energy (L)	Holcim Ltd (L)
Intel Corp	10.86%	eMemory Tech (L)	Nvidia Corp (S)
Micron Tech	9.62%	SiTime Corp (L)	Fluence Energy (L)

The Fund has appointed Intesa Sanpaolo Wealth Management SA, Rue du Rhône 4, CH-1204 Geneva, Switzerland, as its Swiss Representative and 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.

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