



Pangolin Asia Fund June 2018 NAV

As at the 30th of June 2018 the NAV of the Class A shares of the Pangolin Asia Fund was US\$472.82 net of all fees and expenses, down 4.90% from US\$497.19 in May.

Please see the table at the end of this letter for further detail.

As of today, the fund is about 92% invested, with the split being approximately as follows:

Singapore	13%
Malaysia	41%
Indonesia	30%
Thailand	16%

We don't disclose our names but some details are always available to investors on request.

Overview

To put things into some perspective, please see the tables below.

Return (in local currencies, except MSCI Asia Ex-Japan)									
Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Jun 2018	-0.59%	0.48%	-3.08%	-2.82%	-4.65%	-7.61%	-5.20%	-7.05%	-4.90%
YTD 2018	-1.81%	1.67%	-8.75%	-5.86%	-3.94%	-9.02%	-5.78%	-11.07%	-2.67%

Return (in USD)									
Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Jun 2018	-0.59%	0.48%	-5.98%	-4.23%	-6.39%	-10.32%	-5.20%	-7.05%	-4.90%
YTD 2018	-1.81%	1.67%	-13.66%	-5.67%	-5.81%	-10.29%	-5.78%	-11.07%	-2.67%

% Change in Currency Vs USD				
Month	MYR	SGD	IDR	THB
Jun 2018	-1.45%	-1.82%	-3.03%	-2.94%
YTD 2018	0.20%	-1.94%	-5.41%	-1.40%

Weak emerging markets and currencies.

If US growth remains less than ASEAN growth, presumably over the long run its stock markets will not do as well as ASEAN's. So therefore, the greater the US outperformance now, the greater the ASEAN outperformance later.

No doubt someone clever will point out the flaws in this theory. It looks bulletproof as I write it.



Outlook

Since the crash of 2008 stock markets, have been fairly benign places to invest. This is despite the doom-mongers constant warnings of impending financial catastrophe.

Most of the time they are wrong. Every 10-12 years they are right. Actually, they remain wrong, as they confuse falling stock markets with financial catastrophe (when actually it is just stock markets falling – as they do periodically. It is only a financial catastrophe for those who sell at the bottom).

Anyhow, weakness in one EM leads to weakness in others. We're all interconnected whether we like it or not, despite whatever is going on in Turkey having little or no relevance to what is happening in Thailand, for example. That is what is happening now.

But don't get too worried by wobbles. It is normal. In the long run share prices reflect the profitability of the underlying businesses. So, concern yourselves with that only.

Something to think about over the summer

The 3 Golden Rules of Pangolin Stock Market Investing

- 1) It is not investing if it is for less than three years
- 2) Don't confuse markets with investing
- 3) Don't confuse economics with investing

Right, back to the footie. Only the good teams left,

James Hay.
6th July 2018

We don't like to discuss stocks publicly but I am always happy to talk to existing investors and those interested in investing. The Pangolin Asia Fund is most suitable for investors who are happiest when markets are falling.



Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	NAV	501.11	510.62	506.32	493.22	497.19	472.82							-2.67%
	% chg	3.15%	1.90%	-0.84%	-2.59%	0.80%	-4.90%							
2017	NAV	400.08	412.81	435.93	436.54	446.18	451.43	455.76	457.12	472.10	485.61	483.86	485.79	24.18%
	% chg	2.27%	3.18%	5.60%	0.14%	2.21%	1.18%	0.96%	0.30%	3.28%	2.86%	-0.36%	0.40%	
2016	NAV	352.31	360.43	387.79	396.17	386.04	395.41	412.53	411.2	410.02	411.25	388.48	391.19	9.16%
	% chg	-1.69%	2.30%	7.59%	2.16%	-2.56%	2.43%	4.33%	-0.32%	-0.29%	0.30%	-5.54%	0.70%	
2015	NAV	382.31	391.18	389.48	396.82	389.67	380.77	374.61	333.73	333.52	350.84	355.19	358.38	-4.76%
	% chg	1.60%	2.32%	-0.43%	1.88%	-1.80%	-2.28%	-1.62%	-10.91%	-0.06%	5.19%	1.24%	0.90%	
2014	NAV	370.08	388.25	398.79	410.89	423.38	423.84	436.37	425.85	413.36	408.97	395.23	376.28	-0.52%
	% chg	-2.16%	4.91%	2.71%	3.03%	3.04%	0.11%	2.96%	-2.41%	-2.93%	-1.06%	-3.36%	-4.79%	
2013	NAV	343.47	350.86	364.04	374.14	395.94	375.98	382.69	361.54	378.56	394.53	384.87	378.24	11.48%
	% chg	1.23%	2.15%	3.76%	2.77%	5.83%	-5.04%	1.78%	-5.53%	4.71%	4.22%	-2.45%	-1.72%	
2012	NAV	290.78	311.15	303.35	313.01	301.88	312.18	316.87	323.01	323.75	334.08	332.63	339.29	24.85%
	% chg	7.00%	7.01%	-2.51%	3.18%	-3.56%	3.41%	1.50%	1.94%	0.23%	3.19%	-0.43%	2.00%	
2011	NAV	261.86	258.03	271.83	283.00	290.51	291.75	310.23	289.05	260.46	278.31	269.95	271.75	0.85%
	% chg	-2.82%	-1.46%	5.35%	4.11%	2.65%	0.43%	6.33%	-6.83%	-9.89%	6.85%	-3.00%	0.67%	
2010	NAV	201.91	205.09	213.68	227.44	213.93	227.45	234.62	238.78	253.28	258.37	260.53	269.47	37.58%
	% chg	3.08%	1.57%	4.19%	6.44%	-5.94%	6.32%	3.15%	1.77%	6.07%	2.01%	0.84%	3.43%	
2009	NAV	95.67	96.38	98.12	133.22	145.25	151.32	159.71	167.99	173.21	174.49	182.60	195.87	95.34%
	% chg	-4.59%	0.74%	1.81%	35.77%	9.03%	4.18%	5.54%	5.18%	3.11%	0.74%	4.65%	7.27%	
2008	NAV	157.49	156.55	150.63	154.03	146.18	136.23	132.58	125.09	113.55	90.36	85.98	100.27	-38.81%
	% chg	-3.89%	-0.60%	-3.78%	2.26%	-5.10%	-6.81%	-2.68%	-5.65%	-9.23%	-20.42%	-4.85%	16.62%	
2007	NAV	136.43	140.75	144.17	153.68	157.90	159.36	159.56	150.23	158.13	163.17	160.72	163.86	27.19%
	% chg	5.90%	3.17%	2.43%	6.60%	2.75%	0.92%	0.13%	-5.85%	5.26%	3.19%	-1.50%	1.95%	
2006	NAV	104.53	106.09	109.42	116.62	108.82	106.34	107.96	110.76	112.41	117.94	125.81	128.83	31.74%
	% chg	6.89%	1.49%	3.14%	6.58%	-6.69%	-2.28%	1.52%	2.59%	1.49%	4.92%	6.67%	2.40%	
2005	NAV	99.24	99.37	97.77	98.86	96.77	97.05	100.14	94.90	96.99	97.05	96.14	97.79	-2.57%
	% chg	-1.13%	0.13%	-1.61%	1.11%	-2.11%	0.29%	3.18%	-5.23%	2.20%	0.06%	-0.94%	1.72%	
2004	NAV	-	-	-	-	-	-	-	-	-	-	-	100.37	
	% chg	-	-	-	-	-	-	-	-	-	-	-	0.37%	

Best monthly return 35.77%
Worst monthly return -20.42%
Maximum drawdown -47.53%
% of positive months 66.87%
Annualised return 12.12%

By Sector

