



Pangolin Asia Fund April NAV

As at the 30th of April 2015 the NAV of the Class A shares of the Pangolin Asia Fund was US\$396.82 net of all fees and expenses, up 1.88% from US\$389.48 in March.

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

As of today, the fund is about 90% invested with the split being approximately as follows:

| | |
|-----------|-----|
| Singapore | 23% |
| Malaysia | 27% |
| Indonesia | 31% |
| Thailand | 19% |

No names I'm afraid but some details of the individual holdings are always available to investors on request.

Overview

To put the month 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 | Shanghai | Hang Seng | Sensex | MSCI ex JP | PAF |
|--------|------|---------|-------|-------|------|------|----------|-----------|--------|------------|------|
| Apr 15 | 0.4% | 0.9% | -7.8% | -0.7% | 1.2% | 1.4% | 18.5% | 13.0% | -3.4% | 4.8% | 1.9% |

Return (in USD)

| Period | DOW | S&P 500 | JSE | KLSE | STI | SET | Shanghai | Hang Seng | Sensex | MSCI ex JP | PAF |
|--------|------|---------|-------|------|------|------|----------|-----------|--------|------------|------|
| Apr 15 | 0.4% | 0.9% | -6.5% | 4.7% | 5.3% | 0.2% | 19.4% | 13.0% | -4.8% | 4.8% | 1.9% |

% Change in Currency Vs USD

| Month | MYR | SGD | IDR | THB |
|--------|-------|-------|-------|--------|
| Apr 15 | 3.93% | 3.67% | 0.86% | -1.43% |

If we thought we could make money in China, we'd invest there. But it is not our area of expertise.

After months of moaning about currency fluctuations it is nice to have a month in which they move in our favour. Our stocks aren't doing a lot and the retail spending numbers out of Malaysia, Thailand and Indonesia remain weak.

One of our larger Malaysian holdings has just announced a rights issue. The company is not in need of cash but wants to raise money to increase its land bank. The company's share price is falling on this news but this only highlights the difference in outlook between stock market investors and business owners. Currently the property market is soft in Malaysia. This company knows that – it has been a Malaysian property developer for ages – and is obviously taking the view that the market remains attractive for those prepared to invest for years rather than months.

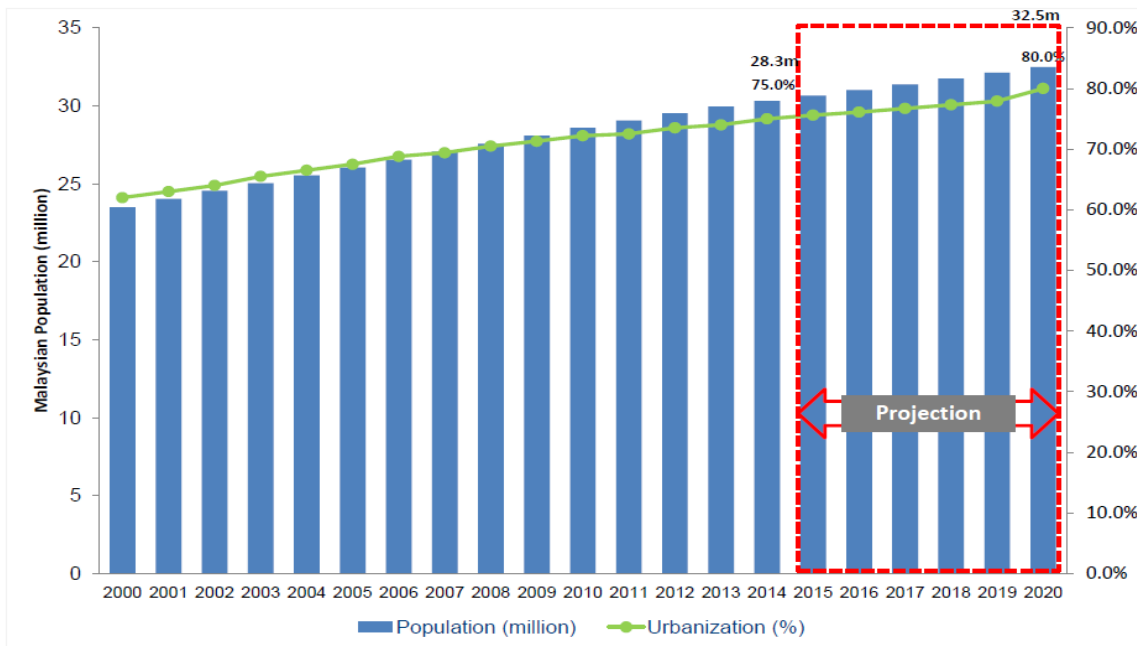
As you know, at Pangolin we try to match our investment horizon with that of business owners, so we'll probably take up our rights.



Outlook

Things are slow but they should pick up again. Below are some slides stolen from a retail conference I attended. They refer to Malaysia but the trends are region wide. And the good news is that the Retail Group of Malaysia expects retail sales to pick up again later this year.

Malaysia – Population and Urbanisation



Market Study Consultancy Services for Nusajaya and Gerbang Nusajaya, January 2015

Source: Statistics Department, Trading Economics

Factors Driving Supply – Growth in Household Income

| Mean Household Income | | | | |
|-----------------------|----------------------------|-------|----------|------------------------|
| States | Mean Household Income (RM) | | | Annual Growth Rate (%) |
| | 2009 | 2012 | 2014 (e) | 2009 - 2012 |
| Kuala Lumpur | 5,488 | 8,586 | 11,335 | 14.9 |
| Putrajaya | 6,747 | 8,101 | 9,119 | 6.1 |
| Selangor | 5,962 | 7,023 | 7,817 | 5.5 |
| Labuan | 4,407 | 6,317 | 7,924 | 12.0 |
| Penang | 4,407 | 5,055 | 5,531 | 4.6 |
| Melaka | 4,184 | 4,759 | 5,177 | 4.3 |
| Johor | 3,835 | 4,658 | 5,283 | 6.5 |
| Negeri Sembilan | 3,540 | 4,576 | 5,397 | 8.6 |
| Sarawak | 3,581 | 4,293 | 4,824 | 6.0 |
| Sabah | 3,102 | 4,013 | 4,733 | 8.6 |
| Terengganu | 3,017 | 3,967 | 4,722 | 9.1 |
| Pahang | 3,279 | 3,745 | 4,082 | 4.4 |
| Perak | 2,809 | 3,548 | 4,123 | 7.8 |
| Pertis | 2,617 | 3,538 | 4,289 | 10.1 |
| Kedah | 2,667 | 3,425 | 4,017 | 8.3 |
| Kelantan | 2,536 | 3,168 | 3,654 | 7.4 |
| Malaysia | 4,025 | 5,000 | 5,746 | 7.2% |

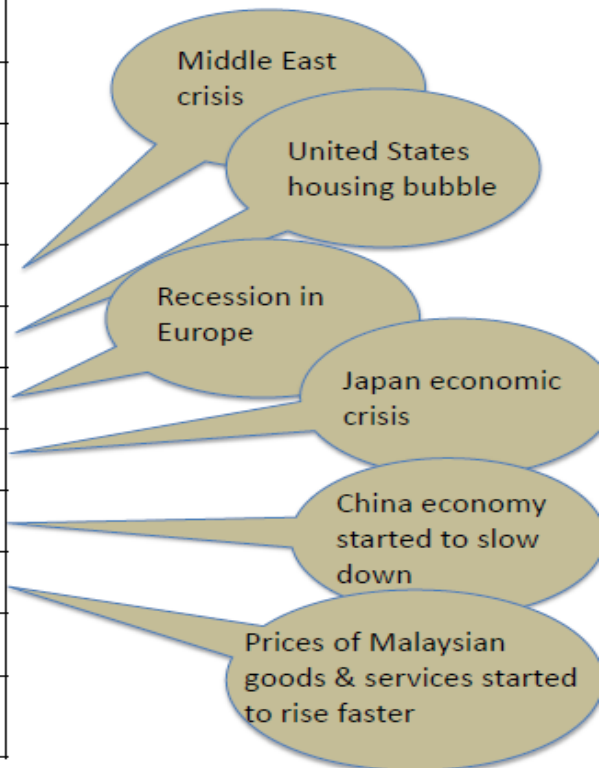
| Median Household Income | | | | |
|-------------------------|------------------------------|-------|----------|------------------------|
| States | Median Household Income (RM) | | | Annual Growth Rate (%) |
| | 2009 | 2012 | 2014 (e) | 2009 - 2012 |
| Kuala Lumpur | 4,409 | 5,847 | 6,998 | 9.4 |
| Putrajaya | 5,450 | 6,486 | 7,260 | 5.8 |
| Selangor | 4,306 | 5,353 | 6,163 | 7.3 |
| Labuan | 3,498 | 5,063 | 6,385 | 12.3 |
| Penang | 3,200 | 4,039 | 4,694 | 7.8 |
| Melaka | 3,005 | 3,923 | 4,652 | 8.9 |
| Johor | 2,958 | 3,650 | 4,179 | 7.0 |
| Negeri Sembilan | 2,711 | 3,575 | 4,263 | 9.2 |
| Sarawak | 2,394 | 3,047 | 3,554 | 8.0 |
| Sabah | 2,066 | 2,860 | 3,511 | 10.8 |
| Terengganu | 2,096 | 3,034 | 3,826 | 12.3 |
| Pahang | 2,479 | 3,067 | 3,518 | 7.1 |
| Perak | 2,094 | 2,665 | 3,108 | 8.0 |
| Pertis | 1,832 | 2,387 | 2,826 | 8.8 |
| Kedah | 1,966 | 2,633 | 3,169 | 9.7 |
| Kelantan | 1,713 | 2,276 | 2,729 | 9.5 |
| Malaysia | 2,841 | 3,626 | 4,237 | 8.1% |

Source: Statistics Department, 4



Malaysia Retail Sales Growth Rate

| YEAR | % GROWTH RATE |
|------|---------------|
| 2004 | 8.0 |
| 2005 | 6.2 |
| 2006 | 8.4 |
| 2007 | 12.8 |
| 2008 | 5.0 |
| 2009 | 0.8 |
| 2010 | 8.4 |
| 2011 | 8.1 |
| 2012 | 5.5 |
| 2013 | 4.5 |
| 2014 | 3.4 |



Quarterly Growth Rate 2014

| Quarter | % GROWTH RATE |
|------------|---------------|
| First | 4.9 |
| Second | 5.3 |
| Third | 2.0 |
| Fourth | -0.8 |
| Whole Year | 3.4 |

-OPR rose to 3.25%
-Hari Raya festival

-Petrol price increase
-Global stock market crisis
-Year-end holidays



Malaysia Retail Sales Growth Rate

| YEAR | % GROWTH RATE |
|------|---------------|
| 2008 | 5.0 |
| 2009 | 0.8 |
| 2010 | 8.4 |
| 2011 | 8.1 |
| 2012 | 5.5 |
| 2013 | 4.5 |
| 2014 | 3.4 |

-Higher prices from 1/1/15 (eg. Hike in bus and taxi fares)
-GST
-Fuel subsidy rationalisation
-Increase electricity tariff
-OPR to rise further
-World economic performance

2015

4.9

Quarterly Growth Rate 2015

| Quarter | % GROWTH RATE (estimate) |
|------------|--------------------------|
| First | 3.8 |
| Second | 3.5 |
| Third | 4.8 |
| Fourth | 6.9 |
| Whole Year | 4.9 |



Mipsterz – A New Social Trend

Who are Mipsterz?

- A growing subculture of vivacious, happy and dynamic young Muslims (primarily female).
- Highly educated & career driven.
- Shine as forefronts of the latest music, fashion, art, critical thought, food, and creative fields.
- Avid followers of fashion – stylish while maintaining modesty.
- They live life to the fullest without compromising any aspect of their faith.



James Hay
11th May 2015

I 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 happy when markets falling.



| Year | Details | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|---------|
| 2015 | NAV | 382.31 | 391.18 | 389.48 | 396.82 | | | | | | | | | 5.46% |
| | % chg | 1.60% | 2.32% | -0.43% | 1.88% | | | | | | | | | |
| 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 68.00%
Annualised return 14.15%

By Sector

