



Pangolin Asia Fund October 2013 NAV

As at the 31st of October 2013 the NAV of the Class A shares of the Pangolin Asia Fund was US\$394.53 net of all fees and expenses, up 4.22% from US\$378.56 in September. Please see the table at the end of this letter for further detail.

As of today, the fund is about 86% invested with the split being approximately as follows:

Indonesia	20%
Malaysia	38%
Singapore	26%
Thailand	16%

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

Overview

Measures taken by ASEAN governments to combat investors' fears seem to have had some effect and markets rose last month as a result of this. Confidence was also helped by what would appear to be a continuing recovery in the world's larger economies, which can only be a good thing for export-oriented Asia.

Rather than tackling wasteful expenditure, **Malaysia** announced it will implement GST next year, but at least that should help in further reducing the budget deficit. Investors in **Indonesia** were celebrating a new era of wage restraint as it was announced that the minimum wage in Jakarta would only increase by 10% next year – although the increase is higher than that in many other parts of the country. **Thailand's** opposition yellow shirts took to the streets of Bangkok to protest the government's amnesty bill, thus reawakening fears of political paralysis (and giving us the chance to buy a little bit of stock cheaply again). And newspaper headlines in **Singapore** predicted quite heavy rain for the next couple of months.

Outlook

Economically things may not look too bad but finding outstandingly cheap shares to buy is currently rather a challenge. Stock-picking is a bit like fishing. There are times when it is easy (like at the end of 2008 and 2011) and there are times when it is just about sitting down with a beer or two with little expectation, but still some hope, of getting a decent bite.

When the markets are this well bid, there is a lot of false hope. We see companies that look cheap but the managements turn out to be terrifying. Or there is something dodgy from the past that means we cannot consider ever owning that stock again. Current conditions can make for a frustrating time (nothing a 10% fall in the markets wouldn't sort out) but as long as we keep on fishing, we'll catch something worthwhile sooner or later.

James Hay.

7th November 2013.

I don't like to discuss stocks publicly but I am always happy to talk to existing investors and those interested in the fund. If you have any questions, concerns, ideas, or just fancy an argument, please get in touch. Otherwise, just send money.



Pangolin Investment Management

Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	NAV	343.47	350.86	364.04	374.14	395.94	375.98	382.69	361.54	378.56	394.53			16.28%
	% chg	1.23%	2.15%	3.76%	2.77%	5.83%	-5.04%	1.78%	-5.53%	4.71%	4.22%			
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 71.03%
Annualised return 16.64%

By Sector

