



Pangolin Asia Fund June 2017 NAV

As at the 30th of June 2017 the NAV of the Class A shares of the Pangolin Asia Fund was US\$451.43 net of all fees and expenses, up 1.18% from US\$446.18 in May.

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

As of today, the fund is about 73% invested with the split being approximately as follows:

Singapore	13%
Malaysia	33%
Indonesia	32%
Thailand	23%

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 2017	1.62%	0.48%	1.60%	-0.12%	0.49%	0.84%	1.12%	0.86%	1.18%
YTD 2017	8.03%	8.24%	10.06%	7.43%	12.00%	2.06%	21.59%	13.77%	15.40%

Return (in USD)									
Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Jun 2017	1.62%	0.48%	1.41%	-0.39%	1.00%	1.00%	1.12%	0.86%	1.18%
YTD 2017	8.03%	8.24%	11.09%	12.27%	17.75%	7.78%	21.59%	13.77%	15.40%

% Change in Currency Vs USD				
Month	MYR	SGD	IDR	THB
Jun 2017	-0.27%	0.51%	-0.19%	0.32%
YTD 2017	4.51%	5.13%	0.94%	5.61%

Wing Tai Malaysia

Last month I bemoaned the Malaysian listing rules which effectively meant that the minorities of Wing Tai Malaysia (including us) would likely have to accept an unfair offer or risk holding an unlisted stock. We capitulated, and now have another US\$4m in cash (actually it's in Ringgit for now). The fund has 27% cash. I reckon that's quite a comfortable position to be in just now. However, it could change very quickly if markets fall or we find a company we want to buy at a compelling valuation.

Of course, we'd rather have kept Wing Tai at its *compelling valuation*. Emails to Malaysia's stock exchange chief on the subject of his country's listing rules remain unanswered. I might have to go and bang on his door.



Hash House Harriers

If I tell you I'm going on the hash this weekend, please let me explain myself before calling the drugs cops.

The Hash House Harriers is a running club (now many such clubs worldwide) founded in Kuala Lumpur's Royal Selangor Club by a bunch of expats back in 1938. Over their beers, stengahs and curry puffs in the Long Bar where, to this day, women are (quite rightly) not allowed, a bunch of fit young men realised that they were putting on weight. Hence, they founded the first chapter of what is now known as a *drinking club for people with a running problem*.

The runs are based on the principle of *hare and hounds*, in which the hare sets a paper trail for the hounds to follow. To ensure that pretty much all arrive back at around the same time, the leading runners will find that the trail stops abruptly (this is a "check") and it is up to them to find where the paper indicating the right direction has been laid. This has to be within 150m of the old trail, but it can be in any direction including back, possibly across a river etc.

While the speedy are checking, the slower and the walkers catch up. Once the paper has been found, there is a cry of "on, on" and all follow until the next check when the trail-finding procedure is repeated.

I find that serious runners, who want to win, find this too frustrating, but for the majority it adds to the fun. The runs are held in jungles and plantations, normally within one hour's drive of KL. They normally last something like 1½ hours but, on occasion, can be longer or shorter.

All this running in the tropics builds up quite a thirst. On returning to the run site everyone heads to the beer wagon to rehydrate. This is followed by the "circle" at which "fines" and other forfeitures are handed out. The penalty is always to down a glass of beer while being regaled by a crude song.

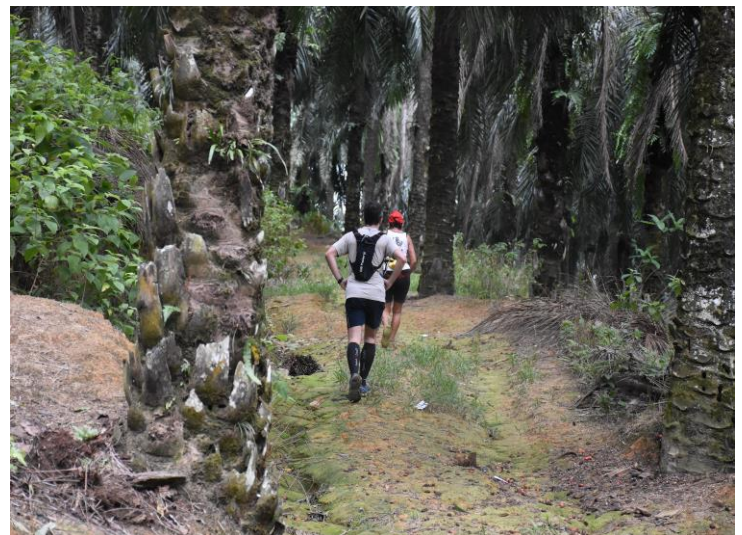
It took me more than 20 years of living in Malaysia to discover the hash. It is now very much part of my life here. I love the varied runs, whether in plantations or jungle, and the camaraderie that goes with it. It probably won't surprise you that quite a few couples initially met while "lost in the jungle" together.

So, if you're likely to be in KL one weekend and fancy getting muddy, leech-bitten, knackered and a little bit drunk - in roughly that order - drop me a line and tag along.

Alternatively, wherever you are in the world, just search hash house harriers near me; there probably is one not too far away.



In a rubber plantation



In palm oil. Note the trail paper on the floor



The check was across this river. Quite deep if you're a small Asian girl.



Jungle



All those muddy hills now seem worthwhile



Outlook

Markets are a bit boring at the moment. They just seem to go up all the time. I know I should be careful what I wish for but a Pangolin's life is a lot easier when prices are cheaper. Our cash will be invested when we can buy good businesses at what we consider to be the wrong price. As long-term investors, it is underpaying that is our hedge. My colleagues and I continue to visit companies in order to find such investments. Be patient please.

James Hay
July 11th 2017

Ps. with thanks to Hash Flash for the photos.

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
2017	NAV	400.08	412.81	435.93	436.54	446.18	451.43							15.40%
	% chg	2.27%	3.18%	5.60%	0.14%	2.21%	1.18%							
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 66.89%
Annualised return 12.73%

By Sector

