



Pangolin Asia Fund April 2023 NAV

As at the 28th of April 2023, the NAV of the Class A shares of the Pangolin Asia Fund was US\$606.77 net of all fees and expenses, up 1.54% from US\$597.55 in March. YTD we're up 11.70%.

As of today, the fund is about 99% invested, with the split being approximately as follows:

Singapore	5%
Malaysia	29%
Indonesia	66%

We don't disclose our names but some details are always available to investors (and those wishing to become investors) on request.

Overview

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

Return (in local currencies, except MSCI)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia ex JP	MSCI-ASEAN	PAF
Apr-23	2.48%	1.46%	0.04%	1.62%	-0.47%	0.36%	-2.19%	-0.44%	1.54%
YTD 2023	2.87%	8.59%	16.82%	0.95%	-5.32%	0.59%	1.81%	1.43%	11.70%

Return (in USD)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia ex JP	MSCI-ASEAN	PAF
Apr-23	2.48%	1.46%	0.04%	3.85%	-1.52%	0.09%	-2.19%	-0.44%	1.54%
YTD 2023	2.87%	8.59%	16.82%	7.13%	-6.54%	0.97%	1.81%	1.43%	11.70%

% Change in Currency Vs USD			
Period	MYR	SGD	IDR
Apr-23	-1.05%	-0.26%	2.19%
YTD 2023	-1.29%	0.38%	6.13%

The fund's NAV is doing relatively well this year, largely because in 2022, when consumer stocks were *out of favour*, we bought more. *Out of favour* is the investor's friend.

Reasons to love ASEAN (I)

The place is just so competitive. Recently I was having a look at Singapore's tax rates and was amazed by how little is demanded by the government. On a salary of USD60,000 you'd pay less than USD2,000 in income tax. And if you earn a million dollars, your tax rate is still below 20%. And there are no capital gains taxes on stocks. Nor are there inheritance taxes. These tax rates are before allowances for being married, having kids etc.

Personal Income Tax

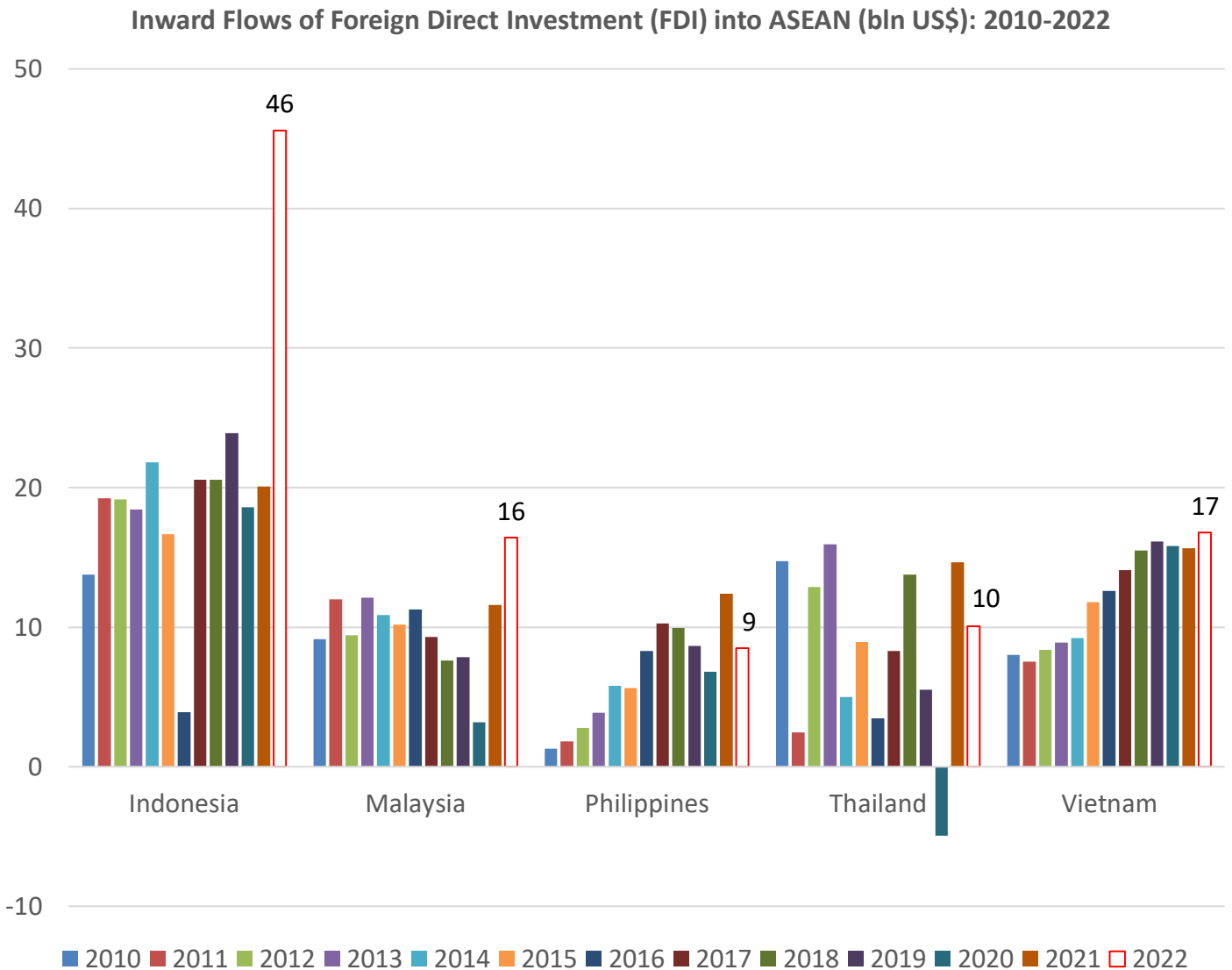
Income	Singapore	USA	UK
\$60,000	\$1,950	\$8,796	\$16,147
\$1,000,000	\$194,150	\$394,286	\$454,061
%	3.3%	14.7%	26.9%
%	19.4%	39.4%	45.4%

Corporate Tax

Singapore	USA	UK
17%	21%	25%



Reasons to love ASEAN (II)



I remember, as a young broker in London in the late 80's, I noticed Malaysia's FDI picking up. That's when I spent much more time examining Malaysian stocks. If the economy's doing well, then some companies will be too.

Back then, Malaysia was similarly unloved by equity investors. It was emerging from a recession and the stock market was flat on its back. Yet, people who actually do something productive for a living were opening factories, relocating production or sourcing products in Malaysia.

As the most junior salesman on the desk, I had the least important clients who were typically given the smallest mutual funds to manage. So small that they could invest in some of the Malaysian names I was touting. Noticing Malaysia early probably saved me my job.

Indonesia's FDI dwarfs others, but it's the trend that matters. And while in the West the talk is of job losses and stores closing, Malaysian & Indonesian malls are jam-packed. And that's before the Chinese tourists return in numbers.



Reasons to love ASEAN (III)

It's so crazy cheap.

Pangolin Asia Fund Fundamentals (28 April 2023)

	2021A	2022A	2023F
P/E (x)	23.5	12.1	10.7
Profit Growth (%)	24	85	17
ROE (%)	18	19	20
ROIC (%)	33	28	48
Div Yield (%)	4.0	4.8	5.1

Outlook

The sad truth is that most money managers spend their lives looking over their shoulders at what the rest are up to. Which means that they won't invest in ASEAN until everyone else does and MSCI have raised their recommended weightings. Then they'll happily pay twice as much for the same equities, because everyone else is.

In the MSCI Asia ex-Japan Index, Indonesia's weighting is a tiny 1.8% & Malaysia's a microscopic 1.4%. For those of us who don't closet-index invest, remember *out of favour* above.

(%)	MSCI AC Asia Pacific ex-Japan weightings 31-Mar-23
Australia	16.3
China	30.6
Hong Kong	6.0
India	12.1
Indonesia	1.8
Korea	11.2
Malaysia	1.4
New Zealand	0.5
Philippines	0.7
Singapore	3.3
Taiwan	14.3
Thailand	2.0
Vietnam	--
Total	100.0

Source : Jefferies

I remain optimistic.

James
5th May 2023



Ps. Gerald Ambrose, war hero and Pangolin Asia Fund Director, has lived in Malaysia for even longer than I have. Before I send my newsletter out, it is circulated to my colleagues and directors for their comments. Gerry's are quoted here:

Sorry for the delayed response. Well done.

In my old age I have become even more concentrated on Malaysia & I agree & get the same vibes as Our Dear Leader - especially as I have 2 daughters in UK & things are so bad there compared with here.

Problem is, the investment world seems to have changed. There's no Barton Biggs telling the big guys to back up the truck & load up on ASEAN; foreigners are effectively out of ASEAN equity & the investing world has gone passive, looking for stocks which are large, liquid & with large public floats. They seem to find these qualities in N Asia - India, China, HK, S Korea.

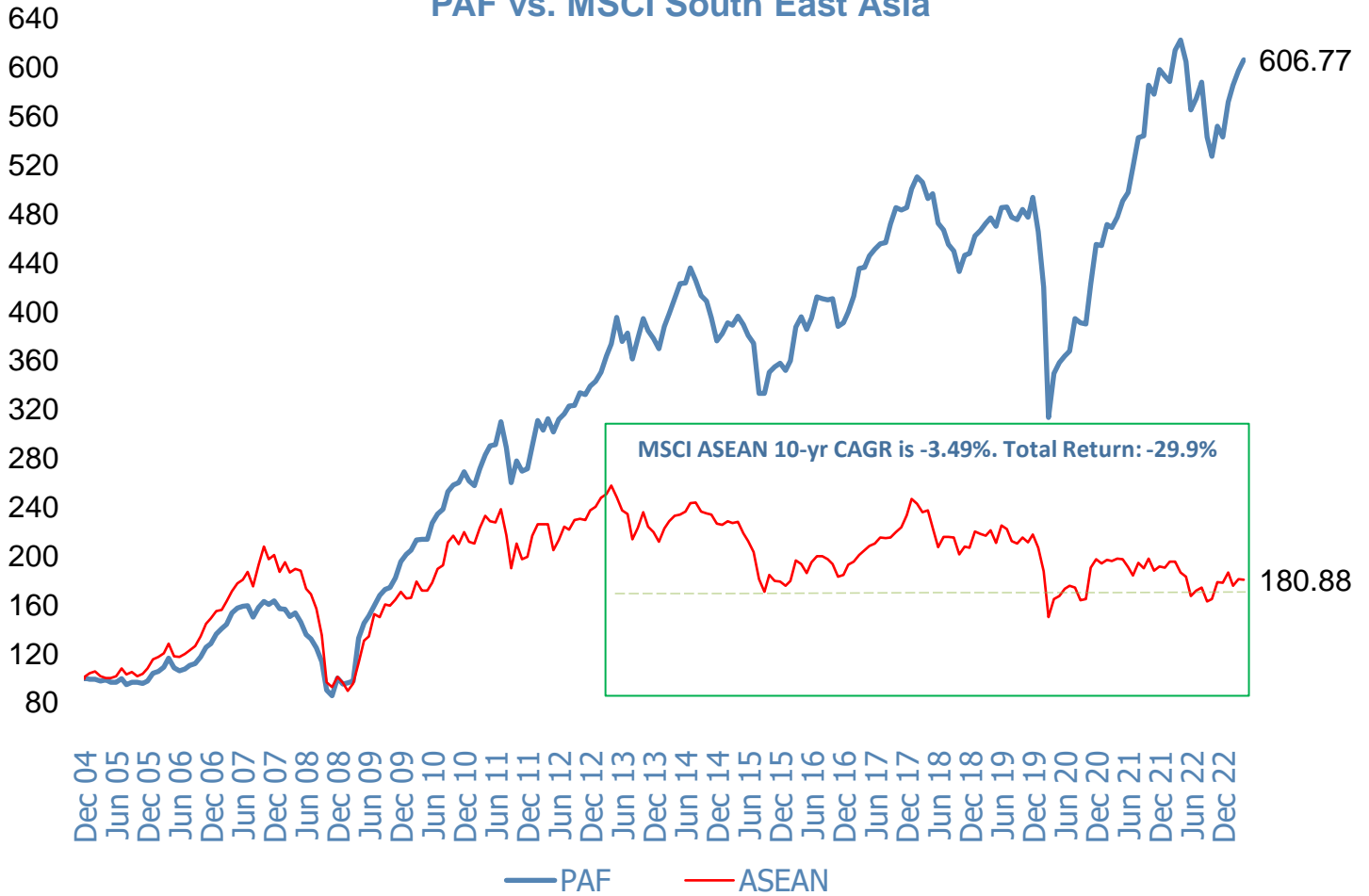
Meanwhile, KL is buzzing - not just in the malls, but places like Chinatown - and even boring Petaling Jaya - have come alive with restaurants, coffee shops, bakeries, cocktail bars (& offices & factories & new logistics warehouses etc) run by the kids of Malaysian baby boomers. They're being frequented not so much by tourists (just the odd tattooed backpacker in my experience) as by locals - Klang Valley has a large population of 16-35 year-olds who get out & about (as opposed to in London/UK where they're not so numerous & can't really afford to).

Anyway, I am going on too much. My point is, the catalyst of active funds moving to ASEAN hasn't swung into action yet. Gerry.



Eighteen years track record and annualised return of 10.29%

PAF vs. MSCI South East Asia





Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	NAV	571.92	585.67	597.55	606.77									11.70%
	% chg	5.28%	2.40%	2.03%	1.54%									
2022	NAV	593.29	588.82	614.73	622.83	605.35	565.54	574.94	588.17	543.35	527.78	552.46	543.22	-9.23%
	% chg	-0.86%	-0.75%	4.40%	1.32%	-2.81%	-6.58%	1.66%	2.30%	-7.62%	-2.87%	4.68%	-1.67%	
2021	NAV	454.64	471.89	469.26	477.70	491.07	497.99	518.78	542.88	544.24	585.87	578.32	598.45	31.44%
	% chg	-0.15%	3.79%	-0.56%	1.80%	2.80%	1.41%	4.17%	4.65%	0.25%	7.65%	-1.29%	3.48%	
2020	NAV	465.73	420.43	313.82	349.63	358.55	364.26	367.99	394.82	391.21	390.47	422.87	455.32	-7.80%
	% chg	-5.69%	-9.73%	-25.36%	11.41%	2.55%	1.59%	1.02%	7.29%	-0.91%	-0.19%	8.30%	7.67%	
2019	NAV	462.51	467.10	472.67	477.00	470.36	485.78	486.12	477.67	475.87	484.37	477.85	493.85	10.21%
	% chg	3.21%	0.99%	1.19%	0.92%	-1.39%	3.28%	0.07%	-1.74%	-0.38%	1.79%	-1.35%	3.35%	
2018	NAV	501.11	510.62	506.32	493.22	497.19	472.82	467.29	455.31	450.29	433.40	446.46	448.11	-7.76%
	% chg	3.15%	1.90%	-0.84%	-2.59%	0.80%	-4.90%	-1.17%	-2.56%	-1.10%	-3.75%	3.01%	0.37%	
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 -25.36%
Maximum drawdown -47.53%
% of positive months 65.16%
Annualised return 10.29%



By Sector

