



Pangolin Investment Management

Pangolin Asia Fund announces month end NAV – April 2006

At 28th April 2006, the NAV of the Class A shares of Pangolin Asia Fund was US\$116.62 net of all fees and expenses, up from US\$109.42 in March.

At the end of April the fund was approximately 98% invested.

It feels rather odd to be sending out good news on a day in which Indonesia has fallen 10% in US\$ terms, but I suppose it is better than sending out bad news. In April the fund again benefited from strong Asian exchange rates as well as robust performance in a couple of holdings, which outweighed the fallers.

The best two performing stocks in April were Koda in Singapore and LPN Development in Thailand, up 28% and 16% respectively. LPN has fallen back a bit since the month end but we are still optimistic for its long term story. Thailand is in the ideal situation of having a sensible central bank and no government at the moment, although sadly there are plans to do something about the latter. Koda is growing strongly and is becoming recognised by brokers and investors accordingly.

In Malaysia two holdings were weak; YTL Power warrants were hit by worries of lower Ringgit earnings as much of its business is overseas, as well as the fact that the company had ceased its buyback programme (which it has now resumed). Our perennial portfolio dog, Silver Bird, was down about 10%. However its last quarterly results were good and we have had numerous management meetings which still convince me that the company is undervalued.

Looking into my crystal ball I would have to expect a lower NAV for May. Asian markets have been boosted by hot money inflows, some of which is now fleeing (today anyway). There is reason to expect Asian currencies to remain firm against the US\$ - or perhaps I should say for the US\$ to be weak versus Asia – but there has recently been Asian central bank intervention to stop their currencies appreciating too quickly. Thus while Asian currencies may weaken in the short term, their long term prospects remain good.

The better managed companies should cope best with any short-term volatility anyway, and we hope we have some of them in the portfolio.

Commodities have also had a dreadful day or two. Should commodities, and in particular oil weaken, the majority of the companies within the fund should benefit, given the consumer bias and the deliberate approach of not jumping on the commodities train.

There is a historical relationship between Mount Merapi erupting and political upheaval in Indonesia. Let's hope any eruption is a small one.

More details concerning the fund's investments are always available to shareholders in the fund on request.

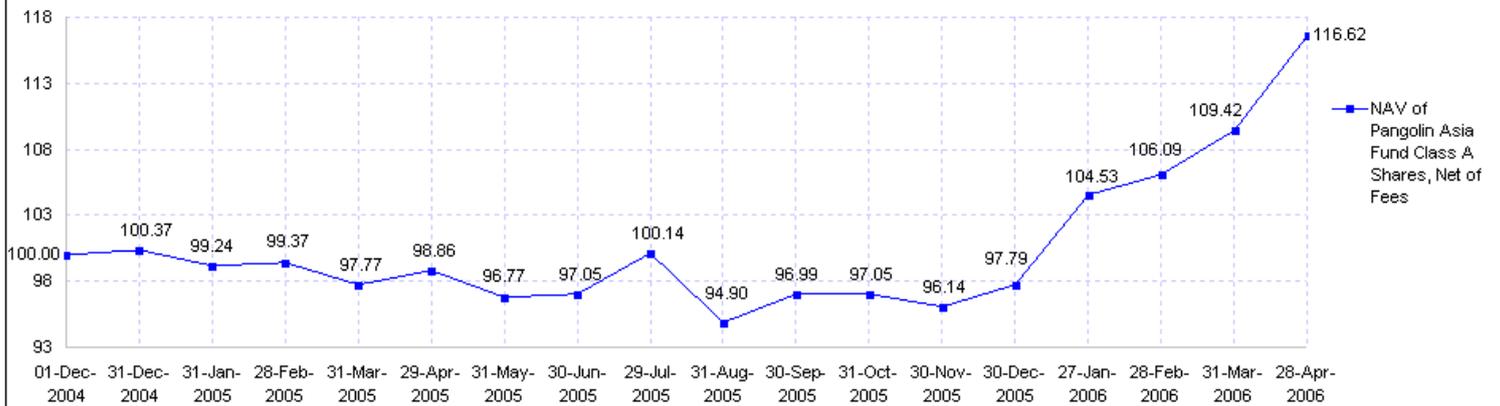
Further information can be found at www.pangolinfund.com.

James Hay.



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NAV Computation Report - 1st Dec 2004 - 28th Apr 2006



Month	NAV	% change
01-Dec-2004	100.00	
31-Dec-2004	100.37	0.37%
31-Jan-2005	99.24	-1.13%
28-Feb-2005	99.37	0.13%
31-Mar-2005	97.77	-1.61%
29-Apr-2005	98.86	1.11%
31-May-2005	96.77	-2.11%
30-Jun-2005	97.05	0.29%
29-Jul-2005	100.14	3.18%
31-Aug-2005	94.90	-5.23%
30-Sep-2005	96.99	2.20%
31-Oct-2005	97.05	0.06%
30-Nov-2005	96.14	-0.94%
30-Dec-2005	97.79	1.72%
27-Jan-2006	104.53	6.89%
28-Feb-2006	106.09	1.49%
31-Mar-2006	109.42	3.14%
28-Apr-2006	116.62	6.58%

2005 return -2.57%
2006 return 19.26%