



Pangolin Asia Fund January 2014 NAV

As at the 31st of January 2014 the NAV of the Class A shares of the Pangolin Asia Fund was US\$370.08 net of all fees and expenses, down 2.16% from US\$378.24 in December. 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:

Indonesia	25%
Malaysia	28%
Singapore	29%
Thailand	18%

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

Overview

To put our performance into context, please see the table below:

Return (in local currencies, except MSCI Asia Ex-Japan)

Period	Dow	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	PAF
YTD (2014)	-5.3%	-3.6%	3.4%	-3.4%	-4.4%	-1.9%	-5.1%	-2.2%

Return (in USD)

Period	Dow	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	PAF
YTD (2014)	-5.3%	-3.6%	3.0%	-5.4%	-5.3%	-3.0%	-5.1%	-2.2%

There has been much talk of an emerging markets collapse but you will note that the Dow Jones and the S&P behaved similarly to our markets. Well, with the exception of Jakarta which, despite being the one most talked down by all the bears, outperformed.

We haven't done a lot in the past month other than sell a bit in Malaysia. One of our companies there has become a bit overvalued both compared to its future prospects and to what we can find elsewhere.

Outlook

The fund has fallen 6.5% since its high in May last year. Markets are undoubtedly a bit cheaper since then but not as cheap as they were in November 2011, for example. There are, as always, a few target investments in our cross-hairs. Frustratingly, the share prices of the companies we like most have not weakened enough for our liking, although we have added a bit to one or two positions over the past few weeks. Invariably, whatever we buy is weaker the next day, but if our sums are broadly right the fund should profit over a sensible time frame.

The Asian growth story will suffer occasional hiccups, as it is now. In Thailand the political situation remains messy and seemingly insoluble. In Malaysia: ditto. In fact everywhere: ditto. There will always be problems and crises - especially (but not exclusively) in developing nations. The trick is to identify and invest in businesses that can navigate the SNAFUs.

Wish us luck,

James Hay.

10th February 2014

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.



Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	NAV	370.08												-2.16%
	% chg	-2.16%												
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 69.09%
Annualised return 15.34%

By Sector

