



Pangolin Investment Management

Pangolin Asia Fund announces month end NAV – October 2006

At 31st October 2006, the NAV of the Class A shares of Pangolin Asia Fund was US\$117.94 net of all fees and expenses, up from US\$112.41 in September.

At the end of October the fund was approximately 91% invested, split between Singapore, Malaysia and Indonesia. I don't disclose the individual holdings in this newsletter but I am happy to discuss them openly on request.

Overview

October was another positive month for the fund, largely driven by the rally on Wall Street.

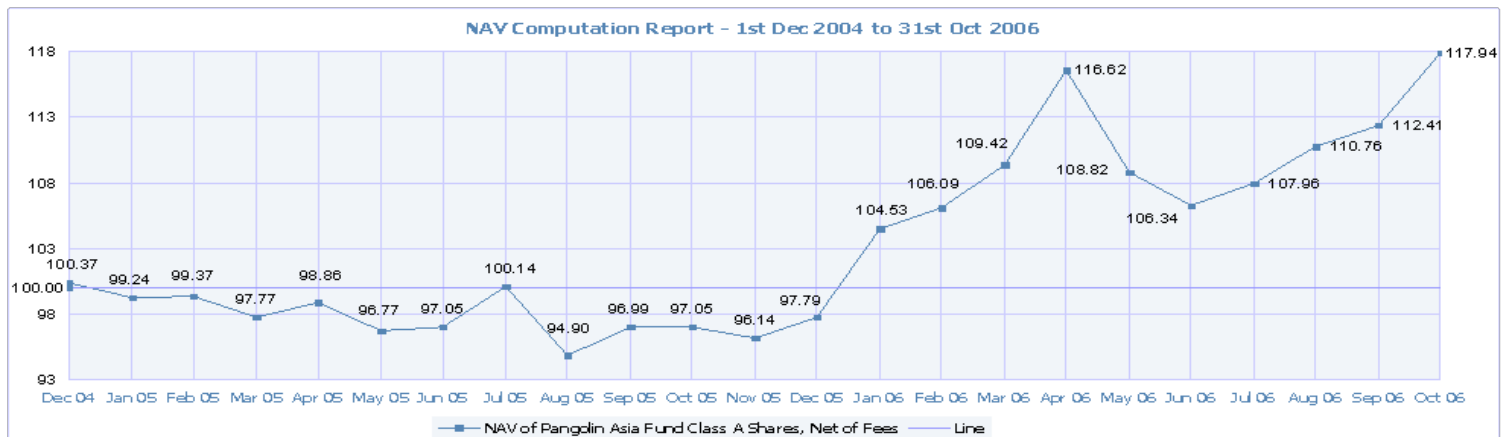
The fund still has some cash as we have been unwilling to chase stocks which seem to have run ahead of their prospects, especially when combined with your fund manager's scepticism over US valuations. If markets do correct substantially there is some comfort to be had in that we think the companies in the portfolio are, on the whole, trading below what an independent buyer would pay for a 100% stake - which is how I saw the term "intrinsic value" defined recently. Market valuations tend to be a bit more volatile than intrinsic values, so hold on to your hats if we hit a downturn.

Bear in mind that this is a completely subjective view and anyone half sane thinks that any investment is a good one at the time of making it. The fund will maintain the tortoise approach (I am not going to rename it the Tortoise Asia Fund) and we hope that over a long enough time to beat the hares; or at least sleep better.

James Hay

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



YEAR	DETAILS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2006	NAV	104.53	106.09	109.42	116.62	108.82	106.34	107.96	110.76	112.41	117.94		
	% chg	6.89%	1.49%	3.14%	6.58%	-6.69%	-2.28%	1.52%	2.59%	1.49%	4.92%		
2005	NAV	99.24	99.37	97.77	98.86	96.77	97.05	100.14	94.9	96.99	97.05	96.14	97.79
	% 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

2005 return	-2.57%
2006 return	20.61%