

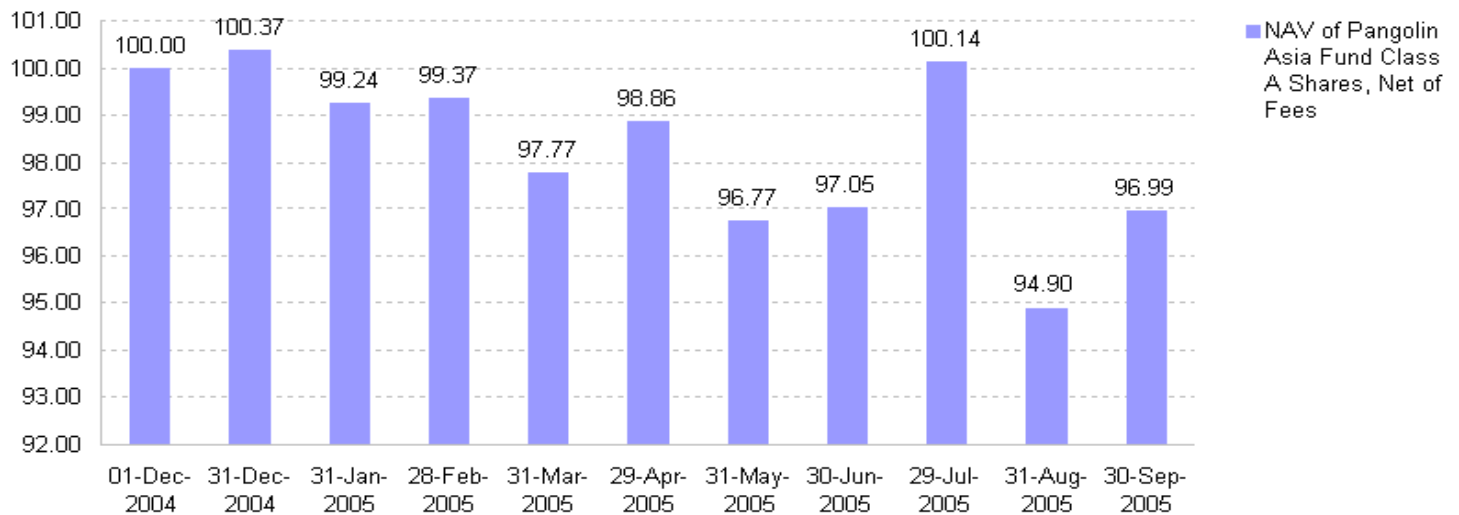


Pangolin Investment Management

Pangolin Asia Fund announces month end NAV – September 2005

At 30th of September 2005, the NAV of the Class A shares of Pangolin Asia Fund was US\$96.99 net of all fees and expenses, up from US\$94.90 in August.

NAV Computation Report as at 1st Dec 2004 - 30th Sep 2005



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%

YTD return -3.37%

At the end of September the fund was approximately 96% invested.

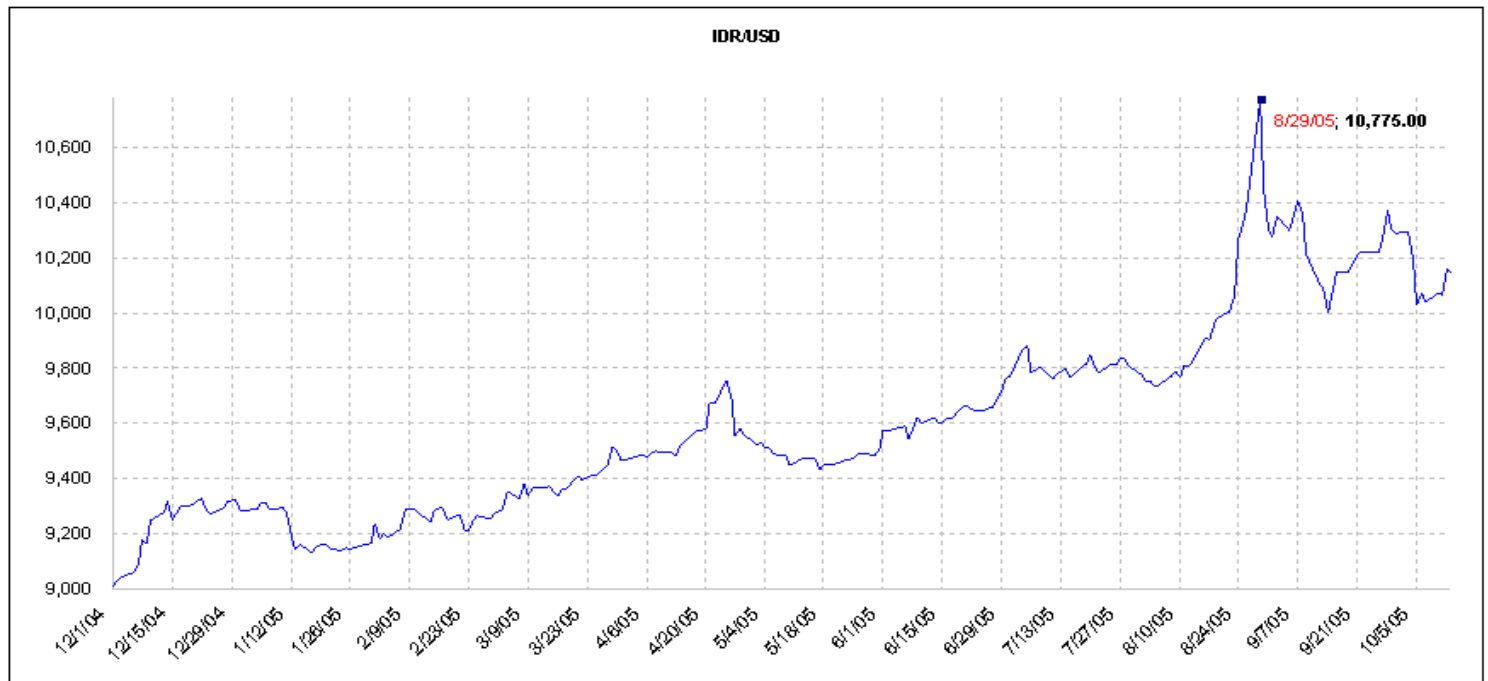
Bears of the US markets seem to think that they are likely to be proven correct fairly imminently with many technical analysts pointing to all sorts of sell signals, in addition to the obvious deficits concerns. ASEAN markets remain a side show when compared to the excitement of India, Korea (not North) and Japan. The markets remain obsessed with liquid investments, which continue to outperform, rather than with small companies' low valuations.

In Malaysia, for example, the bench mark composite index has been rising for the past month despite the Gainers:Losers ratio being approximately 1:2 even on the up days. A leading local broker's strategy piece has advised investors to ignore small cap value and to stick to the over-priced larger companies which have been the out performers this year. This of course goes against the grain of a value fund and is symptomatic of rear view mirror or momentum investing – buying what you wish you had already bought.



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Views on Indonesia remain mixed (about as good as it gets) but many expect Indonesia to be a net oil exporter some time next year, presumably by which time the oil price will have retraced so the benefit will be less than at US\$60 per barrel. All the same this should have a positive impact on the Rupiah which looks cheap given 10% bank deposit rates.



As long as small stocks are off the map, opportunities to acquire good companies cheaply will continue to abound. At some point investors will want value again. Until then the sector in which the fund is investing will remain a buyer's market; if the US bears are correct, even more so. Small Asian businesses are doing better than their share prices are implying.

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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