



Pangolin Asia Fund October 2015 NAV

As at the 31st of October 2015 the NAV of the Class A shares of the Pangolin Asia Fund was US\$350.84 net of all fees and expenses, up 5.19% from US\$333.52 in September.

Please see the table at the end of this letter for further detail.

As of today, the fund is about 83% invested with the split being approximately as follows:

Singapore	20%
Malaysia	26%
Indonesia	31%
Thailand	23%

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

Overview

To put the month into some perspective, please see the tables below:

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

Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	PAF
Oct 15	8.5%	8.3%	5.5%	2.8%	7.4%	3.4%	7.9%	5.2%
YTD 15	-0.9%	1.0%	-14.8%	-5.4%	-10.9%	-6.9%	-7.5%	-6.8%

Return (in USD)

Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	PAF
Oct 15	8.5%	8.3%	12.9%	5.1%	9.1%	5.5%	7.9%	5.2%
YTD 15	-0.9%	1.0%	-22.9%	-23.0%	-15.7%	-13.8%	-7.5%	-6.8%

% Change in Currency Vs USD

Month	MYR	SGD	IDR	THB
Oct 15	2.2%	1.5%	7.1%	2.1%
YTD 15	-18.7%	-5.4%	-9.5%	-7.6%

We've continued our buying in Indonesia, Malaysia and Thailand. Our cash has risen due to new subscriptions and, of course, dividends. We have also taken a big profit on a Malaysian furniture company which we have owned for 2½ years. We've kept a bit but most of it has gone.

And for the first month in living memory ASEAN currencies appreciated Vs the US\$.

Outlook

Many of you are no doubt aware that a US employment number (released last Friday) has sent the US\$ higher. You may have missed **Malaysia's** export numbers (also released on Friday) that showed 8% YOY growth, the 4th consecutive month of expansion.



In New York last month, I had dinner with the owners of a Malaysian cookie company (the ones you eat, not the internet things). They explained how sales had dropped immediately after the introduction of GST in April. However, the business is now doing better than ever, as they are now exporting to China. When they started the company there was no intention to export, but the weakness of the Ringgit has made Malaysia extremely price competitive.

Any Malaysian manufacturer will tell you the same.

In **Indonesia**, the government continues to make life easier for investors. After a year of bedding down, Jokowi's reform-minded government is on a roll. GDP will grow by close to 5% this year, despite the carnage in the commodities markets.

Indonesia's mining sector has shed 15% of jobs YOY, agricultural employment is down 3%, while construction jobs grew by 12.8% (cement sales are up 10% YOY). Formal sector jobs now account for 42.2% from 40.6% a year ago, despite flat growth in manufacturing jobs. Financial sector employment grew by 7.9%. Indeed, the services sector now accounts for 41% of jobs, larger than commodity's 34%. Ten years ago, it was 32% & 45% respectively. Clearly the nation is transforming itself and there is likely to be more to come as the government rolls out infrastructure improvements.

In **Thailand**, we had the first reported increase in consumer sentiment for 10 months. And tourist arrivals continue to set new records, up 24% YOY, with the Chinese now accounting for about a quarter of the total.

It would appear that the economies have bottomed. Now a US rate rise might or might not keep equity prices depressed but, as yet, improving fundamentals have not been priced in to many good companies.

James Hay

11th November 2015

I don't like to discuss stocks publicly but I am always happy to talk to existing investors and those interested in investing. The Pangolin Asia Fund is most suitable for investors who are happy when markets falling.



Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	NAV	382.31	391.18	389.48	396.82	389.67	380.77	374.61	333.73	333.52	350.84			-6.76%
	% chg	1.60%	2.32%	-0.43%	1.88%	-1.80%	-2.28%	-1.62%	-10.91%	-0.06%	5.19%			
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 -20.42%
Maximum drawdown -47.53%
% of positive months 65.65%
Annualised return 12.18%

By Sector

