



Pangolin Asia Fund November 2019 NAV

As at the 30th of November 2019 the NAV of the Class A shares of the Pangolin Asia Fund was US\$477.85 net of all fees and expenses, down 1.35% from US\$484.37 in October.

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

As of today, the fund is about 92% invested, with the split being approximately as follows:

Singapore	22%
Malaysia	29%
Indonesia	38%
Thailand	11%

We don't disclose our names but some details are always available to investors on request.

Overview

To put things into some perspective, please see the tables below.

Return (in local currencies, except MSCI Asia Ex-Japan)										
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Nov 2019	3.72%	3.40%	4.50%	-3.48%	-2.27%	-1.11%	-0.68%	0.19%	-1.79%	-1.35%
YTD 2019	20.25%	25.30%	30.60%	-2.95%	-7.62%	4.08%	1.71%	8.40%	2.00%	6.64%

Return (in USD)										
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Nov 2019	3.72%	3.40%	4.50%	-3.92%	-2.26%	-1.60%	-0.84%	0.19%	-1.79%	-1.35%
YTD 2019	20.25%	25.30%	30.60%	-1.01%	-8.60%	3.71%	8.82%	8.40%	2.00%	6.64%

% Change in Currency Vs USD				
Month	MYR	SGD	IDR	THB
Nov 2019	0.01%	-0.54%	-0.46%	-0.14%
YTD 2019	-1.06%	-0.35%	2.00%	7.00%

Our cash has come down largely due to one large redemption from a US endowment who are giving up on emerging markets. Part of the problem we face, and I believe one of the reasons that our area is so undervalued, is the lumping together of Asia, Africa, Latin America and a few other bits and pieces into one investment category. It's the equivalent of owning Standard Chartered – Asia does OK but the other bits often don't.

I don't know enough about Africa and Latin America to comment on them, but I do know that the reason that people are becoming significantly better off in this part of the world is because conditions allow it.

We have corruption, but generally those stealing 20% realise that by allowing the economy to grow, their 20% grows too. And the governments have learnt that it is in their interests to maintain predominantly business-friendly conditions, allowing people to trade and prosper. Direct taxes remain low (the rich politicians don't want to enpoor themselves) thus allowing entrepreneurs to reinvest capital. Meanwhile, the transfer to the top comes from the building of (much-needed) infrastructure. And, of course, via defence spending, most of which is wholly wasteful. Malaysia owns a couple of faulty second-hand submarines which are unable to submerge – at least in this case we can see where the money has gone.



It's not only in some emerging markets that conditions are less than conducive for investment, parts of the West are pretty bad too. In Malaysia the fund has owned IGB for over two years. According to our sums, we hold a hugely undervalued property company trading at +/- 25% of NAV. IGB has a JV in a development in Blackfriars, London, which has been giving them big headaches. Not because of Brexit or any of that, but because they cannot work with the council who keep changing the rules on them – in particular in the allocation of low-cost housing.

Coincidentally, just as I was penning this newsletter about favourable Asian business conditions, IGB has announced the sale of this asset.

They are not new investors to London and the UK. They know how to do business there. Or, *they knew*. The current climate is so anti-investment that they're giving up. IGB got the land cheaply (as cash buyers from administrators) and are doubling their money without laying a brick. My guess is that IGB is bringing cash back in order to reinvest in Malaysia. IGB are long-term players with local knowledge. The greatest fortunes in Asia tend to have been made in property, buying when the market is most depressed; and having the cash to complete quickly helps secure rock-bottom pricing.

My first visit to Malaysia was in 1987. IGB's prime asset, Megamall, was then a stalled project. "It'll never work, it's too far from KL" I was told. Megamall, with its 12,000 parking spaces, now averages 3.5 million visitors a month and is very much "in" KL. That's almost twice Arsenal's home crowd every day.

Outlook

Despite a recent redemption from the US as noted above, generally we are picking up positive sentiment from those invested and looking to invest, particularly from outside of the US. There's plenty to buy, as IGB are probably thinking.

Celebration

December 1st marked the fund's 15th birthday. The board and staff will be celebrating this in Langkawi next week (don't try to get hold of us). I'd like to thank my colleagues for putting up with me for so long and I hope we can remain together for another 15 years too.

Pangolin is never going to be a large asset manager. We have no plans to do anything other than run the existing fund. We're not looking to expand our staff numbers and if, at some point, that limits our size, so be it. Until then, we'll carry on as usual.

Merry Christmas,

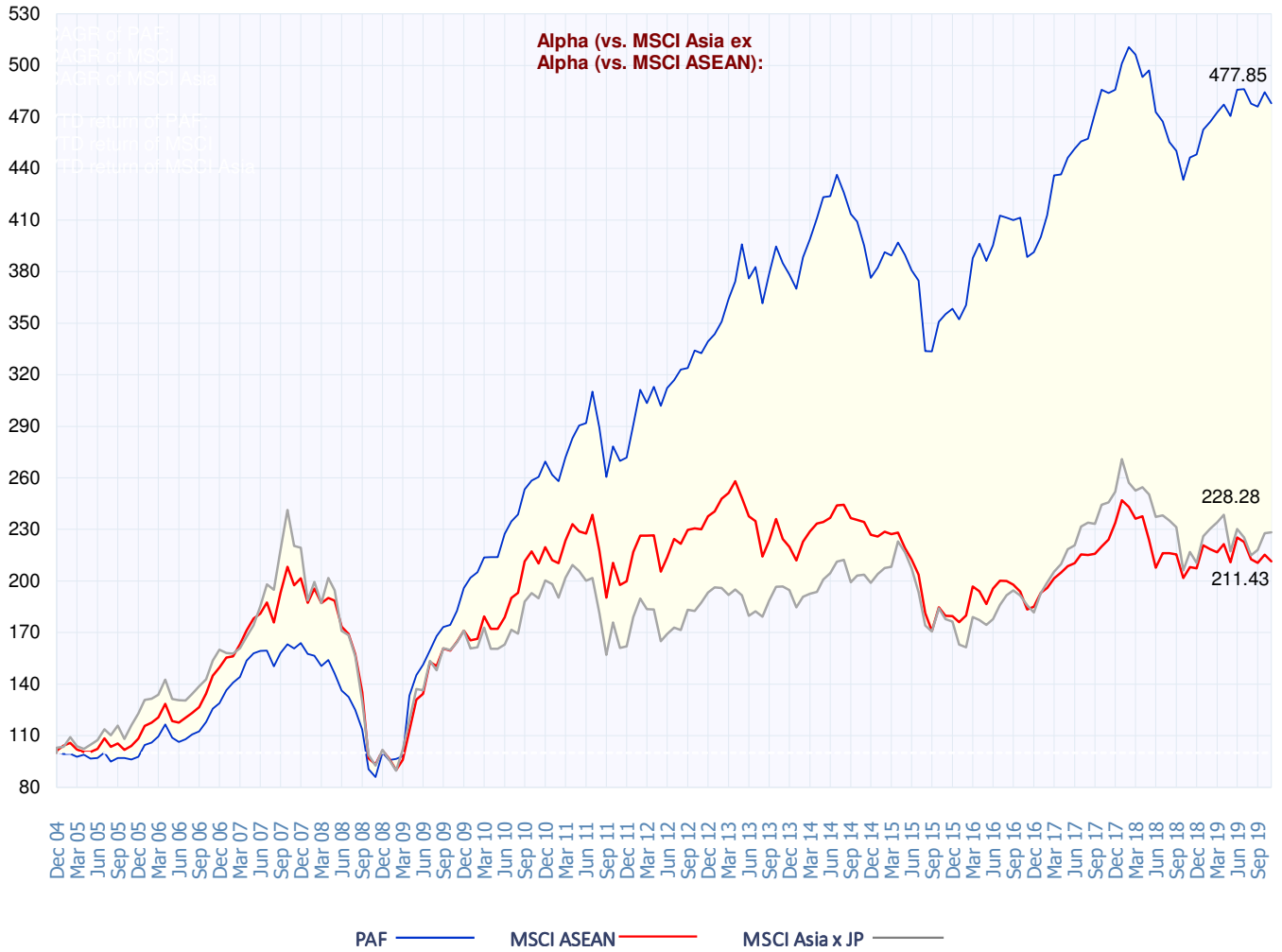
James Hay.
5th December 2019

We don't like to discuss our 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 happiest when markets are falling.



Fourteen years track record and annualised return of 10.99%

PAF vs. MSCI South East Asia





Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	NAV	462.51	467.10	472.67	477.00	470.36	485.78	486.12	477.67	475.87	484.37	477.85		6.64%
	% chg	3.21%	0.99%	1.19%	0.92%	-1.39%	3.28%	0.07%	-1.74%	-0.38%	1.79%	-1.35%		
2018	NAV	501.11	510.62	506.32	493.22	497.19	472.82	467.29	455.31	450.29	433.40	446.46	448.11	-7.76%
	% chg	3.15%	1.90%	-0.84%	-2.59%	0.80%	-4.90%	-1.17%	-2.56%	-1.10%	-3.75%	3.01%	0.37%	
2017	NAV	400.08	412.81	435.93	436.54	446.18	451.43	455.76	457.12	472.10	485.61	483.86	485.79	24.18%
	% chg	2.27%	3.18%	5.60%	0.14%	2.21%	1.18%	0.96%	0.30%	3.28%	2.86%	-0.36%	0.40%	
2016	NAV	352.31	360.43	387.79	396.17	386.04	395.41	412.53	411.2	410.02	411.25	388.48	391.19	9.16%
	% chg	-1.69%	2.30%	7.59%	2.16%	-2.56%	2.43%	4.33%	-0.32%	-0.29%	0.30%	-5.54%	0.70%	
2015	NAV	382.31	391.18	389.48	396.82	389.67	380.77	374.61	333.73	333.52	350.84	355.19	358.38	-4.76%
	% chg	1.60%	2.32%	-0.43%	1.88%	-1.80%	-2.28%	-1.62%	-10.91%	-0.06%	5.19%	1.24%	0.90%	
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 65.56%
Annualised return 10.99%



By Sector

