



Pangolin Asia Fund June 2021 NAV

As at the 30th of June 2021 the NAV of the Class A shares of the Pangolin Asia Fund was US\$497.99 net of all fees and expenses, up 1.41% from US\$491.07 in May.

As of today, the fund is about 93% invested, with the split being approximately as follows:

Singapore	13 %
Malaysia	20 %
Indonesia	66 %
Thailand	1 %

We don't disclose our names but some details are always available to investors (and those wishing to become 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
Jun-21	-0.08%	2.22%	5.49%	0.64%	-3.22%	-1.07%	-0.36%	-0.41%	-3.36%	1.41%
YTD 2021	12.73%	14.41%	12.54%	0.11%	-5.81%	10.08%	9.55%	5.54%	-3.38%	9.37%

Return (in USD)										
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Jun-21	-0.08%	2.22%	5.49%	-0.89%	-3.77%	-2.81%	-2.96%	-0.41%	-3.36%	1.41%
YTD 2021	12.73%	14.41%	12.54%	-3.00%	-8.73%	8.17%	2.47%	5.54%	-3.38%	9.37%

% Change in Currency Vs USD				
Month	MYR	SGD	IDR	THB
Jun-21	-0.57%	-1.76%	-1.52%	-2.61%
YTD 2021	-3.10%	-1.73%	-3.10%	-6.47%

All our currencies and markets were weak in June. The fund's NAV rose largely due to the share prices of two holdings rising substantially. We've owned one of them for close to 15 years and the other for over 6. We took a bit of profit in the former and its share price has since slipped back to more reasonable levels.

A lot depends on how you like to value a business. For sure, in both cases, an acquirer would pay far more than these levels and, as long-term investors, that is sort of how we value our holdings. However, we sold part of the above position as (a) it had surpassed its historical valuation levels (b) because of its size in the portfolio and (c) because the jump was largely driven by short-term exuberance.

Covid is bad in Indonesia. The long-term story remains exciting but I suspect the present situation will lead to the chance to reinvest cheaply again.



Provision

We own shares in Malaysia-listed real estate company, IGB Berhad. The company plans to spin off its office assets into a REIT IPO named IGB Commercial REIT but the IPO has been delayed twice due to a full lockdown situation in Malaysia.

IGB have been unable to generate enough interest in their proposed Commercial REIT to launch it successfully. Malaysia is under a strict lockdown which means that this year the yield on the office REIT was not high enough to tempt investors, although IGB's management are convinced that rents will revert to normal by 2022; the market is not convinced.

In theory they will have another go in September. IGB shares are already ex the entitlement to subscribe to the new REIT or to take cash, but this right is not tradeable. I reckon the pricing will have to come down but I also suspect that September is looking optimistic. In the worst case the deal would get cancelled (in which case the value ought to reflect in the IGB share price) and the second worse case is that nothing gets done this year.

Writing the value down to any level is subjective. We could have gone for 30% and maybe had to do another write-down later. As this is unlisted, we've taken the full hit. The net effect to NAV is -1.7%. Without it, your fund would have been up 3.1% last month. Let's hope IGB can get the REIT placed in September at the original price.

We reckon IGB trades at around 20% of its realistic net asset value. Part of the reason it is so cheap is a lack of investor engagement by the company. Heads down, get on with the business and don't worry about the share price. Having said that, as shareholders, we have been able to talk to the company and get most of our questions answered. But they don't engage the broader investment community. There are no investor presentations, quarterly briefings or much else. That's all well and good in normal cases, but when you want to sell assets to a new REIT, it is best not to be starting from Zero. Especially in the midst of a pandemic.

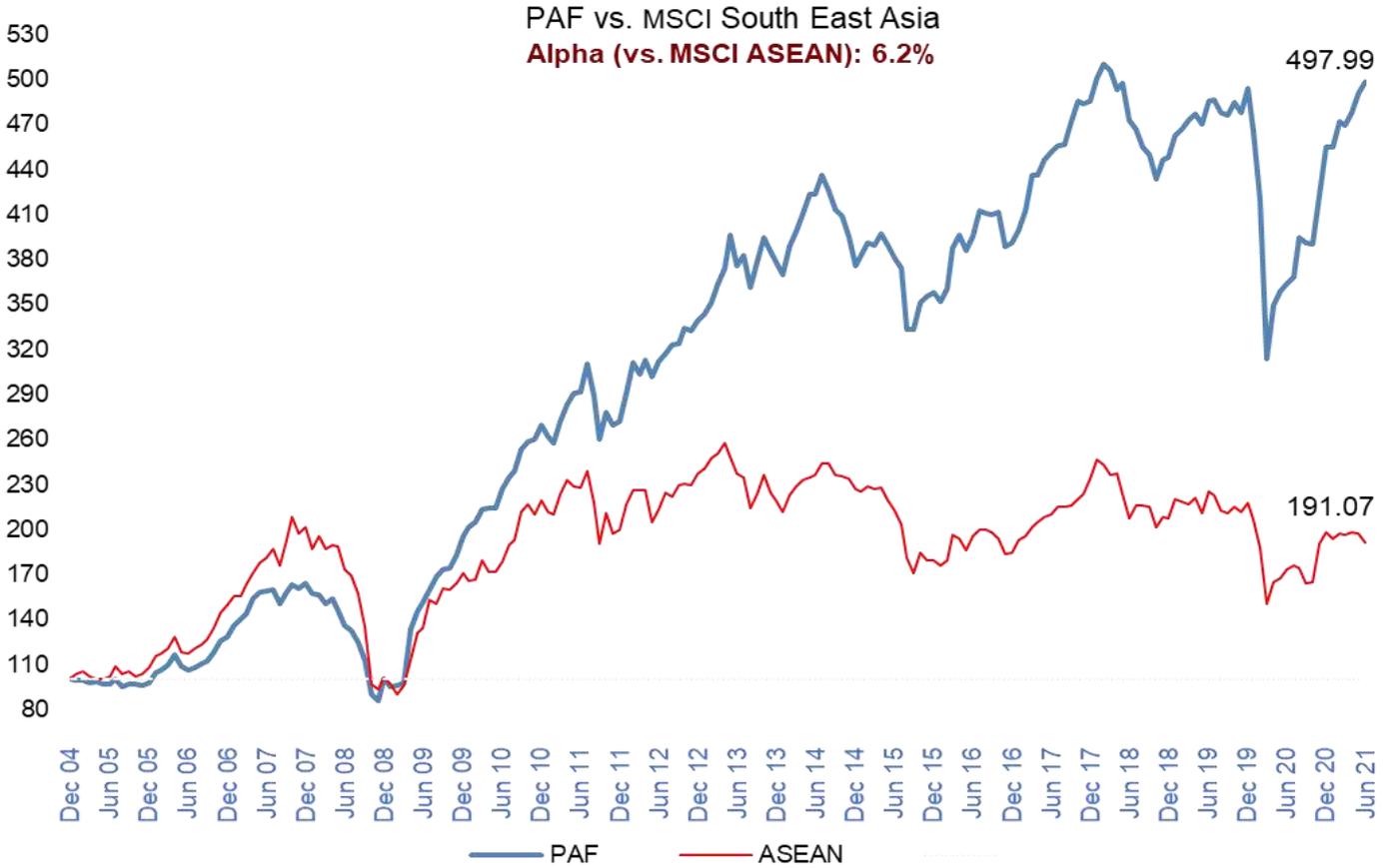
I'm also not convinced they have been best advised. There are various options available to IGB shareholders which are slightly convincing. The pricing is tight and the rights to subscribe are not listed.

If the market knew more about the company (there is no analyst coverage) then doing this deal (and they are good assets) would have been a cinch.

James Hay
8th July 2021



Sixteen years track record and annualised return of 10.16%





Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	NAV	454.64	471.89	469.26	477.70	491.07	497.99							9.37%
	% chg	-0.15%	3.79%	-0.56%	1.80%	2.80%	1.41%							
2020	NAV	465.73	420.43	313.82	349.63	358.55	364.26	367.99	394.82	391.21	390.47	422.87	455.32	-7.80%
	% chg	-5.69%	-9.73%	-25.36%	11.41%	2.55%	1.59%	1.02%	7.29%	-0.91%	-0.19%	8.30%	7.67%	
2019	NAV	462.51	467.10	472.67	477.00	470.36	485.78	486.12	477.67	475.87	484.37	477.85	493.85	10.21%
	% chg	3.21%	0.99%	1.19%	0.92%	-1.39%	3.28%	0.07%	-1.74%	-0.38%	1.79%	-1.35%	3.35%	
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 -25.36%
Maximum drawdown -47.53%
% of positive months 65.33%
Annualised return 10.16%



By Sector

