



Pangolin Asia Fund January 2023 NAV

As at the 31st of January 2023, the NAV of the Class A shares of the Pangolin Asia Fund was US\$571.92 net of all fees and expenses, up 5.28% from US\$543.22 in December.

As of today, the fund is about 96% invested, with the split being approximately as follows:

Singapore 6%
 Malaysia 28%
 Indonesia 66%

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)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia ex JP	MSCI-ASEAN	PAF
Jan-23	2.83%	6.18%	10.68%	-0.16%	-0.67%	3.52%	8.18%	4.85%	5.28%
2022	-8.78%	-19.44%	-33.10%	4.09%	-4.60%	4.09%	-21.54%	-7.12%	-9.23%

Return (in USD)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia ex JP	MSCI-ASEAN	PAF
Jan-23	2.83%	6.18%	10.68%	3.71%	2.52%	5.53%	8.18%	4.85%	5.28%
2022	-8.78%	-19.44%	-33.10%	-4.67%	-9.75%	4.82%	-21.54%	-7.12%	-9.23%

% Change in Currency Vs USD			
Period	MYR	SGD	IDR
Jan-23	3.21%	1.95%	3.88%
2022	-5.40%	0.71%	-8.41%

We've continued to add to existing positions. The USD has been weakening as of late which should benefit importers and the portfolio. The fund's January performance was driven approximately 50:50 by currency and by stock prices.

China's reopening, which will benefit the region, will be a particular boon to Singapore-listed Haw Par, which owns Tiger Balm. Tiger Balm is a popular last-minute airport gift for relatives back home. Small, light and inexpensive and, when purchased overseas, more comfort that it's not fake.



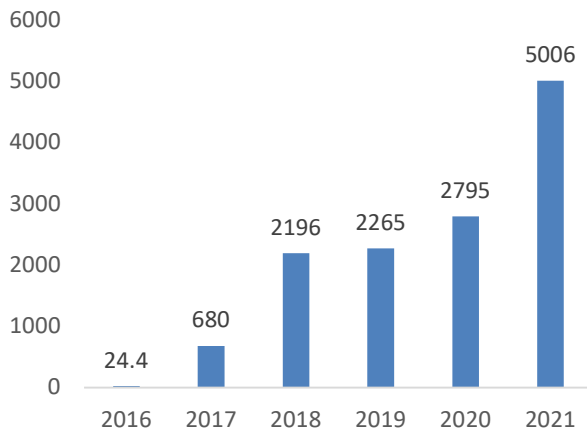
Tiger Balm on sale at Singapore Airport



Indonesia

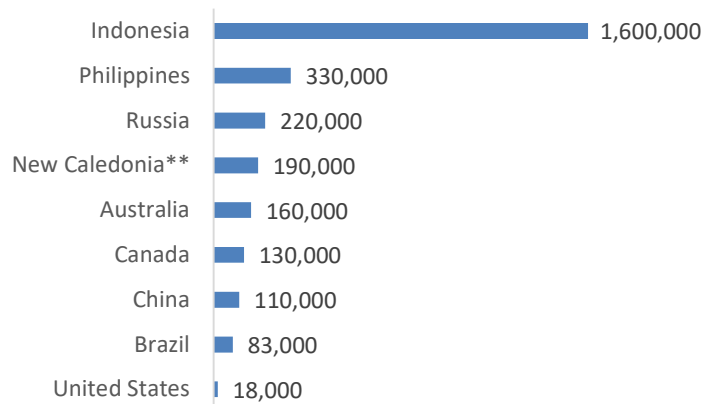
In 2021 Indonesia surpassed India as the second-largest stainless-steel producer in the world, with the bulk being exported to China. This is a remarkable feat indeed. Indonesia itself produced 5 million tonnes of stainless-steel slabs in 2021, mainly concentrated on the island of Sulawesi. In 2019, President Jokowi banned raw nickel ore exports to encourage investment in the downstream industry and spur the production of higher-value goods. As a result, the value of Indonesia's nickel exports soared to US\$ 34 billion in 2022 from US\$ 1.1 billion in 2014. Following the success of the nickel ban, a similar regulation will be imposed on bauxite starting in June.

Indonesia's Stainless Steel Slabs Production
(in 1,000 metric tons)



Source: World Bureau of Metal Statistics

Major Nickel Producers in 2022
(in metric tons)



Source: USGS Mineral Commodity Summaries 2023

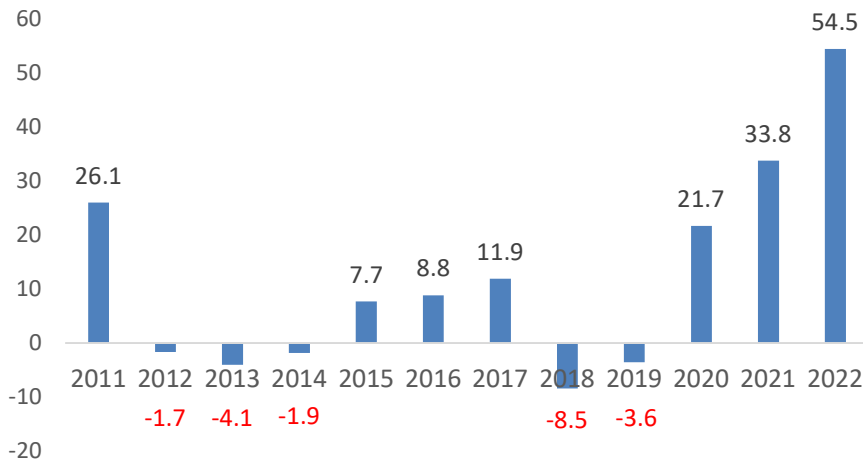
Nickel, chromium, and other metals are usually added to iron to make stainless steel. The single largest use of nickel is in the production of stainless steel, with approximately 75% of nickel processed into stainless steel. Another more interesting use of nickel is in battery production for electric vehicles (EVs). Nickel resources are plentiful in Indonesia. The country has the world's largest known reserves of nickel (22% of the world's reserves) and is also the world's largest producer.

The next step for Indonesia is to invite battery companies and EV car manufacturers to set up factories and create an end-to-end EV supply chain. Hyundai is already there and the government is wooing Tesla and China's BYD to set up manufacturing facilities in the country. To further spur consumer demand, the government has approved a subsidy of IDR 7 million (USD 465) for each two-wheeler EV and an unspecified tax reduction for a 4-wheeler EV. The final decision will be announced later this month. For motorcycles, the subsidy is substantial at 30-40% for a basic model.

If the EV development is successful, the benefit will be two-fold. An EV supply chain will create a whole new industry and provide good jobs for millions of people. Secondly, it will help the country lower its fuel imports and improve its trade balance in the long run. For the record, Indonesia's trade surplus hit a record high of US\$ 54 billion last year amid a global increase in commodity prices. Indonesia's foreign direct investment also rose by 44% to US\$ 46 billion in 2022, led by substantial inflows to the base metal and mining sectors.



Indonesia's Trade Balance (US\$ billions)



Source: Indonesia Statistics Agency (BPS)

Election

General elections will be held in Indonesia on 14 February 2024 to elect the President, Vice President and the Members of Parliaments simultaneously. Incumbent President Jokowi is constitutionally barred from a third term, leaving the door open for new candidates. The front runner (and favoured by investors) is Central Java Governor Ganjar Pranowo. Born in Central Java, his leadership style is very similar to Jokowi and has been relatively clean. His party PDI-P, chaired by ex-president Megawati Soekarnoputri has not appointed him as the presidential candidate just yet. There is a small chance that she may appoint her daughter Puan instead, but it would be political suicide for her and the party. The other candidates are Prabowo and incumbent Jakarta governor Anies Baswedan. The election will be tightly contested, though it is likely that Pranowo will win the election as the less reform-minded Prabowo and Anies have a similar political base.

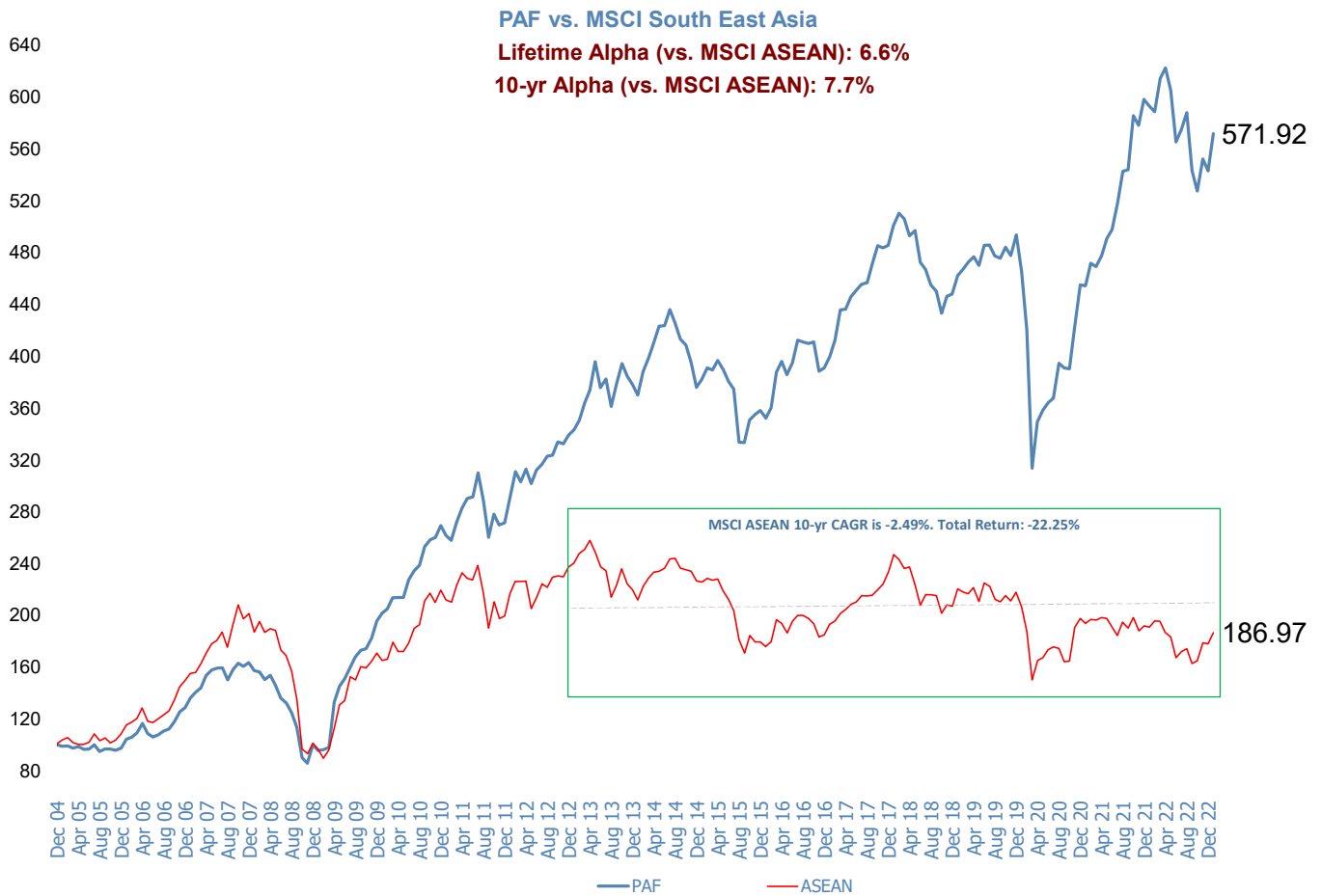
Outlook

2023 has seen an uptick in interest, both in the fund and South-East Asia. While, for the majority of institutional asset-allocators, ASEAN remains an afterthought in comparison to India and China, we are encouraged by some of our conversations and meetings. The consensus would appear to be that the region is worth a closer look and the fund has seen some inflows.

Irvan Mondro
6th February 2023



Eighteen years track record and annualised return of 10.07%





Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	NAV	571.92												5.28%
	% chg	5.28%												
2022	NAV	593.29	588.82	614.73	622.83	605.35	565.54	574.94	588.17	543.35	527.78	552.46	543.22	-9.23%
	% chg	-0.86%	-0.75%	4.40%	1.32%	-2.81%	-6.58%	1.66%	2.30%	-7.62%	-2.87%	4.68%	-1.67%	
2021	NAV	454.64	471.89	469.26	477.70	491.07	497.99	518.78	542.88	544.24	585.87	578.32	598.45	31.44%
	% chg	-0.15%	3.79%	-0.56%	1.80%	2.80%	1.41%	4.17%	4.65%	0.25%	7.65%	-1.29%	3.48%	
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 64.68%
Annualised return 10.07%



By Sector

