### Pangolin Asia Fund December 2019 NAV

As at the 31<sup>st</sup> of December 2019 the NAV of the Class A shares of the Pangolin Asia Fund was US\$493.85 net of all fees and expenses, up 3.35% from US\$477.85 in November. For the full year, the fund was up 10.21%.

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

As of today, the fund is about 90% invested, with the split being approximately as follows:

| Singapore | 21% |
|-----------|-----|
| Malaysia  | 30% |
| 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    |
| Dec 2019  | 1.74%  | 2.86%   | 3.54%  | 4.79% | 1.73%  | 0.91% | -0.68% | 6.42%      | 3.18%      | 3.35%  |
| YTD 2019  | 22.34% | 28.88%  | 35.23% | 1.70% | -6.02% | 5.02% | 1.02%  | 15.37%     | 5.24%      | 10.21% |

| Return (in USD) |        |         |        |       |        |       |       |            |            |        |
|-----------------|--------|---------|--------|-------|--------|-------|-------|------------|------------|--------|
| Period          | DOW    | S&P 500 | NASDAQ | JSE   | KLSE   | STI   | SET   | MSCI ex JP | MSCI-ASEAN | PAF    |
| Dec 2019        | 1.74%  | 2.86%   | 3.54%  | 6.61% | 3.89%  | 2.54% | 1.02% | 6.42%      | 3.18%      | 3.35%  |
| YTD 2019        | 22.34% | 28.88%  | 35.23% | 5.54% | -5.05% | 6.35% | 9.94% | 15.37%     | 5.24%      | 10.21% |

| % Change in Currency Vs USD |       |       |       |       |  |  |  |  |
|-----------------------------|-------|-------|-------|-------|--|--|--|--|
| Month                       | MYR   | SGD   | IDR   | THB   |  |  |  |  |
| Dec 2019                    | 2.12% | 1.62% | 1.75% | 1.71% |  |  |  |  |
| YTD 2019                    | 1.04% | 1.26% | 3.78% | 8.83% |  |  |  |  |

Our regional currencies were stronger towards the end of 2019. Who knows if this is likely to be sustained or not, but a bit of currency outperformance wouldn't be unhelpful? The EM strategists on CNBC and Bloomberg seem to be optimistic for 2020, but then they would be, wouldn't they?

I remain optimistic that the businesses we own are likely to continue to add value. Economically, this part of the world will continue to outpace most of the rest, but many share prices do not reflect even the current reality, let alone future prospects. At some point, investor optimism will return to the region and a return of investor dollars is well overdue. Just look at the relative performances in the tables above.

If we exclude our property stocks (which are really straight asset plays) the fund's forecast dividend yield for 2020 is 5.1%. The last time this number surpassed 5% was at the beginning of 2016. I marketed in the US in February that year and was met with the same kind of indifference as we face now, despite my table-thumping optimism. If only my marketing technique was any better, those bored faces could have made 40% in two years.

Now, back to my miserable dieting,

James Hay. 9<sup>th</sup> January 2020

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.



## PANGOLIN INVESTMENT MANAGEMENT

## Fourteen years track record and annualised return of 11.17%



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           | 493.85          | 10.21%  |
| 2015 | % 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%           | 10.21/0 |
| 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<br>% chq | 400.08<br>2.27% | 412.81<br>3.18% | 435.93<br>5.60% | 436.54<br>0.14% | 446.18<br>2.21% | 451.43<br>1.18% | 455.76<br>0.96% | 457.12<br>0.30% | 472.10<br>3.28% | 485.61<br>2.86% | 483.86<br>-0.36% | 485.79<br>0.40% | 24.18%  |
|      | 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          |         |
| 2016 | % chq        | -1.69%          | 2.30%           | 7.59%           | 2.16%           | -2.56%          | 2.43%           | 4.33%           | -0.32%          | -0.29%          | 0.30%           | -5.54%           | 0.70%           | 9.16%   |
|      | 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          |         |
| 2015 | % chq        | 1.60%           | 2.32%           | -0.43%          | 1.88%           | -1.80%          | -2.28%          | -1.62%          | -10.91%         | -0.06%          | 5.19%           | 1.24%            | 0.90%           | -4.76%  |
|      | 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          |         |
| 2014 | % chq        | -2.16%          | 4.91%           | 2.71%           | 3.03%           | 3.04%           | 0.11%           | 2.96%           | -2.41%          | -2.93%          | -1.06%          | -3.36%           | -4.79%          | -0.52%  |
|      | 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          |         |
| 2013 | % chq        | 1.23%           | 2.15%           | 3.76%           | 2.77%           | 5.83%           | -5.04%          | 1.78%           | -5.53%          | 4.71%           | 4.22%           | -2.45%           | -1.72%          | 11.48%  |
|      | 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          |         |
| 2012 | % chq        | 7.00%           | 7.01%           | -2.51%          | 3.18%           | -3.56%          | 3.41%           | 1.50%           | 1.94%           | 0.23%           | 3.19%           | -0.43%           | 2.00%           | 24.85%  |
|      | 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          |         |
| 2011 | % chq        | -2.82%          | -1.46%          | 5.35%           | 4.11%           | 2.65%           | 0.43%           | 6.33%           | -6.83%          | -9.89%          | 6.85%           | -3.00%           | 0.67%           | 0.85%   |
|      | 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          |         |
| 2010 | % chq        | 3.08%           | 1.57%           | 4.19%           | 6.44%           | -5.94%          | 6.32%           | 3.15%           | 1.77%           | 6.07%           | 2.01%           | 0.84%            | 3.43%           | 37.58%  |
|      | 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          |         |
| 2009 | % chq        | -4.59%          | 0.74%           | 1.81%           | 35.77%          | 9.03%           | 4.18%           | 5.54%           | 5.18%           | 3.11%           | 0.74%           | 4.65%            | 7.27%           | 95.34%  |
|      | 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          |         |
| 2008 | % chq        | -3.89%          | -0.60%          | -3.78%          | 2.26%           | -5.10%          | -6.81%          | -2.68%          | -5.65%          | -9.23%          | -20.42%         | -4.85%           | 16.62%          | -38.81% |
|      | 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          |         |
| 2007 | % chq        | 5.90%           | 3.17%           | 2.43%           | 6.60%           | 2.75%           | 0.92%           | 0.13%           | -5.85%          | 5.26%           | 3.19%           | -1.50%           | 1.95%           | 27.19%  |
|      | 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          |         |
| 2006 | % chq        | 6.89%           | 1.49%           | 3.14%           | 6.58%           | -6.69%          | -2.28%          | 1.52%           | 2.59%           | 1.49%           | 4.92%           | 6.67%            | 2.40%           | 31.74%  |
|      | 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           |         |
| 2005 | % 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%           | -2.57%  |
|      | NAV          | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -                | 100.37          |         |
| 2004 | % chg        | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -                | 0.37%           |         |

| Best monthly return  | 35.77%  |
|----------------------|---------|
| Worst monthly return | -20.42% |
| Maximum drawdown     | -47.53% |
| % of positive months | 65.75%  |
| Annualised return    | 11.17%  |



# PANGOLIN INVESTMENT MANAGEMENT

**By Sector** 

