



Pangolin Asia Fund November 2013 NAV

As at the 30th of November 2013 the NAV of the Class A shares of the Pangolin Asia Fund was US\$384.87 net of all fees and expenses, down 2.45% from US\$394.53 in October. Please see the table at the end of this letter for further detail.

As of today, the fund is about 88% invested with the split being approximately as follows:

Indonesia	23%
Malaysia	36%
Singapore	25%
Thailand	16%

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

Overview

We continued to buy a bit more in Indonesia and Thailand last month as these markets have been offering us opportunities to invest quite cheaply again. Indonesia's currency has remained weak and some of our preferred companies have been sold down to what we think are bargain levels. And when this occurs we have little choice but to add.

Ditto in Thailand where the political condition in Bangkok is making many investors nervous. Unfortunately for this country, this is a recurring situation and we hope to take advantage of the SNAFU by buying more shares for less money.

Our main problem in Thailand is actually getting to meet the managements of the companies we wish to buy. This week two companies we have been hoping to see for a long time have finally said yes, so in the coming days Vinchel and I will be in Bangkok (where I suspect the demonstrator-led chaos will make getting around even harder than usual). Currently we only own two stocks there, so if our meetings go well we'll be doubling our investible universe.

But surely the biggest event of the week must have been Singapore's riot (they get snow more often). As much as it is a surprise, it is presumably partly a consequence of the way immigrant workers are treated, not just in Singapore but also elsewhere. Racism is rife in this part of the world and, although it is refreshing to be able to say it as you see it, there is always the risk that one lot will sneer at another for no really good reason. In KL my Malaysian neighbour treats his staff appallingly and then wonders why his maids run away. Unfortunately this is not exceptional.

Anyhow, don't expect a touchy-feely response from the Singapore government. Order will no doubt be restored but I would expect them to be sensible enough to look quietly at the underlying grievances.

Outlook

Indonesia's stupid rulers are going to enforce a ban on unprocessed ore exports, which will of course do little to better their balance of trade. The idea is to make all the miners value-add by processing within Indonesia. But without introducing any decent governance and policy reforms, there is little to entice the companies to invest the sums required. As next year's elections loom, expect more nonsense, but also large wads of rupiah to be doled out by the political parties (which the people will spend).

2014 is Visit Malaysia Year. Tourism is a huge and fast growing industry in this part of the world. In the past, tourists were white and rich. Asians didn't go on holidays, nor did they take much more leave than their ethnic and religious celebrations warranted. That has all changed as busloads of Indians and Mainland Chinese bear testament. But you won't see many Asians lying on the beach in the heat of the day; they like to eat and to shop. And tourism is a large employer of many workers who might not otherwise be directly employed in the modern economy.



2013 hasn't been an easy year to make money in our part of the world (see the table below) and our returns are down to our stock selection. We continue to invest with an eye on the medium to longer-term and, despite all the turbulence, I remain hopeful that the fund's performance will remain decent.

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

Period	JSE	KLSE	STI	SET	MSCI ex JP	PAF
YTD (2013)	-1.4%	7.3%	0.3%	-1.5%	1.8%	13.4%

Return (in USD)

Period	JSE	KLSE	STI	SET	MSCI ex JP	PAF
YTD (2013)	-20.6%	1.8%	-2.3%	-6.2%	1.8%	13.4%

As November is the fund's year end, I would like to thank my colleagues and service providers for their contribution (those of you who know Pangolin well will by now have realised that the brains behind the operation are not mine). I would also like to welcome and introduce Jalene Ngiam, who has joined us in Singapore to ensure that our operations continue to run smoothly.

We have now outgrown our current office and shall be moving in January (once we've had the Feng Shui man in). I'll let you know our new address next month.

Merry Christmas and Happy New Year,

James Hay.

11th December 2013.

I don't like to discuss stocks publicly but I am always happy to talk to existing investors and those interested in the fund. If you have any questions, concerns, ideas, or just fancy an argument, please get in touch. Otherwise, just send money.



Year	Detail	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	NAV	343.47	350.86	364.04	374.14	395.94	375.98	382.69	361.54	378.56	394.53	384.87		13.43%
	% chg	1.23%	2.15%	3.76%	2.77%	5.83%	-5.04%	1.78%	-5.53%	4.71%	4.22%	-2.45%		
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 70.37%
Annualised return 16.15%

By Sector

