



## Pangolin Asia Fund April 2025 NAV

As at the 30<sup>th</sup> April 2025, the NAV of the Class A & C shares of the Pangolin Asia Fund was US\$519.66 net of all fees and expenses, up 3.27% from US\$503.21 in March.

As of today, the fund is approximately 95% invested, with the split being approximately as follows:

Singapore	10%
Malaysia	30%
Indonesia	58%
Philippines	2%

We don't like to 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 x JP	MSCI-ASEAN	PAF
Apr-25	-3.17%	-0.76%	0.85%	3.93%	1.76%	-3.52%	0.53%	2.17%	3.27%
YTD 2025	-4.41%	-5.31%	-9.65%	-4.42%	-6.22%	1.19%	1.96%	-0.06%	-7.97%

Return (in USD)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia x JP	MSCI-ASEAN	PAF
Apr-25	-3.17%	-0.76%	0.85%	3.79%	4.55%	-0.83%	0.53%	2.17%	3.27%
YTD 2025	-4.41%	-5.31%	-9.65%	-7.13%	-2.83%	5.79%	1.96%	-0.06%	-7.97%

% Change in Currency Vs USD			
Period	MYR	SGD	IDR
Apr-25	2.74%	2.79%	-0.14%
YTD 2025	3.61%	4.55%	-2.84%

At one point in April we were down around 5% but markets have recovered, as have our currencies. The currencies are being driven by bond investors buying up emerging market bonds as they seek to diversify from US Treasuries.

Being 58% invested in Indonesia hasn't helped the fund's NAV (the JCI is down 15% since September's high). That the number has remained at around 60% is because we keep buying more when share prices weaken. I'm encouraged, because our Indonesian companies have now reported their Q1 results, and they've been largely ahead of expectations. Our holdings have increased in value while their share prices have fallen.

That the fund is not fully invested today is a result of month-end subscriptions. At current valuations, we don't plan to sit on cash.

### Tariff Stuff

Markets have, to a certain extent, shrugged off the future impact of tariffs. The expectation is that deals will be made and perhaps the recent news that Ukraine and the USA have reached an agreement on the former's minerals shows a willingness on the part of the latter to get things done.



Delegations from the countries in which we invest have already visited the US for talks, but there has been little news about the outcome of these negotiations, leading me to wonder if the US negotiators even have a template and the authority to make deals. One might think there'd be a list of things to conform to; something like, OK you've complied with all 10 so your tariff, Malaysia, is Zero. Indonesia, you've only scored 7/10 so your tariff is 10%. Or whatever. But as I say, it seems like the US side don't have the full information or authority to make a deal. As yet.

Clearly the pressure to reach a concord is on all sides, as the US consumer won't be happy with inflation or shortages.

To remind you, the proposed tariffs are currently as below:

Singapore	10%
Philippines	17%
Malaysia	24%
Indonesia	32%
Thailand	36%
Myanmar	44%
Vietnam	46%
Cambodia	49%
China	1billion%

If the tariffs remain as threatened, then we have to wonder how long it will take a Malaysian furniture exporter (24%), say, to be selling to the US again? The US consumer pays more, the Malaysians cut costs and produce cheaper items (to meet the demand of poorer Americans) and Vietnam's production shifts to Malaysia. My guess is that this will take less time than it will for US furniture producers to be competitive.

## Outlook

Asians are not standing still. Last week I was in **Indonesia** visiting companies. Notably, Jakarta is attracting serious attention from the PRC. Our hotel was full of mainland businessmen and women, and the managements we met confirmed this impression. Pre-tariffs, Indonesia was already attracting significant Chinese investment. The threat of a trade war and the need to geographically diversify is only accelerating this.

Those of you joining Pangolin's trip to Aneka Kimia Raya's (AKRA) Special Economic Zone (SEZ) in Surabaya in September will see some of this for yourselves. AKRA is in the fund and is selling industrial plots in its SEZ. Golden Elephant, a large Chinese chemicals manufacturer, is looking, alongside the provincial government of Sichuan, to replicate its domestic chemicals infrastructure in Indonesia. This is a big deal.

It's not hi-tech semiconductor manufacturing that is flooding Indonesia – it's resource-based manufacturing, taking advantage of the country's mineral wealth. AKRA's SEZ is expected to generate 200,000 jobs over the next few years, as well as substantial revenue for the company.

One thing I've noticed over my 30 years living in Asia is that Asian companies seem better at ignoring the noise and getting on with business. In times of crisis, when Western companies have often withdrawn, Japanese and Korean investors kept their heads down and continued to open plants in Southeast Asia. This is why they dominate manufacturing here, not because it's nearer. It is about not being distracted from the longer plan. In recent years, Chinese companies have also looked to focus on these markets – both to take advantage of the consumer and to manufacture for export.



In **Malaysia**, the Johor-Singapore Special Economic Zone (JS-SEZ) is taking shape. Malaysia and Singapore are already each other's second largest trading partners, and this zone will be mutually beneficial for both countries. Singapore is long of skill but short of land and labour. Johor has the latter two in abundance. Immigration will be seamless (QR Codes). Effectively, this zone is considered by the Malaysian government to be one large industrial park. Both sides are determined to make this work. There have been false starts in the past, but this now looks and feels like there is genuine commitment on both sides to ensure mutually beneficial success.

Many of you living in Europe will be aware that the slow rollout of infrastructure is what holds back much business expansion. The Financial Times carried an article at the weekend stating that the UK has built just 21 miles of motorways in the last decade. We don't have this problem in much of Asia. The extension of Singapore's Mass Rapid Transit Railway to Johor, with a capacity of 10,000 passengers per hour, will open in 2026. The bridge has already been built, adjacent to the Causeway connecting the two countries.

**RTS Link: Singapore (left) and Johor (right). The existing Causeway is in the background.**



Johor's property market is booming. By value, in 2024, residential sales in the state increased 35% while industrial sales were up a whopping 51%. Happily, the fund, via its shareholding in IGB and its Mid Valley Southkey Mall, is nicely positioned to benefit from increased spending in the south of the country.

Despite the recent recovery in share prices, our markets remain close to their COVID low valuations. This means that the value being created by some of the best compounders is not reflected in their share prices. Previously, we felt some of these businesses were not on offer at bargain prices. This is no longer the case. Over the long term, a couple of weak years isn't a disaster, particularly if the result is an attractive entry point for the shares.

I'm happy to report that we are continuing to see some renewed interest and some inflows from US investors. It's a trickle not a flood, but remember, many a mickle makes a muckle.

## Zubaidah

My long-suffering secretary Zu, who has been with me since 2006, is going to Saudi Arabia to perform the Haj at the end of May. She'll be away for 40 days and I've no idea how I'll manage. I'm sure that those of you who know her will join me in wishing her a wonderful and safe trip. And Zu, we want a newsletter out of it!

James  
6<sup>th</sup> May 2025



## Pangolin Asia Fund weighted valuation (30<sup>th</sup> April 2025)

	2024A	2025F
P/E (x)	10.3	9.2
ROE (%)	15	16
ROIC (%)	18	18
Div Yield (%)	6.2	6.5

GDP Forecasts (%)	2024A	2025F		
Malaysia	5.1	<del>5.3</del>	→	4.3?
Singapore	4.4	<del>3.2</del>	→	2.2?
Indonesia	5.0	<del>5.3</del>	→	4.3?
Philippines	5.6	<del>6.5</del>	→	5.5?

## Forward P/E (x) of Jakarta Stock Exchange Composite Index since Jan 2012

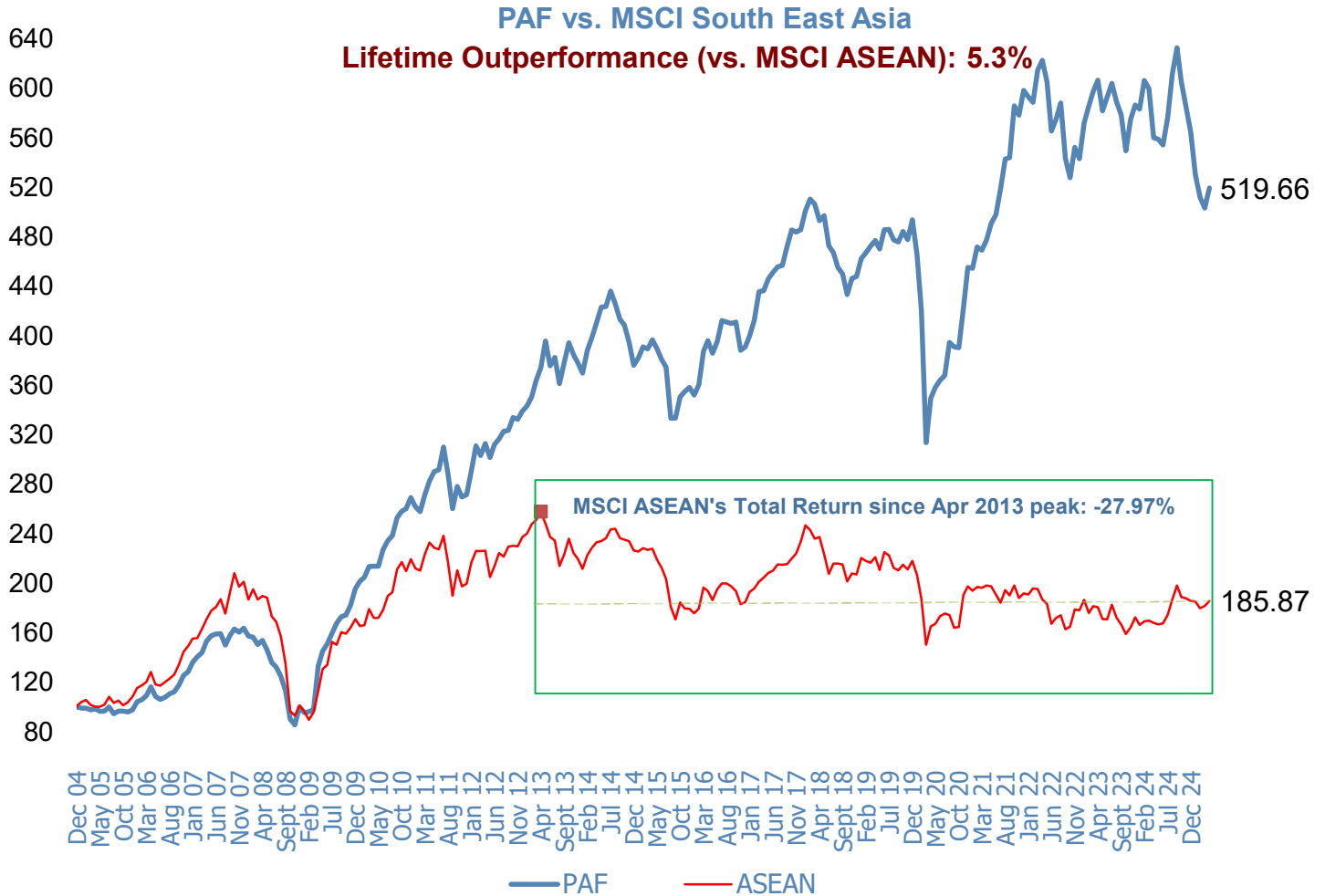


## Forward P/E (x) of FTSE Bursa Malaysia KLCI Index since Jan 2012





Twenty years track record and annualised return of 8.41%





Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	NAV	530.12	511.93	503.21	519.66									-7.97%
	% chg	-6.12%	-3.43%	-1.70%	3.27%									
2024	NAV	583.20	606.55	599.94	560.25	558.96	554.34	576.15	611.53	633.08	605.10	584.97	564.67	-3.75%
	% chg	-0.59%	4.00%	-1.09%	-6.62%	-0.23%	-0.83%	3.93%	6.14%	3.52%	-4.42%	-3.33%	-3.47%	
2023	NAV	571.92	585.67	597.55	606.77	581.95	593.00	604.19	589.30	578.62	549.65	574.87	586.68	8.00%
	% chg	5.28%	2.40%	2.03%	1.54%	-4.09%	1.90%	1.89%	-2.46%	-1.81%	-5.01%	4.59%	2.05%	
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%	

**Best monthly return** 35.77%  
**Worst monthly return** -25.36%  
**Maximum drawdown** -47.53%  
**% of positive months** 62.45%  
**Annualised return** 8.41%



By Sector

