



Pangolin Asia Fund May 2022 NAV

As at the 31th of May 2022 the NAV of the Class A shares of the Pangolin Asia Fund was US\$605.35 net of all fees and expenses, down 2.81% from US\$622.83 in April.

As of today, the fund is about 99% invested, with the split being approximately as follows:

| | |
|-----------|-----|
| Singapore | 8 % |
| Malaysia | 21% |
| Indonesia | 71% |

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 |
| May-22 | 0.04% | 0.01% | -2.05% | -1.11% | -1.90% | -3.71% | 0.20% | -1.85% | -2.81% |
| YTD 2022 | -9.21% | -13.30% | -22.78% | 8.62% | 0.16% | 3.48% | -12.84% | -4.38% | 1.15% |

| Return (in USD) | | | | | | | | | |
|-----------------|--------|---------|---------|--------|--------|--------|-----------------|------------|--------|
| Period | DOW | S&P 500 | NASDAQ | JSE | KLSE | STI | MSCI Asia ex JP | MSCI-ASEAN | PAF |
| May-22 | 0.04% | 0.01% | -2.05% | -1.76% | -2.39% | -2.76% | 0.20% | -1.85% | -2.81% |
| YTD 2022 | -9.21% | -13.30% | -22.78% | 6.28% | -4.65% | 1.90% | -12.84% | -4.38% | 1.15% |

| % Change in Currency Vs USD | | | |
|-----------------------------|--------|--------|--------|
| Month | MYR | SGD | IDR |
| May-22 | -0.51% | 0.99% | -0.66% |
| YTD 2022 | -4.80% | -1.53% | -2.16% |

There wasn't a lot of action in the fund last month. We've added a bit to one of our Malaysian holdings, but effectively we're fully invested. Please send cash.

Outlook

This is something like my 200th newsletter. In them, I've tried to explain what the fund is attempting to achieve in a manner that the least financially educated reader can understand. Why? Because investing is not as complicated as many make it sound. By investing, I of course mean long-term investing, because anything else is speculation. To differentiate between speculators and investors, we'll henceforth define investors as *Pangolins*.

Given the recent weakness in some indices (it happens and is not to be feared) there is a lot of stuff spoken about *risk on or risk off*, rising interest rates being bad for stocks etc. This is spouted by strategists, not Pangolins. All that investors should concern themselves with is whether they can purchase an investment at an attractive enough price to generate a decent return. That's it.



So, I will reiterate Pangolin's three Golden Rules

- 1) Don't confuse politics with investing
- 2) Don't confuse economics with investing
- 3) Don't confuse markets with investing

If the above resonate, then Pangolin's style might suit you. If not, there are many others out there.

What matters is identifying attractive potential investments and being able to underpay for them. The beauty of long-term investing is that it is an uncrowded field. Most players care solely about the near term and share prices reflect that. This gives a huge advantage to those prepared to wait.

For example, we own shares in a company with a car franchise in Malaysia. For many, this is a SELL because of rising input prices, chip shortages and inflation hitting purchasing power. Despite all this, we like the company because it has secured two underperforming brands which we believe, in time, they will be able to turn around. So yes, in the short term, the price may underperform. But we reckon that, in five years say, the company will be selling far more cars than they are now. And because the share price reflects current noise, the Pangolin outlook is not priced in.

As I've told you many times, ASEAN has underperformed for over a decade. Much of the market action (what there is of it) is dominated by retail punters trading on margin. They can only afford a quick kill. I assume it doesn't take a genius to deduce that a long-ignored region dominated by geared traders might offer many opportunities for those who have clients who can think beyond next month's performance number.

As a perusal of most mutual funds will show, it is not easy to consistently outperform when having to keep an eye on weekly, monthly, quarterly or even annual performance. That's why most fund management companies run numerous funds across multiple strategies – at any particular time at least one of them will be doing OK. And Groupthink, which is prevalent in investing, generally dictates that the best investment is the one that's just gone up the most. The mutual fund industry's business model is built on *assets under management*, not performance (with a few exceptions, I will grudgingly admit).

Investment Groupthink dictates that short term results are what matter. The same Groupthink applies to South East Asia's markets. They haven't gone anywhere for a decade, so they're not worth looking at.

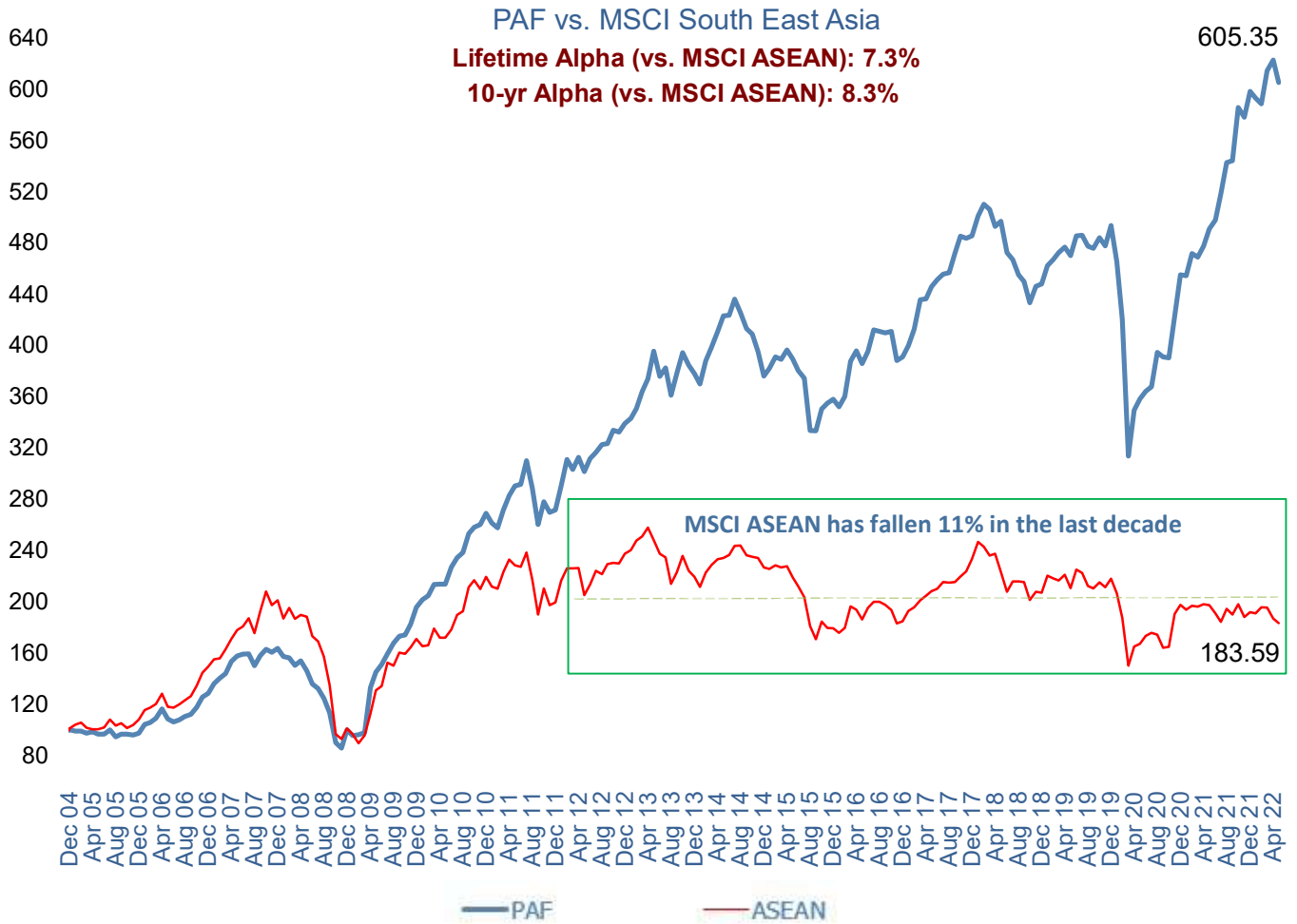
The (pre-rat) Winston Smiths of this world tend to be business owners; in our sphere these are the major shareholders who own substantial stakes in their companies. When they open a new factory, they're not thinking about the next week, month, quarter or year. They're thinking a decade. Pangolins can prosper by identifying the better entrepreneurs and sharing their outlook. But we can only do so with investors who are prepared to think similarly.

The advantage this gives us is that we are presently operating in two uncrowded fields: The long-term and ASEAN. One day the herd will rediscover SE Asia. While we patiently wait for this to happen, our Pangolin approach has yielded satisfactory results.

James
8th June 2022



Seventeen years track record and annualised return of 10.84%





| Year | Details | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|---------|--------|--------|---------|--------|--------|--------|--------|---------|--------|---------|--------|--------|---------|
| 2022 | NAV | 593.29 | 588.82 | 614.73 | 622.83 | 605.35 | | | | | | | | 1.15% |
| | % chg | -0.86% | -0.75% | 4.40% | 1.32% | -2.81% | | | | | | | | |
| 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 65.24%
Annualised return 10.84%



By Sector

