



Pangolin Asia Fund October 2022 NAV

As at the 31st of October 2022 the NAV of the Class A shares of the Pangolin Asia Fund was US\$527.78 net of all fees and expenses, down 2.87% from US\$543.35 in September.

As of today, the fund is about 97% invested, with the split being approximately as follows:

Singapore 8%
Malaysia 23%
Indonesia 69%

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
Oct-22	13.95%	7.99%	3.90%	0.83%	4.71%	-1.19%	-6.13%	1.35%	-2.87%
YTD 2022	-9.92%	-18.76%	-29.77%	7.86%	-6.84%	-0.98%	-33.64%	-13.98%	-11.81%

Return (in USD)									
Period	DOW	S&P 500	NASDAQ	JSE	KLSE	STI	MSCI Asia ex JP	MSCI-ASEAN	PAF
Oct-22	13.95%	7.99%	3.90%	-1.57%	2.71%	0.13%	-6.13%	1.35%	-2.87%
YTD 2022	-9.92%	-18.76%	-29.77%	-1.37%	-17.90%	-5.70%	-33.64%	-13.98%	-11.81%

% Change in Currency Vs USD			
Month	MYR	SGD	IDR
Oct-22	-1.91%	1.33%	-2.38%
YTD 2022	-11.88%	-4.77%	-8.56%

Outlook

The USD is the only trade in town; the new, self-perpetuating, FAANG.

The fund is looking to be on course for its second doubled-digit percentage fall in eighteen years. The decline, as I noted last month, is largely due to currency weakness, something we've faced since inception.

	December 2004	November 2022	Percentage Change
USD/MYR	3.80	4.75	-20.0%
USD/IDR	9,000	15,700	-42.7%

And we've also faced a declining regional market. As I've stated before and you'll see in the chart below, the ASEAN index has fallen 28% in the past decade. Yet the fund has still managed positive returns. How has that been achieved? Is it because we're brilliant?

I would argue that brilliance is not required to make money in a region with real GDP growth in excess of 5% per annum combined with a dearth of investor and analyst competition.



It boils down to a few factors which aren't that complicated. Basically,

- i) Thorough company analysis – *surely a basic requirement for any investment manager.*
- ii) Knowing what to look for and where to look for it – *seek out honest and sensible managements with a track record of sensible and fair capital allocation of the cash generated by their growing businesses.*
- iii) A commitment to underpaying – *and focusing on a company's underlying performance, not its share price.*
- iv) Patience & experience – *If (i) – (iii) are in place, the benefit of being old will tell you that, if you are patient, the share price at some stage will reflect a company's true value. And ensuring that your investor base shares your patience.*
- v) Repetition of (i) above – *mistakes are made, managements can become distracted by diversification. There's no limit to what can go wrong. Sell quickly when it does.*

Such under-owned and under-researched markets combined with strong GDP growth (ASEAN grows at +/-5% most years) surely present one of the great investment opportunities for the stock picker. Most investors would shy away from a region experiencing sustained investor disinterest and declining currencies. Yet, we patient Pangolins would argue that it is exactly those unfavourable factors that make it so favourable.

When markets decline, the opportunity becomes even greater. For example, our two largest holdings have fallen 40% & 25% (in local currency) from their highs. Falling share prices are always much more exciting than rising ones...

James Hay

6th November 2022

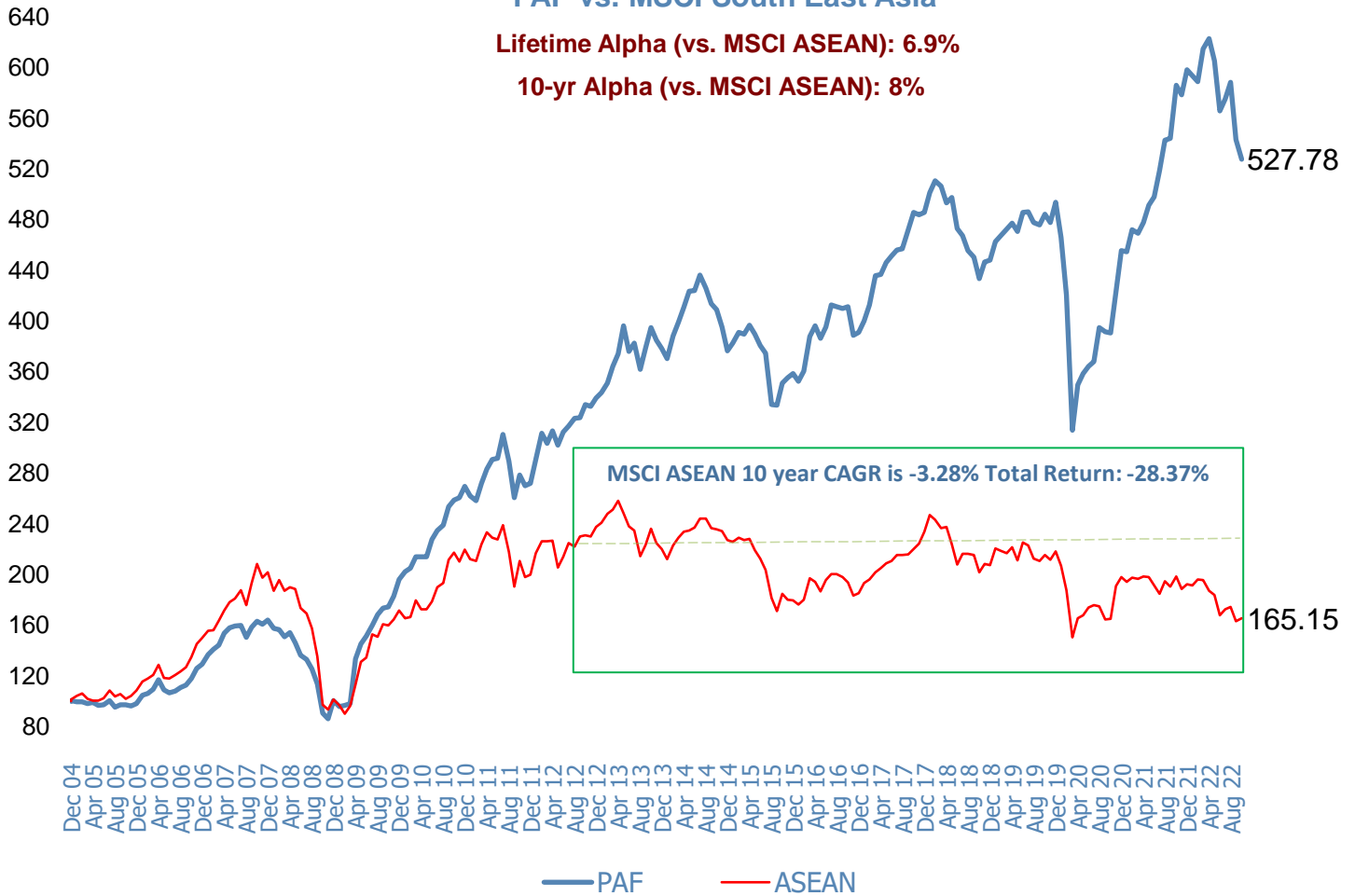


Seventeen years track record and annualised return of 9.73%

PAF vs. MSCI South East Asia

Lifetime Alpha (vs. MSCI ASEAN): 6.9%

10-yr Alpha (vs. MSCI ASEAN): 8%





PANGOLIN INVESTMENT MANAGEMENT

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	565.54	574.94	588.17	543.35	527.78			-11.81%
	% chg	-0.86%	-0.75%	4.40%	1.32%	-2.81%	-6.58%	1.66%	2.30%	-7.62%	-2.87%			
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 64.65%
Annualised return 9.73%



By Sector

