



Pangolin Investment Management

Pangolin Asia Fund announces month end NAV – September 2007

As of the 28th of September 2007, the NAV of the Class A shares of Pangolin Asia Fund was US\$158.13, net of all fees and expenses, up 5.26% from US\$150.23 in August.

At the end of September the fund was about 96% invested (we've been doing some buying), with the split being approximately as follows:

Indonesia	42%
Malaysia	34%
Singapore	24%

Details of the individual holdings are available to investors on request.

Review

September saw a recovery in South-East Asian markets and currencies taking the fund back to more or less where it was in July. Despite being a bit worried by what we are hearing about sub-prime and everything else we continue to find good long term buying opportunities in Asia, which is why we topped up an existing holding and added a new one.

A recent trip to **Indonesia** confirms that although consumer spending is picking up, it is doing so ever so slowly. Most of the growth is in the provinces (driven by the commodities boom) rather than in Jakarta and much of the rest of Java. The brokers and everyone else I speak to are finding it hard to recommend new stocks and there is no doubt much of the market is now overvalued. Retailers are accounting for much of the turnover but foreign inflows are still large. It is time to be cautious down there.

Our visits elsewhere still uncover cheap companies and so long as one is not concerned with investing in less liquid positions, we think there are still plenty of sound investment opportunities in our corner of Asia.

The political news is as awful as ever with last month's being dominated by the events in Myanmar, accompanied by a call from the West for ASEAN to put pressure on its fellow member and ask the Generals to calm down a bit. Fat chance. The governments of the other nine ASEAN member states may publicly disapprove of the shooting of unarmed civilians but I suspect that at least some of them would react similarly if faced with mass opposition-organised demonstrations in their capital cities. And the West may not trade with Burma (officially) but Asia does, so forget China or India being much use either. At this rate, Myanmar will probably be awarded the next Olympics.

James Hay

9th October 2007

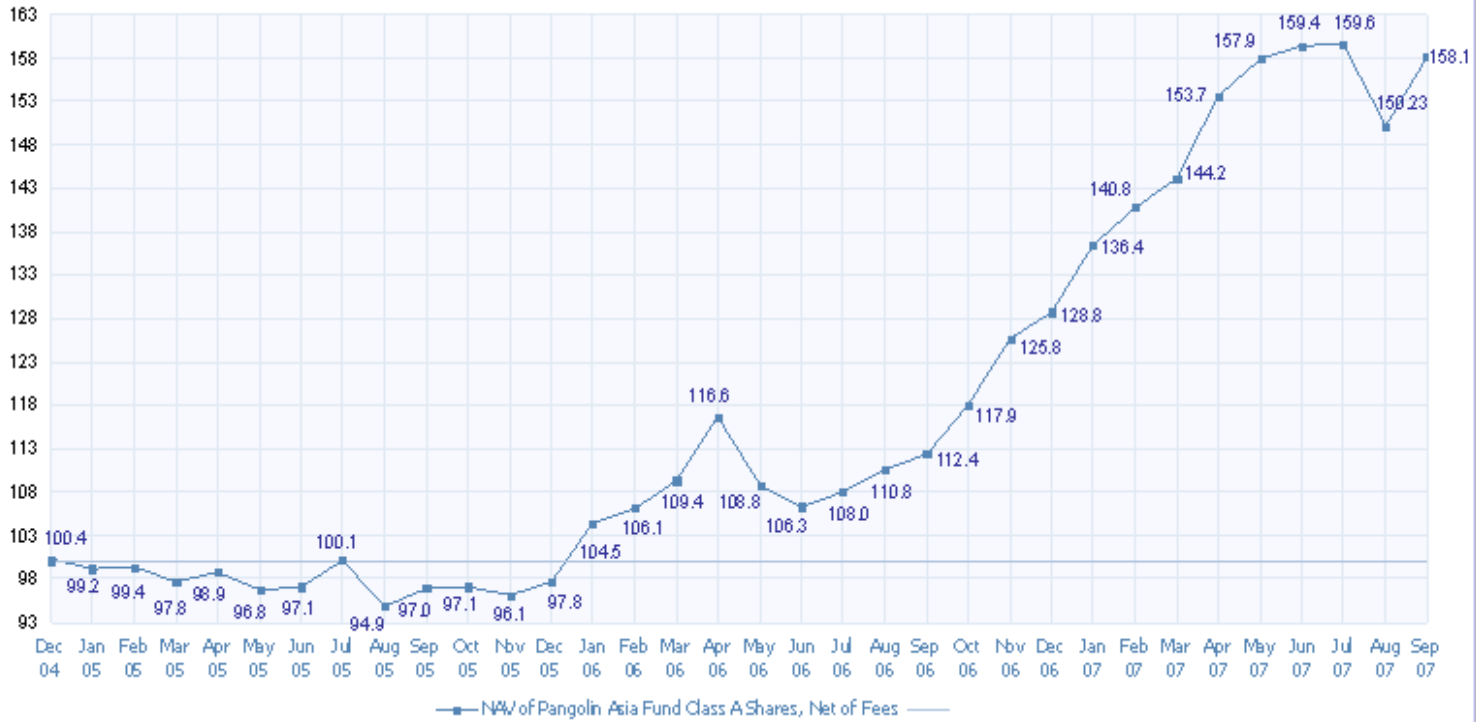
More details concerning the fund's investments are always available to shareholders in the fund on request.

Further information can be found at www.pangolinfund.com



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NAV Computation Report - 1st Dec 2004 to 28th Sep 2007



Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	Nav	136.43	140.75	144.17	153.68	157.90	159.36	159.56	150.23	158.13				22.74%
	% chg	5.90%	3.17%	2.43%	6.60%	2.75%	0.92%	0.13%	-5.85%	5.26%				
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	0.37%
	% chg												0.37%	

2005 return	-2.57%	Return since inception	50.23%
2006 return	31.74%	Maximum drawdown	-8.81%
2007 return	22.74%	% of positive months	76.47%
Average monthly return	1.41%	Standard deviation	3.44%
Average return (annualized)	16.97%	Standard deviation (annualized)	11.93%
Best monthly return	6.89%	Semi deviation	2.53%
Worst monthly return	-6.69%	Semi deviation (annualized)	8.76%
		Sharpe ratio	1.09