



Pangolin Asia Fund February 2018 NAV

As at the 28th of February 2018 the NAV of the Class A shares of the Pangolin Asia Fund was US\$510.62 net of all fees and expenses, up 1.90% from US\$501.11 in January. YTD we're up 5%.

Please see the table at the end of this letter for further detail.

As of today, the fund is about 92% invested, with the split being approximately as follows:

Singapore	11%
Malaysia	38%
Indonesia	32%
Thailand	19%

We don't disclose our names but some details are always available to investors on request.

Overview

To put things into some perspective, please see the tables below.

Return (in local currencies, except MSCI Asia Ex-Japan)									
Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Feb 2018	-4.28%	-3.89%	-0.13%	-0.66%	-0.45%	0.18%	-5.04%	-1.53%	1.90%
YTD 2018	1.25%	1.50%	3.80%	3.31%	3.38%	4.36%	2.11%	4.03%	5.11%

Return (in USD)									
Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Feb 2018	-4.28%	-3.89%	-2.78%	-1.13%	-1.41%	-0.31%	-5.04%	-1.53%	1.90%
YTD 2018	1.25%	1.50%	2.32%	6.72%	4.25%	7.95%	2.11%	4.03%	5.11%

% Change in Currency Vs USD				
Month	MYR	SGD	IDR	THB
Feb 2018	-0.47%	-0.96%	-2.65%	-0.49%
YTD 2018	3.31%	0.85%	-1.43%	3.44%

One of our holdings (a Malaysian property group) has completed its restructuring and we have received some cash in return, hence our cash level is back up to 8%.

We have always run a concentrated portfolio (currently the top 5 positions account for 54% of the fund) and we're happy to say that our overweights have provided the best returns. Finding opportunities in mid to larger-cap companies has facilitated this positioning. And the results season has been kind to us too.

Our friendly activism campaign is ongoing and we have had some early success. One of our Thai companies has recently launched a cross-holding restructuring within the group. This is in line with our recommendations to the board.



Malaysia Corruption

In the 2017 Corruption Perceptions Index, Malaysia is ranked 62nd vs 55th in 2016. It is the worst ranking since the index started in 1995. The scoring for the index covers issues such as corruption scandals, governance, politics, human rights, and the efficiency of doing business in the country. The Malaysian Anti-Corruption Commission (MACC) was dissatisfied with the results. They want to propose their own special index which they deem will be a more effective and true to reality one!

Just few days ago, Australian police seized more than A\$320,000 from the Sydney bank account of Malaysia's (CID) chief, Wan Ahmad Najmuddin Mohd, on suspicion of money laundering. He has decided not to contest this and reclaim the money. Despite this, he has been cleared of any wrongdoing by his colleagues and the Deputy Prime Minister of Malaysia, Ahmad Zahid Hamidi. This could be just one of the many cases being uncovered, I guess.

In Malaysia, corruption scandals are swiftly denied and disappear from the media radar soon, at least within the country, and everyone goes back to the business as usual.

Indonesia Election

The general election will be held in April 2019 and major parties have begun to voice support for incumbent president Jokowi, who is eligible to run for a second term. Jokowi has received an endorsement to run for a second term from his party PDI-P in February 2018. He is still the frontrunner to lead the country, as his infrastructure push has yielded tangible results. For example, The Jakarta MRT (phase one) is scheduled to be completed by March 2019 and will help to improve his ratings in the capital.

In three years, he has built more toll roads than President Soeharto, who ruled over Indonesia for 30 years. Some of our companies have benefited from the better connectivity as they expanded to the remote areas in Java and the outer islands. If Jokowi wins again, one can be assured that the infrastructure build-up continues and its multiplier effect on jobs and consumption.

Outlook

Without tempting fate, we feel quite confident about the near-term prospects for the companies in the fund. This is not a market prediction, but is based on the businesses' trading conditions in the current economic environment. Share prices can do anything, but over the long term should reflect the value of the companies. Any market weakness will give us the opportunity to own a bit more.

Chiew Sia & Irvan
8th March 2018

We don't like to discuss stocks publicly but I am always happy to talk to existing investors and those interested in investing. The Pangolin Asia Fund is most suitable for investors who are happiest when markets are falling.



Year	Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	NAV	501.11	510.62											5.11%
	% chg	3.15%	1.90%											
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 -20.42%
Maximum drawdown -47.53%
% of positive months 67.92%
Annualised return 13.09%

By Sector

