



## Pangolin Asia Fund Oct 2016 NAV

As at the 31<sup>st</sup> October 2016 the NAV of the Class A shares of the Pangolin Asia Fund was US\$411.25 net of all fees and expenses, up 0.30% from US\$410.02 in September.

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

As of today, the fund is about 90% invested with the split being approximately as follows:

Singapore	13%
Malaysia	36%
Indonesia	32%
Thailand	19%

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

### Overview

To put the 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
Oct 2016	-0.9%	-1.9%	1.1%	1.2%	-1.9%	0.8%	-1.5%	-2.0%	0.3%
YTD 2016	4.1%	4.0%	18.1%	-1.2%	-2.4%	16.1%	8.5%	7.9%	14.8%

Return (in USD)

Period	DOW	S&P 500	JSE	KLSE	STI	SET	MSCI ex JP	MSCI-ASEAN	PAF
Oct 2016	-0.9%	-1.9%	1.0%	-0.1%	-3.9%	-0.4%	-1.5%	-2.0%	0.3%
YTD 2016	4.1%	4.0%	24.8%	1.2%	-0.5%	19.4%	8.5%	7.9%	14.8%

% Change in Currency Vs USD

Month	MYR	SGD	IDR	THB
Oct 2016	-1.3%	-2.0%	-0.05%	-1.3%
YTD 2016	2.4%	2.0%	5.7%	2.9%

### Outlook

The Indonesian government's efforts to deregulate the economy has caught global investors' attention as Indonesia's ranking in the Ease of Doing Business index for 2017 has climbed 15 places to 91, from the previous rank of 106.

In the World Bank index, this year titled "Doing Business 2017: Equal Opportunity for All", Indonesia is among the world's top 10 improvers based on reforms undertaken, along with Bahrain, Belarus, Brunei Darussalam, Georgia, Kazakhstan, Kenya, Pakistan, Serbia and United Arab Emirates.

According to World Bank Indonesia country director Rodrigo Chavez, it now took 49 days for a business entity to connect to the power grid, faster than previously when it could take up to 61 days. He specifically commended the Jakarta and Surabaya administrations.



He highlighted seven key areas in which reform was having the most impact, including the ease in establishing a business, access to electricity, registering property, acquiring finance, paying taxes, cross-border trade and establishing contracts.

In Jakarta, the process of dealing with state electricity firm PLN to access electricity for warehousing, for instance, has become faster. Meanwhile in Surabaya, applying for a new electricity connection has become simpler for business people.

Topics	DB 2017 Rank	DB 2016 Rank <sup>(i)</sup>	Change in Rank
Overall	91	106	↑ 15
Starting a Business ✓	151	167	↑ 16
Dealing with Construction Permits	116	113	↓ 3
Getting Electricity ✓	49	61	↑ 12
Registering Property ✓	118	123	↑ 5
Getting Credit ✓	62	70	↑ 8
Protecting Minority Investors	70	69	↓ 1
Paying Taxes ✓	104	115	↑ 11
Trading across Borders ✓	108	113	↑ 5
Enforcing Contracts ✓	166	171	↑ 5
Resolving Insolvency	76	74	↓ 2

Source: World Bank

Other examples of government policies that supported Indonesia's jump in the rankings include the encouragement of the use of online systems, the scrapping of the minimum capital requirement for small and medium-size enterprises, the introduction of simpler customs documents and a dedicated procedure for commercial litigation and small claims.

Despite the improvement, Indonesian Coordinating Minister for Economic Affairs Darmin Nasution said Indonesia needs to assign a special team to be tasked to monitor Indonesia's ease of doing business, in order to attract more private investment.

In total, the deregulation package has seen 94 procedures slashed by almost half to 49. The time spent on procedures have declined from 1,566 days to 132 days. Still, many areas remain wide open for improvement in order to achieve Jokowi's ambitious target of securing 40th place in the Ease of Doing Business Index before the end of his term in 2019.



Currently, Indonesia is ranked 3rd in the world for foreign direct investment (FDI) recipients, just below India and China. USA is in the fourth position. Based on World Investment Report as of July 2016, Indonesia's FDI jumped 46% to US\$ 28bn, compared to the same period last year which amounted to US\$ 19bn.

EMERGING MARKETS ARE TAKING A BIGGER SHARE OF A BIGGER PIE			
Jan-July 2016		Jan-July 2015	
Country	Capex, \$m*	Country	Capex, \$m*
India	36,195	US	37,119
China	30,005	India	36,334
<b>Indonesia</b>	<b>28,300</b>	China	33,544
US	23,779	UK	29,240
Egypt	20,781	Indonesia	19,426
UK	20,637	Mexico	16,512
Vietnam	15,163	Brazil	11,548
Mexico	13,566	Malaysia	9,622
Saudi Arabia	10,592	Vietnam	9,588
Iran	9,074	Australia	8,325

*Source: fDi Markets \*includes estimates*

Irvan Mondro  
8<sup>th</sup> November 2016

*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
2016	NAV	352.31	360.43	387.79	396.17	386.04	395.41	412.53	411.2	410.02	411.25			14.75%
	% chg	-1.69%	2.30%	7.59%	2.16%	-2.56%	2.43%	4.33%	-0.32%	-0.29%	0.30%			
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** 65.73%  
**Annualised return** 12.60%

### By Sector

