ASIA GROWTH CAPITAL MANAGEMENT

Stockholm, May 4, 2015

Hong Kong surges as Chinese investors are gradually allowed in

During the month of April, AGCM Asia Growth Fund SEK gained +5.9% and the Euro share class by +4.0%. By April 30, the fund NAV was up +30% since inception on October 3, 2014. For Asian equities, the month of April was dominated by new steps in the gradual internationalization of China's capital markets. More specifically, Chinese mutual funds based in mainland China have been given increased possibilities to invest in Hong Kong listed Chinese companies. Some of the most exciting Chinese companies (such as Tencent and Lenovo) are listed in Hong Kong but not in Shanghai, and have thus far been difficult for mainland Chinese investors to buy. Other attractive companies are listed both in Hong Kong and Shanghai but usually with substantial discounts in Hong Kong. With the gradual opening up of channels between the mainland Shanghai Stock Exchange and Hong Kong, these big valuation gaps are beginning to close. We believe that this will happen primarily by rising H-shares rather than falling A-shares, given the still low valuation multiples compared with most markets regionally and even globally. H-shares are still only trading at around 10 times earnings which is low also in a historical context.

Is the party over? The slight correction in late April after the strong rally was unsurprising. In the medium term we anticipate additional positive events which should continue to fuel the market in Hong Kong. Similar to the currently ongoing tie-up between the Hong Kong and Shanghai exchanges, a link between Hong Kong and China's other large stock market in Shenzhen is expected to be opened soon. We also expect the mainland authorities to raise the current quota between Hong Kong and Shanghai, as well as adding more stocks which can be traded under this scheme. In addition to the hundreds of billions of RMB leaving the mainland for Hong Kong listed equities, regional and global investors are rushing to join the party in Hong Kong.

Another reason we remain bullish on China from a top down perspective, is that we expect more policy support from the central bank, the PBOC. On April 20, the PBOC cut the required reserve ratio (RRR) by 100bp for the large banks and 200bp for rural financial institutions. This cut is the biggest RRR cut in magnitude since late 2008, and followed the 25bp interest rate cut on March 1. These moves provide a substantial boost of liquidity into the economy, improve the profitability in the banking sector and reduce fears of rising credit losses. As we have said numerous times over the past ten years, rest assured, Chinas policy makers will do whatever it takes to achieve the economic growth target and prevent a hard landing. Beijing's toolbox is superior to that of any large economy in the world and China's balance sheet continues to strengthen year after year.

During the month of April, the team and I have gone through a stream of Asian corporate Q1 reports. Most reports were upbeat even though Q1 is typically a slow quarter for our internet related stocks. We took some profits by trimming our positions especially among the Chinese real estate developers and pharmaceutical companies whose share prices have soared. We added to some of our holdings in the internet space as well as industrials in South Korea and banks in Indonesia. Going forward we expect more of the same. In other words, growth concerns in the West and an ever stronger and increasingly international Chinese corporate sector.

Gustav Rhenman
Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

April 2015

Performance

As of 30/04/2015	1 month	3 month	YTD	Since launch Oct 3 , 2014
AGCM Asia Growth Fund RC SEK	5.9%	13.8%	19.6%	30%
AGCM Asia Growth Fund WP EUR	4.0%			

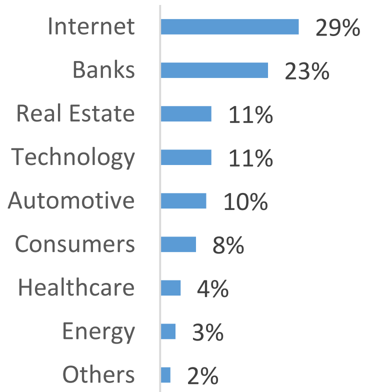
Top 5 holdings %

As of 30/04/2015

Company	Weight
Baidu Inc	7.6%
Alibaba Group	4.8%
Tencent Holdings	4.7%
Bank of China	4.3%
China Overseas Land Investment	4.2%
Total	25.6%

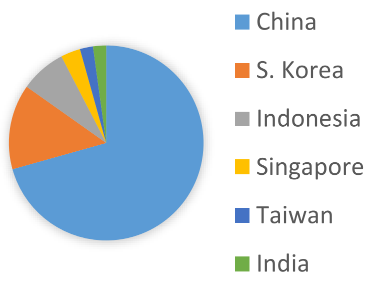
Industry breakdown

As of 30/04/2015



Geographic breakdown

As of 30/04/2015



About Asia Growth Capital Management

Asia Growth Capital Management AB (AGCM) is a specialized investment management company managing investment funds investing in listed equities in Asia. The company was founded in Sweden in 2013 by a group of investment professionals and executives with extensive experiences from a wide range of different industries. The Chief Investment Officer has twice before been awarded by Lipper (Thomson Reuters) for managing the best performing Asia Fund among all regulated Asia funds registered for marketing in any EU country.

Fund Facts

Portfolio manager:	Gustav Rhenman
Inception date:	03-Oct-2014
Fund size:	SEK 573 million
Number of holdings:	35
Management fee:	1.85%
Fund management Company:	SEB Fund Services Luxembourg
NAV:	SEK 130
	EUR 113.7
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909
	EUR WP LU 1163023143

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Risk information: Money you invest in the Fund can both increase and decrease in value. Historic performance is no guarantee of future return. Saving in funds should be viewed in a long-term perspective, which then may potentially offer a better return than traditional savings in fixed income. We recommend that you read the KIID and prospectus available at www.agcm.se before you make an investment. You can also request such information via e-mail to info@agcm.se.

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