

AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

October 2, 2017

Stable market ahead of the Golden Week and key Party Congress

The new AGCM China Stars Fund was successfully launched on August 28. Since then, and during the month of September, the NAV of AGCM China Stars Fund SEK increased by 2.2%. Mainland China equity markets have shown stability in the run up to the 19th congress of the Chinese Communist Party, and the one-week-long National Day (Golden Week) holiday in early October.

The National Congress of the Communist Party of China, which takes place every five years, will commence in Beijing on October 18. We expect to witness a reshuffling of the party's Central Committee and the setting of policy priorities for the next five years. The Chinese government has called for "strong hands" to maintain stability ahead of the key congress meeting. One example was seen in the property sector, as eight large cities in China rolled out additional property tightening measures to rein in housing price rises, with more cities likely to follow.

During September, the new energy vehicle sector outperformed, with our holding company Yutong Bus share price rising 16%. China joined the U.K. and France in saying it will eventually ban sales of fossil-fuel-powered vehicles, becoming the biggest market to do so in a move that will accelerate the push into the electric car market. The government is working with other regulators on a timetable to end production and sales. Though no specific start date has been announced for the ban yet, the move will push for both local and global automakers to focus on introducing more electric cars, and to meet China's target of 5 million units of new energy vehicle sales by 2020.

Chinese financial technology ("FinTech") made headlines again in September, and the news centered around two of the Fund's larger holdings – Tencent and CICC. Internet giant Tencent Holdings agreed to buy a 5% stake in China's leading investment bank, China International Capital Corp. (CICC), creating a partnership between two of the country's tech and finance majors. The partnership gives CICC access to Tencent's 960 million users and advanced technology in big data and artificial intelligence. Furthermore, Alipay, the world's largest online payment platform, operated by Alibaba Group's affiliate Ant Financial, has teamed up with Nordic partners to bring "smart tourism" to Chinese visitors, which will enable merchants across the Nordic region to accept payments via Alipay and reach Chinese customers via Alipay's marketing platform.

On the academic front, China published a list of 42 colleges it wants to turn into world-class universities in the coming decades as it attempts to create a higher education sector that matches its increasing economic power. Only two mainland Chinese colleges are currently among the top 100 universities in global rankings, Peking University and Tsinghua University. The ambitious plan comes as China seeks to transform itself into a science and technology powerhouse, committing 2.5% of the country's GDP to research and development each year.

Beijing's local government announced it will establish 20 innovation centers in its economic technological area in Yizhuang by year 2020. It will form seven industrial clusters for innovation, establishing ten new companies in each cluster, with targeted annual revenues of 10 billion yuan for each company, covering emerging industries including industrial automation, biopharmaceuticals, artificial intelligence, smart manufacturing, and autonomous vehicles.

Gustav Rhenman

Chief Investment Officer

AGCM China Stars Fund

Monthly Report

September 2017



Performance

As of 30/09/2017	1 month	YTD	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	+2.3%	+2.2%	+2.2%
AGCM China Stars Fund RC8 SEK	+2.4%	+2.3%	+2.3%
AGCM China Stars Fund RC9 SEK	+2.6%	+2.5%	+2.5%

Top 5 holdings

As of 30/09/2017

Company name
Hangzhou Hikvision
Midea Group
Tencent Holdings
Alibaba Group
Jiangsu Hengrui

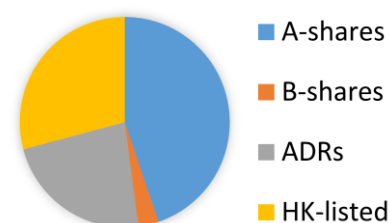
Industry breakdown

As of 30/09/2017

Consumer	35%
IT Internet	21%
IT Equipment	14%
Healthcare	14%
Financials	9%
Industrials	5%
Real Estate	1%
Materials	0%

Market breakdown

As of 30/09/2017



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:	28-August-2017
Fund size:	SEK 286 million
Number of holdings:	30
Management fee (RC1):	1.35% + 10% perf. fee
Fund management Company:	SEB Fund Services Luxembourg
NAV:	(RC1) SEK 102.2 (RC8) SEK 102.3 (RC9) SEK 102.5
Minimum subscription:	n.a.
ISIN code:	SEK RC1 LU 1608617111 SEK RC8 LU 1608617384 SEK RC9 LU 1608617467

Disclaimers

According to Personuppgiftslagen (PUL): AGCM can use such personal data which has been given to the company by the registered person or which the company has sourced from other sources (name, e-mail and telephone number) to, via e-mail or telephone, give information about and market its products and services, including direct marketing. The personal data is used mainly in relation to people who orally or in written form have indicated interest to AGCM. If you want to receive information about which personal data about yourself the company is handling, you can in writing, signed by yourself, make a request to Asia Growth Capital Management AB, Strandvägen 5A, 2 tr, 114 51 Stockholm. You can also make a request in writing to the same address that you wish not to have your personal data used for purposes of direct marketing. Request for correction of personal data can also be made to the same address.

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.