

# AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

May 3, 2021

## Continued economic recovery and major investments in technology

During the month of April, the NAV of AGCM China Stars Fund RC1 SEK share class decreased by -0.5%. The outperformance of value over growth stocks we saw in World markets during the first quarter this year, reversed in April. This reversal reflects, or at least coincides with, a pause in the uptrend of the longer term US government bond yields.

China's economy expanded 18.3% in the first quarter of 2021, the fastest on record, reflecting the rebound from the pandemic. Corporate financial reports for the first quarter were also strong. White goods and consumer electronics company Haier grew sales by 27% year-on-year to RMB 55 billion, with net profit increasing by 185%. China Telecom delivered better than expected revenue growth of +13% in the first quarter, to RMB 107 billion. 5G subscribers keep ramping up fast, +570% year-on-year, adding over 20 million 5G subscribers to a total of 111 million.

Chinese insurance giant PICC Property & Casualty beat consensus expectations with net profit rising +41% in the first quarter due to strong investment returns and improving underwriting profits. We expect the auto insurance reform of last year to continue to strengthen PICC's competitive advantage over smaller rivals and support its market share expansion.

China's Lenovo maintained its position as the world's largest personal computer vendor in the first quarter of 2021 with a market share of 25.1%, and the company tightened its grip on its supply chains amid a global chip shortage.

Baidu announced it will start charging passengers for its fully driverless Apollo Go robo-taxis now operating in Beijing. There are no safety drivers behind the steering wheel in the vehicle, but human operators can remotely access the vehicles in case of emergencies. There will be a Baidu employee in the front passenger seat to accompany the passengers, to ease anxieties during the first stages of operation. The service will be used during the 2022 Beijing Winter Olympics, transporting passengers to sports arenas, work areas and hotels.

China's economy continues to move up the value chain with massive investments in high-tech industries. In the area of semiconductors, China last year became the world's largest buyer of semiconductor manufacturing equipment, surpassing both Taiwan and South Korea. China grew purchases by 39% year-on-year to USD 18.7 billion, according to a report by SEMI, a U.S.-based industry association. Semiconductor manufacturing equipment is mainly used for wafer processing, assembly, packaging and testing. After the Trump administration introduced restrictions on high-tech semiconductor exports to certain Chinese companies including Huawei, Beijing decided to become self-sufficient in semi-conductors.

The Chinese are travelling again, at least within the country. Over the three-day traditional tomb-sweeping holiday in late April, Chinese travelers made 102 million trips. For our holding Trip.com, China's largest online travel site, bookings over the holiday quadrupled compared with a year earlier. Ticket reservations for scenic spots were more than three times the 2019's level, Trip.com reported.

**Gustav Rhenman**, Chief Investment Officer

# AGCM China Stars Fund

Monthly Report

April 2021



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 30/04/2021	1 month	YTD	2 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-0.5%	+10.4%	+14.6%	+36.5%
AGCM China Stars Fund RC8 SEK	-0.4%	+10.6%	+15.7%	+39.8%
AGCM China Stars Fund RC9 SEK	-0.5%	+11.6%	+16.1%	+41.7%

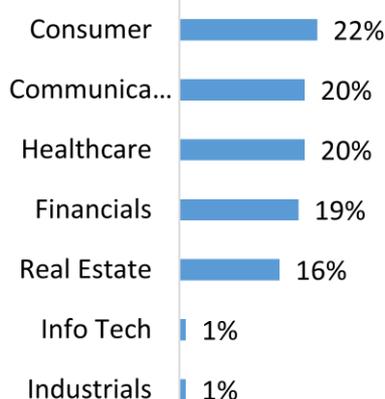
## Top 5 holdings

As of 30/04/2021

Company name
Alibaba Group
Tencent Holdings
COLI
Shanghai Pharma
PICC P&C

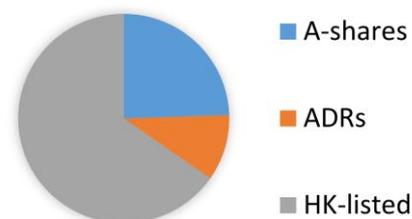
## Industry breakdown

As of 30/04/2021



## Market breakdown

As of 30/04/2021



## 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 193 million
Number of holdings:	33
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 136.5 (RC8) SEK 139.8 (RC9) SEK 141.7
Minimum subscription:	n.a.
ISIN code:	SEK RC1 LU 1608617111 SEK RC8 LU 1608617384 SEK RC9 LU 1608617467

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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](http://www.agcm.se) before you make an investment. You can also request such information via e-mail to [info@agcm.se](mailto:info@agcm.se).