

# AGCM Asia Growth Fund



July 1, 2021

## China celebrates 100 years of progress and Baidu deploys robotaxis

During the month of June, the NAV of AGCM Asia Growth Fund RC SEK share class decreased by -0.8% and the WP EUR share class decreased by -0.6%. It was a relatively uneventful month in Asia in terms of reports from the corporate sector. In a global perspective, growth stocks outperformed value stocks in June with the MSCI World Growth Index beating the MSCI World Value Index by 6.1 percentage points. It reflects a decline in long term interest rates with the 10-year US Treasury yield falling from 1,60% to 1,47% in June. Given the strong economic recovery and massive US government bond issuance on the horizon, this countertrend seems only temporary.

In late June, China Telecom went on a roadshow showcasing its cloud computing and 5G capabilities, with a focus on corporate applications. Management estimates that China Telecom's industrial internet revenue will contribute 40% of total revenues in 2025. Cloud services and 5G migration will be the next major revenue drivers and will boost mobile ARPU expansion. A secondary listing in China's mainland A-share market is on track for the autumn.

Baidu announced its autonomous driving unit Apollo has entered a partnership with ArcFox, the luxury electric vehicle brand of Beijing Auto Group, and Baidu's fifth generation Apollo Moon robotaxis will soon be on Chinese roads. In a three-year plan, Baidu will deploy a fleet of 1,000 robotaxis, to capitalize on its 2,900 patents for intelligent driving. Baidu has accumulated over 12 million km of driverless vehicle mileage.

Alibaba solidified its position as the leader in China's USD 6 billion cloud services market. Its market share of 40% equals that of the next three largest players combined. China maintained its position as the world's second-largest cloud services market in the first quarter, boosted by government stimulus policies and growing demand for digital transformation in the wake of the pandemic. Alibaba is further expanding its cloud computing arm in Southeast Asia investing USD 1 billion aimed at supporting local talent and start-ups.

In early June, the World Bank upgraded its economic forecast for China to lead the global recovery by growing its economy at 8.5 percent this year. In 2022, the gross domestic product could rise 5.4 percent from 2021, the World Bank wrote in a recent report.

A major political event took place in China today, namely the 100th anniversary of the founding of the Communist Party of China (CCP) in July 1921. The CCP has been governing China since 1949, after a long civil war with the rivaling Kuomintang's Nationalist government which retreated to Taiwan. During the celebration at the Tiananmen square in Beijing, President Xi Jinping gave a one-hour long speech with a few words addressed to the international community: "After the Opium War in 1840, China gradually became a semi-colonial and semi-feudal society. The country was humiliated, the people suffered, and civilization was dusted. The Chinese nation suffered unprecedented calamities. Peace and harmony are the concepts that the Chinese nation has been pursuing and inheriting for more than 5,000 years. There is no gene in the blood of the Chinese nation to invade others and dominate. The Chinese people have never bullied, oppressed, or enslaved the people of other countries." It seems at last, that China's leaders have realized it needs to also make progress in rejuvenating the CCP's image abroad.

**Gustav Rhenman**, Chief Investment Officer

# AGCM Asia Growth Fund

Monthly Report

June 2021



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 30/06/2021	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	-0.8%	+11.7%	+31.5%	+88.5%	+92.4%
AGCM Asia Growth Fund WP EUR	-0.6%	+9.6%	+35.7%	+78.0%	n.a.

## Top 5 holdings %

As of 30/06/2021

Company	Weight
Alibaba Group	8.6%
Tencent Holdings	7.1%
COLI	6.1%
Samsung Electronics	5.5%
Sinopharm	4.4%
<b>Total</b>	<b>31.7%</b>

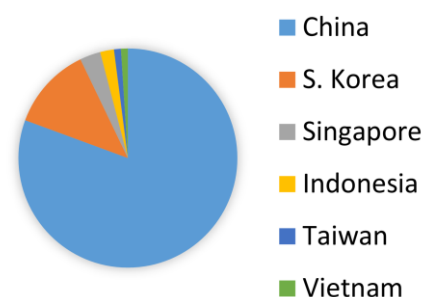
## Industry breakdown

As of 30/06/2021

Communi...	25%
Financials	24%
Consumer	19%
Healthcare	12%
Real Estate	12%
Info Tech	8%

## Geographic breakdown

As of 30/06/2021



## 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

<b>Portfolio manager:</b>	Gustav Rhenman
<b>Inception date:</b>	03-Oct-2014
<b>Fund size:</b>	SEK 1272 million
<b>Number of holdings:</b>	40
<b>Management fee (RC):</b>	1.85%
<b>Fund management Company:</b>	FundRock Management Company S.A.
<b>NAV:</b>	SEK 192.4 EUR 164.8
<b>Minimum subscription:</b>	n.a.
<b>ISIN code:</b>	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](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).