

AGCM Asia Growth Fund



March 2, 2021

Why China outspends the World in infrastructure, 5G and AI

During the month of February, the NAV of AGCM Asia Growth Fund RC SEK share class increased by +5.0% and the WP EUR share class increased by +3.6%.

The activity in the Chinese property market is rising. While the year-on-year growth in transaction volumes for January and February are a bit difficult to interpret given last year's lockdowns, rising sales volumes and firm prices leave no doubt that the property market continues to recover from the pandemic-induced build-up in inventory. The share prices of our Chinese real estate developers rallied in late February on strong sales statistics and on news that the rules for land auctions in China will change in a way that favors the large players.

Chinese life insurance company Ping An reported a satisfactory result for full year 2020, operating profit increasing by 5% year-on-year. Quite an achievement considering the restrictions on face-to-face meetings during COVID-19 and the difficulties for sales agents to meet with customers. During the earnings call with Ping An's management after the report, the company guided for positive growth in the value of new business in 2021, with a gradual recovery throughout the year.

Following the examples of Alibaba and JD.com, social media platform Weibo and online travel agent Trip.com reported that they will also list on the Hong Kong stock exchange. Trip.com plans to raise up to USD 2 billion in a Hong Kong listing in April, whereas Weibo is targeting to raise USD 700 million in the second half of 2021. Secondary listings such as these have had a very positive effect on share prices. Investors based in China and Hong Kong tend to better recognize the value in high quality Chinese technology companies, than do Western investors.

China continues to invest in all sorts of hard and soft infrastructure, as a way of growing the economy and building a prosperous society. In late February, China's State Council announced some impressive and specific targets. By 2035, China will have a total of 400 large airports, 200,000 kms of railways, 460,000 kms of roads, 27 coastal ports, 36 riverside ports and 80 postal logistics hubs. This infrastructure will enable China to achieve the "1,2,3 transport circle", which refers to reducing all commutes in cities to less than one hour, travel between city clusters under two hours and having all major municipalities just a three-hour journey away from each other.

China has emerged as the global leader also in mobile 5G infrastructure, outspending the rest of the World combined by a factor two-to-one. The nation now has more than 718,000 5G base stations, 70% of the World's total, covering all of China's major cities. Domestic sales of 5G-enabled devices, mostly smartphones, have totaled more than 200 million to date, with more than nine of every ten smartphones sold in China now 5G-enabled. Combining 5G with China's Beidou satellite navigation network, the infrastructure is soon in place to welcome new growth industries such as electric autonomous driving vehicles, automated manufacturing and mobile entertainment. Former Google CEO Eric Schmidt recently said China is only one or two years behind the US in artificial intelligence and is catching up fast. The foundation is now being laid for even more amazing investment opportunities in Asia in the years ahead.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

February 2021



Performance

As of 28/02/2021	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	+5.0%	+11.3%	+26.9%	+106.6%	+91.7%
AGCM Asia Growth Fund WP EUR	+3.6%	+8.2%	+30.3%	+93.3%	n.a.

Top 5 holdings %

As of 28/02/2021

Company	Weight
Alibaba Group	8.0%
Tencent Holdings	8.0%
COLI	6.7%
Samsung Electronics	5.6%
China Vanke	4.5%
Total	32.8%

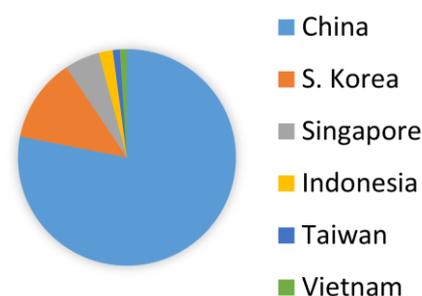
Industry breakdown

As of 28/02/2021

Communi...	25%
Financials	22%
Consumer	17%
Real Estate	16%
Healthcare	12%
Info Tech	8%

Geographic breakdown

As of 28/02/2021



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:	03-Oct-2014
Fund size:	SEK 1263 million
Number of holdings:	39
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 191.7 EUR 162.7
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.