

April 1, 2026

## China presents a new ambitious five-year plan for 2026-2030.

During March, the NAV of AGCM Asia Growth Fund RC SEK decreased by -3.4% and WP EUR share class by -6.1%.

Despite Trump's promises of no more foreign wars, and in breach of international law, the US together with Israel have launched yet another war of aggression. Iran is the final country on a list of seven in the Middle East that senior US officials in the George W. Bush-administration planned already in the early 1990-ies to go to war against. It is an illegal war of aggression in breach of the UN Charter Article 2 and the UN General Assembly Resolution 3314 of 1974. But the current leadership in Washington has declared the US no longer cares about international law.

Having been betrayed twice and attacked by the US in the middle of negotiations, there is no interest by Iran to negotiate. The diametrically opposed positions of the US and Iran imply that negotiations would be meaningless anyway. Iran demands that the US military leaves the region permanently, pays reparations for war damages, and that all sanctions on Iran are lifted. The US latest proposal, a 15-point program conveyed by Pakistani mediators would amount to a complete Iranian surrender and was dead on arrival. Even if he wanted, Trump can simply not declare victory and exit the war since Iran would continue to attack the 19 US military bases in the region.

This means that the Strait of Hormuz will likely continue to be closed to US allies for some time, blocking transportation of oil, gas and fertilizers to Europe. If the Houthis in Yemen join the war and interrupt oil and gas transports to Europe via the Red Sea, this could take an additional 10 percent of World oil and gas supplies off the market on top of the 20 percent that is not coming through Hormuz. The outlook for the World economy looks increasingly bleak with higher inflation, higher interest rates and declining economic activity on the horizon.

The outlook for China looks relatively better since it can still import oil from Iran. Furthermore, China has for years made huge investments in renewable energy. At present, 35 new nuclear power plants are under construction and last year the country added over 300 GW in solar power capacity. By 2040, solar energy will account for one-third of the nation's total electricity generation. Today, 55% of all new cars registered in China are electric and in ten years, most of China's ground transportation sector will be electrified. Our substantial fund investments in the World's leading battery and electric car companies in China were the best performing holdings in March.

In early March, China's government presented the nation's new five-year plan for the years 2026-2030. A key component of the plan includes accelerated efforts to sanction-proof the economy by reducing dependence on foreign technologies. The sectors China will focus on in the coming five years include semiconductors, AI, robotics, automation, advanced computing, aviation, satellites and biotechnology. Speaking of biotech, China set a record in the first quarter 2026 by out-licensing drug candidates mostly to international pharmaceutical companies for a combined deal value of USD 60 billion, an increase of +73% compared to the same period last year.

My colleague Yan reports from Wuhan that Trump has a nickname in China which most people seem to know, "Chuan Jian Guo". It means "Trump the nation builder". A sarcastic way to say Trump's aggressive foreign policies only makes China stronger, more unified and self-sufficient.

## South Korea

In March, South Korea navigated a sharp geopolitical shock and rolled out major strategic investments. The escalation of the US-Iran conflict triggered a surge in global energy prices and market sell-off, with Korean equities plunging and the Korean won hitting a 17-year low. While geopolitical risks remain elevated, the Korean government approved a landmark USD 350 billion investment in the U.S. in exchange for more favorable reciprocal tariff rates. The government also unveiled a USD 6.5 billion national strategy to accelerate AI, semiconductor, and strategic technology under the "NEXT" (Novel Emerging eXponential Technologies) framework. The plan is part of a five-year roadmap through 2028 aimed at securing technological sovereignty. Samsung Electronics announced it would triple its production of advanced AI memory chips and plans to commit over USD 73 billion to facilities and R&D in 2026 while pursuing M&A in robotics, MedTech, and auto electronics.

## Singapore

In March, Singapore's diversified, non-oil-dependent economy and strong forex reserves insulated it from the US-Iran conflict, with the market outperforming regional peers and the currency remaining stable, reinforcing its safe-haven status. The three major banks declared record 2025 dividends (DBS at 5.9% yield, OCBC and UOB at 4.7-5.2%), signaling strong capital deployment while expanding wealth management to cement Singapore's role as Asia's cross-border wealth hub. Meanwhile, Singapore's Budget 2026 moved into full implementation: the "Champions of AI" pilot launched with 12 anchor firms, 2300 SMEs claimed 400% AI tax deductions, and green finance incentives activated, driving immediate AI and green capex. Advanced market reform discussions and new AI/semiconductor investments further positioned Singapore as a neutral, high-quality base for global supply chains.

## Indonesia

In March, the Indonesia Stock Exchange has officially implemented a mandatory 15% minimum free float requirement for all listed companies, up from 7.5%, with large-cap firms given until 2028 and smaller caps until 2029 to comply. This reform, directly addressing MSCI's warning, aims to improve listed company quality, with delisting as the consequence for firms failing to meet the threshold within the designated timeframe. Also, Indonesia announced a strategic pivot from nickel mining to downstream EV battery production. This shift aligns with tighter nickel quotas and a global move toward nickel-free LFP batteries, positioning Indonesia to capture higher value in the EV supply chain through integrated manufacturing rather than raw material extraction. Telkom Indonesia accelerated its "TLKM 30" transformation by streamlining its portfolio and reducing its subsidiary count from ~60 to 14, to boost operational efficiency and unlock shareholder value by exiting underperforming assets.

## India

The US-Iran conflict severely impacted India's economy and equity market. Foreign institutional investors (FIIs) sold a record USD 12 billion of Indian equities in March - the largest monthly outflow ever, and the rupee hit a fresh low. With 90% of India's crude needs imported, and 40-50% transiting Hormuz, the shock drove up the fuel costs, forcing the central bank to pause any planned rate cuts in 2Q 2026. India responded by ramping up Russian crude purchases to near all-time monthly highs, accounting for 35-40% of its demand, while cutting excise duties and releasing strategic reserves to ease inflation pressure. This crisis accelerated India's structural shifts toward energy diversification, including Russian crude, domestic refining capacity, and long-term green-energy investments - shifts that could benefit energy, defense, and manufacturing sectors in the future if geopolitical tensions ease.

**Gustav Rhenman**, Chief Investment Officer

# AGCM Asia Growth Fund

Monthly Report

March 2026



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 31/03/2026	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	-3.4%	-2.1%	+24.0%	+12.4%	+123.9%
AGCM Asia Growth Fund WP EUR	-6.1%	-3.2%	+33.8%	+15.0%	n.a.

## Top 5 holdings %

As of 31/03/2026

Company	Weight
Tencent Holdings	7.9%
Alibaba Group	6.7%
Bank Central Asia	5.5%
Bank Mandiri	4.5%
AIA Group	4.4%
<b>Total</b>	<b>29.0%</b>

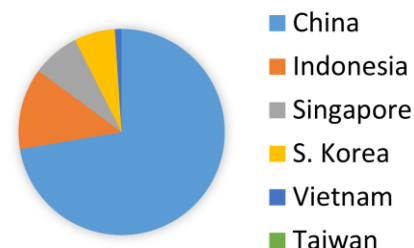
## Industry breakdown

As of 31/03/2026

Consumer	32%
Financials	30%
Communi...	17%
Info Tech	9%
Real Estate	5%
Industrials	4%
Healthcare	3%

## Geographic breakdown

As of 31/03/2026



## 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 593 million
Number of holdings:	38
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 223.9 EUR 192.2
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](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).