

AGCM Asia Growth Fund



ASIA GROWTH CAPITAL MANAGEMENT

May 4, 2026

China launches a USD 14 trillion artificial intelligence plan

During April, the NAV of AGCM Asia Growth Fund RC SEK increased by +0.7% and WP EUR share class by +2.0%.

The massive movements of US military aircraft in the past two weeks into West Asia loaded with munitions and troops have reduced the likelihood of a negotiated settlement between the US and Iran. President Trump on Truth Social writes that Iran has not yet paid a “big enough price for what they’ve done”. By declaring that the war “Epic Fury” ended with the cease-fire, and by yesterday declaring a new operation “Project Freedom”, Trump seeks to circumvent the 60-day rule in the War Powers Act that limits how long a president can use military force without the approval of Congress. Trump’s top military staff at CENTCOM led by Admiral Cooper, have reportedly advised President Trump against new attacks on Iran but Trump is hard pressed by his key donors to continue. “Project Freedom” could be just an excuse for the US to renew the attacks on Iran, but this remains to be seen.

In any event, the direction of travel is obvious with rising inflation due to shortages of fuels, gas and fertilizers. Falling economic activity will lead to declining tax revenues, larger budget deficits and strained bond markets. In a recent interview the CEO of JP Morgan, Jamie Dimon, again warned that if the current course is not corrected, we are headed for a bond market crisis. As for Asia, the shortage of oil will affect the countries very differently. South Korea, China and Japan have large strategic petroleum reserves relative to the sizes of their economies, whereas India, Vietnam, Indonesia and the Philippines have quite small reserves. China began preparing for oil shortages already two decades ago and the electrification of its economy is moving forward rapidly. China now produces one third of all electricity in the world and continues to build new capacity. Battery stocks surged in April led by CATL after it reported that first quarter net profit rose +48% year-over-year to CNY 20.7 billion on revenues which rose +52% YoY to CNY 129 billion. CATL management guides for +20-30% yearly sales growth in the coming five years.

On April 21, China’s State Council announced a new policy framework to expand the service sector to 100 trillion yuan (approx. USD 14 trillion) by 2030 with artificial intelligence as a key driver. The CNY 100 trillion target implies that China’s service sector will account for around 60% of the economy by 2030. The plan is in line with Beijing’s long-stated ambition to increase the role of services and high-tech manufacturing as economic growth drivers.

The core of the policy is the “AI+ initiative” which integrates artificial intelligence into every sector of the economy. Specifically mentioned are AI models such as large language models, intelligent programming tools, AI agents and industrial automation tools. The new framework also includes computing hardware with cloud datacenters, as well as memory chips and microprocessors. Under the heading “Data as a strategic asset” the new plan mentions building high-quality industry datasets to enable sector-specific AI training. Policy tools mentioned by the State Council include subsidized loans and equity capital from investment funds. The gap in performance between top-tier AI models developed by the US and China has largely closed, according to a new report from Stanford University’s AI institute. Nvidia’s CEO Jensen Huang may be proven right when saying China is winning the AI race.

On April 28, China’s Ministry of Education introduced 38 new technical university programs, including low-altitude flying vehicles (eVTOL), next-generation AI and robotics, in line with the country’s industrial development needs. Other new programs include biomanufacturing, brain-computer technology, agricultural robotics and digital finance. China produces around 4.5 million STEM (Science Technology Engineering and Math) graduates per year.

South Korea

In April, Samsung Electronics delivered record-breaking earnings for Q1 2026. Revenues hit KRW 133.9 trillion (USD 91 billion, +70% YoY) and operating profit surged seven-fold YoY to KRW 57.2 trillion (USD 39 billion), driven by an AI-led memory boom with memory profits growing 48-times YoY from supply shortages and high-value AI products. Samsung expects demand to remain strong through 2H26 with capex increasing substantially, high-end AI memory chip shipments accelerating and related revenues could triple in 2026. Korea's April trade data also reaffirmed the country's semiconductor dominance with exports +48% YoY to USD 85.9 billion and semiconductor exports surging +173.5% to USD 31.9 billion, generating a USD 23.8 billion trade surplus. In parallel, Samsung's Lee family completed Korea's largest-ever inheritance tax payment of KRW 12 trillion (~USD 8 billion, 50% above 2024 total national inheritance revenue) over five years, while donating 23,000 artworks and USD 680 million to medical research, which resolves a major corporate governance overhang.

Singapore

Singapore posted resilient Q1 2026 growth of +4.6% YoY, as the Middle East conflict raises near-term headwinds despite manufacturing and construction strength. Singapore's largest bank DBS Group delivered a strong Q1 result with net profit up +1% YoY to SGD 2.9 billion (~USD 2.3 billion) and record total income of SGD 5.95 billion (~USD 4.7 billion), driven by record wealth management performance, double-digit fee income, and markets trading income that more than doubled - offsetting a 5% drop in net interest amid lower rates and a stronger SGD. The bank saw robust safe-haven deposit inflows, loan growth led by corporates, and maintained solid asset quality. On the policy front, Singapore's government launched a public consultation on autonomous vehicles, seeking feedback on safety rules, compensation, and operator liabilities to prepare for expanded driverless deployment and provide legal clarity as it transitions from a human-driver-focused framework.

Indonesia

Indonesia's regulators are making positive progress on MSCI-related market reforms: Indonesia Stock Exchange (IDX) is expanding investor classifications, lowering public ownership disclosure thresholds from 5% to $\geq 1\%$, publishing a high shareholder concentration list, and raising free-float requirements with higher penalties for non-compliance. IDX believes the MSCI downgrade risk to Frontier Market is low. MSCI acknowledged Indonesia's regulatory action points on market transparency and will continue engaging with regulators and market participants. With low valuations, the reform efforts should help rebuild foreign investor confidence and support a market rerating, favoring blue chips. Also, Indonesian banks are showing resilient fundamentals with strong funding franchises and cost control, while navigating cautious loan growth and active asset-quality management.

India

The Iran war has hit India's merchandise exports, dragging them down about 7% in March to USD 38.9 billion as shipments to key markets like the UAE and the U.S. fell sharply across sectors. Experts warn that Indian exporters face a "wave of headwinds" and that full recovery in trade will likely take several months even if the hostilities wind down soon. Also, the energy shock from the Iran war is pushing Indian companies to explore partnerships with China in EV charging, batteries, and renewables, as energy security becomes more urgent. A first Indian business delegation in over five years recently visited Chinese firms, reflecting a cautious thaw in bilateral ties and a willingness to pursue technology transfer tie-ups and joint ventures. The move also highlights India's dependence on imported energy and China's strength in key clean-tech inputs such as batteries, renewables and rare earths.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

April 2026



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 30/04/2026	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	+0.7%	-1.4%	+15.7%	+15.0%	+125.4%
AGCM Asia Growth Fund WP EUR	+2.0%	-1.3%	+28.0%	+17.5%	n.a.

Top 5 holdings %

As of 30/04/2026

Company	Weight
Tencent Holdings	7.5%
Alibaba Group	6.9%
Samsung Electronics	5.0%
Bank Central Asia	4.8%
CATL	4.5%
Total	28.7%

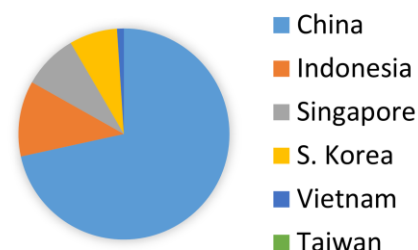
Industry breakdown

As of 30/04/2026

Consumer	33%
Financials	28%
Communi...	16%
Info Tech	9%
Real Estate	6%
Industrials	4%
Healthcare	3%

Geographic breakdown

As of 30/04/2026



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 592 million
Number of holdings:	38
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 225.4 EUR 196.0
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909 EUR WP LU 1163023143

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, Birger Jarlsgatan 10, 5 tr, 114 34 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.