



ASIA GROWTH CAPITAL MANAGEMENT

Stockholm, November 2, 2015

Glorious news from China – Alibaba and Baidu shares soar

During the month of October, AGCM Asia Growth Fund SEK increased by 14.7% and the Euro share class by 14.4%. By October 31, the fund NAV was up 7.9% since inception on October 3, 2014.

Just as the US-based China bashers were screaming the loudest, China delivered a string of impressive data and grand action plans. The communist party convened last week in Beijing to approve the country's new economic five-year plan. China's leaders announced that over 100 million migrant workers who have moved into cities without a residency permit ("hukou") will be fast tracked for residency. As a consequence, these workers and their families will be included in China's social security system. This will provide a further boost to the already fast growing personal consumption rate as well as to the residential construction sector. Also, the three decades old one-child policy will be replaced with a two children limit.

Another relevant element of the five year plan is the accelerated reformation of China's state-owned enterprises ("SOE"). Total assets of the SOEs amount to around RMB 100 trillion (15 trillion USD), of which only a fraction have been listed on the stock markets. Chinese analysts estimate there will be at least an additional RMB 10 trillion (1.5 trillion USD) of SOE assets entering into the stock market in the next five years, through IPOs and asset injections into already listed entities. We need to review our forecast for which year China surpasses the US as the largest stock market in the world. That could happen within a decade.

No final decision yet by the IMF, but we believe it is only a matter of time before the Chinese yuan will be awarded reserve currency status. More and more IMF-member countries are folding to the intense lobbying by China. Angela Merkel said in her visit to Beijing last week that Germany would welcome the yuan's inclusion among the global reserve currencies, following a similar statement by David Cameron on the UK's behalf the week before. For China, inclusion is not just a matter of prestige. Inclusion could lead to a demand of several trillion RMB from central banks in just a few years.

China reported a series of positive macro data during October, not least the 3Q GDP growth number which came in at 6.9%. October manufacturing PMI remains stable at around 50 while the services PMI remains very strong at around 53. China's trade surplus during September exceeded 60 billion USD. Unsurprisingly, the choir of US-based China sceptics focused instead on China's low import figure claiming this was a proof of economic weakness. It is surprising to us that arguments such as these are passed on by media unchallenged. The reason for falling Chinese imports are largely explained by falling commodity prices, not by falling volumes. Imports also slide because domestic Chinese suppliers are growing their markets shares.

Internet giants Alibaba and Baidu both reported very strong numbers for Q3 with revenues growing at 32% and 36%, respectively. Earnings growth also exceeded expectations and share prices soared. On a side note, the UK government announced that Alibaba founder Jack Ma, has been appointed by British Prime Minister David Cameron to advise him on business in China. One could say times are changing, or tables are turning.

Gustav Rhenman

Chief Investment Officer



Performance

| As of 31/10/2015 | 1 month | 3 month | YTD | Since launch Oct 3, 2014 |
|------------------------------|---------|---------|-------|-----------------------------|
| AGCM Asia Growth Fund RC SEK | +14.7% | -3.3% | -0.7% | 7.9% |
| AGCM Asia Growth Fund WP EUR | +14.5% | -2.1% | n.a. | n.a. |

Top 5 holdings %

As of 31/10/2015

| Company | Weight |
|-------------------------|--------------|
| Baidu Inc | 7.0% |
| Tencent Holdings | 6.6% |
| Lenovo Group | 6.5% |
| Alibaba Group | 5.6% |
| China Construction Bank | 4.8% |
| Total | 30.5% |

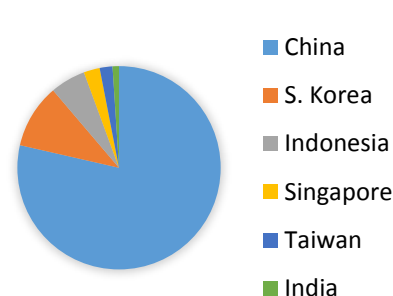
Industry breakdown

As of 31/10/2015

| | |
|-------------|-----|
| Internet | 30% |
| Banks | 24% |
| Technology | 14% |
| Real Estate | 9% |
| Automotive | 7% |
| Consumers | 6% |
| Healthcare | 6% |
| Telecom | 3% |

Geographic breakdown

As of 31/10/2015



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 613 million |
| Number of holdings: | 35 |
| Management fee: | 1.85% |
| Fund management Company: | SEB Fund Services Luxembourg |
| NAV: | SEK 107.85 EUR 97.52 |
| 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.