

AGCM Asia Growth Fund



July 5, 2022

Looking so much better

During the month of June, the NAV of AGCM Asia Growth Fund RC SEK increased by +5.6% and the WP EUR share class by +3.4%.

The US and large parts of Europe remain in stagflation with weak economic growth, high inflation, and an increasing headwind from monetary policies. Commodity price pressures caused by the war in Ukraine persist. During these conditions, one obvious hiding place for global equity investors is North Asia, which in most of the above respects is looking so much better. Despite its whack-a-mole approach to Covid, China still has solid economic growth, low inflation, and cheap equity markets. In addition, policy makers in Beijing have launched massive economic stimulus in terms of tax cuts, accelerated public spending on infrastructure and housing, as well as generally looser credit conditions via the banking system.

There was a notable improvement in China's May economic data released by the National Bureau of Statistics in June. Despite the Covid-lockdowns, the added value of industrial enterprises increased by +0.7 percent year-over-year, an improvement on April's -2.9 percent decline. China's economy continued to improve in June, and we expect a descent growth rate for the third quarter as the drag from lock downs is replaced by a stimulus boost.

Today, China's Caixin PMI figures for June were released. Caixin PMI differs from China's official PMI released by the government in that Caixin's survey has a tilt towards small- and medium-sized companies and thus the private sector. Caixin's June PMI figures point to a strong improvement compared to May. The Composite PMI was 54.1 in June vs 48.8 in May, Services PMI 54.5 in June vs 41.4 in May and manufacturing PMI 51.7 vs 48.1 in May.

Infrastructure investment is back as a significant growth driver in China, rising +6.7 percent in the five months ended May 31. China's high-speed rail network has now surpassed the 40,000-kilometer mark, connecting 93 percent of domestic cities with a population of over 500,000, and the expansion continues.

Direct investments by foreign companies also contribute to China's economic growth and the current account surplus. British-Swedish AstraZeneca announced it will establish its sixth regional headquarters in Shandong's capital city Qingdao and build a factory to produce aerosol therapies for chronic obstructive pulmonary disease. Siemens announced it recently started operations in its new numerical control machine factory in Nanjing. Another new Siemens production facility in Shanghai for in vitro diagnostic reagents will be completed later this year. Siemens is also building a new R&D center in Shanghai.

There is not much to report in terms of major news from our holdings in June, but we look forward to the first half fiscal years reports in July, and a stream of generous dividends rolling in throughout the summer.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

June 2022



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 30/06/2022	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	+5.6%	+5.0%	+15.8%	+40.4%	+85.6%
AGCM Asia Growth Fund WP EUR	+3.4%	+1.5%	+14.5%	+33.3%	n.a.

Top 5 holdings %

As of 30/06/2022

Company	Weight
Alibaba Group	6.9%
Samsung Electronics	6.2%
Tencent Holdings	5.4%
China Mobile	5.0%
Ping An Insurance	4.0%
Total	27.5%

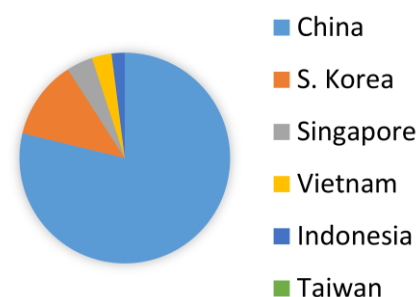
Industry breakdown

As of 30/06/2022

Financials	34%
Consumer	18%
Communi...	17%
Real Estate	12%
Healthcare	10%
Info Tech	8%

Geographic breakdown

As of 30/06/2022



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 951 million
Number of holdings:	42
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 185.6 EUR 155.8
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.