

December 1, 2025

Asia's lead in patents grows. Nvidia's CEO says China will win AI race.

In November, the NAV of AGCM Asia Growth Fund RC SEK decreased by -2.2% and WP EUR share class by -1.9%. The developments in Asian equity markets in November were mostly on the soft side, largely explained by weakness in technology stocks. Concerns globally about the outsized influence of a small number of US technology and AI-oriented firms on market indexes continue to rise. The weakness in the US tech sector in November spilled over to Asian tech companies, despite the latter trading at a fraction of the valuation multiples of their US peers.

According to Australian Strategic Policy Institute (ASPI), China has gone from basically nowhere 30 years ago to global leadership in research in 57 of 64 areas identified by ASPI as critical future technologies. Evidence supporting ASPI's findings can be seen in patent statistics. According to a recent report by the World Intellectual Property Organization (WIPO), China accounted for nearly half of the World's total patent applications and more than three times the number submitted in the US. China issued over one million patents, more than three times the amount issued in the US. Around 93 per cent of patent applications made in China were from its residents. In the past decade, Asia's share of total applications filed globally rose by 70 per cent. China, India and South Korea have consistently been the main contributors to the overall growth in patent filings.

AGCM's fund investment holding Xiaomi got some nice publicity during the Asia-Pacific Economic Cooperation (APEC) summit meeting in South Korea. Xi Jinping presented a pair of Xiaomi mobile phones as a state gift to his Korean counterpart Lee Jae-myung. Xi Jinping pointed out that the displays on the Xiaomi smartphones were made in South Korea. In a relaxed exchange Lee asked if the line was secure. Xi replied, "You can check if there is a back door." The selection of Xiaomi's flagship consumer product as a state gift reflects Xiaomi's growing status as a symbol of China's technological ambitions. This was Xi's first state visit to South Korea in eleven years. Xi called for the two nations to consolidate mutual trust and to stabilize a relationship that has been tested by regional security concerns and supply-chain issues.

In an interview with the Financial Times in early November, Nvidia's CEO Jensen Huang was quoted as saying that China "is going to win" the race to develop next-generation artificial intelligence, urging Washington to avoid overregulation and export restrictions. Huang also pointed to China's massive energy cost advantage over the US.

Last week we made a road trip in southern Guangdong and Hong Kong to visit 14 companies in a variety of industries. Electrical vehicles, drones, flying "cars", driverless cars, communication services, automation, biotech, insurance and real estate. In brief, the pace of economic development in China remains fast and steady, corporate ambitions are generally high, and the scale in manufacturing is in some cases mind boggling. The level of technology in industries such as biotech, EVs, IT, drones are higher than what is generally perceived by Western investors.

Online travel agency Trip.com reported strong financial results for the third quarter of 2025. Topline growth remains in the mid-teens, growing +16% year on year to 5.6 bn RMB. Net profit +193% year over year to 20 billion RMB, largely due to a partial disposal of an investment. China inbound travel bookings more than doubled from last year. The new visa-free policy has contributed over 70 per cent of the arrivals. China's inbound travel is still recovering from the slump during Covid. Inbound travel accounts for less than 0.5% of China's GDP, well below the 1-2% levels typically seen in developed markets, meaning there is substantial room for growth.

South Korea

In November, Korea's exports grew +8.4% year-on-year, with semiconductor shipments surging +38.6%, the highest on record. Samsung Electronics plans to expand its memory chip capacity amid rising price and supply shortages, and invest ~USD 1.9 billion to modernize its Austin factory, supporting AI-driven demand and the broader US market. Korean government finalized the Commercial Act amendment, mandating cancellation of treasury shares within 1–1.5 years, limiting their use to defend management control, and raising investor expectations for capital discipline. South Korea and the UAE signed a package of agreements during President Lee Jae-myung's state visit to Abu Dhabi, establishing cooperation across AI, nuclear, biopharmaceutical, and defense industries, including Korea's participation in the UAE-led "Stargate" project, a USD 20 billion plan to build a mega AI infrastructure hub in Abu Dhabi.

Singapore

In November, Singapore raised its 2025 GDP forecast to around 4%, up from the earlier 1.5–2.5% range, reflecting a stronger-than-expected Q3 performance driven by manufacturing and export demand, particularly AI-related semiconductors and servers, supported by resilient global conditions and easing U.S.-China trade tensions. Monetary Authority of Singapore (MAS) plans to launch a dual-listing bridge in mid-2026, allowing companies with market capitalization of over USD 1.5 billion to list on both Singapore Exchange (SGX) and Nasdaq using a single prospectus, reducing regulatory friction and costs. The initiative aims to attract fast-growing Asian companies and deepen Singapore's equity-market competitiveness.

Indonesia

In November, Indonesia reported Q3 GDP growth of 5.04% year-on-year, and stronger domestic demand drove a rebound in manufacturing PMI to 53.3. The government introduced a USD 3 billion fiscal stimulus to support year-end consumption and investment. These measures, combined with liquidity injections of USD 12 billion via state-owned banks and non-fiscal reforms easing investment barriers, aim to help Indonesia reach its 2025 full-year growth target of 5.2%. President Prabowo Subianto has pledged to lift growth to 8% by 2029. Indonesia also plans to gradually increase the minimum free-float requirement for listed companies as part of its effort to improve stock market liquidity and attract more investors. This reform will increase the minimum level from the current 7.5% to finally 25% in various stages.

Vietnam

In November, Vietnam and the US concluded productive negotiations on services, digital trade, agriculture, semiconductors, and high-tech transfer barriers. Separately, bilateral ties with China expanded via Comprehensive Economic Partnership Agreement (CEPA) frameworks supporting supply-chain integration and market access. The central government affirmed pro-growth fiscal policy, approving 2026 targets: +10% GDP growth, USD 5,400-5,500 GDP per capita, 4.5% inflation, public investment +9% year-on-year, and public debt 36-37% of GDP - well below the 60% cap, leaving policy room for continued economic support. Hanoi approved a phased Low-Emission Zone (LEZ) roadmap restricting Internal-Combustion-Engine (ICE) motorbikes from entry, tightening ICE registrations and banning ride-hailing ICE bikes inside the restricted zones.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

November 2025



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 30/11/2025	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	-2.2%	+8.7%	+32.5%	+33.0%	+134.7%
AGCM Asia Growth Fund WP EUR	-1.9%	+15.0%	+42.1%	+32.6%	n.a.

Top 5 holdings %

As of 30/11/2025

Company	Weight
Tencent Holdings	8.2%
Alibaba Group	8.0%
AIA	4.6%
Trip.com	4.3%
DBS Group	4.1%
Total	29.2%

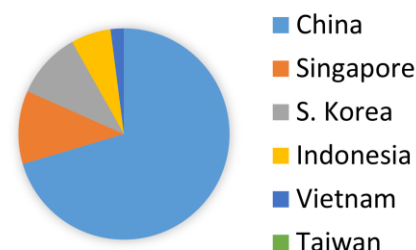
Industry breakdown

As of 30/11/2025

Consumer	32%
Financials	26%
Communi...	20%
Info Tech	8%
Real Estate	6%
Healthcare	4%
Industrials	4%

Geographic breakdown

As of 30/11/2025



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 632 million
Number of holdings:	38
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 234.7 EUR 201.4
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909 EUR WP LU 1163023143

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