

# AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

January 3, 2026

## China delivers on its plans

During December, the NAV of AGCM China Stars Fund RC1 SEK decreased by -4.4%. The full year return in 2025 measured in SEK was a mere +4.7% due to a major strengthening of the SEK vs the HKD (and USD).

After 23 years of full time focus on Asian equity opportunities with countless road trips and thousands of management meetings, we are as excited as ever about the outlook for the region and our fund holdings. It is not just about the undervalued Asian currencies, or the massive liquidity injections by the PBOC, it is also about China's huge household cash piles waiting to be reallocated to the stock market and to a larger extent used for consumption. In almost every industry there are young Asian companies growing rapidly in their home markets, on their way to become global players. Most of these companies are still largely unknown to Western investors. To the extent these companies are listed and publicly traded, valuation multiples are often substantially lower than their Western peers.

Another factor behind our optimism stems from China's determination to become self-sufficient in advanced technologies. With new government led industrial development programs such as "Made in China 2025", China aims for global leadership also in space and aviation, semiconductors, AI, advanced materials, biotech and so much more. China also seeks to develop new industries we don't even have names for yet. One can refer to Australia's government funded study (by ASPI) describing the 64 critical research areas of which China now leads in 57, to get an idea of areas in which China will develop new high-tech industries. So, plenty of new opportunities ahead.

The speed at which corporate China moves is mind-blowing. The electrical vehicle (EV) maker BYD is only 30 years old and has grown to become the largest EV producer in the World, surpassing Tesla. BYD has over 100,000 R&D engineers working continuously to improve quality and performance. While growing fast in the young Chinese EV-market, China circumvents trade barriers by setting up production, distribution and service inside the trade unions. As an example, BYD is in the process of setting up 80 distribution and service points only in Sweden. There are similar ambitious plans for other European markets. By 2028, all BYD cars sold in the EU will be produced in the EU.

In late December, China's Ministry of Finance announced plans for 2026 with major increases in spending in advanced manufacturing, technological innovation and education. New tax incentives for pilot cities engaging in high-tech manufacturing will be introduced. A national venture capital fund will be launched, aiming to mobilize RMB 1 trillion (USD 150 billion) to support companies in strategic emerging and future industries.

During the 8th General Assembly of the Securities Association of China on December 6, the chairman of China's financial regulator CSRC stated that during the "15th Five-Year Plan" period the securities industry will shoulder four major missions: serving the real economy, helping households optimize asset allocation, supporting the development of a strong financial nation, and advancing high-level opening-up. In practice, this means promoting fund flows to equity markets from both local and foreign investors. Rising stock markets in China will help boost domestic consumption via the wealth effect, at the same time reducing reliance of bank credit to fund the corporate sector. It is fully consistent with Prime Minister Li Qiang's pledge back in January 2024 to boost the confidence in China's financial markets. Not for the short-term, but for the medium and long-term. One thing we have learned over the years is that China's government stands by its commitments. This bodes well for 2026.

**Gustav Rhenman**, Chief Investment Officer



# AGCM China Stars Fund

Monthly Report

December 2025



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 31/12/2025	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-4.4%	+4.7%	+38.4%	+31.2%	+60.0%
AGCM China Stars Fund RC8 SEK	-4.3%	+5.3%	+40.0%	+34.7%	+67.7%

## Top 5 holdings

As of 31/12/2025

### Company name

Tencent Holdings

Alibaba Group

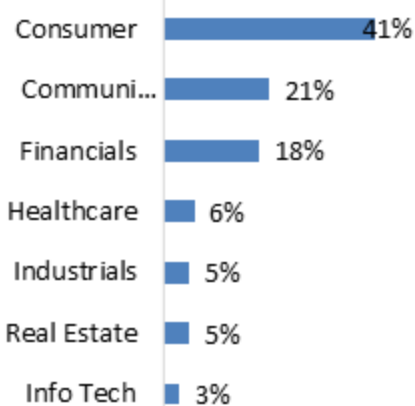
Midea Group

CATL

Trip.com

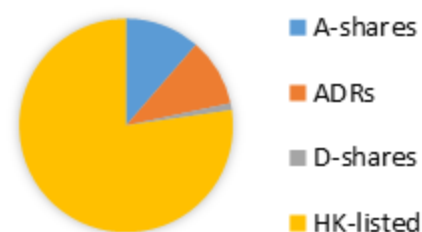
## Industry breakdown

As of 31/12/2025



## Market breakdown

As of 31/12/2025



## 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:	28-August-2017
Fund size:	SEK 179 million
Number of holdings:	35
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 160.0 (RC8) SEK 167.7
Minimum subscription:	n.a.
ISIN code:	SEK RC1 LU 1608617111 SEK RC8 LU 1608617384

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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).