

AGCM China Stars Fund



February 2, 2026

World leaders rush to China for trade and cooperation agreements

During January, the NAV of AGCM China Stars Fund RC1 SEK decreased by -2.3%. The appreciation of the SEK in January weighed on the return measured in SEK.

Never interrupt and adversary when he is making a mistake. This proverb has been attributed to Napoleon but was coined centuries earlier in China by General Sun Tze, whose teachings on military strategy are well known to China's leadership. While the Trump administration continues to erode the international standing of its country, leaders of other nations are flocking to China for deepened agreements on trade, investments, security and cultural exchange. In January alone, the leaders of Canada, the UK, Ireland, South Korea and Finland have visited China for such agreements. Several more country leaders, including Donald Trump, have visits to China scheduled in the spring.

China's trade surplus in 2025 broke a new yearly record, reaching USD 1.19 trillion in 2025. That implies an increase by 20% over previous year and corresponding to 6% of China's GDP. Chinese manufacturers have handled US tariff hikes by exporting to other markets. Exports to Africa increased by 26% and ASEAN countries by 13% in 2025.

The new Chinese cross-border interbank payment system (CIPS) has silently been adopted by 121 countries around the World. It serves as an efficient tool for settling payments in Chinese yuan. CIPS reduces the need for countries to hold USD reserves and will contribute to a worsening balance in demand and supply of USD denominated debt. Recently, the US added USD 1 trillion to its national debt in only 71 days. No wonder the USD is under pressure.

After five years of playing catch-up, Xiaomi's fully electric SU7 overtook Tesla's Model 3 in China. Xiaomi's SU7 reached a unit sales figure of 258,000 last year, 30 per cent higher than Tesla's Model 3's deliveries of 200,000 units. A Wall Street Journal article on January 29 by a well-known columnist was titled "I Test Drove a Chinese EV. Now I Don't Want to Buy American Cars Anymore". It was Xiaomi SU7 Max, the same car that CEO of GM also loves.

Elon Musk said in a podcast appearance in January that China will far exceed the rest of the world in AI computing power, partly because of superior electric power infrastructure. China produces three times more power and educates four times as many engineers as the US does. China is still behind in semiconductors but catching up fast.

The major movers in terms of stock prices include Baidu, which rose around 17% in January on the news it will soon complete the spin-off of its chip unit Kunlunxin. The IPO of Kunlunxin on the Hong Kong Stock Exchange is a way for Baidu to unlock shareholder value and facilitate incentive schemes for key employees.

Alibaba's share price rose 18% in January, partly due to the release of the new AI reasoning model, Qwen 3 Max Thinking, substantially superior to previous versions in complex reasoning. Also, Alibaba plans to list T-Head, its wholly owned chip design unit. Other exciting developments are imminent, and we foresee additional "DeepSeek moments" in 2026 as the Chinese tech companies unravel new cost-efficient open-source AI offerings.

Our fund holdings in insurance companies AIA and Ping An performed well on data released by the Ministry of Social Security showing that the number of participants in China's basic pension and unemployment insurance system all saw steady gains last year.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

January 2026



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 31/01/2026	1 month	1 year	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-2.3%	+2.0%	+35.2%	+20.3%	+56.1%
AGCM China Stars Fund RC8 SEK	-2.2%	+2.6%	+36.7%	+23.6%	+64.0%

Top 5 holdings

As of 31/01/2026

Company name

Alibaba Group
Tencent Holdings
AIA Group
Xiaomi Corp
CATL

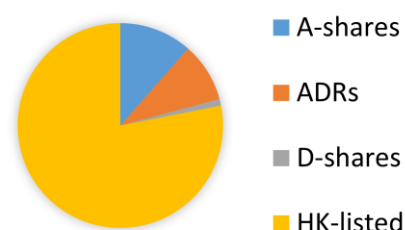
Industry breakdown

As of 31/01/2026

Consumer	41%
Communi...	21%
Financials	15%
Healthcare	7%
Industrials	5%
Real Estate	5%
Info Tech	5%

Market breakdown

As of 31/01/2026



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:	28-August-2017
Fund size:	SEK 169 million
Number of holdings:	35
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 156.1 (RC8) SEK 164.0
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 before you make an investment. You can also request such information via e-mail to info@agcm.se.