

# AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

May 4, 2026

## China launches a USD 14 trillion artificial intelligence plan

During April, the NAV of AGCM China Stars RC1 SEK increased by +0.7%.

The massive movements of US military aircraft in the past two weeks into West Asia loaded with munitions and troops have reduced the likelihood of a negotiated settlement between the US and Iran. President Trump on Truth Social writes that Iran has not yet paid a “big enough price for what they’ve done”. By declaring that the war “Epic Fury” ended with the cease-fire, and by yesterday declaring a new operation “Project Freedom”, Trump seeks to circumvent the 60-day rule in the War Powers Act that limits how long a president can use military force without the approval of Congress. Trump’s top military staff at CENTCOM led by Admiral Cooper, have reportedly advised President Trump against new attacks on Iran but Trump is hard pressed by his key donors to continue. “Project Freedom” could be just an excuse for the US to renew the attacks on Iran, but this remains to be seen.

In any event, the direction of travel is obvious with rising inflation due to shortages of fuels, gas and fertilizers. Falling economic activity will lead to declining tax revenues, larger budget deficits and strained bond markets. In a recent interview the CEO of JP Morgan, Jamie Dimon, again warned that if the current course is not corrected, we are headed for a bond market crisis. As for Asia, the shortage of oil will affect the countries very differently. South Korea, China and Japan have large strategic petroleum reserves relative to the sizes of their economies, whereas India, Vietnam, Indonesia and the Philippines have quite small reserves. China began preparing for oil shortages already two decades ago and the electrification of its economy is moving forward rapidly. China now produces one third of all electricity in the world and continues to build new capacity. Battery stocks surged in April led by CATL after it reported that first quarter net profit rose +48% year-over-year to CNY 20.7 billion on revenues which rose +52% YoY to CNY 129 billion. CATL management guides for +20-30% yearly sales growth in the coming five years.

On April 21, China’s State Council announced a new policy framework to expand the service sector to 100 trillion yuan (approx. USD 14 trillion) by 2030 with artificial intelligence as a key driver. The CNY 100 trillion target implies that China’s service sector will account for around 60% of the economy by 2030. The plan is in line with Beijing’s long-stated ambition to increase the role of services and high-tech manufacturing as economic growth drivers.

The core of the policy is the “AI+ initiative” which integrates artificial intelligence into every sector of the economy. Specifically mentioned are AI models such as large language models, intelligent programming tools, AI agents and industrial automation tools. The new framework also includes computing hardware with cloud datacenters, as well as memory chips and microprocessors. Under the heading “Data as a strategic asset” the new plan mentions building high-quality industry datasets to enable sector-specific AI training. Policy tools mentioned by the State Council include subsidized loans and equity capital from investment funds. The gap in performance between top-tier AI models developed by the US and China has largely closed, according to a new report from Stanford University’s AI institute. Nvidia’s CEO Jensen Huang may be proven right when saying China is winning the AI race.

On April 28, China’s Ministry of Education introduced 38 new technical university programs, including low-altitude flying vehicles (eVTOL), next-generation AI and robotics, in line with the country's industrial development needs. Other new programs include biomanufacturing, brain-computer technology, agricultural robotics and digital finance. China produces around 4.5 million STEM (Science Technology Engineering and Math) graduates per year.

**Gustav Rhenman**, Chief Investment Officer

# AGCM China Stars Fund

Monthly Report

April 2026



## Performance

As of 30/04/2026	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	+0.7%	-4.4%	+16.0%	+11.8%	+52.6%
AGCM China Stars Fund RC8 SEK	+0.7%	-4.3%	+17.3%	+14.8%	+60.5%

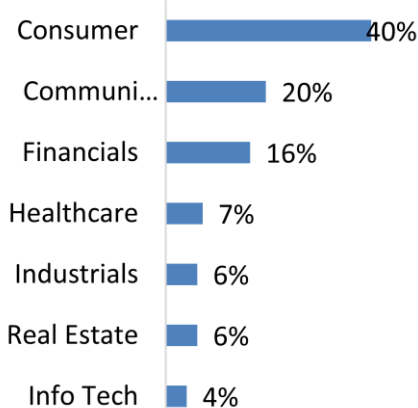
## Top 5 holdings

As of 30/04/2026

Company name
Alibaba Group
Tencent Holdings
CATL
BYD
Midea Group

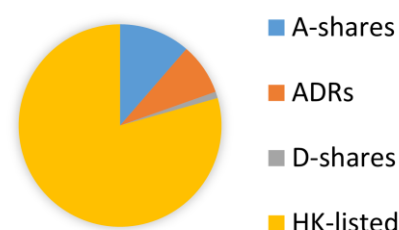
## Industry breakdown

As of 30/04/2026



## Market breakdown

As of 30/04/2026



## 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 161 million
Number of holdings:	35
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 152.6 (RC8) SEK 160.5
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).