AGCM China Stars Fund

September 1, 2026

Chinese exporters are growing fast but stock prices are going sideways

During August, the NAV of AGCM China Stars RC1 SEK decreased by -3.3%.

Global investors are increasingly focused on inflation, bond yields, AI capex and technology stock valuations. As long as the Strait of Hormuz remains closed, global oil inventories continue to fall and energy prices continue to rise. Oil derivatives such as jet fuel, diesel, gasoline and fertilizers have soared also due to outages in the refining sector. Higher energy prices are now feeding through into inflation readings, in turn leading to rising bond yields and increasing pressure on central banks to raise rates. US Treasury Secretary Bessent's intervention in the Treasury market did little to reassure investors.

As for Chinese equity markets in August, technology stocks remained in focus with several large semiconductor and robotics IPOs while stocks in the domestic consumption sector including e-commerce underperformed. Year to date, Chinese stock markets (Shanghai, Shenzhen, Hong Kong) are pretty much at the levels where they started the year despite overall solid growth in revenues, earnings and rising international market shares.

Geely, one of the World's fastest-growing automotive groups which also controls Lotus, Volvo Cars, Zeekr, Polestar, Lynk and other brands, reported Q2 revenues of RMB 90 billon, an increase of +16% year-over-year. Deliveries totaled 714,000 units with electrical vehicles rising to 60% of the total. The ex-China portion of sales rose to 38% which resulted in rising margins since prices are significantly higher in most of Geely's overseas markets. In the earnings call, corporate management communicated an upward revision of its overseas sales expectations in 2026, now raised to 920,000 units. Over the next 2-3 years, Geely targets 2 million units in its overseas sales. The company's long-term ambition is for international markets to contribute roughly two-thirds of total sales.

Automotive giant BYD reported a net profit increase of 30% year-over-year to RMB 8.2 billion while revenue declined 3% to RMB 195 billion. Exports surged 71% to over 790,000 vehicles lifting the gross margin since prices are significantly higher in BYD's export markets than in China. As for Geely, BYD's profit driver is increasingly shifting from Chinese volume growth toward higher-margin international sales.

China's National Development and Reform Committee (NDRC) held its August meeting. At the press briefing, officials vowed continued government support for advanced manufacturing, robotics, artificial intelligence, new materials, biotech and other new technologies which improve daily life, create jobs and export revenues.

China's young pharmaceutical industry set a record in out-licensing of innovative drugs to international peers, reaching a combined deal value of USD 110 billion in the first six months this year. China now accounts for 30 per cent of the World's novel drugs under development. Biopharmaceuticals have been designated in China's latest five-year plan as an emerging pillar industry eligible for various support programs. Faster regulatory reviews for critical therapies and improved clinical evaluation processes for rapid adoption are also underway.

China's next-generation CR450 bullet train, the World's fastest, has completed a 600,000-kilometer operational test, bringing it closer to commercial service. Next step is final inspection and certification of the train, which is designed to operate at around 400 kilometers per hour. This new train is expected to shift the competitive landscape between rail and air travel on major domestic routes.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

August 2026

Performance

As of 31/08/2026	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-3.3%	-5.4%	+22.6%	+25.9%	+51.1%
AGCM China Stars Fund RC8 SEK	-3.3%	-5.1%	+23.9%	+29.3%	+59.2%

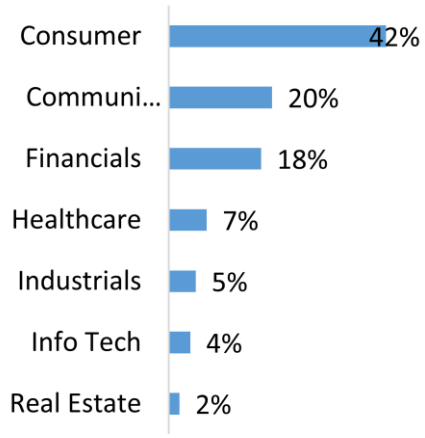
Top 5 holdings

As of 31/08/2026

Company name
Tencent Holdings
Alibaba Group
CATL
Midea Group
ICBC

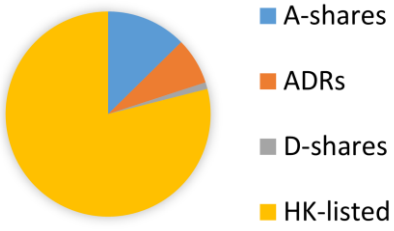
Industry breakdown

As of 31/08/2026



Market breakdown

As of 31/08/2026



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 159 million
Number of holdings:	32
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 151.1
	(RC8) SEK 159.2
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.