

# AGCM Asia Growth Fund



August 1, 2025

## Positive earnings reports and margin outlook, record trade surplus.

During July, the NAV of AGCM Asia Growth Fund RC SEK increased by +5.8% and WP EUR share class by +6.1%.

Despite the ongoing trade conflict with the United States, China's trade surplus continues to set new records. Chinese exports increased by 5.9 per cent in the first half of this year to USD 1.8 trillion. Imports contracted by 3.9 per cent to USD 1.2 trillion, resulting in a record-breaking trade surplus of USD 586 billion.

Earnings reports from the fund's portfolio holdings are so far looking quite good. World-leading battery producer CATL posted a record second-quarter profit. Net income rose 34% to 16.6 billion yuan (USD 2.3 billion) in 2Q. For the first half of the year, earnings grew 33% to 30.5 billion yuan. CATL completed the World's biggest listing so far this year in May, when it raised HKD 36 billion in Hong Kong. The proceeds will help fund a USD 7.6 billion manufacturing expansion in Hungary and Germany thereby avoiding EU import tariffs.

Our shares in Hengrui Pharmaceuticals surged on the news of a USD 12 billion licensing deal with multinational drugmaker GlaxoSmithKline. Hengrui has granted GlaxoSmithKline the rights outside China to a potential best-in-class PDE3/4 inhibitor currently in clinical development for chronic obstructive pulmonary disease (COPD), a common lung illness that causes breathing difficulties. Hengrui also granted GlaxoSmithKline the rights to eleven other innovative drug candidates in oncology, respiratory diseases, inflammation and autoimmune conditions.

Our holdings in insurance giants AIA and Ping An soared after a State Council press conference on July 18, when the government announced measures to curb excessive competition in the insurance industry, such as price wars and negative interest spreads. The market expects that this will lead to improved margins in the life insurance industry. Also, the assumed interest rates for traditional insurance and participating policies will be lowered and significantly reduce the liability cost of new policies.

On July 24, China's National Development and Reform Commission (NDRC) and the State Administration for Market Regulation (SAMR) jointly issued a draft amendment to China's Pricing Law to curb "disorderly low-price competition". The amendment is open for public comment for one month. The proposed amendment bans companies from selling below cost to eliminate competitors or to monopolize the market, except for legitimate discounts to clear excess inventory or during seasonal promotions. The policy targets primarily high-growth areas such as solar energy, lithium batteries, electric vehicles and internet e-commerce. To little surprise, investors reacted positively to the improved margin and profitability outlook.

In order to maintain its 5 percent growth target for the economy, China has introduced a raft of economic stimulus measures, including cuts in interest rates and lowered requirements of cash which banks must hold in reserve. Due to the ramped-up pro-growth policies now implemented, a number of major foreign investment banks have raised their economic growth predictions for China. JPMorgan Chase, Goldman Sachs, Morgan Stanley, and Deutsche Bank have all raised their forecasts for China's GDP growth in 2025.

## **South Korea**

The Korean equity market outlook has turned more constructive following the resolution of U.S.-Korea tariff negotiations. U.S. President Donald Trump announced that Washington had reached a “Full and Complete” trade deal with Seoul, setting blanket tariffs on the country’s exports to U.S. at 15%. Also, South Korea will commit USD 100 billion to buy US energy over four years, and to provide USD 350 billion US investment including shipbuilding, semiconductors, batteries and biotech. Samsung Electronics secured a KRW 22.8 trillion foundry deal to supply advanced chips through 2033, reinforcing its strategic partnership with Tesla and commitment to cutting-edge production at its Texas plant. This deal, while representing 7.6% of its previous year's total revenue, carries immense strategic weight for Samsung, as it signifies a critical win for advanced process orders and secures future fab utilization.

## **Singapore**

In a landmark move to boost liquidity and investor confidence, Singapore's central bank, the Monetary Authority of Singapore (MAS), has allocated an initial SGD 1.1 billion to three top asset managers - Avanda Investment Management, Fullerton Fund Management, and JP Morgan Asset Management. This is part of the ambitious SGD 5 billion Equity Market Development Programme, targeting revitalization of SGX-listed stocks, with a particular emphasis on small and mid-cap companies. Additional measures include tax rebates for new listings, an accelerated IPO process, and proposals to simplify listing disclosure rules. MAS will also invest SGD 50 million over three years to enhance equity research and listing support and expanding research coverage especially for small/mid-caps and pre-IPO companies. These reforms build toward Singapore’s vision as a global financial and innovation hub.

## **Indonesia**

Indonesia has agreed to eliminate tariffs on more than 99% of U.S. goods and scrap all non-tariff barriers facing American firms, while the U.S. will drop threatened tariffs on Indonesian products from 32% to 19%, according to a joint statement by both countries. The agreement paved the way for signings worth of USD 34 billion in trade and investment between Indonesia and U.S. companies, boosting investor confidence in export sectors. The deal would include increasing imports of fuels and investment by Indonesian companies in energy and agriculture sectors in the U.S. Separately, flag carrier Garuda Indonesia also said it is in talks to buy up to 75 jets from Boeing. Indonesia's central bank cut rates for the fourth time since last September. The central bank maintained its GDP growth forecast for 2025 at a range of 4.6% to 5.4%.

## **Vietnam**

US President Trump announced a trade deal with Vietnam on 2 July including a 20% tariff on Vietnamese exports to the US and 40% tariff on trans-shipped goods. Vietnam is still working on the terms of the tariff deal following the call between General Secretary To Lam and US President Donald Trump. Prime Minister Pham Minh Chinh met with FTSE Russell expressing hope that it will support upgrading Vietnam’s market from Frontier to Emerging Market status. He proposed FTSE Russell to continue engaging with the Government and relevant state agencies to offer recommendations and advice on solutions to help upgrade Vietnam’s market. FTSE Russell commended Vietnam’s strong commitment and significant progress in implementing key structural reforms. FTSE Russell recognized the remarkable growth of Vietnam’s stock market highlighting that Vietnam is now the most liquid equity market in ASEAN surpassing both Thailand and Singapore.

**Gustav Rhenman**, Chief Investment Officer

# AGCM Asia Growth Fund

Monthly Report

July 2025



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 31/07/2025	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	+5.8%	+3.1%	+9.6%	+37.4%	+122.5%
AGCM Asia Growth Fund WP EUR	+6.1%	+6.4%	+16.7%	+34.0%	n.a.

## Top 5 holdings %

As of 31/07/2025

Company	Weight
Tencent Holdings	7.8%
Alibaba Group	6.8%
AIA	4.5%
Trip.com	4.0%
ICBC	3.9%
<b>Total</b>	<b>27.0%</b>

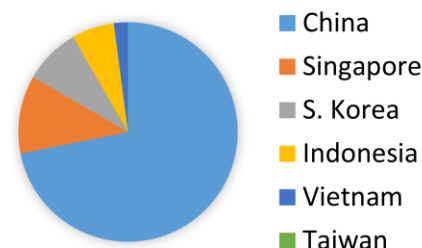
## Industry breakdown

As of 31/07/2025

Consumer	30%
Financials	28%
Communi...	21%
Info Tech	7%
Real Estate	6%
Healthcare	4%
Industrials	3%

## Geographic breakdown

As of 31/07/2025



## 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

<b>Portfolio manager:</b>	Gustav Rhenman
<b>Inception date:</b>	03-Oct-2014
<b>Fund size:</b>	SEK 615 million
<b>Number of holdings:</b>	39
<b>Management fee (RC):</b>	1.85%
<b>Fund management Company:</b>	FundRock Management Company S.A.
<b>NAV:</b>	SEK 222.5 EUR 186.2
<b>Minimum subscription:</b>	n.a.
<b>ISIN code:</b>	SEK RC LU 1091660909 EUR WP LU 1163023143

## Disclaimers

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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).