

AGCM China Stars Fund



August 1, 2025

Positive earnings reports and margin outlook, record trade surplus.

During July, the NAV of AGCM China Stars Fund RC1 SEK increased by +5.9%.

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 24th, 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.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

July 2025



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 31/07/2025	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	+5.9%	+5.6%	+15.2%	+36.9%	+61.0%
AGCM China Stars Fund RC8 SEK	+5.6%	+5.9%	+16.5%	+40.5%	+68.8%

Top 5 holdings

As of 31/07/2025

Company name

Tencent Holdings

Alibaba Group

AIA

CATL

JD.com

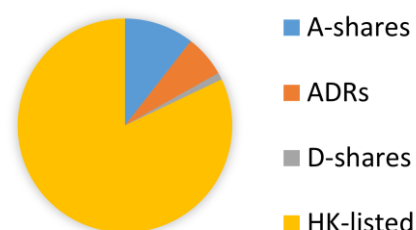
Industry breakdown

As of 31/07/2025

Consumer	38%
Financials	20%
Communi...	19%
Healthcare	9%
Real Estate	7%
Industrials	4%
Info Tech	2%

Market 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

Portfolio manager:	Gustav Rhenman
Inception date:	28-August-2017
Fund size:	SEK 157 million
Number of holdings:	37
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 161.0 (RC8) SEK 168.8
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.