

# AGCM China Stars Fund



September 1, 2025

## Favorable financial liquidity conditions and strong earnings reports

During August, the NAV of AGCM China Stars Fund RC1 SEK increased by +1.1%.

Global equity markets continued to rise in August, seemingly a consequence of the fairly loose monetary conditions created by the major central banks combined with expansionary fiscal policies in many major economies. Federal Reserve Chairman Powell's speech in Jackson Hole on August 22 was interpreted as dovish by the markets. In essence, the message was that the Fed will prioritize the labor market over inflation. China's central bank, the PBOC, has done its part in contributing to global liquidity by injecting RMB 10 trillion (USD 1.5 trillion) into domestic money markets so far in 2025. The effects are visible in the domestic equity markets. China's mainland CSI300 index was one of the best performing equity markets in the World, up by +10.3% in August.

The PBOC has indicated more is to come in the second half of this year, so for Chinese equities, the financial conditions should remain favorable in the near term. But it is not just about liquidity in the markets, the outlook is positive also from a fundamental point of view. Several of the fund's largest holdings announced solid 2Q financial results in August. Same picture as in July, mostly strong reports well received by investors.

Alibaba's share price rose +12% in New York last Friday after its earnings announcement and another +18% in Hong Kong today. The China E-commerce business continues to grow at a double-digit rate with expanding margins. Alibaba's market leading cloud computing business AliCloud grew +26% and continues to gain market share in China. AliCloud has one of the best product offerings and outspends the competition in new capacity. The shareholder-return policy remains generous combining dividends with a major share buy-back program running well into 2027 with USD 19 billion remaining.

Tencent's second quarter results also beat market expectations, with revenues up +15% year-on-year to RMB 184 billion and adjusted Ebit rising +19% to RMB 69 billion. The beat came from online games, up +22%. Advertising revenues remain at a +20% yearly growth rate, with upgrades in advertising technology and robust growth in traffic.

Xiaomi, one of China's leading smartphone, consumer electronics and EV producers, also surprised investors on the upside with its 2Q report. Revenues rose +30% to RMB 116 billion and adjusted net profit increased +30.5% to RMB 10.9 billion. EV revenue soared +230% YoY, with 81,000 cars delivered. Large home appliances grew +66% YoY. Haier, the world's largest household appliance maker, grew revenues by +10% to RMB 156 billion in the second quarter and net profit increased by +16% to RMB 12 billion.

China announced targets for the adoption of artificial intelligence powered devices for various industries, aiming at an overall rate of 70% by 2027 and over 90% by 2030. These targets, unveiled in guidelines by China's State Council last week, are part of Beijing's "AI Plus" strategy, which seeks to integrate cutting-edge technology across manufacturing, agriculture and services to boost productivity. The document also called for a decisive push in developing AI-powered smartphones, computers, robots, home appliances and cars.

**Gustav Rhenman**, Chief Investment Officer

# AGCM China Stars Fund

Monthly Report

August 2025



ASIA GROWTH CAPITAL MANAGEMENT

## Performance

As of 31/08/2025	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	+1.1%	+6.7%	+19.5%	+31.8%	+62.7%
AGCM China Stars Fund RC8 SEK	+1.1%	+7.1%	+20.8%	+35.4%	+70.6%

## Top 5 holdings

As of 31/08/2025

### Company name

Tencent Holdings

Alibaba Group

CATL

AIA

Trip.com

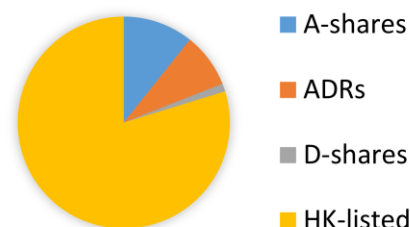
## Industry breakdown

As of 31/08/2025

Consumer	39%
Financials	20%
Communi...	19%
Healthcare	7%
Real Estate	7%
Industrials	6%
Info Tech	2%

## Market breakdown

As of 31/08/2025



## 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 159 million
Number of holdings:	37
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 162.7 (RC8) SEK 170.6
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).