

AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

December 1, 2025

Asia's lead in patents grows. Nvidia's CEO says China will win AI race.

During November, the NAV of AGCM China Stars Fund RC1 SEK decreased by -1.4%. The developments in Asian equity markets in November were mostly on the soft side, largely explained by weakness in technology stocks. Concerns globally about the outsized influence of a small number of US technology and AI-oriented firms on market indexes continue to rise. The weakness in the US tech sector in November spilled over to Asian tech companies, despite the latter trading at a fraction of the valuation multiples of their US peers.

According to Australian Strategic Policy Institute (ASPI), China has gone from basically nowhere 30 years ago to global leadership in research in 57 of 64 areas identified by ASPI as critical future technologies. Evidence supporting ASPI's findings can be seen in patent statistics. According to a recent report by the World Intellectual Property Organization (WIPO), China accounted for nearly half of the World's total patent applications and more than three times the number submitted in the US. China issued over one million patents, more than three times the amount issued in the US. Around 93 per cent of patent applications made in China were from its residents. In the past decade, Asia's share of total applications filed globally rose by 70 per cent. China, India and South Korea have consistently been the main contributors to the overall growth in patent filings.

AGCM's fund investment holding Xiaomi got some nice publicity during the Asia-Pacific Economic Cooperation (APEC) summit meeting in South Korea. Xi Jinping presented a pair of Xiaomi mobile phones as a state gift to his Korean counterpart Lee Jae-myung. Xi Jinping pointed out that the displays on the Xiaomi smartphones were made in South Korea. In a relaxed exchange Lee asked if the line was secure. Xi replied, "You can check if there is a back door." The selection of Xiaomi's flagship consumer product as a state gift reflects Xiaomi's growing status as a symbol of China's technological ambitions. This was Xi's first state visit to South Korea in eleven years. Xi called for the two nations to consolidate mutual trust and to stabilize a relationship that has been tested by regional security concerns and supply-chain issues.

In an interview with the Financial Times in early November, Nvidia's CEO Jensen Huang was quoted as saying that China "is going to win" the race to develop next-generation artificial intelligence, urging Washington to avoid overregulation and export restrictions. Huang also pointed to China's massive energy cost advantage over the US.

Last week we made a road trip in southern Guangdong and Hong Kong to visit 14 companies in a variety of industries. Electrical vehicles, drones, flying "cars", driverless cars, communication services, automation, biotech, insurance and real estate. In brief, the pace of economic development in China remains fast and steady, corporate ambitions are generally high, and the scale in manufacturing is in some cases mind boggling. The level of technology in industries such as biotech, EVs, IT, drones are higher than what is generally perceived by Western investors.

Online travel agency Trip.com reported strong financial results for the third quarter of 2025. Topline growth remains in the mid-teens, growing +16% year on year to 5.6 bn RMB. Net profit +193% year over year to 20 billion RMB, largely due to a partial disposal of an investment. China inbound travel bookings more than doubled from last year. The new visa-free policy has contributed over 70 per cent of the arrivals. China's inbound travel is still recovering from the slump during Covid. Inbound travel accounts for less than 0.5% of China's GDP, well below the 1-2% levels typically seen in developed markets, meaning there is substantial room for growth.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

November 2025



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Performance

As of 30/11/2025	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-1.4%	+9.5%	+35.7%	+30.6%	+66.9%
AGCM China Stars Fund RC8 SEK	-1.3%	+10.0%	+37.2%	+34.1%	+75.2%

Top 5 holdings

As of 30/11/2025

Company name

Tencent Holdings

Alibaba Group

Midea Group

CATL

China Mobile

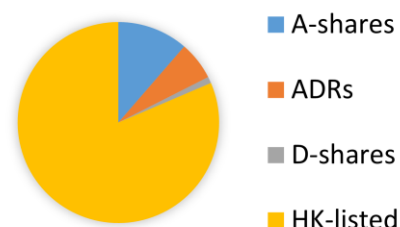
Industry breakdown

As of 30/11/2025

Consumer	39%
Communi...	22%
Financials	18%
Healthcare	6%
Industrials	6%
Real Estate	5%
Info Tech	3%

Market breakdown

As of 30/11/2025



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 183 million
Number of holdings:	35
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 166.9 (RC8) SEK 175.2
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.