

AGCM Asia Growth Fund



January 3, 2026

China delivers on its plans

During December, the NAV of AGCM Asia Growth Fund RC SEK decreased by -2.6% and WP EUR share class by -1.4%. The full year return in 2025 measured in SEK was a mere +5.9% due to a major strengthening of the SEK vs the HKD (and USD). Measured in HKD (and USD) the return in 2025 was +27.4% and in EUR +13.4% (WP share class).

After 23 years of full time focus on Asian equity opportunities with countless road trips and thousands of management meetings, we are as excited as ever about the outlook for the region and our fund holdings. It is not just about the undervalued Asian currencies, or the massive liquidity injections by the PBOC, it is also about China's huge household cash piles waiting to be reallocated to the stock market and to a larger extent used for consumption. In almost every industry there are young Asian companies growing rapidly in their home markets, on their way to become global players. Most of these companies are still largely unknown to Western investors. To the extent these companies are listed and publicly traded, valuation multiples are often substantially lower than their Western peers.

Other reasons for our optimism include China's determination to become self-sufficient in advanced technologies. With new government led industrial development programs such as "Made in China 2025", China aims for global leadership also in semiconductors, AI, biotech, aviation, advanced materials, and so much more. China also seeks to develop new industries we don't even have names for yet. One can refer to Australia's government funded study (by ASPI) describing the 64 critical research areas of which China now leads in 57, to get an idea of areas in which China will develop new high-tech industries. In other words, a plethora of new opportunities ahead.

The speed at which corporate China moves is mind-blowing. BYD has only been in the electrical vehicle business since 2008 but is now the largest EV producer in the World, having surpassed Tesla. BYD has over 100,000 R&D engineers working continuously to improve quality and performance. While growing fast in the young domestic market, China circumvents trade barriers by setting up production, distribution and service inside the trade unions. As an example, BYD is in the process of setting up 80 distribution and service points only in Sweden. There are similar ambitious plans for other European markets. By 2028, all BYD cars sold in the EU will be produced in the EU.

In late December, China's Ministry of Finance announced plans for 2026 with major increases in spending in advanced manufacturing, technological innovation and education. The statement also mentioned new measures to promote domestic private consumption. New tax incentives for pilot cities engaging in high-tech manufacturing will be introduced. A national venture capital fund aiming to mobilize RMB 1 trillion (USD 150 billion) to support companies in strategic emerging and future industries.

During the 8th General Assembly of the Securities Association of China on December 6, the chairman of China's financial regulator CSRC stated that during the "15th Five-Year Plan" period the securities industry will shoulder four major missions: serving the real economy, helping households optimize asset allocation, supporting the development of a strong financial nation, and advancing high-level opening-up. In practice, this means promoting fund flows to equity markets from both local and foreign investors. Rising stock markets in China will help boost domestic consumption via the wealth effect, at the same time reducing reliance of bank credit to fund the corporate sector. It is fully consistent with Prime Minister Li Qiang's pledge back in January 2024 to boost the confidence in China's financial markets. Not for the short-term, but for the medium and long-term. One thing we have learned over the years is that China's government stands by its commitments. This bodes well for 2026.

South Korea

In December, Samsung Electronics announced a breakthrough in its 2-nanometer chip production, positioning itself to challenge TSMC's dominance in advanced semiconductors. The company secured several key contracts with global AI infrastructure providers. December export data showed record semiconductor shipments, with AI-related chips driving growth. Total 2025 exports are projected to exceed USD 700 billion, marking Korea's strongest trade performance in years. The government finalized its "Korea AI Strategy 2030" in mid-December, committing substantial funding for domestic AI chip development and data center infrastructure. Hyundai Motor Group finalized preparations for an all-solid-state battery pilot line at its Uiwang Research Institute, and aims to test pilot EVs with solid-state batteries in 2025 and reach mass production by 2030. South Korean President Lee Jae Myung will make a state visit to China from January 4 to 7 and meet Chinese counterpart Xi Jinping, aiming to restore ties with China. Lee will discuss with Xi in areas such as global supply chain and geopolitical issues in the region.

Singapore

Singapore concluded 2025 with a remarkable 4.8% GDP growth, far exceeding projections thanks to a late-year surge in the electronics and semiconductor sectors. This economic momentum was strengthened by the announcement of the RIE2030 ("Research, Innovation & Enterprise 2030") plan, a USD 290 billion commitment over five years to R&D that solidifies Singapore's pivot toward high-tech industrial clusters, notably semiconductor and biotech. A landmark event was the 21st Joint Council for Bilateral Cooperation (JCBC) on December 15 in China, yielding a record 27 agreements between Singapore and China. Key breakthroughs include a framework for Chinese A-share secondary listings on the Singapore Stock Exchange and the appointment of DBS as an RMB clearing bank, enhancing liquidity and cross-border capital flows.

Indonesia

In December 2025, Indonesia's retail participation reached new heights, with capital market investors surpassing 20.3 million by year-end, a remarkable 35% increase from 2024. This "retail revolution," led predominantly by Gen-Z and millennial investors via digital platforms, has created a vital domestic buffer, supporting market stability amid foreign investor volatilities. Also the year marks the full operational activation of Danantara, Indonesia's new sovereign wealth fund modelled after Singapore's Temasek. As a "super holding" for state-owned enterprises, Danantara now oversees approximately US\$900 billion in assets including the "Big Four" state banks, positioning it to drive strategic investments in energy, infrastructure, and technology with a commercial yet nationally aligned mandate. The government also signaled a stimulus package for 2026 to sustain economic momentum targeting 5.4% GDP growth, which will prioritize 5G, data center and AI adoption, to support the Golden Indonesia 2045 vision.

Vietnam

Vietnam reached a trading milestone in December as import-export turnover surpassed USD 900 billion, driven by strong manufacturing and foreign investment. The country's digital infrastructure ambitions advanced with a nearly USD 2 billion AI data center project in Ho Chi Minh City, supported by government task forces and proposals from global partners including G42 and Microsoft. Policy reforms, including the Law on Digital Technology Industry and allowance of 100% foreign ownership in data centers, underscore Vietnam's commitment to becoming a regional tech hub. The National Assembly has set an ambitious 10% GDP growth target for 2026, requiring substantial capital inflows and public investment. The upgrade of Vietnam's stock market by FTSE from 'frontier' to 'emerging' status is expected to attract emerging-market-focused funds to allocate substantial capital to Vietnam.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

December 2025



Performance

As of 31/12/2025	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	-2.6%	+5.9%	+35.3%	+34.4%	+128.6%
AGCM Asia Growth Fund WP EUR	-1.4%	+13.4%	+42.7%	+33.4%	n.a.

Top 5 holdings %

As of 31/12/2025

Company	Weight
Tencent Holdings	8.1%
Alibaba Group	7.6%
Samsung Electronics	4.6%
AIA	4.6%
Trip.com	4.4%
Total	29.3%

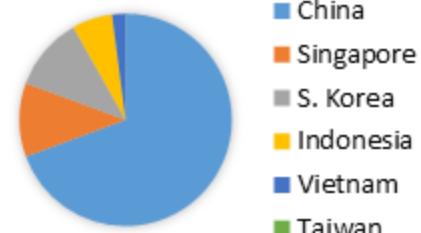
Industry breakdown

As of 31/12/2025

Consumer	32%
Financials	28%
Communi...	20%
Info Tech	8%
Real Estate	5%
Healthcare	4%
Industrials	3%

Geographic breakdown

As of 31/12/2025



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:	03-Oct-2014
Fund size:	SEK 615 million
Number of holdings:	38
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 228.6
	EUR 198.6
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909
	EUR WP LU 1163023143

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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.