AGCM Asia Growth Fund

ASIA GROWTH CAPITAL MANAGEMENT

February 2, 2026

World leaders rush to China for trade and cooperation agreements

During January, the NAV of AGCM Asia Growth Fund RC SEK increased by +1.6% and WP EUR share class by +4.5%. The appreciation of the SEK in January weighed on the return measured in SEK.

Never interrupt and adversary when he is making a mistake. This proverb has been attributed to Napoleon but was coined centuries earlier in China by General Sun Tze, whose teachings on military strategy are well known to China's leadership. While the Trump administration continues to erode the international standing of its country, leaders of other nations are flocking to China for deepened agreements on trade, investments, security and cultural exchange. In January alone, the leaders of Canada, the UK, Ireland, South Korea and Finland have visited China for such agreements. Several more country leaders, including Donald Trump, have visits to China scheduled in the spring.

China's trade surplus in 2025 broke a new yearly record, reaching USD 1.19 trillion in 2025. That implies an increase by 20% over previous year and corresponding to 6% of China's GDP. Chinese manufacturers have handled US tariff hikes by exporting to other markets. Exports to Africa increased by 26% and ASEAN countries by 13% in 2025.

The new Chinese cross-border interbank payment system (CIPS) has silently been adopted by 121 countries around the World. It serves as an efficient tool for settling payments in Chinese yuan. CIPS reduces the need for countries to hold USD reserves and will contribute to a worsening balance in demand and supply of USD denominated debt. Recently, the US added USD 1 trillion to its national debt in only 71 days. No wonder the USD is under pressure.

After five years of playing catch-up, Xiaomi's fully electric SU7 overtook Tesla's Model 3 in China. Xiaomi's SU7 reached a unit sales figure of 258,000 last year, 30 per cent higher than Tesla's Model 3's deliveries of 200,000 units. A Wall Street Journal article on January 29 by a well-known columnist was titled "I Test Drove a Chinese EV. Now I Don't Want to Buy American Cars Anymore". It was Xiaomi SU7 Max, the same car that CEO of GM also loves.

Elon Musk said in a podcast appearance in January that China will far exceed the rest of the world in AI computing power, partly because of superior electric power infrastructure. China produces three times more power and educates four times as many engineers as the US does. China is still behind in semiconductors but catching up fast.

The major movers in terms of stock prices include Baidu, which rose around 17% in January on the news it will soon complete the spin-off of its chip unit Kunlunxin. The IPO of Kunlunxin on the Hong Kong Stock Exchange is a way for Baidu to unlock shareholder value and facilitate incentive schemes for key employees.

Alibaba's share price rose 18% in January, partly due to the release of the new AI reasoning model, Qwen 3 Max Thinking, substantially superior to previous versions in complex reasoning. Also, Alibaba plans to list T-Head, its wholly owned chip design unit. Other exciting developments are imminent, and we foresee additional "DeepSeek moments" in 2026 as the Chinese tech companies unravel new cost-efficient open-source AI offerings.

Our fund holdings in insurance companies AIA and Ping An performed well on data released by the Ministry of Social Security showing that the number of participants in China's basic pension and unemployment insurance system all saw steady gains last year.

South Korea

South Korean equities delivered its strongest monthly performance in January, driven by an export surge led by AI-related semiconductors. January total exports rose +34% year-on-year, the fastest growth in over four years, with memory chip shipments more than doubling on robust AI-server demand, reinforcing Korea's position in the global semiconductor supply chain. Policy actions added structural support. The National Pension Service announced plans to raise domestic equity allocations, supporting local markets and currency, while the government passed a comprehensive AI regulatory framework aimed at establishing global leadership in advanced technologies. Samsung Electronics delivered a stellar Q4 2025 earnings beat, reporting revenue growth of +24% year-on-year and operating profit nearly tripling, driven by surging AI-related memory chip demand, rising memory prices, and improving prospects of entering NVIDIA's supply chain, alongside its first special dividend payout in five years.

Singapore

In January, Singapore's banking sector continued to perform with solid fundamentals, supported by resilient liquidity conditions and accelerating credit growth. Credit expansion recorded its fastest monthly growth since late 2024, particularly in business loans, contributing to overall loan books at multi-year highs, with improving business confidence and easing financial conditions. The major banks are increasingly supported by fee income, wealth management inflows and steady loan growth, with DBS continuing to differentiate itself through investments in AI and digital capabilities. Also, the Monetary Authority of Singapore reaffirmed a stable policy stance, highlighted AI-driven tech development and firm growth in construction and financial services. These developments underscore the structurally resilient banking system with diversified earnings and a supportive regional growth backdrop.

Indonesia

January was a tumultuous month for Indonesian markets, following the global index provider MSCI's warning on the investability and transparency of the Indonesian equities. MSCI flagged concerns of deficiencies in shareholding disclosure and free-float data, prompting it to freeze index adjustments ahead of its February review and signaled the risk of a downgrade from Emerging Market to Frontier Market by May 2026 absent meaningful reforms. In response, Indonesian regulators have immediately pledged a comprehensive package of reforms to strengthen capital market transparency, governance, and liquidity. Key measures include raising the minimum free float requirement from about 7.5% to 15%, and enhancing disclosure of beneficial ownership and shareholder affiliations. New leadership was appointed at the Financial Services Authority and the Indonesia Stock Exchange, and the government announced support measures including higher investment limits for pension and insurance funds.

India

In late January, India and the European Union concluded a landmark Free Trade Agreement after nearly two decades of negotiations, targeting broad tariff reductions and deeper cooperation across goods, services, investment, regulation, and professional mobility, linking markets representing over two billion people and about a quarter of global GDP. The agreement cuts duties on EU exports such as machinery, chemicals, pharmaceuticals, wine and spirits, and sharp reductions in auto tariffs under quota systems, while granting Indian exports including textiles, jewelry and engineering goods, preferential or zero-tariff access to EU markets. For India, the pact supports manufacturing and services expansion, and greater EU investment in renewables, EVs, and advanced manufacturing. For the EU, improved market access, stronger IP protection, and regulatory predictability enable deeper penetration into India's fast-growing consumer markets and support long-term supply-chain diversification.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

January 2026

ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 31/01/2026	1 month	1 year	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	+1.6%	+5.7%	+38.0%	+27.3%	+132.4%
AGCM Asia Growth Fund WP EUR	+4.5%	+16.4%	+52.1%	+32.2%	n.a.

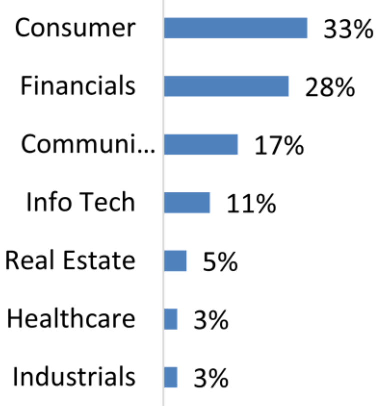
Top 5 holdings %

As of 31/01/2026

Company	Weight
Alibaba Group	8.5%
Tencent Holdings	7.7%
Samsung Electronics	5.8%
AIA	4.9%
Bank Mandiri	4.9%
Total	**31.8%**

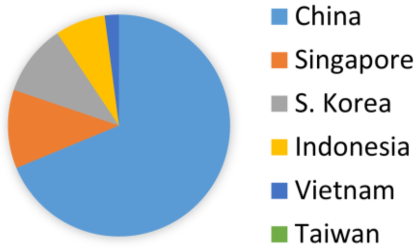
Industry breakdown

As of 31/01/2026



Geographic breakdown

As of 31/01/2026



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 625 million
Number of holdings:	38
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 232.4 EUR 207.5
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909 EUR WP LU 1163023143