AGCM Asia Growth Fund

September 1, 2026

Chinese exporters are growing fast but stock prices are going sideways

During August, the NAV of AGCM Asia Growth Fund RC SEK decreased by -2.3% and WP EUR share class by -3.6%.

Global investors are increasingly focused on inflation, bond yields, AI capex and technology stock valuations. As long as the Strait of Hormuz remains closed, global oil inventories continue to fall and energy prices continue to rise. Oil derivatives such as jet fuel, diesel, gasoline and fertilizers have soared also due to outages in the refining sector. Higher energy prices are now feeding through into inflation readings, in turn leading to rising bond yields and increasing pressure on central banks to raise rates. US Treasury Secretary Bessent's intervention in the Treasury market did little to reassure investors.

As for Chinese equity markets in August, technology stocks remained in focus with several large semiconductor and robotics IPOs while stocks in the domestic consumption sector including e-commerce underperformed. Year to date, Chinese stock markets (Shanghai, Shenzhen, Hong Kong) are pretty much at the levels where they started the year despite overall solid growth in revenues, earnings and rising international market shares.

Geely, one of the World's fastest-growing automotive groups which also controls Lotus, Volvo Cars, Zeekr, Polestar, Lynk and other brands, reported Q2 revenues of RMB 90 billon, an increase of 16% year-over-year. Deliveries totaled 714,000 units with electrical vehicles rising to 60% of the total. The ex-China portion of sales rose to 38% which resulted in rising margins since prices are significantly higher in most of Geely's overseas markets. In the earnings call, corporate management communicated an upward revision of its overseas sales expectations in 2026, now raised to 920,000 units. Over the next 2-3 years, Geely targets 2 million units in its overseas sales. The company's long-term ambition is for international markets to contribute roughly two-thirds of total sales.

Automotive giant BYD reported a net profit increase of 30% year-over-year to RMB 8.2 billion while revenue declined 3% to RMB 195 billion. Exports surged 71% to over 790,000 vehicles lifting the gross margin since prices are significantly higher in BYD's export markets than in China. As for Geely, BYD's profit driver is increasingly shifting from Chinese volume growth toward higher-margin international sales.

China's National Development and Reform Committee (NDRC) held its August meeting. At the press briefing, officials vowed continued government support for advanced manufacturing, robotics, artificial intelligence, new materials, biotech and other new technologies which improve daily life, create jobs and export revenues.

China's young pharmaceutical industry set a record in out-licensing of innovative drugs to international peers, reaching a combined deal value of USD 110 billion in the first six months this year. China now accounts for 30 per cent of the World's novel drugs under development. Biopharmaceuticals have been designated in China's latest five-year plan as an emerging pillar industry eligible for various support programs. Faster regulatory reviews for critical therapies and improved clinical evaluation processes for rapid adoption are also underway.

China's next-generation CR450 bullet train, the World's fastest, has completed a 600,000-kilometer operational test, bringing it closer to commercial service. Next step is final inspection and certification of the train, which is designed to operate at around 400 kilometers per hour. This new train is expected to shift the competitive landscape between rail and air travel on major domestic routes.

South Korea

In August, Samsung Electronics announced its largest-ever shareholder return program, up to USD 80 billion for 2026, which is about half of its free cash flow and roughly five times the company's prior record, including dividend payouts and share buybacks. SK Hynix also announced a USD 29 billion share-buyback program and aims to return more than half of cumulative free cash flow to shareholders through 2027. These announcements helped fuel a rebound in the Korean market, which recovered sharply from its July low, with the two chip giants leading gains. Also, the government launched a USD 3.5 billion semiconductor fund to support chip materials, equipment and fabless companies and accelerate new semiconductor hubs. The fund is part of a broader USD 576 billion national semiconductor megaproject unveiled in June, under which major investors are expected to pour capital into new memory fabs, advanced packaging lines, and AI data centers across the country.

Indonesia

In August, President Prabowo delivered the 2027 budget proposal which targeted 6% GDP growth with a relatively disciplined fiscal deficit of 2.4% of GDP and scaling back costly subsidies, prioritizing food and energy self-sufficiency, industrial development and infrastructure. This eased investor concerns and helped bonds and equities stabilize. Also, Destry Damayanti, a longtime veteran and former senior deputy governor of Bank Indonesia (BI, Indonesia's central bank), has been confirmed as the new central bank governor for the 2026–2031 term, becoming Indonesia's first female in this position after Perry Warjiyo's surprise late-July resignation. Damayanti pledged policy continuity with a "pro-market, preemptive and forward-looking" stance, emphasizing rupiah stability, FX market deepening, and closer coordination with the government while safeguarding BI's independence.

Singapore

In August, the government raised its 2026 GDP growth forecast to 4.5–5.5% from previously 2–4%, after Q2 GDP growth was revised up to +5.9% year-on-year, on the back of an AI-fueled export and data-center boom, which helped lift the equity market index to a fresh all-time high. The corporate earnings season was particularly strong for the large banks: DBS reported record Q2 net profit of USD 2.4 billion, up +9% year-on-year, while wealth-management fees jumped +42% and AUM exceeded USD 390 billion, DBS raised its full-year outlook to low-single-digit growth, due to stronger-than-expected fee income and wealth management. The Monetary Authority of Singapore also implemented a package of easing measures for family offices and funds, aimed at sharpening Singapore's competitiveness as a global wealth hub while tightening anti-money-laundering safeguards.

Vietnam

In August, major index provider FTSE Russell in its semi-annual review added 27 Vietnamese stocks to its Global Equity Index Series (including the emerging-market benchmark), effective September 21 and phased through 2027. The inclusion is estimated to attract up to USD 3 billion of passive and active inflows. This review follows FTSE Russell's April decision to upgrade Vietnam from Frontier to Secondary Emerging Market and provides a concrete picture of the transition. The market index rebounded sharply after the announcement. The upgrade should improve Vietnam's visibility, liquidity and credibility among global institutions, potentially lowering the long-term risk premium and encouraging more foreign participation. Also, the government proposed a 30% reduction in personal and corporate income tax for 2026-2027 for individuals, small household businesses and enterprises. It aims to provide additional resources for reinvestment and production expansion.

Gustav Rhenman, Chief Investment Officer

AGCM Asia Growth Fund

Monthly Report

August 2026

ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 31/08/2026	1 month	YTD	2 year	5 year	Since launch Oct 3, 2014
AGCM Asia Growth Fund RC SEK	-2.3%	+1.0%	+24.7%	+33.8%	+130.9%
AGCM Asia Growth Fund WP EUR	-3.6%	-1.0%	+30.3%	+30.0%	n.a.

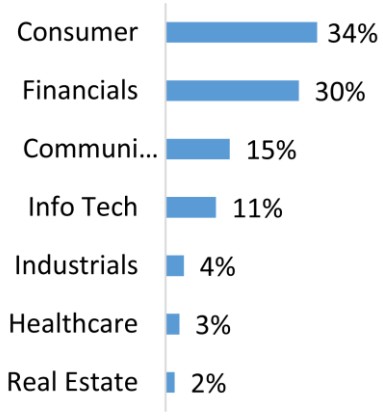
Top 5 holdings %

As of 31/08/2026

Company	Weight
Tencent Holdings	8.5%
Alibaba Group	7.1%
Samsung Electronics	6.7%
DBS	6.0%
Bank Central Asia	4.8%
Total	**33.1%**

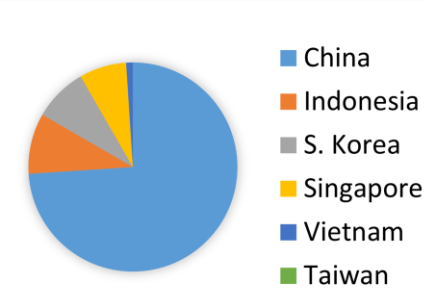
Industry breakdown

As of 31/08/2026



Geographic breakdown

As of 31/08/2026



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 587 million
Number of holdings:	34
Management fee (RC):	1.85%
Fund management Company:	FundRock Management Company S.A.
NAV:	SEK 230.9
	EUR 196.6
Minimum subscription:	n.a.
ISIN code:	SEK RC LU 1091660909
	EUR WP LU 1163023143

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