# AGCM China Stars Fund

August 3, 2026

## AI fatigue and rotation. War driving up oil, inflation and interest rates.

During July, the NAV of AGCM China Stars RC1 SEK increased by +11.6%.

The month of July was dominated by the Middle East war and a continued massive shortfall in the supply of oil, natural gas and downstream derivatives. Because of the higher oil- and gas prices, inflationary pressures keep building in many economies and interest rates are trending up. After a hawkish rate-hold decision delivered by the new Federal Reserve chairman Kevin Warsh on July 29, the US Treasury bond market sold off, the 30-year bond yield peaking at 5.27%, the highest level in 20 years. The interest rate sensitive valuations of semiconductor- and AI-related stocks have therefore come under pressure. In addition, the growing number of cheap, high-performance large language models from China are adding to investor concerns about overinvestments by the US hyperscalers. While it is true that AI has the potential to be deflationary down the road, the more immediate reality is that the continued closure of shipping lanes through Hormuz means inflationary pressures will continue to build via higher prices of refined products, freight, insurance and much more. The Yemeni Houthis' decision on 20 July to block oil exports from Saudi Arabia via the Red Sea will add to these inflationary pressures.

Despite the downside pressure on semiconductor stocks in July, China's leading DRAM producer CXMT came to the market with a bang. A gain of 500% in the first trading day has made CXMT one of the highest capitalized companies in China. CXMT's market capitalization is now USD 544 bn, compared to Hong Kong-listed Tencent's USD 570 bn.

Contrary to Western financial media reporting, China's economy remains largely in a relatively good place. GDP grew 4.7 per cent in the first half of this year, which is in line with the government's growth target of between 4.5 and 5 per cent. Inflation remains low at 1.0 per cent for the first half of this year. Growth in private consumption remains soft but exports rose by 27 per cent to USD 412 billion in June, supported by a boom in exports of autos, robotics and consumer electronics. In the first half of the year, China's trade surplus reached USD 683 billion(!).

China's monthly auto exports in June rose 75 per cent from a year earlier, exceeding 1 million units for the first time. New-energy vehicles accounted for most of the increase, with shipments surging 160 per cent to 523,000 units. In the first half of this year, car exports increased by 65 percent from a year earlier to 5.1 million units. BYD has become the latest Chinese automaker to launch a model overseas before introducing it in China, pricing the vehicle three times higher than in China, providing a welcome boost to BYD's profit margin.

Chinese carmakers continue to expand its manufacturing footprint abroad. BYD's Hungarian factory hit some regulatory roadblocks erected by Brussels but will start mass production later this year. Shanghai Auto is building a factory in Northeastern Spain. Last week Geely announced it will invest EUR 221 million for a minority stake in Ford Motor's plant in Spain for joint manufacturing.

After a meeting of the 21-member Politburo led by President Xi Jinping in late July, the leadership vowed to step up macro policy support and boost the resilience of capital markets for the remainder of the year, accelerate the pace of fiscal spending and speed up the transition from old to new growth drivers. The Politburo said, according to a statement published by state news agency Xinhua that the administration will "fully leverage the effectiveness of existing policies and roll out practical and effective incremental measures in a timely manner".

**Gustav Rhenman**, Chief Investment Officer

# AGCM China Stars Fund

Monthly Report

**July 2026**

## Performance

| As of 31/07/2026 | 1 month | YTD | 2 year | 5 year | Since launch August 28, 2017 |
|---|---|---|---|---|---|
| **AGCM China Stars Fund RC1 SEK** | +11.6% | -2.1% | +25.2% | +28.1% | +56.3% |
| **AGCM China Stars Fund RC8 SEK** | +11.6% | -1.8% | +26.5% | +31.5% | +64.6% |

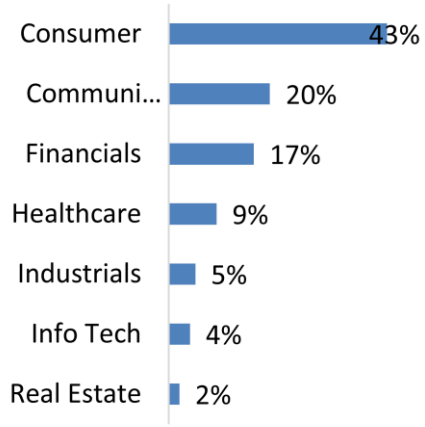
## Top 5 holdings

As of 31/07/2026

| Company name |
|---|
| Tencent Holdings |
| Alibaba Group |
| CATL |
| Midea Group |
| BYD |

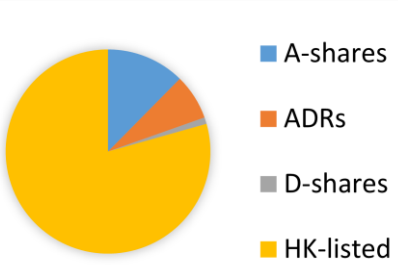
## Industry breakdown

As of 31/07/2026




## Market breakdown

As of 31/07/2026




## 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:** | 28-August-2017 |
| **Fund size:** | SEK 165 million |
| **Number of holdings:** | 32 |
| **Management fee (RC1):** | 1.35% + 10% perf. Fee |
| **Fund management Company:** | FundRock Management Company S.A. |
| **NAV:** | (RC1) SEK 156.3 |
| | (RC8) SEK 164.6 |
| **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 before you make an investment. You can also request such information via e-mail to info@agcm.se.