AGCM China Stars Fund

October 1, 2026

Is China the new safe haven in the coming energy crisis?

During September, the NAV of AGCM China Stars RC1 SEK decreased by -2.0%.

US and European bond markets came under pressure in part due to the looming energy crisis with rapidly rising prices on diesel, gasoline, fertilizers and other oil derivatives, all feeding into higher inflation expectations and higher bond yields. The U.S. Treasury market saw its worst monthly decline in four years with the 10-year Treasury yield surging more than 50 basis points in September, to around 5.3%, the highest level since 2002. Goldman Sachs recently warned that the monthly "speed limit" has been breached, and that historical patterns predict severe losses in the stock market. In China, it is now the other way around. In late September, China's 10-year government yield was around 1.66%, down about 18 basis points year-to-date. Chinese households have huge amounts of cash savings, in August reaching RMB 129 trillion (USD 19 trillion). With the Hong Kong and China mainland stock markets providing a 3% dividend yield, trading at only 11-14 times earnings with respectable earnings growth, it appears likely that a portion of the giant Chinese savings may flow into Chinese equity markets in the coming years. Influential international investment banks such as UBS recently touted China as a safe haven highlighting its cheap valuations and limited exposure to the problems in the energy sectors.

In Asia, the energy situation improved in September. Oil exports from the Middle East to China, India, Japan and South Korea have risen in recent months but are still not at levels where inventories are rebuilt. Asia's crude imports reached 20 million barrels per day in late September, 13% lower than the pre-war average of 27.6 mb/day.

The Trump-Xi meeting in Washington resulted in an extension of the trade truce with reciprocal tariff reductions covering roughly USD 30 billion of goods each way, but significant issues around technology, trade and security remain unresolved. The US will maintain the export restrictions on high-end semiconductors, and China will remain highly restrictive in terms of exports of rare earth minerals. China's huge trade surplus with the US continues. Trump will meet with Xi again at APEC in China in November and at the G20 meeting in Miami in December.

As for China's economy, exports remain strong and consumption remains weak. September economic data showed some improvement in economic indicators. In late September, China's central bank PBOC cut the one-year lending rate by 25 basis points to 1.5% to incentivize policy banks to provide more support for the real economy. Our Chinese research partner CITIC expects the government to accelerate incentives for investments in new energy, aerospace, AI, new materials, quantum technologies, fusion energy and biomanufacturing.

In the equity markets of Hong Kong and China, there was a rotation away from high-beta technology stocks into more defensive and policy sensitive sectors. Financials, utilities, consumer and property names outperformed the overall market in September. Chinese pharmaceutical company Hengrui rallied on a deal to license its obesity and diabetes drug HRS-1596 to Novo Nordisk in a deal valued at up to USD 2.6 billion. Chinese mainland investors were net buyers of stocks in Hong Kong providing net inflows to Hong Kong of HKD 430 billion year to date. From September, 21 mainland insurers were allowed to buy Hong Kong listed ETFs through Southbound Stock Connect, creating a substantial new source of capital.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

September 2026

Performance

As of 30/09/2026	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	-2.0%	-7.3%	+1.8%	+19.1%	+48.1%
AGCM China Stars Fund RC8 SEK	-2.0%	-6.9%	+3.0%	+22.3%	+56.1%

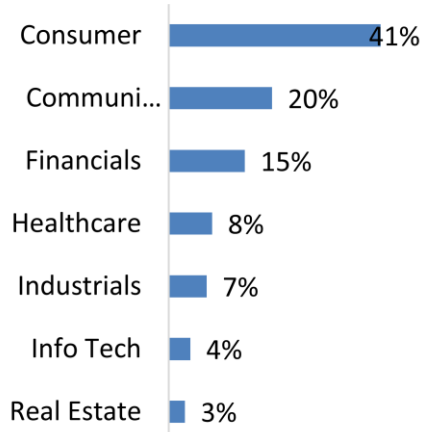
Top 5 holdings

As of 30/09/2026

Company name
Tencent Holdings
Alibaba Group
Geely Auto
CATL
Midea Group

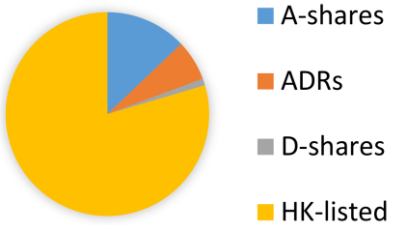
Industry breakdown

As of 30/09/2026



Market breakdown

As of 30/09/2026



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 154 million
Number of holdings:	32
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 148.1
	(RC8) SEK 156.1
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.