

AGCM China Stars Fund



ASIA GROWTH CAPITAL MANAGEMENT

January 2, 2025

China takes the global lead in industry after industry

During December, the NAV of AGCM China Stars Fund RC1 SEK increased by +2.9%. The full year 2024 return was +32.2% for AGCM China Stars Fund RC1 SEK.

China takes the global lead in industry after industry. It is not just in consumer electronics, autos, railways, solar- and wind power. In 2024, China also became the World's largest producer of nuclear energy. China has rapidly expanded its nuclear energy production capacity to reach carbon neutrality by year 2060. The government has approved ten nuclear reactors in each of the last three years. By the end of 2024, China had 102 reactors working, approved, or under construction with a total capacity of 113 Gigawatt. In terms of energy conservation and emissions reduction, each one-Gigawatt reactor cuts coal use by around three million tons a year, lowering carbon dioxide emissions by six million tons, and cutting sulfur and nitrogen dioxide emissions by 26,000 tons. Of all new electrical generation capacity installed in China last year, 85 percent was renewable energy.

Shipbuilding is another industry where China has taken the global lead. At no time in recent history has the World's shipbuilding industry been so dominated by a single country. China has a combined order book corresponding to 65% of the world's total, with South Korea at 20% and Japan at 10%. Chinese shipyards have a capacity of 23 million tons, which is over 200 times the capacity in the US which stands at only 0.1 million tons. Over half of the World's ships are now built in Chinese shipyards, an increase by nearly three times in just ten years.

It seems China has taken up the competition with Japan and South Korea also in terms of promoting their inexpensive stock markets. On December 17, China's State-owned Assets Supervision and Administration Commission (SASAC) issued guidelines requiring listed companies to improve market value management. According to the guidelines, state-owned publicly listed companies should focus on better information disclosure, better investor relations management and more frequent use of stock repurchases when warranted. In addition, companies should increase the frequency and proportion of cash dividend payments.

Beijing recently banned the export of dual-use products to 28 US defense contractors and placed 10 of them on an unreliable entity because of Washington's arms sales to Taiwan. These restrictions aim to strengthen national security and fulfil international obligations such as non-proliferation, China's Ministry of Commerce said in a statement. General Dynamics, Boeing, Lockheed Martin Corporation and Raytheon Missiles & Defense are among the names on the bans list.

From December 18, China implemented a significant relaxation of its visa-free transit policy, aiming to further enhance international openness and stimulate tourism and business exchanges. The National Immigration Administration (NIA) said the permitted stay for eligible foreign travelers has been extended from the previous 72 and 144 hours to 240 hours, or 10 days. The policy allows travelers from 54 countries to enter China visa-free when transiting to a third country or region. They can now enter through any of the 60 ports across 24 provinces, regions, and municipalities, up from 39 ports in 19 provincial-level regions.

Gustav Rhenman, Chief Investment Officer

AGCM China Stars Fund

Monthly Report

December 2024



ASIA GROWTH CAPITAL MANAGEMENT

Performance

As of 31/12/2024	1 month	YTD	2 year	5 year	Since launch August 28, 2017
AGCM China Stars Fund RC1 SEK	+2.9%	+32.2%	+17.6%	+26.2%	+52.5%
AGCM China Stars Fund RC8 SEK	+2.9%	+33.0%	+18.9%	+29.6%	+59.3%

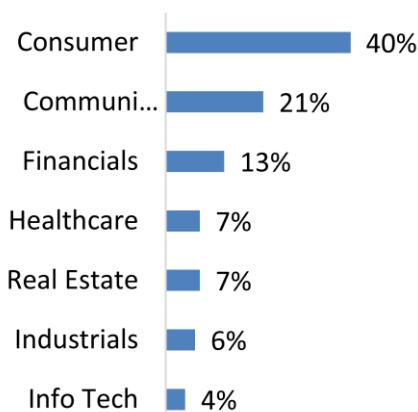
Top 5 holdings

As of 31/12/2024

Company name
Alibaba Group
Tencent Holdings
CATL
JD.com
Trip.com

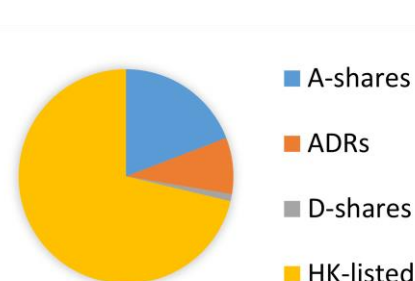
Industry breakdown

As of 31/12/2024



Market breakdown

As of 31/12/2024



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 121 million
Number of holdings:	37
Management fee (RC1):	1.35% + 10% perf. Fee
Fund management Company:	FundRock Management Company S.A.
NAV:	(RC1) SEK 152.5 (RC8) SEK 159.3
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.