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**DA CHENG TOTAL RETURN BOND FUND**  
**(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS)**  
**TO 31 DECEMBER 2020**



**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

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**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**MANAGEMENT AND ADMINISTRATION**

**Directors of the Manager**

Mr. Tan Xiaogang  
Mr. Xiao Jian  
Mr. Wen Zhimin  
Mr. Yao Yudong  
Ms. Zhao Bing  
Ms. Wu Ping

**Trustee and Registrar**

BOCI-Prudential Trustee Limited  
12/F & 25/F, Citicorp Centre,  
18 Whitfield Road,  
Causeway Bay,  
Hong Kong

**Manager**

Da Cheng International Asset Management  
Company Limited  
Suites 3516 - 3519,  
Jardine House,  
1 Connaught Place,  
Central, Hong Kong

**Legal Counsel to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place,  
979 King's Road,  
Hong Kong

**Custodian**

Bank of China (Hong Kong) Limited  
14/F, Bank of China Tower,  
1 Garden Road,  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
22/F, Prince's Building,  
Central,  
Hong Kong

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**REPORT OF THE MANAGER**

**Fund Performance**

Da Cheng Total Return Bond Fund (the “Sub-Fund”) provide a stable income as well as capital growth over the medium to long term by investing in a globally diversified portfolio of debt securities. As of 31 December 2020, the Sub-Fund aggregates a total net asset size of approximately USD24,208,882.

A summary of the performance of the Sub-Fund is set out below (as at 31 December 2020).

	Since inception
Da Cheng Total Return Bond Fund - USD Class M NAV-to-NAV return	4.23% (from 16 Sep 2019)
Da Cheng Total Return Bond Fund - USD Class A NAV-to-NAV return	2.30% (from 12 Feb 2019)
Da Cheng Total Return Bond Fund - HKD Class A NAV-to-NAV return	2.70% (from 12 Apr 2019)
Da Cheng Total Return Bond Fund - USD Class I NAV-to-NAV return	9.21% (from 14 Apr 2020)

Source: Da Cheng International Asset Management Limited, Bloomberg  
The performance of the Sub-Fund is not referenced to pre-determined benchmarks.

**Market Overview**

Due to the impact of the COVID-19 in 2020, global capital market was very volatile. As an offshore market, the Gongfu bond market also experienced a V shape turnaround. The risks and opportunities coexisted in the market, since the panic sell-off in March also provided a good investment opportunity, and the primary bond issuance also picked up quickly after the liquidity shock. Both investment grade and high-yield bond indexes yielded a positive return eventually. Specifically, the Bloomberg Barclays US Aggregate Bond Index has a return of 7.51%, and the Chinese US dollar bond investment grade (including coupons) and high yield (including coupons) indexes yielded 6.02% and 6.87% respectively.



**DA CHENG TOTAL RETURN BOND FUND  
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**REPORT OF THE MANAGER (CONTINUED)**

**Outlook**

Global risk appetite may still fluctuate with the epidemic and international political changes, and the Gongfu bond market may also fluctuate accordingly. In general, we remain neutral to the Gongfu bond market. We believe that from the interest rate perspective, the global low interest rate environment will continue to exist for a long time, which will benefit bond assets in the medium and long term. At the same time, low interest rates mean low borrowing costs and abundant market liquidity, which is conducive to the carry return. Therefore, our current investment advice is: the future portfolio investment work will focus on managing the credit risk of individual bonds, improving the overall credit quality. Hoping we can create excess returns for investors from bond selection.

For and on behalf of  
Da Cheng International Asset Management Company Limited

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28 April 2021



**DA CHENG TOTAL RETURN BOND FUND  
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**REPORT OF THE TRUSTEE**

We hereby confirm that, in our opinion, the Manager of Da Cheng Total Return Bond Fund (a sub-fund of DCI Investment Trust, the “Sub-Fund”) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 30 December 2011, as amended or supplemented from time to time, for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020.

For and on behalf of  
BOCI-Prudential Trustee Limited

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28 April 2021

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**Report on the Audit of the Financial Statements**

**Opinion**

*What we have audited*

The financial statements of Da Cheng Total Return Bond Fund (the "Sub-Fund"), a sub-fund of DCI Investment Trust, set out on pages 8 to 27, which comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020;
- the statement of changes in net assets attributable to unitholders for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020;
- the statement of cash flows for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020; and
- the notes to the financial statements, which include a summary of significant accounting policies.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2020, and of its financial transactions and cash flows for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**Responsibilities of the Management for the Financial Statements**

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 30 December 2011, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 April 2021

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	<b>2020 USD</b>
<b>Assets</b>		
<b>Current assets</b>		
Investments	3.1, 3.4	23,652,709
Interest receivable		442,029
Cash and cash equivalents	3.4, 7.3	109,585
<b>Total assets</b>		<u>24,204,323</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management fee payable	7.1	4,690
Trustee fee payable	7.2	3,061
Amount payable on redemption of units		260
Accrued expenses and other payables		20,058
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>28,069</u>
<b>Net assets attributable to unitholders (in accordance with IFRSs)</b>	6	24,176,254
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	6	<u>32,628</u>
<b>Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)</b>	6	<u><u>24,208,882</u></u>

On behalf of  
BOCI-Prudential Trustee Limited

On behalf of  
Da Cheng International Asset Management  
Company Limited

\_\_\_\_\_  
Authorised Signatory

\_\_\_\_\_  
Authorised Signatory

\_\_\_\_\_  
Director

The notes on pages 12 to 27 form an integral part of these financial statements.

**DA CHENG TOTAL RETURN BOND FUND**  
**(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO**  
**31 DECEMBER 2020**

	Notes	For the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 USD
<b>Income</b>		
Interest income from bank deposits	7.3	2,044
Interest income from investments		1,948,227
Net loss on investments	5	(805,403)
		<hr/>
<b>Total investment income</b>		1,144,868
		<hr/>
<b>Expenses</b>		
Management fee	7.1	14,964
Trustee fee	7.2	40,913
Custodian fee	7.3	8,891
Establishment costs	6	43,635
Transaction handling fees	7.4	1,302
Auditor's remuneration		20,000
Net foreign exchange loss		527
Legal and professional fee		12,983
Other expenses		1,501
		<hr/>
<b>Total operating expenses</b>		144,716
		<hr/> <hr/>
<b>Profit before distributions</b>	10	1,000,152
Distributions to unitholders	10	(485,997)
		<hr/>
<b>Profit after distributions</b>		514,155
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	6	32,628
		<hr/>
<b>Increase in net assets attributable to unitholders</b>		546,783
		<hr/> <hr/>

The notes on pages 12 to 27 form an integral part of these financial statements.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2020**

	For the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 USD
<b>Net assets attributable to unitholders at the beginning of the period</b>	-
	-----
Subscription of units	24,181,623
Redemption of units	(519,524)
	-----
<b>Net increase from unit transactions</b>	23,662,099
	-----
<b>Increase in net assets attributable to unitholders</b>	546,783
	-----
<b>Net assets attributable to unitholders at the end of the period</b>	24,208,882
	=====

**Number of units issued and redeemed**

	2020			
	USD Class M	USD Class A	HKD Class A	USD Class I
<b>Number of units in issue at the beginning of the period</b>	-	-	-	-
Units issued	2,089,102	92,047	717,683	100,000
Reinvestments (Note)	46,450	-	-	1,501
Units redeemed	-	(45,738)	(52,981)	-
	-----	-----	-----	-----
<b>Number of units in issue at the end of the period</b>	2,135,552	46,309	664,702	101,501
	=====	=====	=====	=====

Note: The amounts represent the distributions to the unitholders which has subsequently reinvested into the Sub-Fund during the period.

**DA CHENG TOTAL RETURN BOND FUND**  
**(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO**  
**31 DECEMBER 2020**

	<b>For the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 USD</b>
<b>Cash flows from operating activities</b>	
Increase in net assets attributable to unitholders	546,783
Adjustments for:	
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	(32,628)
Interest income from bank deposits	(2,044)
Interest income from investments	(1,948,227)
Distributions to unitholders	485,997
Operating loss before changes in working capital	(950,119)
Increase in investments	(23,652,709)
Increase in management fee payable	4,690
Increase in trustee fee payable	3,061
Increase in accrued expenses and other payables	20,058
<b>Cash used in operations</b>	(24,575,019)
Interest income received	1,508,242
<b>Net cash used in operating activities</b>	(23,066,777)
<b>Cash flows from financing activities</b>	
Proceeds from subscription of units	23,695,626
Payments on redemption of units	(519,264)
<b>Net cash generated from financing activities</b>	23,176,362
<b>Net increase in cash and cash equivalents</b>	109,585
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period, representing bank deposits</b>	109,585

Non-cash transactions

During the period ended 31 December 2020, the Sub-Fund issued 46,450 and 1,501 new units for USD Class M and USD Class I amounted to USD469,902 and USD16,095 as part of distributions to the unitholders, totalling USD485,997.

The notes on pages 12 to 27 form an integral part of these financial statements.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2020**

**1 General information**

DCI Investment Trust (the “Trust”) is an open-ended unit trust established as an umbrella fund under the laws of Hong Kong by a trust deed dated 30 December 2011, as amended (the “Trust Deed”), between Da Cheng International Asset Management Company Limited as Manager (the “Manager”) and BOCI-Prudential Trustee Limited as Trustee (the “Trustee”). As at 31 December 2020, the Trust has six sub-funds, Da Cheng Total Return Bond Fund (the “Sub-Fund”), Da Cheng China Balanced Fund, Da Cheng China RMB Fixed Income Fund, Da Cheng Overseas China Concept Fund, Da Cheng Money Market Fund and Da Cheng Hong Kong Dollar Money Market Fund (collectively, the “Sub-Funds”). The date of commencement of operations of the Sub-Fund was 16 September 2019.

The Trust and the Sub-Fund are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the “SFC Code”).

The investment objective of the Sub-Fund is to provide a stable income as well as capital growth over the medium to long term by investing in a globally diversified portfolio of debt securities. The Sub-Fund seeks to achieve its investment objective by primarily invests in debt securities issued by governments, government agencies, supra-nationals, banks or companies worldwide.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (the “Management”) to exercise its judgement in the process of applying the Sub-Fund’s accounting policies.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2020**

**2 Summary of significant accounting policies (Continued)**

**2.1 Basis of preparation (Continued)**

***Standards and amendments to existing standards effective 16 September 2019 (date of commencement of operations)***

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 16 September 2019 (date of commencement of operations) that have a material effect on the financial statements of the Sub-Fund.

***New standards, amendments and interpretations effective after 16 September 2019 (date of commencement of operations) and have not been early adopted***

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 16 September 2019 (date of commencement of operations), and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

**2.2 Foreign currency translation**

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in United States dollar (“USD”). The Manager considers USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gain and loss relating to the financial assets carried at fair value through profit or loss is presented in the statement of comprehensive income within “net loss on investments”.

Foreign exchange gain and loss relating to cash and cash equivalents is presented in the statement of comprehensive income within “net foreign exchange loss”.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2020**

**2 Summary of significant accounting policies (Continued)**

**2.3 Investments**

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the investments are presented in the statement of comprehensive income within "net loss on investments" in the period in which they arise.

Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within "interest income from investments" based on the effective interest rate.

(iii) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the closing of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the last traded price.

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2020**

**2 Summary of significant accounting policies (Continued)**

**2.4 Cash and cash equivalents**

Cash and cash equivalents include cash at banks and deposits held with banks with original maturities of three months or less.

**2.5 Interest income from bank deposits and interest income from investments**

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income from bank deposits includes interest from cash and cash equivalents. Interest from investments includes interest from debt securities.

The effective interest method is a method of calculating the amortised cost of an interest bearing asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**2.6 Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

**2.7 Redeemable units**

The Sub-Fund issued multiple classes of redeemable units and the redeemable units do not have identical features. The Sub-Fund classified its puttable instruments as financial liabilities. Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit of the respective class at the time of issue or redemption. The Sub-Fund's net asset value per unit of the respective class is calculated by dividing the net assets attributable to unitholders of the respective class with the total number of outstanding units of the respective class.

The redeemable units are carried at amortised cost which corresponds to the redemption amount that is payable at the reporting date if the unitholder exercises the right to put the units back to the Sub-Fund.

In accordance with the explanatory memorandum of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

**2.8 Distributions to unitholders**

Distributions to unitholders are recognised in the statement of comprehensive income when they are approved by the Manager.

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2020**

**2 Summary of significant accounting policies (Continued)**

**2.9 Transaction costs**

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include the transaction handling fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs are expensed as incurred in the statement of comprehensive income.

**2.10 Establishment costs**

Establishment costs are recognised as expenses in the period in which they are incurred in accordance with IFRSs.

**2.11 Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

**3 Financial risk management**

The Sub-Fund is exposed to a variety of risks including but not limited to market price risk, cash flow and fair value interest rate risk, credit and counterparty risk, liquidity risk and currency risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

**3.1 Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market. All investments present a risk of loss of capital.

The following table discloses the investments of the Sub-Fund by product type:

	<b>2020 USD</b>
<b>Investments</b>	
Quoted debt securities	23,652,709

**DA CHENG TOTAL RETURN BOND FUND  
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**3 Financial risk management (Continued)**

**3.1 Market price risk (Continued)**

The following table discloses the investments of the Sub-Fund by industrial sectors:

	<b>2020</b>	
	<b>Fair value of investments HKD</b>	<b>% of net assets</b>
<b>Investments</b>		
<b>Quoted debt securities</b>		
Basic materials	2,202,779	9.10
Financials	19,859,670	82.03
Utilities	1,590,260	6.57
<b>Total investments</b>	<u>23,652,709</u>	<u>97.70</u>

The Sub-Fund's market price risk on debt securities is managed through diversification of the investment portfolio ratios by exposures to different industries. There is no exposure to individual investment representing over 10% of the Sub-Fund's net asset value at 31 December 2020.

The sensitivity analysis of market price risk for debt securities is disclosed in the interest rate sensitivity analysis in Note 3.2 below.

**3.2 Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the future cash flow and the value of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and future cash flow.

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**3 Financial risk management (Continued)**

**3.2 Cash flow and fair value interest rate risk (Continued)**

The tables below summarise the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's financial assets at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2020	Maturity up to 1 year USD	Maturity 1-5 years USD	Maturity over 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>					
Investments	11,622,110	12,030,599	-	-	23,652,709
Interest receivable	-	-	-	442,029	442,029
Cash and cash equivalents	109,585	-	-	-	109,585
<b>Total assets</b>	<b>11,731,695</b>	<b>12,030,599</b>	<b>-</b>	<b>442,029</b>	<b>24,204,323</b>
<b>Liabilities</b>					
Management fee payable	-	-	-	4,690	4,690
Trustee fee payable	-	-	-	3,061	3,061
Amount payable on redemption of units	-	-	-	260	260
Accrued expenses and other payables	-	-	-	20,058	20,058
Net assets attributable to unitholders	-	-	-	24,208,882	24,208,882
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,236,951</b>	<b>24,236,951</b>
<b>Total interest sensitivity gap</b>	<b>11,731,695</b>	<b>12,030,599</b>	<b>-</b>		

The Manager and the Trustee monitor the interest rate risks by quantifying the market exposure in percentage terms and the exposure in duration terms by different countries. As at 31 December 2020, the Sub-Fund has invested in interest-bearing securities of USD23,652,709 and the portfolio weighted average modified duration of the Sub-Fund is 0.77.

Given a 100 basis points change in the rate of all debt securities held by the Sub-Fund as at 31 December 2020, the percentage change in net asset value will be the total portfolio weighted average modified duration multiplied by 1%, i.e. USD182,126 while holding all other variables constant.

**3.3 Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as its assets and liabilities are mainly denominated in USD, the Sub-Fund's functional and presentation currency. Accordingly, the Management considers that it is not necessary to present a sensitivity analysis of currency risk.

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**3 Financial risk management (Continued)**

**3.4 Credit and counterparty risk**

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit quality of the Sub-Fund's debt securities, which represents 97.70% of net assets, as at 31 December 2020.

<b>Credit rating agency</b>	<b>Rating range</b>	<b>2020 % of net assets</b>
Fitch	BBB-	22.06
Fitch	BB-	2.13
Fitch	B+	13.73
Moody's	Baa3	3.30
Moody's	Ba2	6.19
Moody's	Ba3	7.96
Moody's	B2	14.86
Moody's	B1	10.52
S&P	BB-	7.50
S&P	B	1.26
Unrated		8.19
Total		<u>97.70</u>

The Manager has assessed the credit quality of the quoted debt securities based on the nature of issuers and historical information about the issuers' default rates.

The Sub-Fund is also exposed to credit and counterparty risk on cash and cash equivalents.

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**3 Financial risk management (Continued)**

**3.4 Credit and counterparty risk (Continued)**

The table below summarises the exposure to the Sub-Fund's counterparty as at 31 December 2020 together with its credit rating:

<b>At 31 December 2020</b>	<b>USD</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<b>Investments</b>			
Bank of China (Hong Kong) Limited	23,652,709	Aa3	Moody's
<b>Cash and cash equivalents</b>			
Bank of China (Hong Kong) Limited	109,585	Aa3	Moody's

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2020, interest receivable and cash and cash equivalents are held with a counterparty with a credit rating of Baa2/BBB- or above and are due to be settled within 3 months. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

The maximum exposure at the period ended 31 December 2020 was the carrying amount of the investments and cash and cash equivalents.

**3.5 Liquidity risk**

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash and resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in investments that are traded in an active market which can be readily disposed of.

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3 Financial risk management (Continued)**

**3.5 Liquidity risk (Continued)**

	<b>2020 Less than 3 months USD</b>
Management fee payable	4,690
Trustee fee payable	3,061
Amount payable on redemption of units	260
Accrued expenses and other payables	20,058
Net assets attributable to unitholders	24,208,882
	24,236,951

Units are redeemed on demand at the unitholder's option.

As at 31 December 2020, the total assets of the Sub-Fund amounted to USD24,204,323. The Sub-Fund manages its liquidity risk by investing in investments that it expects to be able to liquidate within 7 days or less.

**3.6 Fair value estimation**

The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The Sub-Fund utilises the last traded market price as its fair valuation inputs for financial assets.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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**3 Financial risk management (Continued)**

**3.6 Fair value estimation (Continued)**

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Sub-Fund’s investments as at 31 December 2020:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>As at 31 December 2020</b>				
<b>Assets</b>				
Investments				
- Quoted debt securities	-	23,652,709	-	23,652,709
<b>Total</b>	<b>-</b>	<b>23,652,709</b>	<b>-</b>	<b>23,652,709</b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. The Sub-Fund does not adjust the quoted price for these. As at 31 December 2020, there is no level 1 investment held by the Sub-Fund.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2020, there is no level 3 investment held by the Sub-Fund.

There was no transfer between levels for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020.

The carrying amount of interest receivable, cash and cash equivalents, management fee payable, trustee fee payable, amount payable on redemption of units, accrued expenses and other payables and net assets attributable to unitholders approximated their fair values and are presented in the statement of financial position. There are no financial assets and financial liabilities not carried at fair value but for which the fair value is disclosed.

**3.7 Capital risk management**

The Sub-Fund’s capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund’s investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Management may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

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**4 Financial instruments by category**

Financial assets

Apart from investments which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including interest receivable, and cash and cash equivalents, are categorised as financial assets measured at amortised cost.

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including management fee payable, trustee fee payable, amount payable on redemption of units, accrued expenses and other payables and net assets attributable to unitholders, are categorised as financial liabilities measured at amortised cost.

**5 Net loss on investments**

	<b>For the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 USD</b>
Net realised loss on sale of investments	(933,876)
Net change in unrealised gain/loss on investments	128,473
	<u>(805,403)</u>

**6 Number of units in issue and net assets attributable to unitholders per unit**

Net assets attributable to unitholders are carried at the redemption amount that would be payable if the unitholder exercised the right to redeem the units in the Sub-Fund.

Class A units are available for sale to the retail public. Class I units are offered to institutional investors. Class M units are available for investments by managed accounts and other funds managed by the Manager or its associated entities. As at 31 December 2020, the Sub-Fund had USD Class M units, USD Class A units, HKA Class A units and USD Class I units in issue.

The following table details the net asset value per unit of each class of units at 31 December 2020:

	<b>2020</b>			
	<b>USD Class M (in USD)</b>	<b>USD Class A (in USD)</b>	<b>HKD Class A (in HKD)</b>	<b>USD Class I (in USD)</b>
Net assets attributable to unitholders per unit (Dealing NAV) at 31 December 2020	<u>10.19</u>	<u>10.23</u>	<u>10.27</u>	<u>10.76</u>

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**6 Number of units in issue and net assets attributable to unitholders per unit (Continued)**

In accordance with the Sub-Fund's explanatory memorandum, the establishment costs of the Sub-Fund will be amortised over the first 5 years. The costs of establishment of the Sub-Fund are estimated to be approximately USD43,635. As at 31 December 2020, USD32,628 are unamortized for the Sub-Fund, with remaining amortisation period of 3 years and 8 months. However, the accounting policy of the Sub-Fund for the purpose of financial statements preparation in compliance with IFRSs is to expense establishment costs in the statement of comprehensive income as incurred. The differences between expensing the establishment costs as incurred in accordance with IFRSs and capitalisation and amortisation of the establishment costs indicated in the Sub-Fund's explanatory memorandum resulted in adjustment on the net asset value.

As at 31 December 2020, the above difference between the dealing net asset value ("Dealing NAV") and the accounting net asset value results an adjustment of USD32,628 below.

	<b>2020 USD</b>
Net assets attributable to unitholders (in accordance with IFRSs)	24,176,254
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	32,628
	<hr/>
Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)	24,208,882
	<hr/> <hr/>

**7 Transactions with related parties or connected persons**

The following is a summary of transactions entered into during the period between the Sub-Fund and its related parties including the Manager, the investment delegate, the Trustee/custodian and their connected persons (the "Connected Persons"). Connected Persons are those as defined in the SFC Code. All such transactions were entered into in the ordinary course of business and on normal commercial terms. To the best of the Management's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons except for those disclosed below.

**7.1 Management fee**

The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of the Sub-Fund. For the period ended 31 December 2020, the Manager charged a management fee of 1.00% per annum of the net asset value of Class A units and 0.5% per annum of the net asset value of Class I units. No management fee is charged for Class M units. The fee calculated and accrued on each valuation day and payable monthly in arrears.

Management fee charged for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD14,964 of which USD4,690 was payable to the Manager.

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**7 Transactions with related parties or connected persons (Continued)**

**7.2 Trustee fee**

The Trustee is entitled to receive a trustee fee of up to 0.5% per annum of the net asset value of the Sub-Fund. Currently, the Trustee is entitled to receive a fee of up to 0.15% per annum, subject to a minimum monthly fee of USD2,250. The fee is calculated and accrued on each valuation day and payable monthly in arrears.

Trustee fee charged for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD40,913 of which USD3,061 was payable to the Trustee.

**7.3 Custodian fee, cash and cash equivalents and investment balances**

The custodian, an affiliate of the Trustee, is entitled to receive transaction charges at customary market rates and custody fees at different rates. Such charges and fees will be calculated monthly and payable monthly in arrears. The custodian will be paid a custodian fee of up to 0.10% per annum of the net asset value of the Sub-Fund. Custodian fee charged for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD8,891. All the custodian fee payable was fully settled as of 31 December 2020.

As at 31 December 2020, cash and cash equivalents amounted to USD109,585 is held with Bank of China (Hong Kong) Limited. In addition, the Sub-Fund's investments are held at Bank of China (Hong Kong) Limited as custodian of the Sub-Fund.

Interest income earned from cash and cash equivalents held with Bank of China (Hong Kong) Limited for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD2,044 while the bank charges of Bank of China (Hong Kong) Limited for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD375.

**7.4 Transaction handling fees**

In its purchases and sales of investments, the Sub-Fund utilises the investment transaction services and brokerage services of the Trustee and its affiliates. Details of transactions effected through the Trustee and its affiliates are as follows:

Name of company	Transaction handling fees paid for the period USD	Average rate of transaction handling fees	Total aggregate value of such transactions for the period USD	Percentage of such transactions in value to total transactions for the period
<b>2020</b>				
BOCI Securities Limited	-	-	2,516,254	3.04%
BOCI-Prudential Trustee Limited	1,302	0.00%	82,709,649	100.00%

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**7 Transactions with related parties or connected persons (Continued)**

**7.5 Holdings in the Sub-Fund**

The Sub-Fund allows the Manager and its connected persons and other funds managed by the Manager to subscribe for and redeem units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2020 were as follows:

Units held by Da Cheng International Asset Management Company Limited, the Manager:

<b>2020</b>	Units outstanding at 16 September 2019	Units subscribed during the period	Units reinvested during the period	Units redeemed during the period	Units outstanding at 31 December 2020
HKD Class A	-	-	-	-	-
USD Class A	-	-	-	-	-
USD Class I	-	-	-	-	-
USD Class M	-	147,482	2,165	-	149,647

**8 Taxation**

*Hong Kong profits tax*

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

**9 Soft commission arrangements**

The Manager confirms that there has been no soft commission arrangement existing during the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 in relation to directing transactions of the Sub-Fund through a broker or dealer.

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**10 Distribution to unitholders**

The Sub-Fund made the following distributions during the period from 16 September 2019 (date of commencement of operations) to 31 December 2020:

	<b>2020 USD</b>
<u>Interim distributions</u>	
USD Class M 0.05 on 1,900,000 units with ex-date on 29 October 2019 and payment on 31 October 2019	(95,000)
USD Class M 0.02 on 1,909,462 units with ex-date on 20 November 2019 and payment on 25 November 2019	(38,189)
USD Class I 0.03 on 100,000 units with ex-date on 20 August 2020 and payment on 25 August 2020	(3,000)
USD Class M 0.03 on 2,081,255 units with ex-date on 20 August 2020 and payment on 25 August 2020	(62,438)
USD Class I 0.03 on 100,277 units with ex-date on 21 September 2020 and payment on 25 September 2020	(3,008)
USD Class M 0.03 on 2,093,200 units with ex-date on 21 September 2020 and payment on 25 September 2020	(62,796)
USD Class I 0.03 on 100,558 units with ex-date on 19 October 2020 and payment on 23 October 2020	(3,017)
USD Class M 0.03 on 2,102,936 units with ex-date on 19 October 2020 and payment on 23 October 2020	(63,088)
USD Class I 0.04 on 100,839 units with ex-date on 19 November 2020 and payment on 25 November 2020	(4,034)
USD Class M 0.04 on 2,112,811 units with ex-date on 19 November 2020 and payment on 25 November 2020	(84,512)
<u>Final distributions</u>	
USD Class I 0.03 on 101,219 units with ex-date on 21 December 2020 and payment on 24 December 2020	(3,037)
USD Class M 0.03 on 2,129,283 units with ex-date on 21 December 2020 and payment on 24 December 2020	(63,878)
	<u>(485,997)</u>

The net income for distribution for the period from 16 September 2019 (date of commencement of operations) to 31 December 2020 was USD872,206. There is no undistributed income carried forward as at 31 December 2020.

**11 Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 28 April 2021.

**DA CHENG TOTAL RETURN BOND FUND  
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**INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 DECEMBER 2020**

	Holdings	Market value USD	% of net assets
<b>Quoted investments</b>			
<b>Quoted debt securities</b>			
<b>British Virgin Island</b>			
BI HAI CO LTD 6.25% S/A 05MAR2022	500,000	494,385	2.04
EASY TACTIC LTD 7% S/A 25APR2021	1,500,000	1,483,005	6.13
EASY TACTIC LTD 8.75% S/A 10JAN2021	330,000	329,885	1.36
GREENLAND GLOBAL INVESTMENT LTD 6.125 S/A 22APR2023	1,000,000	944,250	3.90
GREENLAND GLOBAL INVESTMENT LTD 6.25% S/A 16DEC2022	1,000,000	982,750	4.06
HEJUN SHUNZE INVESTMENT CO LTD 11% S/A 04JUN2022	2,000,000	2,045,140	8.45
HEJUN SHUNZE INVESTMENT CO LTD 12% S/A 25APR2021	300,000	304,455	1.26
MEGA WISDOM GLOBAL LTD 5.4% S/A 03NOV2021	800,000	799,472	3.30
RONGXINGDA DEVELOPMENT BVI LTD 9% S/A 15JUL2021	1,500,000	1,510,245	6.24
XIANG SHENG OVERSEAS LTD 11% S/A 30JUL2021	2,000,000	1,982,240	8.19
		<hr/>	
		10,875,827	44.93
		<hr/>	
<b>Cayman</b>			
CENTRAL CHINA REAL ESTATE LTD 7.65% S/A 27AUG2023	500,000	516,120	2.13
E-HOUSE CHINA ENTERPRISE HLDGS LTD 7.625% S/A 18APR2022	1,800,000	1,815,534	7.50
RONSHINE CHINA HLDGS LTD 8.75% S/A 25OCT2022	1,500,000	1,553,445	6.42
SUNAC CHINA HLDGS LTD 6.5% S/A 09JUL2023	1,000,000	1,037,660	4.29
ZHONGLIANG HLDGS GROUP CO LTD 8.75% S/A 27JUN2021	1,500,000	1,510,605	6.24
		<hr/>	
		6,433,364	26.58
		<hr/>	
<b>China</b>			
DALIAN DETA HLDG CO LTD 5.95% S/A 29JUL2022	1,100,000	1,095,875	4.53
UNION LIFE INSURANCE CO LTD 3% S/A 19SEP2021	1,600,000	1,499,424	6.19
ZHONGYUAN ASSET MANAGEMENT CO LTD 4.2% S/A 29NOV2022	2,000,000	1,545,440	6.38
		<hr/>	
		4,140,739	17.10
		<hr/>	
<b>Singapore</b>			
NEW DIAN GROUP PTE LTD 7.375% S/A 23APR2021	2,300,000	2,202,779	9.09
		<hr/>	
		2,202,779	9.09
		<hr/>	
<b>Total quoted investments</b>		23,652,709	97.70
<b>Other net assets</b>		556,173	2.30
		<hr/>	
<b>Total net assets as at 31 December 2020</b>		24,208,882	100.00
		<hr/>	
<b>Total investments, at cost</b>		23,524,236	
		<hr/>	

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2020**

	Holdings			31 December 2020
	Additions	Bonus/ Dividends	Deductions	
<b>Quoted debt securities</b>				
BI HAI CO LTD 6.25% S/A 05MAR2022	500,000	-	-	500,000
BINHAI INVESTMENT CO LTD 4.45% S/A 30NOV2020	1,800,000	-	(1,800,000)	-
CAIYUN INTL INVESTMENT LTD 5.5% S/A 08APR2022	1,800,000	-	(1,800,000)	-
CENTRAL CHINA REAL ESTATE LTD 6.75% S/A 08NOV2021	500,000	-	(500,000)	-
CENTRAL CHINA REAL ESTATE LTD 7.65% S/A 27AUG2023	500,000	-	-	500,000
CENTRAL CHINA REAL ESTATE LTD 8.75% S/A 23JAN2021	950,000	-	(950,000)	-
CFLD CAYMAN INVESTMENT LTD 6.92% S/A 16JUN2022	2,500,000	-	(2,500,000)	-
CHANG DEVELOPMENT INTL LTD 5.7% S/A 08NOV2021	400,000	-	(400,000)	-
CHINA AOYUAN GROUP LTD 6.35% S/A 08FEB2024	500,000	-	(500,000)	-
CHINA EVERGRANDE GROUP 6.25% S/A 28JUN2021	1,000,000	-	(1,000,000)	-
CHINA EVERGRANDE GROUP 9.5% S/A 11APR2022	1,000,000	-	(1,000,000)	-
COUNTRY GARDEN HLDGS CO LTD 7.125% S/A 25APR2022	400,000	-	(400,000)	-
DALIAN DETA HLDG CO LTD 5.95% S/A 29JUL2022	1,800,000	-	(700,000)	1,100,000
EASY TACTIC LTD 7% S/A 25APR2021	1,500,000	-	-	1,500,000
EASY TACTIC LTD 8.75% S/A 10JAN2021	1,330,000	-	(1,000,000)	330,000
E-HOUSE CHINA ENTERPRISE HLDGS LTD 7.625% S/A 18APR2022	1,800,000	-	-	1,800,000
E-HOUSE CHINA ENTERPRISE HLDGS LTD 7.75% S/A 28FEB2021	1,800,000	-	(1,800,000)	-
ENN CLEAN ENERGY INTL INVESTMENT LTD 7.5% S/A 27FEB2021 (FUNGED)	1,000,000	-	(1,000,000)	-
FANTASIA HLDGS GROUP CO LTD 10.75% S/A 22JAN2020	1,500,000	-	(1,500,000)	-
GREENLAND GLOBAL INVESTMENT LTD 3M L+4.85% Q 26SEP2021	1,000,000	-	(1,000,000)	-
GREENLAND GLOBAL INVESTMENT LTD 6.125 S/A 22APR2023	1,000,000	-	-	1,000,000
GREENLAND GLOBAL INVESTMENT LTD 6.25% S/A 16DEC2022	1,000,000	-	-	1,000,000
GUANGXI FINANCIAL INVESTMENT GROUP CO LTD 5.75% S/A 23JAN2021	2,500,000	-	(2,500,000)	-
HEJUN SHUNZE INVESTMENT CO LTD 11% S/A 04JUN2022	2,000,000	-	-	2,000,000
HEJUN SHUNZE INVESTMENT CO LTD 11% S/A 20SEP2020	1,500,000	-	(1,500,000)	-
HEJUN SHUNZE INVESTMENT CO LTD 12% S/A 25APR2021	300,000	-	-	300,000
HONGKONG BAORONG DEVELOPMENT LTD 6.25% S/A 04DEC2021	500,000	-	(500,000)	-
LOGAN GROUP CO LTD 5.75% S/A 03JAN2022	1,000,000	-	(1,000,000)	-
MEGA WISDOM GLOBAL LTD 5.4% S/A 03NOV2021	800,000	-	-	800,000
NEW DIAN GROUP PTE LTD 7.375% S/A 23APR2021	2,300,000	-	-	2,300,000
NUOXI CAPITAL LTD 7.875% S/A 24JUN2021(DEFAULTED)	1,000,000	-	(1,000,000)	-
RONGXINGDA DEVELOPMENT BVI LTD 9% S/A 15JUL2021	1,500,000	-	-	1,500,000
RONSHINE CHINA HLDGS LTD 11.25% S/A 22AUG2021	2,000,000	-	(2,000,000)	-
RONSHINE CHINA HLDGS LTD 8.25% S/A 01FEB2021	300,000	-	(300,000)	-
RONSHINE CHINA HLDGS LTD 8.75% S/A 25OCT2022	1,500,000	-	-	1,500,000
SEAZEN GROUP LTD 6.45% S/A 11JUN2022	1,000,000	-	(1,000,000)	-
SHANDONG IRON AND STEEL XINHENG INTL CO LTD 6.85% S/A 25SEP2022	1,000,000	-	(1,000,000)	-
SUNAC CHINA HLDGS LTD 6.5% S/A 09JUL2023	1,000,000	-	-	1,000,000
UNION LIFE INSURANCE CO LTD 3% S/A 19SEP2021	1,600,000	-	-	1,600,000

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2020**

	Holdings			31 December 2020
	Additions	Bonus/ Dividends	Deductions	
<b>Quoted debt securities</b>				
URUMQI GAOXIN INVESTMENT AND DEVELOPMENT GROUP CO LTD 5.2% S/A 20DEC2020	200,000	-	(200,000)	-
XIANG SHENG OVERSEAS LTD 11% S/A 30JUL2021	2,000,000	-	-	2,000,000
XINYUAN REAL ESTATE CO LTD 9.875% S/A 19MAR2020	700,000	-	(700,000)	-
ZHAOHAI INVESTMENT BVI LTD 4% S/A 23JUL2020	1,000,000	-	(1,000,000)	-
ZHENENG JINJIANG ENVIRONMENT HLDG CO LTD 6% S/A 27JUL2020	1,000,000	-	(1,000,000)	-
ZHONGLIANG HLDGS GROUP CO LTD 8.75% S/A 27JUN2021	1,500,000	-	-	1,500,000
ZHONGYUAN ASSET MANAGEMENT CO LTD 4.2% S/A 29NOV2022	2,000,000	-	-	2,000,000

**DA CHENG TOTAL RETURN BOND FUND  
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**PERFORMANCE TABLE (UNAUDITED)  
FOR THE PERIOD FROM 16 SEPTEMBER 2019 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2020**

**Net asset value (Dealing NAV)**

At the end of financial period date	Net asset value (in USD)	Net asset value per unit			
		USD Class M (in USD)	USD Class A (in USD)	HKD Class A (in HKD)	USD Class I (in USD)
31 December 2020	24,208,882	10.19	10.23	10.27	10.76

**Highest and lowest net asset value per unit**

Financial period ended	Highest issue price per unit	Lowest redemption price per unit
31 December 2020 (since inception)		
- USD Class M (in USD)	10.30	9.23
- USD Class A (in HKD)	10.24	9.20
- HKD Class A (in HKD)	10.29	9.25
- USD Class I (in USD)	10.88	10.00