
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND

(SUB-FUND OF DCI INVESTMENT TRUST)

SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 June 2023





**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2023**

SEMI-ANNUAL REPORT

CONTENTS	Page
Management and Administration	1
Report of the Manager to the Unitholders	2
Statement of Financial Position (Unaudited)	3
Statement of Comprehensive Income (Unaudited)	4
Statement of Changes in Net Assets Attributable to Unitholders (Unaudited)	5
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND	6-10
- Investment Portfolio (unaudited)	
- Statement of Movements in Investment Portfolio (unaudited)	
- Performance Record (unaudited)	
Notes to the financial statements (Unaudited)	11

**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2023**

MANAGEMENT AND ADMINISTRATION

Directors of the Manager

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

Manager

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

Custodian

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

Trustee and Registrar

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516,
15/F, 1111 King's Road,
Taikoo Shing,
Hong Kong

Legal Counsel to the Manager

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

Auditor

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



REPORT OF THE MANAGER TO THE UNITHOLDERS

DA CHENG HONG KONG DOLLAR MONEY MARKET FUND (A SUB-FUND OF DCI INVESTMENT TRUST)

Fund Performance

Da Cheng Hong Kong Money Market Fund (the “Sub-Fund”) seeks to achieve a return in HK Dollars in line with a combination MOP, HKD and US Dollars money market rates, with primary considerations of both capital security and liquidity. As of 30 June 2023, the Sub-Fund aggregates a total asset size of approximately HKD 137,332,951.

Market Overview

In 1H2023, the Fed maintained rate hikes aim to control the inflation, but the pace of rate hikes was much slower than in 2022 as inflation cooled overall compared to 2022. After three interest rate hikes in the first half of the year, the federal fund’s target rate has risen to the range of 5-5.25% in 1H2023. On the US Treasury curve, the 10-Year Treasury yield was down about 3bps to 3.84%; the 5-Year Treasury yield rose by about 15bps to 4.16%, and the 2-Year Treasury yield rose by about 47bps to about 4.9%. The USD Money markets have benefited from rising risk-free rates, sending returns to record highs (making cash deposit can get more than 5% of return) in the past 20 years. The US dollar index kept above 100 and reached 102.9 in 1H2023. US equity markets performed well with the market expectations on rate hikes end and the market starts to bet future rate cuts followed. The S&P 500 gained 15.91% and the NASDAQ Composite gained 32.32%. Bond markets have also benefited from relatively high risk-free rates and a slow rise in interest rates. Bloomberg Barclays US Agg Total Return Value rose 2.09%, while USD Asia ex-Japan China Investment Grade Index rose 3.09%. HKD 1M HIBOR rose from 4.21 to 4.93, 72 bps close to the rate hikes of the USD interest rate. The higher HIBOR rate also pushed the Hong Kong dollar away from the weak-side limit, ending at HK7.8365 per USD.

Outlook

The main focus of the market in the 2H2023 remains on US inflation target, and the key point for the future of interest rates remains dependent on economic data, which have trended down from their high levels since June 2022. This shows that the Federal Reserve's active interest rate hike policies have played a certain inhibitory role in the economy. Therefore, since the beginning of this year, the Federal Reserve has slowed down the pace of interest rate hikes. In the first half of this year, the Federal Reserve raised interest rates three times, each time raising interest rates by 25bps. We note that the Fed has shown relative restraint in its rate hike strategy this year, mainly thanks to improving economic data. At present, the risk-free rate of the dollar has reached a relatively high restrictive level, which makes the probability of high CPI in 2023 lower. The Fed's main focus now will be to reach the inflation target while avoiding excessive recession, and the second half of 2023 will be critical, and we believe that the pace of rate hikes in the US is nearing an end. The risk-free rate will reach the peak this year, but that doesn't mean rates will fall quickly after reaching the peak. The interest rates may remain high for some time, money markets can still get benefits and enjoy stable returns in the second half of the year. The HKD deposit rate maybe also keep at a relatively high level given the Linked Exchange Rate System. But the money market rate may be volatile due to the Hong Kong local economic situation and Hong Kong Interbank liquidity.

Da Cheng International Asset Management Company Limited

28 August 2023

**DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)**

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 June 2023**

	DA CHENG HONG KONG DOLLAR MONEY MARKET FUND	
	30 June 2023 (Unaudited) HKD	31 Dec 2022 (Audited) HKD
Assets		
Prepayments and other assets	16,150	-
Interest receivable	601,102	503,904
Fixed deposit	114,466,279	53,843,110
Cash and cash equivalents	22,282,461	59,740,966
Total assets	<u>137,365,992</u>	<u>114,087,980</u>
Liabilities		
Management fee payable	4,718	3,619
Trustee fee payable	7,949	7,382
Amount payable on redemption of units	19,004	-
Accrued expenses and other payables	63,691	118,237
Total liabilities	<u>95,362</u>	<u>129,238</u>
Net assets attributable to unitholders (in accordance with IFRSs)	137,270,630	113,958,742
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	62,321	82,830
Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)	<u>137,332,951</u>	<u>114,041,572</u>
Number of Units in Issue		
- HKD Class A	1,623,073	1,088,816
- HKD Class E	372,061	4,471
- HKD Class I	299	299
- HKD Class M	11,169,172	9,978,581
- HKD Class P	2,042	2,042
- USD Class A	194	4,370
Net Asset Value Per Unit		
- HKD Class A	10.3983	10.2357
- HKD Class E	10.2787	10.1204
- HKD Class I	10.2847	10.1212
- HKD Class M	10.4387	10.2704
- HKD Class P	10.2601	10.1095
- USD Class A	10.1989	10.0881



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DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 January 2023 TO 30 June 2023

DA CHENG HONG KONG DOLLAR MONEY MARKET FUND

	Period from 1 January 2023 to 30 June 2023	Period from 1 January 2022 to 31 Dec 2022
Note	(Unaudited) HKD	(audited) HKD
Income		
Interest income from bank deposits	2,977,112	1,614,754
Net foreign exchange gains	-	139,904
	<u>2,977,112</u>	<u>1,754,658</u>
Total investment income		
Expenses		
Management fee	37,692	6,208
Trustee fee	69,293	77,046
Transaction handling fees	15,250	8,000
Auditor's remuneration	66,408	116,986
Net foreign exchange losses	1,343	-
Legal and professional fee	17,403	9,200
Other expenses	8,698	13,596
	<u>216,087</u>	<u>231,036</u>
Total operating expenses		
Operating profit	2,761,025	1,523,622
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	(20,509)	(41,358)
Increase in net assets attributable to unitholders	<u>2,740,516</u>	<u>1,482,264</u>

DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 1 January 2023 TO 30 June 2023

	Period from 1 January 2023 to 30 June 2023	Period from 1 January 2022 to 31 Dec 2022
	(Unaudited)	(audited)
	HKD	HKD
Net assets attributable to unitholders at the beginning of the period	114,041,572	97,333,509
--Proceeds on issue of units	249,390,450	107,879,720
--Payments on redemption of units	(228,839,587)	(92,653,921)
Net increase from unit transactions	<u>20,550,863</u>	<u>15,225,799</u>
Increase in net assets attributable to unitholders	<u>2,740,516</u>	<u>1,482,264</u>
Net assets attributable to unitholders at the end of the period	<u>137,332,951</u>	<u>114,041,572</u>

	HKD	2023 HKD	HKD	HKD	HKD	USD
	Class A	Class E	Class I	Class M	Class P	Class A
Number of units in issue at the beginning of the period	1,088,816	4,471	299	9,978,581	2,042	4,370
Units issued	22,514,571	541,669	-	1,190,591	10	353
Units redeemed	(21,980,314)	(174,079)	-	-	(10)	(4,529)
Number of units in issue at the end of the period	<u>1,623,073</u>	<u>372,061</u>	<u>299</u>	<u>11,169,172</u>	<u>2,042</u>	<u>194</u>



DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 1 January 2023 TO 30 June 2023

	2022					
	HKD	HKD	HKD	HKD	HKD	USD
	Class A	Class E	Class I	Class M	Class P	Class A
Number of units in issue at the beginning of the period	142,859	2,000	-	9,440,285	2,022	1,907
Units issued	2,264,215	14,628	299	538,296	8,021	1,009,790
Units redeemed	(1,318,258)	(12,157)	-	-	(8,001)	(1,007,327)
Number of units in issue at the end of the period	<u>1,088,816</u>	<u>4,471</u>	<u>299</u>	<u>9,978,581</u>	<u>2,042</u>	<u>4,370</u>

**DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
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**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2023**

	Days		
Portfolio weighted average maturity in days	22.12		
Portfolio weighted average life in days	22.12		
	Market Value	% of Net Asset	
	HKD		
Daily liquid assets	137,349,842	100.01	
Weekly liquid assets	137,349,842	100.01	
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DCI INVESTMENT TRUST
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 1 January 2023 TO 30 June 2023

	1 January 2023	Additions	Bonus /Dividends	Deductions	30 June 2023
Listed/Quoted Equities					

Nil

**DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)**

**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2023**

Net asset value

Net asset value per unit

At the end of the financial period ended	Net asset value (in HKD)	Class A -HKD	Class E -HKD	Class I - HKD	Class M - HKD
30 June 2023	137,332,951	10.3983	10.2787	10.2847	10.4387
31 December 2022	114,041,572	10.2357	10.1204	10.1212	10.2704
31 December 2021	97,333,509	10.1133	10.0042	-	10.1374

At the end of the financial period ended	Class P -HKD	Class A -USD
30 June 2023	10.2601	10.1989
31 December 2022	10.0095	10.0881
31 December 2021	10.0087	9.9683

Highest and lowest net asset value per unit

Financial period ended	Highest subscription price per unit	Lowest redemption price per unit
30 June 2023		
HKD Class A (in HKD)	HKD10.3983	HKD10.2392
HKD Class E (in HKD)	HKD10.2787	HKD10.1239
HKD Class I (in HKD)	HKD10.2847	HKD10.1247
HKD Class M (in HKD)	HKD10.4387	HKD10.2740
HKD Class P (in HKD)	HKD10.2601	HKD10.1128
USD Class A (in USD)	USD10.2086	USD10.0639

Financial period ended	Highest subscription price per unit	Lowest redemption price per unit
31 December 2022		
HKD Class A (in HKD)	HKD10.2345	HKD10.1133
HKD Class E (in HKD)	HKD10.1192	HKD10.0039
HKD Class I (in HKD)	HKD10.1200	HKD10.0237
HKD Class M (in HKD)	HKD10.2691	HKD10.1376
HKD Class P (in HKD)	HKD10.1084	HKD10.0044
USD Class A (in USD)	USD10.0989	USD9.9051



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**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2023**

Financial period ended	Highest subscription price per unit	Lowest redemption price per unit
31 December 2021		
HKD Class A (in HKD)	HKD10.1150	HKD10.1088
HKD Class E (in HKD)	HKD10.0089	HKD10.0042
HKD Class I (in HKD)	HKD10.0237	HKD10.0157
HKD Class M (in HKD)	HKD10.1374	HKD10.1239
HKD Class P (in HKD)	HKD10.0254	HKD10.0087
USD Class A (in USD)	USD10.0006	USD9.9605
HKD Class I (in MOP)	MOP10.0713	MOP10.0632

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**Notes to the financial statements (Unaudited)
FOR THE PERIOD FROM 1 January 2023 TO 30 June 2023**

Basis of preparation and accounting policies

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (“SFC”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in Note 2 of the annual financial statements.

Note 1: During the period ended 30 June 2023 and 31 December 2022, the other expenses (bank charges) paid to its connected person of Trustee were as follows:

	For the period from 1 January 2023 to 30 June 2023 HKD	For the year ended 31 December 2022 HKD
Bank of China (Hong Kong) Limited	5,115	1,043