
DA CHENG OVERSEAS CHINA CONCEPT FUND

(SUB-FUND OF DCI INVESTMENT TRUST)

SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 June 2020





**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2020**

SEMI-ANNUAL REPORT

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**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2020**

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

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
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
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 OVERSEAS CHINA CONCEPT FUND (A SUB-FUND OF DCI INVESTMENT TRUST)

Fund Performance

Da Cheng Overseas China Concept Fund (the “Sub-Fund”) seeks to provide long term growth of capital. As of 30 June 2020, the Net Asset Value (“NAV”) per unit of the USD Class A was USD 16.96, and the NAV per unit of the HKD Class A was HKD 16.95, aggregating a total asset size of approximately HKD 193,784,862

Market Overview

For the first half of 2020, offshore china equities (as measured by MSCI China Index) erased the earlier lost ground and edged up 2.01% amid the abundant liquidity and growing optimism on the progress of economy re-opening.

Sector wise, health care was the best performing sector in the first half of 2020, which rose more than 30% during the period. Energy was the worst performing sector in the first half of 2020, which declined about 27% amid the weakness of global oil prices. The performance of China ADRs (which listed in US stock markets) performed very well in the first half of 2020. The bellwether stocks, such as Alibaba, JD.com, and Netease all registered positive return for the period.

The latest macroeconomic data reaffirmed China economic recovery remained intact despite concerns of second wave of COVID-19. Both NBS and Caixin June manufacturing PMI rose to 50.9 and 51.2, respectively (vs.50.6 and 50.7 in May), led by improved new export orders amid gradual production resumption in developed markets. NBS non-manufacturing PMI also rose to 54.4 in June (vs.53.6 in May) with gradual reopening of the service sectors. Looking forward, we expect China economy would regain traction and improve further in 2H20 due to continued normalization in the service sector and sequential improvement in global demand

Outlook

Looking into second half of 2020, we remain positive on the offshore china equities as China economic recovery remains on track and domestic pandemic has been largely brought under control. The ample liquidity environment, undemanding valuation and favorable policies (both fiscal and monetary) would continue to support the equities market. Sector wise, we continue to favor the new economy sectors (such as e-Commerce, 5G, cloud computing, education and property management).

However, earning downgrade is likely to continue after companies reporting their first half results. But we should look beyond the 2020 earnings, which was severely hit by COVID-19 pandemic. In fact, the earnings outlook looks encouraging in 2021, where MSCI China constituent stocks are expected to post double digits growth in 2021.

Da Cheng International Asset Management Company Limited

28 August 2020

**DCI INVESTMENT TRUST
DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)**

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 June 2020**

	DA CHENG OVERSEAS CHINA CONCEPT FUND	
	30 June 2020 (Unaudited) HKD	31 December 2019 (Audited) HKD
Assets		
Financial assets at fair value through profit or loss	198,109,286	269,907,981
Dividend receivable	450,124	94,110
Amount receivable on subscription of units	80,316	198,020
Prepayments and other assets	48,293	-
Amount due from broker	6,601,147	-
Cash and cash equivalents	3,845,638	1,173,613
Total assets	<u>209,134,804</u>	<u>271,373,724</u>
Liabilities		
Management fee payable	279,798	348,048
Trustee fee payable	37,258	36,167
Audit fee payable	92,205	179,683
Amount payable on redemption of units	14,886,730	2,481,932
Amount due to broker	10,120	-
Accrued expenses and other payables	43,831	6,360
Total liabilities	<u>15,349,942</u>	<u>3,052,190</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	193,784,862	268,321,534
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	-	-
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>193,784,862</u>	<u>268,321,534</u>
Number of Units in Issue		
USD Class A	673,060	1,146,427
HKD Class A	6,214,053	9,163,946
Net Asset Value Per Unit		
USD Class A	16.96	14.80
HKD Class A	16.95	14.86



DCI INVESTMENT TRUST
DA CHENG OVERSEAS CHINA CONCEPT FUND
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 January 2020 TO 30 June 2020

DA CHENG OVERSEAS CHINA CONCEPT FUND

	Period from 1 January 2020 to 30 June 2020	Period from 1 January 2019 to 31 December 2019
	(Unaudited) HKD	(audited) HKD
Income		
Dividend income	1,326,677	3,557,953
Interest income	21	3,726
Net changes in fair value on financial assets at fair value through profit or loss	29,205,354	75,085,624
Sundry income	30	-
Net foreign exchange differences	(39,642)	(95,400)
Total investment income	<u>30,492,440</u>	<u>78,551,903</u>
Expenses		
Management fee	(1,698,778)	(4,029,305)
Trustee fee	(210,000)	(423,578)
Custodian fee	(106,701)	(223,935)
Preliminary expenses	-	-
Transaction costs	(348,247)	(1,190,963)
Auditors' remuneration	(100,850)	(187,057)
Other expenses	(12,089)	(112,956)
Total operating expenses	<u>(2,476,665)</u>	<u>(6,67,794)</u>
Profit before tax	28,015,775	72,384,109
Taxation	(43,379)	(129,007)
Profit after tax	27,972,396	72,255,102
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	-	-
Increase in net assets attributable to unitholders	<u><u>27,972,396</u></u>	<u><u>72,255,102</u></u>

DCI INVESTMENT TRUST
 DA CHENG OVERSEAS CHINA CONCEPT FUND
 (A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
 FOR THE PERIOD FROM 1 January 2020 TO 30 June 2020

		Period from 1 January 2020 to 30 June 2020 (Unaudited)		1 January 2019 to 31 December 2019 (Audited)
	Number of unit	HKD	Number of unit	HKD
Net assets attributable to unitholders at the beginning of the period	10,310,372.64	268,321,534	13,707,030.23	272,797,222
--Proceeds on issue of units	875,983.69	21,615,965	941,834.15	26,016,767
--Payments on redemption of units	(4,299,243.41)	(124,125,033)	(4,338,491.74)	(102,747,557)
Net increase from unit transactions		(102,509,068)		(76,730,790)
Increase in net assets attributable to unitholders		27,972,396		72,255,102
Net assets attributable to unitholders at the end of the period	6,887,119.92	193,784,862	10,310,372.64	268,321,534



DCI INVESTMENT TRUST
DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2020

	Holdings	Market Value HKD	% of Net Asset
Equities			
Common Stock			
Hong Kong			
AAC TECHNOLOGIES HLDGS INC	30,000	1,426,500	0.74%
AIA GROUP LTD	57,000	4,121,100	2.13%
A-LIVING SERVICES CO LTD-H	230,000	8,981,500	4.63%
ANTA SPORTS PRODUCTS LTD	52,000	3,556,800	1.83%
CHINA EAST EDUCATION HLDGS LTD	150,000	2,103,000	1.09%
CHINA EDUCATION GROUP HLDGS LTD	332,000	4,136,720	2.13%
CHINA MERCHANTS BANK CO LTD-H	140,000	4,991,000	2.57%
CHINA RESOURCES BEER HLDGS CO LTD	66,000	2,851,200	1.47%
CHINA RESOURCES LAND LTD	70,000	2,054,500	1.06%
CHINA YONGDA AUTOMOBILES SERVICES HLDGS LTD	370,000	3,444,700	1.78%
CIFI HLDGS GROUP CO LTD	300,000	1,812,000	0.94%
CITIC SECURITIES CO LTD-H	140,000	2,052,400	1.06%
COUNTRY GARDEN SERVICES HLDGS CO LTD	350,735	12,626,460	6.52%
CSPC PHARMACEUTICAL GROUP LTD	100,000	1,464,000	0.76%
HONG KONG EXCHANGES & CLEARING LTD	21,000	6,930,000	3.58%
LI NING CO LTD	148,000	3,640,800	1.88%
LONGFOR GROUP HLDGS LTD	65,000	2,395,250	1.24%
MEITUAN DIANPING-CLASS B	60,000	10,314,000	5.32%
PHARMARON BEIJING CO LTD-H	35,000	2,800,000	1.44%
PING AN INSURANCE GROUP CO OF CHINA LTD- H	58,000	4,495,000	2.32%
POWERLONG COMMERCIAL MANAGEMENT HLDGS LTD	70,000	1,253,000	0.65%
SHENZHO INTL GROUP HLDGS LTD	47,000	4,389,800	2.26%
SINO BIOPHARMACEUTICAL LTD	150,000	2,190,000	1.13%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	39,000	4,836,000	2.49%
TECHTRONIC INDUSTRIES CO LTD	60,000	4,548,000	2.35%
TENCENT HLDGS LTD	40,500	20,193,300	10.42%
TIMES NEIGHBORHOOD HLDGS LTD	300,000	3,156,000	1.63%
VENUS MEDTECH HANGZHOU INC-H	30,000	2,295,000	1.18%
WUXI BIOLOGICS CAYMAN INC	35,000	4,963,000	2.56%
XIAOMI CORP-CLASS B SHARE	50,000	642,000	0.33%

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**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2020**

	Holdings	Market Value HKD	% of Net Asset
United States			
MICRON TECHNOLOGY INC	10,000	3,992,851	2.06%
YUM CHINA HLDGS INC	4,500	1,676,463	0.87%
Deposit Receipt ADR			
United States			
ALIBABA GROUP HLDG LTD-SPONSORED ADR	11,400	19,057,341	9.83%
BAIDU INC-ADR	2,600	2,415,815	1.25%
GDS HLDGS LTD-SPONSORED ADR	9,800	6,050,255	3.12%
JD.COM INC-ADR	14,000	6,529,614	3.37%
NETEASE INC-ADR	1,300	4,326,059	2.23%
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	4,000	4,037,182	2.08%
PINDUODUO INC-SPONSORED ADR	8,000	5,322,149	2.75%
TAL EDUCATION GROUP-ADR	7,400	3,921,644	2.02%
ZTO EXPRESS CAYMAN INC-SPONSORED ADR	21,500	6,116,883	3.16%
Total listed/quoted investment		198,109,286	102.23%
Other net assets		(4,324,424)	-2.23%
Total net assets as at 30 June 2019		193,784,862	100%
Total investments, at cost		135,502,583	



DCI INVESTMENT TRUST
DA CHENG OVERSEAS CHINA CONCEPT FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 1 January 2020 TO 30 June 2020

	1 January 2020	Additions	Bonus /Dividends	Deductions	30 June 2020
Listed/Quoted Equities					
SUN HUNG KAI PROPERTIES LTD	30,000	0	0	-30,000	0
CHINA RESOURCES BEER HLDGS CO LTD	120,000	6,000	0	-60,000	66,000
HONG KONG EXCHANGES & CLEARING LTD	20,000	7,000	0	-6,000	21,000
CHINA EAST EDUCATION HLDGS LTD	230,000	30,000	0	-110,000	150,000
TECHTRONIC INDUSTRIES CO LTD	105,000	0	0	-45,000	60,000
TENCENT HLDGS LTD	70,000	3,000	0	-32,500	40,500
CHINA TOWER CORP LTD-H	2,500,000	0	0	-2,500,000	0
CHINA EDUCATION GROUP HLDGS LTD	500,000	0	0	-168,000	332,000
CNOOC LTD	360,000	40,000	0	-400,000	0
CIFI HLDGS GROUP CO LTD	300,000	50,000	0	-50,000	300,000
LONGFOR GROUP HLDGS LTD	100,000	0	0	-35,000	65,000
CSPC PHARMACEUTICAL GROUP LTD	120,000	0	20,000	-40,000	100,000
CHINA RESOURCES LAND LTD	80,000	0	0	-10,000	70,000
SINO BIOPHARMACEUTICAL LTD	210,000	0	0	-60,000	150,000
AIA GROUP LTD	125,000	7,000	0	-75,000	57,000
XIAOMI CORP-CLASS B SHARE	0	90,000	0	-40,000	50,000
AAC TECHNOLOGIES HLDGS INC	0	70,000	0	-40,000	30,000
ANTA SPORTS PRODUCTS LTD	95,000	5,000	0	-48,000	52,000
WUXI BIOLOGICS CAYMAN INC	35,000	0	0	0	35,000
SHENZHOU INTL GROUP HLDGS LTD	77,000	0	0	-30,000	47,000
PING AN INSURANCE GROUP CO OF CHINA LTD-H	176,000	0	0	-118,000	58,000
CHINA MENGNIU DAIRY CO LTD	100,000	0	0	-100,000	0
LI NING CO LTD	200,000	15,000	0	-67,000	148,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	40,000	10,000	0	-11,000	39,000

**DA CHENG OVERSEAS CHINA CONCEPT FUND
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE PERIOD FROM 1 January 2020 TO 30 June 2020**

	1 January 2020	Additions	Bonus /Dividends	Deductions	30 June 2020
VENUS MEDTECH HANGZHOU INC-H	0	30,000	0	0	30,000
NEW WORLD DEVELOPMENT CO LTD	250,000	0	0	-250,000	0
A-LIVING SERVICES CO LTD-H	300,000	0	0	-70,000	230,000
CHINA YONGDA AUTOMOBILES SERVICES HLDGS LTD	0	550,000	0	-180,000	370,000
MEITUAN DIANPING-CLASS B	78,000	0	0	-18,000	60,000
PHARMARON BEIJING CO LTD-H	0	35,000	0	0	35,000
CHINA MERCHANTS BANK CO LTD-H	264,000	0	0	-124,000	140,000
BOSIDENG INTL HLDGS LTD	1,800,000	0	0	-1,800,000	0
CITIC SECURITIES CO LTD-H	260,000	0	0	-120,000	140,000
COUNTRY GARDEN SERVICES HLDGS CO LTD	500,735	0	0	-150,000	350,735
POWERLONG COMMERCIAL MANAGEMENT HLDGS LTD	412,000	0	0	-342,000	70,000
TIMES NEIGHBORHOOD HLDGS LTD	500,000	0	0	-200,000	300,000
CENTRAL CHINA NEW LIFE LTD	0	91,000	0	-91,000	0
KANGJI MEDICAL HLDGS LTD	0	2,000	0	-2,000	0
JD.COM INC-ADR	23,000	4,000	0	-13,000	14,000
MICRON TECHNOLOGY INC	16,000	0	0	-6,000	10,000
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	6,000	1,700	0	-3,700	4,000
GDS HLDGS LTD-SPONSORED ADR	12,500	0	0	-2,700	9,800
PINDUODUO INC-SPONSORED ADR	0	9,000	0	-1,000	8,000
TAL EDUCATION GROUP-ADR	14,500	2,000	0	-9,100	7,400
ZTO EXPRESS CAYMAN INC- SPONSORED ADR	38,000	6,000	0	-22,500	21,500
APPLIED MATERIALS INC	0	7,000	0	-7,000	0
BROADCOM INC	0	1,500	0	-1,500	0
ALIBABA GROUP HLDG LTD- SPONSORED ADR	16,000	1,700	0	-6,300	11,400
BAIDU INC-ADR	3,500	2,500	0	-3,400	2,600
MELCO RESORTS & ENTERTAINMENT LTD-ADR	28,000	2,000	0	-30,000	0
MOMO INC-ADR	0	9,000	0	-9,000	0
NETEASE INC-ADR	1,600	400	0	-700	1,300
YUM CHINA HLDGS INC	0	4,500	0	0	4,500



**DCI INVESTMENT TRUST
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**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2020**

Net asset value

	Net asset value	Net asset value	Net asset value per unit	Net asset value per unit
	Class A - HKD	Class A - USD	Class A - HKD	Class A - USD
At the end of the financial period ended				
30 June 2020	105,301,610	88,483,252	16.95	16.96
31 December 2019	136,167,160	132,154,374	14.86	14.80
31 December 2018	138,791,058	134,006,164	11.39	11.28
31 December 2017	111,270,150	87,943,227	16.07	15.95

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD	Highest issue price per unit USD	Lowest redemption price per unit USD
	Class A	Class A	Class A	Class A
For the financial period ended				
30 June 2020	17.29	12.14	17.31	12.13
31 December 2019	14.96	10.93	14.90	10.83
31 December 2018	17.79	11.08	17.66	10.96
31 December 2017	17.03	10.40	16.91	10.40
31 December 2016	11.66	9.51	11.67	9.50