
DA CHENG OVERSEAS CHINA CONCEPT FUND

(SUB-FUND OF DCI INVESTMENT TRUST)

SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 June 2021





**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2021**

SEMI-ANNUAL REPORT

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**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2021**

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

Da Cheng Overseas China Concept Fund (the “Sub-Fund”) seeks to achieve long-term capital growth in the value of assets by investing in companies which the Manager believes will benefit from the economic growth and development of China. The Sub-Fund aggregates a total asset size of approximately HKD 223,164,265.

Market Overview

For the first half of 2021, offshore china equities (as measured by MSCI China Index) edged up 1.2%, despite concerns over slowing economic growth in the second half of 2021 and the resurgence of COVID-19 cases in certain areas of China.

Sector wise, energy was the best performing sector in the first half of 2021, which rose more than 30% during the period, amid 50% jump in global oil prices. Consumer staples was the worst performing sector, which declined about 5% during the period.

The latest published macroeconomic data was a bit soft, suggesting the economic growth momentum to slow down in the second half of 2021. According to the National Bureau of Statistics (NBS), China’s official manufacturing Purchasing Managers’ Index (PMI) eased 0.1 MoM in June to 50.9 (vs. consensus: 50.8), showing manufacturing activities stayed in the expansion phase but the momentum was slowing. The NBS non-manufacturing Purchasing Manager Index slipped 1.7 MoM to 53.5 in June, missing the consensus by 1.8 point. Readings of transportation, accommodation and catering slipped to the contractionary territory on travel restrictions amid COVID-19 disruption during the Dragon Boat Festival. On the other hand, readings of employment for both manufacturing and non-manufacturing continued to stay below 50, indicating persistent headwinds for the job market.

China is still seeing an unbalanced recovery, as employment, household income and consumption, yet to return to pre-pandemic levels.

Outlook

Looking into second half of 2021, we remains positive on offshore china equities amid their solid fundamentals and undemanding valuation. Corporate earnings (MSCI China index members) are on track to grow more than 20% in 2021. In term of sector allocation, we continue to take a balance approach between new economy and cyclical sectors in order to reap the benefits of the re-opening of the economy, but tilt toward the growth sectors.

Due to the regulatory overhang, those internet related companies have underperformed the broad market in the last six months. They are attractively valued at the moment amid their solid growth outlook. We remain positive on those internet leaders and expect those would outperform the market again in the second half, once the regulatory overhang have been removed.

Da Cheng International Asset Management Company Limited

30 August 2021



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 2021

DA CHENG OVERSEAS CHINA CONCEPT FUND

	30 June 2021 (Unaudited) HKD	31 December 2020 (Audited) HKD
Assets		
Financial assets at fair value through profit or loss	226,508,403	185,657,699
Dividend receivable	110,620	182,746
Amount receivable on subscription of units	1,140,298	452,381
Prepayments and other assets	23,766	-
Cash and cash equivalents	943,849	750,421
Total assets	228,726,936	187,043,247
Liabilities		
Management fee payable	269,552	231,079
Trustee fee payable	35,000	35,000
Audit fee payable	88,775	185,424
Amount payable on redemption of units	1,818,831	7,414,943
Distribution Payable	3,270,832	-
Accrued expenses and other payables	79,681	5,134
Total liabilities	5,562,671	7,871,580
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	223,164,265	179,171,667
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	-	-
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	223,164,265	179,171,667
Number of Units in Issue		
USD Class A	504,271	417,196
HKD Class A	5,384,794	4,657,755
Net Asset Value Per Unit		
USD Class A	23.98	23.00
HKD Class A	24.00	23.00



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

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 January 2021 TO 30 June 2021

DA CHENG OVERSEAS CHINA CONCEPT FUND

	Period from 1 January 2021 to 30 June 2021	Period from 1 January 2020 to 31 December 2020
	(Unaudited) HKD	(audited) HKD
Note		
Income		
Dividend income	957,324	2,231,694
Interest income	13	43
Net changes in fair value on financial assets at fair value through profit or loss	13,931,062	89,992,464
Sundry income	-	30
Net foreign exchange differences	(83,124)	(64,731)
Total investment income	<u>14,805,275</u>	<u>92,159,500</u>
Expenses		
Management fee	(1,617,374)	(3,256,892)
Trustee fee	(210,000)	(420,000)
Custodian fee	(126,620)	(269,971)
Preliminary expenses	-	-
Transaction handling fee	(48,360)	(111,600)
Transaction costs	(401,040)	(857,001)
Auditors' remuneration	(91,826)	(194,068)
Other expenses	1 (11,282)	(70,119)
Total operating expenses	<u>(2,506,502)</u>	<u>(5,179,651)</u>
Profit before tax	12,298,773	86,979,849
Distribution to unitholders	(3,270,832)	-
(Losses)/gains after distributions and before tax	9,027,941	-
Taxation	(126,537)	(90,779)
Profit after tax	8,901,404	86,889,070
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders	-	-
Increase in net assets attributable to unitholders	<u>8,901,404</u>	<u>86,889,070</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 2021 TO 30 June 2021**

	Period from 1 January 2021 to 30 June 2021 (Unaudited)	Period from 1 January 2020 to 31 December 2020 (audited)
	HKD	HKD
Net assets attributable to unitholders at the beginning of the period	179,171,667	268,321,534
--Proceeds on issue of units	155,391,707	200,279,529
--Payments on redemption of units	(120,300,513)	(376,318,466)
Net increase from unit transactions	<u>35,091,194</u>	<u>(176,038,937)</u>
Increase in net assets attributable to unitholders	<u>8,901,404</u>	<u>86,889,070</u>
Net assets attributable to unitholders at the end of the period	<u>223,164,265</u>	<u>179,171,667</u>

	2021	
	HKD	USD
	Class A	Class A
Number of units in issue at the beginning of the period	4,657,755	417,196
Units issued	3,249,050	396,668
Reinvestments (Note)		
Units redeemed	(2,522,011)	(309,593)
Number of units in issue at the end of the period	<u>5,384,794</u>	<u>504,272</u>



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DA CHENG OVERSEAS CHINA CONCEPT FUND
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 1 January 2021 TO 30 June 2021**

	2020	
	HKD	USD
	Class A	Class A
Number of units in issue at the beginning of the period	9,163,946	1,146,427
Units issued	4,668,549	770,318
Reinvestments (Note)	(9,174,740)	(1,499,549)
Units redeemed	<hr/>	<hr/>
Number of units in issue at the end of the period	4,657,755	417,196
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**DCI INVESTMENT TRUST
 DA CHENG OVERSEAS CHINA CONCEPT FUND
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**INVESTMENT PORTFOLIO (UNAUDITED)
 AS AT 30 June 2021**

	Holdings	Market Value HKD	% of Net Asset
Equities			
Common Stock			
AUSTRALIA			
RIO TINTO LTD	8,000	5,904,362	2.65%
Hong Kong			
AIA GROUP LTD	75,000	7,237,500	3.24%
ANTA SPORTS PRODUCTS LTD	30,000	5,484,000	2.46%
CHINA EDUCATION GROUP HLDGS LTD	260,000	4,503,200	2.02%
CHINA MERCHANTS BANK CO LTD-H	110,000	7,287,500	3.27%
CHINA RESOURCES BEER HLDGS CO LTD	60,000	4,185,000	1.88%
CITIC SECURITIES CO LTD-H	100,000	1,948,000	0.87%
COUNTRY GARDEN SERVICES HLDGS CO LTD	220,735	18,519,667	8.30%
CSTONE PHARMACEUTICALS	130,000	2,223,000	1.00%
GALAXY ENTERTAINMENT GROUP LTD	60,000	3,729,000	1.67%
HAIER SMART HOME CO LTD -H	90,000	2,439,000	1.09%
HONG KONG EXCHANGES & CLEARING LTD	8,200	3,794,960	1.70%
JD LOGISTICS INC	50,000	2,115,000	0.95%
JIUMAOJIU INTL HLDGS LTD	180,000	5,715,000	2.56%
LI NING CO LTD	84,000	7,963,200	3.57%
MEITUAN-CLASS B	30,500	9,772,200	4.38%
PHARMARON BEIJING CO LTD-H	37,000	7,659,000	3.43%
SHENZHO INTL GROUP HLDGS LTD	23,000	4,510,300	2.02%
SUN HUNG KAI PROPERTIES LTD	27,000	3,123,900	1.40%
SUNAC SERVICES HLDGS LTD	175,000	5,048,750	2.26%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	28,500	6,993,900	3.13%
TECHTRONIC INDUSTRIES CO LTD	40,000	5,424,000	2.43%
TENCENT HLDGS LTD	28,500	16,644,000	7.46%
TONGCHENG-ELONG HLDGS LTD	260,000	5,054,400	2.26%
WEIMOB INC	180,000	3,081,600	1.38%
WUXI BIOLOGICS CAYMAN INC	75,000	10,672,500	4.78%
XIAOMI CORP-CLASS B SHARE	140,000	3,780,000	1.69%
ZIJIN MINING GROUP CO LTD-H	200,000	2,088,000	0.94%
UNITED STATES			
APPLIED MATERIALS INC	6,700	7,409,576	3.32%
BROADCOM INC	600	2,221,941	1.00%
MICRON TECHNOLOGY INC	6,500	4,289,816	1.92%
NXP SEMICONDUCTOR NV	2,600	4,153,923	1.86%



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**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2021**

	Holdings	Market Value HKD	% of Net Asset
Deposit Receipt			
ADR			
United States			
ALIBABA GROUP HLDG LTD-SPONSORED ADR	5,000	8,806,094	3.95%
BAIDU INC-ADR	2,500	3,958,820	1.77%
BEIGENE LTD-ADR	1,100	2,931,810	1.31%
BILIBILI INC-ADR	5,400	5,109,663	2.29%
GDS HLDGS LTD-SPONSORED ADR	8,000	4,876,552	2.19%
JD.COM INC-ADR	8,500	5,268,474	2.36%
KE HLDGS INC-SPONSORED ADR	6,000	2,221,754	1.00%
NETEASE INC-ADR	4,600	4,117,251	1.84%
PINDUODUO INC-SPONSORED ADR	4,300	4,241,790	1.90%
		<hr/>	<hr/>
Total listed/quoted investment		226,508,403	101.50%
		<hr/>	<hr/>
Other net assets		(3,344,138)	-1.50%
		<hr/>	<hr/>
Total net assets as at 30 June 2021		223,164,265	100%
		<hr/> <hr/>	<hr/> <hr/>
Total investments, at cost		155,599,038	

**DCI INVESTMENT TRUST
 DA CHENG OVERSEAS CHINA CONCEPT FUND
 (A SUB-FUND OF DCI INVESTMENT TRUST)**
**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
 FOR THE PERIOD FROM 1 January 2021 TO 30 June 2021**

	1 January 2021	Additions	Bonus /Dividends	Deductions	30 June 2021
Listed/Quoted Equities					
AIA GROUP LTD	40,000	35,000	0	0	75,000
ALIBABA GROUP HLDG LTD- SPONSORED ADR	5,000	3,000	0	(3,000)	5,000
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	0	180,000	0	(180,000)	0
A-LIVING SMART CITY SERVICES CO LTD-H	60,000	10,000	0	(70,000)	0
ANTA SPORTS PRODUCTS LTD	29,000	5,000	0	(4,000)	30,000
APPLIED MATERIALS INC	0	6,700	0	0	6,700
BAIDU INC-ADR	2,400	1,900	0	(1,800)	2,500
BEIGENE LTD-ADR	0	1,500	0	(400)	1,100
BILIBILI INC-ADR	0	6,500	0	(1,100)	5,400
BOSIDENG INTL HLDGS LTD	1,000,000	0	0	(1,000,000)	0
BROADCOM INC	850	0	0	(250)	600
CHINA EAST EDUCATION HLDGS LTD	140,000	0	0	(140,000)	0
CHINA EDUCATION GROUP HLDGS LTD	200,000	120,000	0	(60,000)	260,000
CHINA MERCHANTS BANK CO LTD- H	80,000	35,000	0	(5,000)	110,000
CHINA RESOURCES BEER HLDGS CO LTD	42,000	60,000	0	(42,000)	60,000
CITIC SECURITIES CO LTD-H	110,000	70,000	0	(80,000)	100,000
COUNTRY GARDEN SERVICES HLDGS CO LTD	230,735	15,000	0	(25,000)	220,735
CSTONE PHARMACEUTICALS	0	130,000	0	0	130,000
GALAXY ENTERTAINMENT GROUP LTD	0	60,000	0	0	60,000
GDS HLDGS LTD-SPONSORED ADR	8,000	1,700	0	(1,700)	8,000
GEELY AUTOMOBILE HLDGS LTD	220,000	20,000	0	(240,000)	0
HAIER SMART HOME CO LTD -H	0	135,000	0	(45,000)	90,000
HANGZHOU TIGERMED CONSULTING CO LTD-H	21,000	0	0	(21,000)	0
HONG KONG EXCHANGES & CLEARING LTD	9,200	0	0	(1,000)	8,200
JD LOGISTICS INC	0	50,000	0	0	50,000
JD.COM INC-ADR	12,200	4,500	0	(8,200)	8,500
JIUMAOJIU INTL HLDGS LTD	0	180,000	0	0	180,000
JOINN LABORATORIES CHIN CO LTD-H	0	5,900	0	(5,900)	0
JW CAYMAN THERAPEUTICS CO LTD	1,000	0	0	(1,000)	0
KE HLDGS INC-SPONSORED ADR	6,800	9,400	0	(10,200)	6,000



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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE PERIOD FROM 1 January 2021 TO 30 June 2021**

	1 January 2021	Additions	Bonus /Dividends	Deductions	30 June 2021
KUAISHOU TECHNOLOGY	0	6,200	0	(6,200)	0
LI NING CO LTD	71,000	31,000	0	(18,000)	84,000
MEITUAN-CLASS B	27,500	12,000	0	(9,000)	30,500
MELCO RESORTS & ENTERTAINMENT LTD-ADR	0	33,000	0	(33,000)	0
MICRON TECHNOLOGY INC	6,500	500	0	(500)	6,500
MICROPORT CARDIOFLOW MEDTECH CO	0	11,000	0	(11,000)	0
MINTH GROUP LTD	60,000	10,000	0	(70,000)	0
NETEASE INC-ADR	3,100	1,900	0	(400)	4,600
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	3,900	20,700	0	(24,600)	0
NXP SEMICONDUCTOR NV	0	2,600	0	0	2,600
PHARMARON BEIJING CO LTD-H	32,000	5,000	0	0	37,000
PINDUODUO INC-SPONSORED ADR	5,700	2,900	0	(4,300)	4,300
PING AN INSURANCE GROUP CO OF CHINA LTD-H	45,000	15,000	0	(60,000)	0
QUALCOMM INC	3,500	0	0	(3,500)	0
RIO TINTO LTD	0	9,000	0	(1,000)	8,000
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD-H	60,000	0	0	(60,000)	0
SHENZHOU INTL GROUP HLDGS LTD	22,000	10,000	0	(9,000)	23,000
SINO BIOPHARMACEUTICAL LTD	0	100,000	0	(100,000)	0
SUN HUNG KAI PROPERTIES LTD	0	27,000	0	0	27,000
SUNAC SERVICES HLDGS LTD	0	230,000	0	(55,000)	175,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	25,000	13,000	0	(9,500)	28,500
TAL EDUCATION GROUP-ADR	5,200	2,500	0	(7,700)	0
TECHTRONIC INDUSTRIES CO LTD	33,000	14,000	0	(7,000)	40,000
TENCENT HLDGS LTD	27,200	5,100	0	(3,800)	28,500
TENCENT MUSIC ENTERTAINMENT GROUP-ADR	0	12,000	0	(12,000)	0
TONGCHENG-ELONG HLDGS LTD	0	260,000	0	0	260,000
VENUS MEDTECH HANGZHOU INC- H	25,000	0	0	(25,000)	0
VIPSHOP HLDGS LTD-ADR	0	19,000	0	(19,000)	0
WEIMOB INC	310,000	180,000	0	(310,000)	180,000
WUXI BIOLOGICS CAYMAN INC	70,500	18,500	0	(14,000)	75,000
XIAOMI CORP-CLASS B SHARE	185,000	95,000	0	(140,000)	140,000
YUM CHINA HLDGS INC	5,000	0	0	(5,000)	0
ZIJIN MINING GROUP CO LTD-H	0	200,000	0	0	200,000

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

**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2021**

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 2021	129,258,460	93,905,805	24.00	23.98
31 December 2020	105,713,487	73,458,180	22.70	22.71
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

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redempti on price per unit HKD	Highest issue price per unit USD	Lowest redempti on price per unit USD
	Class A	Class A	Class A	Class A
For the financial period ended				
30 June 2021	27.57	21.80	27.59	21.77
31 December 2020	22.70	12.14	22.71	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



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DA CHENG OVERSEAS CHINA CONCEPT FUND
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Notes to the financial statements (Unaudited)

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 2020, as described in Note 2 of the annual financial statements.

Note 1: During the period ended 30 June 2021 and 31 December 2020, the other expenses(bank charges) paid to its connected person of Trustee were as follows:

	30/06/2021	31/12/2020
Bank of China (Hong Kong) Limited	5,844	5,111