
DA CHENG SHORT TERM BOND 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 SHORT TERM BOND FUND (A SUB-FUND OF DCI INVESTMENT TRUST)

Da Cheng Short Term Bond Fund (the “Sub-Fund”) seeks to achieve long term capital growth through investing globally in a portfolio consisting primarily of short-term debt securities denominated in USD, EUR, HKD or RMB, which aim to generate a steady flow of income in addition to capital appreciation for the Sub-Fund, including debt securities issued in emerging markets. The sub-Fund aggregates a total asset size of approximately USD 68,492,494.

Market Overview

The COVID-19 crisis continued in the first half of 2021, but the world economy gradually recovered in the first half of the year as global vaccination accelerated and global economic stimulus measures continued. Major international economic organizations have raised their projections for global GDP growth in 2021. The Federal Reserve’s meeting kept the existing low rate policy in 2021 but there is already a market’s expectation for interest rate rises could come in 2023. US 10-year Treasury yields rose from 0.92% to 1.47% in the first half of 2021, showing the market expectations for global inflation and a shift in monetary policy by the Federal Reserve are rising.

For major Asia Credit index, i.e. Markit iBoxx USD Asia ex-Japan China Investment Grade TRI has a positive return as 0.1% in 2021 H1, Markit’s iBoxx USD Asia ex-Japan index has a negative return of -0.29%. Da Cheng Short Term Bond fund made a 0.3% positive return in 2021 H1.

Market Outlook

In 2021 H2, we are expecting Financial market volatility will also rise in line with the expectation for global inflation and a shift in monetary policy. Under such an environment, keeping durations short will be one of preferable strategies for fixed income investment.

China is still one of the best countries in the world for containment of Covid-19, China’s economy has returned back to its growth, so we remain bullish on China-related assets. However, default risks and policy change remain key concerns in the China USD credit market, and these may also increase the volatility throughout 2021. Especially under the continuously restricted property policy environment, we will keep a larger proportion of the asset allocation in China IG Credit and look for opportunities on BB or BB+ rating solid credit names.

Da Cheng International Asset Management Company Limited

30 August 2021



DCI INVESTMENT TRUST
DA CHENG SHORT TERM BOND FUND
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 June 2021

	DA CHENG SHORT TERM BOND FUND
	30 June 2021 (Unaudited) USD
Assets	
Financial assets at fair value through profit or loss	15,458,008
Dividend and interest receivable	189,163
Formation costs	35,466
Cash and cash equivalents	53,017,902
Total assets	68,700,539
Liabilities	
Management fee payable	2,639
Trustee fee payable	2,250
Amount payable on purchase of investments	199,220
Accrued expenses and other payables	3,936
Total liabilities	208,045
	68,492,494
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	
Number of Units in Issue	
- USD Class A	10
- HKD Class A	100
- HKD Class M	4,800,601
- USD Class I	457,670
- USD Class M	5,745,991
Net Asset Value Per Unit	
- USD Class A	10.03
- HKD Class A	10.04
- HKD Class M	10.04
- USD Class I	10.04
- USD Class M	10.04



DCI INVESTMENT TRUST
DA CHENG SHORT TERM BOND FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 20 April 2021 TO 30 June 2021

		DA CHENG SHORT TERM BOND FUND
		Period from 20 April 2021 to 30 June 2021
		(Unaudited) USD
	Note	
Income		
Interest income		93,784
Net changes in fair value on financial assets at fair value through profit or loss		(30,912)
Net foreign exchange differences		(2,251)
Total investment income		60,621
Expenses		
Management fee		2,639
Trustee fee		5,250
Custodian fee		1,115
Preliminary expenses		1,534
Transaction handling fee		420
Auditors' remuneration		3,620
Other expenses	1	741
Total operating expenses		15,319
Gains before distributions and tax		45,302
Distribution to unitholders		-
Gains after distributions and before tax		45,302
Taxation		-
Increase in net assets attribute to unitholders		45,302

**DCI INVESTMENT TRUST
DA CHENG SHORT TERM BOND FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 20 April 2021 TO 30 June 2021**

	Period from 20 April 2021 to 30 June 2021 (Unaudited) USD
Net assets attributable to unitholders at the beginning of the period	-
--Proceeds on issue of units	68,447,192
--Payments on redemption of units	-
Net increase from unit transactions	68,447,192
(Decrease)/ Increase in net assets attribute to unitholders	45,302
Net assets attributable to unitholders at the end of the period	68,492,494

	20 April 2021 to 30 June 2021				
	USD Class A	HKD Class A	HKD Class M	USD Class I	USD Class M
Number of units in issue at the beginning of the period	-	-	-	-	-
Units issued	10	100	4,800,601	457,670	5,745,991
Units redeemed	-	-	-	-	-
Number of units in issue at the end of the period	10	100	4,800,601	457,670	5,745,991



DCI INVESTMENT TRUST
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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2021

	Holdings	Market Value in USD	% of Net assets
Listed/Quoted Investments			
Debt Securities			
BRITISH VIRGIN ISLAND			
BEIJING ENVIRONMENT BVI CO LTD 5.3% S/A 18OCT2021	2,500,000	2,526,275	3.70
CHALCO HONG KONG INVESTMENT CO LTD 4.875% S/A 07SEP2021	800,000	804,856	1.19
CHANG DEVELOPMENT INTL LTD 5.7% S/A 08NOV2021	500,000	504,595	0.74
CHINA CINDA FINANCE 2017 I LTD 3.65% S/A 09MAR2022	500,000	504,020	0.74
CHINA GREAT WALL INTL HLDGS III LTD 2.625% S/A 27OCT2021	500,000	500,640	0.73
CHINALCO CAPITAL HLDGS LTD 4% S/A 25AUG2021	500,000	501,475	0.73
GUANGZHOU SILK ROAD INVESTMENT LTD 3.85% S/A 07DEC2021	200,000	201,908	0.29
HUAFA GROUP 2018 I CO LTD 5.4% S/A 07SEP2021	200,000	201,364	0.29
INDUSTRIAL INVESTMENT OVERSEAS LTD 2.6% S/A 05MAY2022	500,000	501,800	0.73
INDUSTRIAL INVESTMENT OVERSEAS LTD 3.7% S/A 24AUG2021	200,000	200,594	0.29
SHUIFA INTL HLDGS BVI CO LTD 4.15% S/A 17SEP2022	500,000	497,795	0.73
SINO-OCEAN LAND TREASURE IV LTD 5.25% S/A 30APR2022	300,000	307,395	0.45
TRADE HORIZON GLOBAL LTD 3M L+2.575% Q 02AUG2021	500,000	499,695	0.73
		7,752,412	11.34
CAYMAN			
AGILE GROUP HLDGS LTD 8.5% S/A 18JUL2021	500,000	501,685	0.73
CENTRAL CHINA REAL ESTATE LTD 6.75% S/A 08NOV2021	400,000	399,516	0.58
CHINA AOYUAN GROUP LTD 8.5% S/A 23JAN2022	200,000	201,310	0.29
E-HOUSE CHINA ENTERPRISE HLDGS LTD 7.625% S/A 18APR2022	200,000	201,458	0.29
SHIMAO PROPERTY HLDGS LTD 6.375% S/A 15OCT2021	900,000	910,269	1.34
TIMES CHINA HLDGS LTD 5.55% S/A 04JUN2024	200,000	200,582	0.29
		2,414,820	3.52



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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2021

	Holdings	Market Value in USD	% of Net assets
CHINA			
CHENGDU COMMUNICATIONS INVESTMENT GROUP CO LTD 5.125% S/A 20DEC2021	500,000	509,315	0.74
CHENGDU HI-TECH INVESTMENT GROUP CO LTD 6.28% S/A 14NOV2021	400,000	406,988	0.59
CHONGQING NAN'AN URBAN CONSTRUCTION & DEVELOPMENT GROUP CO LTD 3.625% S/A 19JUL2021	2,150,000	2,151,570	3.15
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 6.25% S/A 02AUG2021	500,000	502,815	0.73
SHENZHEN EXPRESSWAY CO LTD 1.75% S/A 08JUL2026	200,000	200,138	0.29
WUHAN REAL ESTATE DEVELOPMENT & INVESTMENT GROUP CO LTD 5.7% S/A 09AUG2021	500,000	502,940	0.73
ZHENGZHOU METRO GROUP CO LTD 5% S/A 20DEC2021	500,000	508,695	0.74
		4,782,461	6.97
HONG KONG			
CNAC HK FINBRIDGE CO LTD 3.125% S/A 19JUN2022	500,000	508,315	0.74
		508,315	0.74
Total listed/quoted investment		15,458,008	22.57
Other net assets		53,034,486	77.43
Total net assets as at 30 June 2021		68,492,494	100.00
Total investments, at cost		15,489,745	

DCI INVESTMENT TRUST
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 20 April 2021 TO 30 June 2021

	20 April 2021	Additions	Bonus/ Dividends	Deductions	30 June 2021
AGILE GROUP HLDGS LTD 8.5% S/A 18JUL2021	0	500,000	0	0	500,000
BEIJING ENVIRONMENT BVI CO LTD 5.3% S/A 18OCT2021	0	2,500,000	0	0	2,500,000
BLUESTAR FINANCE HLDGS LTD 3.5% S/A 30SEP2021	0	500,000	0	(500,000)	0
CENTRAL CHINA REAL ESTATE LTD 6.75% S/A 08NOV2021	0	400,000	0	0	400,000
CHALCO HONG KONG INVESTMENT CO LTD 4.875% S/A 07SEP2021	0	800,000	0	0	800,000
CHANG DEVELOPMENT INTL LTD 5.7% S/A 08NOV2021	0	500,000	0	0	500,000
CHENGDU COMMUNICATIONS INVESTMENT GROUP CO LTD 5.125% S/A 20DEC2021	0	500,000	0	0	500,000
CHENGDU HI-TECH INVESTMENT GROUP CO LTD 6.28% S/A 14NOV2021	0	400,000	0	0	400,000
CHINA AOYUAN GROUP LTD 8.5% S/A 23JAN2022	0	200,000	0	0	200,000
CHINA CINDA FINANCE 2017 I LTD 3.65% S/A 09MAR2022	0	500,000	0	0	500,000
CHINA GREAT WALL INTL HLDGS III LTD 2.625% S/A 27OCT2021	0	500,000	0	0	500,000
CHINA OVERSEAS GRAND OCEANS FINANCE IV CAYMAN LTD 4.875% S/A 01JUN2021	0	250,000	0	(250,000)	0
CHINALCO CAPITAL HLDGS LTD 4% S/A 25AUG2021	0	500,000	0	0	500,000
CHONGQING NAN'AN URBAN CONSTRUCTION & DEVELOPMENT GROUP CO LTD 3.625% S/A 19JUL2021	0	2,150,000	0	0	2,150,000
CNAC HK FINBRIDGE CO LTD 3.125% S/A 19JUN2022	0	500,000	0	0	500,000
COASTAL EMERALD LTD 3.8% S/A 01JUN2021	0	500,000	0	(500,000)	0
E-HOUSE CHINA ENTERPRISE HLDGS LTD 7.625% S/A 18APR2022	0	200,000	0	0	200,000
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 6.25% S/A 02AUG2021	0	500,000	0	0	500,000
GUANG YING INVESTMENT LTD 2.15% S/A 06MAY2024	0	500,000	0	(500,000)	0

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DA CHENG SHORT TERM BOND FUND
(A SUB-FUND OF DCI INVESTMENT TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE PERIOD FROM 20 April 2021 TO 30 June 2021

	20 April 2021	Additions	Bonus/ Dividends	Deductions	30 June 2021
GUANGZHOU SILK ROAD INVESTMENT LTD 3.85% S/A 07DEC2021	0	200,000	0	0	200,000
HUAFA GROUP 2018 I CO LTD 5.4% S/A 07SEP2021	0	200,000	0	0	200,000
INDUSTRIAL INVESTMENT OVERSEAS LTD 2.6% S/A 05MAY2022	0	500,000	0	0	500,000
INDUSTRIAL INVESTMENT OVERSEAS LTD 3.7% S/A 24AUG2021	0	200,000	0	0	200,000
JINKE PROPERTIES GROUP CO LTD 8.375% S/A 20JUN2021	0	700,000	0	(700,000)	0
MEGA WISDOM GLOBAL LTD 5.625% S/A 28JUN2021	0	500,000	0	(500,000)	0
POWERLONG REAL ESTATE HLDGS LTD 4.9% S/A 13MAY2026	0	200,000	0	(200,000)	0
SHENZHEN EXPRESSWAY CO LTD 1.75% S/A 08JUL2026	0	200,000	0	0	200,000
SHIMAO PROPERTY HLDGS LTD 6.375% S/A 15OCT2021	0	1,400,000	0	(500,000)	900,000
SHUIFA INTL HLDGS BVI CO LTD 4.15% S/A 17SEP2022	0	500,000	0	0	500,000
SINO-OCEAN LAND TREASURE IV LTD 5.25% S/A 30APR2022	0	300,000	0	0	300,000
TIMES CHINA HLDGS LTD 5.55% S/A 04JUN2024	0	200,000	0	0	200,000
TRADE HORIZON GLOBAL LTD 3M L+2.575% Q 02AUG2021	0	500,000	0	0	500,000
WUHAN REAL ESTATE DEVELOPMENT & INVESTMENT GROUP CO LTD 5.7% S/A 09AUG2021	0	500,000	0	0	500,000
ZHENGZHOU METRO GROUP CO LTD 5% S/A 20DEC2021	0	500,000	0	0	500,000



**DCI INVESTMENT TRUST
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**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2021**

Net asset value

	Net asset value	Net asset value per unit	Net asset value per unit	Net asset value per unit	Net asset value per unit	Net asset value per unit
	USD	USD	HKD	HKD	USD	USD
		Class A	Class A	Class M	Class I	Class M
At the end of the financial period ended						
30 June 2021	68,492,494	10.03	10.04	10.04	10.04	10.04
	=====	=====	=====	=====	=====	=====

Highest and lowest net asset value per unit

	Highest subscription price per unit	Lowest redemption price per unit
Financial period ended 30 June 2021		
Class A USD	10.03	9.99
Class A HKD	10.04	9.99
Class M HKD	10.04	9.99
Class I USD	10.04	10.00
Class M USD	10.04	10.00



**DCI INVESTMENT TRUST
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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”).

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

30/06/2021

Bank of China (Hong Kong) Limited

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