

DCI Investment Trust

Da Cheng China Balanced Fund

May 2022

Important Information:

- Da Cheng China Balanced Fund ("The Fund") is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal. There is also no guarantee of dividend or distribution payments during the period you hold the units of the Fund. The instruments invested by the Fund may fall in value and therefore your investment in the Fund may suffer losses.
- The Fund invests primarily in a diversified portfolio of domestic securities traded in China and denominated and settled in RMB.
- The RQFII policy and rules are new and there may be uncertainty to its implementation and such policy and rules are subject to change. The uncertainty and change of the laws and regulations in the PRC (including the RQFII policy and rules) may adversely impact the Fund and such changes may also have potential retrospective effect. Investing in PRC-related companies and in PRC markets involve certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risk.
- The Fund is denominated in RMB and the majority of the investments of the Fund are made in RMB. Investors may invest in the Fund in RMB, HKD as well as USD. There is no guarantee that RMB will not depreciate. Investors should take into account the potential risk of loss in respect of creations, redemptions and dividends arising from fluctuations in value between HKD/USD and the RMB.
- The valuation of the Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Fund may be adversely affected.
- Investment involves risks. There is a risk that you may lose a substantial part of all your investment. You are advised to consult the intermediary before investing. You should not invest in the Fund unless the intermediary who sells it to you has explained to you that the Fund is suitable for you having regard to your financial situation, investment experience and objectives.
- You should not make any investment decision solely based on this document alone. Investors should read the Fund's Explanatory Memorandum for further details including risk factors.

INVESTMENT OBJECTIVE

The Fund is a balanced fund and the investment objective of the Fund is to seek long-term growth of capital and income. The Fund seeks to achieve its objective through investing directly in fixed income and equity securities issued in China. The majority of the investments of the Fund will be onshore investments in China and will be denominated and settled in RMB.

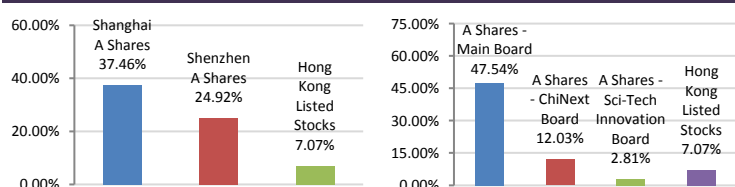
ASSET ALLOCATION¹

Equity	69.45%
Fixed Income	28.19%
Cash	2.36%

SECTOR ALLOCATION^{1,5}(%)

	Equity	Fixed Income
Financials	14.02%	13.69%
Consumer Staples	11.19%	0.00%
Information Technology	9.65%	0.47%
Industrials	8.45%	3.73%
Health Care	6.58%	0.02%
Materials	5.47%	0.30%
Energy	4.45%	0.35%
Consumer Discretionary	4.25%	0.22%
Communication Services	3.21%	0.00%
Real Estate	2.18%	1.40%
Utilities	0.00%	1.79%
Government Bonds	0.00%	6.22%

EQUITY ALLOCATION¹(% of AUM)



TOP TEN HOLDINGS¹(%)

Securities	Sectors	%
KWEICHOW MOUTAI CO LTD-A	Consumer Staples	5.27%
BANK OF NINGBO CO LTD-A	Financials	2.32%
EAST MONEY INFORMATION CO LTD-A	Financials	2.32%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	2.23%
CHINA MERCHANTS BANK CO LTD-A	Financials	2.14%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	Industrials	2.05%
TENCENT HLDGS LTD	Communication Services	1.99%
GUANGHUI ENERGY CO LTD-A	Energy	1.61%
INDUSTRIAL BANK CO LTD-A	Financials	1.59%
WULIANGYE YIBIN CO LTD-A	Consumer Staples	1.51%

FUND INFORMATION¹

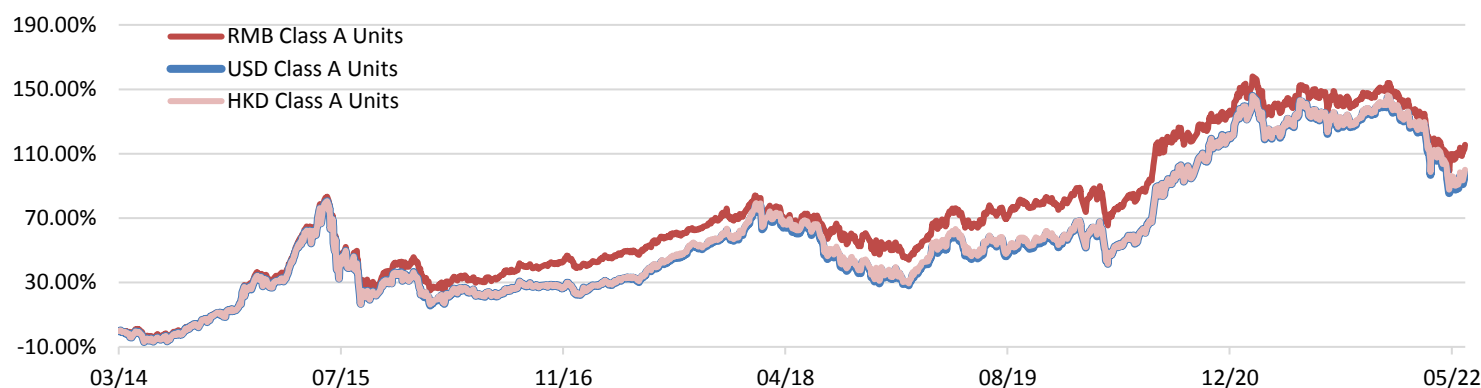
Manager	Da Cheng International Asset Management Co., Ltd.		
Launch Date	03/03/2014 (RMB Class A) / 14/08/2019 (RMB Class P Acc) 03/03/2014 (HKD Class A) / 14/08/2019 (HKD Class P Acc) 03/03/2014 (USD Class A) / 14/08/2019 (USD Class P Acc)		
ISIN	HK0000181096 (RMB Class A) / HK0000524238 (RMB Class P Acc) HK0000181112 (HKD Class A) / HK0000524253 (HKD Class P Acc) HK0000181138 (USD Class A) / HK0000524279 (USD Class P Acc)		
Bloomberg Ticker	DACBLAC HK (RMB Class A) / DACBRPA HK (RMB Class P Acc) DACBLAH HK (HKD Class A) / DACBHPA HK (HKD Class P Acc) DACBLAU HK (USD Class A) / DACBUPA HK (USD Class P Acc)		
Investment Advisor	Dacheng Fund Management Company Limited		
Trustee and Registrar	BOCI-Prudential Trustee Limited		
Custodian	Bank of China (Hong Kong) Limited		
Minimum Initial Investment	RMB 10,000 (Class A) / RMB 1 (Class P Acc) HKD 12,000 (Class A) / HKD 1 (Class P Acc) USD 1,500 (Class A) / USD 1 (Class P Acc)		
Base Currency	RMB	Dealing Frequency	Daily
NAV	14.20 (RMB Class A) / 10.00 (RMB Class P Acc) 12.64 (HKD Class A) / 13.04 (HKD Class P Acc) 12.48 (USD Class A) / 13.22 (USD Class P Acc)		
Dividend Policy	Monthly distribution (if any) at the Manager's discretion subject to PRC withholding tax provisioning. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. Dividends will be paid in the currency of the relevant class of Units. (Class A) No dividends are paid (Class P Acc)		
Management Fee	1.35% (Class A) / 1.35% (Class P)		
Preliminary Charge	Up to 5% of the subscription price	Redemption Charge	Nil
Fund Size	RMB (million) 2,930		

LATEST 4 DIVIDEND INFORMATION

Classes	Dividend per Unit	Annualized Yield ⁶	Record Date
RMB Class A Units	RMB 0.09	6.91%	15/02/2022
USD Class A Units	USD 0.09	7.43%	15/02/2022
HKD Class Unit	HKD 0.09	7.37%	15/02/2022
RMB Class A Units	RMB 0.09	7.52%	15/03/2022
USD Class A Units	USD 0.09	8.16%	15/03/2022
HKD Class Unit	HKD 0.09	8.07%	15/03/2022
RMB Class A Units	RMB 0.09	8.14%	19/04/2022
USD Class A Units	USD 0.09	9.16%	19/04/2022
HKD Class Unit	HKD 0.09	9.05%	19/04/2022
RMB Class A Units	RMB 0.09	7.79%	16/05/2022
USD Class A Units	USD 0.09	8.89%	16/05/2022
HKD Class Unit	HKD 0.09	8.77%	16/05/2022

CUMULATIVE PERFORMANCE^{1,2}

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception ^{3,4}
RMB Class A Units	-13.02%	2.74%	-7.62%	-13.69%	-14.60%	29.71%	41.15%	115.49%
USD Class A Units	-17.22%	1.89%	-12.67%	-17.55%	-18.44%	35.03%	43.07%	97.72%
HKD Class A Units	-16.67%	1.94%	-12.30%	-17.05%	-17.54%	35.10%	44.16%	100.11%
USD Class P Units Acc	-17.22%	1.85%	-12.74%	-17.58%	-18.50%	N/A	N/A	32.20%
HKD Class P Units Acc	-16.73%	1.88%	-12.37%	-17.10%	-17.62%	N/A	N/A	30.40%

PERFORMANCE SINCE INCEPTION^{1,2,3} (Class A)

FUND MANAGER'S COMMENTARY

Market Recap: A-shares rebounded in a large scale in May, with growth sectors outperforming. Index-wise, CSI1000, CSI500, STAR50 and GEM index rose by 10.8%, 7.1%, 9.3% and 3.7% respectively. Large-cap indices presented relatively slight increase, with SSE50 and CSI300 rose by 0.3% and 1.9% respectively.

In May, the epidemic in Shanghai was gradually brought under control, resulting in the recovery of production among key enterprises in the automotive, IC, steel, petrochemical and biomedical industries. The epidemic in Beijing remained under control and was prevented from further spreading. Along with the effective control of the epidemic across the country and the regular management towards prevention and control, the previous problem of supply chain stagnation was relieved marginally. Meanwhile, the freight logistics chain progressively resumed smoothly nationwide in May. On the policy side, the State Council clearly declared in late May the plan to launch a policy "combination" composed of 33 measures in relation to six fields, including public finance, consumption, effective investment, etc. Beijing, Shanghai, Jilin, Zhejiang and other provinces and cities have also intensively implemented post-epidemic relief programs to stabilize economic growth, secure market players and ensure employment. The continuous ramping up of economic growth stabilization policies provided support for the improvement in fundamental expectations and the rally in May.

Market Outlook: After the arrival of June, the epidemic nationwide is expected to see fundamental amelioration. The formulation of more targeted policies and the effectiveness of earlier growth stabilization policies both rely heavily on the premise that the epidemic is effectively controlled. With further progresses in the control of the epidemic, stabilizing growth will become a more important goal. A series of policies are to be collectively implemented and take effect in June after experiencing accumulation in the past 2 months. Exports, real estate, logistics, consumption and other types of economic activities are improving marginally and expected to enter a stage of rapid repair in June. Overseas, inflationary pressure has become the main factor periodically dominating the policies of European and American countries. China, as the world's largest producer and exporter of industrial goods, performs an important role in stabilizing global inflation under the current circumstances where trade protection is prevalent globally. The attitude of U.S. leaders signals that the trade environment between China and the U.S. may usher in a phase of improvement as a result of the heavy inflation pressure overseas.

The foreign capital risk appetite for A-shares has continued to recover, while domestic funds did not have active participation in the initial rebound of the market, with the capital position represented by absolute return being still at a low level. The subsequent rapid repair of fundamentals would strengthen market consensus and gradually ease external disturbances. Domestic policy synergies may catalyze the inflow of incremental funds. The A-share market may switch from oversold rebound that began in late April to the medium-term rally starting in June. We focus on following four main themes, including modern infrastructure, real estate, resumption of work and production, and consumption restoration. In the field of infrastructure, we will focus on undervalued construction leaders, power grids, data centers and cloud infrastructure. When it comes to real estate, we will pay more attention to high-quality developers, property management firms and building materials companies. In the industries related to resumption of work and production, we will give priority to intelligent vehicles and parts, semiconductors, solar and wind power equipment, etc. In terms of consumption restoration, we are highly likely to value airlines, hotels, duty-free operators, food and beverage and department stores and supermarkets. Under the background of the receding pandemic, a package of policies such as relief policies and consumption stimuli may secure phased recovery in these industries.

1. Source: DCI, all information as at 31 May 2022. 2. NAV to NAV with income (if any) reinvested. 3. Fund launch date and Class A Units launch date: 03 March 2014. 4. Class P (Acc) Units launch date: 14 August 2019. 5. Classification is based on Global Industry Classification Standard (GICS). 6. Annualized yield is calculated as follows (before Oct 2021): (dividend amount/NAV as of payment date) x 4. Annualized yield is calculated as follows (from Oct 2021): (dividend amount/NAV as of payment date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 7. Source of star rating: Morningstar, Inc., Da Cheng China Balanced Fund RMB Class A Units received a 5-star Morningstar Rating™.

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