
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND

(SUB-FUND OF DCI INVESTMENT TRUST)

SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 June 2022





**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2022**

SEMI-ANNUAL REPORT

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**DCI INVESTMENT TRUST
FOR THE PERIOD ENDED 30 June 2022**

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

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 2022, the Sub-Fund aggregates a total asset size of approximately HKD 97,486,159.

Market Overview

As the market expected, the U.S. Federal Reserve began its aggressive rate hike campaign in 2022, ending about two years of extremely low-interest rates since March 2020. The Federal Reserve raised the target range for the fed funds rate to 2.25%-2.5% by the end of the first half of 2022.

Recurrent outbreaks of COVID-19, the volatile international environment, and increasing geopolitical tensions, continue to impact global supply chains. Global energy and food prices surged at a fast pace and that has also pushed up global inflation and stayed at a high level, the US CPI for All Urban Consumers increased 9.1 percent YOY to an index level of 296.31, the largest 12-month increase since the period ending November 1981. Inflation challenges may push policy maker to implement a restrictive monetary policy.

As a result, most of the global assets have a negative return in the first half of 2022, S&P 500 down nearly 20%, NASDAQ Composite Index down over 29%, The MSCI ACWI Index down also nearly 20%, Bloomberg Barclays US Agg Total Return Value down over 10%, USD Asia ex-Japan China Index down 9.73%. The 10-Year Treasury yield increased by over 150 bps reached 3% level. 2-Year Treasury yield increased by over 220 bps reached around 2.95%. For HKD money market, there is a bit latency compared with the USD rate hike, 1 month HIBOR reached 0.87% level. HK banking deposits remained stable. Total deposits rose by 1.1% in the first quarter of 2022, with Hong Kong dollar deposits growing by 2.2%. There are still gaps between the LIBOR and HIBOR, so there are still differences between the HKD deposit rate and USD deposit rate for all tenors.

Outlook

All those factors affecting 2022 first-half performance may also affect the second half of 2022, such as geopolitical tension, rapid rate hike of the Fed, and the resurgence of COVID-19, all these factors may generate a hard environment for the economy for 2022 H2, thus a volatile global market. Furthermore, the market is now concerning about stagflation risk across developed markets may also cause a potential hit to the global economy.

However, with the rapid rate hike in 2022 first half, from fix income perspective, some value is back in investment grade bonds, but keeping the duration short will still be a good strategy to achieve a positive return by the 2022 year-end. And the strong USD may persist in the second half as the market still expects the Fed fund rate may reach 3.5% by the end of 2022, so we still prefer dollar assets in the second half and HKD money market may also step up with the USD rate hike pace by year end. HKD money market with short tenors should provide a reasonable and sustainable return in 2022.

Da Cheng International Asset Management Company Limited

30 August 2022

**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 2022**

DA CHENG HONG KONG DOLLAR MONEY MARKET FUND

	30 June 2022 (Unaudited) HKD	31 December 2021 (Audited) HKD
Assets		
Prepayments and other assets	9,807	-
Interest receivable	94,154	34,702
Cash and cash equivalents	97,346,115	97,318,685
Total assets	<u>97,450,076</u>	<u>97,353,387</u>
Liabilities		
Management fee payable	430	950
Trustee fee payable	6,010	6,578
Amount payable on redemption of units	41	-
Accrued expenses and other payables	61,115	136,538
Total liabilities (excluding net assets attributable to unitholders)	<u>67,596</u>	<u>144,066</u>
	97,382,480	97,209,321
Net assets attributable to unitholders (in accordance with IFRSs)		
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	103,679	124,188
Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)	<u>97,486,159</u>	<u>97,333,509</u>
Number of Units in Issue		
- HKD Class A	145,947	142,859
- HKD Class E	2,001	2,000
- HKD Class M	9,440,285	9,440,285
- HKD Class P	2,022	2,022
- USD Class A	1,945	1,907



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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 June 2022**

Net Asset Value Per Unit

- HKD Class A	10.1207	10.1133
- HKD Class E	10.0092	10.0042
- HKD Class M	10.1499	10.1374
- HKD Class P	10.0060	10.0087
- USD Class A	9.9133	9.9683

**DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
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**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 January 2022 TO 30 June 2022**

		DA CHENG HONG KONG DOLLAR MONEY MARKET FUND	
		1 January 2022 to 30 June 2022	Period from 1 January 2021 to 31 December 2021
		(Unaudited) HKD	(Audited) HKD
	Note		
Income			
Interest income from bank deposits		242,805	524,551
Interest income from investments		-	49,228
Net gain/(loss) on investments		-	(24,140)
Net foreign exchange gains		-	2,488
Sundry income		-	267
Total investment income		<u>242,805</u>	<u>552,394</u>
Expenses			
Management fee		872	23,331
Trustee fee		36,244	113,315
Custodian fee		-	2,342
Transaction handling fees		250	3,200
Auditor's remuneration		58,013	116,288
Net foreign exchange losses		460	-
Legal and professional fee		2,208	11,638
Other expenses	1	5,728	31,764
Total operating expenses		<u>103,775</u>	<u>301,788</u>
Operating profit		139,030	256,606
Adjustment for different basis adopted by the sub-Fund in arriving net assets attribute to unitholders		(20,509)	(41,358)
(Decrease)/ Increase in net assets attribute to unitholders		<u>118,521</u>	<u>209,248</u>



DCI INVESTMENT TRUST
DA CHENG HONG KONG DOLLAR MONEY MARKET FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 1 January 2022 TO 30 June 2022

	1 January 2022 to 30 June 2022	Period from 1 January 2021 to 31 December 2021
	(Unaudited) HKD	(Audited) HKD
Net assets attributable to unitholders at the beginning of the period	97,333,509	203,629,526
--Proceeds on issue of units	449,182	51,492,863
--Payments on redemption of units	(415,053)	(157,998,128)
Net increase/(decrease) from unit transactions	34,129	(106,505,265)
Increase in net assets attribute to unitholders	118,521	209,248
Net assets attributable to unitholders at the end of the period	97,486,159	97,333,509

	2022				
	HKD Class A	HKD Class E	HKD Class M	HKD Class P	USD 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	35,745	1	-	-	1,128
Units redeemed	(32,657)	-	-	-	(1,090)
Number of units in issue at the end of the period	145,947	2,001	9,440,285	2,022	1,945

**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 2022 TO 30 June 2022**

	2021						
	HKD Class A	HKD Class E	HKD Class I	HKD Class M	HKD Class P	USD Class A	MOP Class I
Number of units in issue at the beginning of the period	99,379	2,000	3,000,000	12,805,074	14,840	-	4,381,687
Units issued	56,548	-	883,005	3,883,699	256,081	1,967	-
Units redeemed	(13,068)	-	(3,883,005)	(7,248,488)	(268,899)	(60)	(4,381,687)
Number of units in issue at the end of the period	<u>142,859</u>	<u>2,000</u>	<u>-</u>	<u>9,440,285</u>	<u>2,022</u>	<u>1,907</u>	<u>-</u>



**DCI INVESTMENT TRUST
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**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 June 2022**

	Days	
Portfolio weighted average maturity in days	31.29	
Portfolio weighted average life in days	31.29	
	Market Value HKD	% of Net Asset
Daily liquid assets	97,440,269	99.95
Weekly liquid assets	97,440,269	99.95
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**DCI INVESTMENT TRUST
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 June 2022**

	1 January 2022	Additions	Bonus /Dividends	Deductions	30 June 2022
Quoted debit securities					
Nil					



**DCI INVESTMENT TRUST
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**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 June 2022**

Net asset value

At the end of the financial period ended	Net asset value (in HKD)	Net asset value per unit		
		Class A -HKD	Class E -HKD	Class M - HKD
30 June 2022	97,486,159	10.1207	10.0092	10.1499
31 December 2021	97,333,509	10.1133	10.0042	10.1374

At the end of the financial period ended	Net asset value per unit	
	Class P -HKD	Class I -MOP
30 June 2022	10.0060	9.9133
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 2022		
HKD Class A	HKD10.1207	HKD10.1133
HKD Class E	HKD10.0092	HKD10.0039
HKD Class M	HKD10.1499	HKD10.1376
HKD Class P	HKD10.0086	HKD10.0044
USD Class A	USD9.9856	USD9.9051

Financial period ended	Highest subscription price per unit	Lowest redemption price per unit
31 December 2021		
HKD Class A	HKD10.1150	HKD10.1098
HKD Class E	HKD10.0089	HKD10.0042
HKD Class I	HKD10.0237	HKD10.0157
HKD Class M	HKD10.1374	HKD10.1239
HKD Class P	HKD10.0254	HKD10.0087
MOP Class I	MOP10.0713	MOP10.0632
USD Class A	USD10.0006	USD9.9605

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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 2021, as described in Note 2 of the annual financial statements.

Note 1: During the period ended 30 June 2022 and 31 December 2021, the other expenses (bank charges) paid to its connected person of Trustee were as follows:

	For the period from 1 January 2022 to 30 June 2022 HKD	For the year ended 31 December 2021 HKD
Bank of China (Hong Kong) Limited	600	20,843