

DCI Investment Trust

Da Cheng Overseas China Concept Fund

April 2024

Important Information:

- Da Cheng Overseas China Concept Fund (the “Sub-Fund”) is authorized by the Securities and Futures Commission (the “SFC”) in Hong Kong under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.
- The Sub-Fund is a sub-fund of DCI Investment Trust which is a trust established as an umbrella fund under the laws of Hong Kong. The objective is 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 will seek to achieve its investment objective by primarily investing in China Concept Stocks, which are listed on stock exchanges outside the People’s Republic of China.
- Investment involves risks. Investors should read the Fund’s Explanatory Memorandum for further details including risk factors before investing. The Sub-Fund may not be suitable for all investors.
- Investment involves risks. There is a risk that you may lose a substantial part of all your investment.
- The value of units may go down as well as up. Past performance or estimate is not indicative of future performance.
- You should not make any investment decision solely based on this document alone. 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. Investors should read the Fund’s Explanatory Memorandum for further details including risk factors before investing.
- This material is issued by Da Cheng International Asset Management Co., Ltd. (“DCI”) and has not been reviewed by the SFC.

INVESTMENT OBJECTIVE

The objective of the Sub-Fund is 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 will seek to achieve its investment objective by primarily investing in China Concept Stocks, which are listed on stock exchanges outside the People’s Republic of China.

TOP TEN HOLDINGS ^{1,5} (%)

Securities	Industry	%
NEW ORIENTAL EDUCATION & TECH GROUP INC	Consumer Discretionary	4.96%
XM YAN PALACE BIRDS NEST INDUSTRY CO LTD	Consumer Staples	4.84%
MICRON TECHNOLOGY INC	Information Technology	4.20%
HANGZHOU TIGERMED CONSULTING CO LTD-H	Health Care	4.13%
SHANDONG GOLD MINING CO LTD-H	Materials	4.05%
TAL EDUCATION GROUP-ADR	Consumer Discretionary	3.73%
HYGEIA HEALTHCARE HLDGS CO LTD	Health Care	3.53%
DONGYUE GROUP LTD	Materials	3.29%
CHINA CONSTRUCTION BANK CORP-H	Financials	3.24%
ASM PACIFIC TECHNOLOGY LTD	Information Technology	3.12%

SECTOR ALLOCATION ^{1,5} (%)

Consumer Discretionary	23.77%
Information Technology	18.81%
Materials	12.64%
Health Care	9.19%
Consumer Staples	9.00%
Industrials	7.66%
Communication Services	6.56%
Financials	3.24%
Real Estate	1.58%
Energy	1.50%
Cash	6.05%

FUND INFORMATION ¹

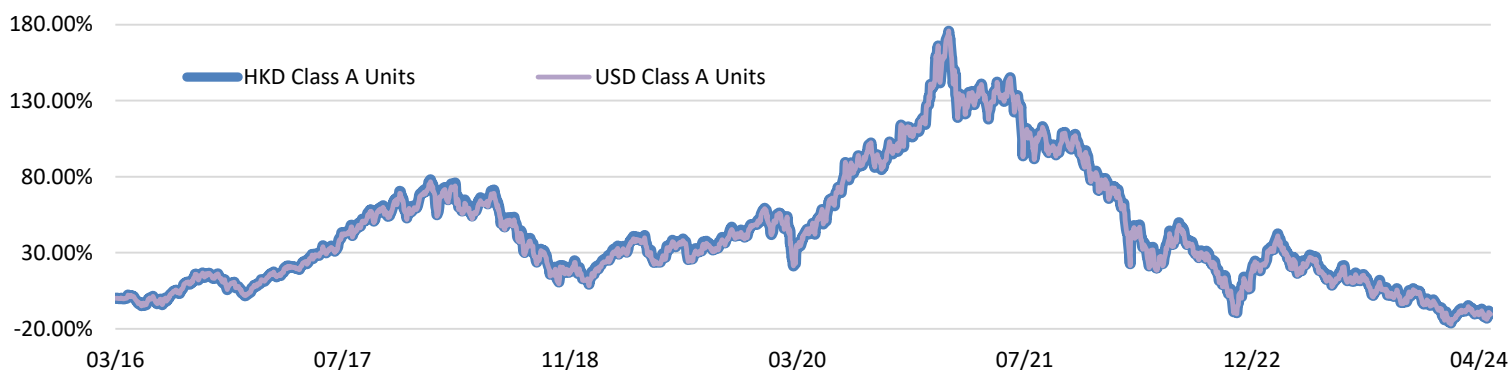
Manager	Da Cheng International Asset Management Company Limited		
Launch Date	18-03-2016 (HKD & USD Class A) / 02-09-2021 (RMB Class A) / 24-09-2021 (RMB Class A Hedged)		
ISIN	HK0000283223 (HKD Class A) / HK0000283249 (USD Class A) / HK0000761921 (RMB Class A) / HK0000761913 (RMB Class A Hedged)		
Bloomberg Ticker	DCOCCCHA HK (HKD Class A) / DCOCCUA HK (USD Class A) / DAOCARM HK (RMB Class A) / DAOCCAR HK (RMB Class A Hedged)		
Trustee and Registrar	BOCI-Prudential Trustee Limited		
Custodian	Bank of China (Hong Kong) Limited		
Minimum Initial Investment	HKD 10,000 (Class A) / USD 1,000 (Class A) / RMB 10,000 (Class A) / RMB 10,000 (Class A Hedged)		
Base Currency	HKD	Dealing Frequency	Daily
NAV	8.74 (HKD Class A) / 8.67 (USD Class A) / 4.82 (RMB Class A) / 4.36 (RMB Class A Hedged)		
Dividend Policy	Semi-annually (if any) in June and December each year subject to the Manager’s discretion. Dividends may be paid out of capital or effectively out of capital. Dividends will be paid in the currency of the relevant class of Units.		
Management Fee	1.50% (Class A)	Redemption Charge	Nil
Preliminary Charge	Up to 5% of the subscription price		

GEOGRAPHICAL EXPOSURE BY LISTING ¹

American Depositary Receipts	8.22%
US Stocks	5.95%
A Shares	5.88%
H Shares	26.17%
Red Chips	8.05%
Other Chinese Companies Listed in HK	32.31%
Other HK Stocks	7.37%
Cash	6.05%

CUMULATIVE PERFORMANCE^{1,2}

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception ^{3,4}
HKD Class A Units	-8.96%	-0.68%	6.59%	-8.29%	-24.66%	-61.84%	-34.92%	-9.86%
USD Class A Units	-9.02%	-0.57%	6.51%	-8.25%	-24.35%	-62.11%	-34.73%	-10.58%
RMB Class A Units	-7.49%	-0.82%	7.35%	-9.40%	-20.85%	N/A	N/A	-51.80%
RMB Class A Units (Hedged)	-9.73%	-0.68%	6.08%	-9.54%	-26.10%	N/A	N/A	-56.40%

PERFORMANCE SINCE INCEPTION^{1,2,3}**FUND MANAGER'S COMMENTARY**

In April, the overall performance of the Chinese stock market showed a clear upward trend, with the MSCI China Index rising by 6.42%. The real estate sector performed relatively well, while the health care sector lagged behind.

Domestically, the manufacturing PMI for April was 50.4%, although it decreased slightly from the previous month, it remained in the expansion zone, indicating a positive outlook for the manufacturing industry. New orders, after a significant increase in March, have returned to normal levels, with new export orders still in the expansion zone. In terms of policies, the April Political Bureau Meeting showed a significant change in attitude towards the real estate market, emphasizing the need to “comprehensively study policy measures to absorb existing housing inventory and optimize incremental housing supply”, which will help stabilize the real estate market.

On the international front, the US added 175,000 new non-farm jobs in April, lower than the expected 240,000. The April ISM Manufacturing and Services PMI also fell more than expected. Recent data shows a slight slowdown in the US economy, reducing concerns about interest rate hikes by the Federal Reserve. The Fed is leaning towards a dovish stance at its May meeting.

Looking ahead, the overall performance of the Chinese market will depend on the sustainability of the economic recovery, improvements in the real economy, and the stability of the RMB exchange rate. The domestic investment environment has shown signs of marginal improvement, and we need to continue to monitor future developments. After observing a series of positive factors in the monetary and policy environment, we hold an overall optimistic attitude towards the Chinese stock market. On the other hand, the path of interest rate hikes by the Federal Reserve and US inflation both show a declining trend, reducing concerns about rate hikes and boosting global market risk appetite.

In terms of investment strategy, the fund will remain moderately aggressive and actively adjust its stock structure, focusing on industry and stock selection as well as market style. We will closely monitor high dividend, cyclical, and internet technology industries, and actively search for and invest in more cost-effective targets. We will continue to seek out companies with growth potential, strong moats, and secure margins during the overall market recovery, while also paying attention to the sustainability of earnings growth and the quality of corporate governance.

1. Source: DCI, all information as at 30 April 2024.
2. NAV to NAV with income (if any) reinvested.
3. Fund launch date, HKD and USD Class A Units launch date: 18 March 2016.
4. RMB Class A Units launch date: 2 September 2021. RMB Hedged Class A Units launch date: 24 September 2021.
5. Classification is based on Global Industry Classification Standard (GICS).

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