

## **Lianhe Global has assigned ‘AAAmf’ Rating to Da Cheng Money Market Fund**

HONG KONG, 16 September 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘AAAmf’ money market fund (“MMF”) rating to Da Cheng Money Market Fund (“the Fund”), a USD-denominated MMF, established in February 2019, domiciled in Hong Kong, and managed by Da Cheng International Asset Management Company Limited (“Da Cheng International”). The Fund’s primary investment objective is to achieve a return in USD in line with a combination of RMB, HKD and USD money market rates, with primary considerations of both capital security and liquidity.

### **Key Rating Rationales**

The ‘AAAmf’ rating reflects the Fund’s fairly strong ability to provide liquidity and preserve principal, supported by the Fund’s well managed asset quality, strong liquidity profile and low exposure to market risk.

The Fund primarily invests in USD-denominated and settled short term deposits and high-quality money market instruments. Its credit quality met Lianhe Global’s criteria for ‘AAAmf’ rated MMFs, with asset-weighted average credit quality equivalent to a high-investment-grade international rating (‘BBB+’ or above), during the review period since September 2023. Concentration risk was also well managed; large exposures were limited to strong credit quality assets or short tenor assets.

In addition, the Fund had a strong liquidity profile, supported by sufficient daily and weekly liquidity to meet investors’ fund flows. Its weighted average maturity and weighted average life were below 60 days and 120 days, respectively, which limited the Fund’s exposure to market risk. Derivatives (if employed) is only for hedging purposes and the manager will hedge non USD-denominated investments into USD in order to manage any material currency risk.

Da Cheng International, the Fund’s management company, was established in 2009 and is a wholly-owned subsidiary of Da Cheng Fund Management Company Limited (“Da Cheng Fund”). Da Cheng International provides a full range of asset management and investment consulting services to both local and overseas clients. Supported by Da Cheng International’s and its parent’s sound market position and long industry experience, as well as the Fund’s management company’s prudent financial position, we consider the sponsor has adequate financial strength to support the Fund’s steady operation.

### **Rating Sensitivities**

Material adverse and continued development in the Fund’s credit quality, maturities, liquidity profiles, and/or other deviations from Lianhe Global’s rating guidelines may lead to a negative rating action.

## About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

## Rating Methodology

The principal methodology used in this MMF rating is Lianhe Global's *Money Market Funds Rating Criteria* published on 1 February 2024, which can be found at the website [www.lhratingsglobal.com](http://www.lhratingsglobal.com).

A MMF rating is an opinion on the relative ability of a MMF or similar investment vehicle to provide liquidity and preserve principal in the MMF's target investment markets by limiting credit, liquidity, and market risks. We add the suffix "mf" to the six rating categories (AAA, AA, A, BBB, B, and C) to differentiate MMF ratings from Lianhe Global's Long-term Issuer Credit Ratings. MMF ratings are not and should not be construed as an investment recommendation.

**Note:** The above MMF Ratings are solicited at the request of the rated entity or a related third party.

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