



CSOP LEVERAGED AND INVERSE SERIES
(An umbrella unit trust established in Hong Kong)

**CSOP HANG SENG CHINA ENTERPRISES INDEX
DAILY (2X) LEVERAGED PRODUCT**
(Stock Code: 07288)
(A sub-fund of CSOP Leveraged and Inverse Series)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2021

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product (or the “Sub-Fund”), is a sub-fund of the CSOP Leveraged and Inverse Series (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 5 July 2016 (the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

It was launched on 10 March 2017 and commenced trading in HKD under the stock code 7288 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 14 March 2017. The Sub-Fund is benchmarked against the Hang Seng China Enterprises Index (the “Index”) and adopts a futures-based replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product is a futures-based ETF which invests directly in the nearest month futures contracts on the Hang Seng China Enterprises Index listed on the SEHK (“H-shares Index Futures”) subject to the rolling strategy discussed in below, to obtain the required exposure to the Index and to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Index.

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will roll the H-shares Index Futures on a monthly basis. The futures roll for the H-shares Index Futures will be done on a monthly basis on the SEHK shortly before expiration.

The index is compiled and managed by Hang Seng Indexes Company Limited (the “Index Provider”). It is a freefloat-adjusted market capitalization weighted index that tracks the behaviour of a portfolio of blue chip companies, the largest and most liquid China enterprises with H-share listed on the SEHK. The Index operates under clearly defined rules published by the index provider and is a tradable index.

The Sub-Fund Performance

The CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product seeks to provide daily investment results, before fees and expenses, which closely correspond to twice the positive daily performance of the Index. As of 30 June 2021, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product was HKD 7.5633 and there were 20,000,000 units outstanding. The total asset under management was approximately HKD 151.3 million.

For the period ended 30 June 2021, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product performed -1.18% while the index performed -0.7%. YTD Price return of the HKD counter (stock code 7288) was -0.91%.

Exchange Liquidity

Since inception, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7288) remained steadily at an average daily turnover of HKD 3.0 million in June 2021. The trading volume for CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product reflected strong interest in CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product.

Portfolio Rebalance

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced fifty-two future roll.

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	30 June 2021 (Unaudited) <i>HKD</i>	31 December 2020 (Audited) <i>HKD</i>
ASSETS		
CURRENT ASSETS		
Investments	64,128,168	128,517,856
Derivative financial instruments	-	13,560,237
Bank interest receivable	410	3,574
Other receivable	5,945	-
Deposits with broker	24,395,064	33,238,375
Cash and cash equivalents	63,672,998	51,301,442
Total assets	<u>152,202,585</u>	<u>226,621,484</u>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	865,584	-
Amounts due to brokers	114	-
Management fee payable	115,355	168,120
Other accounts payable	135,328	210,890
Total liabilities	<u>1,116,381</u>	<u>379,010</u>
EQUITY		
Net assets attributable to unitholders	<u>151,086,204</u>	<u>226,242,474</u>
Number of units in issue	<u>20,000,000</u>	<u>29,600,000</u>
Net asset value per unit	<u>7.5543</u>	<u>7.6433</u>

^{Note} Semi-annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Sub-Fund.

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>
INCOME		
Interest income from bank deposits	28,603	108
Interest income from deposits with broker	-	29,588
Interest income from bonds	7,594	506,907
Net gain/(loss) on investments and derivative financial instruments	13,648,909	(40,052,604)
Total net income/(loss)	<u>13,685,106</u>	<u>(39,516,001)</u>
EXPENSES		
Management fee ^{Note 2}	(782,956)	(879,133)
Transaction costs on investments	(209,273)	(291,788)
Audit fee	(18,328)	(19,359)
Safe custody and bank charges ^{Note 1}	(7,555)	(9,228)
Legal and other professional fee	(4,178)	(4,156)
License fee	(260,009)	(180,122)
Interest expenses	(53,086)	(22,758)
Other operating expenses ^{Note 1}	(121,386)	(107,941)
Total operating expenses	<u>(1,456,771)</u>	<u>(1,514,485)</u>
Total comprehensive income/(loss)	<u><u>12,228,335</u></u>	<u><u>(41,030,486)</u></u>

Note 1 During the period ended 30 June 2021 and 2020, other respective amounts paid to the Trustee/connected persons of Trustee were as follows:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>
Safe custody and bank charges	(7,055)	(9,228)
Other operating expenses	(60,822)	(67,876)

Note 2 During the period ended 30 June 2021 and 2020, other than Management fees that paid to the Manager, no other amounts paid to the Manager/connected person of Manager.

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2021

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	226,242,474	191,964,938
Proceeds on issue of units	-	169,221,000
Payments on redemption of units	(87,384,605)	(142,615,380)
Net (decrease)/increase from unit transactions	(87,384,605)	26,605,620
Total comprehensive income/(loss) for the period	12,228,335	(41,030,486)
Net assets attributable to unitholders at the end of the period	151,086,204	177,540,072

The movements of the redeemable units are as follows:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units	Period from 1 January 2020 to 30 June 2020 (Unaudited) Units
Number of units in issue at the beginning of the period	29,600,000	22,400,000
Units issued	-	26,400,000
Units redeemed	(9,600,000)	(20,800,000)
Number of units in issue at the end of the period	20,000,000	28,000,000

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2021

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(146,824,847)	(354,211,108)
Proceeds from sale of investments	239,289,378	325,024,109
Interest income from bank deposits received	31,767	109
Interest income from deposits with broker received	1	40,212
Interest income from bonds received	7,594	694,166
Other fee paid	(5,945)	(1,091)
Management fee paid	(835,721)	(877,309)
Transaction costs paid	(209,273)	(291,788)
Interest paid	(60,718)	(6,759)
Other operating expenses paid	(479,386)	(582,912)
Decrease/(increase) in deposits with broker	8,843,311	(14,772,392)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	99,756,161	(44,984,763)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	-	169,221,000
Payments on redemption of units	(87,384,605)	(142,615,380)
	<hr/>	<hr/>
Net cash (used in)/ generated from financing activities	(87,384,605)	26,605,620
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Net increase/(decrease) in cash and cash equivalents	12,371,556	(18,379,143)
Cash and cash equivalents at the beginning of the period	51,301,442	28,751,462
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	63,672,998	10,372,319
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of balances of cash and cash equivalents		
Bank balances	40,566,387	10,372,319
Short-term bank deposits	23,106,611	-
	<hr/>	<hr/>
	63,672,998	10,372,319
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**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2021

		Fair value HKD	% of net assets
Investments and derivative financial instruments (41.87%)			
Investments (42.44%)			
Listed investment fund (22.59%)	<i>Holdings</i>		
Unlisted share class (22.59%)			
Hong Kong (22.59%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	3,299,910	34,128,000	22.59
Total listed investment fund		<u>34,128,000</u>	<u>22.59</u>
Quoted debt securities (19.85%)			
Hong Kong (19.85%)			
HONG KONG TREASURY BILL ZCP 21 July 2021	8,000,000	8,000,040	5.29
HONG KONG TREASURY BILL ZCP 28 July 2021	8,000,000	8,000,056	5.30
HONG KONG TREASURY BILL ZCP 04 August 2021	8,000,000	8,000,072	5.29
HONG KONG TREASURY BILL ZCP 25 August 2021	6,000,000	6,000,000	3.97
Total debt securities		<u>30,000,168</u>	<u>19.85</u>
Listed future contracts (-0.57%)			
	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong (-0.57%)			
HSCEI FUTURES 29 July 2021	29 July 2021	571	(865,584) (0.57)
Total futures contracts			<u>(865,584) (0.57)</u>
Total investments and derivative financial instruments		63,262,584	41.87
Other net assets		87,823,620	58.13
Net assets attributable to unitholders as at 30 June 2021		<u>151,086,204</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>64,127,367</u>	

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2021

	Holdings				30 June 2021
	1 January 2021	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Listed share class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	45,000	6,000	-	51,000	-
Unlisted share class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	-	3,299,910	-	-	3,299,910
Quoted debt securities					
HONG KONG TREASURY BILL ZCP 06 January 2021	8,000,000	-	-	8,000,000	-
HONG KONG TREASURY BILL ZCP 20 January 2021	8,500,000	-	-	8,500,000	-
HONG KONG TREASURY BILL ZCP 27 January 2021	10,000,000	-	-	10,000,000	-
HONG KONG TREASURY BILL ZCP 10 February 2021	4,500,000	-	-	4,500,000	-
HONG KONG TREASURY BILL ZCP 17 February 2021	14,000,000	5,000,000	-	19,000,000	-
HONG KONG TREASURY BILL ZCP 17 February 2021	2,000,000	-	-	2,000,000	-
HONG KONG TREASURY BILL ZCP 24 February 2021	16,500,000	-	-	16,500,000	-
HONG KONG TREASURY BILLS ZCP 03 March 2021	-	22,500,000	-	22,500,000	-
HONG KONG TREASURY BILL ZCP 17 March 2021	10,000,000	-	-	10,000,000	-
HONG KONG TREASURY BILLS ZCP 24 March 2021	2,000,000	7,500,000	-	9,500,000	-
HONG KONG TREASURY BILL ZCP 31 March 2021	8,500,000	-	-	8,500,000	-
HONG KONG TREASURY BILL ZCP 07 April 2021	-	4,000,000	-	4,000,000	-
HONG KONG TREASURY BILL ZCP 14 April 2021	-	11,500,000	-	11,500,000	-
HONG KONG TREASURY BILL ZCP 28 April 2021	-	10,000,000	-	10,000,000	-
HONG KONG TREASURY BILL ZCP 05 May 2021	-	7,500,000	-	7,500,000	-

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period ended 30 June 2021

	Holdings				30 June 2021
	1 January 2021	Additions	Corporate actions	Disposals	
Investments (Continued)					
Quoted debt securities (continued)					
HONG KONG TREASURY BILL ZCP 02 June 2021	-	1,500,000	-	1,500,000	-
HONG KONG TREASURY BILL ZCP 09 June 2021	-	5,500,000	-	5,500,000	-
HONG KONG TREASURY BILL ZCP 30 June 2021	-	1,500,000	-	1,500,000	-
HONG KONG TREASURY BILL ZCP 21 July 2021	-	8,000,000	-	-	8,000,000
HONG KONG TREASURY BILL ZCP 28 July 2021	-	8,000,000	-	-	8,000,000
HONG KONG TREASURY BILL ZCP 04 August 2021	-	8,000,000	-	-	8,000,000
HONG KONG TREASURY BILL ZCP 25 August 2021	-	6,000,000	-	-	6,000,000
Listed future contracts					
HSCEI FUTURE 28 January 2021	847	91	-	938	-
HSCEI FUTURE 25 February 2021	-	870	-	870	-
HSCEI FUTURE 30 March 2021	-	706	-	706	-
HSCEI FUTURE 29 April 2021	-	8	-	8	-
HSCEI FUTURE 29 April 2021	-	619	-	619	-
HSCEI FUTURE 28 May 2021	-	617	-	617	-
HSCEI FUTURE 29 June 2021	-	608	-	608	-
HSCEI FUTURE 29 July 2021	-	584	-	13	571

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 30 June 2021

The financial derivative instruments held by the Sub-Fund as at 30 June 2021 are summarised below:

Futures contract

The details of futures contract held by the Sub-Fund as at 30 June 2021 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
<u>Financial liabilities:</u>				
HSCEI FUTURE 29 July 2021	HSCEI Index	Long	BNP Paribas	(865,584)
				<hr/>
				(865,584)
				<hr/> <hr/>

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* <i>HKD</i>	Dealing net asset value per unit <i>HKD</i>
At the end of financial period/year dated		
30 June 2021	151,257,528	7.5629
31 December 2020	226,534,930	7.6532
31 December 2019	192,502,336	8.5939

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>HKD</i>	Lowest net asset value per unit <i>HKD</i>
Financial period/year ended		
30 June 2021	7.0244	9.8784
31 December 2020	8.9351	4.9909
31 December 2019	9.5361	6.6282
31 December 2018	13.2465	6.9085
31 December 2017 (since 10 March 2017 (date of inception))	10.1548	6.7118

**The dealing net asset value of the Sub-Fund disclosed is calculated in accordance with the Trust's Prospectus.*

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (UNAUDITED)

There was one security (31 December 2020: one) which is a collective investment scheme authorised by the SFC that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2021.

	Fair Value <i>HKD</i>	% of net assets
As at 30 June 2021		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	34,128,000	22.59

As at 31 December 2020

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF	46,520,725	20.56
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There were no government securities (31 December 2020: Nil) that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2021

For the period ended 30 June 2021, the Hang Seng China Enterprises Index decreased by 0.7% (31 December 2020: decreased by 3.85%) while the net asset value per unit of the Sub-Fund decreased by 1.16% (31 December 2020: decreased by 10.81%).

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (2X) LEVERAGED PRODUCT
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MANAGEMENT AND ADMINISTRATION

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Custodian

The Hongkong and Shanghai Banking Corporation Limited
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Hong Kong

Service Agent

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