



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

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X)
INVERSE PRODUCT**
(Stock Code: 07588)
(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) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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) Inverse Product (or the “Sub-Fund”, formerly known as CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product), 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 7388 on the Stock Exchange of Hong Kong (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) Inverse 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 the two times inverse (-2x) of the daily performance of the Index.

Starting from 25 June 2019, the name of the Sub-Fund was changed from CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product to CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, with the stock code changed from 7388 to 7588 accordingly. The investment objective has changed to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of 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 free float-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

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative two times the performance of the Index. As of 30 June 2021, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product was HKD 3.9460 and there were 18,400,000 units outstanding. The total asset under management was approximately HKD 72.6 million.

For the period from 31 December 2020 to 30 June 2021, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product performed -8.85% while the index performed -0.7%. Price return of the HKD counter (stock code 7588) for the same period was -8.77%.

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REPORT OF THE MANAGER TO THE UNITHOLDERS (Continued)

Exchange Liquidity

The trading value of the HKD counter (stock code: 7588) remained steadily at an average daily turnover of HKD 1.9 million in June 2021. The trading volume for CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product reflected strong interest in CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product.

Portfolio Rebalance

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse 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) INVERSE 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	32,516,116	65,971,079
Derivative financial instruments	263,800	-
Bank interest receivable	59	1,834
Other receivable	5,945	-
Deposits with broker	15,276,196	27,782,794
Cash and cash equivalents	24,718,370	20,444,157
	<hr/>	<hr/>
Total assets	72,780,486	114,199,864
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	-	6,701,838
Management fee payable	84,946	133,177
Other accounts payable	264,200	304,970
	<hr/>	<hr/>
Total liabilities	349,146	7,139,985
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Net assets attributable to unitholders	72,431,340	107,059,879
	<hr/> <hr/>	<hr/> <hr/>
Number of units in issue	18,400,000	24,800,000
	<hr/> <hr/>	<hr/> <hr/>
Net asset value per unit	3.9365	4.3169
	<hr/> <hr/>	<hr/> <hr/>

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) INVERSE 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	13,250	62
Interest income from deposits with broker	-	22,159
Interest income from bonds	3,235	305,737
Net (loss)/gain on investments and derivative financial instruments	(9,441,192)	20,396,087
Total net (loss)/income	<u>(9,424,707)</u>	<u>20,724,045</u>
EXPENSES		
Management fee ^{Note 2}	(597,403)	(792,512)
Transaction costs on investments	(127,750)	(202,185)
Audit fee	(18,328)	(19,359)
Safe custody and bank charges ^{Note 1}	(4,074)	(5,548)
Legal and other professional fee	(4,178)	(176,865)
License fee	(134,056)	(98,246)
Interest expenses	(26,801)	(11,944)
Other operating expenses ^{Note 1}	(124,726)	(104,701)
Total operating expenses	<u>(1,037,316)</u>	<u>(1,411,360)</u>
Total comprehensive (loss)/income	<u><u>(10,462,023)</u></u>	<u><u>19,312,685</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	(3,574)	(5,548)
Other operating expenses	(64,162)	(64,636)

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) INVERSE 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	107,059,879	99,435,421
Proceeds on issue of units	13,856,902	41,501,729
Payments on redemption of units	(38,023,418)	(55,433,370)
Net (decrease)/increase from unit transactions	(24,166,516)	(13,931,641)
Total comprehensive (loss)/income for the period	(10,462,023)	19,312,685
Net assets attributable to unitholders at the end of the period	72,431,340	104,816,465

The movement 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	24,800,000	19,200,000
Units issued	4,000,000	7,200,000
Units redeemed	(10,400,000)	(8,000,000)
Number of units in issue at the end of the period	18,400,000	18,400,000

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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	(87,886,755)	(218,995,551)
Proceeds from sale of investments	104,934,888	234,206,059
Other fees paid	(5,945)	(1,091)
Interest income from bank deposits received	15,025	62
Interest income from deposits with broker received	-	30,374
Interest income from bonds received	3,235	423,549
Management fee paid	(645,634)	(803,952)
Transaction costs paid	(127,750)	(202,185)
Interest paid	(27,067)	(6,397)
Other operating expenses paid	(325,866)	(721,655)
Decrease/(increase) in deposits with broker	12,506,598	(79,757)
	<hr/>	<hr/>
Net cash generated from operating activities	28,440,729	13,849,456
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	13,856,902	41,501,729
Payments on redemption of units	(38,023,418)	(55,433,370)
	<hr/>	<hr/>
Net cash used in financing activities	(24,166,516)	(13,931,641)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	4,274,213	(82,185)
Cash and cash equivalents at the beginning of the period	20,444,157	9,198,905
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	24,718,370	9,116,720
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of balances of cash and cash equivalents		
Bank balances	17,518,940	9,116,720
Short-term bank deposits	7,199,430	-
	<hr/>	<hr/>
	24,718,370	9,116,720
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**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2021

		Fair value HKD	% of net assets
Investments and derivative financial instruments (45.26%)			
	<i>Holdings</i>		
Investments (44.89%)			
Listed investment fund (21.42%)			
Unlisted share class (21.42%)			
Hong Kong (21.42%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	1,500,276	15,516,000	21.42
Total listed investments fund		<u>15,516,000</u>	<u>21.42</u>
Quoted debt securities (23.47%)			
Hong Kong (23.47%)			
HONG KONG TREASURY BILL ZCP 14 July 2021	4,500,000	4,500,031	6.22
HONG KONG TREASURY BILL ZCP 28 July 2021	4,500,000	4,500,032	6.21
HONG KONG TREASURY BILL ZCP 04 August 2021	1,000,000	1,000,009	1.38
HONG KONG TREASURY BILL ZCP 11 August 2021	4,000,000	4,000,044	5.52
HONG KONG TREASURY BILL ZCP 25 August 2021	1,500,000	1,500,000	2.07
HONG KONG TREASURY BILL ZCP 01 September 2021	1,500,000	1,500,000	2.07
Total debt securities		<u>17,000,116</u>	<u>23.47</u>
Listed futures contracts (0.37%)	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong (0.37%)			
HSCEI FUTURES 29 July 2021	29 July 2021	(274)	263,800
Total futures contracts			<u>263,800</u>
Total investments and derivative financial instruments		32,779,916	45.26
Other net assets		39,651,424	54.74
Net assets attributable to unitholders as at 30 June 2021		<u>72,431,340</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>32,515,725</u>	

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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 funds					
Listed share class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	14,000	11,000	-	25,000	-
Unlisted share class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	-	1,500,276	-	-	1,500,276
Quoted debt securities					
HONG KONG TREASURY BILL ZCP 13 January 2021	1,500,000	-	-	1,500,000	-
HONG KONG TREASURY BILL ZCP 27 January 2021	4,000,000	-	-	4,000,000	-
HONG KONG TREASURY BILL ZCP 03 February 2021	4,500,000	-	-	4,500,000	-
HONG KONG TREASURY BILL ZCP 10 February 2021	7,500,000	-	-	7,500,000	-
HONG KONG TREASURY BILL ZCP 17 February 2021	4,500,000	5,000,000	-	9,500,000	-
HONG KONG TREASURY BILL ZCP 17 February 2021	4,000,000	-	-	4,000,000	-
HONG KONG TREASURY BILL ZCP 24 February 2021	7,500,000	-	-	7,500,000	-
HONG KONG TREASURY BILLS ZCP 03 March 2021	5,000,000	2,000,000	-	7,000,000	-
HONG KONG TREASURY BILLS ZCP 10 March 2021	5,500,000	-	-	5,500,000	-
HONG KONG TREASURY BILL ZCP 17 March 2021	3,000,000	-	-	3,000,000	-
HONG KONG TREASURY BILLS ZCP 24 March 2021	1,000,000	5,000,000	-	6,000,000	-
HONG KONG TREASURY BILL ZCP 31 March 2021	3,500,000	-	-	3,500,000	-
HONG KONG TREASURY BILL ZCP 14 April 2021	-	2,000,000	-	2,000,000	-
HONG KONG TREASURY BILL ZCP 28 April 2021	-	4,000,000	-	4,000,000	-
HONG KONG TREASURY BILL ZCP 05 May 2021	-	6,500,000	-	6,500,000	-
HONG KONG TREASURY BILL ZCP 12 May 2021	-	3,000,000	-	3,000,000	-

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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	-	4,000,000	-	4,000,000	-
HONG KONG TREASURY BILL ZCP 09 June 2021	-	3,000,000	-	3,000,000	-
HONG KONG TREASURY BILL ZCP 16 June 2021	-	2,000,000	-	2,000,000	-
HONG KONG TREASURY BILL ZCP 23 June 2021	-	2,000,000	-	2,000,000	-
HONG KONG TREASURY BILL ZCP 14 July 2021	-	4,500,000	-	-	4,500,000
HONG KONG TREASURY BILL ZCP 28 July 2021	-	4,500,000	-	-	4,500,000
HONG KONG TREASURY BILL ZCP 04 August 2021	-	1,000,000	-	-	1,000,000
HONG KONG TREASURY BILL ZCP 11 August 2021	-	4,000,000	-	-	4,000,000
HONG KONG TREASURY BILL ZCP 18 August 2021	-	5,500,000	-	5,500,000	-
HONG KONG TREASURY BILL ZCP 25 August 2021	-	1,500,000	-	-	1,500,000
HONG KONG TREASURY BILL ZCP 01 September 2021	-	1,500,000	-	-	1,500,000
Listed future contracts					
HSCEI FUTURE 28 January 2021	11	-	-	11	-
HSCEI FUTURE 28 January 2021	(410)	490	-	80	-
HSCEI FUTURE 25 February 2021	-	80	-	80	-
HSCEI FUTURE 25 February 2021	-	466	-	466	-
HSCEI FUTURE 30 March 2021	-	430	-	430	-
HSCEI FUTURE 29 April 2021	-	47	-	47	-
HSCEI FUTURE 29 April 2021	-	356	-	356	-
HSCEI FUTURE 28 May 2021	-	27	-	27	-
HSCEI FUTURE 28 May 2021	-	369	-	369	-
HSCEI FUTURE 29 June 2021	-	24	-	24	-
HSCEI FUTURE 29 June 2021	-	337	-	337	-
HSCEI FUTURE 29 July 2021	-	15	-	289	(274)

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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 contracts

The details of future contracts 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 assets:</u>				
HSCEI FUTURE 29 July 2021	HSCEI Index	Short	BNP Paribas	263,800
				<hr/>
				263,800
				<hr/> <hr/>

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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 dated		
30 June 2021	72,602,860	3.9458
31 December 2020	107,352,667	4.3287
31 December 2019	99,973,426	5.2069

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 ended		
30 June 2021	4.3222	3.2615
31 December 2020	8.2639	4.2818
31 December 2019	6.8418	5.1571
31 December 2018	6.4911	5.0489
31 December 2017 (Since 10 March 2017 (date of inception))	7.4009	5.8417

**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) INVERSE 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		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	15,516,000	21.42
As at 31 December 2020		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	14,473,115	13.52

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 Sub-Fund decreased by 8.81% (31 December 2020: decreased by 16.64%).

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

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
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Central
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Custodian

The Hongkong and Shanghai Banking Corporation Limited
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Hong Kong

Service Agent

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Directors of the Manager

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Xiuyan Liu
Yi Zhou
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