



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

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED
PRODUCT**

(Stock Code: 07248)

(A sub-fund of CSOP Leveraged and Inverse Series II)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2022

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

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**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 (Unaudited) US\$	31 December 2021 (Audited) US\$
ASSETS		
CURRENT ASSETS		
Financial assets at fair value through profit or loss	2,708,912	3,496,507
Interest receivable	–	31
Other receivables	17,695	3,359
Amounts due from broker	219,051	–
Margin accounts	376,578	522,146
Cash and cash equivalents	3,385,386	3,349,200
TOTAL ASSETS	<u>6,707,622</u>	<u>7,371,243</u>
LIABILITIES		
CURRENT LIABILITIES		
Financial liabilities at fair value through profit or loss	–	160,077
Amounts due to brokers	–	38,723
Management fee payable	20,431	29,425
Other payables and accruals	20,483	26,611
Cash collateral liabilities	450,000	–
TOTAL LIABILITIES	<u>490,914</u>	<u>254,836</u>
EQUITY		
Net assets attributable to unitholders	<u>6,216,708</u>	<u>7,116,407</u>
TOTAL LIABILITIES AND EQUITY	<u>6,707,622</u>	<u>7,371,243</u>
Number of units in issue	<u>9,600,000</u>	<u>10,000,000</u>
Net asset value per unit	<u>0.6476</u>	<u>0.7116</u>

Note: The Semi-Annual report have applied the accounting policies and methods of computation as per the accompanying notes which are an integral part of these financial statements.

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
INCOME		
Interest income from bank deposits	48	4
Interest income from margin accounts	292	116
Net losses on financial assets at fair value through profit or loss	(1,065,681)	(935,010)
Rebate income	4,816	5,774
Other income	15,113	–
TOTAL NET LOSS	<u>(1,045,412)</u>	<u>(929,116)</u>
EXPENSES		
Management fee ^{Note 1, 2}	(50,078)	(71,945)
Collateral management fee	(4,825)	(5,680)
Formation fee	–	(90,142)
Audit fee	(994)	(936)
Bank charges	(871)	(212)
Index licensing fee	(7,439)	(6,658)
Brokerage and transaction fee	(107)	(704)
Interest on margin accounts	(11)	(26)
Legal and other professional fee	(1,750)	(2,599)
Net foreign exchange losses	(1,168)	(1,343)
Other operating expenses	(13,963)	(2,513)
TOTAL OPERATING EXPENSES	<u>(81,206)</u>	<u>(182,758)</u>
TOTAL COMPREHENSIVE LOSS	<u><u>(1,126,618)</u></u>	<u><u>(1,111,874)</u></u>

Note 1 During the period ended 30 June 2022, the Trustee fee and Registrar's fee are included in the Management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

Note 2 During the period ended 30 June 2022, other than Management fee that paid to the Manager, no other amounts are paid to the Manager/connected person of Manager.

The accompanying notes form an integral part of these unaudited condensed financial statements.

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>US\$</i>	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) <i>US\$</i>
Net assets attributable to unitholders at the beginning of the period	7,116,407	–
Proceeds on issue of units	2,313,701	12,553,471
Payments on redemption of units	(2,086,782)	(1,751,698)
Net increase from unit transactions	226,919	10,801,773
Total comprehensive loss for the period	(1,126,618)	(1,111,874)
Net assets attributable to unitholders at the end of the period	6,216,708	9,689,899

The movement of the redeemable units are as below:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>Units</i>	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) <i>Units</i>
Number of units in issue at the beginning of the period	10,000,000	–
Units issued	3,600,000	12,800,000
Units redeemed	(4,000,000)	(2,000,000)
Number of units in issue at the end of the period	9,600,000	10,800,000

The accompanying notes form an integral part of these unaudited condensed financial statements.

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive loss for the period	(1,126,618)	(1,111,874)
Adjustments for:		
Interest on margin accounts	11	26
Interest income from bank deposits	(48)	(4)
Interest income from margin accounts	(292)	(116)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(1,126,947)	(1,111,968)
Decrease/(increase) in financial assets at fair value through profit or loss	787,595	(7,432,933)
Increase in other receivables	(14,336)	(4,483)
Increase in amounts due from broker	(219,051)	(46,622)
Decrease/(increase) in margin accounts	145,568	(980,214)
Decrease in financial liabilities at fair value through profit or loss	(160,077)	–
(Decrease)/increase in management fee payable	(8,994)	53,413
Increase in cash collateral liabilities	450,000	120,000
Decrease amounts due to a broker	(38,723)	–
Increase in formation fee payable	–	37,677
(Decrease)/increase in other payables and accruals	(6,128)	9,154
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Cash used in operations	(191,093)	(9,355,976)
Interest received on bank deposits	79	4
Interest received on margin accounts	281	90
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Net cash flows used in operating activities	(190,733)	(9,355,882)
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CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	2,313,701	12,553,471
Payments on redemption of units	(2,086,782)	(1,751,698)
	<hr/>	<hr/>
Net cash flows generated from financing activities	226,919	10,801,773
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**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

CONDENSED STATEMENT OF CASH FLOWS (Continued)

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,186	1,445,891
Cash and cash equivalents at the beginning of the period	3,349,200	–
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CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,385,386	1,445,891
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Analysis of balances of cash and cash equivalents		
Bank balances	3,385,386	1,445,891
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The accompanying notes form an integral part of these unaudited condensed financial statements.

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2022

			Holdings Units	Fair value US\$	% of net assets	
<u>Financial assets at fair value through profit or loss</u>						
<u>Listed investment funds</u>						
Hong Kong						
CSOP Hong Kong Dollar Money Market ETF			9,000	1,187,970	19.11	
CSOP US Dollar Money Market ETF			12,000	1,234,200	19.85	
				<u>2,422,170</u>	<u>38.96</u>	
	Position	Underlying assets	Counterparty	Contracts	Fair value US\$	% of net assets
<u>Total return swap contracts</u>						
Total Return Swap (SocGen)	Long	FTSE China A50 Index	Societe Generale	350	5,875	0.09
Total Return Swap (JPM)	Long	FTSE China A50 Index	J.P. Morgan Securities PLC Citigroup	218	129,805	2.09
Total Return Swap (CGML)	Long	FTSE China A50 Index	Global Markets Limited	265	<u>151,062</u>	<u>2.43</u>
					<u>286,742</u>	<u>4.61</u>
Total investments, at fair value					<u>2,708,912</u>	<u>43.57</u>
Total investments, at cost					<u>2,431,916</u>	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2022

	For the period from 1 January 2022 to 30 June 2022	For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021
	% of net assets	% of net assets
<u>Financial assets at fair value through profit or loss</u>		
Listed investment funds		
Hong Kong	38.96	49.13
Total return swap contracts	4.61	–
<u>Financial liabilities at fair value through profit or loss</u>		
Total return swap contracts	–	(2.25)
Total investments and derivative financial instruments	43.57	46.88
Other net assets	56.43	53.12
Total net assets	100.00	100.00

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HOLDINGS OF COLLATERAL (Unaudited)

As at 30 June 2022

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral %	Value of the collateral US\$
Societe Generale J.P. Morgan Securities PLC	Cash	N/A	N/A	N/A	US\$	2.73	170,000
	Cash	N/A	N/A	N/A	US\$	4.50	280,000
							<u>450,000</u>

Custody/safe-keeping arrangement

Collateral provider	Amount of collateral received/held 30 June 2022 US\$	Proportion of collateral posted by the sub-fund 30 June 2022 %
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Custodians of collateral

Pooled accounts

Citibank, N.A, Hong Kong Branch	450,000	100.00
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* US\$	Dealing net asset value per unit US\$
At the end of financial period dated		
30 June 2022	6,248,019	0.6508
31 December 2021	7,152,083	0.7152

Highest and lowest net asset value per unit

	Highest net asset value per unit US\$	Lowest net asset value per unit US\$
Financial period ended		
30 June 2022	0.7151	0.4600
31 December 2021 (since 19 January 2021 (date of inception))	1.2386	0.6419

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

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UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)

There were two securities (31 December 2021: Two) 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 2022.

	Fair Value US\$	% of assets
As at 30 June 2022		
CSOP Hong Kong Dollar Money Market ETF	1,187,970	19.11
CSOP US Dollar Money Market ETF	1,234,200	19.85

During the period ended 30 June 2022, the FTSE China A50 Index decreased by 4.61% (31 December 2021: decreased by 14.53%) while the net asset value per unit of Sub-Fund decreased by 8.99% (31 December 2021: decreased by 28.84%).

**CSOP FTSE CHINA A50 INDEX DAILY (2X) LEVERAGED PRODUCT
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MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
2801-2803 & 3303-3304
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Directors of the Manager

Chen Ding
Gaobo Zhang
Xiaosong Yang
Xiuyan Liu (resigned on 17 June 2022)
Yi Zhou
Yundong Zhu (appointed on 17 June 2022)
Zhiwei Liu
Zhongping Cai

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Administrator and Custodian

Citibank, N.A, Hong Kong Branch
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Trustee

Cititrust Limited
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong