



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

**CSOP HANG SENG INDEX DAILY (2X) LEVERAGED
PRODUCT**
(Stock Code: 07200)
(A sub-fund of CSOP Leveraged and Inverse Series)

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

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

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CSOP HANG SENG 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 Index Daily (2x) Leveraged Product (or the “Sub-Fund”), 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, as amended, (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 7200 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 14 March 2017. The Sub-Fund is benchmarked against the Hang Seng Index (the “Index”) and adopts a combination of a futures-based replication strategy and a Swap-based synthetic replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index.

The Manager will roll the Hang Seng Index Futures on a monthly basis. The futures roll for the Hang Seng 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 Hong Kong securities 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 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 2022, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng Index Daily (2x) Leveraged Product was HKD 5.7949 and there were 515,200,000 units outstanding. The total assets under management was approximately HKD 3 billion.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng Index Daily (2x) Leveraged Product performed -15.85% while the index performed -6.57%. YTD Price return of the HKD counter (stock code 7200) was -15.44%.

Exchange Liquidity

The trading value of the HKD counter (stock code: 7200) of CSOP Hang Seng Index Daily (2x) Leveraged Product has an average daily turnover of HKD 418 million in June 2022. The trading volume for CSOP Hang Seng Index Daily (2x) Leveraged Product reflected strong interest in the CSOP Hang Seng Index Daily (2x) Leveraged Product.

Portfolio Rebalance

CSOP Hang Seng Index Daily (2x) Leveraged Product adopts a combination of a futures-based replication strategy and a Swap-based synthetic replication strategy to track the Index. Since inception, the Sub-Fund has experienced sixty-four monthly future roll.

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

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 (Unaudited) <i>HKD</i>	31 December 2021 (Audited) <i>HKD</i>
ASSETS		
CURRENT ASSETS		
Investments	711,207,847	653,811,730
Derivative financial instruments	57,571,041	54,982,169
Bank interest receivable	827	253
Other receivable	12,538	19,620
Deposits with broker	906,421,847	613,599,262
Cash and cash equivalents	1,458,895,573	1,297,222,861
Total assets	<u>3,134,109,673</u>	<u>2,619,635,895</u>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	19,421,952	-
Amounts due to participating dealers	61,241,606	-
Amounts due to brokers	18,326,784	-
Cash Collateral liabilities	45,786,000	-
Management fee payable	2,821,744	1,882,888
Other accounts payable	1,534,881	931,177
Total liabilities	<u>149,132,967</u>	<u>2,814,065</u>
EQUITY		
Net assets attributable to unitholders	<u>2,984,976,706</u>	<u>2,616,821,830</u>
Number of units in issue	<u>515,200,000</u>	<u>380,000,000</u>
Net asset value per unit	<u>5.7938</u>	<u>6.8864</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 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 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) HKD	Period from 1 January 2021 to 30 June 2021 (Unaudited) HKD
INCOME		
Interest income from bank deposits	17,383	105,382
Interest income from bonds	-	32,641
Interest income from margin deposits	351	-
Net gain on investments and derivative financial instruments	83,539,170	133,478,757
Net foreign currency loss	(72)	-
Total net income	<u>83,556,832</u>	<u>133,616,780</u>
EXPENSES		
Management fee ^{Note 2}	(13,770,316)	(3,120,659)
Transaction costs on investments	(4,435,919)	(495,787)
Audit fee	(115,454)	(112,308)
Bank charges ^{Note 1}	(3,260)	(500)
Legal and other professional fee	(4,208)	(4,178)
License fee	(1,191,744)	(269,588)
Interest expenses	(1,006,520)	(216,628)
Other operating expenses ^{Note 1}	(253,016)	(132,366)
Total operating expenses	<u>(20,780,437)</u>	<u>(4,352,014)</u>
Total comprehensive income	<u><u>62,776,395</u></u>	<u><u>129,264,766</u></u>

Note 1 During the period ended 30 June 2022 and 2021, respective amounts paid to the Trustee/connected persons of Trustee were as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) HKD	Period from 1 January 2021 to 30 June 2021 (Unaudited) HKD
Bank charges	(200)	-
Other operating expenses	(191,984)	(71,802)

Note 2 During the period ended 30 June 2022 and 2021, other than Management fees that paid to the Manager, no other amounts paid to the Manager/connected person of Manager.

**CSOP HANG SENG 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 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 30 June 2021 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	2,616,821,830	860,248,954
Proceeds on issue of units	7,679,414,396	748,676,428
Payments on redemption of units	(7,374,035,915)	(1,140,497,234)
Net increase /(decrease) from unit transactions	305,378,481	(391,820,806)
Total comprehensive income for the period	62,776,395	129,264,766
Net assets attributable to unitholders at the end of the period	2,984,976,706	597,692,914

The movement of the redeemable units are as below:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) Units	Period from 1 January 2021 30 June 2021 (Unaudited) Units
Number of units in issue at the beginning of the period	380,000,000	92,800,000
Units issued	1,416,000,000	75,200,000
Units redeemed	(1,280,800,000)	(110,400,000)
Number of units in issue at the end of the period	515,200,000	57,600,000

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

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 30 June 2021 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(679,579,000)	(671,858,658)
Proceeds from sale of investments	722,555,132	1,121,372,632
Interest income from bank deposits received	16,808	117,216
Interest income from deposits with broker received	19,971	-
Interest income from bonds received	-	32,641
Other fee paid	(12,538)	(5,945)
Management fee paid	(12,831,460)	(3,282,259)
Transaction costs paid	(4,435,919)	(495,787)
Interest paid	(976,930)	(228,192)
Other operating expenses paid	(993,567)	(604,047)
(Increase)/decrease in deposits with broker	(247,036,584)	15,935,146
Decrease/(increase) in deposits with broker	18,326,784	-
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	(204,947,303)	460,982,747
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	7,679,414,396	748,676,428
Payments on redemption of units	(7,312,794,309)	(1,140,497,234)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	366,620,087	(391,820,806)
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Net increase in cash and cash equivalents	161,672,784	69,161,941
Cash and cash equivalents at the beginning of the period	1,297,222,861	216,850,696
Net foreign currency loss	(72)	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,458,895,573	286,012,637
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Analysis of balances of cash and cash equivalents		
Bank balances	1,384,107,008	204,510,914
Short-term bank deposits	74,788,565	81,501,723
	<hr/>	<hr/>
	1,458,895,573	286,012,637
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2022

			Fair value HKD	% of net assets
Investments and derivative financial instruments (23.83%)				
		<i>Holdings</i>		
Listed investment fund (23.83%)				
Hong Kong (23.83%)				
Unlisted Share Class (23.83%)				
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A		68,636,156	711,207,847	23.83
Total listed investment fund			<u>711,207,847</u>	<u>23.83</u>
Listed futures contracts (1.31%)	<i>Expiration Date</i>	<i>Contracts</i>		
Hong Kong (1.31%)				
HANG SENG INDEX FUTURE 28 July 2022	28 July 2022	2,951	39,083,841	1.31
Unlisted swap future contracts (-0.03%)				
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	28 July 2022	1,536	(19,421,952)	(0.65)
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	28 July 2022	1,000	18,487,200	0.62
Total futures contracts			<u>38,149,089</u>	<u>1.28</u>
Total investments and derivative financial instruments			749,356,936	25.11
Other net assets			<u>2,235,619,770</u>	<u>74.89</u>
Net assets attributable to unitholders as at 30 June 2022			<u><u>2,984,976,706</u></u>	<u><u>100.00</u></u>
Total investments and derivative financial instruments, at cost			<u>710,174,715</u>	

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2022

	Holdings				30 June 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	63,197,693	65,668,426	-	60,229,963	68,636,156
Listed future contracts					
HANG SENG INDEX FUTURE 28 January 2022	3,943	405	-	4,348	-
HANG SENG INDEX FUTURE 25 February 2022	-	3,756	-	3,756	-
HANG SENG INDEX FUTURE 30 March 2022	-	10,059	-	10,059	-
HANG SENG INDEX FUTURE 28 April 2022	-	6,825	-	6,825	-
HANG SENG INDEX FUTURE 30 May 2022	-	7,955	-	7,955	-
HANG SENG INDEX FUTURE 29 June 2022	-	9,257	-	9,257	-
HANG SENG INDEX FUTURE 28 July 2022	-	3,909	-	958	2,951
Unlisted swap future contracts					
HANG SENG INDEX FUTURE 28 January 2022 (SWAP)	460	2,300	-	2,760	-
HANG SENG INDEX FUTURE 28 January 2022 (SWAP)	50	0	-	50	-
HANG SENG INDEX FUTURE 25 February 2022 (SWAP)	-	3,220	-	3,220	-
HANG SENG INDEX FUTURE 25 February 2022 (SWAP)	-	50	-	50	-
HANG SENG INDEX FUTURE 30 March 2022 (SWAP)	-	1,380	-	1,380	-
HANG SENG INDEX FUTURE 30 March 2022 (SWAP)	-	500	-	500	-
HANG SENG INDEX FUTURE 28 April 2022 (SWAP)	-	2,450	-	2,450	-
HANG SENG INDEX FUTURE 28 April 2022 (SWAP)	-	500	-	500	-
HANG SENG INDEX FUTURE 30 May 2022 (SWAP)	-	10,710	-	10,710	-
HANG SENG INDEX FUTURE 30 May 2022 (SWAP)	-	1,000	-	1,000	-

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

For the period ended 30 June 2022

	Holdings				
	1 January 2022	Additions	Corporate actions	Disposals	30 June 2022
Investments (Continued)					
Unlisted swap future contracts(Continued)					
HANG SENG INDEX FUTURE 29 June 2022 (SWAP)	-	18,384	-	18,384	-
HANG SENG INDEX FUTURE 29 June 2022 (SWAP)	-	1,000	-	1,000	-
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	-	6,144	-	4,608	1,536
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	-	1,000	-	-	1,000

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

As at 30 June 2022

The financial derivative instruments held by the Sub-Fund as at 30 June 2022 are summarised below:

Futures contract

The details of futures contract held by the Sub-Fund as at 30 June 2022 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value HKD
<u>Financial assets:</u>				
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Long	BNP Paribas	29,289,549.86
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Long	UBS	9,794,291.21
				<u>39,083,841.07</u>

Swap future contracts

The details of outstanding swap futures contracts held by the Sub-Fund as at 30 June 2022 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value HKD
<u>Financial assets:</u>				
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	Hang Seng Index	Long	Societe Generale	18,487,200
				<u>18,487,200</u>
<u>Financial liabilities:</u>				
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	Hang Seng Index	Long	CICC Financial Trading Limited	(19,421,952)
				<u>(19,421,952)</u>

**CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT
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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 <i>HKD</i>
SOCIETE GENERALE, PARIS	Cash collateral	N/A	N/A	N/A	HKD	1.53%	45,786,000
							<u>45,786,000</u>

Custody/safe-keeping arrangement

	Amount of collateral received/held 30 June 2022 <i>HKD</i>	Proportion of collateral posted by the sub-fund 30 June 2022 %
Custodians of collateral		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	45,786,000	100%

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

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 2022	2,984,976,706	5.7938
31 December 2021	2,616,870,047	6.8865
31 December 2020	860,541,594	9.2731

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 2022	7.7847	4.1374
31 December 2021	11.9319	6.4919
31 December 2020	10.7441	5.7639
31 December 2019	11.5602	7.9768
31 December 2018	14.2500	7.8664

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

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

There was one security (31 December 2021: 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 2022.

	Fair Value <i>HKD</i>	% of assets
As at 30 June 2022		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	711,207,847	23.83

As at 31 December 2021

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF	653,811,730	24.99
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There were no government securities (31 December 2021: 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 2022.

During the period ended 30 June 2022, the Hang Seng Index decreased by 6.57% (31 December 2021: decreased by 14.08%) while the net asset value per unit of Sub-Fund decreased by 15.90% (31 December 2021: decreased by 25.74%).

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

MANAGEMENT AND ADMINISTRATION

Manager

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

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Service Agent

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

Listing Agent

Altus Capital Limited
21 Wing Wo Street
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

Legal Counsel to the Manager

Simmons & Simmons
30th Floor, One Taikoo Place
979 King's Road
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/ F, Prince's Building
Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

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