



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 2022

**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 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product was HKD 3.6164 and there were 73,600,000 units outstanding. The total asset under management was approximately HKD 266.2 million.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product performed -19.03% while the index performed -6.91%. YTD Price return of the HKD counter (stock code 7288) was -18.28%.

Exchange Liquidity

Since inception, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product has attracted great 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 10.9 million in June 2022. 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

The 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 sixty-four monthly future roll.

**CSOP HANG SENG CHINA ENTERPRISES 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	54,068,495	53,823,553
Derivative financial instruments	8,242,737	4,500,961
Bank interest receivable	1,722	397
Other receivable	64,255	19,623
Deposits with broker	49,656,302	45,384,302
Cash and cash equivalents	154,425,966	143,047,287
	<hr/>	<hr/>
Total assets	266,459,477	246,776,123
	<hr/>	<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Amounts due to brokers	-	115
Management fee payable	208,621	181,081
Other accounts payable	99,495	127,178
	<hr/>	<hr/>
Total liabilities	308,116	308,374
	<hr/>	<hr/>
EQUITY		
Net assets attributable to unitholders	266,151,361	246,467,749
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Number of units in issue	73,600,000	55,200,000
	<hr/>	<hr/>
Net asset value per unit	3.6162	4.465
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^{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 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
INCOME		
Interest income from bank deposits	6,176	28,603
Interest income from bonds	-	7,594
Net (loss)/gain on investments and derivative financial instruments	(16,781,958)	13,648,909
Total net (loss)/income	<u>(16,775,782)</u>	<u>13,685,106</u>
EXPENSES		
Management fee ^{Note 2}	(1,189,892)	(790,371)
Transaction costs on investments	(524,096)	(209,273)
Audit fee	(16,960)	(18,328)
Bank charges ^{Note 1}	(2,580)	(500)
Legal and other professional fee	(4,208)	(4,178)
License fee	(261,836)	(260,009)
Interest expenses	(90,127)	(53,086)
Other operating expenses ^{Note 1}	(120,435)	(121,026)
Total operating expenses	<u>(2,210,134)</u>	<u>(1,456,771)</u>
Total comprehensive (loss)/income	<u><u>(18,985,916)</u></u>	<u><u>12,228,335</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) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
Bank charges	(200)	-
Other operating expenses	(59,404)	(60,462)

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 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 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	246,467,749	226,242,474
Proceeds on issue of units	263,166,468	-
Payments on redemption of units	(224,496,940)	(87,384,605)
Net increase/(decrease) from unit transactions	38,669,528	(87,384,605)
Total comprehensive (loss)/income for the period	(18,985,916)	12,228,335
Net assets attributable to unitholders at the end of the period	266,151,361	151,086,204

The movements of the redeemable units are as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) Units	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units
Number of units in issue at the beginning of the period	55,200,000	29,600,000
Units issued	84,800,000	-
Units redeemed	(66,400,000)	(9,600,000)
Number of units in issue at the end of the period	73,600,000	20,000,000

**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 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(18,903,000)	(146,824,847)
Proceeds from sale of investments	(1,865,675)	239,289,378
Interest income from bank deposits received	4,851	31,767
Interest income from deposits with broker received	-	1
Interest income from bonds received	-	7,594
Other fee paid	-	(5,945)
Management fee paid	(1,162,352)	(843,136)
Transaction costs paid	(524,096)	(209,273)
Interest paid	(90,128)	(60,718)
Other operating expenses paid	(478,334)	(471,971)
(Increase)/decrease in deposits with broker	(4,272,115)	8,843,311
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(27,290,849)	99,756,161
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	263,166,468	-
Payments on redemption of units	(224,496,940)	(87,384,605)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	38,669,528	(87,384,605)
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Net increase in cash and cash equivalents	11,378,679	12,371,556
Cash and cash equivalents at the beginning of the period	143,047,287	51,301,442
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	154,425,966	63,672,998
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of balances of cash and cash equivalents		
Bank balances	130,151,213	40,566,387
Short-term bank deposits	24,274,753	23,106,611
	<hr/>	<hr/>
	154,425,966	63,672,998
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**CSOP HANG SENG CHINA ENTERPRISES 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 (23.41%)			
Investments (23.41%)			
Listed investment fund (20.31%)	<i>Holdings</i>		
Unlisted share class (20.31%)			
Hong Kong (20.31%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	5,217,959	54,068,495	20.31
Total listed investment fund		<u>54,068,495</u>	<u>20.31</u>
Listed future contracts (3.10%)	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong (3.10%)			
HSCEI FUTURES 28 July 2022	28 July 2022	1,400	8,242,737
Total futures contracts			<u>8,242,737</u>
Total investments and derivative financial instruments		62,311,232	23.41
Other net assets		203,840,129	76.59
Net assets attributable to unitholders as at 30 June 2022		<u>266,151,361</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>53,973,351</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 2022

	Holdings				
	1 January 2022	Additions	Corporate actions	Disposals	30 June 2022
Investments					
Listed investment fund					
Unlisted share class					
CSOP HONG KONG DOLLAR					
MONEY MARKET ETF-UNLISTED					
SHARE CLASS A	5,202,605	1,826,822	-	1,811,468	5,217,959
Listed future contracts					
HSCEI FUTURES 28 January 2022	1,191	149	-	1,340	-
HSCEI FUTURES 25 February 2022	-	1,319	-	1,319	-
HSCEI FUTURES 30 March 2022	-	2,404	-	2,404	-
HSCEI FUTURES 28 April 2022	-	1,748	-	1,748	-
HSCEI FUTURES 30 May 2022	-	2,028	-	2,028	-
HSCEI FUTURES 29 June 2022	-	1,921	-	1,921	-
HSCEI FUTURES 28 July 2022	-	1,436	-	36	1,400

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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 <i>HKD</i>
<u>Financial liabilities:</u>				
HSCEI FUTURES 28 July 2022	HSCEI Index	Long	BNP Paribas	8,242,737
				<hr/>
				8,242,737
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**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 2022	266,151,361	3.6162
31 December 2021	246,515,932	4.4659
31 December 2020	226,534,930	7.6532

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 2022	5.0221	2.3583
31 December 2021	9.8784	4.2712
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 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 net assets
As at 30 June 2022		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	54,068,495	20.31

As at 31 December 2021

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF	53,807,000	21.83
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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

For the period ended 30 June 2022, the Hang Seng China Enterprises Index decreased by 6.91% (31 December 2021: decreased by 23.30%) while the net asset value per unit of the Sub-Fund decreased by 19.01% (31 December 2021: decreased by 41.58%).

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

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30/F, One Taikoo Place
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Auditor

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Registered Public Interest Entity Auditor
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