



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 2020

**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

The 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 (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 futures-based replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP Hang Seng Index Daily (2x) Leveraged Product is a futures-based ETF which invests directly in the nearest month futures contracts on the Hang Seng Index listed on the SEHK (“Hang Seng 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 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 capitalisation weighted index that tracks the behaviour of a portfolio of blue chip companies, the largest and most liquid Hong Kong securities listed on the Stock Exchange of Hong Kong Limited (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 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 2020, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng Index Daily (2x) Leveraged Product was HKD 7.4481 and there were 172,800,000 units outstanding. The total asset under management was approximately HKD 1.3 billion as at 30 June 2020.

For the period ended 30 June 2020, the dealing NAV of CSOP Hang Seng Index Daily (2x) Leveraged Product performed -26.77% while the index performed -13.35%. YTD Price return of the HKD counter (stock code 7200) was -26.77%.

Exchange Liquidity

Since inception, the CSOP Hang Seng Index Daily (2x) Leveraged Product has attracted great attention from investors across the globe. The trading value of the HKD counter (stock code: 7200) remained steadily at an average daily turnover of HKD 554.3 million in June 2020. The trading volume for the CSOP Hang Seng Index Daily (2x) Leveraged Product reflected strong interest in the CSOP Hang Seng Index Daily (2x) Leveraged Product.

Portfolio Rebalance

The CSOP Hang Seng Index Daily (2x) Leveraged Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced forty 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 2020

	30 June 2020 (Unaudited) <i>HKD</i>	31 December 2019 (Audited) <i>HKD</i>
ASSETS		
CURRENT ASSETS		
Investments	917,852,496	245,581,218
Derivative financial instruments	-	6,390,320
Bank interest receivable	2	1
Interest receivable on bonds	-	372,445
Amounts due from participating dealers	41,656,336	-
Other receivable	1,091	38,343
Deposits with broker	333,234,848	51,189,628
Bank balances	71,536,461	22,213,496
	<hr/>	<hr/>
Total assets	1,364,281,234	325,785,451
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	34,119,179	-
Management fee payable	1,145,556	356,973
Other accounts payable	689,397	491,399
	<hr/>	<hr/>
Total liabilities	35,954,132	848,372
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Net assets attributable to unitholders	1,328,327,102	324,937,079
	<hr/> <hr/>	<hr/> <hr/>
Number of units in issue	178,400,000	32,000,000
	<hr/> <hr/>	<hr/> <hr/>
Net asset value per unit	7.4458	10.1543
	<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 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 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>	Period from 1 January 2019 to 30 June 2019 (Unaudited) <i>HKD</i>
INCOME		
Interest income from bank deposits	746	49,300
Interest income from bonds	2,260,478	379,059
Interest income from deposits with broker	189,637	-
Net (loss)/gain on investments and derivative financial instruments	(119,304,484)	57,247,035
Other income	-	13,952
Total net (loss)/income	<u>(116,853,623)</u>	<u>57,689,346</u>
EXPENSES		
Management fee ^{Note 2}	(5,693,453)	(933,886)
Transaction costs on investments	(1,237,446)	(151,068)
Audit fee	(19,359)	(21,669)
Safe custody and bank charges ^{Note 1}	(51,822)	(6,520)
Legal and other professional fee	(4,156)	(14,025)
License fee	(486,418)	(81,074)
Interest expenses	(225,907)	(50,997)
Other operating expenses ^{Note 1}	(119,281)	(114,565)
Total operating expenses	<u>(7,837,842)</u>	<u>(1,373,804)</u>
Total comprehensive (loss)/income	<u><u>(124,691,465)</u></u>	<u><u>56,315,542</u></u>

Note 1 During the period ended 30 June 2020 and 2019, other respective amounts paid to the Trustee/connected persons of Trustee were as follows:

	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>	Period from 1 January 2019 to 30 June 2019 (Unaudited) <i>HKD</i>
Safe custody and bank charges	(51,822)	(1,976)
Other operating expenses	(79,216)	(74,211)

Note 2 During the period ended 30 June 2020 and 2019, 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 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>	Period from 1 January 2019 30 June 2019 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	324,937,079	355,226,963
Proceeds on issue of units	3,005,511,963	237,295,944
Payments on redemption of units	(1,877,430,475)	(405,700,506)
Net increase/(decrease) from unit transactions	1,128,081,488	(168,404,562)
Total comprehensive (loss)/income for the period	(124,691,465)	56,315,542
Net assets attributable to unitholders at the end of the period	1,328,327,102	243,137,943

The movement of the redeemable units are as below:

	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>	Period from 1 January 2019 30 June 2019 (Unaudited) <i>HKD</i>
Number of units in issue at the beginning of the period	32,000,000	41,600,000
Units issued	398,400,000	24,800,000
Units redeemed	(252,000,000)	(43,200,000)
Number of units in issue at the end of the period	178,400,000	23,200,000

**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 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) <i>HKD</i>	Period from 1 January 2019 30 June 2019 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(3,009,979,292)	(108,192,420)
Proceeds from sale of investments	2,258,913,029	165,928,753
Interest income from bank deposits received	745	49,276
Interest income from bonds received	2,632,923	381,702
Interest income from deposits with broker received	227,980	-
Other income received	(1,091)	-
Management fee paid	(4,904,870)	(993,455)
Transaction costs paid	(1,237,446)	(151,068)
Interest paid	(139,227)	(55,028)
Other operating expenses paid	(569,718)	(279,886)
(Increase)/decrease in deposits with broker	(282,045,220)	14,250,209
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(1,037,102,187)	70,938,083
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FINANCING ACTIVITIES		
Proceeds on issue of units	3,005,511,963	237,295,944
Payments on redemption of units	(1,919,086,811)	(405,700,506)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	1,086,425,152	(168,404,562)
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Net increase/(decrease) in cash and cash equivalents	49,322,965	(97,466,479)
Cash and cash equivalents at the beginning of the period	22,213,496	202,041,951
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	71,536,461	104,575,472
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Bank balances	71,536,461	104,575,472
	<hr/> <hr/>	<hr/> <hr/>

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

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2020

		Fair value HKD	% of net assets
Investments and derivative financial instruments (66.53%)			
	<i>Holdings</i>		
Listed investment fund (19.57%)			
Hong Kong (19.57%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	252,000	259,925,047	19.57
Total listed investment fund		<u>259,925,047</u>	<u>19.57</u>
Quoted debt securities (49.53%)			
Hong Kong (49.53%)			
HONG KONG TREASURY BILL ZCP 02 July 2020	33,000,000	32,999,967	2.48
HONG KONG TREASURY BILL ZCP 22 July 2020	82,000,000	81,997,786	6.17
HONG KONG TREASURY BILL ZCP 29 July 2020	122,000,000	121,995,486	9.18
HONG KONG TREASURY BILL ZCP 19 August 2020	123,000,000	122,988,684	9.26
HONG KONG TREASURY BILL ZCP 26 August 2020	120,000,000	119,985,480	9.03
HONG KONG TREASURY BILL ZCP 02 September 2020	73,000,000	72,988,831	5.50
HONG KONG TREASURY BILL ZCP 09 September 2020	15,000,000	14,997,165	1.13
HONG KONG TREASURY BILL ZCP 23 September 2020	15,000,000	14,996,250	1.13
HONG KONG TREASURY BILL ZCP 30 September 2020	75,000,000	74,977,800	5.65
Total debt securities		<u>657,927,449</u>	<u>49.53</u>
Listed futures contracts (-2.57%)			
	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong (-2.57%)			
HANG SENG INDEX FUTURE 30 July 2020	30 July 2020	2,184	(34,119,179) (2.57)
Total futures contracts			<u>(34,119,179) (2.57)</u>
Total investments and derivative financial instruments		883,733,317	66.53
Other net assets		444,593,785	33.47
Net assets attributable to unitholders as at 30 June 2020		<u>1,328,327,102</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>916,109,179</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 2020

	Holdings				30 June 2020
	1 January 2020	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	67,000	201,000	-	16,000	252,000
Quoted debt securities					
HONG KONG GOVERNMENT 1.31% 20 February 2020	49,000,000	-	-	49,000,000	-
HONG KONG GOVERNMENT 1.79% 21 May 2020	55,000,000	-	-	55,000,000	-
HONG KONG GOVERNMENT 2.53% 22 June 2020	42,000,000	-	-	42,000,000	-
HONG KONG TREASURY BILL ZCP 15 January 2020	31,000,000	-	-	31,000,000	-
HONG KONG TREASURY BILL ZCP 12 February 2020	-	14,000,000	-	14,000,000	-
HONG KONG TREASURY BILL ZCP 26 February 2020	-	27,000,000	-	27,000,000	-
HONG KONG TREASURY BILL ZCP 04 March 2020	-	41,000,000	-	41,000,000	-
HONG KONG TREASURY BILL ZCP 11 March 2020	-	57,000,000	-	57,000,000	-
HONG KONG TREASURY BILL ZCP 18 March 2020	-	22,000,000	-	22,000,000	-
HONG KONG TREASURY BILL ZCP 25 March 2020	-	109,000,000	-	109,000,000	-
HONG KONG TREASURY BILL ZCP 01 April 2020	-	234,000,000	-	234,000,000	-
HONG KONG TREASURY BILL ZCP 08 April 2020	-	47,000,000	-	47,000,000	-
HONG KONG TREASURY BILL ZCP 15 April 2020	-	63,000,000	-	63,000,000	-
HONG KONG TREASURY BILL ZCP 22 April 2020	-	230,000,000	-	230,000,000	-
HONG KONG TREASURY BILL ZCP 29 April 2020	-	105,000,000	-	105,000,000	-
HONG KONG TREASURY BILL ZCP 06 May 2020	-	123,000,000	-	123,000,000	-
HONG KONG TREASURY BILL ZCP 13 May 2020	-	129,000,000	-	129,000,000	-
HONG KONG TREASURY BILL ZCP 20 May 2020	-	115,000,000	-	115,000,000	-
HONG KONG TREASURY BILL ZCP 27 May 2020	-	140,000,000	-	140,000,000	-
HONG KONG TREASURY BILL ZCP 03 June 2020	-	147,000,000	-	147,000,000	-

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2020

	Holdings				30 June 2020
	1 January 2020	Additions	Corporate actions	Disposals	
Investments (Continued)					
Quoted debt securities (Continued)					
HONG KONG TREASURY BILL ZCP 10 June 2020	-	110,000,000	-	110,000,000	-
HONG KONG TREASURY BILL ZCP 17 June 2020	-	106,000,000	-	106,000,000	-
HONG KONG TREASURY BILL ZCP 24 June 2020	-	133,000,000	-	133,000,000	-
HONG KONG TREASURY BILL ZCP 02 July 2020	-	33,000,000	-	-	33,000,000
HONG KONG TREASURY BILL ZCP 08 July 2020	-	104,000,000	-	104,000,000	-
HONG KONG TREASURY BILL ZCP 15 July 2020	-	92,000,000	-	92,000,000	-
HONG KONG TREASURY BILL ZCP 22 July 2020	-	82,000,000	-	-	82000000
HONG KONG TREASURY BILL ZCP 29 July 2020	-	122,000,000	-	-	122000000
HONG KONG TREASURY BILL ZCP 19 August 2020	-	123,000,000	-	-	123,000,000
HONG KONG TREASURY BILL ZCP 26 August 2020	-	120,000,000	-	-	120,000,000
HONG KONG TREASURY BILL ZCP 02 September 2020	-	73,000,000	-	73,000,000	-
HONG KONG TREASURY BILL ZCP 09 September 2020	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 23 September 2020	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 30 September 2020	-	75,000,000	-	-	75,000,000
Listed future contracts					
HANG SENG INDEX FUTURE 30 January 2020	460	53	-	513	-
HANG SENG INDEX FUTURE 27 February 2020	-	877	-	877	-
HANG SENG INDEX FUTURE 30 March 2020	-	4,505	-	4,505	-
HANG SENG INDEX FUTURE 28 April 2020	-	4,252	-	4,252	-
HANG SENG INDEX FUTURE 28 May 2020	-	3,751	-	3,751	-
HANG SENG INDEX FUTURE 29 June 2020	-	3,843	-	3,843	-
HANG SENG INDEX FUTURE 30 July 2020	-	2,445	-	261	2,184

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

As at 30 June 2020

The financial derivative instruments held by the Sub-Fund as at 30 June 2020 are summarised below:

Futures contract

The details of futures contract held by the Sub-Fund as at 30 June 2020 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
<u>Financial liabilities:</u>				
HANG SENG INDEX FUTURE 30 July 2020	Hang Seng Index	Long	UBS AG London	(34,119,179)
				<u>(34,119,179)</u>

**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 2020	1,328,742,957	7.4481
31 December 2019	325,474,811	10.1711
31 December 2018	356,059,889	8.5591

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 2020	10.7441	5.7639
31 December 2019	11.5602	7.9768
31 December 2018	14.2500	7.8664
31 December 2017 (since 10 March 2017 (date of inception))	11.8340	7.1829

**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
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)

There was one security (31 December 2019: 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 2020.

	Fair Value <i>HKD</i>	% of assets
As at 30 June 2020		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	259,925,047	19.57

As at 31 December 2019

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF	68,554,480	21.10
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There were no government securities (31 December 2019: three) that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 31 December 2019.

	Fair Value <i>HKD</i>	% of assets
As at 31 December 2019		
HONG KONG GOVERNMENT 1.31% 20 February 2020	48,960,800	15.07
HONG KONG GOVERNMENT 1.79% 21 May 2020	54,967,000	16.92
HONG KONG GOVERNMENT 2.53% 22 June 2020	42,117,600	12.96

During the period ended 30 June 2020, the Hang Seng Index decreased by 13.35% (31 December 2019: increased by 9.07%) while the net asset value per unit of Sub-Fund decreased by 26.67% (31 December 2019: increased by 18.92%).

**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
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8 Connaught Place
Central
Hong Kong

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Hong Kong

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
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Zhiwei Liu
Zhongping Cai

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