



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 2021

**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 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 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 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 2021, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng Index Daily (2x) Leveraged Product was HKD 10.3798 and there were 57,600,000 units outstanding. The total asset under management was approximately HKD 597.9 million.

For the period ended 30 June 2021, the dealing NAV of CSOP Hang Seng Index Daily (2x) Leveraged Product performed 11.93% while the index performed 5.86%. YTD Price return of the HKD counter (stock code 7200) was +12.20%

### Exchange Liquidity

Since inception, CSOP Hang Seng Index Daily (2x) Leveraged Product has attracted great investor 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 125.0 million in June 2021. 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 futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced fifty-two 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 2021*

	30 June 2021 (Unaudited) <i>HKD</i>	31 December 2020 (Audited) <i>HKD</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Investments	211,694,287	475,940,746
Derivative financial instruments	-	48,629,375
Bank interest receivable	1,211	13,045
Other receivable	5,945	-
Deposits with broker	104,119,853	120,054,999
Cash and cash equivalents	286,012,637	216,850,696
	<hr/>	<hr/>
<b>Total assets</b>	<b>601,833,933</b>	<b>861,488,861</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Derivative financial instruments	3,159,383	-
Management fee payable	473,541	635,501
Other accounts payable	508,095	604,406
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>4,141,019</b>	<b>1,239,907</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	<b>597,692,914</b>	<b>860,248,954</b>
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<b>Number of units in issue</b>	<b>57,600,000</b>	<b>92,800,000</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Net asset value per unit</b>	<b>10.3766</b>	<b>9.2699</b>
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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 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 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>
<b>INCOME</b>		
Interest income from bank deposits	105,382	746
Interest income from deposits with broker	-	189,637
Interest income from bonds	32,641	2,260,478
Net gain/(loss) on investments and derivative financial instruments	133,478,757	(119,304,484)
<b>Total net income/(loss)</b>	<u>133,616,780</u>	<u>(116,853,623)</u>
<b>EXPENSES</b>		
Management fee <sup>Note 2</sup>	(3,088,939)	(5,693,453)
Transaction costs on investments	(495,787)	(1,237,446)
Audit fee	(112,308)	(19,359)
Safe custody and bank charges <sup>Note 1</sup>	(28,020)	(51,822)
Legal and other professional fee	(4,178)	(4,156)
License fee	(269,588)	(486,418)
Interest expenses	(216,628)	(225,907)
Other operating expenses <sup>Note 1</sup>	(136,566)	(119,281)
<b>Total operating expenses</b>	<u>(4,352,014)</u>	<u>(7,837,842)</u>
<b>Total comprehensive income/(loss)</b>	<u><u>129,264,766</u></u>	<u><u>(124,691,465)</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	(27,520)	(51,822)
Other operating expenses	(76,002)	(79,216)

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 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 2021*

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 30 June 2020 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	860,248,954	324,937,079
Proceeds on issue of units	748,676,428	3,005,511,963
Payments on redemption of units	(1,140,497,234)	(1,877,430,475)
Net (decrease)/increase from unit transactions	(391,820,806)	1,128,081,488
Total comprehensive income/(loss) for the period	129,264,766	(124,691,465)
<b>Net assets attributable to unitholders at the end of the period</b>	<b>597,692,914</b>	<b>1,328,327,102</b>

The movement of the redeemable units are as below:

	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units	Period from 1 January 2020 30 June 2020 (Unaudited) Units
Number of units in issue at the beginning of the period	92,800,000	32,000,000
Units issued	75,200,000	398,400,000
Units redeemed	(110,400,000)	(252,000,000)
Number of units in issue at the end of the period	57,600,000	178,400,000

**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 2021*

	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>	Period from 1 January 2020 30 June 2020 (Unaudited) <i>HKD</i>
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(671,858,658)	(3,009,979,292)
Proceeds from sale of investments	1,121,372,632	2,258,913,029
Interest income from bank deposits received	117,216	745
Interest income from deposits with broker received	-	227,980
Interest income from bonds received	32,641	2,632,923
Other fee paid	(5,945)	(1,091)
Management fee paid	(3,250,899)	(4,904,870)
Transaction costs paid	(495,787)	(1,237,446)
Interest paid	(228,192)	(139,227)
Other operating expenses paid	(635,407)	(569,718)
Decrease/(increase) in deposits with broker	15,935,146	(282,045,220)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>	460,982,747	(1,037,102,187)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>FINANCING ACTIVITIES</b>		
Proceeds on issue of units	748,676,428	3,005,511,963
Payments on redemption of units	(1,140,497,234)	(1,919,086,811)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	(391,820,806)	1,086,425,152
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Net increase in cash and cash equivalents	69,161,941	49,322,965
Cash and cash equivalents at the beginning of the period	216,850,696	22,213,496
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Cash and cash equivalents at the end of the period	286,012,637	71,536,461
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<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	204,510,914	71,536,461
Short-term bank deposits	81,501,723	-
	<hr/>	<hr/>
	286,012,637	71,536,461
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**CSOP HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT  
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**INVESTMENT PORTFOLIO (Unaudited)**

*As at 30 June 2021*

		<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments and derivative financial instruments (35.42%)</b>			
	<i>Holdings</i>		
<b>Listed investment fund (21.28%)</b>			
<b>Hong Kong (21.28%)</b>			
<b>Unlisted Share Class (21.28%)</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	12,298,663	127,194,000	21.28
Total listed investment fund		<u>127,194,000</u>	<u>21.28</u>
<b>Quoted debt securities (14.14%)</b>			
<b>Hong Kong (14.14%)</b>			
HONG KONG TREASURY BILL ZCP 14 July 2021	13,000,000	13,000,091	2.17
HONG KONG TREASURY BILL ZCP 21 July 2021	27,500,000	27,500,138	4.60
HONG KONG TREASURY BILL ZCP 04 August 2021	6,500,000	6,500,058	1.09
HONG KONG TREASURY BILL ZCP 01 September 2021	19,000,000	19,000,000	3.18
HONG KONG TREASURY BILL ZCP 08 September 2021	18,500,000	18,500,000	3.10
Total debt securities		<u>84,500,287</u>	<u>14.14</u>
<b>Listed futures contracts (-0.53%)</b>	<i>Expiration Date</i>	<i>Contracts</i>	
<b>Hong Kong (-0.53%)</b>			
HANG SENG INDEX FUTURE 29 July 2021	29 July 2021	834	(3,159,383) (0.53)
Total futures contracts			<u>(3,159,383) (0.53)</u>
Total investments and derivative financial instruments		208,534,904	34.89
Other net assets		389,158,010	65.11
Net assets attributable to unitholders as at 30 June 2021		<u>597,692,914</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>211,692,864</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 2021*

	<b>Holdings</b>				<b>30 June 2021</b>
	<b>1 January 2021</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed investment fund</b>					
<b>Listed Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	176,000	50,000	-	226,000	-
<b>Unlisted Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	-	12,298,663	-	-	12,298,663
<b>Quoted debt securities</b>					
HONG KONG TREASURY BILL ZCP 06 January 2021	34,500,000	-	-	34,500,000	-
HONG KONG TREASURY BILL ZCP 13 January 2021	42,500,000	-	-	42,500,000	-
HONG KONG TREASURY BILL ZCP 20 January 2021	11,000,000	-	-	11,000,000	-
HONG KONG TREASURY BILL ZCP 27 January 2021	69,000,000	-	-	69,000,000	-
HONG KONG TREASURY BILL ZCP 03 February 2021	26,000,000	-	-	26,000,000	-
HONG KONG TREASURY BILL ZCP 10 February 2021	18,000,000	-	-	18,000,000	-
HONG KONG TREASURY BILL ZCP 17 February 2021	28,000,000	6,500,000	-	34,500,000	-
HONG KONG TREASURY BILL ZCP 24 February 2021	18,000,000	-	-	18,000,000	-
HONG KONG TREASURY BILL ZCP 03 March 2021	-	51,000,000	-	51,000,000	-
HONG KONG TREASURY BILL ZCP 17 March 2021	24,000,000	-	-	24,000,000	-
HONG KONG TREASURY BILL ZCP 24 March 2021	23,000,000	25,500,000	-	48,500,000	-
HONG KONG TREASURY BILL ZCP 14 April 2021	-	36,500,000	-	36,500,000	-
HONG KONG TREASURY BILL ZCP 28 April 2021	-	39,000,000	-	39,000,000	-
HONG KONG TREASURY BILL ZCP 05 May 2021	-	14,000,000	-	14,000,000	-
HONG KONG TREASURY BILL ZCP 12 May 2021	-	48,500,000	-	48,500,000	-
HONG KONG TREASURY BILL ZCP 02 June 2021	-	25,500,000	-	25,500,000	-

**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 2021*

	<b>Holdings</b>				<b>30 June 2021</b>
	<b>1 January 2021</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Quoted debt securities (Continued)</b>					
HONG KONG TREASURY BILL ZCP 09 June 2021	-	37,000,000	-	37,000,000	-
HONG KONG TREASURY BILL ZCP 16 June 2021	-	42,000,000	-	42,000,000	-
HONG KONG TREASURY BILL ZCP 23 June 2021	-	19,500,000	-	19,500,000	-
HONG KONG TREASURY BILL ZCP 30 June 2021	-	25,500,000	-	25,500,000	-
HONG KONG TREASURY BILL ZCP 14 July 2021	-	13,000,000	-	-	13,000,000
HONG KONG TREASURY BILL ZCP 21 July 2021	-	27,500,000	-	-	27,500,000
HONG KONG TREASURY BILL ZCP 04 August 2021	-	6,500,000	-	-	6,500,000
HONG KONG TREASURY BILL ZCP 25 August 2021	-	38,000,000	-	38,000,000	-
HONG KONG TREASURY BILL ZCP 01 September 2021	-	19,000,000	-	-	19,000,000
HONG KONG TREASURY BILL ZCP 08 September 2021	-	18,500,000	-	-	18,500,000
<b>Listed future contracts</b>					
HANG SENG INDEX FUTURE 28 January 2021	1,264	91	-	1,355	-
HANG SENG INDEX FUTURE 25 February 2021	-	1,128	-	1,128	-
HANG SENG INDEX FUTURE 30 March 2021	-	1,388	-	1,388	-
HANG SENG INDEX FUTURE 29 April 2021	-	1,303	-	1,303	-
HANG SENG INDEX FUTURE 28 May 2021	-	1,224	-	1,224	-
HANG SENG INDEX FUTURE 29 June 2021	-	1,309	-	1,309	-
HANG SENG INDEX FUTURE 29 July 2021	-	1,012	-	178	834

**CSOP HANG SENG INDEX DAILY (2X) LEVERAGED 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 contract**

The details of futures contract held by the Sub-Fund as at 30 June 2021 are as follows:

<b>Description</b>	<b>Underlying assets</b>	<b>Position</b>	<b>Counterparty</b>	<b>Fair value <i>HKD</i></b>
<u>Financial liabilities:</u>				
HANG SENG INDEX FUTURE 29 July 2021	Hang Seng Index	Long	BNP Paribas	(1,710,383)
HANG SENG INDEX FUTURE 29 July 2021	Hang Seng Index	Long	UBS	(1,449,000)
				<hr/>
				(3,159,383)
				<hr/> <hr/>

**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 2021	597,864,347	10.3796
31 December 2020	860,541,594	9.2731
31 December 2019	325,474,811	10.1711

**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	11.9319	9.4553
31 December 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  
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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 assets
<b>As at 30 June 2021</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	127,194,000	21.28

**As at 31 December 2020**

**Hong Kong**

CSOP HONG KONG DOLLAR MONEY MARKET ETF	181,947,726	21.15
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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.

During the period ended 30 June 2021, the Hang Seng Index increased by 5.86% (31 December 2020: decreased by 3.40%) while the net asset value per unit of Sub-Fund increased by 11.94% (31 December 2020: decreased by 8.71%).

**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  
Yi Zhou  
Zhiwei Liu  
Zhongping Cai

**Legal Counsel to the Manager**

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**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
21st Floor Edinburgh Tower  
15 Queen's Road Central  
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