



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

CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT
(Stock Code: 07300)
(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 (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP Hang Seng Index Daily (-1x) Inverse 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, 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 7300 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 (-1x) Inverse 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 inverse (-1x) of 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 (-1x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 1 times the daily performance of the Index. As of 30 June 2022, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng Index Daily (-1x) Inverse Product was HKD 5.1423 and there were 48,000,000 units outstanding. The total assets under management was approximately HKD 246.8 million.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng Index Daily (-1x) Inverse Product performed -1.43% while the index performed -6.57%. YTD Price return of the HKD counter (stock code 7300) was -1.72%.

Exchange Liquidity

The trading value of the HKD counter (stock code: 7300) of CSOP Hang Seng Index Daily (-1x) Inverse Product has an average daily turnover of HKD 20.3 million in June 2022. The trading volume for CSOP Hang Seng Index Daily (-1x) Inverse Product reflected strong interest in the CSOP Hang Seng Index Daily (-1x) Inverse Product.

Portfolio Rebalance

CSOP Hang Seng Index Daily (-1x) Inverse Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced sixty-four future roll.

**CSOP HANG SENG INDEX DAILY (-1X) INVERSE 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	53,085,229	103,814,173
Bank interest receivable	708	148
Other receivable	12,541	19,623
Deposits with broker	31,714,116	34,377,443
Cash and cash equivalents	167,027,229	271,909,491
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Total assets	251,839,823	410,120,878
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LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	4,282,437	4,370,175
Management fee payable	190,610	327,463
Other accounts payable	538,267	641,886
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Total liabilities	5,011,314	5,339,524
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EQUITY		
Net assets attributable to unitholders	246,828,509	404,781,354
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Number of units in issue	48,000,000	77,600,000
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Net asset value per unit	5.1423	5.2163
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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 (-1X) INVERSE 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	8,013	91,706
Interest income from bonds	-	35,467
Net gain/(loss) on investments and derivative financial instruments	22,687,172	(47,478,591)
Total net income/(loss)	<u>22,695,185</u>	<u>(47,351,418)</u>
EXPENSES		
Management fee ^{Note 2}	(1,396,635)	(2,707,318)
Transaction costs on investments	(138,607)	(199,579)
Audit fee	(65,673)	(110,480)
Bank charges ^{Note 1}	(1,660)	(500)
Legal and other professional fee	(4,208)	(4,178)
License fee	(121,596)	(233,733)
Interest expenses	(58,371)	(93,542)
Other operating expenses ^{Note 1}	(128,595)	(130,266)
Total operating expenses	<u>(1,915,345)</u>	<u>(3,479,596)</u>
Total comprehensive income/(loss)	<u><u>20,779,840</u></u>	<u><u>(50,831,014)</u></u>

Note 1: During the period ended 30 June 2022 and 2021, respective amounts paid to the Trustee/connected person 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	(88,706)	(69,702)

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 (-1X) INVERSE 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>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	404,781,354	634,662,770
Proceeds on issue of units	154,723,846	148,165,079
Payments on redemption of units	(333,456,531)	(153,077,810)
Net decrease from unit transactions	(178,732,685)	(4,912,731)
Total comprehensive income/(loss) for the period	20,779,840	(50,831,014)
Net assets attributable to unitholders at the end of the period	246,828,509	578,919,025

The movement 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	77,600,000	130,400,000
Units issued	28,800,000	33,600,000
Units redeemed	(58,400,000)	(33,600,000)
Number of units in issue at the end of the period	48,000,000	130,400,000

**CSOP HANG SENG INDEX DAILY (-1X) INVERSE 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	-	(581,777,816)
Proceeds from sale of investments	73,328,378	706,812,617
Interest income from bank deposits received	7,453	101,295
Interest income from deposits with broker received	19,623	-
Other fee paid	-	(5,945)
Interest income from bonds received	-	35,467
Management fee paid	(1,533,488)	(2,769,185)
Transaction costs paid	(138,607)	(199,579)
Interest paid	(58,382)	(99,778)
Other operating expenses paid	(437,881)	(517,762)
Decrease in deposits with broker	2,663,327	17,142,891
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Net cash generated from operating activities	73,850,423	138,722,205
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FINANCING ACTIVITIES		
Proceeds on issue of units	154,723,846	148,165,079
Payments on redemption of units	(333,456,531)	(153,077,810)
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Net cash used in financing activities	(178,732,685)	(4,912,731)
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Net (decrease)/increase in cash and cash equivalents	(104,882,262)	133,809,474
Cash and cash equivalents at the beginning of the period	271,909,491	125,032,205
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Cash and cash equivalents at the end of the period	167,027,229	258,841,679
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Analysis of balances of cash and cash equivalents		
Bank balances	143,023,169	172,568,328
Short-term bank deposits	24,004,060	86,273,351
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	167,027,229	258,841,679
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**CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2022

		Fair value HKD	% of net assets
Investments and derivative financial instruments (19.77%)			
Investments (21.51%)	<i>Holdings</i>		
Listed investment fund (21.51%)			
Hong Kong (21.51%)			
Unlisted Share Class (21.51%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	5,123,068	53,085,229	21.51
Total listed investment fund		<u>53,085,229</u>	<u>21.51</u>
Listed future contracts (-1.74%)	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong (-1.74%)			
HANG SENG INDEX FUTURE 28 July 2022	28 July 2022	(226)	(1.74)
Total futures contracts		<u>(4,282,437)</u>	<u>(1.74)</u>
Total investments and derivative financial instruments		48,802,792	19.77
Other net assets		198,025,717	80.23
Net assets attributable to unitholders as at 30 June 2022		<u>246,828,509</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>52,983,483</u>	

**CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT
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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 Share Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A					
	10,034,718	-	-	4,911,650	5,123,068
Listed future contracts					
HANG SENG INDEX FUTURE 28 January 2022	(345)	411	-	66	-
HANG SENG INDEX FUTURE 25 February 2022	-	410	-	410	-
HANG SENG INDEX FUTURE 30 March 2022	-	550	-	550	-
HANG SENG INDEX FUTURE 28 April 2022	-	258	-	258	-
HANG SENG INDEX FUTURE 30 May 2022	-	360	-	360	-
HANG SENG INDEX FUTURE 29 June 2022	-	344	-	344	-
HANG SENG INDEX FUTURE 28 July 2022	-	32	-	258	(226)

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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 contracts

The details of futures contracts 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>				
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Short	BNP Paribas	(1,575,000)
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Short	UBS AG London	(2,707,437)
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				(4,282,437)
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**CSOP HANG SENG INDEX DAILY (-1X) INVERSE 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 dated		
30 June 2022	246,828,509	5.1423
31 December 2021	404,829,574	5.2169
31 December 2020	634,955,438	4.8693
31 December 2019	1,592,436,555	5.1972

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	6.5035	4.8550
31 December 2021	5.3816	4.2526
31 December 2020	6.6602	4.8574
31 December 2019	6.1284	5.0312
31 December 2018	6.2798	4.9450
31 December 2017 (since 10 March 2017 (date of inception))	7.2060	5.4698

**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 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	53,085,229	21.51
As at 31 December 2021		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	103,814,173	25.65

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 Index decreased by 6.57% (31 December 2021: decreased by 14.08%) while the net asset value per unit of the Sub-Fund decreased by 1.42% (31 December 2021: increased by 7.18%).

**CSOP HANG SENG INDEX DAILY (-1X) INVERSE 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
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Hong Kong

Custodian

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

Service Agent

HK Conversion Agency Services Limited
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Central, Hong Kong

Listing Agent

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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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Auditor

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Registered Public Interest Entity Auditor
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