



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

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X)  
INVERSE PRODUCT**  
**(Stock Code: 07588)**  
**(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) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| Report of the Manager to the Unitholders                                 | 1           |
| Condensed Statement of Financial Position                                | 2           |
| Condensed Statement of Comprehensive Income                              | 3           |
| Condensed Statement of Changes in Net Assets Attributable to Unitholders | 4           |
| Condensed Statement of Cash Flows  | 5           |
| Investment Portfolio (Unaudited)   | 6           |
| Statement of Movements in Investment Portfolio (Unaudited)               | 7           |
| Details in Respect of Financial Derivative Instruments (Unaudited)       | 8           |
| Performance Record (Unaudited)   | 9           |
| Underlying Index Constituent Stock Disclosure (Unaudited)                | 10          |
| Management and Administration  | 11          |

# **CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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) Inverse Product (or the “Sub-Fund”, formerly known as CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product), 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 7388 on the Stock Exchange of Hong Kong (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) Inverse 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 the two times inverse (-2x) of the daily performance of the Index.

Starting from 25 June 2019, the name of the Sub-Fund was changed from CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product to CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, with the stock code changed from 7388 to 7588 accordingly. The investment objective has changed to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index

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 free float-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

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative two times the performance of the Index. As of 30 June 2022, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product was HKD 4.9673 and there were 9,600,000 units outstanding. The total assets under management was approximately HKD 47.7 million.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product performed -13.76% while the index performed -6.91%. Price return of the HKD counter (stock code 7588) for the same period was -14.47%.

### Exchange Liquidity

The trading value of the HKD counter (stock code: 7588) remained steadily at an average daily turnover of HKD 6.3 million in June 2022. The trading volume for CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product reflected strong interest in the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product.

### Portfolio Rebalance

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced sixty-four monthly futures rolls.

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2022*

|   | 30 June 2022<br>(Unaudited)<br><i>HKD</i> | 31 December 2021<br>(Audited)<br><i>HKD</i> |
|---|---|---|
| <b>ASSETS</b>                                 |   |   |
| <b>CURRENT ASSETS</b>                         |   |   |
| Investments                                   | 8,687,887                                 | 9,454,955                                   |
| Derivative financial instruments              | 448,071                                   | -   |
| Bank interest receivable                      | 93  | 73  |
| Other receivable                              | 12,790                                    | 20,461                                      |
| Deposits with broker                          | 10,343,340                                | 6,907,165                                   |
| Cash and cash equivalents                     | 28,582,585                                | 21,520,838                                  |
|   | <hr/>                                     | <hr/>                                       |
| <b>Total assets</b>                           | 48,074,766                                | 37,903,492                                  |
|   | <hr/>                                     | <hr/>                                       |
| <b>LIABILITIES</b>                            |   |   |
| <b>CURRENT LIABILITIES</b>                    |   |   |
| Derivative financial instruments              | -   | 741,171                                     |
| Management fee payable                        | 44,339                                    | 64,871                                      |
| Other accounts payable                        | 346,330                                   | 288,119                                     |
|   | <hr/>                                     | <hr/>                                       |
| <b>Total liabilities</b>                      | 390,669                                   | 1,094,161                                   |
|   | <hr/>                                     | <hr/>                                       |
| <b>EQUITY</b>                                 |   |   |
| <b>Net assets attributable to unitholders</b> | 47,684,097                                | 36,809,331                                  |
|   | <hr/>                                     | <hr/>                                       |
| <b>Number of units in issue</b>               | 9,600,000                                 | 6,400,000                                   |
|   | <hr/>                                     | <hr/>                                       |
| <b>Net asset value per unit</b>               | 4.9671                                    | 5.7515                                      |
|   | <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 CHINA ENTERPRISES INDEX DAILY (-2X) 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<br>1 January 2022<br>to 30 June 2022<br>(Unaudited)<br><i>HKD</i> | Period from<br>1 January 2021<br>to 30 June 2021<br>(Unaudited)<br><i>HKD</i> |
|--|---|---|
| <b>INCOME</b>  |   |   |
| Interest income from bank deposits                           | 820   | 13,250  |
| Interest income from bonds                                   | -   | 3,235   |
| Net loss on investments and derivative financial instruments | (5,438,290)   | (9,441,192)   |
| <b>Total net (loss)/income</b>                               | <u>(5,437,470)</u>  | <u>(9,424,707)</u>  |
| <b>EXPENSES</b>  |   |   |
| Management fee <sup>Note 2</sup>                             | (275,979)   | (601,697)   |
| Transaction costs on investments                             | (107,339)   | (127,750)   |
| Audit fee  | (16,959)  | (18,328)  |
| Bank charges <sup>Note 1</sup>                               | (2,510)   | (500)   |
| Legal and other professional fee                             | (4,208)   | (4,178)   |
| License fee  | (134,878)   | (134,056)   |
| Interest expenses  | (13,834)  | (26,801)  |
| Other operating expenses <sup>Note 1</sup>                   | (117,185)   | (124,006)   |
| <b>Total operating expenses</b>                              | <u>(672,892)</u>  | <u>(1,037,316)</u>  |
| <b>Total comprehensive (loss)/income</b>                     | <u><u>(6,110,362)</u></u>   | <u><u>(10,462,023)</u></u>  |

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

|                          | Period from<br>1 January 2022<br>to 30 June 2022<br>(Unaudited)<br><i>HKD</i> | Period from<br>1 January 2021<br>to 30 June 2021<br>(Unaudited)<br><i>HKD</i> |
|--------------------------|---|---|
| Bank charges             | (200)   | (500)   |
| Other operating expenses | (55,564)  | (63,442)  |

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) INVERSE 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<br>1 January 2022<br>to 30 June 2022<br>(Unaudited)<br><i>HKD</i> | Period from<br>1 January 2021<br>to 30 June 2021<br>(Unaudited)<br><i>HKD</i> |
|--|---|---|
| Net assets attributable to unitholders at the beginning of the period  | 36,809,331  | 107,059,879   |
| Proceeds on issue of units   | 43,969,310  | 13,856,902  |
| Payments on redemption of units  | (26,984,182)  | (38,023,418)  |
| Net increase/(decrease) from unit transactions                         | 16,985,128  | (24,166,516)  |
| Total comprehensive loss for the period                                | (6,110,362)   | (10,462,023)  |
| <b>Net assets attributable to unitholders at the end of the period</b> | <b>47,684,097</b>   | <b>72,431,340</b>   |

The movement of the redeemable units are as follows:

|   | Period from<br>1 January 2022<br>to 30 June 2022<br>(Unaudited)<br>Units | Period from<br>1 January 2021<br>to 30 June 2021<br>(Unaudited)<br>Units |
|---|--|--|
| Number of units in issue at the beginning of the period | 6,400,000  | 24,800,000   |
| Units issued  | 8,800,000  | 4,000,000  |
| Units redeemed  | (5,600,000)  | (10,400,000)   |
| Number of units in issue at the end of the period       | 9,600,000  | 18,400,000   |

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

**CONDENSED STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2022*

|   | Period from<br>1 January 2022<br>to 30 June 2022<br>(Unaudited)<br><i>HKD</i> | Period from<br>1 January 2021<br>to 30 June 2021<br>(Unaudited)<br><i>HKD</i> |
|---|---|---|
| <b>OPERATING ACTIVITIES</b>                                   |   |   |
| Payments for purchase of investments                          | (3,321,000)   | (87,886,755)  |
| Proceeds from sale of investments                             | (2,539,464)   | 104,934,888   |
| Other income received   | 7,671   | (5,945)   |
| Interest income from bank deposits received                   | 800   | 15,025  |
| Interest income from bonds received                           | -   | 3,235   |
| Management fee paid   | (296,511)   | (649,928)   |
| Transaction costs paid  | (107,339)   | (127,750)   |
| Interest paid   | (13,834)  | (27,067)  |
| Other operating expenses paid                                 | (217,529)   | (321,572)   |
| Increase/(decrease) in deposits with broker                   | (3,436,175)   | 12,506,598  |
|   | <hr/>   | <hr/>   |
| <b>Net cash (used in)/generated from operating activities</b> | (9,923,381)   | 28,440,729  |
|   | <hr style="border-top: 1px dashed;"/>   | <hr style="border-top: 1px dashed;"/>   |
| <b>FINANCING ACTIVITIES</b>                                   |   |   |
| Proceeds on issue of units                                    | 43,969,310  | 13,856,902  |
| Payments on redemption of units                               | (26,984,182)  | (38,023,418)  |
|   | <hr/>   | <hr/>   |
| <b>Net cash used in financing activities</b>                  | 16,985,128  | (24,166,516)  |
|   | <hr style="border-top: 1px dashed;"/>   | <hr style="border-top: 1px dashed;"/>   |
| Net increase in cash and cash equivalents                     | 7,061,747   | 4,274,213   |
| Cash and cash equivalents at the beginning of the period      | 21,520,838  | 20,444,157  |
|   | <hr/>   | <hr/>   |
| Cash and cash equivalents at the end of the period            | 28,582,585  | 24,718,370  |
|   | <hr style="border-top: 3px double;"/>   | <hr style="border-top: 3px double;"/>   |
| <b>Analysis of balances of cash and cash equivalents</b>      |   |   |
| Bank balances   | 25,095,792  | 17,518,940  |
| Short-term bank deposits                                      | 3,486,793   | 7,199,430   |
|   | <hr/>   | <hr/>   |
|   | 28,582,585  | 24,718,370  |
|   | <hr style="border-top: 3px double;"/>   | <hr style="border-top: 3px double;"/>   |

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

**INVESTMENT PORTFOLIO (Unaudited)**

*As at 30 June 2022*

|   |                        | <b>Fair value<br/>HKD</b> | <b>% of<br/>net<br/>assets</b> |
|---|------------------------|---------------------------|--------------------------------|
| <b>Investments and derivative financial instruments (19.16%)</b>  |                        |                           |                                |
|   | <i>Holdings</i>        |                           |                                |
| <b>Investments (18.22%)</b>                                       |                        |                           |                                |
| <b>Listed investment fund (18.22%)</b>                            |                        |                           |                                |
| <b>Unlisted share class (18.22%)</b>                              |                        |                           |                                |
| <b>Hong Kong (18.22%)</b>   |                        |                           |                                |
| CSOP HONG KONG DOLLAR MONEY MARKET ETF-<br>UNLISTED SHARE CLASS A | 838,437                | 8,687,887                 | 18.22                          |
| Total listed investments fund                                     |                        | <u>8,687,887</u>          | <u>18.22</u>                   |
| <b>Listed futures contracts (0.94%)</b>                           | <i>Expiration Date</i> | <i>Contracts</i>          |                                |
| <b>Hong Kong (0.94%)</b>  |                        |                           |                                |
| HSCEI FUTURES 28 July 2022  | 28 July 2022           | (251)                     | 448,071                        |
| Total futures contracts   |                        |                           | <u>448,071</u>                 |
| Total investments and derivative financial instruments            |                        | 9,135,958                 | 19.16                          |
| Other net assets  |                        | 38,548,139                | 80.84                          |
| Net assets attributable to unitholders as at 30 June 2022         |                        | <u>47,684,097</u>         | <u>100.00</u>                  |
| Total investments and derivative financial instruments, at cost   |                        | <u>8,672,855</u>          |                                |

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**

*For the period ended 30 June 2022*

|                                | <b>Holdings</b>           |                  |                              |                  | <b>30 June<br/>2022</b> |
|--------------------------------|---------------------------|------------------|------------------------------|------------------|-------------------------|
|                                | <b>1 January<br/>2022</b> | <b>Additions</b> | <b>Corporate<br/>actions</b> | <b>Disposals</b> |                         |
| <b>Investments</b>             |                           |                  |                              |                  |                         |
| <b>Listed investment funds</b> |                           |                  |                              |                  |                         |
| <b>Unlisted share class</b>    |                           |                  |                              |                  |                         |
| CSOP HONG KONG DOLLAR          |                           |                  |                              |                  |                         |
| MONEY MARKET ETF-UNLISTED      |                           |                  |                              |                  |                         |
| SHARE CLASS A                  | 913,920                   | 320,902          | -                            | 396,385          | 838,437                 |
| <b>Listed future contracts</b> |                           |                  |                              |                  |                         |
| HSCEI FUTURES 28 January 2022  | (178)                     | 210              | -                            | 32               | -                       |
| HSCEI FUTURES 25 February 2022 | -                         | 209              | -                            | 209              | -                       |
| HSCEI FUTURES 30 March 2022    | -                         | 434              | -                            | 434              | -                       |
| HSCEI FUTURES 28 April 2022    | -                         | 318              | -                            | 318              | -                       |
| HSCEI FUTURES 30 May 2022      | -                         | 411              | -                            | 411              | -                       |
| HSCEI FUTURES 29 June 2022     | -                         | 420              | -                            | 420              | -                       |
| HSCEI FUTURES 28 July 2022     | -                         | 194              | -                            | 445              | (251)                   |

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

**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 future contracts held by the Sub-Fund as at 30 June 2022 are as follows:

| <b>Description</b>         | <b>Underlying<br/>assets</b> | <b>Position</b> | <b>Counterparty</b> | <b>Fair value<br/><i>HKD</i></b> |
|----------------------------|------------------------------|-----------------|---------------------|----------------------------------|
| <u>Financial assets:</u>   |                              |                 |                     |                                  |
| HSCEI FUTURES 28 July 2022 | HSCEI Index                  | Short           | BNP Paribas         | 448,071                          |
|                            |                              |                 |                     | <hr/>                            |
|                            |                              |                 |                     | 448,071                          |
|                            |                              |                 |                     | <hr/> <hr/>                      |

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

**PERFORMANCE RECORD (Unaudited)**

**Net asset value**

|                                      | Dealing net asset value of<br>the Sub-Fund*<br><i>HKD</i> | Dealing net asset value<br>per unit<br><i>HKD</i> |
|--------------------------------------|---|---|
| At the end of financial period dated |   |   |
| 30 June 2022                         | 47,684,097  | 4.9671  |
| 31 December 2021                     | 36,857,573  | 5.7590  |
| 31 December 2020                     | 107,352,667   | 4.3287  |

**Highest and lowest net asset value per unit**

|                        | Highest net asset value<br>per unit<br><i>HKD</i> | Lowest net asset value<br>per unit<br><i>HKD</i> |
|------------------------|---|--|
| Financial period ended |   |  |
| 30 June 2022           | 9.7783  | 4.7348   |
| 31 December 2021       | 6.0549  | 3.2615   |
| 31 December 2020       | 8.2639  | 4.2818   |
| 31 December 2019       | 6.8418  | 5.1571   |
| 31 December 2018       | 6.4911  | 5.0489   |

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

**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 |
| <b>As at 30 June 2022</b>  |            |                 |
| CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE<br>CLASS A | 8,687,887  | 18.22           |
| <b>As at 31 December 2021</b>                                    |            |                 |
| CSOP HONG KONG DOLLAR MONEY MARKET ETF UNLISTED SHARE<br>CLASS A | 9,454,955  | 25.68           |

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 Sub-Fund decreased by 13.64% (31 December 2021: increased by 33.23%).

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE 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  
21st Floor Edinburgh Tower  
15 Queen's Road Central  
Hong Kong



[www.csopasset.com](http://www.csopasset.com)

Telephone: (852) 3406 5688

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