



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

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

(Stock Code: 7226)

(A sub-fund of CSOP Leveraged and Inverse Series)

Unaudited Semi-Annual Report  
FOR THE PERIOD ENDED TO 30 JUNE 2022

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

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# **CSOP HANG SENG TECH 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 TECH 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 9 December 2020 and commenced trading in HKD under the stock code 7226 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 10 December 2020. The Sub-Fund is benchmarked against the Hang Seng TECH Index (the “Index”) and adopts a Swap-based synthetic replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The investment objective of CSOP Hang Seng TECH Index Daily (2x) Leveraged Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of Hang Seng TECH Index. The Product does not seek to achieve its stated investment objective over a period of time greater than one day. The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product

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 represents the 30 largest technology companies listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) that have high business exposure to technology themes and pass the index's screening criteria. The Index operates under clearly defined rules published by the index provider and is a tradable index.

### Fund Performance

The CSOP Hang Seng TECH Index Daily (2x) Leveraged Product seeks to provide daily investment results, before fees and expenses, which closely correspond to positive 2 times the daily performance of the Index. As of 30 June 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product was HKD 1.9138 and there were 2,172,200,000 units outstanding. The total assets under management was approximately HKD 4.2 billion.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng TECH Index Daily (2x) Leveraged Product performed -39.10% while the index performed -14.12%. YTD Price return of the HKD counter (stock code 7226) was -39.24%.

### Exchange Liquidity

The trading value of the HKD counter (stock code: 7226) of CSOP Hang Seng TECH Index Daily (2x) Leveraged Product remained steadily at an average daily turnover of HKD 718.3 million in June 2022. The trading volume for the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product reflected strong interest in the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product.

**CSOP HANG SENG TECH 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>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Investments	1,509,390,351	1,080,991,818
Derivative financial instruments	24,255,367	8,228,840
Bank interest receivable	5,953	1,840
Amounts due from brokers	77,001,143	73,220,597
Amounts due from participating dealers	25,313,804	22,223,850
Other receivable	-	23,241
Deposits with broker	615,250,266	224,279,068
Cash and cash equivalents	2,478,715,742	1,319,722,210
	<hr/>	<hr/>
<b>Total assets</b>	4,729,932,626	2,728,691,464
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Derivative financial instruments	28,662,773	-
Cash Collateral liabilities	455,203,000	-
Amounts due to brokers	58,952,895	-
Management fee payable	5,188,488	3,235,504
Other accounts payable	633,678	311,609
	<hr/>	<hr/>
<b>Total liabilities</b>	548,640,834	3,547,113
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	4,181,291,792	2,725,144,351
	<hr/>	<hr/>
<b>Number of units in issue</b>	2,172,200,000	867,400,000
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<b>Net asset value per unit</b>	1.9249	3.1417
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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 TECH 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 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
<b>INCOME</b>		
Interest income from bank deposits	59,546	76,941
Interest income from bonds	-	55,310
Net loss on investments and derivative financial instruments	(546,650,936)	(221,598,486)
Net foreign currency gain/(loss)	122,701	(30,571)
<b>Total net loss</b>	<u>(546,468,689)</u>	<u>(221,496,806)</u>
<b>EXPENSES</b>		
Management fee <sup>Note 2</sup>	(23,473,361)	(6,855,694)
Transaction costs on investments	(235,502)	(64,111)
Audit fee	(83,182)	(19,391)
Bank charges <sup>Note 1</sup>	(4,340)	-
Legal and other professional fee	-	(52,706)
License fee	(1,270,052)	(111,234)
Establishment cost	-	(628,000)
Interest expenses	(2,242)	(3,796)
Other operating expenses <sup>Note 1</sup>	(427,542)	(226,268)
<b>Total operating expenses</b>	<u>(25,496,221)</u>	<u>(7,961,200)</u>
<b>Total comprehensive loss</b>	<u><u>(571,964,910)</u></u>	<u><u>(229,458,006)</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 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
Bank charges	(200)	-
Other operating expenses	(366,510)	(151,719)

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 TECH 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 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	2,725,144,353	-
Proceeds on issue of units	4,248,691,698	1,887,894,158
Payments on redemption of units	(2,220,579,349)	(232,606,327)
Net increase from unit transactions	2,028,112,349	1,655,287,831
Total comprehensive loss for the period	(571,964,910)	(229,458,006)
<b>Net assets attributable to unitholders at the end of the period</b>	<b>4,181,291,792</b>	<b>1,425,829,825</b>

The movement of the redeemable units are as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) Units	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) Units
Number of units in issue at the beginning of the period	867,400,000	-
Units issued	2,446,000,000	232,200,000
Units redeemed	(1,141,200,000)	(32,000,000)
Number of units in issue at the end of the period	2,172,200,000	200,200,000

**CSOP HANG SENG TECH 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 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(1,357,160,396)	(1,836,087,643)
Proceeds from sale of investments	376,698,924	832,439,057
Interest income from bank deposits received	55,433	75,123
Interest income from bonds received	-	55,310
Other income received	23,241	(1,431)
Management fee paid	(21,520,377)	(5,103,517)
Transaction costs paid	(235,502)	(64,111)
Interest paid	(2,242)	(3,796)
Other operating expenses paid	(1,463,047)	(317,294)
Establishment cost paid	-	(58,336)
Decrease in deposits with broker	64,231,802	60,902,917
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(939,372,164)</b>	<b>(948,163,721)</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>FINANCING ACTIVITIES</b>		
Proceeds on issue of units	4,248,691,698	1,887,894,158
Payments on redemption of units	(2,223,669,303)	(204,183,930)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>2,025,022,395</b>	<b>1,683,710,228</b>
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Net increase in cash and cash equivalents	1,085,650,231	735,546,507
Cash and cash equivalents at the beginning of the period	1,319,722,210	-
Effect of foreign exchange rate changes	122,701	(30,571)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	2,405,495,142	735,515,936
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<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	2,319,654,823	531,200,443
Short-term bank deposits	159,060,919	204,315,493
	<hr/>	<hr/>
	<b>2,478,715,742</b>	<b>735,515,936</b>
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**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT  
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**INVESTMENT PORTFOLIO (Unaudited)**

As at 30 June 2022

		<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments and derivative financial instruments (35.99%)</b>			
<b>Investments (36.10%)</b>	<i>Holdings</i>		
<b>Listed investment fund (36.10%)</b>			
<b>Listed share class (27.14%)</b>			
<b>Hong Kong (27.14%)</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	1,095,000	1,134,651,045	27.14
<b>Unlisted share class (8.96%)</b>			
<b>Hong Kong (8.96%)</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	25,193,975	261,059,973	6.24
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	14,082,040	113,679,333	2.72
Total listed investment fund		<u>1,509,390,351</u>	<u>36.10</u>
<b>Unlisted total return swaps (-0.11%)</b>	<i>Contracts</i>		
<b>Hong Kong (-0.11%)</b>			
HSTECH INDEX SWAP SG	21,281	-	-
HSTECH SWAP BNP	1,110	6,207,120	0.15
HSTECH SWAP CGML	370	2,063,923	0.05
HSTECH SWAP CICC	8,565	(28,662,773)	(0.69)
HSTECH SWAP JPM	3,000	15,984,324	0.38
Total Unlisted total return swaps		<u>(4,407,406)</u>	<u>(0.11)</u>
Total investments and derivative financial instruments		1,504,982,945	35.99
Other net assets		<u>2,676,308,847</u>	<u>64.01</u>
Net assets attributable to unitholders as at 30 June 2022		<u><u>4,181,291,792</u></u>	<u><u>100.00</u></u>
Total investments and derivative financial instruments, at cost		<u><u>1,506,304,649</u></u>	



**CSOP HANG SENG TECH 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 2022*

	<b>Holdings</b>				<b>30 June 2022</b>
	<b>1 January 2022</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed investment funds</b>					
<b>Listed Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	734,000	1,318,000	-	957,000	1,095,000
<b>Unlisted Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	20,193,980	4,999,995	-	-	25,193,975
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	14,082,040	-	-	-	14,082,040
<b>Unlisted total return swaps</b>					
HSTECH INDEX SWAP SG	16,951	347,324	-	342,994	21,281
HSTECH SWAP BNP	740	6,660	-	6,290	1,110
HSTECH SWAP CGML	370	2,220	-	2,220	370
HSTECH SWAP CICC	1,160	141,515	-	134,110	8,565
HSTECH SWAP JPM	-	8,900	-	5,900	3,000

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT  
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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:

**Unlisted total return swap**

The details of outstanding total return swap contracts held by the Sub-Fund as at 30 June 2022 are as follows:

<b>Description</b>	<b>Underlying assets</b>	<b>Position</b>	<b>Counterparty</b>	<b>Fair value <i>HKD</i></b>
Financial assets:				
HSTECH INDEX SWAP SG	Hang Seng Tech Index	Long	Societe Generale	-
HSTECH SWAP BNP	Hang Seng Tech Index	Long	BNP Paribas SA	6,207,120
HSTECH SWAP CGML	Hang Seng Tech Index	Long	Citigroup Global Markets Limited	2,063,923
HSTECH SWAP JPM	Hang Seng Tech Index	Long	JPMorgan Securities plc	15,984,324
				<u>24,255,367</u>
Financial liabilities:				
HSTECH SWAP CICC	Hang Seng Tech Index	Long	CICC Financial Trading Limited	(28,662,773)
				<u>(28,662,773)</u>

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT  
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**HOLDINGS OF COLLATERAL (Unaudited)**

*As at 30 June 2022*

<b>Collateral provider</b>	<b>Nature of the collateral</b>	<b>Credit rating</b>	<b>Rating agencies</b>	<b>Maturity tenor</b>	<b>Currency denomination</b>	<b>% of net asset value covered by collateral</b>	<b>Value of the collateral <i>HKD</i></b>
BNP Paribas, Hong Kong	Cash	N/A	N/A	N/A	USD	0.46	19,301,000
Citigroup Global Markets Limited, London	Cash	N/A	N/A	N/A	USD	0.15	6,438,000
JP Morgan Securities Plc, London	Cash	N/A	N/A	N/A	HKD	1.22	51,030,000
Societe Generale, Paris	Cash	N/A	N/A	N/A	HKD	9.05	378,434,000
						10.88	455,203,000
						10.88	455,203,000

**Custody/safe-keeping arrangement**

	<b>Amount of collateral received/held 30 June 2022 <i>HKD</i></b>	<b>Proportion of collateral posted by the sub-fund 30 June 2022 %</b>
Custodians of collateral		
<b>Pooled accounts</b>		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	455,203,000	100.00

**CSOP HANG SENG TECH 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 dated		
30 June 2022	4,181,564,061	1.9250
31 December 2021	2,725,455,794	3.1417

**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	3.3778	1.1086
31 December 2021 (since 8 December 2020 (date of inception))	13.5212	2.9306

*\*The dealing net asset value of the Sub-Fund disclosed is calculated in accordance with the Trust's Prospectus.*

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT  
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**UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)**

There was one security which is a collective investment scheme authorized by the SFC that individually accounted for more than 10% and more than 30% of the net asset value of the Sub-Fund as at 30 June 2022 and 31 December 2021. 1,095,000 units (31 December 2021: 716,000 units) of CSOP Hong Kong Dollar Money Market ETF listed class amounting to HK1,134,651,045 (31 December 2021: HKD740,744,888) are used as initial margin (“Initial Amount”) to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts. No more than 40% of the Net Asset Value of the Sub-Fund from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. Any investments in ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code. For the avoidance of doubt, the Sub Fund’s investment in the money market funds is not subject to this limit.

	Fair Value <i>HKD</i>	% of net assets
<b>As at 30 June 2022</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	1,134,651,045	27.14
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	261,059,973	6.24
<b>As at 31 December 2021</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	759,366,967	27.86
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	208,916,822	7.67

There were no government securities (31 December 2021: no) 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 and, the Hang Seng Tech Index decreased by 14.12% while the net asset value per unit of Sub-Fund decreased by 38.73%.

For the period from 8 December 2020 (date of inception) to 31 December 2021, the Hang Seng Tech Index decreased by 29.86% while the net asset value per unit of the Sub-Fund decreased by 59.46%.

**CSOP HANG SENG TECH 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 (resigned on 17 June 2022)  
Yi Zhou  
Yundong Zhu (appointed on 17 June 2022)  
Zhiwei Liu  
Zhongping Cai

**Legal Counsel to the Manager**

Clifford Chance  
27<sup>th</sup> Floor, Jardine House  
One Connaught Place  
Hong Kong

**Auditor**

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