



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

CSOP HANG SENG INDEX DAILY (2X) LEVERAGED
PRODUCT

CSOP HANG SENG INDEX DAILY (-1X) INVERSE
PRODUCT

CSOP HANG SENG CHINA ENTERPRISES INDEX
DAILY (2X) LEVERAGED PRODUCT

CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY
(-2X) INVERSE PRODUCT

CSOP HANG SENG INDEX DAILY (-2X) INVERSE
PRODUCT

CSOP NASDAQ-100 INDEX DAILY (-2X) INVERSE
PRODUCT

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

CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE
PRODUCT

(Stock Code: 07200, 07300, 07288, 07588, 07500, 07568,
07226 and 07552)

(Sub-funds of CSOP Leveraged and Inverse Series)

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2022

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng Index Daily (2x) Leveraged Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07200)

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 07200 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 combination of a futures-based replication strategy and 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 the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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

The CSOP Hang Seng 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 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng Index Daily (2x) Leveraged Product was HKD4.5123 and there were 948,800,000 units outstanding. The total asset under management was approximately HKD4.3 billion.

As of 30 December 2022, the dealing NAV performed -34.48% while the Index performed -15.46%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng Index Daily (-1x) Inverse Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07300)

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 07300 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 Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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

The CSOP Hang Seng Index Daily (-1x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 1 time the daily performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng Index Daily (-1x) Inverse Product was HKD5.3352 and there were 40,800,000 units outstanding. The total asset under management was approximately HKD217.7 million.

As of 30 December 2022, the dealing NAV performed 2.27% while the Index performed -15.46%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07288)

Introduction

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged 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 (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 07288 on the Stock Exchange of Hong Kong Limited (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) Leveraged 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 twice (2x) the daily performance of the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. 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

The CSOP Hang Seng China Enterprises 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 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product was HKD2.6215 and there were 116,000,000 units outstanding. The total asset under management was approximately HKD304.1 million.

As of 30 December 2022, the dealing NAV performed -41.30% while the Index performed -18.59%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07588)

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 07588 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. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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 07388 to 07588 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

The 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 2 times the daily performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product was HKD5.1598 and there were 12,000,000 units outstanding. The total asset under management was approximately HKD61.9 million.

As of 30 December 2022, the dealing NAV performed -10.42% while the Index performed -18.59%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng Index Daily (-2x) Inverse Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07500)

Introduction

CSOP Hang Seng Index Daily (-2x) 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 (the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

It was launched on 24 May 2019 and commenced trading in HKD under the stock code 07500 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 May 2019. The Sub-Fund is benchmarked against the Hang Seng Index (the “Index”) and adopts a combination of a futures-based replication strategy and 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 the Sub-Fund is 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 Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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 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) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 2 times the daily performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng Index Daily (-2x) Inverse Product was HKD5.3060 and there were 432,000,000 units outstanding. The total asset under management was approximately HKD2.3 billion.

As of 30 December 2022, the dealing NAV performed -6.39% while the Index performed -15.46%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

NASDAQ-100 Index Daily (-2x) Inverse Product (a Sub-Fund of CSOP Leveraged and Inverse Series) (Stock Code: 07568)

Introduction

The CSOP NASDAQ-100 Index Daily (-2x) 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 (the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

It was launched on 17 September 2019 and commenced trading in HKD under the stock code 07568 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 19 September 2019. The Sub-Fund is benchmarked against the NASDAQ-100 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 NASDAQ-100 Index Daily (-2x) Inverse Product is a futures-based ETF which invests directly in the nearest quarter futures contracts on the E-mini NASDAQ 100 Futures listed on the Chicago Mercantile Exchange (“NASDAQ-100 Futures”) subject to the rolling strategy discussed below, to obtain the required exposure to the Index and to provide investment results that, before fees and expenses, closely correspond to inverse (-2x) of the daily performance of the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

The Manager will roll the NASDAQ 100 Futures on a quarterly basis. The futures roll for the NASDAQ-100 Futures will be done on a quarterly basis on the Chicago Mercantile Exchange shortly before expiration.

The index is compiled and managed by Nasdaq, Inc (the “Index Provider”). It includes 100 of the largest non-financial companies listed on the NASDAQ Stock Market based on market capitalisation. It is a price return index, meaning that the performance of the Index is calculated on the basis that dividends are not reinvested, it is denominated in USD. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Sub-Fund Performance

The CSOP NASDAQ-100 Index Daily (-2x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 2 times the daily performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP NASDAQ-100 Index Daily (-2x) Inverse Product was USD2.3561 and there were 88,720,000 units outstanding. The total asset under management was approximately USD209 million.

As of 30 December 2022, the dealing NAV performed 66.51% while the Index performed -32.97%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07226)

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 07226 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 Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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 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 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product was HKD5.7474 and there were 967,640,000 units outstanding. The total asset under management was approximately HKD5.6 billion.

As of 30 December 2022, the dealing NAV performed -63.42% while the Index performed -27.19%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE MANAGER TO THE UNITHOLDERS

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

(a Sub-Fund of CSOP Leveraged and Inverse Series)

(Stock Code: 07552)

Introduction

CSOP Hang Seng TECH Index Daily (-2x) Inverse 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 07552 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) Inverse Product is to provide investment results that, before fees and expenses, closely correspond to negative 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 Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

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 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) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 2 times the daily performance of the Index. As of 30 December 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product was HKD7.1412 and there were 350,600,000 units outstanding. The total asset under management was approximately HKD2.5 billion.

As of 30 December 2022, the dealing NAV performed -27.67% while the Index performed -27.19%.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series), has, in all material respects, managed the Sub-Funds in accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, for the year ended 31 December 2022.

HSBC Institutional Trust Services (Asia) Limited
27 April 2023

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER’S RESPONSIBILITIES

The Manager of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product, and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, CSOP US Large Oil & Gas Companies Daily (2x) Leveraged Product (inception date: 22 November 2022) and CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product (inception date: 22 November 2022) (“Sub-Funds” of CSOP Leveraged and Inverse Series), Sub-Funds of CSOP Leveraged and Inverse Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and the Trust Deed dated 5 July 2016, as amended, (the “Trust Deed”) to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Funds at the end of the year and of the transactions for the year ended 31 December 2022. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

CSOP Leveraged and Inverse Series (the “Trust”) is an umbrella unit trust governed by its Trust Deed. As at 31 December 2022, the Trust has established ten Sub-Funds, namely, CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product, CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, CSOP US Large Oil & Gas Companies Daily (2x) Leveraged Product and CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product. CSOP US Large Oil & Gas Companies Daily (2x) Leveraged Product and CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product were launched on 22 November 2022.

TRUSTEE’S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that the Sub-Funds in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Funds in accordance to the Trust Deed.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (each a separate sub-fund of CSOP Leveraged and Inverse Series and referred to as the “Sub-Funds”), which are set out on pages 18 to 152, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds as at 31 December 2022, and of each of their financial transactions and each of their cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Funds in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Existence and valuation of investments and derivative financial instruments, and occurrence and accuracy of the related investment gain/loss</u></p> <p><u>CSOP Hang Seng Index Daily (2x) Leveraged Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD872,563,877 which comprised of investment funds. The Sub-Fund had derivative financial instruments assets with a fair value of HKD94,367,605 which comprised of futures contracts and unlisted futures swap contracts. The net loss on investments and derivative financial instruments amounted to HKD423,135,085 for the year. Among the total investment loss, HKD431,591,261 arose from derivative financial instruments.</p> <p><u>CSOP Hang Seng Index Daily (-1x) Inverse Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD38,697,316 which comprised of an investment fund. The Sub-Fund had derivative financial instruments liabilities with a fair value of HKD1,309,567 which comprised of futures contracts. The net gain on investments and derivative financial instruments amounted to HKD31,028,485 for the year. Among the total investment gain, HKD30,452,830 arose from derivative financial instruments.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the investments and derivative financial instruments, and the occurrence and accuracy of the related investment gain/loss, which included the following:</p> <ul style="list-style-type: none">• We developed an understanding of the control objectives and related controls relevant to our audit of the Sub-Funds by obtaining the service organisation internal control reports provided by the trustee setting out the controls in place, and the independent service auditor’s assurance report over the design and operating effectiveness of those controls.• We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Funds.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Key Audit Matters (Continued)

Key Audit Matter (Continued)	How our audit addressed the Key Audit Matter (Continued)
<p><u>CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD42,425,745 which comprised of an investment fund. The Sub-Fund had derivative financial instruments assets with a fair value of HKD3,670,151 which comprised of futures contracts. The net loss on investments and derivative financial instruments amounted to HKD85,574,376 for the year. Among the total investment loss, HKD86,206,441 arose from derivative financial instruments.</p>	<p>We tested the existence of investments and derivative financial instruments by obtaining direct confirmations from the custodians and brokers and agreeing the Sub-Funds’ holdings of investments and derivative financial instruments to the confirmations.</p> <p>We tested the valuation of the Sub-Funds’ investments and derivative financial instruments, and we also tested the occurrence and accuracy of their related unrealised gains/losses by comparing the pricing used by the Sub-Funds to external pricing sources as at 31 December 2022.</p>
<p><u>CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD6,385,265 which comprised of an investment fund. The Sub-Fund had derivative financial instruments liabilities with a fair value of HKD860,733 which comprised of futures contracts. The net loss on investments and derivative financial instruments amounted to HKD6,312,004 for the year. Among the total investment loss, HKD6,400,888 arose from derivative financial instruments.</p>	<p>We tested the occurrence and accuracy of net realised gain/loss from trading of investments and derivative financial instruments by testing the related controls on the recording of the purchase and sale transactions and the calculation of net gains and losses. We also agreed the purchase and sales transactions to the broker statements on a sample basis.</p>
<p><u>CSOP Hang Seng Index Daily (-2x) Inverse Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD312,199,287 which comprised of investment funds. The Sub-Fund had derivative financial instruments liabilities with a fair value of HKD37,962,860 which comprised of futures contracts and unlisted futures swap contracts. The net gain on investments and derivative financial instruments amounted to HKD683,421,854 for the year. Among the total investment gain, HKD675,687,490 arose from derivative financial instruments.</p>	<p>Based on the procedures we performed, we found no material exceptions from our testing.</p>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Key Audit Matter (Continued)	How our audit addressed the Key Audit Matter (Continued)
<p><u>CSOP NASDAQ-100 Index Daily (-2x) Inverse Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of USD32,985,397 which comprised of an investment fund. The Sub-Fund had derivative financial instruments assets with a fair value of USD19,392,619 which comprised of futures contracts. The net gain on investments and derivative financial instruments amounted to USD185,600,205 for the year. Among the total investment gain, USD184,625,254 arose from derivative financial instruments.</p> <p><u>CSOP Hang Seng TECH Index Daily (2x) Leveraged Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD2,408,427,490 which comprised of investment funds. The Sub-Fund had derivative financial instruments assets and derivative financial instruments liabilities with a fair value of HKD24,552,094 and HKD115,259,729 respectively, which comprised of unlisted total return swaps. The net loss on investments and derivative financial instruments amounted to HKD2,176,631,492 for the year. Among the total investment loss, HKD2,198,865,539 arose from derivative financial instruments.</p> <p><u>CSOP Hang Seng TECH Index Daily (-2x) Inverse Product</u> As at 31 December 2022, the Sub-Fund had investments with a fair value of HKD752,793,949 which comprised of investment funds. The Sub-Fund had derivative financial instruments assets with a fair value of HKD54,593,445 which comprised of unlisted total return swaps. The net loss on investments and derivative financial instruments amounted to HKD208,492,007 for the year. Among the total investment loss, HKD214,977,765 arose from derivative financial instruments.</p> <p>We focused on the existence and valuation of the investments and derivative financial instruments because the investments and derivative financial instruments represented the principal element of the Sub-Funds’ net assets attributable to unitholders as at 31 December 2022.</p> <p>Refer to note 5 and note 9 to the financial statements.</p>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Other Information

The manager and the trustee (the “Management”) of the Sub-Funds are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Management of the Sub-Funds is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Funds is responsible for assessing the Sub-Funds’ ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Funds or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 July 2016, as amended, (“Trust Deed”) and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the “SFC Code”).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds’ internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (“Sub-Funds” of CSOP Leveraged and Inverse Series, an Umbrella Unit Trust Established in Hong Kong) (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor’s report is Josephine W.T. Kwan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 April 2023

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		2022	2021	2022	2021	2022	2021
		<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
ASSETS							
CURRENT ASSETS							
Investments	7(c),9(a)	872,563,877	653,811,730	38,697,316	103,814,173	42,425,745	53,823,553
Derivative financial instruments	9(a)	94,367,605	54,982,169	-	-	3,670,151	4,500,961
Bank interest receivable		54,168	253	2,869	148	6,955	397
Other receivable		856,208	19,620	24,810	19,623	139,448	19,623
Deposits with brokers	10	969,405,431	613,599,262	25,510,533	34,377,443	72,596,576	45,384,302
Cash and cash equivalents	7(c)	2,428,525,738	1,297,222,861	155,294,287	271,909,491	185,690,919	143,047,287
Total assets		<u>4,365,773,027</u>	<u>2,619,635,895</u>	<u>219,529,815</u>	<u>410,120,878</u>	<u>304,529,794</u>	<u>246,776,123</u>
LIABILITIES							
CURRENT LIABILITIES							
Derivative financial instruments	9(a)	-	-	1,309,567	4,370,175	-	-
Cash collateral payable		78,822,000	-	-	-	-	-
Amounts due to brokers		-	-	-	-	-	115
Management fee payable	7(a),7(b)	3,481,000	1,882,888	172,592	327,463	233,848	181,081
Other accounts payable		2,079,661	931,177	368,593	641,886	92,365	127,178
Total liabilities		<u>84,382,661</u>	<u>2,814,065</u>	<u>1,850,752</u>	<u>5,339,524</u>	<u>326,213</u>	<u>308,374</u>
EQUITY							
Net assets attributable to unitholders	4	<u>4,281,390,366</u>	<u>2,616,821,830</u>	<u>217,679,063</u>	<u>404,781,354</u>	<u>304,203,581</u>	<u>246,467,749</u>

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	<i>Notes</i>	CSOP Hang Seng China Enterprises Index		CSOP Hang Seng Index Daily (-2x)		CSOP NASDAQ-100 Index Daily (-2x)	
		Daily (-2x) Inverse Product		Inverse Product		Inverse Product	
		2022	2021	2022	2021	2022	2021
		<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>USD</i>	<i>USD</i>
ASSETS							
CURRENT ASSETS							
Investments	7(c),9(a)	6,385,265	9,454,955	312,199,287	909,936,292	32,985,397	52,464,111
Derivative financial instruments		-	-	-	-	19,392,619	-
Bank interest receivable		128	73	3,098	3,719	1,125	755
Other receivable		13,457	20,461	242,421	19,595	470	-
Deposits with brokers	10	15,334,450	6,907,165	485,735,045	537,440,730	27,372,636	71,438,169
Cash and cash equivalents	7(c)	41,596,255	21,520,838	1,535,336,917	1,259,782,096	129,758,391	124,492,641
Total assets		<u>63,329,555</u>	<u>37,903,492</u>	<u>2,333,516,768</u>	<u>2,707,182,432</u>	<u>209,510,638</u>	<u>248,395,676</u>
LIABILITIES							
CURRENT LIABILITIES							
Derivative financial instruments	9(a)	860,733	741,171	37,962,860	60,342,133	-	7,686,050
Amounts due to participating dealers		16,543,956	-	-	-	3,771,708	-
Cash collateral payable	10	-	-	-	48,326,000	-	-
Management fee payable	7(a),7(b)	73,057	64,871	2,592,358	3,378,219	261,429	291,922
Other accounts payable		427,372	288,119	983,415	2,182,130	86,784	84,437
Total liabilities		<u>17,905,118</u>	<u>1,094,161</u>	<u>41,538,633</u>	<u>114,228,482</u>	<u>4,119,921</u>	<u>8,062,409</u>
EQUITY							
Net assets attributable to unitholders		<u>45,424,437</u>	<u>36,809,331</u>	<u>2,291,978,135</u>	<u>2,592,953,950</u>	<u>205,390,717</u>	<u>240,333,267</u>

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	<i>Notes</i>	CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
		2022	2021	2022	2021
		<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
ASSETS					
CURRENT ASSETS					
Investments	7(c),9(a)	2,408,427,490	1,080,991,818	752,793,949	198,642,949
Derivative financial instruments	9(a)	24,552,094	8,228,840	54,593,445	-
Bank interest receivable		66,839	1,840	11,805	198
Amounts due from brokers		-	73,220,597	25,036,834	13,643,429
Amounts due from participating dealers		67,432,047	22,223,850	-	-
Other receivable		-	23,241	-	6,720
Deposits with brokers	10	294,483,754	224,279,068	54,844,710	10,123,875
Cash and cash equivalents	7(c)	3,102,375,017	1,319,722,210	1,628,409,238	216,700,182
Total assets		5,897,337,241	2,728,691,464	2,515,689,981	439,117,353
LIABILITIES					
CURRENT LIABILITIES					
Derivative financial instruments	9(a)	115,259,729	-	-	5,495,835
Amounts due to brokers		95,406,739	-	-	9,865,835
Amounts due to participating dealers		-	-	95,950,715	-
Cash collateral payable	10	52,988,000	-	10,900,000	42,426,037
Management fee payable	7(a), (b)	7,113,723	3,235,504	3,017,233	601,955
Other accounts payable		1,105,234	311,609	529,099	215,968
Total liabilities		271,873,425	3,547,113	110,397,047	58,605,630
EQUITY					
Net assets attributable to unitholders		5,625,463,816	2,725,144,351	2,405,292,934	380,511,723

The financial statements on pages 18 to 152 were approved by the Trustee and the Manager on 27 April 2023 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		2022	2021	2022	2021	2022	2021
		HKD	HKD	HKD	HKD	HKD	HKD
INCOME							
Interest income from bank deposits	7(c)	902,762	125,479	70,735	103,623	75,095	32,703
Interest income from deposits with brokers		-	-	69,282	-	259,890	-
Interest income from bonds		158,390	34,027	-	38,397	-	-
Interest income from margin deposits		2,854,895	-	-	-	-	-
Interest income from treasury bills		-	-	-	-	-	8,259
Net (loss)/gain on investments and derivative financial instruments	5	(423,135,085)	(204,063,068)	31,028,485	40,534,571	(85,574,376)	(72,611,788)
Net foreign currency loss		(634,430)	(9)	-	-	-	-
Other income		-	-	-	4,137	-	-
Total net (loss)/income		<u>(419,853,468)</u>	<u>(203,903,571)</u>	<u>31,168,502</u>	<u>40,680,728</u>	<u>(85,239,391)</u>	<u>(72,570,826)</u>
EXPENSES							
Management fee	7(a), 7(b)	(32,220,072)	(10,295,704)	(2,381,389)	(5,050,296)	(2,437,359)	(1,792,235)
Transaction costs on investments	8	(20,161,807)	(1,842,206)	(250,795)	(380,996)	(1,115,841)	(548,574)
Audit fee		(235,437)	(228,504)	(31,392)	(222,509)	(31,391)	(36,827)
Bank charges	7(d)	(3,260)	(970)	(1,760)	(700)	(2,580)	(750)
Legal and other professional fee		(4,208)	(66,749)	(4,208)	-	(4,208)	(3,200)
License fee		(2,783,657)	(890,621)	(206,557)	(437,445)	(528,013)	(526,185)
Interest expenses		(1,160,262)	(734,824)	(55,314)	(176,173)	(95,537)	(114,554)
Other operating expenses	7(d)	(547,991)	(324,834)	(284,372)	(261,445)	(268,771)	(242,505)
Total operating expenses		<u>(57,116,694)</u>	<u>(14,384,412)</u>	<u>(3,215,787)</u>	<u>(6,529,564)</u>	<u>(4,483,700)</u>	<u>(3,264,830)</u>
Total comprehensive (loss)/income		<u><u>(476,970,162)</u></u>	<u><u>(218,287,983)</u></u>	<u><u>27,952,715</u></u>	<u><u>34,151,164</u></u>	<u><u>(89,723,091)</u></u>	<u><u>(75,835,656)</u></u>

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product		CSOP Hang Seng Index Daily (-2x) Inverse Product		CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	
		2022	2021	2022	2021	2022	2021
		HKD	HKD	HKD	HKD	USD	USD
INCOME							
Interest income from bank deposits	7(c)	12,706	14,596	813,289	1,035,411	206,246	11,305
Interest income from deposits with brokers		-	-	1,094,436	-	805,006	-
Interest income from bonds		43,668	3,459	-	407,046	53,189	13,562
Net (loss)/gain on investments and derivative financial instruments	5	(6,312,004)	18,013,542	683,421,854	622,683,105	185,600,205	(93,611,670)
Net foreign currency gain		-	-	653	295,792	-	-
Other income		9,522	841	-	-	-	-
Total net (loss)/income		<u>(6,246,108)</u>	<u>18,032,438</u>	<u>685,330,232</u>	<u>624,421,354</u>	<u>186,664,646</u>	<u>(93,586,803)</u>
EXPENSES							
Management fee	7(a), 7(b)	(565,619)	(1,083,059)	(30,034,952)	(70,363,151)	(3,567,041)	(2,384,981)
Transaction costs on investments	8	(239,198)	(246,508)	(15,666,974)	(25,339,935)	(139,719)	(66,979)
Audit fee		(31,391)	(36,827)	(156,958)	(559,474)	(20,000)	(1,893)
Bank charges	7(d)	(2,510)	(1,000)	(1,760)	(1,190)	(275)	(20)
Legal and other professional fee		(4,208)	(3,410)	-	(127,654)	(7,653)	(538)
License fee		(271,991)	(271,169)	(1,711,648)	(3,916,279)	(252,935)	(195,074)
Interest expenses		(14,845)	(46,209)	(1,030,911)	(2,515,101)	(41,670)	(131,404)
Other operating expenses	7(d)	(263,251)	(243,305)	(445,659)	(389,338)	(38,596)	(54,574)
Total operating expenses		<u>(1,393,013)</u>	<u>(1,931,487)</u>	<u>(49,048,862)</u>	<u>(103,212,122)</u>	<u>(4,067,889)</u>	<u>(2,835,463)</u>
Total comprehensive (loss)/income		<u><u>(7,639,121)</u></u>	<u><u>16,100,951</u></u>	<u><u>636,281,370</u></u>	<u><u>521,209,232</u></u>	<u><u>182,596,757</u></u>	<u><u>(96,422,266)</u></u>

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
		2022	2021*	2022	2021*
		HKD	HKD	HKD	HKD
INCOME					
Interest income from bank deposits	7(c)	2,635,095	155,759	907,454	21,822
Interest income from treasury bills		-	-	-	22,005
Interest income from bonds		-	63,050	-	-
Net (loss)/gain on investments and derivative financial instruments	5	(2,176,631,492)	(1,575,316,364)	(208,492,007)	237,695,228
Net foreign currency (loss)/gain		(778,738)	(95,878)	85,140	164,804
Total net (loss)/income		(2,174,775,135)	(1,575,193,433)	(207,499,413)	237,903,859
EXPENSES					
Management fee	7(a), 7(b)	(58,714,501)	(22,567,471)	(17,090,805)	(5,491,857)
Transaction costs on investments	8	(359,547)	(165,066)	(205,328)	(53,976)
Audit fee		(313,914)	(38,466)	(156,956)	(38,466)
Bank charges	7(d)	(4,590)	(300)	(3,860)	(970)
Legal and other professional fee		(60,000)	(52,706)	-	(52,706)
License fee		(3,163,303)	(933,303)	(922,989)	(290,332)
Establishment cost	4	-	(440,655)	-	(440,655)
Interest expenses		(2,197,893)	(24,660)	(361,085)	(4,875)
Other operating expenses	7(d)	(895,951)	(545,636)	(711,341)	(445,554)
Total operating expenses		(65,709,699)	(24,768,263)	(19,452,364)	(6,819,391)
Total comprehensive (loss)/income		(2,240,484,834)	(1,599,961,696)	(226,951,777)	231,084,468

*For the period from 8 December 2020 (date of inception) to 31 December 2021

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		2022	2021	2022	2021	2022	2021
		<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders at the beginning of the year		2,616,821,830	860,248,954	404,781,354	634,662,770	246,467,749	226,242,474
Proceeds on issue of units	4	12,747,498,710	5,590,525,292	241,590,658	211,250,785	454,545,526	197,066,948
Payments on redemption of units	4	(10,605,960,012)	(3,615,664,433)	(456,645,664)	(475,283,365)	(307,086,603)	(101,006,017)
Net increase/(decrease) from unit transactions		2,141,538,698	1,974,860,859	(215,055,006)	(264,032,580)	147,458,923	96,060,931
Total comprehensive (loss)/income for the year		(476,970,162)	(218,287,983)	27,952,715	34,151,164	(89,723,091)	(75,835,656)
Net assets attributable to unitholders at the end of the year		4,281,390,366	2,616,821,830	217,679,063	404,781,354	304,203,581	246,467,749

The movements of the redeemable units for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021	2022	2021	2022	2021
	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
Number of units in issue at the beginning of the year	380,000,000	92,800,000	77,600,000	130,400,000	55,200,000	29,600,000
Units issued	2,680,800,000	696,800,000	43,200,000	46,400,000	162,400,000	37,600,000
Units redeemed	(2,112,000,000)	(409,600,000)	(80,000,000)	(99,200,000)	(101,600,000)	(12,000,000)
Number of units in issue at the end of the year	948,800,000	380,000,000	40,800,000	77,600,000	116,000,000	55,200,000

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	CSOP Hang Seng China Enterprises Index		CSOP Hang Seng Index Daily (-2x) Inverse		CSOP NASDAQ-100 Index Daily	
		Daily (-2x) Inverse Product		Product		(-2x) Inverse Product	
		2022	2021	2022	2021	2022	2021
		<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>USD</i>	<i>USD</i>
Net assets attributable to unitholders at the beginning of the year		36,809,331	107,059,879	2,592,953,950	6,379,544,534	240,333,267	73,972,966
Proceeds on issue of units	4	106,204,936	13,856,902	7,256,999,369	6,445,732,341	372,037,982	271,992,005
Payments on redemption of units	4	(89,950,709)	(100,208,401)	(8,194,256,554)	(10,753,532,157)	(589,577,289)	(9,209,438)
Net increase/(decrease) from unit transactions		16,254,227	(86,351,499)	(937,257,185)	(4,307,799,816)	(217,539,307)	262,782,567
Total comprehensive (loss)/income for the year		(7,639,121)	16,100,951	636,281,370	521,209,232	182,596,757	(96,422,266)
Net assets attributable to unitholders at the end of the year		45,424,437	36,809,331	2,291,978,135	2,592,953,950	205,390,717	240,333,267
The movements of the redeemable units for the years ended 31 December 2022 and 2021 are as follows:							
		2022	2021	2022	2021	2022	2021
		<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
Number of units in issue at the beginning of the year		6,400,000	24,800,000	457,600,000	1,246,400,000	1,699,200,000	289,600,000
Units issued		19,200,000	4,000,000	1,264,000,000	1,456,000,000	488,800,000	1,449,600,000
Units redeemed		(16,800,000)	(22,400,000)	(1,289,600,000)	(2,244,800,000)	(805,600,000)	(40,000,000)
Units consolidated on 21 March 2022 (Note)		-	-	-	-	(1,295,280,000)	-
Number of units in issue at the end of the year		8,800,000	6,400,000	432,000,000	457,600,000	87,120,000	1,699,200,000

Note: Pursuant to the Unit Consolidation Announcement dated 25 February 2022, effective from 21 March 2022, the Management has determined that each of the existing 10 units in the Sub-Fund be consolidated into one unit. The minimum size for creation or redemption of units in issue by participating dealers of the Sub-Fund will remain unchanged at 800,000 consolidated units. The consolidation units will rank pari passu in all respects with each other and the unit consolidation will not result in any change in the relative rights of the unitholders.

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
		2022	2021*	2022	2021*
		HKD	HKD	HKD	HKD
Net assets attributable to unitholders at the beginning of the year/period		2,725,144,351	-	380,511,723	-
Proceeds on issue of units	4	10,397,595,574	5,520,791,061	7,654,029,437	1,317,282,628
Payments on redemption of units	4	(5,256,791,275)	(1,195,685,014)	(5,402,296,449)	(1,167,855,373)
Net increase from unit transactions		5,140,804,299	4,325,106,047	2,251,732,988	149,427,255
Total comprehensive (loss)/income for the year/period		(2,240,484,834)	(1,599,961,696)	(226,951,777)	231,084,468
Net assets attributable to unitholders at the end of the year/period		5,625,463,816	2,725,144,351	2,405,292,934	380,511,723
The movements of the redeemable units for the year/period ended 31 December 2022 and 2021 are as follows:					
		2022	2021*	2022	2021*
		Units	Units	Units	Units
Number of units in issue at the beginning of the year/period		867,400,000	-	38,600,000	-
Units issued		4,180,000,000	1,109,400,000	837,600,000	194,600,000
Units redeemed		(1,762,400,000)	(242,000,000)	(539,200,000)	(156,000,000)
Units consolidated on 27 July 2022 (Note)		(2,305,760,000)	-	-	-
Number of units in issue at the end of the year/period		979,240,000	867,400,000	337,000,000	38,600,000

*For the period from 8 December 2020 (date of inception) to 31 December 2021

Note: Pursuant to the Unit Consolidation Announcement dated 6 July 2022, effective from 27 July 2022, the Management has determined that each of the existing 5 units in the Sub-Fund be consolidated into one unit. The minimum size for creation or redemption of units in issue by participating dealers of the Sub-Fund will remain unchanged at 400,000 consolidated units. The consolidation units will rank pari passu in all respects with each other and the unit consolidation will not result in any change in the relative rights of the unitholders.

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	CSOP Hang Seng Index Daily (2x) Leveraged		CSOP Hang Seng Index Daily		CSOP Hang Seng China Enterprises	
	Product		(-1x) Inverse Product		Index Daily (2x) Leveraged Product	
	2022	2021	2022	2021	2022	2021
	HKD	HKD	HKD	HKD	HKD	HKD
OPERATING ACTIVITIES						
Payments for purchase of investments	(2,145,576,433)	(1,360,892,991)	-	(639,076,774)	(18,903,000)	(173,502,364)
Proceeds from sale of investments	1,935,280,462	1,183,206,010	65,692,513	987,595,947	30,932,874	248,230,370
Net (payments)/receipts from derivative activities	(470,976,697)	(210,599,865)	27,392,221	26,362,876	(85,375,632)	(63,586,215)
Interest income from bank deposits received	848,847	138,272	68,014	113,807	68,537	35,880
Interest income from deposits with brokers received	2,874,515	-	88,905	-	259,890	-
Interest income from bonds received	158,390	34,027	-	38,397	-	8,259
Management fee paid	(30,621,960)	(9,048,797)	(2,536,260)	(5,212,153)	(2,384,592)	(1,779,274)
Transaction costs paid	(20,161,807)	(1,842,206)	(250,795)	(380,996)	(1,115,841)	(548,574)
Interest paid	(2,098,284)	(679,923)	(82,618)	(182,239)	(95,537)	(122,186)
Other operating expenses paid	(2,344,255)	(1,258,948)	(799,088)	(975,741)	(989,601)	(905,170)
(Increase)/decrease in deposits with brokers	(355,806,169)	(493,544,264)	8,866,910	42,626,742	(27,212,389)	(12,145,812)
Increase in cash collateral payable	78,822,000	-	-	-	-	-
Net cash (used in)/generated from operating activities	(1,009,601,391)	(894,488,685)	98,439,802	410,909,866	(104,815,291)	(4,315,086)
FINANCING ACTIVITIES						
Proceeds on issue of units	12,747,498,710	5,590,525,292	241,590,658	211,250,785	454,545,526	197,066,948
Payments on redemption of units	(10,605,960,012)	(3,615,664,433)	(456,645,664)	(475,283,365)	(307,086,603)	(101,006,017)
Net cash generated from/(used in) financing activities	2,141,538,698	1,974,860,859	(215,055,006)	(264,032,580)	147,458,923	96,060,931
Net increase/(decrease) in cash and cash equivalents	1,131,937,307	1,080,372,174	(116,615,204)	146,877,286	42,643,632	91,745,845
Cash and cash equivalents at the beginning of the year	1,297,222,861	216,850,696	271,909,491	125,032,205	143,047,287	51,301,442
Effect of foreign exchange rate changes	(634,430)	(9)	-	-	-	-
Cash and cash equivalents at the end of the year	2,428,525,738	1,297,222,861	155,294,287	271,909,491	185,690,919	143,047,287
Analysis of balances of cash and cash equivalents						
Bank balances	2,280,914,263	1,222,449,457	138,282,838	215,386,225	170,089,709	121,597,828
Short-term bank deposits	147,611,475	74,773,404	17,011,449	56,523,266	15,601,210	21,449,459
	2,428,525,738	1,297,222,861	155,294,287	271,909,491	185,690,919	143,047,287

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	CSOP Hang Seng China Enterprises Index Daily		CSOP Hang Seng Index Daily		CSOP NASDAQ-100 Index Daily	
	(-2x) Inverse Product		(-2x) Inverse Product		(-2x) Inverse Product	
	2022	2021	2022	2021	2022	2021
	HKD	HKD	HKD	HKD	USD	USD
OPERATING ACTIVITIES						
Payments for purchase of investments	(3,321,000)	(90,847,718)	(263,436,000)	(7,486,874,974)	(105,008,800)	(308,213,826)
Proceeds from sale of investments	6,479,575	147,377,151	868,907,369	10,646,721,495	125,462,465	300,001,156
Net (payments)/receipts from derivative activities	(6,281,327)	12,039,566	653,308,217	323,534,116	157,546,585	(90,150,895)
Other income received/(paid)	16,526	-	-	-	(470)	31,708
Interest income from bank deposits received	12,651	16,357	813,910	1,146,639	205,876	10,597
Interest income from deposits with brokers received	-	-	1,114,031	-	805,006	-
Interest income from bonds received	43,668	3,459	-	407,046	53,189	13,562
Management fee paid	(557,433)	(1,151,365)	(30,820,813)	(75,561,718)	(3,597,534)	(2,174,426)
Transaction costs paid	(239,198)	(246,508)	(15,666,974)	(25,339,935)	(139,719)	(66,979)
Interest paid	(14,845)	(47,073)	(1,371,876)	(2,601,797)	(56,926)	(119,554)
Other operating expenses paid	(434,098)	(591,318)	(3,416,196)	(6,425,096)	(301,856)	(207,219)
(Increase)/decrease in deposits with brokers	(8,427,285)	20,875,629	51,705,685	872,534,464	44,065,533	(49,085,433)
(Decrease)/increase in cash collateral payable	-	-	(48,326,000)	48,326,000	-	-
Net cash generated (used in)/from operating activities	(12,722,766)	87,428,180	1,212,811,353	4,295,866,240	219,033,349	(149,961,309)
FINANCING ACTIVITIES						
Proceeds on issue of units	122,748,892	13,856,902	7,256,999,369	6,552,059,944	375,809,690	271,992,005
Payments on redemption of units	(89,950,709)	(100,208,401)	(8,194,256,554)	(10,753,532,157)	(589,577,289)	(9,209,438)
Net cash generated from/(used in) financing activities	32,798,183	(86,351,499)	(937,257,185)	(4,201,472,213)	(213,767,599)	262,782,567
Net increase in cash and cash equivalents	20,075,417	1,076,681	275,554,168	94,394,027	5,265,750	112,821,258
Cash and cash equivalents at the beginning of the year	21,520,838	20,444,157	1,259,782,096	1,165,092,277	124,492,641	11,671,383
Effect of foreign exchange rate changes	-	-	653	295,792	-	-
Cash and cash equivalents at the end of the year	41,596,255	21,520,838	1,535,336,917	1,259,782,096	129,758,391	124,492,641
Analysis of balances of cash and cash equivalents						
Bank balances	41,596,255	18,034,823	1,535,336,917	1,086,164,275	129,758,391	107,934,291
Short-term bank deposits	-	3,486,015	-	173,617,821	-	16,558,350
	41,596,255	21,520,838	1,535,336,917	1,259,782,096	129,758,391	124,492,641

The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
	2022	2021*	2022	2021*
	HKD	HKD	HKD	HKD
OPERATING ACTIVITIES				
Payments for purchase of investments	(2,658,808,961)	(3,605,833,866)	(1,379,203,706)	(1,112,526,233)
Proceeds from sale of investments	1,522,234,673	2,452,470,263	810,279,225	910,309,057
Net (payments)/receipts from derivative activities	(2,099,929,065)	(1,584,394,016)	(275,067,045)	242,987,696
Interest income from bank deposits received	2,570,096	153,919	895,847	21,624
Interest income from treasury bills received	-	-	-	22,005
Interest income from bonds received	-	63,050	-	-
Other income received/(paid)	23,241	(23,241)	-	-
Management fee paid	(54,836,282)	(19,331,967)	(14,675,527)	(4,889,902)
Transaction costs paid	(359,547)	(165,066)	(205,328)	(53,976)
Interest paid	(2,197,893)	(24,660)	(361,085)	(4,875)
Other operating expenses paid	(3,644,133)	(1,258,802)	(1,475,295)	(618,780)
Establishment cost paid	-	(440,655)	-	(440,655)
Increase in deposits with brokers	(70,204,686)	(224,279,068)	(44,720,835)	(10,123,875)
Increase/(decrease) in cash collateral payable	52,988,000	-	(31,526,037)	42,426,037
Net cash (used in)/ generated from operating activities	(3,312,164,557)	(2,983,064,109)	(936,059,786)	67,108,123
FINANCING ACTIVITIES				
Proceeds on issue of units	10,397,595,574	5,520,791,061	7,654,029,437	1,317,282,628
Payments on redemption of units	(5,301,999,472)	(1,217,908,864)	(5,306,345,735)	(1,167,855,373)
Net cash generated from financing activities	5,095,596,102	4,302,882,197	2,347,683,702	149,427,255
Net increase in cash and cash equivalents	1,783,431,545	1,319,818,088	1,411,623,916	216,535,378
Cash and cash equivalents at the beginning of the year/period	1,319,722,210	-	216,700,182	-
Effect of foreign exchange rate changes	(778,738)	(95,878)	85,140	164,804
Cash and cash equivalents at the end of the year/period	3,102,375,017	1,319,722,210	1,628,409,238	216,700,182
Analysis of balances of cash and cash equivalents				
Bank balances	2,919,220,479	1,120,879,676	1,604,425,768	192,796,976
Short-term bank deposits	183,154,538	198,842,534	23,983,470	23,903,206
	3,102,375,017	1,319,722,210	1,628,409,238	216,700,182

*For the period from 8 December 2020 (date of inception) to 31 December 2021
The accompanying notes form an integral part of these financial statements.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP Leveraged and Inverse Series (the “Trust”) is an umbrella unit trust governed by a trust deed dated 5 July 2016, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31 December 2022, the Trust has ten Sub-Funds which CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product, CSOP Hang Seng TECH Index Daily (-2x) Inverse Product, CSOP US Large Oil & Gas Companies Daily (2x) Leveraged Product and CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product. CSOP US Large Oil & Gas Companies Daily (2x) Leveraged Product and CSOP US Large Oil & Gas Companies Daily (-2x) Inverse Product were launched on 22 November 2022. The Sub-Funds are listed on The Stock Exchange of Hong Kong Limited.

The Sub-Funds that are reported under these financial statements are as follows:

Name of the Sub-Funds	Listing Date on the stock exchange of Hong Kong Limited (The “SEHK”)	Listing codes
CSOP Hang Seng Index Daily (2x) Leveraged Product	10 March 2017	07200
CSOP Hang Seng Index Daily (-1x) Inverse Product	10 March 2017	07300
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	10 March 2017	07288
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	10 March 2017	07588
CSOP Hang Seng Index Daily (-2x) Inverse Product	24 May 2019	07500
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	17 September 2019	07568
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	10 December 2022	07226
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	10 December 2022	07552

The manager and the trustee of the Sub-Funds are CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) respectively.

CSOP Hang Seng Index Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the underlying index, namely, Hang Seng Index (the “Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index adopts free float-adjusted market capitalisation weighted methodology, with a 10% cap on individual constituent weightings. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. In order to achieve the investment objective of the Sub-Fund, the Manager will use a combination of a futures based replication strategy and a swap-based synthetic replication strategy. To obtain the required exposure to the Index, the Manager may (i) adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Index (“HSI Futures”) listed on the Hong Kong Futures Exchange Limited (“HKFE”) subject to the rolling strategy and/or (ii) use a swap-based synthetic replication strategy by investing in swaps. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the inverse (-1x) of the daily performance of the underlying index, namely, Hang Seng Index (the “Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index adopts free float-adjusted market capitalisation weighted methodology, with a 10% cap on individual constituent weightings. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Hang Seng Index (“HSI Futures”) to obtain the required exposure to the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the underlying index, namely, Hang Seng China Enterprises Index (the “Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index serves as a benchmark that reflects the performance of the largest and most liquid H-shares companies listed in Hong Kong. The Index adopts free float-adjusted market capitalisation weighted methodology, with a 10% cap on individual constituent weightings. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Hang Seng China Enterprises Index (“HSCEI Futures”) to obtain the required exposure to the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Hang Seng China Enterprises Index (the “Index”). The Index is a price return, free float-adjusted market capitalisation weighted index that tracks the behavior of a portfolio of largest and most liquid H-shares companies listed in Hong Kong. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a futures-based replication strategy through investing directly in the spot month futures contracts on the Hang Seng China Enterprises Index (“HSCEI Futures”) to obtain the required exposure to the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP Hang Seng Index Daily (-2x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the underlying index, namely, Hang Seng Index (the “Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index adopts free float-adjusted market capitalisation weighted methodology, with a 10% cap on individual constituent weightings. The Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a combination of a futures-based replication strategy and a swap-based synthetic replication strategy through investing directly in the spot month futures contracts on the Hang Seng Index (“HSI Futures”) and investing in swaps to obtain the required exposure to the Index.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the index, namely, NASDAQ-100 Index (the “Index”). The Index is a price return index, meaning that the performance of the Index is calculated on the basis that dividends are not reinvested, it is denominated in USD. The Index (Ticker: NDX) includes 100 of the largest non-financial companies listed on the NASDAQ Stock Market based on market capitalisation. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a futures-based replication strategy through investing directly in the nearest quarter E-Mini NASDAQ 100 Futures (“Emini NASDAQ 100 Futures”) which are traded on the Chicago Mercantile Exchange (“CME”), to obtain the required exposure to the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the underlying index, namely, Hang Seng TECH Index (the “HST Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index adopts free float-adjusted market capitalisation weighted methodology, with an 8% cap on individual constituent weightings. The Index is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, ecommerce, or digital activities. To achieve the investment objective of the Product, the Manager will use a swap-based synthetic replication strategy by investing in swaps. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the underlying index, namely, Hang Seng Index (the “HST Index”). The Index is a price return index without adjustments for cash dividends or warrant bonuses. The Index adopts free float-adjusted market capitalisation weighted methodology, with a 8% cap on individual constituent weightings. The Index is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, ecommerce, or digital activities. To achieve the investment objective of the Product, the Manager will use a swap-based synthetic replication strategy by investing in swaps. The HST Index has four sub-indices, being finance, commerce and industry, properties and utilities, and each constituent belongs to one of these sub-indices based on the industry classification of the Hang Seng Industry Classification System. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a combination of a futures-based replication strategy and a swap-based synthetic replication strategy through investing directly in the spot month futures contracts on the Hang Seng TECH Index (“HST Futures”) and investing in swaps to obtain the required exposure to the Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day as the performance of the Sub-Fund over a longer period may deviate from and be uncorrelated to the extent of change of the Index over the period. The Sub-Fund is designed to be used for short term market timing or hedging purposes, and is not intended for long term investment.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Funds’ accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Funds.

New standards, amendments and interpretations effective after 1 January 2022 that are relevant to the Sub-Funds but are not yet effective and have not been early adopted by the Sub-Funds

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Funds.

(b) Financial instruments

(i) Classification

The Sub-Funds classify their investments based on both the Sub-Funds’ business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Funds are primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Sub-Funds’ debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Funds’ business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis - the date on which the Sub-Funds commit to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives) are based on quoted market prices at the close of trading on the reporting date. The Sub-Funds utilise the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter debt securities) is determined by using broker quotes or valuation techniques.

Investments in government bonds, government treasury bills, listed futures contracts and swap contracts are valued using the last traded market prices.

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(vi) Derivatives

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges. The Sub-Funds do not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Sub-Funds' documented investment strategy.

The Sub-Funds' policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Sub-Funds currently have a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(viii) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual agreements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Funds consider their investment in investment funds to be investment in unconsolidated structured entities. The investment funds are managed by the Manager who apply various investment strategies to accomplish the respective investment objectives of the investment funds. The investment funds finance their operations by issuing redeemable units which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective Sub-Funds’ net assets. The Sub-Funds hold redeemable units in the investment funds.

The Sub-Funds’ investments in unconsolidated structured entities are shown as financial assets at fair value through profit and loss. The change in fair value of investment funds is included in the statement of comprehensive income in “Net gain/loss on investments and derivative financial instruments”.

(c) Amounts due from participating dealers and brokers

Amounts due from participating dealers represent the subscription receivable from the participating dealers at the end of the reporting year. Amounts due from brokers represent receivables for investments sold that have been contracted for but not yet settled on the statement of financial position date. The amounts are non-interest bearing and repayable on demand.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Funds shall measure the loss allowance on amounts due from participating dealers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the participating dealers, probability that the participating dealers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(d) Amounts due to participating dealers and brokers

Amounts due to participating dealers represent the redemption payable to the participating dealers at the end of the reporting year. Amounts due to brokers represent payables for investments purchased that have been contracted for but not yet delivered on the statement of financial position date. The amounts are non-interest bearing and repayable on demand.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

(f) Transactions costs on investments

Transactions costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transactions costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(g) Expenses

Expenses are accounted for on an accrual basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Cash and cash equivalents excluded deposits with brokers as they are restricted from investment purpose.

(i) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The Manager considers Hong Kong Dollar (“HKD”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, except CSOP NASDAQ-100 Index Daily (-2x) Inverse Product. The financial statements are presented in HKD, which is the Sub-Funds’ functional and presentation currency, except CSOP NASDAQ-100 Index Daily (-2x) Inverse Product.

The Manager considers United States Dollar (“USD”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions for CSOP NASDAQ-100 Index Daily (-2x) Inverse Product. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/loss on investments and derivative financial instruments”.

(j) Redeemable units

The Sub-Funds issue redeemable units, which are redeemable at the holder’s option. These units represent puttable financial instruments of the Sub-Funds. The Sub-Funds classify their puttable financial instruments as equity in accordance with IAS 32 (Amendment), “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Redeemable units (Continued)

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Funds.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Funds’ net asset value per unit at the time of issue or redemption. The Sub-Funds’ net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Funds.

(k) Taxation

No provision for Hong Kong profits tax has been made as the Sub-Funds are authorised as collective investment scheme constituted as unit trust under Section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

The Sub-Funds may incur withholding taxes imposed by other jurisdictions on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

(l) Establishment costs

Establishment costs are recognised as an expense in the year in which they are incurred.

(m) Deposits with brokers/ cash collateral payable

Cash collateral provided by the Sub-Funds are identified in the statement of financial position as deposits with brokers and is not included as a component of cash and cash equivalents. Cash collateral received from the Sub-Funds are identified in the statement of financial position as cash collateral payable. Cash collateral received is treated as an on-balance sheet transaction with a corresponding liability shown separately.

(n) Changes to presentation and comparative information

When the presentation or classification of items in the financial statements is amended, comparative amounts have been updated to conform with the current year’s presentation or classification.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of unlisted investments

The Sub-Funds do not hold any of quoted debt securities that are valued by reference to broker quotes as at 31 December 2022 and 2021. In determining the fair value of such investments, the Management exercises judgment and estimates on the quantity and quality of pricing sources used. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as at relevant date. Actual transacted prices may differ from the quotes provided by the brokers. The Management considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT

The Sub-Funds’ capital is represented by the units in the Sub-Funds, and shown as “net assets attributable to unitholders” in the statement of financial position. Subscriptions and redemptions of units during the years/period ended 31 December 2022 and 2021 are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Funds endeavor to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, and the Prospectus of the Sub-Funds, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

As stated in Note 2(j), redeemable units of the Sub-Funds are classified as equity and they are carried at the price based on the Sub-Funds’ net asset value per unit at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Funds.

The redeemable units for the years/period ended 31 December 2022 and 2021 are as follows:

	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
	2022	2021	2022	2021	2022	2021
	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
Number of units in issue at the end of the year	948,800,000	380,000,000	40,800,000	77,600,000	116,000,000	55,200,000
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	4.5124	6.8864	5.3353	5.2163	2.6224	4.4650

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (Continued)

	CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product		CSOP Hang Seng Index Daily (-2x) Inverse Product		CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	
	2022	2021	2022	2021	2022	2021
	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
Number of units in issue at the end of the year	8,800,000	6,400,000	432,000,000	457,600,000	87,120,000	1,699,200,000
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>USD</i>	<i>USD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	5.1619	5.7515	5.3055	5.6664	2.3576	0.1414
			CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
			2022	2021*	2022	2021*
			<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>
Number of units in issue at the end of the year/period			979,240,000	867,400,000	337,000,000	38,600,000
			<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)			5.7447	3.1417	7.1374	9.8578

*For the period from 8 December 2020 (date of inception) to 31 December 2021

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (Continued)

As stated in Note 2(l), establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method to amortize over first five years. The table represents the adjustments resulted from difference between expensing the establishment costs as incurred in accordance with IFRSs and capitalisation and amortisation of the establishment costs in accordance with the Trust's Prospectus, unamortised establishment costs and remaining years/months as of 31 December 2022 and 2021, respectively for CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP NASDAQ-100 Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product.

	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
	2022	2021	2022	2021	2022	2021
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position	4,281,390,366	2,616,821,830	217,679,063	404,781,354	304,203,581	246,467,749
Adjustments for unamortised establishment costs	-	48,217	-	48,220	-	48,184
Net asset value in accordance with the Trust's Prospectus	<u>4,281,390,366</u>	<u>2,616,870,047</u>	<u>217,679,063</u>	<u>404,829,574</u>	<u>304,203,581</u>	<u>246,515,933</u>
Expensing of establishment costs for the year	-	48,217	-	48,220	-	48,184
Remaining unamortised establishment cost year/month	-	1 year	-	5 months	-	5 months

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (Continued)

	CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product		CSOP Hang Seng Index Daily (-2x) Inverse Product		CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	
	2022	2021	2022	2021	2022	2021
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>USD</i>	<i>USD</i>
Net assets attributable to unitholders as reported in the statement of financial position	45,424,437	36,809,331	2,291,978,135	2,592,953,950	205,390,717	240,333,267
Adjustments for unamortised establishment costs	-	48,242	416,703	713,192	41,338	65,443
Net asset value in accordance with the Trust’s Prospectus	<u>45,424,437</u>	<u>36,857,573</u>	<u>2,292,394,838</u>	<u>2,593,667,142</u>	<u>205,432,055</u>	<u>240,398,710</u>
Expensing of establishment costs for the year	-	48,242	416,703	713,192	41,338	65,443
Remaining unamortised establishment cost year/month	-	5 months	1 year	2 years	2 years	3 years
			CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	
			2022	2021*	2022	2021*
			<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position			5,625,463,816	2,725,144,351	2,405,292,934	380,511,723
Adjustments for unamortised establishment costs			232,445	311,443	232,446	311,442
Net asset value in accordance with the Trust’s Prospectus			<u>5,625,696,261</u>	<u>2,725,455,794</u>	<u>2,405,525,380</u>	<u>380,823,165</u>
Expensing of establishment costs for the year			232,445	311,443	232,446	311,442
Remaining unamortised establishment cost year/month			3 years	4 years	3 years	4 years

*For the period from 8 December 2020 (date of inception) to 31 December 2021

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

5. NET (LOSS)/GAIN ON INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

	CSOP Hang Seng Index Daily (2x) Leveraged Product		CSOP Hang Seng Index Daily (-1x) Inverse Product		CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
	2022	2021	2022	2021	2022	2021
	HKD	HKD	HKD	HKD	HKD	HKD
Net change in unrealised gain/loss in value of investments and derivative financial instruments	40,599,123	4,978,165	3,541,037	11,669,295	(290,260)	(9,674,927)
Net realised (loss)/gain on sale of investments and derivative financial instruments	(463,734,208)	(209,041,233)	27,487,448	28,865,276	(85,284,116)	(62,936,861)
	<u>(423,135,085)</u>	<u>(204,063,068)</u>	<u>31,028,485</u>	<u>40,534,571</u>	<u>(85,574,376)</u>	<u>(72,611,788)</u>
	CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product		CSOP Hang Seng Index Daily (-2x) Inverse Product		CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	
	2022	2021	2022	2021	2022	2021
	HKD	HKD	HKD	HKD	USD	USD
Net change in unrealised gain/loss in value of investments and derivative financial instruments	(38,953)	5,778,190	27,280,879	295,734,804	27,638,308	(3,464,767)
Net realised (loss)/gain on sale of investments and derivative financial instruments	(6,273,051)	12,235,352	656,140,975	326,948,301	157,961,897	(90,146,903)
	<u>(6,312,004)</u>	<u>18,013,542</u>	<u>683,421,854</u>	<u>622,683,105</u>	<u>185,600,205</u>	<u>(93,611,670)</u>
	CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		CSOP Hang Seng TECH Index Daily (-2x) Inverse Product			
	2022	2021*	2022	2021*		
	HKD	HKD	HKD	HKD		
Net change in unrealised gain/loss in value of investments and derivative financial instruments			(79,208,580)	8,836,140	65,643,618	(5,319,464)
Net realised (loss)/gain on sale of investments and derivative financial instruments			(2,097,422,912)	(1,584,152,504)	(274,135,625)	243,014,692
			<u>(2,176,631,492)</u>	<u>(1,575,316,364)</u>	<u>(208,492,007)</u>	<u>237,695,228</u>

*For the period from 8 December 2020 (date of inception) to 31 December 2021

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as they are authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

There were no overseas withholding tax of the Sub-Funds for the years/period ended 31 December 2022 and 2021.

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the year between the Sub-Funds and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the years/period ended 31 December 2022 and 2021 between the Sub-Funds and the Manager and their Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager’s knowledge, the Sub-Funds do not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

(a) Management fee

The Sub-Funds employ a single management fee structure, currently at the rate as specified below in the table per annum of the net asset value of the Sub-Funds, accrued daily and calculated as at each dealing day and payable monthly in arrears.

Name of the Sub-Funds	Management fee rate
CSOP Hang Seng Index Daily (2x) Leveraged Product	0.99%
CSOP Hang Seng Index Daily (-1x) Inverse Product	0.99%
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	0.99%
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	1.50%
CSOP Hang Seng Index Daily (-2x) Inverse Product	1.50%
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	1.50%
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	1.60%
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	1.60%

The management fee includes, but are not limited to, the manager’s fee, the trustee’s fee, the custodian’s fee and the registrar’s fee. The management fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments and extraordinary items such as litigation expenses.

CSOP Hang Seng Index Daily (2x) Leveraged Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in listed and unlisted class A (2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested into CSOP US Dollar Money Market ETF in unlisted class A (2021: Nil), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested into CSOP Investments II VCC-CSOP USD Money Market Fund (2021: Nil), an investment fund managed by the Connected Persons of the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Investments II VCC-CSOP USD Money Market Fund.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(a) Management fee (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in unlisted class A (2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in unlisted class A (2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

During the years ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in unlisted class A (2021: in listed and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

CSOP Hang Seng Index Daily (-2x) Inverse Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in unlisted class A (2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested into CSOP US Dollar Money Market ETF in unlisted class A (2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

During the year ended 31 December 2022, the Sub-Fund invested into CSOP US Dollar Money Market ETF in listed and unlisted class A (2021: in listed and unlisted class A), an money market fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested into CSOP Investments II VCC-CSOP USD Money Market Fund (2021: Nil), an investment fund managed by the Connected Persons of the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Investments II VCC-CSOP USD Money Market Fund.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in listed class and unlisted class A (during the period from 8 December 2020 (date of inception) to 31 December 2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested in CSOP US Dollar Money Market ETF in listed class and unlisted class A (during the period from 8 December 2020 (date of inception) to 31 December 2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Investments II VCC-CSOP USD Money Market Fund (during the period from 8 December 2020 (date of inception) to 31 December 2021: Nil), an investment fund managed by Connect Person of the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Investments II VCC-CSOP USD Money Market Fund.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(a) Management fee (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

During the year ended 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF in listed class and unlisted class A (during the period from 8 December 2020 (date of inception) to 31 December 2021: in listed class and unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP Hong Kong Dollar Money Market ETF.

During the year ended 31 December 2022, the Sub-Fund invested in CSOP US Dollar Money Market ETF in unlisted class A (during the period from 8 December 2020 (date of inception) to 31 December 2021: in unlisted class A), an exchange traded fund managed by the Manager. The Manager has waived the portion of the management fee charged on the Sub-Fund’s holding in CSOP US Dollar Money Market ETF.

(b) Trustee fee and registrar’s fee

The trustee fee and registrar’s fee are included in the management fee and the Manager will pay the fees of the Trustee and registrar out of the management fee. Refer to Note 7(a).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(c) Financial assets

The investments and bank balances of the Sub-Funds held with related parties of the Trustee are:

	Investments <i>HKD</i>	2022 Bank balances <i>HKD</i>	Deposits with brokers <i>HKD</i>
CSOP Hang Seng Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	872,563,877	296,708,245	273,105,242
	<u>872,563,877</u>	<u>296,708,245</u>	<u>273,105,242</u>
CSOP Hang Seng Index Daily (-1x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	38,697,316	26,624,590	-
	<u>38,697,316</u>	<u>26,624,590</u>	<u>-</u>
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	42,425,745	41,163,649	-
	<u>42,425,745</u>	<u>41,163,649</u>	<u>-</u>
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	6,385,265	7,480,134	-
	<u>6,385,265</u>	<u>7,480,134</u>	<u>-</u>
CSOP Hang Seng Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	312,199,287	175,901,485	-
	<u>312,199,287</u>	<u>175,901,485</u>	<u>-</u>
	<i>USD</i>	<i>USD</i>	<i>USD</i>
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	32,985,397	23,144,552	-
	<u>32,985,397</u>	<u>23,144,552</u>	<u>-</u>
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	2,408,427,490	529,921,234	262,573,754
	<u>2,408,427,490</u>	<u>529,921,234</u>	<u>262,573,754</u>
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	752,793,949	245,918,396	20,426,710
	<u>752,793,949</u>	<u>245,918,396</u>	<u>20,426,710</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(c) Financial assets (Continued)

	Investments <i>HKD</i>	2021 Bank balances <i>HKD</i>	Deposits with brokers <i>HKD</i>
CSOP Hang Seng Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	653,811,730	217,860,993	133,536,693
	<u>653,811,730</u>	<u>217,860,993</u>	<u>133,536,693</u>
CSOP Hang Seng Index Daily (-1x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	103,814,173	45,111,674	-
	<u>103,814,173</u>	<u>45,111,674</u>	<u>-</u>
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	53,823,553	25,341,705	-
	<u>53,823,553</u>	<u>25,341,705</u>	<u>-</u>
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	9,454,955	4,613,323	-
	<u>9,454,955</u>	<u>4,613,323</u>	<u>-</u>
CSOP Hang Seng Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	909,936,292	331,586,461	-
	<u>909,936,292</u>	<u>331,586,461</u>	<u>-</u>
	<i>USD</i>	<i>USD</i>	<i>USD</i>
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	52,464,111	24,535,578	-
	<u>52,464,111</u>	<u>24,535,578</u>	<u>-</u>
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product			
- The Hongkong and Shanghai Banking Corporation Limited	1,080,991,818	214,760,776	91,605,068
	<u>1,080,991,818</u>	<u>214,760,776</u>	<u>91,605,068</u>
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product			
- The Hongkong and Shanghai Banking Corporation Limited	198,642,949	47,404,937	10,123,875
	<u>198,642,949</u>	<u>47,404,937</u>	<u>10,123,875</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(c) Financial assets (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product

Interest income amounted to HKD409,257 (2021: HKD1,427) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022, the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD3,256,154 (2021: in unlisted class A HKD653,811,730), CSOP Hong Kong Dollar Money Market ETF listed class of HKD340,437,500 (2021: Nil), CSOP US Dollar Money Market ETF unlisted class A of HKD313,602,066 (2021: Nil) and CSOP Investment II VCC-CSOP USD Money Market Fund of HKD215,268,157 (2021: Nil), which are managed by the Manager.

CSOP Hang Seng Index Daily (-1x) Inverse Product

Interest income amounted to HKD20,281 (2021: HKD631) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022, the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF Unlisted Class A of HKD38,697,316 (2021: in unlisted class A HKD103,814,173), which is managed by the Manager.

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Interest income amounted to HKD24,930 (2021: HKD220) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022, the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD42,425,745 (2021: in unlisted class A HKD53,823,553), which is managed by the Manager.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

Interest income amounted to HKD5,212 (2021: HKD86) was earned on these bank balances for the years ended 31 December 2022 and 2021.

As at 31 December 2022, the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD6,385,265 (2021: in unlisted class A HKD9,454,955), which is managed by the Manager.

CSOP Hang Seng Index Daily (-2x) Inverse Product

Interest income amounted to HKD184,530 (2021: HKD5,781) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022 the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD98,491,419 (2021: in unlisted class A HKD700,078,746) and CSOP US Dollar Money Market ETF unlisted class A of HKD213,707,869 (2021: in unlisted class A HKD209,857,546) which are managed by the Manager.

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

Interest income amounted to USDNil (2021: USD200) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022, the Sub-Fund invests in CSOP US Dollar Money Market ETF unlisted class A of USD31,249,566 (2021: in unlisted class A USD52,464,111), CSOP US Dollar Money Market ETF listed of USD730,800 (2021: Nil), CSOP Investment II VCC-CSOP USD Money Market Fund of USD1,005,031 (2021: Nil), which are managed by the Manager.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

Interest income amounted to HKD612,350 (for the period from 8 December 2020 (date of inception) to 31 December 2021: HKD2,079) was earned on these bank balances.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(c) Financial assets (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022 the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD61,562,265 (for the period from 8 December 2020 (date of inception) to 31 December 2021: in unlisted class A HKD 208,916,822), CSOP Hong Kong Dollar Money Market ETF listed class of HKD1,689,617,500 (2021: in listed class HKD 759,366,967), CSOP US Dollar Money Market ETF of HKD506,778,501 (for the period from 8 December 2020 (date of inception) to 31 December 2021: HKD112,708,029) and CSOP Investment II VCC-CSOP USD Money Market Fund of HKD150,469,224 (for the period from 8 December 2020 (date of inception) to 31 December 2021: Nil), which are managed by the Manager.

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

Interest income amounted to HKD256,127 (for the period from 8 December 2020 (date of inception) to 31 December 2021: HKD550) was earned on these bank balances for the year ended 31 December 2022.

As at 31 December 2022 the Sub-Fund invests in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD8,842,861 (for the period from 8 December 2020 (date of inception) to 31 December 2021: in unlisted class A HKD59,384,508), CSOP Hong Kong Dollar Money Market ETF listed class of HKD648,402,500 (for the period from 8 December 2020 (date of inception) to 31 December 2021: in listed class HKD105,525,110) and CSOP US Dollar Money Market ETF unlisted class A of HKD95,548,588 (for the period from 8 December 2020 (date of inception) to 31 December 2021: HKD33,733,331), which are managed by the Manager.

(d) Other respective amounts paid to the Trustee and its Connected Persons

The other respective amounts paid to the Trustee and its Connected Persons for the years/period ended 31 December 2022 and 2021, were as follows:

	2022 <i>HKD</i>	2021 <i>HKD</i>
CSOP Hang Seng Index Daily (2x) Leveraged Product		
- Other operating expenses	397,720	194,728
CSOP Hang Seng Index Daily (-1x) Inverse Product		
- Other operating expenses	134,100	138,839
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product		
- Other operating expenses	118,500	119,699
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product		
- Other operating expenses	112,980	120,699
CSOP Hang Seng Index Daily (-2x) Inverse Product		
- Other operating expenses	426,968	301,930
	<i>USD</i>	<i>USD</i>
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product		
- Other operating expenses	19,153	17,764
	<i>HKD</i>	<i>HKD</i>
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product		
- Other operating expenses	752,231	409,044
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product		
- Other operating expenses	573,837	308,962

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(e) Investment transactions and brokerage commission

During the year ended 31 December 2022, transactions through the Connected Persons of the Manager for its brokerage services are set out below:

	Aggregate value of purchase and Sale of investments <i>USD</i>	% of the Fund's total aggregate value of transactions during the year	Brokerage commission paid <i>USD</i>	Average rate of commission %
2022				
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	730,800	0.70%	36.54	-

During the years/period ended 31 December 2022 and 2021, transactions through the Connected Persons of the Trustee for its brokerage services are set out below:

	Aggregate value of purchase and Sale of investments <i>HKD</i>	% of the Fund's total aggregate value of transactions during the year	Brokerage commission paid <i>HKD</i>	Average rate of commission %
2022				
CSOP Hang Seng Index Daily (2x) Leveraged Product	2,899,316,112	63.69%	-	-
CSOP Hang Seng Index Daily (-1x) Inverse Product	65,692,513	70.57%	-	-
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	49,835,874	36.86%	-	-
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	9,800,575	60.94%	-	-
CSOP Hang Seng Index Daily (-2x) Inverse Product	1,132,343,369	63.41%	-	-
	<i>USD</i>		<i>USD</i>	
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	115,540,465	29.78%	-	-
	<i>HKD</i>		<i>HKD</i>	
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	1,170,918,242	18.58%	-	-
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	181,379,348	7.35%	-	-

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(e) Investment transactions and brokerage commission (Continued)

	Aggregate value of purchase and Sale of investments <i>HKD</i>	% of the Fund's total aggregate value of transactions during the year	Brokerage commission paid <i>HKD</i>	Average rate of commission %
2021				
CSOP Hang Seng Index Daily (2x) Leveraged Product	847,770,172	36.33%	-	-
CSOP Hang Seng Index Daily (-1x) Inverse Product	195,097,846	11.80%	-	-
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	82,306,133	24.84%	-	-
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	26,505,979	10.59%	-	-
CSOP Hang Seng Index Daily (-2x) Inverse Product	2,739,141,181	15.38%	-	-
	<i>USD</i>		<i>USD</i>	
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	52,459,000	10.16%	-	-
	<i>HKD</i>		<i>HKD</i>	
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	1,066,013,428	23.44%	-	-
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	404,652,283	17.68%	-	-

(f) Holding in the Sub-Funds

As at 31 December 2022 and 2021, no unit was held by the Trustee, Manager and their Connected Persons.

8. TRANSACTION COSTS ON INVESTMENTS

Transaction costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Funds is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of respective indexes for each of the Sub-Funds. The Sub-Funds’ activities may expose them to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Funds invests.

The following is a summary of the main risks and risk management policies.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

CSOP Hang Seng Index Daily (2x) Leveraged Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to twice the return of the daily performance of the Hang Seng Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location.

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment funds				
Listed class				
- CSOP Hong Kong Dollar Money Market ETF	340,437,500	7.95	-	-
Unlisted class				
- CSOP Hong Kong Dollar Money Market ETF- Unlisted class A	3,256,154	0.08	653,811,730	24.99
- CSOP US Dollar Money Market ETF - Unlisted class A	313,602,066	7.32	-	-
	<u>657,295,720</u>	<u>15.35</u>	<u>653,811,730</u>	<u>24.99</u>
Listed derivatives				
Futures contracts				
	31,671,868	0.74	49,051,090	1.87
Unlisted derivatives				
Swap futures contracts				
	62,695,737	1.46	5,931,079	0.23
	<u>94,367,605</u>	<u>2.20</u>	<u>54,982,169</u>	<u>2.10</u>
Singapore				
Unlisted investment fund				
- CSOP Investment II VCC-CSOP USD Money Market Fund	215,268,157	5.03	-	-
Total investments and derivative financial instruments	<u>966,931,482</u>	<u>22.58</u>	<u>708,793,899</u>	<u>27.09</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

Sensitivity analysis in the event of a possible change in the index by as estimated by the Manager

As at 31 December 2022, if the Hang Seng Index were to increase by 15% (2021:10%) with all other variables held constant, this would increase the operating profit for the year by approximately HKD298,333,135 (2021: HKD134,757,143). Conversely, if the Hang Seng Index were to decrease by 15% (2021:10%), this would decrease the operating profit for the year by an equal amount.

CSOP Hang Seng Index Daily (-1x) Inverse Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to the inverse (-1x) of the daily performance of the Hang Seng Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location.

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment fund				
Unlisted Class				
- CSOP Hong Kong Dollar Money Market ETF-Unlisted class A	38,697,316	17.78	103,814,173	25.65
Listed derivatives				
- Futures contracts	(1,309,567)	(0.60)	(4,370,175)	(1.08)
Total investments and derivative financial instruments	37,387,749	17.18	99,443,998	24.57

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng Index were to increase by 15% (2021: 10%) with all other variables held constant, this would decrease the operating profit for the year by approximately HKD5,255,401 (2021: HKD9,945,838). Conversely, if the Hang Seng Index were to decrease by 15% (2021: 10%), this would increase the operating profit for the year by an equal amount.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to twice the return of the daily performance of the Hang Seng China Enterprises Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorized by the geographical location:

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment fund				
Unlisted class				
- CSOP Hong Kong Dollar Money Market ETF-Unlisted class A	42,425,745	13.95	53,823,553	21.84
-				
Listed derivatives				
- Futures contracts	3,670,151	1.20	4,500,961	1.82
Total investments and derivative financial instruments	46,095,896	15.15	58,324,514	23.66

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng China Enterprises Index were to increase by 15% (2021: 10%) with all other variables held constant, this would increase the operating profit for the year by approximately HK14,167,000 (2021: HKD11,021,882). Conversely, if the Hang Seng China Enterprises Index were to decrease by 15% (2021: 10%), this would decrease the operating profit for the year by an equal amount.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to the two times inverse (-2x) of the daily performance of the Hang Seng China Enterprises Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location:

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (Continued)

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment fund				
Unlisted class				
- CSOP Hong Kong Dollar Money Market ETF-Unlisted class A	6,385,265	14.06	9,454,955	25.68
Listed derivatives				
- Futures contracts	(860,733)	(1.90)	(741,171)	(2.01)
Total investments and derivative financial instruments	5,524,532	12.16	8,713,784	23.67

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng China Enterprises Index were to increase by 15% (2021: 10%) with all other variables held constant, this would decrease the operating profit for the year by approximately HKD1,465,634 (2021: HKD1,819,944). Conversely, if the Hang Seng China Enterprises Index were to decrease by 15% (2021: 10%), this would increase the operating profit for the year by an equal amount.

CSOP Hang Seng Index Daily (-2x) Inverse Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to the two times inverse (-2x) of the daily performance of the Hang Seng Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective. Since 2020, the Sub-Fund also invested in unlisted swap futures contracts. In view of the potential risk of exceeding the position limit of holdings of the spot month futures contracts on the Hang Seng Index and growing of asset under management of the Sub-Fund and with an aim to improving the performance of the Sub-Fund, the Manager considers entering into swaps could add the flexibility so as to better achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location:

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment funds				
Unlisted class				
- CSOP Hong Kong Dollar Money Market ETF – Unlisted class A	98,491,419	4.30	700,078,746	27.00
- CSOP US Dollar Money Market ETF – Unlisted class A	213,707,868	9.32	209,857,546	8.09
	<u>312,199,287</u>	<u>13.62</u>	<u>909,936,292</u>	<u>35.09</u>
Listed derivatives				
- Futures contracts	(29,211,028)	(1.27)	(25,805,606)	(1.00)
Unlisted derivatives				
- Swap futures contracts	(8,751,832)	(0.38)	(34,536,527)	(1.33)
	<u>(8,751,832)</u>	<u>(0.38)</u>	<u>(34,536,527)</u>	<u>(1.33)</u>
Total investments and derivative financial instruments	<u>274,236,427</u>	<u>11.97</u>	<u>849,594,159</u>	<u>32.76</u>

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng Index were to increase by 15% (2021: 10%) with all other variables held constant, this would decrease the operating profit for the period by approximately HKD74,730,758 (2021: HKD172,338,293) Conversely, if the Hang Seng Index were to decrease by 15% (2021: 10%), this would increase the operating profit for the period by an equal amount.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to two times inverse (-2x) of the daily performance of the NASDAQ-100 Index. The Sub-Fund rebalances its portfolio on a daily basis to achieve the investment objective.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location:

	2022		2021	
	Fair value USD	% of net asset value	Fair value USD	% of net asset value
Hong Kong				
Listed investment fund				
Listed class				
- CSOP US Dollar Money Market ETF	730,800	0.36	-	-
Unlisted class				
- CSOP US Dollar Money Market ETF				
- Unlisted class A	31,249,566	15.21	52,464,111	21.83
	31,980,366	15.57	52,464,111	21.83
United States of America				
Listed derivatives				
- Futures contracts	19,392,619	9.44	(7,686,050)	(3.20)
Singapore				
Unlisted investment fund				
- CSOP Investment II VCC-CSOP USD Money Market Fund	1,005,031	0.49	-	-
Total investments and derivative financial instruments	52,378,016	25.50	44,778,061	18.63

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the NASDAQ-100 Index were to increase by 30% (2021: 20%) with all other variables held constant, this would decrease the operating profit for the year by approximately USD20,607,513 (2021: USD16,758,911). Conversely, if the NASDAQ-100 Index were to decrease by 30% (2021: 20%), this would increase the operating profit for the period by an equal amount.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to the two times (2x) of the daily performance of the Hang Seng TECH Index. To achieve the investment objective of the Sub-Fund, the Manager will use a swap-based synthetic replication strategy by investing in swaps. During the year, the Sub-Fund invested in unlisted total return swap.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location:

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment funds				
Listed class				
- CSOP Hong Kong Dollar Money Market ETF	1,689,617,500	30.04	759,366,967	27.86
Unlisted Class				
- CSOP Hong Kong Dollar Money Market ETF – Unlisted class A	61,562,265	1.09	208,916,822	7.67
- CSOP US Dollar Money Market ETF – Unlisted class A	506,778,501	9.01	112,708,029	4.14
	<u>2,257,958,266</u>	<u>40.14</u>	<u>1,080,991,818</u>	<u>39.67</u>
Unlisted derivatives				
- Total return swaps	<u>(90,707,635)</u>	<u>(1.61)</u>	<u>8,228,840</u>	<u>0.30</u>
	<u>2,167,250,631</u>	<u>38.53</u>	<u>1,089,220,658</u>	<u>39.97</u>
Singapore				
Unlisted investment fund				
- CSOP Investments II VCC-CSOP USD Money Market Fund	<u>150,469,224</u>	<u>2.67</u>	<u>-</u>	<u>-</u>
Total investments and derivative financial instruments	<u><u>2,317,719,855</u></u>	<u><u>41.20</u></u>	<u><u>1,089,220,658</u></u>	<u><u>39.97</u></u>

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng TECH Index were to increase by 20% (2021: 20%) with all other variables held constant, this would decrease the operating profit for the period by approximately HKD932,329,032 (2021: HKD425,295,890). Conversely, if the Hang Seng TECH Index were to decrease by 20% (2021: 20%), this would increase the operating profit for the period by an equal amount.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to two times inverse (-2x) of the daily performance of the Hang Seng TECH Index. To achieve the investment objective of the Sub-Fund, the Manager will use a swap-based synthetic replication strategy by investing in swaps. The Sub-Fund rebalances its portfolio on a daily basis. During the period, the Sub-Fund invested in unlisted total return swap.

The following table details the exposure of the Sub-Fund’s investments and derivative financial instruments based on respective fair value categorised by the geographical location:

	2022		2021	
	Fair value HKD	% of net asset value	Fair value HKD	% of net asset value
Hong Kong				
Listed investment funds				
Listed class				
- CSOP Hong Kong Dollar Money Market ETF	648,402,500	26.96	105,525,110	27.73
Unlisted Class				
- CSOP Hong Kong Dollar Money Market ETF – Unlisted class A	8,842,861	0.37	59,384,508	15.61
- CSOP US Dollar Money Market ETF – Unlisted class A	95,548,588	3.97	33,733,331	8.86
	<u>752,793,949</u>	<u>31.30</u>	<u>198,642,949</u>	<u>52.20</u>
Unlisted derivatives				
- Total return swaps	<u>54,593,445</u>	<u>2.27</u>	<u>(5,495,835)</u>	<u>(1.44)</u>
Total investments and derivative financial instruments	<u><u>807,387,394</u></u>	<u><u>33.57</u></u>	<u><u>193,147,114</u></u>	<u><u>50.76</u></u>

Sensitivity analysis in the event of a possible change in the index as estimated by the Manager

As at 31 December 2022, if the Hang Seng TECH Index were to increase by 20% (2021: 20%) with all other variables held constant, this would decrease the operating profit for the period by approximately HKD282,660,122 (2021: HKD76,229,268). Conversely, if the Hang Seng TECH Index were to decrease by 20% (2021: 20%), this would increase the operating profit for the period by an equal amount.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

CSOP Hang Seng Index Daily (2x) Leveraged Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	872,563,877	872,563,877
Derivative financial instruments	-	-	-	94,367,605	94,367,605
Bank interest receivable	-	-	-	54,168	54,168
Other receivables	-	-	-	856,208	856,208
Deposits with brokers	969,405,431	-	-	-	969,405,431
Cash and cash equivalents					
Bank balances	2,280,914,263	-	-	-	2,280,914,263
Bank deposits	147,611,475	-	-	-	147,611,475
Total assets	3,397,931,169	-	-	967,841,858	4,365,773,027
Liabilities					
Cash collateral payable	78,822,000	-	-	-	78,822,000
Management fee payable	-	-	-	3,481,000	3,481,000
Other accounts payable	-	-	-	2,079,661	2,079,661
Total liabilities	78,822,000	-	-	5,560,661	84,382,661
Total interest sensitivity gap	3,319,109,169	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	653,811,730	653,811,730
Derivative financial instruments	-	-	-	54,982,169	54,982,169
Bank interest receivable				253	253
Other receivable	-	-	-	19,620	19,620
Deposits with brokers	613,599,262	-	-	-	613,599,262
Cash and cash equivalents					
Bank balances	1,222,449,457	-	-	-	1,222,449,457
Bank deposits	74,773,404	-	-	-	74,773,404
Total assets	1,910,822,123	-	-	708,813,772	2,619,635,895
Liabilities					
Management fee payable	-	-	-	1,882,888	1,882,888
Other accounts payable	-	-	-	931,177	931,177
Total liabilities	-	-	-	2,814,065	2,814,065
Total interest sensitivity gap	1,910,822,123	-	-		

At 31 December 2022, the Sub-Fund has bank balances, short-term deposits and deposits with brokers of HKD3,319,109,169 (2021: HKD1,910,822,123). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD3,319,109 (2021: HKD1,910,822) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022, the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A of HKD343,693,654 (2021: in unlisted class A HKD653,811,730), which mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund’s investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were short-term with average weighted maturity not exceeding 60 days. As at 31 December 2022, should the relevant interest rates have risen/lower by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD3,436,937 (2021: HKD6,538,117), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A (2021: in unlisted class A) as a result of increase/decrease in interest income.

As at 31 December 2022, the Sub-Fund has invested in CSOP US Dollar Money Market ETF unlisted class A of HKD313,602,066 (2021: HKDNil), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund’s investment in CSOP US Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short-term with average weighted maturity not exceeding 60 days. As at 31 December 2022, should the relevant interest rates have risen/lower by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD3,136,021 (2021: HKDNil), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

As at 31 December 2022, the Sub-Fund has invested in CSOP Investments II VCC-CSOP USD Money Market Fund of HKD215,268,157 (2021: HKDNil), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund’s investment in CSOP Investments II VCC-CSOP USD Money Market Fund is subject to interest rate risk. The underlying investments within CSOP Investments II VCC-CSOP USD Money Market Fund were short-term with average weighted maturity not exceeding 60 days. As at 31 December 2022, should the relevant interest rates have risen/lower by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD2,152,682 (2021: HKDNil), arising substantially from the increase/decrease in market values of CSOP Investments II VCC-CSOP USD Money Market Fund as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	38,697,316	38,697,316
Bank interest receivable	-	-	-	2,869	2,869
Other receivable	-	-	-	24,810	24,810
Deposits with brokers	25,510,533	-	-	-	25,510,533
Cash and cash equivalents					
Bank balances	138,282,838	-	-	-	138,282,838
Bank deposits	17,011,449	-	-	-	17,011,449
Total assets	180,804,820	-	-	38,724,995	219,529,815
Liabilities					
Derivative financial instruments	-	-	-	1,309,567	1,309,567
Management fee payable	-	-	-	172,592	172,592
Other accounts payable	-	-	-	368,593	368,593
Total liabilities	-	-	-	1,850,752	1,850,752
Total interest sensitivity gap	180,804,820	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	103,814,173	103,814,173
Bank interest receivable	-	-	-	148	148
Other receivable	19,623	-	-	-	19,623
Deposits with brokers	34,377,443	-	-	-	34,377,443
Cash and cash equivalents					
Bank balances	215,386,225	-	-	-	215,386,225
Bank deposits	56,523,266	-	-	-	56,523,266
Total assets	306,306,557	-	-	103,814,321	410,120,878
Liabilities					
Derivative financial instruments	-	-	-	4,370,175	4,370,175
Management fee payable	-	-	-	327,463	327,463
Other accounts payable	-	-	-	641,886	641,886
Total liabilities	-	-	-	5,339,524	5,339,524
Total interest sensitivity gap	306,306,557	-	-		

At 31 December 2022, the Sub-Fund has bank balances, short-term deposits and deposits with brokers of HKD180,804,820 (2021: HKD306,286,934). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD180,805 (2021: HKD306,287) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2022, the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD38,697,316 (2021: in unlisted class A HKD103,814,173), which mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund’s investment in CSOP Hong Kong Dollar Money Market ETF unlisted class A is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF-Unlisted Class A were weighted average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD386,973 (2021: HKD1,038,142), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	42,425,745	42,425,745
Derivative financial instruments-	-	-	-	3,670,151	3,670,151
Bank interest receivable	-	-	-	6,955	6,955
Other receivable	-	-	-	139,448	139,448
Deposits with brokers	72,596,576	-	-	-	72,596,576
Cash and cash equivalents					
Bank balances	170,089,709	-	-	-	170,089,709
Bank deposits	15,601,210	-	-	-	15,601,210
Total assets	258,287,495	-	-	46,242,299	304,529,794
Liabilities					
Management fee payable	-	-	-	233,848	233,848
Other accounts payable	-	-	-	92,365	92,365
Total liabilities	-	-	-	326,213	326,213
Total interest sensitivity gap	258,287,495	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	53,823,553	53,823,553
Derivative financial instruments-	-	-	-	4,500,961	4,500,961
Bank interest receivable	-	-	-	397	397
Other receivable	-	-	-	19,623	19,623
Deposits with brokers	45,384,302	-	-	-	45,384,302
Cash and cash equivalents					
Bank balances	121,597,828	-	-	-	121,597,828
Bank deposits	21,449,459	-	-	-	21,449,459
Total assets	188,431,589	-	-	58,344,534	246,776,123
Liabilities					
Amounts due to brokers	-	-	-	115	115
Management fee payable	-	-	-	181,081	181,081
Other accounts payable	-	-	-	127,178	127,178
Total liabilities	-	-	-	308,374	308,374
Total interest sensitivity gap	188,431,589	-	-		

At 31 December 2022, the Sub-Fund has bank balances and deposits with brokers of HKD258,287,495 (2021: HKD188,431,589). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD258,287 (2021: HKD188,432) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022, the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD42,425,745 (2021: in unlisted class A HKD53,823,553), whose mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund’s investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were weighted average maturity not exceeding 60 days. As at 31 December 2022 and 2021 should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD424,257 (2021: HKD538,236), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year HKD	Maturity between 1-5 years HKD	Maturity over 5 years HKD	Non- interest bearing HKD	Total HKD
Assets					
Investments	-	-	-	6,385,265	6,385,265
Bank interest receivable	-	-	-	128	128
Other receivable	-	-	-	13,457	13,457
Deposits with brokers	15,334,450	-	-	-	15,334,450
Cash and cash equivalents					
Bank balances	41,596,255	-	-	-	41,596,255
Total assets	56,930,705	-	-	6,398,850	63,329,555
Liabilities					
Derivative financial instruments	-	-	-	860,733	860,733
Amounts due to participating dealers	16,543,956	-	-	-	16,543,956
Management fee payable	-	-	-	73,057	73,057
Other accounts payable	-	-	-	427,372	427,372
Total liabilities	16,543,956	-	-	1,361,162	17,905,118
Total interest sensitivity gap	40,386,749	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	9,454,955	9,454,955
Bank interest receivable	-	-	-	73	73
Other receivable	-	-	-	20,461	20,461
Deposits with brokers	6,907,165	-	-	-	6,907,165
Cash and cash equivalents					
Bank balances	18,034,823	-	-	-	18,034,823
Bank deposits	3,486,015	-	-	-	3,486,015
Total assets	28,428,003	-	-	9,475,489	37,903,492
Liabilities					
Derivative financial instruments	-	-	-	741,171	741,171
Management fee payable	-	-	-	64,871	64,871
Other accounts payable	-	-	-	288,119	288,119
Total liabilities	-	-	-	1,094,161	1,094,161
Total interest sensitivity gap	28,428,003	-	-		

At 31 December 2022, the Sub-Fund has bank balances and deposits with brokers of HKD56,930,705 (2021: HKD28,428,003). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD56,931 (2021: HKD28,428) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2022, the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD6,385,265 (2021: in unlisted class A HKD9,454,955), whose mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF unlisted class A were weighted average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD63,853 (2021: HKD94,550), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	312,199,287	312,199,287
Bank interest receivable	-	-	-	3,098	3,098
Other receivable	-	-	-	242,421	242,421
Deposits with brokers	485,735,045	-	-	-	485,735,045
Cash and cash equivalents					
Bank balances	1,535,336,917	-	-	-	1,535,336,917
Total assets	<u>2,021,071,962</u>	<u>-</u>	<u>-</u>	<u>312,444,806</u>	<u>2,333,516,768</u>
Liabilities					
Derivative financial instruments	-	-	-	37,962,860	37,962,860
Management fee payable	-	-	-	2,592,358	2,592,358
Other accounts payable	-	-	-	983,415	983,415
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,538,633</u>	<u>41,538,633</u>
Total interest sensitivity gap	<u><u>2,021,071,962</u></u>	<u><u>-</u></u>	<u><u>-</u></u>		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	909,936,292	909,936,292
Other receivable	-	-	-	23,314	23,314
Deposits with brokers	537,440,730	-	-	-	537,440,730
Cash and cash equivalents					
Bank balances	1,086,164,275	-	-	-	1,086,164,275
Bank deposits	173,617,821	-	-	-	173,617,821
Total assets	1,797,222,826	-	-	909,959,606	2,707,182,432
Liabilities					
Derivative financial instruments	-	-	-	60,342,133	60,342,133
Other accounts payable	-	-	-	53,886,349	53,886,349
Total liabilities	-	-	-	114,228,482	114,228,482
Total interest sensitivity gap	1,797,222,826	-	-		

At 31 December 2022, the Sub-Fund has bank balances and deposits with brokers of HKD2,021,071,962 (2021: HKD1,797,222,826). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD2,021,072 (2021: HKD1,797,223) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2022 the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A of HKD98,491,419 (2021: in unlisted class A HKD700,078,746), whose mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were short-term with average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD984,914 (2021: HKD7,000,787), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2022 the Sub-Fund has invested in CSOP US Dollar Money Market ETF unlisted class A of HKD213,707,868 (2021: in unlisted class A HKD209,857,546), whose mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP US Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short term with average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD2,137,079 (2021: HKD2,098,575), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021 Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year USD	Maturity between 1-5 years USD	Maturity over 5 years USD	Non- interest bearing USD	Total USD
Assets					
Investments	-	-	-	32,985,397	32,985,397
Derivative financial instruments	-	-	-	19,392,619	19,392,619
Bank interest receivable	-	-	-	1,125	1,125
Other receivable	-	-	-	470	470
Deposits with brokers	27,372,636	-	-	-	27,372,636
Cash and cash equivalents					
Bank balances	129,758,391	-	-	-	129,758,391
Total assets	157,131,027	-	-	52,379,611	209,510,638
Liabilities					
Amounts due to participating dealers	3,771,708	-	-	-	3,771,708
Management fee payable	-	-	-	261,429	261,429
Other accounts payable	-	-	-	86,784	86,784
Total liabilities	3,771,708	-	-	348,213	4,119,921
Total interest sensitivity gap	153,359,319	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

	Maturity up to 1 year USD	Maturity between 1-5 years USD	Maturity over 5 years USD	Non- interest bearing USD	Total USD
Assets					
Investments	-	-	-	52,464,111	52,464,111
Bank interest receivable	-	-	-	755	755
Deposits with brokers	71,438,169	-	-	-	71,438,169
Cash and cash equivalents					
Bank balances	107,934,291	-	-	-	107,934,291
Bank deposits	16,558,350	-	-	-	16,558,350
Total assets	195,930,810	-	-	52,464,866	248,395,676
Liabilities					
Derivative financial instruments	-	-	-	7,686,050	7,686,050
Management fee payable	-	-	-	291,922	291,922
Other accounts payable	-	-	-	84,437	84,437
Total liabilities	-	-	-	8,062,409	8,062,409
Total interest sensitivity gap	195,930,810	-	-		

At 31 December 2022, the Sub-Fund has bank balances and deposits with brokers of USD157,131,027 (2021: USD195,930,810). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been USD157,131 (2021: USD195,931) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2022, the Sub-Fund has invested in CSOP US Dollar Money Market ETF listed class and unlisted class A of USD31,980,366 (2021: in unlisted class A USD52,464,111), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP US Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short term. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately USD319,804 (2021: USD524,641), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2022, the Sub-Fund has invested in CSOP Investments II VCC-CSOP USD Money Market Fund of USD1,005,031 (2021: USDNil), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Investments II VCC-CSOP USD Money Market Fund is subject to interest rate risk. The underlying investments within CSOP Investments II VCC-CSOP USD Money Market Fund were short term. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year/period would amount to approximately USD10,050 (2021: USDNil), arising substantially from the increase/decrease in market values of CSOP Investments II VCC-CSOP USD Money Market Fund as a result of increase/decrease in interest income.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	2,408,427,490	2,408,427,490
Derivative financial instruments	-	-	-	24,552,094	24,552,094
Bank interest receivable	-	-	-	66,839	66,839
Amounts due from participating dealers	-	-	-	67,432,047	67,432,047
Deposits with brokers	294,483,754	-	-	-	294,483,754
Cash and cash equivalents					
Bank balances	2,919,220,479	-	-	-	2,919,220,479
Bank deposits	183,154,538	-	-	-	183,154,538
Total assets	3,396,858,771	-	-	2,500,478,470	5,897,337,241
Liabilities					
Derivative financial instruments	-	-	-	115,259,729	115,259,729
Amounts due to brokers	95,406,739	-	-	-	95,406,739
Cash collateral payable	52,988,000	-	-	-	52,988,000
Management fee payable	-	-	-	7,113,723	7,113,723
Other accounts payable	-	-	-	1,105,234	1,105,234
Total liabilities	148,394,739	-	-	123,478,686	271,873,425
Total interest sensitivity gap	3,248,464,032	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	1,080,991,818	1,080,991,818
Derivative financial instruments	-	-	-	8,228,840	8,228,840
Bank interest receivable	-	-	-	1,840	1,840
Amounts due from brokers	-	-	-	73,220,597	73,220,597
Amounts due from participating dealers	-	-	-	22,223,850	22,223,850
Other receivable	-	-	-	23,241	23,241
Deposits with brokers	224,279,068	-	-	-	224,279,068
Cash and cash equivalents					
Bank balances	1,120,879,676	-	-	-	1,120,879,676
Bank deposits	198,842,534	-	-	-	198,842,534
Total assets	1,544,001,278	-	-	1,184,690,186	2,728,691,464
Liabilities					
Management fee payable	-	-	-	3,235,504	3,235,504
Other accounts payable	-	-	-	311,609	311,609
Total liabilities	-	-	-	3,547,113	3,547,113
Total interest sensitivity gap	1,544,001,278	-	-		

At 31 December 2022, the Sub-Fund has bank balances, short-term deposits and deposits with brokers of HKD3,396,858,771 (2021: HKD1,544,001,278). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD3,396,859 (HKD: 1,544,001) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022 the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A of HKD1,751,179,765 (2021: in listed and unlisted class A HKD968,283,789), whose mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were short-term with average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately HKD17,511,798 (2021: HKD9,682,838), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

As at 31 December 2022, the Sub-Fund has invested in CSOP US Dollar Money Market ETF unlisted class A of HKD506,778,501 (2021: in unlisted class A HKD112,708,029), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP US Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short term. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year/period would amount to approximately HKD5,067,785 (2021: HKD1,127,080), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

As at 31 December 2022, the Sub-Fund has invested in CSOP Investments II VCC-CSOP USD Money Market Fund of HKD150,469,224 (2021: HKDNil), which mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Investments II VCC-CSOP USD Money Market Fund is subject to interest rate risk. The underlying investments within CSOP Investments II VCC-CSOP USD Money Market Fund were short term. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year/period would amount to approximately HKD1,504,692 (2021: HKDNil), arising substantially from the increase/decrease in market values of CSOP Investments II VCC-CSOP USD Money Market Fund as a result of increase/decrease in interest income.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund did not hold debt securities.

The table below summarises the Sub-Fund’s exposure to interest rate risks. It includes the Sub-Fund’s assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2022

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	752,793,949	752,793,949
Derivative financial instruments	-	-	-	54,593,445	54,593,445
Bank interest receivable	-	-	-	11,805	11,805
Amounts due from brokers	-	-	-	25,036,834	25,036,834
Deposits with brokers	54,844,710	-	-	-	54,844,710
Cash and cash equivalents					
Bank balances	1,604,425,768	-	-	-	1,604,425,768
Bank deposits	23,983,470	-	-	-	23,983,470
Total assets	1,683,253,948	-	-	832,436,033	2,515,689,981
Liabilities					
Amounts due to participating dealers	95,950,715	-	-	-	95,950,715
Cash collateral payable	10,900,000	-	-	-	10,900,000
Management fee payable	-	-	-	3,017,233	3,017,233
Other accounts payable	-	-	-	529,099	529,099
Total liabilities	106,850,715	-	-	3,546,332	110,397,047
Total interest sensitivity gap	1,576,403,233	-	-		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

	Maturity up to 1 year <i>HKD</i>	Maturity between 1-5 years <i>HKD</i>	Maturity over 5 years <i>HKD</i>	Non- interest bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Investments	-	-	-	198,642,949	198,642,949
Bank interest receivable	-	-	-	198	198
Amounts due from brokers	-	-	-	13,643,429	13,643,429
Other receivable	-	-	-	6,720	6,720
Deposits with brokers	10,123,875	-	-	-	10,123,875
Cash and cash equivalents					
Bank balances	192,796,976	-	-	-	192,796,976
Bank deposits	23,903,206	-	-	-	23,903,206
Total assets	<u>226,824,057</u>	<u>-</u>	<u>-</u>	<u>212,293,296</u>	<u>439,117,353</u>
Liabilities					
Derivative financial instruments	-	-	-	5,495,835	5,495,835
Amounts due to brokers	-	-	-	9,865,835	9,865,835
Cash collateral payable	42,426,037	-	-	-	42,426,037
Management fee payable	-	-	-	601,955	601,955
Other accounts payable	-	-	-	215,968	215,968
Total liabilities	<u>42,426,037</u>	<u>-</u>	<u>-</u>	<u>16,179,593</u>	<u>58,605,630</u>
Total interest sensitivity gap	<u>184,398,020</u>	<u>-</u>	<u>-</u>		

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

At 31 December 2022, the Sub-Fund has bank balances and deposits with brokers of HKD1,683,253,948 (2021: HKD226,824,057). If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD1,683,254 (2021: HKD226,824) higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

As at 31 December 2022 and 2021, the Sub-Fund has invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A of HKD657,245,361 (2021: in listed and unlisted class A HKD164,909,618), whose mainly invest in HKD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP Hong Kong Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP Hong Kong Dollar Money Market ETF were weighted average maturity not exceeding 60 days. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately HKD6,572,454 (HKD1,649,096), arising substantially from the increase/decrease in market values of CSOP Hong Kong Dollar Money Market ETF as a result of increase/decrease in interest income.

As at 31 December 2022 and 2021, the Sub-Fund has invested in CSOP US Dollar Money Market ETF unlisted class A of HKD95,548,588 (2021: in unlisted class A HKD33,733,331), whose mainly invest in USD denominated and settled short-term deposits and money market instruments. As such, the Sub-Fund's investment in CSOP US Dollar Money Market ETF is subject to interest rate risk. The underlying investments within CSOP US Dollar Money Market ETF were short term. As at 31 December 2022 and 2021, should the relevant interest rates have risen/lowered by 100 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately HKD955,486 (HKD337,333), arising substantially from the increase/decrease in market values of CSOP US Dollar Money Market ETF as a result of increase/decrease in interest income.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Funds are not exposed to currency risk arising from balances and transactions in foreign currencies as CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product, CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product assets and liabilities are denominated in HKD and CSOP NASDAQ-100 Index Daily (-2x) Inverse Product assets and liabilities are denominated in USD, the Sub-Funds' functional and presentation currencies. Further, Sub-Funds have assets denominated in USD which is a linked currency with HKD. As a result, the Manager considers sensitivity analysis of currency risk is not necessary to be presented.

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Funds.

The Sub-Funds limit their exposure to credit and counterparty risk by carrying out the majority of those investment transactions and contractual commitment activities with well-established broker-dealers, banks and regulated exchanges with high credit ratings.

All transactions in listed securities are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Funds places bank balances and deposits with brokers with reputable financial institutions. As such, the Manager does not consider the Sub-Funds to be exposed to significant credit and counterparty risk.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, short-term deposits, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

As at 31 December 2022

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	15,324,550
CICC Financial Trading Limited	43,007,070
Societe Generale Corporate & Investment Banking	19,688,667
The Hongkong and Shanghai Banking Corporation Limited	872,563,877
UBS AG London	16,347,318
Short-term deposits	
Bank of Shanghai Hong Kong Limited	147,611,475
Bank balances	
China Everbright Bank Co., Ltd	502,274,934
CMB Wing Lung Bank Limited	525,921,470
Industrial and Commercial Bank of China Limited	560,372,000
Ping An Bank Co., Ltd.	5,897,465
The Hongkong and Shanghai Banking Corporation Limited	296,708,245
United Overseas Bank Limited	389,740,149
Deposits with brokers	
BNP Paribas	166,932,051
CICC Financial Trading Limited	273,105,242
UBS AG London	529,368,138

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

HKD

Investments and derivative financial instruments

BNP Paribas	26,676,790
CICC Financial Trading Limited	5,226,520
Societe Generale Corporate & Investment Banking	704,559
The Hongkong and Shanghai Banking Corporation Limited	653,811,730
UBS AG London	22,374,300

Short-term deposits

Bank of Shanghai Hong Kong Limited	74,773,404
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Bank balances

China Everbright Bank Co., Ltd	352,017,934
CMB Wing Lung Bank Limited	309,511,530
The Hongkong and Shanghai Banking Corporation Limited	217,860,993
The Industrial and Commercial Bank of China Limited	343,059,000

Deposits with brokers

BNP Paribas	215,972,875
CICC Financial Trading Limited	135,484,693
Societe Generale Corporate & Investment Banking	312,000
UBS AG London	261,829,694

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP Hang Seng Index Daily (-1x) Inverse Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, short-term deposits, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product (Continued)

As at 31 December 2022

HKD

Investments and derivative financial instruments

BNP Paribas	(428,050)
The Hongkong and Shanghai Banking Corporation Limited	38,697,316
UBS AG London	(881,517)

Short-term deposits

Bank of Shanghai Hong Kong Limited	17,011,449
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Bank balances

China Everbright Bank Co., Ltd	27,760,751
CMB Wing Lung Bank Limited	27,093,240
Industrial and Commercial Bank of China (Asia) Limited	28,192,000
The Hongkong and Shanghai Banking Corporation Limited	26,624,590
United Overseas Bank Limited	28,612,257

Deposits with brokers

BNP Paribas	4,232,580
UBS AG London	21,277,953

As at 31 December 2021

HKD

Investments and derivative financial instruments

BNP Paribas	(2,497,475)
The Hongkong and Shanghai Banking Corporation Limited	103,814,173
UBS AG London	(1,872,700)

Short-term deposits

Bank of Shanghai Hong Kong Limited	56,523,266
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Bank balances

China Everbright Bank Co., Ltd	52,856,751
CMB Wing Lung Bank Limited	60,627,800
Industrial and Commercial Bank of China (Asia) Limited	56,790,000
The Hongkong and Shanghai Banking Corporation Limited	45,111,674

Deposits with brokers

BNP Paribas	14,192,721
UBS AG London	20,184,722

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, short-term deposits, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

As at 31 December 2022	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	3,670,151
The Hongkong and Shanghai Banking Corporation Limited	42,425,745
Short-term deposits	
Bank of Shanghai Hong Kong Limited	15,601,210
Bank balances	
China Everbright Bank Co., Ltd	35,377,223
CMB Wing Lung Bank Limited	24,428,520
Industrial and Commercial Bank of China (Asia) Limited	32,681,000
Ping An Bank Co., Ltd.	16,832,997
The Hongkong and Shanghai Banking Corporation Limited	41,163,649
United Overseas Bank Limited	19,606,320
Deposits with brokers	
BNP Paribas	72,596,576
As at 31 December 2021	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	4,500,961
The Hongkong and Shanghai Banking Corporation Limited	53,823,553
Short-term bank deposits	
Bank of Shanghai Hong Kong Limited	21,449,459
Bank balances	
China Everbright Bank Co., Ltd	31,804,222
CMB Wing Lung Bank Limited	31,983,900
Industrial and Commercial Bank of China (Asia) Limited	32,468,000
The Hongkong and Shanghai Banking Corporation Limited	25,341,705
Deposits with brokers	
BNP Paribas	45,384,302

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

As at 31 December 2022

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	(860,733)
The Hongkong and Shanghai Banking Corporation Limited	6,385,265
Bank balances	
China Everbright Bank Co., Ltd	8,595,000
CMB Wing Lung Bank Limited	8,132,190
Industrial and Commercial Bank of China (Asia) Limited	8,805,000
The Hongkong and Shanghai Banking Corporation Limited	7,480,134
United Overseas Bank Limited	8,583,931
Deposits with brokers	
BNP Paribas	15,334,450

As at 31 December 2021

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	(741,171)
The Hongkong and Shanghai Banking Corporation Limited	9,454,955
Short-term bank deposits	
Bank of Shanghai Hong Kong Limited	3,486,015
Bank balances	
China Everbright Bank Co., Ltd	4,438,000
CMB Wing Lung Bank Limited	4,540,500
Industrial and Commercial Bank of China (Asia) Limited	4,443,000
The Hongkong and Shanghai Banking Corporation Limited	4,613,323
Deposits with brokers	
BNP Paribas	6,907,205
UBS AG London	(40)

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties at 31 December 2022 and 2021.

As at 31 December 2022

HKD

Investments and derivative financial instruments

BNP Paribas Singapore Branch	(20,433,899)
J.P. Morgan Securities plc	(3,829,665)
Societe Generale Corporate & Investment Banking	(4,922,167)
The Hongkong and Shanghai Banking Corporation Limited	312,199,287
UBS AG London	(8,777,129)

Bank balances

China Everbright Bank Co., Ltd	287,415,114
CMB Wing Lung Bank Limited	299,919,140
Industrial and Commercial Bank of China (Asia) Limited	363,415,000
Ping An Bank Co., Ltd.	84,010,958
The Hongkong and Shanghai Banking Corporation Limited	175,901,485
United Overseas Bank Limited	324,675,220

Deposits with brokers

BNP Paribas	231,038,441
UBS AG London	229,236,604
J.P. Morgan Securities plc	14,930,000
Societe Generale Corporate & Investment Banking	10,530,000

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

HKD

Investments and derivative financial instruments

BNP Paribas Singapore Branch	(12,470,604)
J.P. Morgan Securities plc	(6,354,167)
Societe Generale Corporate & Investment Banking	(28,182,360)
The Hongkong and Shanghai Banking Corporation Limited	909,936,292
UBS AG London	(13,335,002)

Short-term deposits

Bank of Shanghai Hong Kong Limited	173,617,821
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Bank balances

China Everbright Bank Co., Ltd	282,283,114
CMB Wing Lung Bank Limited	213,222,700
Industrial and Commercial Bank of China (Asia) Limited	259,072,000
The Hongkong and Shanghai Banking Corporation Limited	331,586,461

Deposits with brokers

BNP Paribas	288,914,221
UBS AG London	248,526,509

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The Sub-Fund is exposed to credit and counterparty risk on its investments, derivative financial instruments, short-term deposits, bank balances and deposits with brokers.

The table below summarises the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2022

USD

Investments and derivative financial instruments

BNP Paribas	19,366,699
Macquarie Bank Limited	25,920
The Hongkong and Shanghai Banking Corporation Limited	32,985,397

Bank balances

China Everbright Bank Co., Ltd	31,093,000
CMB Wing Lung Bank Ltd	29,907,783
Industrial and Commercial Bank of China (Asia) Limited	29,884,674
Ping An Bank Co., Ltd.	15,727,856
The Hongkong and Shanghai Banking Corporation Limited	23,144,552
United Overseas Bank Limited	526

Deposits with brokers

BNP Paribas	25,372,961
Macquarie Bank Limited	1,999,675

As at 31 December 2021

USD

Investments and derivative financial instruments

The Hongkong and Shanghai Banking Corporation Limited	52,464,111
UBS AG London	(7,686,050)

Short-term deposits

Industrial and Commercial Bank of China (Asia) Limited	16,558,350
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Bank balances

China Everbright Bank Co., Ltd	31,970,000
CMB Wing Lung Bank Ltd	18,845,000
Industrial and Commercial Bank of China (Asia) Limited	32,583,713
The Hongkong and Shanghai Banking Corporation Limited	24,535,578

Deposits with brokers

UBS AG London	71,438,169
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As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The table below summarizes the amount of investments and derivative financial instruments, short-term deposits, bank balances and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

As at 31 December 2022

HKD

Investments and derivative financial instruments

BNP Paribas SP	(19,377,203)
CICC Financial Trading Limited	24,552,094
Citigroup Global Markets Limited	(3,751,734)
J.P. Morgan Securities PLC	(92,130,792)
The Hongkong and Shanghai Banking Corporation Limited	2,408,427,490

Short-term deposits

Bank of Shanghai Hong Kong Limited	183,154,538
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Bank balances

China Everbright Bank Co., Ltd	984,246,000
CMB Wing Lung Bank Limited	505,231,000
Industrial and Commercial Bank of China (Asia) Limited	342,798,000
Ping An Bank Co., Ltd.	122,791,972
The Hongkong and Shanghai Banking Corporation Limited	529,921,234
United Overseas Bank Limited	434,232,273

Deposits with brokers

CICC Financial Trading Limited	240,041,118
Citigroup Global Markets Limited	22,532,636
J.P. Morgan Securities PLC	31,910,000

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

HKD

Investments and derivative financial instruments

BNP Paribas SP	3,771,895
CICC Financial Trading Limited	2,991,060
Citigroup Global Markets Limited	1,465,885
The Hongkong and Shanghai Banking Corporation Limited	1,080,991,818

Short-term deposits

Bank of Shanghai Hong Kong Limited	198,842,534
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Bank balances

China Everbright Bank Co., Ltd	304,887,000
CMB Wing Lung Bank Limited	301,631,900
Industrial and Commercial Bank of China (Asia) Limited	299,600,000
The Hongkong and Shanghai Banking Corporation Limited	214,760,776

Deposits with brokers

BNP Paribas SP	31,300,000
CICC Financial Trading Limited	94,592,193
Citigroup Global Markets Limited	12,408,875
Societe Generale Corporate & Investment Banking	85,978,000

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The table below summarises the amount of investments, derivative financial instruments, bank balances, short-term deposits and deposits with brokers of the Sub-Fund placed with counterparties as at 31 December 2022 and 2021.

As at 31 December 2022

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	18,795,835
Citigroup Global Markets Limited	3,299,306
J.P. Morgan Securities PLC	32,498,304
The Hongkong and Shanghai Banking Corporation Limited	752,793,949
Short-term bank deposits	
Bank of Shanghai Hong Kong Limited	23,983,470
Bank balances	
China Everbright Bank Co., Ltd	328,456,009
CMB Wing Lung Bank Limited	347,925,370
Industrial and Commercial Bank of China (Asia) Limited	326,447,000
Ping An Bank Co., Ltd.	51,067,093
The Hongkong and Shanghai Banking Corporation Limited	245,918,396
United Overseas Bank Limited	304,611,900
Deposits with brokers	
BNP Paribas	10,784,000
Citigroup Global Markets Limited, London	20,426,710
Societe Generale Corporate & Investment Banking	23,634,000

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

	<i>HKD</i>
Investments and derivative financial instruments	
BNP Paribas	(3,874,895)
Citigroup Global Markets Limited	(1,620,940)
The Hongkong and Shanghai Banking Corporation Limited	198,642,949
Short-term bank deposits	
Bank of Shanghai Hong Kong Limited	23,903,206
Bank balances	
China Everbright Bank Co., Ltd	44,995,009
CMB Wing Lung Bank Limited	54,767,030
Industrial and Commercial Bank of China (Asia) Limited	45,630,000
The Hongkong and Shanghai Banking Corporation Limited	47,404,937
Deposits with brokers	
Citigroup Global Markets Limited, London	10,123,875

As at 31 December 2022 and 2021, the credit ratings of the counterparties are at or above investment grade.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Sub-Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2022 and 2021, bank interest receivable, amounts due from brokers, other receivable, deposits with brokers and cash and cash equivalents are held with counterparties with high credit rating and are due to be settled within 1 month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Funds.

The maximum exposure to credit risk as at 31 December 2022 and 2021 is the carrying amount of the financial assets as shown on the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Funds are exposed to daily redemptions of units in the Sub-Funds. The Sub-Funds invest the majority of their assets in securities that are traded in an active market which can be readily disposed of.

CSOP Hang Seng Index Daily (2x) Leveraged Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Cash collateral payable	78,822,000	-	-	78,822,000
Management fee payable	3,481,000	-	-	3,481,000
Other accounts payable	763,746	9,920	1,305,995	2,079,661
Contractual cash outflow	83,066,746	9,920	1,305,995	84,382,661
	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Management fee payable	1,882,888	-	-	1,882,888
Other accounts payable	105,311	6,460	819,406	931,177
Contractual cash outflow	1,988,199	6,460	819,406	2,814,065

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there was three (2021: three) nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 36.56% (2021: 35.45%) of the total Sub-Fund’s units.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month HKD	1 to 12 months HKD	No stated maturity HKD	Total HKD
As at 31 December 2022				
Total assets	3,396,367,596	-	969,405,431	4,365,773,027

	Less than 1 month HKD	1 to 12 months HKD	No stated maturity HKD	Total HKD
As at 31 December 2021				
Total assets	2,006,036,632	-	613,599,263	2,619,635,895

CSOP Hang Seng Index Daily (-1x) Inverse Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month HKD	1 month to less than 3 months HKD	Over 3 months HKD	Total HKD
As at 31 December 2022				
Derivative financial instruments	1,309,567	-	-	1,309,567
Management fee payable	172,592	-	-	172,592
Other accounts payable	-	4,540	364,053	368,593
Contractual cash outflow	1,482,159	4,540	364,053	1,850,752
As at 31 December 2021				
Derivative financial instruments	4,370,175	-	-	4,370,175
Management fee payable	327,463	-	-	327,463
Other accounts payable	8,165	4,300	629,421	641,886
Contractual cash outflow	4,705,803	4,300	629,421	5,339,524

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product (Continued)

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there were two (2021: three) nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 29.87% (2021: 56.37%) of the total Sub-Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	194,019,282	-	25,510,533	219,529,815

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
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As at 31 December 2021

Total assets	360,747,301	14,996,134	34,377,443	410,120,878
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CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Management fee payable	233,848	-	-	233,848
Other accounts payable	-	2,880	89,485	92,365
Contractual cash outflow	233,848	2,880	89,485	326,213

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
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As at 31 December 2021

Amounts due to brokers	115	-	-	115
Management fee payable	181,081	-	-	181,081
Other accounts payable	8,165	3,360	115,653	127,178
Contractual cash outflow	189,361	3,360	115,653	308,374

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product (Continued)

Units are redeemed on demand at the unitholder's option. As at 31 December 2022 and 2021, there was one (2021: one) nominee account holding more than 10% of the Sub-Fund's units, representing in aggregate 13.19% (2021: 31.89%) of the total Sub Fund's units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	231,786,815	-	72,742,979	304,529,794
	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Total assets	201,371,801	-	45,404,322	246,776,123

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Derivative financial instruments	860,733	-	-	860,733
Amounts due to participating dealers	16,543,956	-	-	16,543,956
Management fee payable	73,057	-	-	73,057
Other accounts payable	1,057	3,120	423,195	427,372
Contractual cash outflow	17,478,803	3,120	423,195	17,905,118

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (Continued)

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Derivative financial instruments	741,171	-	-	741,171
Management fee payable	64,871	-	-	64,871
Other accounts payable	9,219	3,120	275,780	288,119
	<u>815,261</u>	<u>3,120</u>	<u>275,780</u>	<u>1,094,161</u>
Contractual cash outflow	<u>815,261</u>	<u>3,120</u>	<u>275,780</u>	<u>1,094,161</u>

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there were one (2021: two) nominee account holding more than 10% of the Sub-Fund’s units, representing in aggregate 47.96% (2021: 45.08%) of the total Sub Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	<u>47,995,105</u>	<u>-</u>	<u>15,334,450</u>	<u>63,329,555</u>
	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Total assets	<u>30,996,327</u>	<u>-</u>	<u>6,907,165</u>	<u>37,903,492</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Derivative financial instruments	37,962,860	-	-	37,962,860
Management fee payable	2,592,358	-	-	2,592,358
Other accounts payable	17,902	8,140	957,373	983,415
Contractual cash outflow	40,573,120	8,140	957,373	41,538,633
As at 31 December 2021				
Derivative financial instruments	60,342,133	-	-	60,342,133
Cash collateral payable	48,326,000	-	-	48,326,000
Management fee payable	3,378,219	-	-	3,378,219
Other accounts payable	29,160	5,740	2,147,230	2,182,130
Contractual cash outflow	112,075,512	5,740	2,147,230	114,228,482

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022 and 2021, there were two (2021: two) nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 27.37% (2021: 31.07%) of the total Sub-Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	1,847,781,723	-	485,735,045	2,333,516,768

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

	Less than 1 month HKD	1 to 12 months HKD	No stated maturity HKD	Total HKD
As at 31 December 2021				
Total assets	2,169,741,702	-	537,440,730	2,707,182,432

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month USD	1 month to less than 3 months USD	Over 3 months USD	Total USD
As at 31 December 2022				
Amount due to participating dealers	3,771,708	-	-	3,771,708
Management fee payable	261,429	-	-	261,429
Other accounts payable	2,327	807	83,650	86,784
Contractual cash outflow	4,035,464	807	83,650	4,119,921

	Less than 1 month USD	1 month to less than 3 months USD	Over 3 months USD	Total USD
As at 31 December 2021				
Derivative financial instruments	-	7,686,050	-	7,686,050
Management fee payable	291,922	-	-	291,922
Other accounts payable	3,683	465	80,289	84,437
Contractual cash outflow	295,605	7,686,515	80,289	8,062,409

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there were two (2021: three) nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 34.44% (2021: 44%) of the total Sub-Fund’s units.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month USD	1 to 12 months USD	No stated maturity USD	Total USD
As at 31 December 2022				
Total assets	182,138,002	-	27,372,636	209,510,638
	Less than 1 month USD	1 to 12 months USD	No stated maturity USD	Total USD
As at 31 December 2021				
Total assets	176,957,507	-	71,438,169	248,395,676

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month HKD	1 month to less than 3 months HKD	Over 3 months HKD	Total HKD
As at 31 December 2022				
Derivative financial instruments	115,259,729	-	-	115,259,729
Amounts due to brokers	95,406,739	-	-	95,406,739
Cash collateral payable	52,988,000	-	-	52,988,000
Management fee payable	7,113,723	-	-	7,113,723
Other accounts payable	1,049	11,260	1,092,925	1,105,234
Contractual cash outflow	270,769,240	11,260	1,092,925	271,873,425
	Less than 1 month HKD	1 month to less than 3 months HKD	Over 3 months HKD	Total HKD
As at 31 December 2021				
Management fee payable	3,235,504	-	-	3,235,504
Other accounts payable	12,308	9,780	289,521	311,609
Contractual cash outflow	3,247,812	9,780	289,521	3,547,113

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there were three (2021: three) nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 43.47% (2021: 39.91%) of the total Sub-Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	5,602,853,487	-	294,483,754	5,897,337,241
	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Total assets	2,504,412,396	-	224,279,068	2,728,691,464

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Amounts due to participating dealers	95,950,715	-	-	95,950,715
Cash collateral payable	10,900,000	-	-	10,900,000
Management fee payable	3,017,233	-	-	3,017,233
Other accounts payable	1,049	9,560	518,490	529,099
Contractual cash outflow	109,868,997	9,560	518,490	110,397,047

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Derivative financial instruments	5,495,835	-	-	5,495,835
Amounts due to brokers	9,865,835	-	-	9,865,835
Cash collateral payable	42,426,037	-	-	42,426,037
Management fee payable	601,955	-	-	601,955
Other accounts payable	12,308	6,440	197,220	215,968
Contractual cash outflow	58,401,970	6,440	197,220	58,605,630

Units are redeemed on demand at the unitholder’s option. As at 31 December 2022, there were three nominee accounts (2021: three) holding more than 10% of the Sub-Fund’s units, representing in aggregate 42.27% (2021: 62.65%) of the total Sub Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Total assets	2,460,845,271	-	54,844,710	2,515,689,981
As at 31 December 2021				
Total assets	428,993,478	-	10,123,875	439,117,353

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub-Funds can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Funds. The Sub-Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	657,295,720	-	-	657,295,720
- Unlisted investment fund	-	215,268,157	-	215,268,157
Derivative financial instruments				
- Listed futures contracts	31,671,868	-	-	31,671,868
- Unlisted swap futures contracts	-	62,695,737	-	62,695,737
Total assets	688,967,588	277,963,894	-	966,931,482
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	653,811,730	-	-	653,811,730
Derivative financial instruments				
- Listed futures contracts	49,051,090	-	-	49,051,090
- Unlisted swap futures contracts	-	5,931,079	-	5,931,079
Total assets	702,862,820	5,931,079	-	708,793,899

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts and active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified unlisted swap futures contracts within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	38,697,316	-	-	38,697,316
Total assets	38,697,316	-	-	38,697,316
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(1,309,567)	-	-	(1,309,567)
Total liabilities	(1,309,567)	-	-	(1,309,567)
	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	103,814,173	-	-	103,814,173
Total assets	103,814,173	-	-	103,814,173
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(4,370,175)	-	-	(4,370,175)
Total liabilities	(4,370,175)	-	-	(4,370,175)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts and active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified no financial instruments within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	42,425,745	-	-	42,425,745
Derivative financial instruments				
- Listed futures contracts	3,670,151	-	-	3,670,151
Total assets	46,095,896	-	-	46,095,896
	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	53,823,553	-	-	53,823,553
Derivative financial instruments				
- Listed futures contracts	4,500,961	-	-	4,500,961
Total assets	58,324,514	-	-	58,324,514

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts and active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified no financial instruments within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	6,385,265	-	-	6,385,265
Total assets	6,385,265	-	-	6,385,265
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(860,733)	-	-	(860,733)
Total liabilities	(860,733)	-	-	(860,733)
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	9,454,955	-	-	9,454,955
Total assets	9,454,955	-	-	9,454,955
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(741,171)	-	-	(741,171)
Total liabilities	(741,171)	-	-	(741,171)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts and active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified no financial instruments within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	312,199,287	-	-	312,199,287
Total assets	312,199,287	-	-	312,199,287
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(29,211,028)	-	-	(29,211,028)
- Unlisted swap futures contracts	-	(8,751,832)	-	(8,751,832)
Total liabilities	(29,211,028)	(8,751,832)	-	(37,962,860)
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	909,936,292	-	-	909,936,292
Total assets	909,936,292	-	-	909,936,292
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(25,805,606)	-	-	(25,805,606)
- Unlisted swap futures contracts	-	(34,536,527)	-	(34,536,527)
Total liabilities	(25,805,606)	(34,536,527)	-	(60,342,133)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts and active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified unlisted swap futures contracts within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	31,980,366	-	-	31,980,366
- Unlisted investment fund	-	1,005,031	-	1,005,031
Derivative financial instruments				
- Listed futures contracts	19,392,619	-	-	19,392,619
Total assets	51,372,985	1,005,031	-	52,378,016
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	52,464,111	-	-	52,464,111
Total assets	52,464,111	-	-	52,464,111
Liabilities				
Derivative financial instruments				
- Listed futures contracts	(7,686,050)	-	-	(7,686,050)
Total liabilities	(7,686,050)	-	-	(7,686,050)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed futures contracts, active listed investment fund. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the years ended 31 December 2022 and 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	2,257,958,266	-	-	2,257,958,266
- Unlisted investment fund	-	150,469,224	-	150,469,224
Derivative financial instruments				
- Unlisted total return swaps	-	24,552,094	-	24,552,094
Total assets	2,257,958,266	175,021,318	-	2,432,979,584
Liabilities				
Derivative financial instruments				
- Unlisted total return swaps	-	(115,259,729)	-	(115,259,729)
Total liabilities	-	(115,259,729)	-	(115,259,729)
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	1,080,991,818	-	-	1,080,991,818
Derivative financial instruments				
- Unlisted total return swaps	-	8,228,840	-	8,228,840
Total assets	1,080,991,818	8,228,840	-	1,089,220,658

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed investment funds. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified unlisted total return swaps within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the year ended 31 December 2022 and for the period from 8 December 2020 (date of inception) to 31 December 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and financial liabilities (by class) measured at fair value at 31 December 2022 and 2021:

	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2022				
Assets				
Investments				
- Listed investment funds	752,793,949	-	-	752,793,949
Derivative financial instruments				
- Unlisted total return swaps	-	54,593,445	-	54,593,445
Total assets	<u>752,793,949</u>	<u>54,593,445</u>	<u>-</u>	<u>807,387,394</u>
	Level 1 <i>HKD</i>	Level 2 <i>HKD</i>	Level 3 <i>HKD</i>	Total <i>HKD</i>
As at 31 December 2021				
Assets				
Investments				
- Listed investment funds	198,642,949	-	-	198,642,949
Total assets	<u>198,642,949</u>	<u>-</u>	<u>-</u>	<u>198,642,949</u>
Liabilities				
Derivative financial instruments				
- Unlisted total return swaps	-	(5,495,835)	-	(5,495,835)
Total liabilities	<u>-</u>	<u>(5,495,835)</u>	<u>-</u>	<u>(5,495,835)</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed investment funds. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2022 and 2021, the Sub-Fund classified unlisted total return swaps within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund did not hold any investments classified in level 3.

For the year ended 31 December 2022 and period from 8 December 2020 (date of inception) to 31 December 2021, there were no transfers between levels.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

The assets and liabilities included in the statement of financial position, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost. The carrying value of these financial assets and liabilities are considered by the Manager to approximate their fair value as they are short term in nature and the effect of discounting is immaterial. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(e) Capital risk management

The Sub-Funds' capital is represented by the redeemable units outstanding. The Sub-Funds' objective is to provide investment results that correspond generally to the performance of the respective index. The Manager may:

- Redeem and issue new units on a daily basis in accordance with the constitutive documents of the Sub-Funds;
- Exercise discretion when determining the amount of distributions of the Sub-Funds to the unitholders; and
- Suspend the creation and redemption of units under certain circumstance as currently disclosed in the Prospectus of the Sub-Funds.

(f) Derivative financial instruments

Futures, swap futures and total return swaps

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash or the underlying financial asset. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in futures contract values are marked to market daily. Futures contracts have lower credit risk because the counterparties are futures exchanges.

Futures contracts result in exposure to market risk based on changes in market prices relative to contracted price. Market risks arise due to the possible movement in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures contract and may result in substantial losses to the Sub-Funds. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a material fluctuation in price during a single day's trading beyond certain present limits. If prices fluctuate during a single day's trading beyond those limits, the Sub-Funds could be prevented from promptly liquidating unfavourable positions and thus could be subject to substantial losses.

The Sub-Funds enter into various swap contracts as part of their investment strategies. Swap contracts are carried at fair value based on a counterparty provided price or valuation model. The model considers various inputs including the fair value of the underlying, the risks associated with the underlying and the specific terms of the contract.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product

The following futures and swap futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contracts</u>					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	1,385	1,379,113,750	Long	15,324,550
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	4,053	4,035,774,750	Long	16,347,318
					31,671,868
					31,671,868
<u>Swap futures contracts</u>					
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	1,140	1,135,155,000	Long	43,007,070
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	2,000	1,991,500,000	Long	19,688,667
					62,695,737
					62,695,737

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HANG SENG INDEX FUTURES 28 January 2022	28 January 2022	3,943	4,623,364,650	Long	49,051,090
<u>Swap futures contracts</u>					
HANG SENG INDEX FUTURES 28 January 2022 (SWAP)	28 January 2022	460	539,373,000	Long	5,226,520
HANG SENG INDEX FUTURES 28 January 2022 (SWAP)	28 January 2022	50	58,627,500	Long	704,559
					5,931,079
					5,931,079

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

The following futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	(38)	(37,838,500)	Short	(428,050)
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	(180)	(179,235,000)	Short	(881,517)
					<u>(1,309,567)</u>

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HANG SENG INDEX FUTURES 28 January 2022	28 January 2022	(345)	(404,529,750)	Short	(4,370,175)
					<u>(4,370,175)</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The following futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HSCEI FUTURES 30 January 2023	30 January 2023	1,793	606,034,000	Long	<u>3,670,151</u>

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HSCEI FUTURES 28 January 2022	28 January 2022	1,191	487,774,050	Long	<u>4,500,961</u>

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The following futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HSCEI FUTURES 30 January 2023	30 January 2023	(270)	(91,260,000)	Short	<u>(860,733)</u>

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HSCEI FUTURES 28 January 2022	28 January 2022	(178)	(73,576,300)	Short	<u>(741,171)</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

The following futures and swap futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contracts</u>					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	(1,800)	(1,792,350,000)	Short	(20,433,899)
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	(1,306)	(1,300,449,500)	Short	(8,777,129)
					(29,211,028)
<u>Swap futures contracts</u>					
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	(1,000)	(995,750,000)	Short	(3,829,665)
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	(500)	(497,875,000)	Short	(4,922,167)
					(8,751,832)

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Futures contract</u>					
HANG SENG INDEX FUTURES 28 January 2022	28 January 2022	(1,931)	(2,264,194,050)	Short	(25,805,606)
<u>Swap futures contracts</u>					
HANG SENG INDEX FUTURES 28 January 2022 (SWAPS)	28 January 2022	(2,500)	(2,931,375,000)	Short	(34,536,527)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The following futures contracts were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount USD	Position	Fair value USD
<u>Futures contracts</u>					
NASDAQ 100 E-MINI 17 March 2023	17 March 2023	(1,769)	(389,967,205)	Short	19,366,699
NASDAQ 100 E-MINI 17 March 2023	17 March 2023	(100)	(22,044,500)	Short	25,920
					19,392,619
					19,392,619

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount USD	Position	Fair value USD
<u>Futures contract</u>					
NASDAQ 100 E-MINI 18 March 2022	18 March 2022	(1,469)	(479,503,635)	Short	(7,686,050)
					(7,686,050)
					(7,686,050)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The following unlisted total return swap were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Swap futures contracts</u>					
HANG SENG TECH INDEX SWAP – BNP	30 January 2023	5,540	1,143,674,830	Long	(19,377,203)
HANG SENG TECH INDEX SWAP – CGM	30 January 2023	1,070	220,890,265	Long	(3,751,734)
HANG SENG TECH INDEX SWAP – CICC	30 January 2023	4,770	984,716,415	Long	24,552,094
HANG SENG TECH INDEX SWAP – JPM	30 January 2023	14,399	2,972,522,361	Long	(92,130,792)
HANG SENG TECH INDEX SWAP – SG	30 January 2023	28,643	5,913,046,599	Long	-
					(90,707,635)
					(90,707,635)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Swap futures contracts</u>					
HANG SENG TECH FUTURES SWAP – BNP	28 January 2022	740	209,825,520	Long	3,771,895
HANG SENG TECH FUTURES SWAP – CGML	13 September 2022	370	104,912,760	Long	1,465,885
HANG SENG TECH FUTURES SWAP – CICC	30 December 2022	1,160	328,915,680	Long	2,991,060
HANG SENG TECH FUTURES SWAP – SGE	31 October 2022	16,951	4,806,422,148	Long	-
					8,228,840
					8,228,840

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The following total return swap were unsettled at the date of statement of financial position:

As at 31 December 2022

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Swap futures contracts</u>					
HANG SENG TECH INDEX SWAP – BNP	30 January 2023	(5,540)	(1,143,674,830)	Short	18,795,835
HANG SENG TECH INDEX SWAP – CGM	30 January 2023	(970)	(200,246,315)	Short	3,299,306
HANG SENG TECH INDEX SWAP – JPM	30 January 2023	(5,165)	(1,066,260,018)	Short	32,498,304
HANG SENG TECH INDEX SWAP – SG	30 January 2023	(11,607)	(2,396,143,277)	Short	-
					54,593,445
					54,593,445

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(f) Derivative financial instruments (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2021

Name of the futures	Expiration date	Number of contracts	Notional amount HKD	Position	Fair value HKD
<u>Swap futures contracts</u>					
HANG SENG TECH FUTURES (SWAP)	28 January 2022	(740)	(205,950,625)	Short	(3,874,895)
HANG SENG TECH FUTURES (SWAP)	13 September 2022	(370)	(103,291,820)	Short	(1,620,940)
HANG SENG TECH INDEX SWAP	31 October 2022	(1,548)	(438,932,304)	Short	-
					(5,495,835)
					(5,495,835)

(g) Interest in other entities

The Sub-Funds’ investments in an investment fund are subject to the terms and conditions of the respective investment funds’ offering documentation and are susceptible to market price risk arising from uncertainties about future values of such investment fund. The Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying funds’ manager.

CSOP Hang Seng Index Daily (2x) Leveraged Product

As at 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A (2021: in CSOP Hong Kong Dollar Money Market ETF unlisted class A), CSOP US Dollar Money Market ETF unlisted class A (2021: Nil) and CSOP Investments II VCC-CSOP USD Money Market Fund (2021: Nil). The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	343,693,654	8.03%
Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	2,405,148,250	313,602,066	7.32%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022 (Continued)

Fund Name	Dealing net asset value of CSOP Investments II VCC- CSOP USD Money Market Fund HKD	Investment fair value HKD	% of net asset value
CSOP Investments II VCC- CSOP USD Money Market Fund	873,431,450	215,268,157	5.03%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	653,811,730	24.99%

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

Effective from 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, the FTSE 3-Month US Dollar Eurodeposit index.

The investment objective of the CSOP Investments II VCC-CSOP USD Money Market Fund is to invest in high quality short-term money market instruments and debt securities. It seeks to achieve a return comparable to US Dollar deposit rates.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund for unsettled purchases.

During the year ended 31 December 2022, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A were HKD8,179,553 (2021: HKD178,494), from CSOP US Dollar Money Market ETF unlisted class A were HKD676,066 (2021: HKDNil) and from CSOP Investments II VCC-CSOP USD Money Market Fund were HKD202,976 (2021: HKDNil).

CSOP Hang Seng Index Daily (-1x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A. The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	38,697,316	17.78%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	103,814,173	25.65%

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF unlisted class A is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF unlisted class A, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF unlisted class A.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product (Continued)

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF unlisted class A for unsettled purchases.

During the year ended 31 December 2022, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A were HKD575,656 (2021: HKD36,795).

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 31 December 2022 and 2021, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A. The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	42,425,745	13.95%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	53,823,553	21.83%

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF unlisted class A is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A.

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF unlisted class A for unsettled purchases.

During the year ended 31 December 2022, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A is HKD632,065 (2021: HKD32,854).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

As at 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A (2021: in unlisted class A). The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	6,385,265	14.06%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	9,454,955	25.69%

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF unlisted class A is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF unlisted class A, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF unlisted class A.

As at 31 December 2022, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF unlisted class A (2021: unlisted class A) for unsettled purchases.

During the years ended 31 December 2022 and 2021, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A were HKD95,915 (2021: HKD11,301).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021, the Sub-fund invested in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A. The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	98,491,419	4.30%

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP US Dollar Money Market ETF	2,405,148,250	213,707,868	9.32%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	700,078,746	27.00%

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP US Dollar Money Market ETF	1,914,596,904	209,857,546	8.09%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

Effective from 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, the FTSE 3-Month US Dollar Eurodeposit index.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A is equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A respectively.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A respectively.

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF unlisted class A and CSOP US Dollar Money Market ETF unlisted class A for unsettled purchases.

During the years ended 31 December 2022 and 2021, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF unlisted class A were HKD3,884,042 (2021: HKD437,821) and from CSOP US Dollar Money Market ETF unlisted class A were HKD3,850,322 (2021: HKD898,286).

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

As at 31 December 2022, the Sub-Fund invested in CSOP US Dollar Money Market ETF listed and unlisted class A (2021: CSOP US Dollar Money Market ETF unlisted class A), and CSOP Investment II VCC-CSOP USD Money Market Fund (2021: Nil). The right of the Sub-Fund to request redemption of its investments in CSOP US Dollar Money Market ETF listed and unlisted class A and CSOP Investment II VCC-CSOP USD Money Market Fund is on a daily basis.

The Sub-Fund’s exposure to investments in CSOP US Dollar Money Market ETF listed and unlisted Class A and CSOP Investment II VCC-CSOP USD Money Market Fund at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF USD	Investment fair value USD	% of net asset value
CSOP US Dollar Money Market ETF	308,459,114	31,980,366	15.57%

Fund Name	Dealing net asset value of CSOP Investments II VCC-CSOP USD Money Market Fund USD	Investment fair value USD	% of net asset value
CSOP Investments II VCC- CSOP USD Money Market Fund	112,017,166	1,005,031	0.49%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF USD	Investment fair value USD	% of net asset value
CSOP US Dollar Money Market ETF	245,554,011	52,464,111	21.83%

Effective from 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, the FTSE 3-Month US Dollar Eurodeposit index.

The investment objective of the CSOP Investments II VCC-CSOP USD Money Market Fund is to invest in high quality short-term money market instruments and debt securities. It seeks to achieve a return comparable to US Dollar deposit rates.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP US Dollar Money Market ETF in listed and unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund is equal to the total fair value of its investments in CSOP US Dollar Money Market ETF in listed and unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

Once the Sub-Fund has disposed of its shares in CSOP US Dollar Money Market ETF in listed and unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund, the Sub-Fund ceases to be exposed to any risk from CSOP US Dollar Money Market ETF in listed and unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP US Dollar Money Market ETF in listed and unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund for unsettled purchases.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

During the year ended 31 December 2022, total net gain on investments in CSOP US Dollar Money Market ETF listed and unlisted class A were USD813,053 (2021: USD5,111) and from CSOP Investments II VCC-CSOP USD Money Market Fund were USD161,898 (2021: USDNil).

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

As at 31 December 2022, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A (2021: CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A), CSOP US Dollar Money Market ETF unlisted class A (2021: CSOP US Dollar Money Market ETF listed and unlisted class A) and CSOP Investment II VCC-CSOP USD Money Market Fund (2021: Nil). The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investment II VCC-CSOP USD Money Market Fund are on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investment II VCC-CSOP USD Money Market Fund at fair values are disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	1,751,179,765	31.13%
Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	2,405,148,250	506,778,501	9.01%
Fund Name	Dealing net asset value of CSOP Investments II VCC-CSOP USD Money Market Fund HKD	Investment fair value HKD	% of net asset value
CSOP Investments II VCC- CSOP USD Money Market Fund	873,431,450	150,469,224	2.67%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	968,283,789	35.53%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF <i>HKD</i>	Investment fair value <i>HKD</i>	% of net asset value
CSOP US Dollar Money Market ETF	1,914,596,904	112,708,029	4.14%

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

Effective from 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, the FTSE 3-Month US Dollar Eurodeposit index.

The investment objective of the CSOP Investments II VCC-CSOP USD Money Market Fund is to invest in high quality short-term money market instruments and debt securities. It seeks to achieve a return comparable to US Dollar deposit rates.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund are equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund respectively.

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A, CSOP US Dollar Money Market ETF unlisted class A and CSOP Investments II VCC-CSOP USD Money Market Fund for unsettled purchases.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

During the year ended 31 December 2022, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A were HKD16,511,880 (2021: HKD237,285), from CSOP US Dollar Money Market ETF unlisted class A were HKD4,265,927 (2021: HKD454,472) and from CSOP Investments II VCC-CSOP USD Money Market Fund were HKD1,488,641 (2021: HKDNil).

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

As at 31 December 2022 and 2021, the Sub-Fund invested in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A. The right of the Sub-Fund to request redemption of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A are on a daily basis.

The Sub-Fund’s exposure to investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A at fair values are disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

As at 31 December 2022

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,967,265,945	657,245,361	27.32%

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	2,405,148,250	95,548,588	3.97%

As at 31 December 2021

Fund Name	Dealing net asset value of CSOP Hong Kong Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP Hong Kong Dollar Money Market ETF	3,788,752,204	164,909,618	43.34%

Fund Name	Dealing net asset value of CSOP US Dollar Money Market ETF HKD	Investment fair value HKD	% of net asset value
CSOP US Dollar Money Market ETF	1,914,596,904	33,733,331	8.86%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(g) Interest in other entities (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

Effective from 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP Hong Kong Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, 3-month HIBOR.

Effective from 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to invest in short-term deposits and high quality money market instruments. It seeks to achieve a return in US Dollars in line with prevailing money market rates. Prior to 15 June 2021, the investment objective of the CSOP US Dollar Money Market ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Benchmark namely, the FTSE 3-Month US Dollar Eurodeposit index.

The Sub-Fund’s maximum exposure to loss from its interests in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A are equal to the total fair value of its investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A respectively.

Once the Sub-Fund has disposed of its shares in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A, the Sub-Fund ceases to be exposed to any risk from CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A respectively.

As at 31 December 2022 and 2021, there were no capital commitment obligations and no amounts due to CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A and CSOP US Dollar Money Market ETF unlisted class A for unsettled purchases.

During the year ended 31 December 2022, total net gain on investments in CSOP Hong Kong Dollar Money Market ETF listed and unlisted class A were HKD5,026,426 (2021: HKD55,024) and from CSOP US Dollar Money Market ETF unlisted class A were HKD1,459,332 (2021: HKD154,038).

(h) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2022 and 2021, the Sub-Funds were subject to master netting arrangements for the derivative assets and liabilities of the Sub-Funds held with these counterparties. All of the derivative assets and liabilities of the Sub-Funds were held with these counterparties and the margin balances maintained by the Sub-Funds are for the purpose of providing collateral on derivative positions. The margin balances maintained by the Sub-Funds are for the purpose of providing collateral on derivative positions.

The following tables present the Sub-Funds’ financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i) Financial instruments	D(ii) Collateral	
	HKD	HKD	HKD	HKD	HKD	HKD
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Listed futures contracts	31,671,868	-	31,671,868	-	-	31,671,868
- Unlisted swap futures	62,695,737	-	62,695,737	-	57,560,667	5,135,070
- Deposits with brokers	969,405,431	-	969,405,431	-	-	969,405,431
	<u>1,063,773,036</u>	<u>-</u>	<u>1,063,773,036</u>	<u>-</u>	<u>57,560,667</u>	<u>1,066,212,369</u>
As at 31 December 2021						
Financial assets						
Derivative financial instrument						
- Listed futures contracts	49,051,090	-	49,051,090	-	-	49,051,090
- Unlisted swap futures	5,931,079	-	5,931,079	-	-	5,931,079
- Deposits with brokers	613,599,262	-	613,599,262	-	-	613,599,262
	<u>668,581,431</u>	<u>-</u>	<u>668,581,431</u>	<u>-</u>	<u>-</u>	<u>668,581,431</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
	Gross amounts of recognised financial liabilities	set-off in the Statement of Financial Position	in the Statement of Financial Position	D(i)	D(ii)	
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial liabilities						
Cash collateral payable	78,822,000	-	78,822,000	-	57,560,667	21,261,333
	<u>78,822,000</u>	<u>-</u>	<u>78,822,000</u>	<u>-</u>	<u>57,560,667</u>	<u>21,261,333</u>
	<u><u>78,822,000</u></u>	<u><u>-</u></u>	<u><u>78,822,000</u></u>	<u><u>-</u></u>	<u><u>57,560,667</u></u>	<u><u>21,261,333</u></u>
As at 31 December 2021						
Financial liabilities						
Cash collateral payable	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i) Financial instruments	D(ii) Collateral	amount
	HKD	HKD	HKD	HKD	HKD	HKD
As at 31 December 2022						
Financial assets						
Deposits with brokers	25,510,533	-	25,510,533	1,309,567	-	24,200,966
	<u>25,510,533</u>	<u>-</u>	<u>25,510,533</u>	<u>1,309,567</u>	<u>-</u>	<u>24,200,966</u>
	<u><u>25,510,533</u></u>	<u><u>-</u></u>	<u><u>25,510,533</u></u>	<u><u>1,309,567</u></u>	<u><u>-</u></u>	<u><u>24,200,966</u></u>
As at 31 December 2021						
Financial assets						
Deposits with brokers	34,377,443	-	34,377,443	4,370,175	-	30,007,268
	<u>34,377,443</u>	<u>-</u>	<u>34,377,443</u>	<u>4,370,175</u>	<u>-</u>	<u>30,007,268</u>
	<u><u>34,377,443</u></u>	<u><u>-</u></u>	<u><u>34,377,443</u></u>	<u><u>4,370,175</u></u>	<u><u>-</u></u>	<u><u>30,007,268</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product (Continued)

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial liabilities						
Derivative financial instrument						
- Listed futures						
contracts	1,309,567	-	1,309,567	1,309,567	-	-
	<u>1,309,567</u>	<u>-</u>	<u>1,309,567</u>	<u>1,309,567</u>	<u>-</u>	<u>-</u>
	<u><u>1,309,567</u></u>	<u><u>-</u></u>	<u><u>1,309,567</u></u>	<u><u>1,309,567</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
As at 31 December 2021						
Financial liabilities						
Derivative financial instrument						
- Listed futures						
contracts	4,370,175	-	4,370,175	4,370,175	-	-
	<u>4,370,175</u>	<u>-</u>	<u>4,370,175</u>	<u>4,370,175</u>	<u>-</u>	<u>-</u>
	<u><u>4,370,175</u></u>	<u><u>-</u></u>	<u><u>4,370,175</u></u>	<u><u>4,370,175</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Listed futures						
contracts	3,670,151	-	3,670,151	-	-	3,670,151
Deposits with brokers	72,596,576	-	72,596,576	-	-	72,596,576
	<u>76,266,727</u>	<u>-</u>	<u>76,266,727</u>	<u>-</u>	<u>-</u>	<u>76,266,727</u>
As at 31 December 2021						
Financial assets						
Derivative financial instrument						
- Listed futures						
contracts	4,500,961	-	4,500,961	-	-	4,500,961
Deposits with brokers	45,384,302	-	45,384,302	-	-	45,384,302
	<u>49,885,263</u>	<u>-</u>	<u>49,885,263</u>	<u>-</u>	<u>-</u>	<u>49,885,263</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The Sub-Fund's financial assets

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial assets						
Deposits with brokers	15,334,450	-	15,334,450	860,733	-	14,473,717
	<u>15,334,450</u>	<u>-</u>	<u>15,334,450</u>	<u>860,733</u>	<u>-</u>	<u>14,473,717</u>
	<u><u>15,334,450</u></u>	<u><u>-</u></u>	<u><u>15,334,450</u></u>	<u><u>860,733</u></u>	<u><u>-</u></u>	<u><u>14,473,717</u></u>
As at 31 December 2021						
Financial assets						
Deposits with brokers	6,907,165	-	6,907,165	741,171	-	6,165,994
	<u>6,907,165</u>	<u>-</u>	<u>6,907,165</u>	<u>741,171</u>	<u>-</u>	<u>6,165,994</u>
	<u><u>6,907,165</u></u>	<u><u>-</u></u>	<u><u>6,907,165</u></u>	<u><u>741,171</u></u>	<u><u>-</u></u>	<u><u>6,165,994</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund's financial liabilities

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities <i>HKD</i>	set-off in the Statement of Financial Position <i>HKD</i>	in the Statement of Financial Position <i>HKD</i>	D(i) Financial instruments <i>HKD</i>	D(ii) Collateral <i>HKD</i>	Net amount <i>HKD</i>
As at 31 December 2022						
Financial liabilities						
Derivative financial instrument						
- Listed futures						
contracts	860,733	-	860,733	860,733	-	-
	<u>860,733</u>	<u>-</u>	<u>860,733</u>	<u>860,733</u>	<u>-</u>	<u>-</u>
	<u><u>860,733</u></u>	<u><u>-</u></u>	<u><u>860,733</u></u>	<u><u>860,733</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
As at 31 December 2021						
Financial liabilities						
Derivative financial instrument						
- Listed futures						
contracts	741,171	-	741,171	741,171	-	-
	<u>741,171</u>	<u>-</u>	<u>741,171</u>	<u>741,171</u>	<u>-</u>	<u>-</u>
	<u><u>741,171</u></u>	<u><u>-</u></u>	<u><u>741,171</u></u>	<u><u>741,171</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

The Sub-Fund's financial assets

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial assets						
Deposits with brokers	485,735,045	-	485,735,045	37,962,860	-	447,772,185
	<u>485,735,045</u>	<u>-</u>	<u>485,735,045</u>	<u>37,962,860</u>	<u>-</u>	<u>447,772,185</u>
	<u><u>485,735,045</u></u>	<u><u>-</u></u>	<u><u>485,735,045</u></u>	<u><u>37,962,860</u></u>	<u><u>-</u></u>	<u><u>447,772,185</u></u>
As at 31 December 2021						
Financial assets						
Deposits with brokers	537,440,730	-	537,440,730	25,805,606	-	511,635,124
	<u>537,440,730</u>	<u>-</u>	<u>537,440,730</u>	<u>25,805,606</u>	<u>-</u>	<u>511,635,124</u>
	<u><u>537,440,730</u></u>	<u><u>-</u></u>	<u><u>537,440,730</u></u>	<u><u>25,805,606</u></u>	<u><u>-</u></u>	<u><u>511,635,124</u></u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund's financial liabilities

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities <i>HKD</i>	set-off in the Statement of Financial Position <i>HKD</i>	in the Statement of Financial Position <i>HKD</i>	D(i) Financial instruments <i>HKD</i>	D(ii) Collateral <i>HKD</i>	Net amount <i>HKD</i>
As at 31 December 2022						
Financial liabilities						
Derivative financial instrument						
- Listed futures contracts	29,211,028	-	29,211,028	29,211,028	-	-
- Unlisted swap futures contracts	8,751,832	-	8,751,832	8,751,832	-	-
	<u>37,962,860</u>	<u>-</u>	<u>37,962,860</u>	<u>37,962,860</u>	<u>-</u>	<u>-</u>
As at 31 December 2021						
Financial liabilities						
Derivative financial instrument						
- Listed futures contracts	25,805,606	-	25,805,606	25,805,606	-	-
- Unlisted swap futures contracts	34,536,527	-	34,536,527	-	-	34,536,527
- Cash collateral payable	48,326,000	-	48,326,000	-	-	48,326,000
	<u>108,668,133</u>	<u>-</u>	<u>108,668,133</u>	<u>25,805,606</u>	<u>-</u>	<u>82,862,527</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The Sub-Fund's financial assets

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	USD	USD	USD	Financial instruments	Collateral	USD
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Listed futures						
contracts	19,392,619	-	19,392,619	-	-	19,392,619
Deposits with brokers	27,372,636	-	27,372,636	-	-	27,372,636
	<u>46,765,255</u>	<u>-</u>	<u>46,765,255</u>	<u>-</u>	<u>-</u>	<u>46,765,255</u>
As at 31 December 2021						
Financial assets						
Deposits with brokers						
	71,438,169	-	71,438,169	7,686,050	-	63,752,119
	<u>71,438,169</u>	<u>-</u>	<u>71,438,169</u>	<u>7,686,050</u>	<u>-</u>	<u>63,752,119</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund's financial liabilities

A	B	C = A – B	D		E = C- D
Gross amounts of recognised financial liabilities <i>USD</i>	Gross amounts of recognised financial assets set-off in the Statement of Financial Position <i>USD</i>	Net amounts of financial liabilities presented in the Statement of Financial Position <i>USD</i>	Related amounts not set-off in the Statement of Financial Position		Net amount <i>USD</i>
			D(i) Financial instruments <i>USD</i>	D(ii) Collateral <i>USD</i>	

As at 31 December 2022

Financial liabilities

Derivative financial instrument

- Listed futures contracts

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

As at 31 December 2021

Financial liabilities

Derivative financial instrument

- Listed futures contracts

7,686,050	-	7,686,050	7,686,050	-	-
7,686,050	-	7,686,050	7,686,050	-	-

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The Sub-Fund's financial assets

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Unlisted total						
return swap	24,552,094	-	24,552,094	-	-	24,552,094
Deposits with brokers	294,483,754	-	294,483,754	35,661,734	19,500,000	239,322,020
	<u>319,035,848</u>	<u>-</u>	<u>319,035,848</u>	<u>35,661,734</u>	<u>19,500,000</u>	<u>263,874,114</u>
As at 31 December 2021						
Financial assets						
Derivative financial instrument						
- Unlisted total						
return swap	8,228,840	-	8,228,840	-	-	8,228,840
Deposits with brokers	224,279,068	-	224,279,068	-	-	224,279,068
	<u>232,507,908</u>	<u>-</u>	<u>232,507,908</u>	<u>-</u>	<u>-</u>	<u>232,507,908</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

The Sub-Fund's financial liabilities

	A	B	C = A – B	D		E = C - D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial liabilities						
Derivative financial instrument						
- Unlisted total						
return swap	115,259,729	-	115,259,729	35,661,734	-	79,597,995
Cash collateral payable	52,988,000	-	52,988,000	-	19,500,000	33,488,000
	<u>168,247,729</u>	<u>-</u>	<u>168,247,729</u>	<u>35,661,734</u>	<u>19,500,000</u>	<u>113,085,995</u>

As at 31 December 2021

Financial liabilities

Derivative financial instrument

- Unlisted total

 return swap

	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The Sub-Fund's financial assets

	A	B	C = A – B	D		E = C- D
		Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial assets	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial assets						
Derivative financial instrument						
- Unlisted total						
return swap	54,593,445	-	54,593,445	-	10,900,000	43,693,445
Deposits with brokers	54,844,710	-	54,844,710	-	-	54,844,710
	<u>109,438,155</u>	<u>-</u>	<u>109,438,155</u>	<u>-</u>	<u>10,900,000</u>	<u>98,538,155</u>
As at 31 December 2021						
Financial assets						
Deposits with brokers						
	<u>10,123,875</u>	<u>-</u>	<u>10,123,875</u>	<u>1,620,940</u>	<u>2,128,000</u>	<u>6,374,935</u>
	<u>10,123,875</u>	<u>-</u>	<u>10,123,875</u>	<u>1,620,940</u>	<u>2,128,000</u>	<u>6,374,935</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL RISK MANAGEMENT (Continued)

(h) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

The Sub-Fund's financial liabilities

	A	B	C = A – B	D		E = C - D
		Gross amounts of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
	Gross amounts of recognised financial liabilities	Statement of Financial Position	Statement of Financial Position	D(i)	D(ii)	Net amount
	HKD	HKD	HKD	Financial instruments	Collateral	HKD
As at 31 December 2022						
Financial liabilities						
Cash collateral payable	10,900,000	-	10,900,000	-	10,900,000	-
	<u>10,900,000</u>	<u>-</u>	<u>10,900,000</u>	<u>-</u>	<u>10,900,000</u>	<u>-</u>
	<u><u>10,900,000</u></u>	<u><u>-</u></u>	<u><u>10,900,000</u></u>	<u><u>-</u></u>	<u><u>10,900,000</u></u>	<u><u>-</u></u>
As at 31 December 2021						
Financial liabilities						
Derivative financial instrument						
- Unlisted Total						
return swap	5,495,835	-	5,495,835	1,620,940	-	3,874,895
Cash collateral payable	42,426,037	-	42,426,037	-	2,128,000	40,298,037
	<u>47,921,872</u>	<u>-</u>	<u>47,921,872</u>	<u>1,620,940</u>	<u>2,128,000</u>	<u>44,172,932</u>
	<u><u>47,921,872</u></u>	<u><u>-</u></u>	<u><u>47,921,872</u></u>	<u><u>1,620,940</u></u>	<u><u>2,128,000</u></u>	<u><u>44,172,932</u></u>

Amount in D(i) and D(ii) above relate to amounts to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) which have not been offset in the statement of financial position and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Funds and their counterparties have elected to settle all transactions on a gross basis. However, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

10. DEPOSITS WITH BROKERS/CASH COLLATERAL PAYABLE

Cash collateral provided by the Sub-Fund is identified in the statement of financial position as deposit with brokers and is not included as a component of cash and cash equivalents. Cash collateral received from the Sub-Fund is identified in the statement of financial position as cash collateral payable.

CSOP Hang Seng Index Daily (2x) Leveraged Product

Included in deposits with brokers are margin deposits of HKD565,223,002 (2021: HKD380,203,775), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

Included in deposits with brokers are margin deposits of HKD273,105,242 (2021: HKD133,536,693), which are pledged as collateral against open swap contracts.

CSOP Hang Seng Index Daily (-1x) Inverse Product

Included in deposits with brokers are margin deposits of HKD22,658,811 (2021: HKD33,266,625), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Included in deposits with brokers are margin deposits of HKD72,596,576 (2021: HKD41,897,594), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

Included in deposits with brokers are margin deposits of HKD10,934,595 (2021: HKD6,261,773), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

CSOP Hang Seng Index Daily (-2x) Inverse Product

Included in deposits with brokers are margin deposit of HKD322,836,087 (2021: HKD186,196,675), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

As at 31 December 2022, there is no cash collateral received from open swap futures (2021: HKD48,326,000).

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

Included in deposits with brokers are margin deposits of USD27,372,636 (2021: USD24,973,000), which are pledged as collateral against open futures contracts. Refer to Note 9(b).

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

Included in deposits with brokers are margin deposits of HKD262,573,754 (2021: HKD224,279,068), which are pledged as collateral against open total return swap contracts. Refer to Note 9(b).

As at 31 December 2022, cash collateral received from open total return swap contracts amounting to HKD52,988,000 (2021: HKDNil).

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

Included in deposits with brokers are margin deposits of HKD20,426,710 (2021: HKD10,123,875), which are pledged as collateral against open total return swap contracts. Refer to Note 9(b).

As at 31 December 2022, cash collateral received from open total return swap contracts amounting to HKD10,900,000 (2021: HKD42,426,037).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2022 and 2021, other than investments and derivative financial instruments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including bank interest receivable, amounts due from brokers, amounts due from participating dealers, other receivable, deposits with brokers, and cash and cash equivalents are categorised as and carried at amortised cost. All the financial liabilities of the Sub-Funds are carried at amortised cost.

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

CSOP Hang Seng Index Daily (2x) Leveraged Product

There was no security (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 31 December 2022.

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	653,811,730	24.99%

For the year ended 31 December 2022, the Hang Seng Index decreased by 15.46% (2021: decreased 14.08%) while the net asset value per unit of the Sub-Fund decreased by 34.47% (2021: decreased 25.71%).

CSOP Hang Seng Index Daily (-1x) Inverse Product

There was one security (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 31 December 2022.

As at 31 December 2022

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	38,697,316	17.78%

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF UNLISTED CLASS A	103,814,173	25.65%

For the year ended 31 December 2022, the Hang Seng Index decreased by 15.46% (2021: decreased by 14.08%) while the net asset value per unit of the Sub-Fund increased by 2.28% (2021: increased by 7.18%).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

There was one security (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 31 December 2022.

As at 31 December 2022

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	42,425,745	13.95%

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	53,823,553	21.84%

For the year ended 31 December 2022, the Hang Seng China Enterprises Index decreased by 18.59% (2021: decreased by 23.30%) while the net asset value per unit of Sub-Fund decreased by 41.27% (2021: decreased by 41.58%).

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

There was one security (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 31 December 2022.

As at 31 December 2022

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	6,385,265	14.06%

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	9,454,955	25.69%

During the year ended 31 December 2022, the Hang Seng China Enterprises Index decreased by 18.59% (2021: decreased by 23.30%) while the net asset value per unit of the Sub-Fund decreased by 10.25% (2021: increased by 33.23%).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

CSOP Hang Seng Index Daily (-2x) Inverse Product

There was no security (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 31 December 2022.

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	700,078,746	27.00%

For the year ended 31 December 2022, the Hang Seng Index decreased by 15.46% (2021: decreased by 14.08%) while the net asset value per unit of the Sub-Fund decreased by 6.37% (2021: increased by 10.71%).

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

There was one security (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 31 December 2022.

As at 31 December 2022

	Fair Value USD	% of net assets
Hong Kong		
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	31,249,566	15.21%

As at 31 December 2021

	Fair Value USD	% of net assets
Hong Kong		
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	52,464,111	21.83%

For the year ended 31 December 2022, the NASDAQ-100 Index decreased by 32.97% (2021: increased by 26.63%) while the net asset value per unit of Sub-Fund increased by 1,567.30% (2021: decreased by 44.64%).

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

There was one security (2021: one) 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 31 December 2022. 1,071,000 units of CSOP Hong Kong Dollar Money Market ETF listed class amounting to HKD1,121,872,500 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.

As at 31 December 2022

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	1,689,617,500	30.04%
CSOP HONG KONG DOLLAR MONEY MARKET ETF – UNLISTED CLASS A	61,562,265	1.09%

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	759,366,967	27.86%
CSOP HONG KONG DOLLAR MONEY MARKET ETF – UNLISTED CLASS A	208,916,822	7.67%

For the year ended 31 December 2022, the Hang Seng TECH Index decreased by 27.19% (for the period from 8 December 2020 (date of inception) to 31 December 2021: decreased by 29.86%) while the net asset value per unit of the Sub-Fund increased by 82.85% (for the period from 8 December 2020 (date of inception) to 31 December 2021: decreased by 59.46%).

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

There was one security (2021: two) which is a collective investment scheme authorized 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 31 December 2022. 619,000 units of CSOP Hong Kong Dollar Money Market ETF listed class amounting to HKD648,402,500 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.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product (Continued)

As at 31 December 2022

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	648,402,500	26.96%
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	8,842,861	0.37%

As at 31 December 2021

	Fair Value HKD	% of net assets
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	105,525,110	27.73%
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	59,384,508	15.61%

For the year ended 31 December 2022, the Hang Seng TECH Index decreased by 27.19% (for the period from 8 December 2020 (date of inception) to 31 December 2021: decreased by 29.86%) while the net asset value per unit of the Sub Fund decreased by 27.60% (for the period from 8 December 2020 (date of inception) to 31 December 2021: increased by 27.20%).

13. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there have been no soft commission arrangements existing during the years/period ended 31 December 2022 and 2021 in relation to directing transactions of the Sub-Funds through a broker or dealer.

14. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

CSOP Hang Seng Index Daily (2x) Leveraged Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the Hang Seng Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the Hang Seng Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022, the Sub-Fund has no investment accounts for more than 10% of the Sub-Fund’s net asset value. As at 31 December 2021, the Sub-Fund has invested in a listed investment fund which accounts for more than 10% of the Sub-Fund’s net asset value.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

14. SEGMENT INFORMATION (Continued)

CSOP Hang Seng Index Daily (-1x) Inverse Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the inverse (-1x) of the daily performance of the Hang Seng Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the Hang Seng Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022 and 2021, the Sub-Fund has invested in listed investment fund which accounts for more than 10% of the Sub-Fund’s net asset value.

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the Hang Seng China Enterprises Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the Hang Seng China Enterprises Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022 and 2021, the Sub-Fund has invested in a listed investment fund which accounts for more than 10% of the Sub-fund’s net asset value.

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Hang Seng China Enterprises Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the Hang Seng China Enterprises Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022 and 2021, the Sub-Fund has invested in listed investment fund which account for more than 10% of the Sub-Fund’s net asset value.

CSOP Hang Seng Index Daily (-2x) Inverse Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Hang Seng Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the Hang Seng Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022, the Sub-Fund has no investment accounts for more than 10% of the Sub-Fund’s net asset value. As at 31 December 2021, the Sub-Fund has invested in a listed investment fund which account for more than 10% of the Sub-Fund’s net asset value.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

NOTES TO THE FINANCIAL STATEMENTS

14. SEGMENT INFORMATION (Continued)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in futures contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to two times inverse (-2x) of the daily performance of the NASDAQ-100 Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in futures contracts to obtain the required exposure to the NASDAQ-100 Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022, the Sub-Fund has invested in a listed investment fund which account for more than 10% of the Sub-Fund’s net asset value. As at 31 December 2021, there are no investment in securities which accounts for more than 10% of the Sub-Fund’s net asset value.

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in swaps. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to twice the daily performance of the underlying index, namely, Hang Seng TECH Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in swaps to obtain the required exposure to the Hang Seng TECH Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022 and 2021, the Sub-Fund has invested in listed investment fund which account for more than 10% of the Sub-Fund’s net asset value.

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The Manager considers that the Sub-Fund has a single operating segment which is investing in swaps. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the two times inverse (-2x) of the daily performance of the Hang Seng TECH Index.

The internal financial information used by the Manager for the Sub-Fund’s assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund’s income is mainly derived from investments in swaps to obtain the required exposure to the Hang Seng TECH Index, the tracked index.

The Sub-Fund has no non-current assets. As at 31 December 2022 and 2021, the Sub-Fund has invested in listed investment fund which account for more than 10% of the Sub-Fund’s net asset value.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 27 April 2023.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (22.58%)			
	<i>Holdings</i>		
Listed investment funds (15.35%)			
Hong Kong (15.35%)			
Listed Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	325,000	340,437,500	7.95
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	310,660	3,256,154	0.08
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	38,476,337	313,602,066	7.32
		<hr/>	<hr/>
		316,858,220	7.40
		<hr/>	<hr/>
Total listed investment fund		657,295,720	15.35
		<hr/>	<hr/>
Unlisted investment fund (5.03%)			
Singapore (5.03%)			
CSOP INVESTMENTS II VCC-CSOP USD MONEY MARKET FUND	27,242,982	215,268,157	5.03
		<hr/>	<hr/>
Total unlisted investment fund		215,268,157	5.03
		<hr/>	<hr/>
Listed futures contracts (0.74%)			
	<i>Contracts</i>		
Hong Kong (0.74%)			
HANG SENG INDEX FUTURES 30 January 2023	5,438	31,671,868	0.74
		<hr/>	<hr/>
Total listed futures contracts		31,671,868	0.74
		<hr/>	<hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

		Fair value HKD	% of net assets
Investments and derivative financial instruments (22.58%) (Continued)			
	<i>Contracts</i>		
Unlisted swap futures contracts (1.46%)			
Hong Kong (1.46%)			
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	3,140	62,695,737	1.46
		<hr/>	<hr/>
Total unlisted swap futures contracts		62,695,737	1.46
		<hr/>	<hr/>
Total investments and derivative financial instruments		966,931,482	22.58
Other net assets		3,314,458,884	77.42
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		4,281,390,366	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		871,238,836	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (-1x) Inverse Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (17.18%)			
	<i>Holdings</i>		
Listed investment fund (17.78%)			
Hong Kong (17.78%)			
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	3,691,999	38,697,316	17.78
		<hr/>	<hr/>
Total listed investment fund		38,697,316	17.78
		<hr/>	<hr/>
Listed futures contracts (-0.60%)			
	<i>Contracts</i>		
Hong Kong (-0.60%)			
HSI FUTURES 30 January 2023	(218)	(1,309,567)	(0.60)
		<hr/>	<hr/>
Total listed futures contracts		(1,309,567)	(0.60)
		<hr/>	<hr/>
Total investments and derivative financial instruments		37,387,749	17.18
Other net assets		180,291,314	82.82
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		217,679,063	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		38,183,168	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (15.15%)			
	<i>Holdings</i>		
Listed investment fund (13.95%)			
Hong Kong (13.95%)			
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	4,047,717	42,425,745	13.95
		<hr/>	<hr/>
Total listed investment fund		42,425,745	13.95
		<hr/>	<hr/>
Listed futures contracts (1.20%)			
	<i>Contracts</i>		
Hong Kong (1.20%)			
HSCEI FUTURES 30 January 2023	1,793	3,670,151	1.20
		<hr/>	<hr/>
Total listed futures contracts		3,670,151	1.20
		<hr/>	<hr/>
Total investments and derivative financial instruments		46,095,896	15.15
Other net assets		258,107,685	84.85
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		304,203,581	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		41,868,641	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (12.16%)			
	<i>Holdings</i>		
Listed investment fund (14.06%)			
Hong Kong (14.06%)			
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	609,200	6,385,265	14.06
		<hr/>	<hr/>
Total listed investment fund		6,385,265	14.06
		<hr/>	<hr/>
Listed futures contracts (-1.90%)			
	<i>Contracts</i>		
Hong Kong (-1.90%)			
HSCEI FUTURES 30 January 2023	(270)	(860,733)	(1.90)
		<hr/>	<hr/>
Total listed futures contracts		(860,733)	(1.90)
		<hr/>	<hr/>
Total investments and derivative financial instruments		5,524,532	12.16
Other net assets		39,899,905	87.84
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		45,424,437	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		6,301,604	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (-2x) Inverse Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (11.97%)			
	<i>Holdings</i>		
Listed investment funds (13.62%)			
Hong Kong (13.62%)			
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	9,396,781	98,491,419	4.30
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	26,220,159	213,707,868	9.32
Total listed investment fund		<u>312,199,287</u>	<u>13.62</u>
Listed futures contracts (-1.27%)			
	<i>Contracts</i>		
Hong Kong (-1.27%)			
HANG SENG INDEX FUTURES 30 January 2023	(3,106)	(29,211,028)	(1.27)
Total listed futures contracts		<u>(29,211,028)</u>	<u>(1.27)</u>
Unlisted swap futures contracts (-0.38%)			
	<i>Contracts</i>		
Hong Kong (-0.38%)			
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	(1,500)	(8,751,832)	(0.38)
Total unlisted swap futures contracts		<u>(8,751,832)</u>	<u>(0.38)</u>
Total investments and derivative financial instruments		<u>274,236,427</u>	<u>11.97</u>
Other net assets		<u>2,017,741,708</u>	<u>88.03</u>
Net assets attributable to unitholders as at 31 December 2022		<u><u>2,291,978,135</u></u>	<u><u>100.00</u></u>
Total investments and derivative financial instruments, at cost		<u><u>306,150,267</u></u>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (25.50%)			
	<i>Holdings</i>		
Listed investment fund (15.57%)			
Hong Kong (15.57%)			
Listed Class			
CSOP US DOLLAR MONEY MARKET ETF	7,000	730,800	0.36
Unlisted Class			
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	29,895,308	31,249,566	15.21
Total listed investment fund		<u>31,980,366</u>	<u>15.57</u>
Unlisted investment fund (0.49%)			
Singapore (0.49%)			
CSOP INVESTMENTS II VCC-CSOP USD MONEY MARKET FUND	991,742	1,005,031	0.49
Total unlisted investment fund		<u>1,005,031</u>	<u>0.49</u>
Listed futures contracts (9.44%)	<i>Contracts</i>		
United States of America (9.44%)			
NASDAQ 100 E-MINI 17 March 2023	(1,869)	19,392,619	9.44
Total listed futures contracts		<u>19,392,619</u>	<u>9.44</u>
Total investments and derivative financial instruments		52,378,016	25.50
Other net assets		<u>153,012,701</u>	<u>74.50</u>
Net assets attributable to unitholders as at 31 December 2022		<u>205,390,717</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>32,420,647</u>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (41.20%)			
	<i>Holdings</i>		
Listed investment funds (40.14%)			
Hong Kong (40.14%)			
Listed Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	1,613,000	1,689,617,500	30.04
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	5,873,477	61,562,265	1.09
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	62,177,462	506,778,501	9.01
		<hr/>	<hr/>
Total listed investment fund		2,257,958,266	40.14
		<hr/>	<hr/>
Unlisted investment fund (2.67%)			
Singapore (2.67%)			
CSOP INVESTMENTS II VCC-CSOP USD MONEY MARKET FUND	19,042,437	150,469,224	2.67
		<hr/>	<hr/>
Total unlisted investment fund		150,469,224	2.67
		<hr/>	<hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (Continued)

		Fair value HKD	% of net assets
Investments and derivative financial instruments (41.20%) (Continued)			
Unlisted total return swaps (-1.61%)	<i>Contracts</i>		
Hong Kong (-1.61%)			
HANG SENG TECH INDEX SWAP – SG	28,643	-	-
HANG SENG TECH INDEX SWAP – BNP	5,540	(19,377,203)	(0.34)
HANG SENG TECH INDEX SWAP – CGM	1,070	(3,751,734)	(0.07)
HANG SENG TECH INDEX SWAP – CICC	4,770	24,552,094	0.44
HANG SENG TECH INDEX SWAP – JPM	14,399	(92,130,792)	(1.64)
		<hr/>	<hr/>
Total unlisted total return swaps		(90,707,635)	(1.61)
		<hr/>	<hr/>
Total investments and derivative financial instruments		2,317,719,855	41.20
		<hr/>	<hr/>
Other net assets		3,307,743,961	58.80
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		5,625,463,816	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		2,388,092,294	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2022

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

		Fair value HKD	% of net assets
Investments and derivative financial instruments (33.57%)			
	<i>Holdings</i>		
Listed investment funds (31.30%)			
Hong Kong (31.30%)			
Listed class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	619,000	648,402,500	26.96
		<hr/>	<hr/>
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	843,672	8,842,861	0.37
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	11,723,008	95,548,588	3.97
		<hr/>	<hr/>
Total listed investment fund		752,793,949	31.30
		<hr/>	<hr/>
Unlisted total return swaps (2.27%)	<i>Contracts</i>		
Hong Kong (2.27%)			
HANG SENG TECH INDEX SWAP – SG	(11,607)	-	-
HANG SENG TECH INDEX SWAP – BNP	(5,540)	18,795,835	0.78
HANG SENG TECH INDEX SWAP – CGM	(970)	3,299,306	0.14
HANG SENG TECH INDEX SWAP – JPM	(5,165)	32,498,304	1.35
		<hr/>	<hr/>
Total unlisted total return swaps		54,593,445	2.27
		<hr/>	<hr/>
Total investments and derivative financial instruments		807,387,394	33.57
Other net assets		1,597,905,503	66.43
		<hr/>	<hr/>
Net assets attributable to unitholders as at 31 December 2022		2,405,292,897	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		665,163,192	
		<hr/> <hr/>	

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Listed Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	-	325,000	-	-	325,000
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	63,197,693	74,819,848	-	137,706,881	310,660
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	-	38,476,337	-	-	38,476,337
Unlisted investment fund					
Unlisted Class					
CSOP INVESTMENTS II VCC- CSOP USD MONEY MARKET FUND	-	37,627,192	-	10,384,210	27,242,982
Quoted debt securities					
CHINA MERCHANTS SECURITIES (HK) CO LIMITED 0.51% 29/12/2022	-	10,000,000	-	10,000,000	-
CHINA MERCHANTS SECURITIES (HK) CO LIMITED 0.05% 05/09/2022	-	100,000,000	-	100,000,000	-
CHINA MERCHANTS SECURITIES (HK) CO LIMITED 0.50% 29/12/2022	-	47,500,000	-	47,500,000	-
CHINA MERCHANTS SECURITIES INVESTMENT MANAGEMENT (HK) CO LIMITED 0.5% 10/11/2022	-	95,000,000	-	95,000,000	-
CHINA MERCHANTS SECURITIES INVESTMENT MANAGEMENT (HK) CO LIMITED 0.5% 7/10/2022	-	100,000,000	-	100,000,000	-
Listed futures contracts					
HANG SENG INDEX FUTURES 28 January 2022	3,943	405	-	4,348	-
HANG SENG INDEX FUTURES 25 February 2022	-	3,756	-	3,756	-
HANG SENG INDEX FUTURES 30 March 2022	-	10,059	-	10,059	-

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product (Continued)

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Listed futures contracts					
(continued)					
HANG SENG INDEX FUTURES					
28 April 2022	-	6,825	-	6,825	-
HANG SENG INDEX FUTURES					
30 May 2022	-	7,955	-	7,955	-
HANG SENG INDEX FUTURES					
29 June 2022	-	9,257	-	9,257	-
HANG SENG INDEX FUTURES					
28 July 2022	-	6,332	-	6,332	-
HANG SENG INDEX FUTURES					
30 August 2022	-	6,822	-	6,822	-
HANG SENG INDEX FUTURES					
29 September 2022	-	8,010	-	8,010	-
HANG SENG INDEX FUTURES					
28 October 2022	-	10,231	-	10,231	-
HANG SENG INDEX FUTURES					
29 November 2022	-	11,878	-	11,878	-
HANG SENG INDEX FUTURES					
29 December 2022	-	7,852	-	7,852	-
HANG SENG INDEX FUTURES					
30 January 2023	-	6,020	-	582	5,438
Unlisted swap futures contracts					
HANG SENG INDEX FUTURES					
28 January 2022 (SWAP)	510	2,300	-	2,810	-
HANG SENG INDEX FUTURES					
25 February 2022 (SWAP)	-	3,270	-	3,270	-
HANG SENG INDEX FUTURES					
30 March 2022 (SWAP)	-	4,330	-	4,330	-
HANG SENG INDEX FUTURES					
28 April 2022 (SWAP)	-	500	-	500	-
HANG SENG INDEX FUTURES					
30 May 2022 (SWAP)	-	11,710	-	11,710	-
HANG SENG INDEX FUTURES					
29 June 2022 (SWAP)	-	19,384	-	19,384	-
HANG SENG INDEX FUTURES					
28 July 2022 (SWAP)	-	24,040	-	24,040	-
HANG SENG INDEX FUTURES					
30 August 2022 (SWAP)	-	28,648	-	28,648	-
HANG SENG INDEX FUTURES					
29 September 2022 (SWAP)	-	27,016	-	27,016	-
HANG SENG INDEX FUTURES					
28 October 2022 (SWAP)	-	24,160	-	24,160	-
HANG SENG INDEX FUTURES					
29 November 2022 (SWAP)	-	30,200	-	30,200	-
HANG SENG INDEX FUTURES					
29 December 2022 (SWAP)	-	16,880	-	16,880	-
HANG SENG INDEX FUTURES					
30 January 2023 (SWAP)	-	3,140	-	-	3,140

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (-1x) Inverse Product

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A					
	10,034,718	-	-	6,342,719	3,691,999
Listed futures contracts					
HANG SENG INDEX FUTURES					
28 January 2022	(345)	411	-	66	-
HANG SENG INDEX FUTURES					
25 February 2022	-	410	-	410	-
HANG SENG INDEX FUTURES					
30 March 2022	-	550	-	550	-
HANG SENG INDEX FUTURES					
28 April 2022	-	258	-	258	-
HANG SENG INDEX FUTURES					
30 May 2022	-	360	-	360	-
HANG SENG INDEX FUTURES					
29 June 2022	-	344	-	344	-
HANG SENG INDEX FUTURES					
28 July 2022	-	309	-	309	-
HANG SENG INDEX FUTURES					
30 August 2022	-	299	-	299	-
HANG SENG INDEX FUTURES					
29 September 2022	-	277	-	277	-
HANG SENG INDEX FUTURES					
28 October 2022	-	327	-	327	-
HANG SENG INDEX FUTURES					
29 November 2022	-	387	-	387	-
HANG SENG INDEX FUTURES					
29 December 2022	-	327	-	327	-
HANG SENG INDEX FUTURES					
30 January 2023	-	26	-	244	(218)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued) For the year ended 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A					
	5,202,605	1,826,822	-	2,981,710	4,047,717
Listed futures contracts					
HSCEI FUTURES 28 January 2022	1,191	149	-	1,340	-
HSCEI FUTURES 25 February 2022	-	1,319	-	1,319	-
HSCEI FUTURES 30 March 2022	-	2,404	-	2,404	-
HSCEI FUTURES 28 April 2022	-	1,748	-	1,748	-
HSCEI FUTURES 30 May 2022	-	2,028	-	2,028	-
HSCEI FUTURES 29 June 2022	-	1,921	-	1,921	-
HSCEI FUTURES 28 July 2022	-	1,632	-	1,632	-
HSCEI FUTURES 30 August 2022	-	1,973	-	1,973	-
HSCEI FUTURES 29 September 2022	-	2,076	-	2,076	-
HSCEI FUTURES 28 October 2022	-	2,082	-	2,082	-
HSCEI FUTURES 29 November 2022	-	2,327	-	2,327	-
HSCEI FUTURES 20 December 2022	-	2,003	-	2,003	-
HSCEI FUTURES 30 January 2023	-	1,847	-	54	1,793

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	913,920	320,903	-	625,623	609,200
Listed futures contracts					
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	-	534	-	534	-
HSCEI FUTURES 30 August 2022	-	290	-	290	-
HSCEI FUTURES 29 September 2022	-	252	-	252	-
HSCEI FUTURES 28 October 2022	-	376	-	376	-
HSCEI FUTURES 29 November 2022	-	642	-	642	-
HSCEI FUTURES 29 December 2022	-	590	-	590	-
HSCEI FUTURES 30 January 2023	-	243	-	513	(270)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (-2x) Inverse Product

	Holdings				
	1 January 2022	Additions	Corporate actions	Disposals	31 December 2022
Investments					
Listed investment fund					
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	67,669,880	25,456,143	-	83,729,242	9,396,781
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	26,220,159	-	-	-	26,220,159
Listed futures contracts					
HANG SENG INDEX FUTURES 28 January 2022	(1,931)	4,181	-	2,250	-
HANG SENG INDEX FUTURES 25 February 2022	-	5,216	-	5,216	-
HANG SENG INDEX FUTURES 30 March 2022	-	9,647	-	9,647	-
HANG SENG INDEX FUTURES 28 April 2022	-	5,169	-	5,169	-
HANG SENG INDEX FUTURES 30 May 2022	-	6,361	-	6,361	-
HANG SENG INDEX FUTURES 29 June 2022	-	5,797	-	5,797	-
HANG SENG INDEX FUTURES 28 July 2022	-	5,249	-	5,249	-
HANG SENG INDEX FUTURES 30 August 2022	-	4,027	-	4,027	-
HANG SENG INDEX FUTURES 29 September 2022	-	3,937	-	3,937	-
HANG SENG INDEX FUTURES 28 October 2022	-	4,718	-	4,718	-
HANG SENG INDEX FUTURES 29 November 2022	-	5,871	-	5,871	-
HANG SENG INDEX FUTURES 29 December 2022	-	7,005	-	7,005	-
HANG SENG INDEX FUTURES 30 January 2023	-	779	-	3,885	(3,106)
Unlisted swap futures contracts					
HANG SENG INDEX FUTURES 28 January 2022 (SWAP)	(2,500)	2,500	-	-	-
HANG SENG INDEX FUTURES 25 February 2022 (SWAP)	-	2,500	-	2,500	-
HANG SENG INDEX FUTURES 30 March 2022 (SWAP)	-	3,500	-	3,500	-
HANG SENG INDEX FUTURES 28 April 2022 (SWAP)	-	2,000	-	2,000	-

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (-2x) Inverse Product (Continued)

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Unlisted swap futures contracts (continued)					
HANG SENG INDEX FUTURES					
30 May 2022 (SWAP)	-	2,000	-	2,000	-
HANG SENG INDEX FUTURES					
29 June 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
28 July 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
30 August 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
29 September 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
28 October 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
29 November 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
29 December 2022 (SWAP)	-	1,500	-	1,500	-
HANG SENG INDEX FUTURES					
30 January 2023 (SWAP)	-	-	-	1,500	(1,500)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

	Holdings				
	1 January 2022	Additions	Corporate actions	Disposals	31 December 2022
Investments					
Listed investment fund					
Listed Class					
CSOP US DOLLAR MONEY MARKET ETF	-	7,000	-	-	7,000
Unlisted Class					
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	51,109,704	10,886,248	-	32,100,644	29,895,308
Unlisted investment fund					
Unlisted Class					
CSOP INVESTMENTS II VCC- CSOP USD MONEY MARKET FUND	-	35,871,394	-	34,879,652	991,742
Quoted debt securities					
AGRICULTURAL BANK OF CHINA LIMITED HONG KONG BRANCH (SER FXCD) (REG S) 2.44% 18/10/2022	-	5,000,000	-	5,000,000	-
CHINA MERCHANTS SECURITIES (HK) CO LIMITED 0.1% 06/09/2022	-	10,000,000	-	10,000,000	-
CHINA MERCHANTS SECURITIES (HK) CO LIMITED 0.51% 29/12/2022	-	14,100,000	-	14,100,000	-
CHINA MERCHANTS SECURITIES INVESTMENT MANAGEMENT (HK) CO LIMITED 0.5% 10/11/2022	-	11,000,000	-	11,000,000	-
CHINA MERCHANTS SECURITIES INVESTMENT MANAGEMENT (HK) CO LIMITED 0.5% 7/10/2022	-	17,000,000	-	17,000,000	-
Listed futures contracts					
NASDAQ 100 E-MINI 18 March 2022	(1,469)	6,607	-	5,138	-
NASDAQ 100 E-MINI 17 June 2022	-	7,003	-	7,003	-
NASDAQ 100 E-MINI 16 September 2022	-	5,684	-	5,684	-
NASDAQ 100 E-MINI 16 December 2022	-	5,990	-	5,990	-
NASDAQ 100 E-MINI 17 March 2023	-	687	-	2,556	(1,869)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

			Holdings		31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Listed Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	734,000	1,890,000	-	1,011,000	1,613,000
CSOP US DOLLAR MONEY MARKET ETF	-	15,000	-	15,000	-
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	20,193,980	4,999,995	-	19,320,498	5,873,477
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	14,082,040	48,095,422	-	-	62,177,462
Unlisted investment fund					
Unlisted Class					
CSOP INVESTMENTS II VCC- CSOP USD MONEY MARKET FUND	-	43,018,461	-	23,976,024	19,042,437
Unlisted total return swap					
HANG SENG TECH INDEX SWAP – SG	16,951	797,528	-	785,836	28,643
HANG SENG TECH INDEX SWAP – BNP	740	25,510	-	20,710	5,540
HANG SENG TECH INDEX SWAP – CGM	370	6,040	-	5,340	1,070
HANG SENG TECH INDEX SWAP – CICC	1,160	896,505	-	892,895	4,770
HANG SENG TECH INDEX SWAP – JPM	-	86,439	-	72,040	14,399

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

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

For the year ended 31 December 2022

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

	Holdings				31 December 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment fund					
Listed Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	102,000	1,227,000	-	710,000	619,000
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED CLASS A	5,740,129	3,398,984	-	8,295,441	843,672
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	4,214,732	7,508,276	-	-	11,723,008
Unlisted total return swap					
HANG SENG TECH INDEX SWAP – SG	(1,548)	336,399	-	346,458	(11,607)
HANG SENG TECH INDEX SWAP – BNP	(740)	20,710	-	25,510	(5,540)
HANG SENG TECH INDEX SWAP – CGM	(370)	5,040	-	5,640	(970)
HANG SENG TECH INDEX SWAP – JPM	-	32,135	-	37,300	(5,165)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Long	BNP Paribas	15,324,550
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Long	UBS AG London	16,347,318
					31,671,868
					31,671,868

Swap futures contracts

The details of outstanding swap futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:					
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	Hang Seng Index	Long	CICC Financial Trading Limited	43,007,070
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	Hang Seng Index	Long	Societe Generale	19,688,667
					62,695,737
					62,695,737

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (-1x) Inverse Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value HKD
Financial liabilities:					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Short	BNP Paribas	(428,050)
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Short	UBS AG London	(881,517)
					<hr/>
					(1,309,567)
					<hr/> <hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value HKD
Financial assets:					
HSCEI FUTURES 30 January 2023	30 January 2023	HSCEI Index	Long	BNP Paribas	3,670,151
					<u>3,670,151</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial liabilities:					
HSCEI FUTURES 30 January 2023	30 January 2023	HSCEI Index	Short	BNP Paribas	(860,733)
					<hr/>
					(860,733)
					<hr/> <hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng Index Daily (-2x) Inverse Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value HKD
Financial liabilities:					
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Short	BNP Paribas	(20,433,899)
HANG SENG INDEX FUTURES 30 January 2023	30 January 2023	Hang Seng Index	Short	UBS AG London	(8,777,129)
					<hr/>
					(29,211,028)
					<hr/> <hr/>

Swap futures contracts

The details of outstanding swap futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value HKD
Financial liabilities:					
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	Hang Seng Index	Short	J.P. Morgan Securities plc	(3,829,665)
HANG SENG INDEX FUTURES 30 January 2023 (SWAP)	30 January 2023	Hang Seng Index	Short	Societe Generale	(4,922,167)
					<hr/>
					(8,751,832)
					<hr/> <hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Futures contracts

The details of futures contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Expiration date	Underlying assets	Position	Counterparty	Fair value USD
Financial assets:					
NASDAQ 100 E-MINI 17 March 2023	17 March 2023	NASDAQ-100 Index	Short	BNP Paribas	19,366,699
NASDAQ 100 E-MINI 17 March 2023	17 March 2023	NASDAQ-100 Index	Short	Macquarie Bank Limited	25,920
					<u>19,392,619</u>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Unlisted total return swap

The details of outstanding total return swap contracts held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:				
HANG SENG TECH INDEX SWAP – CICC	Hang Seng TECH Index	Long	CICC Financial Trading Limited	24,552,094
				24,552,094
Financial liabilities:				
HANG SENG TECH INDEX SWAP –BNP	Hang Seng TECH Index	Long	BNP PARIBAS	(19,377,203)
HANG SENG TECH INDEX SWAP –CGM	Hang Seng TECH Index	Long	Citigroup Global Markets Limited	(3,751,734)
HANG SENG TECH INDEX SWAP –JPM	Hang Seng TECH Index	Long	J.P. Morgan Securities plc	(92,130,792)
HANG SENG TECH INDEX SWAP –SG	Hang Seng TECH Index	Long	Societe Generale	-
				(115,259,729)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2022

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The financial derivative instruments held by the Sub-Fund as at 31 December 2022 are summarised below:

Unlisted total return swap

The details of outstanding total return swap held by the Sub-Fund as at 31 December 2022 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial liabilities:				
HANG SENG TECH INDEX SWAP –BNP	Hang Seng TECH Index	Short	BNP Paribas	18,795,835
HANG SENG TECH INDEX SWAP –CGM	Hang Seng TECH Index	Short	Citigroup Global Markets Limited	3,299,306
HANG SENG TECH INDEX SWAP –JPM	Hang Seng TECH Index	Short	J.P. Morgan Securities plc	32,498,304
HANG SENG TECH INDEX SWAP –SG	Hang Seng TECH Index	Short	Societe Generale	-
				<hr/>
				54,593,445
				<hr/> <hr/>

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

HOLDINGS OF COLLATERAL (UNAUDITED)

CSOP Hang Seng Index Daily (2X) Leveraged Product

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral* <i>HKD</i>
CICC Financial Trading Limited	Cash	N/A	USD	0.88%	37,872,000
Societe Generale	Cash	N/A	HKD	0.96%	40,950,000
				1.84%	78,822,000
				1.84%	78,822,000

*As at 31 December 2022, the credit ratings of counterparties are at or above investment grade.

Custody/safe-keeping arrangement

	Amount of collateral received/held 31 December 2022 <i>HKD</i>	Proportion of collateral posted by the Sub-Fund 31 December 2022 %
Custodians of collateral securities		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	78,822,000	100.00%
	78,822,000	100.00%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

HOLDINGS OF COLLATERAL (UNAUDITED)

CSOP Hang Seng TECH Index Daily (2X) Leveraged Product

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral* <i>HKD</i>
BNP Paribas, Hong Kong	Cash	N/A	USD	0.18%	10,258,355
CICC Financial Trading Limited	Cash	N/A	USD	0.35%	19,500,000
Societe Generale	Cash	N/A	HKD	0.41%	23,229,645
				0.94%	52,988,000
				0.94%	52,988,000

*As at 31 December 2022, the credit ratings of counterparties are at or above investment grade.

Custody/safe-keeping arrangement

	Amount of collateral received/held 31 December 2022 <i>HKD</i>	Proportion of collateral posted by the Sub-Fund 31 December 2022 %
Custodians of collateral securities		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	52,988,000	100.00%
	52,988,000	100.00%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

HOLDINGS OF COLLATERAL (UNAUDITED)

CSOP Hang Seng TECH Index Daily (-2X) Inverse Product

Collateral provider	Nature of the collateral	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral* <i>HKD</i>
JPMorgan Securities PLC	Cash	N/A	HKD	0.45%	10,900,000
				0.45%	10,900,000

*As at 31 December 2022, the credit ratings of counterparties are at or above investment grade.

Custody/safe-keeping arrangement

	Amount of collateral received/held 31 December 2022 <i>HKD</i>	Proportion of collateral posted by the Sub-Fund 31 December 2022 %
Custodians of collateral securities		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	10,900,000	100.00%

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (2x) Leveraged Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	199.13	199.14
Highest gross exposure	200.33	200.27
Average gross exposure	199.76	199.68

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	199.13	199.14
Highest net exposure	200.33	200.27
Average net exposure	199.76	199.68

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (-1x) Inverse Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	(100.58)	(100.17)
Highest gross exposure	(99.13)	(99.13)
Average gross exposure	(99.80)	(99.73)

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	(100.58)	(100.17)
Highest net exposure	(99.13)	(99.13)
Average net exposure	(99.80)	(99.73)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	199.08	199.11
Highest gross exposure	200.56	200.12
Average gross exposure	199.75	199.69

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	199.08	199.11
Highest net exposure	200.56	200.12
Average net exposure	199.75	199.69

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	(201.92)	(201.28)
Highest gross exposure	(197.83)	(198.13)
Average gross exposure	(199.79)	(199.75)

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	(201.92)	(201.28)
Highest net exposure	(197.83)	(198.13)
Average net exposure	(199.79)	(199.75)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng Index Daily (-2x) Inverse Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	(201.61)	(201.11)
Highest gross exposure	(198.05)	(198.17)
Average gross exposure	(199.67)	(199.79)

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	(201.61)	(201.11)
Highest net exposure	(198.05)	(198.17)
Average net exposure	(199.67)	(199.79)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	(206.37)	(222.49)
Highest gross exposure	(196.63)	(196.20)
Average gross exposure	(199.84)	(199.43)

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	(206.37)	(222.49)
Highest net exposure	(196.63)	(196.20)
Average net exposure	(199.84)	(199.43)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the year/period ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	198.68	198.26
Highest gross exposure	200.44	200.20
Average gross exposure	199.57	199.35

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the year/period ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	198.68	198.26
Highest net exposure	200.44	200.20
Average net exposure	199.57	199.35

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

For the year ended 31 December 2022

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund’s total net asset value for the year/period ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	(201.85)	(203.81)
Highest gross exposure	(197.88)	(197.54)
Average gross exposure	(200.06)	(199.96)

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund’s total net asset value for the year/period ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	(201.85)	(203.81)
Highest net exposure	(197.88)	(197.54)
Average net exposure	(200.06)	(199.96)

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng Index Daily (2x) Leveraged Product

Net asset value

	Net asset value of the Sub-Fund* HKD	Net asset value per unit HKD
At the end of financial year dated		
31 December 2022	4,281,390,366	4.5124
31 December 2021	2,616,870,047	6.8865
31 December 2020	860,541,594	9.2731

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD
Financial year/period ended		
31 December 2022	7.7847	2.5556
31 December 2021	11.9319	6.4919
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 on a non-dealing day and calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng Index Daily (-1x) Inverse Product

Net asset value

	Net asset value of the Sub-Fund* <i>HKD</i>	Net asset value per unit <i>HKD</i>
At the end of financial year dated		
31 December 2022	217,679,063	5.3353
31 December 2021	404,829,574	5.2169
31 December 2020	634,955,438	4.8693

Highest and lowest net asset value per unit

	Highest issue price per unit <i>HKD</i>	Lowest redemption price per unit <i>HKD</i>
Financial year/period ended		
31 December 2022	7.3907	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 net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Net asset value

	Net asset value of the Sub-Fund* HKD	Net asset value per unit HKD
At the end of financial year dated		
31 December 2022	304,203,581	2.6224
31 December 2021	246,515,932	4.4659
31 December 2020	226,534,930	7.6532

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD
Financial year/period ended		
31 December 2022	5.0221	1.4745
31 December 2021	9.8784	4.2712
31 December 2020	8.9351	4.9909
31 December 2019	9.5361	6.6282
31 December 2018	13.2465	6.9085
31 December 2017 (since 10 March 2017 (date of inception))	10.1548	6.7118

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product

Net asset value

	Net asset value of the Sub-Fund* HKD	Net asset value per unit HKD
At the end of financial year dated		
31 December 2022	45,424,437	5.1619
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 issue price per unit HKD	Lowest redemption price per unit HKD
Financial year/period ended		
31 December 2022	10.5646	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
31 December 2017 (since 10 March 2017 (date of inception))	7.4009	5.8417

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng Index Daily (-2x) Inverse Product

Net asset value

	Net asset value of the Sub-Fund* <i>HKD</i>	Net asset value per unit <i>HKD</i>
At the end of financial year dated		
31 December 2022	2,292,394,838	5.3065
31 December 2021	2,593,667,142	5.6680
31 December 2020	6,380,554,216	5.1192

Highest and lowest net asset value per unit

	Highest issue price per unit <i>HKD</i>	Lowest redemption price per unit <i>HKD</i>
Financial year/period ended		
31 December 2022	10.4954	4.8803
31 December 2021	6.0370	3.8853
31 December 2020	10.0115	5.0943
31 December 2019 (Since 24 May 2019 (date of inception))	8.0923	6.1870

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP NASDAQ-100 Index Daily (-2x) Inverse Product

Net asset value

	Net asset value of the Sub-Fund* USD	Net asset value per unit USD
At the end of financial year/period dated		
31 December 2022	205,432,055	2.3580**
31 December 2021	240,398,710	0.1415
31 December 2020	74,062,514	0.2557

Highest and lowest net asset value per unit

	Highest issue price per unit USD	Lowest redemption price per unit USD
Financial year/period ended		
31 December 2022	2.5915	0.1386
31 December 2021	0.2719	0.1386
31 December 2020 (Since 17 September 2019 (date of inception))	1.0953	0.2557

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

**Pursuant to the Unit Consolidation Announcement dated 25 February 2022, effective from 21 March 2022, the Management has determined that each of the existing 10 units in the Sub-Fund be consolidated into one unit. The minimum size for creation or redemption of units in issue by participating dealers of the Sub-Fund will remain unchanged at 800,000 consolidated units. The consolidation units will rank pari passu in all respects with each other and the unit consolidation will not result in any change in the relative rights of the unitholders.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product

Net asset value

	Net asset value of the Sub-Fund* HKD	Net asset value per unit HKD
At the end of financial year/period dated		
31 December 2022	5,625,696,261	5.7450**
31 December 2021	2,725,455,794	3.1417

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD
Financial year/period ended		
31 December 2022	8.2703	1.1086
31 December 2021 (since 8 December 2020 (date of inception))	13.5212	2.9306

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

**Pursuant to the Unit Consolidation Announcement dated 6 July 2022, effective from 27 July 2022, the Management has determined that each of the existing 5 units in the Sub-Fund be consolidated into one unit. The minimum size for creation or redemption of units in issue by participating dealers of the Sub-Fund will remain unchanged at 400,000 consolidated units. The consolidation units will rank pari passu in all respects with each other and the unit consolidation will not result in any change in the relative rights of the unitholders.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

PERFORMANCE RECORD (Unaudited)

CSOP Hang Seng TECH Index Daily (-2x) Inverse Product

Net asset value

	Net asset value of the Sub-Fund* HKD	Net asset value per unit HKD
At the end of financial year/period dated		
31 December 2022	2,405,525,380	7.1381
31 December 2021	380,823,165	9.8659

Highest and lowest net asset value per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD
Financial year/period ended		
31 December 2022	22.7828	6.4918
31 December 2021 (since 8 December 2020 (date of inception))	10.6484	3.9217

*The net asset value of the Sub-Fund disclosed is on a non-dealing day and is calculated in accordance with the Trust's Prospectus.

CSOP LEVERAGED AND INVERSE SERIES (The “Unit Trust”)

MANAGEMENT AND ADMINISTRATION

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Hong Kong

Custodian

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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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pertaining to CSOP Hang Seng Index Daily (2x) Leveraged Product, CSOP Hang Seng Index Daily (-1x) Inverse Product, CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product, CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product, CSOP Hang Seng Index Daily (-2x) Inverse Product and CSOP NASDAQ-100 Index Daily (-2x) Inverse Product.

pertaining to CSOP Hang Seng TECH Index Daily (2x) Leveraged Product and CSOP Hang Seng TECH Index Daily (-2x) Inverse Product.



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