



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

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(Stock Code: 07335)
(A sub-fund of CSOP Leveraged and Inverse Series)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2017



**CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONTENTS

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

**CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP Nifty 50 Daily (-1x) 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 18 July 2016 and commenced trading in HKD under the stock code 7335 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 20 July 2016. The Sub-Fund is benchmarked against the Nifty 50 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 Nifty 50 Daily (-1x) Inverse Product is a futures-based ETF which invests directly in the nearest month futures contracts on the Nifty 50 Index listed on the SGX (“SGX Nifty 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) the Daily performance of the Index.

As the Index is not a futures index, the Product does not follow any predetermined roll-over schedule. The Manager will roll the SGX Nifty Index Futures on a monthly basis. The futures roll for the SGX Nifty Index Futures will be done on a monthly basis during a 3 or 4 trading day period on the SGX shortly before expiration.

The index is compiled and managed by India Index Services and Products Ltd (“IISL” or the “Index Provider”). It is a float-adjusted market capitalization weighted index that tracks the behaviour of a portfolio of blue chip companies, the largest and most liquid Indian securities listed on the National Stock Exchange of India Ltd. (the “NSE”). The Index operates under clearly defined rules published by the index provider and is a tradable index.

Sub-Fund Performance

The CSOP Nifty 50 Daily (-1x) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 1 times the daily performance of the Index. As of 30 June 2017, the dealing Net Asset Value (“NAV”) per unit of the CSOP Nifty 50 Daily (-1x) Inverse Product was USD 1.8051 and there were 900,000 units outstanding. The total asset under management was approximately USD 1.6 million.

For the period ended 30 June 2017, the dealing NAV of CSOP Nifty 50 Daily (-1x) Inverse Product performed -13.71% while the index performed 16.31%. YTD Price return of the HKD counter (stock code 7335) was -13.28%.

Exchange Liquidity

Since inception, the CSOP Nifty 50 Daily (-1x) Inverse Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7335) remained steadily at an average daily turnover of HKD 52 thousands in June 2017.

Portfolio Rebalance

The CSOP Nifty 50 Daily (-1x) Inverse Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced twelve monthly rebalances.

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	30 June 2017 (Unaudited) USD	31 December 2016 (Audited) USD
ASSETS		
CURRENT ASSETS		
Investments	997,873	999,142
Derivative financial instruments	3,452	-
Interest receivable	72	5
Prepayment	1,997	5,632
Margin deposit	167,968	477,968
Bank balances	382,332	3,248,172
	<hr/>	<hr/>
Total assets	1,553,694	4,730,919
	<hr/>	<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	-	81,736
Management fee payable	7,884	3,486
Other accounts payable	8,945	30,820
	<hr/>	<hr/>
Total liabilities	16,829	116,042
	<hr/>	<hr/>
EQUITY		
Net assets attributable to unitholders	1,536,865	4,614,877
	<hr/>	<hr/>
Number of units in issue	900,000	2,250,000
	<hr/>	<hr/>
Net asset value per unit	1.7076	2.0511
	<hr/>	<hr/>

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 (Unaudited) USD
INCOME	
Interest income	861
Net loss on investments and derivative financial instruments	(476,935)
Total net loss	(476,074)

EXPENSES	
Management fee	(12,814)
Transaction costs of investments	(5,566)
Audit fee	(2,211)
Safe custody and bank charges	(144)
License fee	(2,987)
Other operating expenses	(8,621)
Total operating expenses	(32,343)

Total comprehensive income	(508,417)
	=====

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 (Unaudited) USD
Net assets attributable to unitholders at the beginning of the period	4,614,877

Payments on redemption of units	(2,569,595)

Net decrease from unit transactions	(2,569,595)

Total comprehensive income for the period	(508,417)

Net assets attributable to unitholders at the end of the period	1,536,865
	=====

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2017

Period from
1 January 2017
to 30 June 2017
(Unaudited)
USD

OPERATING ACTIVITIES

Payments for purchase of investments	(3,994,786)
Proceeds from sale of investments	3,433,932
Interest received	794
Management fee paid	(8,738)
Transaction costs paid	(5,566)
Other operating expenses paid	(35,516)
Margin deposit	310,000
Prepayment	3,635
	<hr/>
Net cash used in operating activities	(296,245)
	<hr/>

FINANCING ACTIVITIES

Payments on redemption of units	(2,569,595)
	<hr/>
Net cash used in financing activities	(2,569,595)
	<hr/>

Net decrease in cash and cash equivalents	(2,865,840)
Cash and cash equivalents at the beginning of the period	3,248,172
	<hr/>
Cash and cash equivalents at the end of the period	382,332
	<hr/>

Analysis of balances of cash and cash equivalents

Bank balances	382,332
	<hr/>

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2017

		Fair value	% of
		USD	assets
Investments (65.15%)			
Listed debt securities (64.93%)	<i>Holdings</i>		
United States of America (64.93%)			
TREASURY BILL 0% 17 August 2017	200,000	199,764	13.00
TREASURY BILL UCP 14 September 2017	200,000	199,605	12.99
TREASURY BILL UCP 16 November 2017	200,000	199,197	12.96
TREASURY BILL UCP 26 October 2017	200,000	199,331	12.97
TREASURY BILL ZCP 06 July 2017	200,000	199,976	13.01
Total debt securities		<u>997,873</u>	<u>64.93</u>
Future contracts (0.22%)	<i>Expiration Date Contracts</i>		
Singapore (0.22%)			
SGX NIFTY 50 JUL17 27 July 2017	27 July 2017 (84)	3,452	0.22
Total futures contracts		<u>3,452</u>	<u>0.22</u>
Total investments and derivative financial instruments		1,001,325	65.15
Other net assets		<u>535,540</u>	<u>34.85</u>
Net assets attributable to unitholders as at 30 June 2017		<u>1,536,865</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>997,321</u>	

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2017

	Holdings				
	1 January 2017	Additions	Corporate actions	Disposals	30 June 2017
Investments					
Money market instruments					
TREASURY BILL 0% 17 August 2017	-	200,000	-	-	200,000
TREASURY BILL UCP 09 February 2017	-	1,000,000	-	1,000,000	-
TREASURY BILL UCP 11 May 2017	-	500,000	-	500,000	-
TREASURY BILL UCP 14 September 2017	-	200,000	-	-	200,000
TREASURY BILL UCP 16 November 2017	-	200,000	-	-	200,000
TREASURY BILL UCP 26 October 2017	-	200,000	-	-	200,000
TREASURY BILL ZCP 06 April 2017	-	1,000,000	-	1,000,000	-
TREASURY BILL ZCP 06 July 2017	-	200,000	-	-	200,000
TREASURY BILL ZCP 08 June 2017	-	500,000	-	500,000	-
TREASURY BILL ZCP 09 March 2017	1,000,000	-	-	1,000,000	-
Future Contracts					
SGX CNX NIFTY FUT APR 17 27 April 2017	-	96	-	96	-
SGX NIFTY 50 INDEX FUT FEB17 23 February 2017	-	272	-	272	-
SGX NIFTY 50 INDEX FUT JAN17 26 January 2017	(286)	296	-	10	-
SGX NIFTY 50 JUL17 27 July 2017	-	-	-	84	(84)
SGX NIFTY 50 JUN17 FUT 29 June 2017	-	96	-	96	-
SGX NIFTY 50 MAR17 30 March 2017	-	184	-	184	-
SGX NIFTY 50 MAY17 25 May 2017	-	91	-	91	-

CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>USD</i>	Net asset value per unit <i>USD</i>
At the end of financial period dated		
30 June 2017	1,624,585	1.8051
31 December 2016	4,706,338	2.0917

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>USD</i>	Lowest net asset value per unit <i>USD</i>
Financial period ended		
30 June 2017	2.0898	1.7710
31 December 2016 (since 18 July 2016 (date of inception))	2.1507	1.9111

**CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (UNAUDITED)

There were five (31 December 2016: 1) investments that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2017.

	Fair Value USD	% of assets
As at 30 June 2017		
United States of America		
TREASURY BILL 0% 17 August 2017	199,764	13.00%
TREASURY BILL UCP 14 September 2017	199,605	12.99%
TREASURY BILL UCP 16 November 2017	199,197	12.96%
TREASURY BILL UCP 26 October 2017	199,331	12.97%
TREASURY BILL ZCP 06 July 2017	199,976	13.01%

As at 31 December 2016

United States of America

TREASURY BILL ZCP 9 March 2017	999,142	21.65%
--------------------------------	---------	--------

For the period ended 30 June 2017, the Nifty 50 Index increased by 16.31% (for the period from 18 July 2016 (date of inception) to 31 December 2016: decreased by 3.79%) while the net asset value per unit of Sub-Fund decreased by 16.75% (for the period from 18 July 2016 (date of inception) to 31 December 2016: increased by 2.56%).

**CSOP NIFTY 50 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited
1st Floor, One & Two Exchange Square
8 Connaught Place
Central, Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

Directors of the Manager

Benoit Descourtieux
Chen Ding
Gaobo Zhang
Liangyu Gao
Haipeng Li
Zhongping Cai
Zengtao Wu

Legal Counsel to the Manager

Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway
Hong Kong

Auditor

PricewaterhouseCoopers
21st Floor, Edinburgh Tower
15 Queen's Road Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

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