



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

**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT**  
**(Stock Code: 07202)**  
**(A sub-fund of CSOP Leveraged and Inverse Series)**

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



**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**CONTENTS**

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

**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**REPORT OF THE MANAGER TO THE UNITHOLDERS**

**Introduction**

The CSOP Nifty 50 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 18 July 2016 and commenced trading in HKD under the stock code 7202 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 (2x) Leveraged 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 twice (2x) 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 (2x) Leveraged Product seeks to provide daily investment results, before fees and expenses, which closely correspond to positive twice 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 (2x) Leveraged Product was USD 2.1585 and there were 900,000 units outstanding. The total asset under management was approximately USD 1.9 million.

For the period ended 30 June 2017, the dealing NAV of CSOP Nifty 50 Daily (2x) Leveraged Product performed 28.47% while the index performed 16.31%. YTD Price return of the HKD counter (stock code 7202) was 29.68%.

**Exchange Liquidity**

Since inception, the CSOP Nifty 50 Daily (2x) Leveraged Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7202) remained steadily at an average daily turnover of HKD 0.52 million in June 2017.

**Portfolio Rebalance**

The CSOP Nifty 50 Daily (2x) Leveraged Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced twelve monthly rebalances.

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**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2017*

	30 June 2017 (Unaudited) USD	31 December 2016 (Audited) USD
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Investments	997,873	999,142
Derivative financial instruments	-	191,145
Interest receivable	85	5
Prepayment	1,997	5,633
Margin deposit	336,667	878,124
Bank balances	544,762	3,413,629
	<hr/>	<hr/>
<b>Total assets</b>	1,881,384	5,487,678
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Derivative financial instruments	8,425	-
Management fee payable	9,586	4,071
Other accounts payable	8,411	30,901
	<hr/>	<hr/>
<b>Total liabilities</b>	26,422	34,972
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	1,854,962	5,452,706
	<hr/>	<hr/>
<b>Number of units in issue</b>	900,000	3,300,000
	<hr/>	<hr/>
<b>Net asset value per unit</b>	2.0611	1.6523
	<hr/>	<hr/>

**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT**  
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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
*For the period ended 30 June 2017*

	Period from 1 January 2017 to 30 June 2017 (Unaudited) USD
<b>INCOME</b>	
Interest income	1,632
Net gain on investments and derivative financial instruments	1,173,626
<b>Total net income</b>	1,175,258
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<b>EXPENSES</b>	
Management fee	(15,836)
Transaction costs of investments	(13,042)
Audit fee	(2,212)
Safe custody and bank charges	(157)
License fee	(3,632)
Other operating expenses	(7,646)
<b>Total operating expenses</b>	(42,525)
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<b>Total comprehensive income</b>	1,132,733
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**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT**  
**(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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

	Period from 1 January 2017 to 30 June 2017 (Unaudited) USD
Net assets attributable to unitholders at the beginning of the period	5,452,706
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Payments on redemption of units	(4,730,477)
	-----
Net decrease from unit transactions	(4,730,477)
	-----
Total comprehensive income for the period	1,132,733
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<b>Net assets attributable to unitholders at the end of the period</b>	<b>1,854,962</b>
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**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT**  
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**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	(3,994,785)
Proceeds from sale of investments	5,369,250
Interest received	1,552
Management fee paid	(10,686)
Transaction costs paid	(13,042)
Other operating expenses paid	(35,772)
Margin deposit	541,457
Prepayment	3,636

<b>Net cash generated from operating activities</b>	<b>1,861,610</b>
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**FINANCING ACTIVITIES**

Payments on redemption of units	(4,730,477)
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<b>Net cash used in financing activities</b>	<b>(4,730,477)</b>
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Net decrease in cash and cash equivalents	(2,868,867)
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Cash and cash equivalents at the beginning of the period	3,413,629
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Cash and cash equivalents at the end of the period	544,762
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**Analysis of balances of cash and cash equivalents**

Bank balances	544,762
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**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT  
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**INVESTMENT PORTFOLIO (Unaudited)**

*As at 30 June 2017*

		<b>Fair value</b>	<b>% of</b>
		<b>USD</b>	<b>assets</b>
<b>Investments (53.34%)</b>			
<b>Listed debt securities (53.79%)</b>	<i>Holdings</i>		
<b>United States of America (53.79%)</b>			
TREASURY BILL 0% 17 August 2017	200,000	199,764	10.77
TREASURY BILL UCP 14 September 2017	200,000	199,605	10.76
TREASURY BILL UCP 16 November 2017	200,000	199,197	10.74
TREASURY BILL UCP 26 October 2017	200,000	199,331	10.74
TREASURY BILL ZCP 06 July 2017	200,000	199,976	10.78
Total debt securities		<u>997,873</u>	<u>53.79</u>
<b>Future contracts (-0.45%)</b>	<i>Expiration Date</i>	<i>Contracts</i>	
<b>Singapore (-0.45%)</b>			
SGX NIFTY 50 JUL17 27 July 2017	27 July 2017	203	(8,425) (0.45)
Total futures contracts			<u>(8,425) (0.45)</u>
Total investments and derivative financial instruments		989,448	53.34
Other net assets		865,514	46.66
Net assets attributable to unitholders as at 30 June 2017		<u>1,854,962</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>997,321</u>	



**CSOP NIFTY 50 DAILY (2X) LEVERAGED PRODUCT**  
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**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	-	203	-	203	-
SGX NIFTY 50 INDEX FUT					
FEB17 23 February 2017	-	731	-	731	-
SGX NIFTY 50 INDEX FUT					
JAN17 26 January 2017	676	24	-	700	-
SGX NIFTY 50 JUL17 27 July					
2017	-	203	-	-	203
SGX NIFTY 50 JUN17 FUT 29					
June 2017	-	211	-	211	-
SGX NIFTY 50 MAR17 30					
March 2017	-	372	-	372	-
SGX NIFTY 50 MAY17 25 May					
2017	-	208	-	208	-

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**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	1,942,682	2.1585
31 December 2016	5,544,167	1.6801

**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	2.2551	1.6822
31 December 2016 (since 18 July 2016 (date of inception))	2.1387	1.6150

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**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
<b>As at 30 June 2017</b>		
<b>United States of America</b>		
TREASURY BILL 0% 17 August 2017	199,764	10.77%
TREASURY BILL UCP 14 September 2017	199,605	10.76%
TREASURY BILL UCP 16 November 2017	199,197	10.74%
TREASURY BILL UCP 26 October 2017	199,331	10.74%
TREASURY BILL ZCP 06 July 2017	199,976	10.78%

**As at 31 December 2016**

**United States of America**

TREASURY BILL ZCP 9 March 2017	999,142	18.32%
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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 increased by 24.74% (for the period from 18 July 2016 (date of inception) to 31 December 2016: decreased by 17.39%).

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**MANAGEMENT AND ADMINISTRATION**

**Manager**

CSOP Asset Management Limited  
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Hong Kong

**Trustee and Registrar**

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**Service Agent**

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Central, Hong Kong

**Listing Agent**

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Central, Hong Kong

**Directors of the Manager**

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Zhongping Cai  
Zengtao Wu

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