

E FUND LEVERAGED AND INVERSE SERIES

SEMI-ANNUAL REPORT

E FUND YUANTA HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT
E FUND YUANTA HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT
For the period from 1 January 2018 to 30 June 2018

(SUB-FUNDS OF E FUND LEVERAGED AND INVERSE SERIES)

E FUND LEVERAGED AND INVERSE SERIES

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E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product 30 June 2018 HK\$	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product 31 December 2017 HK\$	E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product 30 June 2018 HK\$	E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product 31 December 2017 HK\$
ASSETS				
Financial assets at fair value through profit or loss	37,222,565	46,915,562	32,842,323	37,598,091
Interest receivable on bank deposits	176	49,532	101,788	8,554
Amounts due from brokers	32,104,824	14,639,764	22,121,642	32,821,994
Cash and cash equivalents	75,797,330	95,837,211	43,749,438	55,908,655
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Total assets	145,124,895	157,442,069	98,815,191	126,337,294
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LIABILITIES				
Financial liabilities at fair value through profit or loss	2,596,382	1,517,026	-	-
Management fee payable	93,545	231,501	67,373	158,646
Trustee fee payable	83,032	16,817	11,074	12,298
Other payables	284,129	103,710	699,344	675,462
Establishment costs payable	864,387	876,637	922,308	934,558
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Total liabilities	3,921,475	2,745,691	1,700,099	1,780,964
	<hr/>	<hr/>	<hr/>	<hr/>
Equity				
Net assets attributable to unitholders	141,203,420	154,696,378	97,115,092	124,556,330
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Number of units in issue	29,200,000	32,000,000	14,400,000	17,200,000
Net assets attributable to unitholders per unit (Dealing NAV)	4.8679	4.8675	6.8108	7.3054

E FUND LEVERAGED AND INVERSE SERIES
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2018

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product	E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product
	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$
INCOME		
Interest income on bank deposits	365,496	318,019
Net loss on financial assets and financial liabilities at fair value through profit or loss	(1,590,289)	(2,908,356)
Net foreign exchange gains	162,992	62,183
Total net loss	<u>(1,061,801)</u>	<u>(2,528,154)</u>
EXPENSES		
Management fee	(592,908)	(444,645)
Trustee fee	(306,472)	(67,664)
Transaction costs on investments	(31,784)	(67,079)
Audit fee	(83,339)	(65,751)
Bank charge	(200)	(8,740)
Other operating expenses	(453,694)	(403,925)
Total operating expenses	<u>(1,468,397)</u>	<u>(1,057,804)</u>
Total comprehensive loss for the period	<u><u>(2,530,198)</u></u>	<u><u>(3,585,958)</u></u>

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2018

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product	E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product
	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$
Net assets attributable to unitholders at the beginning of the period	154,696,378	124,556,330
Proceeds from subscription of units	53,227,240	6,208,160
Payments on redemption of units	(64,190,000)	(30,063,440)
Net decrease from unit transactions	(10,962,760)	(23,855,280)
Total comprehensive loss for the period	(2,530,198)	(3,585,958)
Net assets attributable to unitholders at the end of the period	<u>141,203,420</u>	<u>97,115,092</u>

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS

For the period ended 30 June 2018

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product	E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product
	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$
OPERATING ACTIVITIES		
Purchase of financial assets and financial liabilities at fair value through profit or loss	9,182,064	-
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss	-	1,847,412
Interest received on bank deposits	414,852	224,785
Management fee paid	(730,864)	(535,918)
Transaction costs paid	(31,784)	(67,079)
Trustee fee paid	(240,257)	(68,888)
Audit fee, bank charges and other operating expenses paid	(193,822)	(392,351)
Margin deposit paid/received	(17,465,060)	10,700,352
Establishment costs paid	(12,250)	(12,250)
Net cash (used in)/generated from operating activities	(9,077,121)	11,696,063
FINANCING ACTIVITIES		
Proceeds from subscription of units	53,227,240	6,208,160
Payments on redemption of units	(64,190,000)	(30,063,440)
Net cash used in financing activities	(10,962,760)	(23,855,280)
Decrease in cash and cash equivalents	(20,039,881)	(12,159,217)
Cash and cash equivalents at the beginning of the period	95,837,211	55,908,655
Cash and cash equivalents at the end of the period	75,797,330	43,749,438
Analysis of balances of cash and cash equivalents		
Bank balances	75,797,330	43,749,438

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INVESTMENT PORTFOLIO (unaudited)

As at 30 June 2018

E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product

		Fair value HK\$	% of net assets
Investment funds			
Hong Kong			
E FUND US DOLLAR MONEY MARKET FUND	Holdings		
	46,915	37,222,565	26.36%
Futures contracts			
Hong Kong			
HANG SENG IDX FUT JUL18	Expiration date	Contracts	
30/07/2018	30/07/2018	(98)	(1.84)%
Total investments at fair value		<u>34,626,183</u>	<u>24.52%</u>
Other net assets		<u>106,577,237</u>	<u>75.48%</u>
Net assets attributable to unitholders at 30 June 2018		<u>141,203,420</u>	<u>100.00%</u>
Total investments, at cost		<u>36,746,069</u>	

E FUND LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 30 June 2018

E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product

			Fair value HK\$	% of net assets
Investment funds		Holdings		
Hong Kong				
E FUND US DOLLAR MONEY MARKET FUND		36,925	29,296,176	30.17%
Futures contracts	Expiration date	Contracts		
Hong Kong				
HANG SENG IDX FUT JUL18 30/07/2018	30/07/2018	135	3,530,772	3.63%
MINI HSI IDX FUT JUL18 30/07/2018	30/07/2018	6	15,375	0.02%
Total investments at fair value			<u>32,842,323</u>	<u>33.82%</u>
Other net assets			64,272,769	66.18%
Net assets attributable to unitholders at 30 June 2018			<u>97,115,092</u>	<u>100.00%</u>
Total investments, at cost			<u>28,921,148</u>	

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)

E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product

For the period ended 30 June 2018

	Holdings				Corporate action	30 June 2018
	1 January 2018	Additions	Disposals			
Money market funds						
Hong Kong						
E FUND US DOLLAR						
MONEY MARKET FUND	59,900	-	12,985	-		46,915
Futures Contracts						
Hong Kong						
HANG SENG INDEX						
FUTURE JAN18 30/01/2018	(104)	106	2	-		-
HANG SENG INDEX FUT						
FEB18 27/02/2018	-	118	118	-		-
HANG SENG IDX FUT						
MAR18 28/03/2018	-	109	109	-		-
HANG SENG IDX FUT						
APR18 27/04/2018	-	111	111	-		-
HANG SENG IDX FUT						
MAY18 30/05/2018	-	141	141	-		-
HANG SENG IDX FUT						
JUN18 28/06/2018	-	142	142	-		-
HANG SENG IDX FUT JUL18						
30/07/2018	-	5	103	-		(98)

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited) (continued)

E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product

For the period ended 30 June 2018

	Holdings			Corporate action	30 June 2018
	1 January 2018	Additions	Disposals		
Money market funds					
Hong Kong					
E FUND US DOLLAR					
MONEY MARKET FUND	44,925	-	8,000	-	36,925
Futures Contracts					
Hong Kong					
HANG SENG INDEX					
FUTURE JAN18 30/01/2018	167	11	178	-	-
HANG SENG INDEX FUT					
FEB18 27/02/2018	-	177	177	-	-
HANG SENG IDX FUT					
MAR18 28/03/2018	-	167	167	-	-
HANG SENG IDX FUT					
APR18 27/04/2018	-	142	142	-	-
HANG SENG IDX FUT					
MAY18 30/05/2018	-	147	147	-	-
HANG SENG IDX FUT					
JUN18 28/06/2018	-	151	151	-	-
HANG SENG IDX FUT JUL18					
30/07/2018	-	136	1	-	135
MINI HANG SENG INDEX					
FUTURES 30/01/2018	3	23	26	-	-
MINI HANG SENG INDEX					
FUTURES 27/02/2018	-	21	21	-	-
MINI HSI IDX FUTURE					
28/03/2018	-	24	24	-	-
MINI HSI IDX FUT APR18					
27/04/2018	-	18	18	-	-
MINI HSI IDX FUT MAY18					
30/05/2018	-	35	35	-	-
MINI HSI IDX FUT JUN18					
FUT 28/06/2018	-	15	15	-	-
MINI HSI IDX FUT JUL18					
30/07/2018	-	7	1	-	6

E FUND LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (unaudited)

Net Asset Value

E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product

	Net asset value of the Sub-Fund <i>HK\$</i>	Net asset value per unit <i>HK\$</i>
At the end of financial period dated		
30 June 2018 (Dealing NAV)	142,142,167	4.8679
31 December 2017 (Dealing NAV)	155,760,337	4.8675

E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product

	Net asset value of the Sub-Fund <i>HK\$</i>	Net asset value per unit <i>HK\$</i>
At the end of financial period dated		
30 June 2018 (Dealing NAV)	98,075,238	6.8108
31 December 2017 (Dealing NAV)	125,652,141	7.3054

Highest Issue Price and Lowest Redemption Price Per Unit

E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product

	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
Financial period ended		
30 June 2018	4.9647	4.3905
31 December 2017 (since inception)	6.3613*	4.8499

E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product

	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
Financial period ended		
30 June 2018	8.9354	6.5560
31 December 2017 (since inception)	7.4318	6.1687

*Effective 15 May 2017, HSII sub-divided its units into two sub-divided units as the application unit size was increased from 200,000 units to 400,000 sub-divided units. Accordingly, the trading lot value was halved and the number of trading board lots held by each existing unitholder was doubled.

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UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (Unaudited)

As at 30 June 2018

The underlying indices, namely, HSII for E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product and HSIL for E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product, do not have any constituent stock that individually accounted for more than 10% of the respective index as at 30 June 2018 and 31st December 2017. The Sub-Funds held one investment account with more than 10% of the net asset value of HSII and more than 10% of the net asset value of HSIL as at 30 June 2018 and 31 December 2017. As at 30 June 2018, the Sub-Funds' investments in E Fund US Dollar Money Market Fund represented 26.36% (31 December 2017: 30.33%) of the NAV of HSII and 30.17% (31 December 2017: 28.25%) of that of HSIL.

During the period started January 2018 and ended 30 June 2018, the HSII Index increased by 5.11% for E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product while the net asset value per unit of the Sub-Fund increased by 0.008%. During the period started 1 January 2018 and ended 30 June 2018, the HSIL Index decreased by 10.22% for E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product while the net asset value per unit of the Sub-Fund decreased by 6.77%.

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REPORT ON INVESTMENT OVERWEIGHT (Unaudited)

For the period ended 30 June 2018

Pursuant to the SFC's Code on Unit Trusts and Mutual Funds, the Sub-Funds' holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Funds have complied with this limit during the period ended 30 June 2018.

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Manager

E Fund Management (Hong Kong) Co., Limited
Suites 3501- 02, 35/F
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Hong Kong

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
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Hong Kong

Investment Adviser

Yuanta Securities Investment Trust Co., Ltd
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Taipei, 104
Taiwan

Custodian

HSBC Institutional Trust Services (Asia) Limited
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Service Agent/Conversion Agent

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Listing Agent

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Legal Counsel to the Manager

Simmons & Simmons
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Auditor

Ernst & Young
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Hong Kong

Directors of the Manager

Liu Xiaoyan
Zhang Youzao
Ma Jun
Fan Yue
Huang Gaohui

Participating Dealers

ABN AMRO Clearing Hong Kong Limited
Level 70 International Commerce Centre
1 Austin Road West
Kowloon
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BOCI Securities Limited
20/F Bank of China Tower
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Central
Hong Kong

China Merchants Securities (HK) Co Limited
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Central, Hong Kong

Citigroup Global Markets Asia Limited
50th Floor
Champion Tower
Three Garden Road
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Hong Kong

CSC Securities (Hong Kong) Limited*
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183 Queen's Road Central, Hong Kong

Essence International Securities (Hong Kong) Limited*
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189 Des Voeux Road Central, Hong Kong

* For the E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product only.

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers (continued)

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29/F Two International Finance Centre,
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29 Queen's Road Central, Hong Kong

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