



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

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X)  
INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA  
ENTERPRISES INDEX DAILY (-1X) INVERSE PRODUCT)  
(Stock Code: 07588)  
(A sub-fund of CSOP Leveraged and Inverse Series)**

Unaudited Semi-Annual Report  
FOR THE PERIOD ENDED 30 JUNE 2019

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
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 HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
PRODUCT)  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**REPORT OF THE MANAGER TO THE UNITHOLDERS**

**Introduction**

The CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product (or the “Sub-Fund”), which was named CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product before 25 June 2019, 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 7388 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”).

The 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 inverse (-2x) of 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 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 capitalisation 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 two times the performance of the Index. As of 28 June 2019, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product was HKD 5.7264 and there were 57,600,000 units outstanding. The total asset under management was approximately HKD 329.8 million as at 28 June 2019.

For the period from 1 January 2019 to 24 June 2019, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (-1x) Inverse Product performed -10.03% while the index performed 8.18%. Price return of the HKD counter (stock code 7388) for the same period was -9.91%. For the period from 25 June 2019 to 28 June 2019, the dealing NAV of CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product performed -2.72% while the index performed 1.30%. Price return of the HKD counter (stock code 7588) for the same period was -2.55%.

**Exchange Liquidity**

Since inception, the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7588 (Former stock code: 7388)) remained steadily at an average daily turnover of HKD 7.7 million in June 2019. The trading volume for the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product reflected strong interest in the CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product.

**Portfolio Rebalance**

The CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product adopts futures-based replication strategy to track the Index. Since inception, the Sub-Fund has experienced twenty-two monthly future roll.

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT**  
**(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE**  
**PRODUCT)**  
**(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2019*

	30 June 2019 (Unaudited) <i>HKD</i>	31 December 2018 (Audited) <i>HKD</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Investments	107,839,221	54,167,001
Bank interest receivable	1,109	212
Interest receivable	96,771	87,554
Amounts due from participating dealers	-	5,100,987
Margin deposit	59,959,130	12,171,495
Bank balances	161,858,870	61,818,952
	<hr/>	<hr/>
<b>Total assets</b>	329,755,101	133,346,201
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Derivative financial instruments	138,346	1,020,993
Management fee payable	182,878	116,292
Other accounts payable	272,231	278,921
	<hr/>	<hr/>
<b>Total liabilities</b>	593,455	1,416,206
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	329,161,646	131,929,995
	<hr/>	<hr/>
<b>Number of units in issue</b>	57,600,000	20,800,000
	<hr/>	<hr/>
<b>Net asset value per unit</b>	5.7146	6.3428
	<hr/>	<hr/>

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT**  
**(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE**  
**PRODUCT)**  
**(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*For the period ended 30 June 2019*

	Period from 1 January 2019 to 30 June 2019 (Unaudited) <i>HKD</i>	Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>HKD</i>
<b>INCOME</b>		
Interest income from bank deposits	68,471	6,569
Interest income from bonds	284,443	238,659
Net (loss)/gain on investments and derivative financial instruments	(15,820,772)	28,010,355
Other income	-	15,471
<b>Total net (loss)/income</b>	<u>(15,467,858)</u>	<u>28,271,054</u>
<b>EXPENSES</b>		
Management fee	(950,481)	(1,192,240)
Transaction costs of investments	(191,701)	(199,111)
Audit fee	(21,669)	(19,242)
Safe custody and bank charges	(5,638)	(7,305)
Legal and other professional fee	(14,024)	(3,926)
License fee	(174,827)	(97,137)
Establishment cost	-	(1,200,422)
Other operating expenses	(116,025)	(91,595)
<b>Total operating expenses</b>	<u>(1,474,365)</u>	<u>(2,810,978)</u>
<b>FINANCE COSTS</b>		
Interest expenses	<u>(27,270)</u>	<u>(48,988)</u>
<b>Total comprehensive income</b>	<u><u>(16,969,493)</u></u>	<u><u>25,411,088</u></u>

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT**  
**(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX 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 2019*

	Period from 1 January 2019 to 30 June 2019 (Unaudited) <i>HKD</i>	Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	131,929,995	104,599,919
	-----	-----
Proceeds on issue of units	313,548,404	707,509,539
Payments on redemption of units	(99,347,260)	(315,543,097)
	-----	-----
Net increase from unit transactions	214,201,144	391,966,442
	-----	-----
Total comprehensive income for the period	(16,969,493)	25,411,088
	-----	-----
<b>Net assets attributable to unitholders at the end of the period</b>	<b>329,161,646</b>	<b>521,977,449</b>
	=====	=====

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT**  
**(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE**  
**PRODUCT)**  
**(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**CONDENSED STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2019*

	Period from 1 January 2019 to 30 June 2019 (Unaudited) <i>HKD</i>	Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>HKD</i>
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(125,585,311)	(86,106,149)
Proceeds from sale of investments	55,209,673	112,380,126
Interest income from bank deposits received	67,574	6,469
Interest income from bonds received	275,226	223,616
Management fee paid	(883,895)	(1,055,239)
Transaction costs paid	(191,701)	(199,111)
Other operating expenses paid	(341,122)	(1,395,235)
Margin deposit	(47,787,635)	(26,462,348)
<b>Net cash used in operating activities</b>	<b>(119,237,191)</b>	<b>(2,607,871)</b>
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Proceeds on issue of units	313,548,404	707,509,539
Amounts received from participating dealers	5,100,987	-
Payments on redemption of units	(99,347,260)	(315,543,097)
Interest paid	(25,022)	(42,922)
<b>Net cash generated from financing activities</b>	<b>219,277,109</b>	<b>391,923,520</b>
	-----	-----
Net increase in cash and cash equivalents	100,039,918	389,315,649
Cash and cash equivalents at the beginning of the period	61,818,952	24,546,495
<b>Cash and cash equivalents at the end of the period</b>	<b>161,858,870</b>	<b>413,862,144</b>
	=====	=====
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	161,858,870	413,862,144
	=====	=====

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
PRODUCT)  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

INVESTMENT PORTFOLIO (Unaudited)  
As at 30 June 2019

		<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments and derivative financial instruments (32.72%)</b>			
	<i>Holding</i>		
<b>Listed fund (20.01%)</b>			
<b>Hong Kong (20.01%)</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	65,000	65,882,921	20.01
Total listed fund		65,882,921	20.01
<b>Quoted debt securities (12.75%)</b>			
<b>Hong Kong (12.75%)</b>			
HONG KONG GOVERNMENT 0.77% 21 August 2019	11,000,000	10,981,300	3.34
HONG KONG GOVERNMENT 1.49% 30 September 2019	11,000,000	10,989,000	3.34
HONG KONG GOVERNMENT 1.04% 20 November 2019	10,000,000	9,970,000	3.03
HONG KONG GOVERNMENT 2.16% 09 December 2019	10,000,000	10,016,000	3.04
Total debt securities		41,956,300	12.75
<b>Listed Futures contracts (-0.04%)</b>			
	<i>Expiration Date</i>	<i>Contracts</i>	
<b>Hong Kong (-0.04%)</b>			
HSCEI FUTURES 30 July 2019	30 July 2019	(1,216)	(138,346) (0.04)
Total futures contracts		(138,346)	(0.04)
Total investments and derivative financial instruments		107,700,875	32.72
Other net assets		221,460,771	67.28
Net assets attributable to unitholders as at 30 June 2019		329,161,646	100.00
Total investments and derivative financial instruments, at cost		107,524,052	



**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX 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 2019*

	<b>Holdings</b>				
	<b>1 January 2019</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>30 June 2019</b>
<b>Investments</b>					
<b>Listed fund</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	30,000	58,000	-	23,000	65,000
<b>Quoted debt securities</b>					
HONG KONG GOVERNMENT 0.99% 20 February 2019	12,000,000	-	-	12,000,000	-
HONG KONG GOVERNMENT 1.35% 25 March 2019	12,000,000	-	-	12,000,000	-
HONG KONG GOVERNMENT 0.80% 22 May 2019	-	7,000,000	-	7,000,000	-
HONG KONG GOVERNMENT 2.64% 10 June 2019	-	10,000,000	-	10,000,000	-
HONG KONG GOVERNMENT 1.34% 24 June 2019	-	8,000,000	-	8,000,000	-
HONG KONG GOVERNMENT 0.77% 21 August 2019	-	11,000,000	-	-	11,000,000
HONG KONG GOVERNMENT 1.49% 30 September 2019	-	11,000,000	-	-	11,000,000
HONG KONG GOVERNMENT 1.04% 20 November 2019	-	10,000,000	-	-	10,000,000
HONG KONG GOVERNMENT 2.16% 09 December 2019	-	10,000,000	-	-	10,000,000
<b>Listed future contracts</b>					
HSCEI FUTURES 30 January 2019	(262)	426	-	164	-
HSCEI FUTURES 28 March 2019	-	447	-	447	-
HSCEI FUTURES 29 April 2019	-	408	-	408	-
HSCEI FUTURES 30 May 2019	-	530	-	530	-
HSCEI FUTURES 27 June 2019	-	787	-	787	-
HSCEI FUTURES 30 July 2019	-	51	-	1,267	(1,216)
H-SHARES INDEX FUTURES 27 February 2019	-	443	-	443	-

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
PRODUCT)  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**PERFORMANCE RECORD (Unaudited)**

**Net asset value**

	Dealing net asset value of the Sub-Fund <i>HKD</i>	Dealing net asset value per unit <i>HKD</i>
At the end of financial period dated		
30 June 2019	329,822,929	5.7261
31 December 2018	132,763,267	6.3828
31 December 2017	104,599,919	5.9432

**Highest and lowest net asset value per unit**

	Highest net asset value per unit <i>HKD</i>	Lowest net asset value per unit <i>HKD</i>
Financial period ended		
30 June 2019	6.5686	5.3924
31 December 2018	6.4911	5.0489
31 December 2017 (Since 10 March 2017 (date of inception))	7.4009	5.8417

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
PRODUCT)  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

**UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (UNAUDITED)**

There was 1 (31 December 2018: 1) investment that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2019.

	Fair Value <i>HKD</i>	% of net assets
<b>As at 30 June 2019</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	65,882,921	20.01%
<b>As at 31 December 2018</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	30,186,201	22.88%

During the period from 1 January 2019 to 24 June 2019, the Hang Seng China Enterprises Index increased by 8.18% (31 December 2018: decreased by 13.53%). During period 25 June 2019 to 28 June 2019, the Hang Seng China Enterprises Index increased by 1.30%. During the period ended 30 June 2019, the net asset value per unit of Sub-Fund decreased by 9.90% (31 December 2018: increased by 7.96%).

**CSOP HANG SENG CHINA ENTERPRISES INDEX DAILY (-2X) INVERSE PRODUCT  
(FORMERLY KNOWN AS CSOP HANG SENG CHINA ENTERPRISES INDEX 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

**Custodian**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

**Service Agent**

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

**Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

**Directors of the Manager**

Chen Ding  
Gaobo Zhang  
Xiaosong Yang  
Xiuyan Liu  
Yi Zhou  
Zhiwei Liu  
Zhongping Cai

**Legal Counsel to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

**Auditor**

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



[www.csopasset.com](http://www.csopasset.com)

Telephone: (852) 3406 5688

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