

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 2019 to 30 June 2019

(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 2019

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	HK\$	HK\$	HK\$	HK\$
ASSETS				
Financial assets at fair value through profit or loss	13,122,850	13,014,443	13,727,300	13,578,032
Amounts due from brokers	7,520,085	11,704,530	23,088,411	10,805,726
Subscription receivable	-	3,799,464	-	-
Other receivables	23,400	252,681	11,700	202,939
Cash and cash equivalents	29,814,484	54,628,065	34,381,517	25,710,461
Total assets	50,480,819	83,399,183	71,208,928	50,297,158
LIABILITIES				
Financial liabilities at fair value through profit or loss	570,570	1,109,200	3,220	850
Management fee payable	33,485	46,257	43,220	34,024
Trustee fee payable	3,400	4,995	4,883	3,732
Redemption payable	-	14,618,520	-	-
Establishment costs payable	583,387	583,387	707,387	707,387
Other payables	587,620	739,589	1,014,589	1,082,110
Total liabilities	1,778,462	17,101,948	1,773,299	1,828,103
Equity				
Net assets attributable to unitholders	48,702,357	66,297,235	69,435,629	48,469,055
Number of units in issue	10,800,000	12,800,000	10,800,000	9,200,000
Net assets attributable to unitholders per unit (Dealing NAV)	4.5095	5.2209	6.4292	5.3335

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2019

	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 2019 to 30 June 2019 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$
INCOME				
Interest income on bank deposits	94,620	365,496	79,701	318,019
Net (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	(7,506,943)	(1,590,289)	10,488,728	(2,908,356)
Net foreign exchange (losses)/gains	(67,029)	162,992	(46,147)	62,183
Total net (loss)/income	(7,479,352)	(1,061,801)	10,522,282	(2,528,154)
EXPENSES				
Management fee	(221,373)	(592,908)	(246,994)	(444,645)
Trustee fee	(27,672)	(306,472)	(30,874)	(67,664)
Transaction costs on investments	(30,464)	(31,784)	(59,146)	(67,079)
Audit fee	(46,392)	(83,339)	(64,713)	(65,751)
Legal and professional fee	(99,179)	-	(154,482)	-
Bank charge	(3,040)	(200)	(2,520)	(8,740)
Other operating expenses	(423,726)	(453,694)	(409,219)	(403,925)
Total operating expenses	(851,846)	(1,468,397)	(967,948)	(1,057,804)
Total comprehensive (loss)/income for the period	(8,331,198)	(2,530,198)	9,554,334	(3,585,958)

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2019

	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 2019 to 30 June 2019 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$
Net assets attributable to unitholders at the beginning of the period	66,297,235	154,696,378	48,469,055	124,556,330
Proceeds from subscription of units	10,960	53,227,240	11,412,240	6,208,160
Payments on redemption of units	(9,274,640)	(64,190,000)	-	(30,063,440)
Net (decrease)/increase from unit transactions	(9,263,680)	(10,962,760)	11,412,240	(23,855,280)
Total comprehensive (loss)/income for the period	(8,331,198)	(2,530,198)	9,554,334	(3,585,958)
Net assets attributable to unitholders at the end of the period	<u>48,702,357</u>	<u>141,203,420</u>	<u>69,435,629</u>	<u>97,115,092</u>

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STATEMENT OF CASH FLOWS

For the period ended 30 June 2019

	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 2019 to 30 June 2019 HK\$	For the period from 1 January 2018 to 30 June 2018 HK\$	For the period from 1 January 2019 to 30 June 2019 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	(8,087,650)	9,182,064	(49,770)	-
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss	11,571,171	-	10,345,453	1,847,412
Interest received on bank deposits	94,620	414,852	79,701	224,785
Other income received	229,281	-	191,239	-
Management fee paid	(234,145)	(730,864)	(237,798)	(535,918)
Transaction costs paid	(30,464)	(31,784)	(59,146)	(67,079)
Trustee fee paid	(29,267)	(240,257)	(29,723)	(68,888)
Audit fee, bank charges and other operating expenses paid	(724,306)	(193,822)	(698,455)	(392,351)
Margin deposit (paid)/received	(7,520,085)	(17,465,060)	(12,282,685)	10,700,352
Establishment costs paid	-	(12,250)	-	(12,250)
Net cash (used in)/generated from operating activities	(4,730,845)	(9,077,121)	(2,741,184)	11,696,063
FINANCING ACTIVITIES				
Proceeds from subscription of units	3,810,424	53,227,240	11,412,240	6,208,160
Payments on redemption of units	(23,893,160)	(64,190,000)	-	(30,063,440)
Net cash (used in)/generated from financing activities	(20,082,736)	(10,962,760)	11,412,240	(23,855,280)
Decrease/(increase) in cash and cash equivalents	(24,813,581)	(20,039,881)	8,671,056	(12,159,217)
Cash and cash equivalents at the beginning of the period	54,628,065	95,837,211	25,710,461	55,908,655
Cash and cash equivalents at the end of the period	29,814,484	75,797,330	34,381,517	43,749,438
Analysis of balances of cash and cash equivalents				
Bank balances	29,814,484	75,797,330	34,381,517	43,749,438

E FUND LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (unaudited)

As at 30 June 2019

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

Money market funds	Holdings	Fair value HK\$	% of net assets	
Hong Kong				
E FUND (HK) HK DOLLAR MONEY MARKET FUND	13,000	13,122,850	26.94%	
Futures contracts	Expiration date	Contracts		
Hong Kong				
HANG SENG INDEX 07/30/19	30/07/2019	(34)	(567,150)	(1.16)%
MINI HSI IDX FUT 07/30/19	30/07/2019	(2)	(3,420)	(0.01)%
			<u>(570,570)</u>	<u>(1.17)%</u>
Total investments at fair value			12,552,280	25.77%
Other net assets			<u>36,150,077</u>	<u>74.23%</u>
Net assets attributable to unitholders at 30 June 2019			<u>48,702,357</u>	<u>100.00%</u>
Total investments, at cost			<u>13,000,000</u>	

E FUND LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 30 June 2019

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

Money market funds		Holdings	Fair value HK\$	% of net assets
Hong Kong				
E FUND (HK) HK DOLLAR MONEY MARKET FUND		12,000	12,113,400	17.45%
Futures contracts	Expiration date	Contracts		
Hong Kong				
HANG SENG INDEX 07/30/19	30/07/2019	97	1,590,400	2.30%
MINI HSI IDX FUT 07/30/19	30/07/2019	5	20,280	0.02%
			<u>1,610,680</u>	<u>2.32%</u>
Total investments at fair value			13,724,080	19.77%
Other net assets			<u>55,711,549</u>	<u>80.23%</u>
Net assets attributable to unitholders at 30 June 2019			<u>69,435,629</u>	<u>100.00%</u>
Total investments, at cost			<u>12,000,000</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 2019

	Holdings			Corporate action	30 June 2019
	1 January 2019	Additions	Disposals		
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND	13,000	-	-	-	13,000
Futures contracts					
Hong Kong					
HANG SENG INDEX 01/30/19	(50)	54	4	-	-
HANG SENG INDEX 02/27/19	-	46	46	-	-
HANG SENG INDEX 03/28/19	-	43	43	-	-
HANG SENG INDEX 04/29/19	-	37	37	-	-
HANG SENG INDEX 05/30/19	-	38	38	-	-
HANG SENG INDEX 06/27/19	-	39	39	-	-
HANG SENG INDEX 07/30/19	-	1	35	-	(34)
MINI HSI IDX FUT 01/30/19	(7)	17	10	-	-
MINI HSI IDX FUT 02/27/19	-	26	26	-	-
MINI HSI IDX FUT 03/28/19	-	16	16	-	-
MINI HSI IDX FUT 04/29/19	-	17	17	-	-
MINI HSI IDX FUT 05/30/19	-	20	20	-	-
MINI HSI IDX FUT 06/27/19	-	21	21	-	-
MINI HSI IDX FUT 07/30/19	-	-	2	-	(2)

E FUND LEVERAGED AND INVERSE SERIES

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

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

For the period ended 30 June 2019

	Holdings				30 June 2019
	1 January 2019	Additions	Disposals	Corporate action	
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND	12,000	-	-	-	12,000
Futures contracts					
Hong Kong					
HANG SENG INDEX 01/30/19	75	5	80	-	-
HANG SENG INDEX 02/27/19	-	83	83	-	-
HANG SENG INDEX 03/28/19	-	85	85	-	-
HANG SENG INDEX 04/29/19	-	101	101	-	-
HANG SENG INDEX 05/30/19	-	101	101	-	-
HANG SENG INDEX 06/27/19	-	98	98	-	-
HANG SENG INDEX 07/30/19	-	97	-	-	97
MINI HSI IDX FUT 01/30/19	4	21	25	-	-
MINI HSI IDX FUT 02/27/19	-	19	19	-	-
MINI HSI IDX FUT 03/28/19	-	18	18	-	-
MINI HSI IDX FUT 04/29/19	-	18	18	-	-
MINI HSI IDX FUT 05/30/19	-	20	20	-	-
MINI HSI IDX FUT 06/27/19	-	21	21	-	-
MINI HSI IDX FUT 07/30/19	-	6	1	-	5

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 year/period dated		
30 June 2019 (Dealing NAV)	48,702,357	4.5095
31 December 2018 (Dealing NAV)	66,827,520	5.2209
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 year/period dated		
30 June 2019 (Dealing NAV)	69,435,629	6.4292
31 December 2018 (Dealing NAV)	49,068,140	5.3335
31 December 2017 (Dealing NAV)	125,652,141	7.3054

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PERFORMANCE RECORD (unaudited) (continued)

Highest Issue Price and Lowest Redemption Price Per Unit

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

Financial year/period ended	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
30 June 2019	5.3972	4.4143
31 December 2018	5.5611	4.3905
31 December 2017 (since inception)	6.3613*	4.8499

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

Financial year/period ended	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
30 June 2019	7.1598	4.9718
31 December 2018	8.9354	4.9253
31 December 2017 (since inception)	7.4318	6.1687

*Effective 15 May 2017, E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product 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.

E FUND LEVERAGED AND INVERSE SERIES

UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (Unaudited)

As at 30 June 2019

The underlying indices, namely, HSI for E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product (the "HSII") for E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product (the "HSIL"), do not have any constituent stock that individually accounted for more than 10% of the respective index as at 30 June 2019 and 31 December 2018. 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 2019 and 31 December 2018. As at 30 June 2019, the Sub-Funds' investments in E Fund (HK) HK Dollar Money Market Fund represented 26.94% (31 December 2018: 19.64%) of the NAV of HSII and 17.45% (31 December 2018: 24.78%) of that of HSIL.

During the period started 1 January 2019 and ended 30 June 2019, the HSI Index increased by 10.43% for E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product while the net asset value per unit of the Sub-Fund decreased by 13.63%. During the period started 1 January 2019 and ended 30 June 2019, the HSI Index increased by 10.43% for E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product while the net asset value per unit of the Sub-Fund increased by 20.54%.

E FUND LEVERAGED AND INVERSE SERIES

REPORT ON INVESTMENT OVERWEIGHT (Unaudited)

For the period ended 30 June 2019

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 2019.

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Manager

E Fund Management (Hong Kong) Co., Limited
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Administrator

Citibank, N.A., Hong Kong Branch
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Three Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
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183 Queen's Road East
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Investment Adviser

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Taiwan

Custodian

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Central, Hong Kong

Service Agent/Conversion Agent

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Central, Hong Kong

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Simmons & Simmons
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Hong Kong

Auditor

Ernst & Young
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Hong Kong

Directors of the Manager

Liu Xiaoyan
Ma Jun
Chen Liyuan
Chen Rong
Huang Gaohui

Participating Dealers

ABN AMRO Clearing Hong Kong Limited
70/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

BOCI Securities Limited
20/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

China Merchants Securities (HK) Co Limited
48/F, One Exchange Square
Central, Hong Kong

Citigroup Global Markets Asia Limited[#]
50/F Champion Tower
Three Garden Road
Central, Hong Kong

CSC Securities (Hong Kong) Limited*
Units 3201-07, Cosco Tower
183 Queen's Road
Central, Hong Kong

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

[#] For the E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product only.

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers (continued)

Essence International Securities (Hong Kong) Limited*
39/F, One Exchange Square
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GF Securities (Hong Kong) Brokerage Limited
29 & 30/F, Li Po Chun Chambers
189 Des Voeux Road
Central, Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
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Market Makers

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Causeway Bay, Hong Kong

Haitong International Securities Company Limited
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For the E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product only.