

**MIRAE ASSET HORIZONS LEVERAGED AND INVERSE
SERIES**

INTERIM FINANCIAL STATEMENTS

**MIRAE ASSET HORIZONS S&P 500 DAILY (-1x) INVERSE
PRODUCT**

**MIRAE ASSET HORIZONS HANG SENG INDEX DAILY (-1x)
INVERSE PRODUCT**

**MIRAE ASSET HORIZONS HANG SENG INDEX DAILY (2x)
LEVERAGED PRODUCT**

**MIRAE ASSET HORIZONS HANG SENG CHINA ENTERPRISES
INDEX DAILY (-1x) INVERSE PRODUCT**

**MIRAE ASSET HORIZONS HANG SENG CHINA ENTERPRISES
INDEX DAILY (2x) LEVERAGED PRODUCT**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

**(SUB-FUNDS OF MIRAE ASSET HORIZONS LEVERAGED AND
INVERSE SERIES)**

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

Unaudited Condensed Interim Financial Statements

CONTENTS	Page
Interim financial statements	
Statement of net assets (Unaudited)	1-2
Statement of profit or loss and other comprehensive income (Unaudited)	3-4
Statement of changes in net assets attributable to unitholders (Unaudited)	5-6
Statement of cash flows (Unaudited)	7-11
Notes to the financial statements (Unaudited)	12-38
Investment portfolio (Unaudited)	39
Statement of movements in investment portfolio (Unaudited)	40-41
Performance record (Unaudited)	42-44
Management and administration	45-46

IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and are subject to change. For more information about Mirae Asset Horizons Leveraged and Inverse Series, please refer to the prospectus of the Mirae Asset Horizons Leveraged and Inverse Series which is available at our website: www.miraeasset.com.hk/li.

Investors should not rely on the information contained in this report for their investment decisions.

RESTRICTED

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF NET ASSETS

As at 30 September 2019 (unaudited)

	Notes	Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product		Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product		Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	
		As at 30 September 2019 (unaudited) US\$	As at 31 March 2019 (audited) US\$	As at 30 September 2019 (unaudited) HK\$	As at 31 March 2019 (audited) HK\$	As at 30 September 2019 (unaudited) HK\$	As at 31 March 2019 (audited) HK\$
ASSETS							
Financial assets at fair value through profit or loss	11	-	-	-	-	587,100	2,922,766
Amounts due from brokers	6	-	-	27,950,953	22,223,286	18,350,323	31,290,703
Amount due from the Manager	5(f)	26	60	1,400	1,960	1,280	1,800
Interest receivables		4,872	25,447	14,881	30,356	6,316	9,251
Cash and cash equivalents	5(d)	17,706,317	19,664,074	51,627,601	132,158,869	52,767,277	52,610,506
TOTAL ASSETS		<u>17,711,215</u>	<u>19,689,581</u>	<u>79,594,835</u>	<u>154,414,471</u>	<u>71,712,296</u>	<u>86,835,026</u>
LIABILITIES							
Financial liabilities at fair value through profit or loss	11	-	-	316,250	2,589,227	-	-
Amounts due to brokers	6	90,949	137,260	-	-	-	-
Management fee payable	5(a)	12,583	14,035	42,951	120,614	40,284	47,329
Trustee fee payable	5(b)	1,777	1,981	11,720	22,267	11,721	10,725
Formation fee payable	5(c)(i)	115,252	115,252	-	-	-	-
Administration fee payable	5(c)(ii)	45,921	28,529	617,798	426,759	649,328	455,631
Other payables and accruals		-	-	1,200	1,800	1,080	1,800
TOTAL LIABILITIES		<u>266,482</u>	<u>297,057</u>	<u>989,919</u>	<u>3,160,667</u>	<u>702,413</u>	<u>515,485</u>
EQUITY							
Net assets attributable to unitholders	3(a)	<u>17,444,733</u>	<u>19,392,524</u>	<u>78,604,916</u>	<u>151,253,804</u>	<u>71,009,883</u>	<u>86,319,541</u>
TOTAL LIABILITIES AND EQUITY		<u>17,711,215</u>	<u>19,689,581</u>	<u>79,594,835</u>	<u>154,414,471</u>	<u>71,712,296</u>	<u>86,835,026</u>
Number of units in issue	3(b)	<u>13,000,000</u>	<u>13,750,000</u>	<u>13,400,000</u>	<u>27,800,000</u>	<u>7,700,000</u>	<u>7,700,000</u>
Net asset value per unit	3(b)	<u>1.3419</u>	<u>1.4104</u>	<u>5.8660</u>	<u>5.4408</u>	<u>9.2221</u>	<u>11.2103</u>

The accompanying notes are an integral part of these financial statements

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF NET ASSETS (CONTINUED)

As at 30 September 2019 (unaudited)

	Notes	Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse		Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged	
		Product		Product	
		As at 30 September 2019 (unaudited) HK\$	As at 31 March 2019 (audited) HK\$	As at 30 September 2019 (unaudited) HK\$	As at 31 March 2019 (audited) HK\$
ASSETS					
Financial assets at fair value through profit or loss	11	-	-	82,800	1,298,295
Amounts due from brokers	6	9,616,122	7,290,705	6,124,755	19,913,419
Amount due from the Manager	5(f)	1,520	1,920	1,160	1,800
Interest receivables		100	3,114	51,272	88,332
Cash and cash equivalents	5(d)	29,153,776	29,319,018	24,539,780	36,514,149
TOTAL ASSETS		<u>38,771,518</u>	<u>36,614,757</u>	<u>30,799,767</u>	<u>57,815,995</u>
LIABILITIES					
Financial liabilities at fair value through profit or loss	11	53,700	405,600	-	-
Management fee payable	5(a)	20,772	19,642	17,207	32,291
Trustee fee payable	5(b)	11,720	9,111	11,720	9,866
Administration fee payable	5(c)(ii)	617,798	424,100	617,798	424,100
Other payables and accruals		1,320	1,920	960	1,800
TOTAL LIABILITIES		<u>705,310</u>	<u>860,373</u>	<u>647,685</u>	<u>468,057</u>
EQUITY					
Net assets attributable to unitholders	3(a)	<u>38,066,208</u>	<u>35,754,384</u>	<u>30,152,082</u>	<u>57,347,938</u>
TOTAL LIABILITIES AND EQUITY		<u>38,771,518</u>	<u>36,614,757</u>	<u>30,799,767</u>	<u>57,815,995</u>
Number of units in issue	3(b)	<u>6,100,000</u>	<u>6,100,000</u>	<u>4,000,000</u>	<u>6,300,000</u>
Net asset value per unit	3(b)	<u>6.2404</u>	<u>5.8614</u>	<u>7.5380</u>	<u>9.1028</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019 (unaudited)

	Notes	<u>Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product</u>	
		For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2018 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
INCOME							
Interest income		114,493	26,919	395,699	216,140	592,095	322,104
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	4	(599,904)	(514,544)	7,976,550	2,682,250	(15,314,600)	(13,181,050)
Net exchange gain/(loss)		-	276	-	-	-	-
		<u>(485,411)</u>	<u>(487,349)</u>	<u>8,372,249</u>	<u>2,898,390</u>	<u>(14,722,505)</u>	<u>(12,858,946)</u>
EXPENSES							
Management fee	5(a)	(80,131)	(22,565)	(313,707)	(235,001)	(260,435)	(355,418)
Trustee fee	5(b)	(11,313)	(3,186)	(74,189)	(43,385)	(69,189)	(65,616)
Brokerage and other transaction fees		-	-	(41,003)	(29,852)	(63,831)	(87,141)
Administration fee	5(c)(ii)	(17,911)	(5,044)	(193,698)	(182,400)	(193,698)	(182,400)
Other expenses		-	-	-	(10,246)	-	(10,245)
		<u>(109,355)</u>	<u>(30,795)</u>	<u>(622,597)</u>	<u>(500,884)</u>	<u>(587,153)</u>	<u>(700,820)</u>
Operating profit/(loss)		(594,766)	(518,144)	7,749,652	2,397,506	(15,309,658)	(13,559,766)
FINANCE COSTS							
Interest expense		-	-	-	(17,729)	-	(58,661)
Profit/(loss) and total comprehensive income for the period		<u>(594,766)</u>	<u>(518,144)</u>	<u>7,749,652</u>	<u>2,379,777</u>	<u>(15,309,658)</u>	<u>(13,618,427)</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	Notes	<u>Mirae Asset Horizons Hang Seng China</u> <u>Enterprises Index Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng China</u> <u>Enterprises Index Daily (2x) Leveraged</u> <u>Product</u>	
		For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
INCOME					
Interest income		43,542	203,292	272,672	185,961
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	4	<u>2,688,350</u>	<u>1,973,100</u>	<u>(9,973,600)</u>	<u>(8,810,999)</u>
		<u>2,731,892</u>	<u>2,176,392</u>	<u>(9,700,928)</u>	<u>(8,625,038)</u>
EXPENSES					
Management fee	5(a)	(120,927)	(157,348)	(156,500)	(247,224)
Trustee fee	5(b)	(69,188)	(29,049)	(69,189)	(45,641)
Brokerage and other transaction fees		(36,255)	(46,252)	(86,591)	(138,251)
Administration fee	5(c)(ii)	(193,698)	(182,400)	(193,698)	(182,400)
Other expenses		-	(10,246)	-	(10,245)
		<u>(420,068)</u>	<u>(425,295)</u>	<u>(505,978)</u>	<u>(623,761)</u>
Operating profit/(loss)		2,311,824	1,751,097	(10,206,906)	(9,248,799)
FINANCE COSTS					
Interest expense		-	(11,408)	-	(50,289)
Profit/(loss) and total comprehensive income for the period		<u>2,311,824</u>	<u>1,739,689</u>	<u>(10,206,906)</u>	<u>(9,299,088)</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2018 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	19,392,524	4,194,119	151,253,804	103,885,016	86,319,541	106,365,981
Issue of units during the period	7,357,100	3,607,500	-	-	-	23,841,840
Redemption of units during the period	(8,710,125)	-	(80,398,540)	(51,154,350)	-	(27,704,550)
Net issue of units	(1,353,025)	3,607,500	(80,398,540)	(51,154,350)	-	(3,862,710)
Total comprehensive income/(loss) for the period	(594,766)	(518,144)	7,749,652	2,379,777	(15,309,658)	(13,618,427)
Net assets attributable to unitholders at the end of the period	17,444,733	7,283,475	78,604,916	55,110,443	71,009,883	88,884,844

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons Hang Seng China</u> <u>Enterprises Index Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng China</u> <u>Enterprises Index Daily (2x) Leveraged</u> <u>Product</u>	
	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	35,754,384	63,735,918	57,347,938	116,918,662
Redemption of units during the period	-	(27,937,500)	(16,988,950)	(46,628,550)
Net issue of units	-	(27,937,500)	(16,988,950)	(46,628,550)
Total comprehensive income/(loss) for the period	2,311,824	1,739,689	(10,206,906)	(9,299,088)
Net assets attributable to unitholders at the end of the period	38,066,208	37,538,107	30,152,082	60,991,024

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons S&P 500 Daily (-1x) Inverse</u>	
	<u>Product</u>	
	For the six months ended 30 September 2019 (unaudited)	For the six months ended 30 September 2018 (unaudited)
Note	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	(594,766)	(518,144)
Adjustments for:		
Interest income	(114,493)	(26,919)
Decrease in amount due from brokers	-	(140)
Decrease/(increase) in amount due from the Manager	34	(6,527)
Decrease in amount due to brokers	(46,311)	(53,863)
(Decrease)/increase in management fee payable	(1,452)	22,565
(Decrease)/increase in trustee fee payable	(204)	273
Increase in administration fee payable	17,392	5,145
Decrease in other payables and accruals	-	(1,560)
Cash used in operations	<u>(739,800)</u>	<u>(579,170)</u>
Interest received	135,068	25,349
Net cash flows used in operating activities	<u>(604,732)</u>	<u>(553,821)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	7,357,100	3,607,500
Cash paid on redemption of units	(8,710,125)	-
Net cash flows generated from financing activities	<u>(1,353,025)</u>	<u>3,607,500</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,957,757)	3,053,679
Cash and cash equivalents at the beginning of the period	<u>19,664,074</u>	<u>4,377,502</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>17,706,317</u>	<u>7,431,181</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(d) 16,654,942	6,405,944
Time deposits	5(d) 1,051,375	1,025,237
Cash and cash equivalents as stated in the statement of cash flows	<u>17,706,317</u>	<u>7,431,181</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	Note	<u>Mirae Asset Horizons Hang Seng Index Daily (-1x)</u> <u>Index Product</u>	
		For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive income for the period		7,749,652	2,379,777
Adjustments for:			
Interest income		(395,699)	(216,140)
Interest expense		-	17,729
Decrease in financial assets at fair value through profit or loss		-	1,354,785
Increase in amounts due a broker		(5,727,667)	(811,554)
Decrease/(increase) in amounts due from the Manager		560	(120)
(Decrease)/increase in financial liabilities at fair value through profit or loss		(2,272,977)	122,100
Decrease in management fee payable		(77,663)	(19,941)
Decrease in trustee fee payable		(10,547)	(3,681)
Increase in administration fee payable		191,039	31,988
(Decrease)/increase in other payables and accruals		(600)	159,377
Cash (used in)/generated from operations		<u>(543,902)</u>	<u>3,014,320</u>
Interest received		411,174	208,108
Interest paid		-	(17,729)
Net cash flows (used in)/generated from operating activities		<u>(132,728)</u>	<u>3,204,699</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid on redemption of units		<u>(80,398,540)</u>	<u>(51,154,350)</u>
Net cash flows used in financing activities		<u>(80,398,540)</u>	<u>(51,154,350)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(80,531,268)</u>	<u>(47,949,651)</u>
Cash and cash equivalents at the beginning of the period		<u>132,158,869</u>	<u>90,080,738</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>51,627,601</u>	<u>42,131,087</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	5(d)	16,675,398	7,805,650
Time deposits	5(d)	34,952,203	34,325,437
Cash and cash equivalents as stated in the statement of cash flows		<u>51,627,601</u>	<u>42,131,087</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons Hang Seng Index Daily (2x)</u> <u>Leveraged Product</u>	
	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	(15,309,658)	(13,618,427)
Adjustments for:		
Interest income	(592,095)	(322,104)
Interest expense	-	58,661
Decrease/(increase) in financial assets at fair value through profit or loss	2,335,666	(388,800)
Decrease/(increase) in amounts due from a broker	12,940,380	(5,685,527)
Decrease in amount due from the Manager	520	200
Decrease in financial liabilities at fair value through profit or loss	-	(2,998,821)
Decrease in management fee payable	(7,045)	(14,582)
Increase/(decrease) in trustee fee payable	996	(2,692)
Increase in administration fee payable	193,697	17,194
(Decrease)/increase in other payables and accruals	(720)	177,751
Cash used in operations	<u>(438,259)</u>	<u>(22,777,147)</u>
Interest received	595,030	316,692
Interest paid	-	(58,661)
Net cash flows generated from/(used in) operating activities	<u>156,771</u>	<u>(22,519,116)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	-	23,841,840
Cash paid on redemption of units	-	(27,704,550)
Net cash flows used in financing activities	<u>-</u>	<u>(3,862,710)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	156,771	(26,381,826)
Cash and cash equivalents at the beginning of the period	<u>52,610,506</u>	<u>88,721,878</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>52,767,277</u>	<u>62,340,052</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(d) 1,344,901	11,907,941
Time deposits	5(d) 51,422,376	50,432,110
Cash and cash equivalents as stated in the statement of cash flows	<u>52,767,277</u>	<u>62,340,052</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons Hang Seng China Enterprises</u> <u>Index Daily (-1x) Inverse Product</u>	
	For the six months ended 30 September 2019 (unaudited)	For the six months ended 30 September 2018 (unaudited)
Note	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	2,311,824	1,739,689
Adjustments for:		
Interest income	(43,542)	(203,291)
Interest expense	-	11,408
Decrease in financial assets at fair value through profit or loss	-	688,594
(Increase)/decrease in amounts due from a broker	(2,325,417)	2,226,116
Decrease in amounts due from the Manager	400	400
(Decrease)/increase in financial liabilities at fair value through profit or loss	(351,900)	169,850
Increase/(decrease) in management fee payable	1,130	(15,103)
Increase/(decrease) in trustee fee payable	2,609	(2,789)
Increase in administration fee payable	193,698	31,988
(Decrease)/increase in other payables and accruals	(600)	154,957
Cash (used in)/generated from operations	<u>(211,798)</u>	<u>4,801,819</u>
Interest received	46,556	209,559
Interest paid	-	(11,408)
Net cash flows (used in)/generated from operating activities	<u>(165,242)</u>	<u>4,999,970</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on redemption of units	-	(27,937,500)
Net cash flows used in from financing activities	<u>-</u>	<u>(27,937,500)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(165,242)	(22,937,530)
Cash and cash equivalents at the beginning of the period	<u>29,319,018</u>	<u>52,396,344</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>29,153,776</u>	<u>29,458,814</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(d) 29,153,776	29,458,814
Cash and cash equivalents as stated in the statement of cash flows	<u>29,153,776</u>	<u>29,458,814</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2019 (unaudited)

	<u>Mirae Asset Horizons Hang Seng China Enterprises</u> <u>Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2019 (unaudited)	For the six months ended 30 September 2018 (unaudited)
Note	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	(10,206,906)	(9,299,088)
Adjustments for:		
Interest income	(272,672)	(185,961)
Interest expense	-	50,289
Decrease/(increase) in financial assets at fair value through profit or loss	1,215,495	(521,099)
Decrease in amounts due from a broker	13,788,664	9,427,543
Decrease/(increase) in amounts due from the manager	640	(240)
Decrease in financial liabilities at fair value through profit or loss	-	(2,706,905)
Decrease in management fee payable	(15,084)	(37,871)
Increase/(decrease) in trustee fee payable	1,854	(6,992)
Increase in administration fee payable	193,698	31,988
(Decrease)/increase in other payables and accruals	(840)	160,897
Cash generated from/(used in) operations	<u>4,704,849</u>	<u>(3,087,439)</u>
Interest received	309,732	130,047
Interest paid	-	(50,289)
Net cash flows generated from/(used in) operating activities	<u>5,014,581</u>	<u>(3,007,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on redemption of units	<u>(16,988,950)</u>	<u>(46,628,550)</u>
Net cash flows used in financing activities	<u>(16,988,950)</u>	<u>(46,628,550)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	<u>36,514,149</u>	<u>94,951,940</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>24,539,780</u>	<u>45,315,709</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(d) 8,822,928	15,096,348
Time deposits	5(d) 15,716,852	30,219,361
Cash and cash equivalents as stated in the statement of cash flows	<u>24,539,780</u>	<u>45,315,709</u>

The accompanying notes are an integral part of these financial statements.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mirae Asset Horizons Leveraged and Inverse Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 1 September 2016 as amended by supplemental deeds dated 23 February 2017 (collectively, the “Trust Deed”) between Mirae Asset Global Investments (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee” and “Registrar”). The Trust Deed is governed by Hong Kong Law.

As at 30 September 2019, the Trust has established five Sub-Funds, each a separate Sub-Fund of the Trust, which are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The five sub-funds, including Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product, Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product, Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product, Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product are referred to individually or collectively as the “Sub-Fund(s)”. The Sub-Funds are listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) (a subsidiary of The Hong Kong Exchanges and Clearing Limited) and their listing dates are as follows:

<u>Name of Sub-Funds</u>	<u>Listing date on the Stock Exchange of Hong Kong Limited (the “SEHK”)</u>
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	11 October 2016
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	14 March 2017
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	14 March 2017
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	14 March 2017
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	14 March 2017

These financial statements relate to the above-mentioned Sub-Funds. The Manager and the Trustee (collectively, the “Management”) are responsible for the preparation of the financial statements.

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (“S&P 500 Daily (-1x) Inverse Product”)

The objective of S&P 500 Daily (-1x) Inverse Product (Stock code: 07322) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the S&P 500 Index (net of swap fees). The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (“Hang Seng Index Daily (-1x) Inverse Product”)

The objective of Hang Seng Index Daily (-1x) Inverse Product (Stock code: 07336) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (“Hang Seng Index Daily (2x) Leveraged Product”)

The objective of Hang Seng Index Daily (2x) Leveraged Product (Stock code: 07231) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (“Hang Seng China Enterprises Index Daily (-1x) Inverse Product”)

The objective of Hang Seng China Enterprises Index Daily (-1x) Inverse Product (Stock code: 07362) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (“Hang Seng China Enterprises Index Daily (2x) Leveraged Product”)

The objective of Hang Seng China Enterprises Index Daily (2x) Leveraged Product (Stock code: 07230) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the “SFC Code”). The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified as fair value through profit or loss that have been measured at fair value.

The preparation of financial statements, in conformity with IFRSs, requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern

The Management has made an assessment of the Sub-Funds’ ability to continue as a going concern and is satisfied that the Sub-Funds have the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Sub-Funds’ ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense that is already recorded. The Sub-Funds establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which the Sub-Funds invest. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile.

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

STANDARDS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE 1ST JANUARY 2019.

The Sub-Funds have applied the following new and revised IFRSs that have been issued and are effective for reporting periods beginning on or after 1st January 2019.

- IFRIC 23 - Uncertainty over Income tax treatments
- Annual Improvements to IFRS Standards 2015-2017 Cycle

None of these are expected to have a material impact on the financial statements of the Sub-Funds.

(b) Financial instruments

(i) **Classification**

In accordance with IFRS 9, the Sub-Funds classify its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial assets

The Sub-Funds classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including amount due from a broker, amount due from the Manager, interest receivables and cash and cash equivalents.

Financial assets measured at fair value through profit or loss

A financial asset is measured fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Funds include in this category:

- Instruments held for trading. This category includes derivative contracts in an asset position.

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

The Sub-Funds include in this category derivative contracts in a liability position classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities. The Sub-Fund includes in this category management fee payable, trustee fee payable, formation fee payable and administration fee payable and other payables and accruals.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Recognition

The Sub-Funds recognise a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets at fair value through profit or loss are accounted for on the trade date basis.

(iii) Initial measurement

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in “Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss”. Interest earned on these instruments are recorded separately in “interest income” in the statement of profit or loss and other comprehensive income.

Debt instruments, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) Derecognition

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Funds have transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Funds have transferred substantially all the risks and rewards of the asset or the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(v) ***Derecognition (continued)***

When the Sub-Funds have transferred their rights to receive cash flows from an asset (or have entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Funds' continuing involvement in the asset. In that case, the Sub-Funds also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Funds have retained. The Sub-Funds derecognise a financial liability when the obligation under the liability is discharged or cancelled, or expires.

Fair value measurement

The Sub-Funds measure their investments in financial instruments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Funds.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in its economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices, that are within the bid-ask spread.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices for futures contracts or calculated by reference to changes in specified prices of an underlying asset or otherwise determined notional amount for swap contracts. All derivatives are carried as assets when amounts are receivable by the Sub-Funds and as liabilities when amounts are payable by the Sub-Funds.

Unrealised gains and losses arising from changes in fair value, and realised gains and losses are recognised in profit or loss.

(c) Income

Interest income is recognised in profit or loss on a time-proportionate basis using the effective interest method.

(d) Expenses

Expenses are recognised on an accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(f) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the “functional currency”). The performance of the Sub-Funds are measured and reported to the unitholders, and in United States Dollar (“US\$”) for S&P 500 Daily (-1x) Inverse Product and in Hong Kong dollar (“HK\$”) for Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product. The Management considers the US\$ and HK\$ as the currencies that most faithfully represent the economic effects of the underlying transactions, events and conditions. The financial statements of the Sub-Funds are presented in US\$ for S&P 500 Daily (-1x) Inverse Product, and in HK\$ for Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product, which are the Sub-Funds’ functional and presentation currencies.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Translation of foreign currencies (continued)

Foreign currency translation

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses relating to the financial instruments classified as at fair value through profit or loss are included in the statement of profit or loss and other comprehensive income.

(g) Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a pro-rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Funds' net assets; or
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Funds must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds' redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Redeemable units (continued)

The Sub-Funds continuously assess the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Funds in issuing of their own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Funds' own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

Redeemable units can be redeemed in cash equal to a proportionate share of the Sub-Funds' net asset value. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the respective Sub-Funds. Units are created or redeemed in multiples of 250,000 units for Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product and 100,000 units for Mirae Asset Horizons Hang Seng Index Daily (-1X) Inverse Product, Mirae Asset Horizons Hang Seng Index Daily (2X) Leveraged Product, Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1X) Inverse Product and Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2X) Leveraged Product.

(h) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Amounts due from and due to brokers

Amounts due to a broker are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to note 2(b) for the accounting policy for financial liabilities measured at amortised cost for recognition and measurement.

Amounts due from a broker include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to note 2(b) for the accounting policy for financial assets measured at amortised cost for recognition and measurement.

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

(j) Impairment of financial assets

The Sub-Funds recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Sub-Funds expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Sub-Funds may also consider a financial asset to be in default when internal or external information indicates that the Sub-Funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Sub-Funds. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(k) Net change in unrealised gains or losses on financial assets and financial liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and financial liabilities as at fair value through profit or loss and excludes interest and dividend income.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period unrealised gains and losses for financial instruments which were realised in the reporting period.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (l) Net realised gains or losses on financial assets and financial liabilities at fair value through profit or Loss.

Net realised gains or losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

- (m) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

- (n) Taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Funds present the withholding tax separately from the gross investment income in the profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

- (o) Distributions to unitholders

The Manager does not intend to pay or make any distributions or dividends to the Sub-Funds' unitholders.

- (p) Formation fee

Formation fee is recognised as an expense in the period in which it is incurred.

- (q) Transactions costs

Transactions costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transactions costs, when incurred, are immediately recognised in profit or loss as an expense.

- (r) Related parties

A party is considered to be related to the Sub-Funds if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Sub-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Sub-Funds are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of group of which it is a part, provides key management personnel services to the Sub-Funds or to the parent of the Sub-Funds.

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Funds can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year/period are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(g), units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRSs (the "Accounting NAV"). For the purpose of determining the NAV per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Trustee calculates the Dealing NAV in accordance with the provisions of the Trust Deed, which may be different from the accounting policies under IFRSs.

Reconciliation between accounting NAV and dealing NAV

Adjustment for formation fee

The formation fee of establishing Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product was US\$nil (31 March 2019: US\$115,252). The formation fee of establishing Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product, Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product, Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product was HK\$nil (31 March 2019: HK\$392,989) for each Sub-Fund. Per the prospectus of the Sub-Funds, the formation fee will be amortised over the first 5 financial periods of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statements preparation in compliance with IFRSs, their accounting policies are to expense the formation fee in profit or loss as incurred.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(a) Net assets attributable to unitholders (continued)

Adjustment for formation fee (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 30 September 2019 and 31 March 2019 is reconciled below:

<u>As at 30</u> <u>September 2019</u>	<u>Mirae Asset</u> <u>Horizons</u> <u>S&P 500</u> <u>Daily (-1x)</u> <u>Inverse</u> <u>Product</u> <u>US\$</u>	<u>Mirae Asset</u> <u>Horizons</u> <u>Hang Seng</u> <u>Index Daily (-</u> <u>1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng China</u> <u>Enterprises</u> <u>Index Daily (-</u> <u>1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng China</u> <u>Enterprises</u> <u>Index Daily (2x)</u> <u>Leveraged</u> <u>Product</u> <u>HK\$</u>
Accounting NAV as reported in the statement of net assets	17,444,733	78,604,916	71,009,883	38,066,208	30,152,082
Adjustment for formation fee	(10,425)	107,008	-	35,854	61,845
Dealing NAV	<u>17,434,308</u>	<u>78,711,924</u>	<u>71,009,883</u>	<u>38,102,062</u>	<u>30,213,927</u>
<u>As at 31 March</u> <u>2019</u>	<u>Mirae Asset</u> <u>Horizons</u> <u>S&P 500</u> <u>Daily (-1x)</u> <u>Inverse</u> <u>Product</u> <u>US\$</u>	<u>Mirae Asset</u> <u>Horizons</u> <u>Hang Seng</u> <u>Index Daily (-</u> <u>1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng China</u> <u>Enterprises</u> <u>Index Daily (-</u> <u>1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Mirae Asset</u> <u>Horizons Hang</u> <u>Seng China</u> <u>Enterprises</u> <u>Index Daily (2x)</u> <u>Leveraged</u> <u>Product</u> <u>HK\$</u>
Accounting NAV as reported in the statement of net assets	19,392,524	151,253,804	86,319,541	35,754,384	57,347,938
Adjustment for formation fee	38,596	128,913	-	43,193	74,505
Dealing NAV	<u>19,431,120</u>	<u>151,382,717</u>	<u>86,319,541</u>	<u>35,797,577</u>	<u>57,422,443</u>

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(b) Movement of units

The table below summarises the movement of units for the period/year ended 30 September 2019 and March 2019, and the Accounting NAV per unit and the Dealing NAV per unit for each of the Sub-Funds as at 30 September 2019 and 31 March 2019.

	<u>As at 30 September 2019</u>				<u>Net assets attributable to unitholders</u>	
	<u>Number of units</u>				<u>Accounting NAV</u>	<u>Dealing NAV</u>
	Units in issue at beginning of period	Issue during the period	Redemption during the period	Units in issue at end of period	Per unit at period end	Per unit at period end
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	13,750,000	5,500,000	6,250,000	13,000,000	1.3419	1.3411
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	27,800,000	-	14,400,000	13,400,000	5.8660	5.8740
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	7,700,000	-	-	7,700,000	9.2221	9.2221
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	6,100,000	-	-	6,100,000	6.2404	6.2462
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	6,300,000	-	2,300,000	4,000,000	7.5380	7.5535

	<u>As at 31 March 2019</u>				<u>Net assets attributable to unitholders</u>	
	<u>Number of units</u>				<u>Accounting NAV</u>	<u>Dealing NAV</u>
	Units in issue at beginning of year	Issue during the year	Redemption during the year	Units in issue at end of year	Per unit at year end	Per unit at year end
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	2,750,000	13,000,000	(2,000,000)	13,750,000	US\$1.4104	US\$1.4132
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	18,500,000	33,300,000	(24,000,000)	27,800,000	HK\$5.4408	HK\$5.4454
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	8,800,000	2,200,000	(3,300,000)	7,700,000	HK\$11.2103	HK\$11.2103
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	10,700,000	-	(4,600,000)	6,100,000	HK\$5.8614	HK\$5.8685
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	11,300,000	-	(5,000,000)	6,300,000	HK\$9.1028	HK\$9.1147

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

4. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is a breakdown of net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss for the period/year ended 30 September 2019 and 30 September 2018:

	<u>Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (- 1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2018 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$
Net realised gain/(loss) on sale of financial assets and financial liabilities at fair value through profit or loss	(845,671)	(567,966)	5,703,573	4,159,135	(12,978,934)	(16,568,671)
Net change in unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	245,767	53,422	2,272,977	(1,476,885)	(2,335,666)	3,387,621
	<u>(599,904)</u>	<u>(514,544)</u>	<u>7,976,550</u>	<u>2,682,250</u>	<u>(15,314,600)</u>	<u>(13,181,050)</u>
	<u>Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>		<u>Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>			
	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2018 (unaudited) HK\$		
Net realised gain/(loss) on sale of financial assets and financial liabilities at fair value through profit or loss	2,336,450	2,831,544	(8,758,105)	(12,039,003)		
Net change in unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	351,900	(858,444)	(1,215,495)	3,228,004		
	<u>2,688,350</u>	<u>1,973,100</u>	<u>(9,973,600)</u>	<u>(8,810,999)</u>		

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS

Related parties are those as defined in note 2(r). Related parties of the Sub-Funds also include the Manager of the Sub-Funds and its connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Funds and their related parties, including the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with their related parties, including the Manager and its connected persons except for those disclosed below:

(a) Management fee

The Manager is entitled to receive a management fee of up to 2% per year of the net asset value of each Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears. For each Sub-Fund, the Manager is entitled to receive management fee as below:

	<u>Maximum rate of the net assets in</u> %	<u>Annual rate of the net assets in</u> % 2019	<u>Annual rate of the net assets in</u> % 2018
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	2%	0.85%	0.85%
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	2%	0.65%	0.65%
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	2%	0.65%	0.65%

(b) Trustee fees and Registrar fees

The Trustee receives out of the assets of each Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each dealing day of up to the greater of 1.00% per year of the net asset of a Sub-Fund or the applicable monthly minimum. For each sub-fund, trustee is entitled to trustee fee as below:

	<u>Annual rate of the net asset value in %</u>	
	2019	2018
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	0.12% ¹	0.12% ¹
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	0.12% ²	0.12% ²
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	0.12% ²	0.12% ²
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	0.12% ²	0.12% ²
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	0.12% ²	0.12% ²

¹The current standard annual rate for S&P 500 Daily (-1x) Inverse Product is 0.12% per year of the net asset value, subject to a monthly minimum of US\$1,500 applied retrospectively from 6 October 2019 and there is no expiry date for the same.

²The current standard annual rate for these Sub-Funds is 0.12% per year of the net asset value of each Sub-Fund, subject to a monthly minimum of HK\$11,500 effective from 11 March 2019. The waiver of Monthly Minimum Fee of HK\$78,000 expired on 10 March 2019 after completing 24 month period.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(b) Trustee fees and Registrar fees (continued)

In respect of the Sub-Funds (except for S&P 500 Daily (-1x) Inverse Product), the Trustee acting as the Registrar, is also entitled to receive a registrar fee of HK\$160 (US\$20 with respect to S&P 500 Daily (-1x) Inverse Product) per participating dealer per transaction for updating the register record. The registrar fee incurred by the Sub-Funds has been borne by the Manager during the period ended 30 September 2019 (30 September 2018: nil).

The Registrar is also entitled to receive from the participating dealer a transaction fee of HK\$2,500 (US\$500 with respect to S&P 500 Daily (-1x) Inverse Product) per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Funds. The administration transaction fee would be paid by the participating dealer to the Sub-Funds and the Sub-Funds would pay the transaction fee to the Trustee on behalf of the participating dealer. As at 30 September 2019 and 31 March 2019, no transaction fee was payable to the Trustee by the Sub-Funds.

(c) Other expenses

(i) *Formation fee*

During the period ended 30 September 2019, the formation fee for establishing Mirae Asset Horizons Hang Seng Index Daily (-1X) Inverse Product, Mirae Asset Horizons Hang Seng Index Daily (2X) Leveraged Product, Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1X) Inverse Product and Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2X) Leveraged Product was HK\$nil (2018: HK\$392,989 each).

As at 30 September 2019, the formation fee for Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product of US\$115,252 (31 March 2019: US\$115,252) is payable to the Manager.

(ii) *Administration fee*

The Manager is responsible for the payment of several fees, such as audit fee, conversion agent fee and index licensing fee, for the administration of the Sub-Funds. The Manager is entitled to receive a recharge of the administration fee and other expenses, calculated at an annual rate on the net assets of the Sub-Funds at each dealing day and payable monthly in arrears, as illustrated by the table below.

	<u>Annual rate of the net assets in %</u>	
	30 September 2019	30 September 2018
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	0.19%	0.19%
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	0.17%	0.17%
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	0.17%	0.17%
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	0.17%	0.17%
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	0.17%	0.17%

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Other expenses (continued)

(ii) Administration fee (continued)

The tables below list the breakdown of the administration fee incurred by the Sub-Funds.

Mirae Asset Horizons S&P
500 Daily (-1x) Inverse
Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund US\$	Portion borne by the Manager US\$	Total US\$
Audit fee	2,270	1,964	4,234
Index licensing fee	7,542	17,458	25,000
Other administration fee	8,100	7,011	15,111
	<u>17,912</u>	<u>26,433</u>	<u>44,345</u>

Mirae Asset Horizons S&P
500 Daily (-1x) Inverse
Product

	For the six months ended 30 September 2018 (unaudited)		
	Portion borne by the Sub-Fund US\$	Portion borne by the Manager US\$	Total US\$
Audit fee	795	3,292	4,087
Index licensing fee	2,124	22,876	25,000
Other administration fee	2,125	8,795	10,919
	<u>5,044</u>	<u>34,962</u>	<u>40,006</u>

Mirae Asset Horizons
Hang Seng Index Daily (-
1x) Inverse Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Mirae Asset Horizons Hang
Seng Index Daily (-1x)
Inverse Product

	For the six months ended 30 September 2018 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	31,988	-	31,988
Index licensing fee	150,411	-	150,411
Other administration fee	10,246	61,683	71,928
	<u>192,645</u>	<u>61,683</u>	<u>254,328</u>

Mirae Asset Horizons
Hang Seng Index Daily
(2x) Leveraged Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Other expenses (continued)

(ii) Administration fee (continued)

Mirae Asset Horizons Hang
Seng Index Daily (2x)
Leveraged Product

	For the six months ended 30 September 2018 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	31,988	-	31,988
Index licensing fee	150,411	-	150,411
Other administration fee	10,246	61,683	71,928
	<u>192,645</u>	<u>61,683</u>	<u>254,328</u>

Mirae Asset Horizons Hang
Seng China Enterprises
Index Daily (-1x) Inverse
Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Mirae Asset Horizons Hang
Seng China Enterprises
Index Daily (-1x) Inverse
Product

	For the six months ended 30 September 2018 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	31,988	10,246	42,234
Index licensing fee	150,411	-	150,411
Other administration fee	10,246	61,683	71,928
	<u>192,645</u>	<u>71,928</u>	<u>264,573</u>

Mirae Asset Horizons Hang
Seng China Enterprises
Index Daily (2x) Leveraged
Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Mirae Asset Horizons Hang
Seng China Enterprises
Index Daily (2x) Leveraged
Product

	For the six months ended 30 September 2018 (unaudited)		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	31,988	10,246	42,234
Index licensing fee	150,411	-	150,411
Other administration fee	10,246	61,683	71,928
	<u>192,645</u>	<u>71,928</u>	<u>264,573</u>

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Other expenses (continued)

(iii) *Bank charges*

Bank charges of the Sub-Funds for the period ended 30 September 2019 and 30 September 2018 were charged by The Hong Kong and Shanghai Banking Corporation Limited, the immediate holding company of the Trustee.

(d) Cash and cash equivalents and certain financial assets at fair value through profit or loss held by the Trustee's related company

Cash and cash equivalents

<u>Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product</u>	Notes	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)
		US\$	US\$
Bank balances	(i)	16,654,942	18,626,486
Time deposits	(ii)	1,051,375	1,037,588
Cash and cash equivalents		<u>17,706,317</u>	<u>19,664,074</u>
<u>Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product</u>	Notes	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)
		HK\$	HK\$
Bank balances	(i)	16,675,398	97,509,476
Time deposits	(ii)	34,952,203	34,649,393
Cash and cash equivalents		<u>51,627,601</u>	<u>132,158,869</u>
<u>Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product</u>	Notes	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)
		HK\$	HK\$
Bank balances	(i)	1,344,901	1,679,648
Time deposits	(ii)	51,422,376	50,930,858
Cash and cash equivalents		<u>52,767,277</u>	<u>52,610,506</u>
<u>Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>	Notes	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)
		HK\$	HK\$
Bank balances	(i)	29,153,776	29,319,018
Time deposits	(ii)	-	-
Cash and cash equivalents		<u>29,153,776</u>	<u>29,319,018</u>
<u>Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>	Notes	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)
		HK\$	HK\$
Bank balances	(i)	8,822,928	6,031,551
Time deposits	(ii)	15,716,852	30,482,598
Cash and cash equivalents		<u>24,539,780</u>	<u>36,514,149</u>

Notes

- (i) As at 30 September 2019 and 31 March 2019, these interest-bearing bank balances were held with The Hong Kong and Shanghai Banking Corporation Limited, a related company of the Trustee.
- (ii) As at 30 September 2019 and 31 March 2019, these time deposits at fixed interest rates of 1.9% p.a (31 March 2019: 2.8% p.a.) for S&P 500 Daily (-1x) Inverse Product, 1.29% p.a (31 March 2019: 0.99% p.a.) for Hang Seng Index Daily (-1x) Inverse Product, 1.12% p.a (31 March 2019: 1.3% p.a.) for Hang Seng Index Daily (2x) Leveraged Product, and 1.7% p.a (31 March 2019: 1.5% p.a.) for Hang Seng China Enterprises Index Daily (2x) Leveraged Product were placed with Bank of China (Hong Kong) Limited with a maturity of less than one month. As at 30 September 2019 and 31 March 2019, no time deposit was placed for Hang Seng China Enterprises Daily (-1x) Inverse Product.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

- (d) Cash and cash equivalents and certain financial assets at fair value through profit or loss held by the Trustee's related company (continued)

The carrying accounts of the cash and cash equivalents approximate their fair value. Interest income was earned on these cash and cash equivalents during the period/year ended 30 September 2019 and 31 March 2019.

- (e) Holdings of units

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product

As at 30 September 2019, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, held 2,946,100 units (31 March 2019: 2,655,400 units) and 500,000 units (31 March 2019: 500,000 units) of this Sub-Fund respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product

As at 30 September 2019, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, held 1,069,670 units (31 March 2019: 5,006,570 units) and 900,000 units (31 March 2019: 900,000 units) of this Sub-Fund respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product

As at 30 September 2019, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 20,800 units (31 March 2019: 31,300 units) and 200,000 units (31 March 2019: 200,000 units) of this Sub-Fund respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product

As at 30 September 2019, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 33,700 units (31 March 2019: 32,700 units) and 800,000 units (31 March 2019: 800,000 units) of this Sub-Fund respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 30 September 2019, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 80,000 units (31 March 2019: 60,000 units) and 200,000 units (31 March 2019: 200,000 units) of this Sub-Fund respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(f) Amount due from the Manager

As at 30 September 2019 and 31 March 2019, the amount due from the Manager of the Sub-Funds is as follows:

	<u>30 September 2019</u> (Unaudited)	<u>31 March 2019</u> (Audited)
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	26	60
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	1,400	1,960
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	1,280	1,800
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	1,520	1,920
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	1,160	1,800

6. AMOUNT DUE FROM AND DUE TO BROKERS

As at 30 September 2019 and 31 March 2019, the Sub-Funds have amount due from and amount due to brokers, which represent receivables and payables for securities sold/purchased with the brokers that have been contracted for, but not yet settled or delivered on the reporting date respectively. Amount due from/due to brokers also include interest-bearing cash held at the brokers and margin debt balances. Refer to note 10 for margin requirements on cash held at a broker.

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product

	30 September 2019 (unaudited) US\$	31 March 2019 (audited) US\$
Amount due to brokers		
- Payables for securities sold, but not yet delivered (BNP Paribas Securities Services)	90,949	137,260

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product

	30 September 2019 (unaudited) HK\$	31 March 2019 (audited) HK\$
Amount due from brokers		
- Margin account (Goldman Sachs International)	27,950,953	22,223,286

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product

	30 September 2019 (unaudited) HK\$	31 March 2019 (audited) HK\$
Amount due from brokers		
- Margin account (Goldman Sachs International)	18,350,323	31,290,703

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product

	30 September 2019 (unaudited) HK\$	31 March 2019 (audited) HK\$
Amount due from brokers		
- Margin account (Goldman Sachs International)	9,616,122	7,290,705

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product

	30 September 2019 (unaudited) HK\$	31 March 2019 (audited) HK\$
Amount due from brokers		
- Margin account (Goldman Sachs International)	6,124,755	19,913,419

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

7. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Funds with whom the Manager or any of its connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds as a whole and may contribute to an improvement in the performance of the Sub-Funds. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. Since the inception of the Sub-Funds, the Manager had not participated in any soft commission arrangements in respect of any transactions for the account of the Sub-Funds.

8. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as they are authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempt from Hong Kong Profits Tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

9. DISTRIBUTIONS TO UNITHOLDERS

The Manager does not intend to pay or make any distributions or dividends.

10. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The SFC code states that not more than 10% of the NAV of the Sub-Funds may be invested in securities issued by any single issuer, subject to certain provisions of the SFC code. There were no securities that individually accounted for more than 10% of the NAV of the Sub-Funds as at 30 September 2019 and 31 March 2019.

As per chapter 8.4A(e) of the SFC Code, the Sub-Funds with investments in futures may not hold open positions in any futures contract month for which the combined margin requirement represents 5% or more of the NAV of the Sub-Funds. However, as the Manager expects that the aggregate margin requirement for the futures contracts that Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product will invest may be as high as 10% in order to obtain the required exposure to the respective index, the Manager has applied to the SFC, and the SFC has granted, a waiver in respect of these Sub-Funds from the requirement under Chapter 8.4A(e) of the SFC Code, subject to certain conditions as stated in the prospectus of these Sub-Funds. Details of these Sub-Funds’ margin requirements as at 30 September 2019 are disclosed below:

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

10. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (CONTINUED)

As at 30 September 2019 and 31 March 2019, the initial and maintenance margin requirements for futures were as follows:

<u>Initial margin requirement</u>	<u>30 September 2019</u>		<u>31 March 2019</u>	
	HK\$	% of net asset value	HK\$	% of net asset value
Hang Seng Index Daily (-1x) Inverse Product	6,252,330	7.95	11,666,760	7.71
Hang Seng Index Daily (2x) Leveraged Product	11,254,194	15.85	13,496,840	15.64
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	3,006,731	7.90	2,799,517	7.83
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	4,753,886	15.77	9,075,854	15.83

<u>Maintenance margin requirement</u>	<u>30 September 2019</u>		<u>31 March 2019</u>	
	HK\$	% of net asset value	HK\$	% of net asset value
Hang Seng Index Daily (-1x) Inverse Product	5,001,864	6.36	9,333,408	6.17
Hang Seng Index Daily (2x) Leveraged Product	9,003,355	12.68	10,797,472	12.51
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2,405,385	6.32	2,239,613	6.26
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	3,803,109	12.61	7,260,683	12.66

11. DERIVATIVE FINANCIAL INSTRUMENTS

(i) *Futures contracts*

Futures contracts are a commitment to make or take future delivery of various commodities, currencies or financial instruments at a specified time and place. These commitments can be discharged by making or taking delivery of an approved grade of commodity, currency and financial instrument by cash settlement or by making an offsetting sale or purchase of an equivalent futures contract on the same (or a linked) exchange prior to the designated date of delivery.

(ii) *Swap agreements*

Swap agreements ("Swaps") represent agreements between two parties to make payments based upon the performance of certain underlying assets. The Sub-Fund is obligated to pay, or entitled to receive as the case may be, the net difference in the value determined at the onset of the Swaps versus the value determined at the termination or reset date of the Swaps. Therefore, amounts required for the future satisfaction of the Swaps may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instrument of the Swap is valued, at the Swap's settlement date.

In managing a Sub-Fund, the Manager adopted a synthetic replication investment strategy, pursuant to which the relevant Sub-Fund will enter into one or more unfunded swaps (a "Swap") (which are over-the counter financial derivative instruments entered into with one or more counterparties (each a "Swap Counterparty")) whereby the relevant Sub-Fund will receive or pay the economic gain or loss in respect of the inverse or leveraged performance of the relevant index (net of swap fees of the respective Sub-Fund).

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Swap agreements (continued)

The following derivative contracts were unsettled at the six months ended 30 September 2019:

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product

As at 30 September 2019 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount US\$	Fair value US\$
Swaps	Short	15 October 2019	(30,969,220)	(18,608,135)	-

As at 31 March 2019 (audited)

Type of contract	Position	Expiration	Number of units	Nominal amount US\$	Fair value US\$
Swaps	Short	15 October 2019	(36,349,559)	(20,590,062)	-

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product

As at 30 September 2019 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	30 October 2019	(60)	(78,126,000)	(316,250)

As at 31 March 2019 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	29 April 2019	(102)	(148,292,700)	(2,589,227)

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product

As at 30 September 2019 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	30 October 2019	108	140,626,800	587,100

As at 31 March 2019 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	29 April 2019	118	171,554,300	2,922,766

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product

As at 30 September 2019 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	30 October 2019	(74)	(37,777,000)	(53,700)

As at 31 March 2019 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	29 April 2019	(62)	(35,259,400)	(405,600)

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(ii) *Swap agreements (continued)*

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 30 September 2019 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	30 October 2019	117	59,728,500	82,800

As at 31 March 2019 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	29 April 2019	201	114,308,700	1,298,295

12. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each Sub-Fund has a single operating segment which is investing in swaps or futures as the Manager adopts a swap-based or futures-based replication investment strategy to achieve the investment objective of the respective Sub-Funds' segment. The objectives of the Sub-Funds are to provide investment results that, before deduction of fees and expenses, closely correspond to the inverse (-1x) or twice (2x) the daily performance of the underlying index relevant to each Sub-Fund.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of net assets and statement of profit or loss and other comprehensive income.

There were no changes in the reportable segment during the period/year ended 30 September 2019 and 31 March 2019.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is derived from investments financial assets and financial liabilities at fair value through profit or loss. The Sub-Funds have no assets or liabilities classified as non-current.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

13. SUBSEQUENT EVENT

Subsequent to the end of the reporting period and up to the date of releasing this interim report, the names of the Trust and the Sub-Funds were changed as below with effect from 1 November 2019.

<u>Current Name</u>	<u>New Name</u>
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product	Global X S&P 500 Daily (-1x) Inverse Product
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product	Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product	Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product	Global X Hang Seng Index Daily (-1x) Inverse Product
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product	Global X Hang Seng Index Daily (2x) Leveraged Product

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 September 2019

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product

		Holdings	Fair value US\$	% of net assets
Swap	Expiration Date	Units		
MIRAE ASSET HORIZONS S&P 500 TOTAL RETURN INDEX	15 October 2019	(30,969,220)	-	-
Total investments at fair value			-	-
Total investments, at cost			-	

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product

			Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HANG SENG IDX FUT OCT19 30/10/2019	30 October 2019	(60)	(316,250)	(0.40)
Total investments at fair value			(316,250)	(0.40)
Total investments, at cost			-	

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product

			Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HANG SENG IDX FUT OCT19 30/10/2019	30 October 2019	108	587,100	0.83
Total investments at fair value			587,100	0.83
Total investments, at cost			-	

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product

			Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HSCEI FUTURES OCT19 30/10/2019	30 October 2019	(74)	(53,700)	(0.14)
Total investments at fair value			(53,700)	(0.14)
Total investments, at cost			-	

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product

			Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HSCEI FUTURES OCT19 30/10/2019	30 October 2019	117	82,800	0.27
Total investments at fair value			82,800	0.27
Total investments, at cost			-	

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the six months from 1 April 2019 to 30 September 2019

Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2019
Swap					
USA					
MIRAE ASSET HORIZONS S&P 500 TOTAL RETURN INDEX	(36,349,559)	4,380,928,901	-	4,375,548,562	(30,969,220)

Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2019
Future Contracts					
Hong Kong					
HANG SENG IDX FUT APR19 29/04/2019	(102)	106	-	4	-
HANG SENG IDX FUT MAY19 30/05/2019	-	122	-	122	-
HANG SENG IDX FUT JUN19 27/06/2019	-	64	-	64	-
HANG SENG IDX FUT JUL19 30/07/2019	-	60	-	60	-
HANG SENG IDX FUT AUG19 29/08/2019	-	68	-	68	-
HANG SENG IDX FUT SEP19 27/09/2019	-	68	-	68	-
HANG SENG IDX FUT OCT19 30/10/2019	-	-	-	60	(60)

Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product

Financial assets at fair value through profit or loss	1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2019
Future Contracts					
Hong Kong					
HANG SENG IDX FUT APR19 29/04/2019	118	5	-	123	-
HANG SENG IDX FUT MAY19 30/05/2019	-	126	-	126	-
HANG SENG IDX FUT JUN19 27/06/2019	-	122	-	122	-
HANG SENG IDX FUT JUL19 30/07/2019	-	124	-	124	-
HANG SENG IDX FUT AUG19 29/08/2019	-	122	-	122	-
HANG SENG IDX FUT SEP19 27/09/2019	-	115	-	115	-
HANG SENG IDX FUT OCT19 30/10/2019	-	108	-	-	108

Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2019
Future Contracts					
Hong Kong					
HSCEI FUTURES APR19 29/04/2019	(62)	66	-	4	-
HSCEI FUTURES MAY19 30/05/2019	-	76	-	76	-
HSCEI FUTURES JUN19 27/06/2019	-	78	-	78	-
HSCEI FUTURES JUL19 30/07/2019	-	74	-	74	-
HSCEI FUTURES AUG19 29/08/2019	-	82	-	82	-
HSCEI FUTURES SEP19 27/09/2019	-	84	-	84	-
HSCEI FUTURES OCT19 30/10/2019	-	-	-	74	(74)

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the six months from 1 April 2019 to 30 September 2019

Mirae Asset Horizons Hang Seng China Enterprises Daily (2x) Leveraged Product

Financial assets at fair value through profit or loss	1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2019
Future Contracts					
Hong Kong					
HSCEI FUTURES APR19 29/04/2019	201	11	-	212	-
HSCEI FUTURES MAY19 30/05/2019	-	208	-	208	-
HSCEI FUTURES JUN19 27/06/2019	-	202	-	202	-
HSCEI FUTURES JUL19 30/07/2019	-	208	-	208	-
HSCEI FUTURES AUG19 29/08/2019	-	201	-	201	-
HSCEI FUTURES SEP19 27/09/2019	-	124	-	124	-
HSCEI FUTURES OCT19 30/10/2019	-	117	-	-	117

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

As at 30 September 2019 (unaudited)

	Dealing net asset value	Dealing net asset value per unit
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	17,434,308	1.3411
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	78,711,924	5.8740
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	71,009,883	9.2221
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	38,102,062	6.2462
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	30,213,927	7.5535

As at 31 March 2019 (audited)

	Dealing net asset value	Dealing net asset value per unit
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	19,431,120	1.4132
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	151,382,717	5.4454
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	86,319,541	11.2103
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	35,797,577	5.8685
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	57,422,443	9.1147

As at 31 March 2018 (audited)

	Dealing net asset value	Dealing net asset value per unit
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	4,295,094	1.5619
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	104,057,620	5.6247
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	106,365,981	12.0870
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	63,793,747	5.9620
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	117,018,418	10.3556

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

For the six months ended 30
September 2019

	Highest issue price per unit	Lowest redemption price per unit
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	1.4588	1.3245
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.1105	5.2423
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	12.0837	8.6216
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.5027	5.6165
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	9.9063	7.0739

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT (CONTINUED)

	<u>For the year/period ended 31 March</u>	
	<u>2019</u>	
	Highest issue price per unit	Lowest redemption price per unit
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	1.7123	1.3959
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	6.5312	5.2708
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	13.4389	8.2044
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.8504	5.6682
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	11.1886	6.8967
	<u>For the year/period ended 31 March</u>	
	<u>2018</u>	
	Highest issue price per unit	Lowest redemption price per unit
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	1.8189	1.4396
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	15.0191	5.1726
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	23.1596	10.8196
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product ¹ (in HK\$)	15.4402	5.2809
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product ¹ (in HK\$)	20.4167	9.1407
	<u>For the period from 5 October 2016</u>	
	<u>(date of inception) to 31 March 2017</u>	
	Highest issue price per unit	Lowest redemption price per unit
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product ² (in US\$)	1.7651	2.0585

PERFORMANCE OF THE SUB-FUNDS

	<u>For the six months ended 30</u>	
	<u>September 2019</u>	
Sub-Fund performance (%)	Index* performance (%)	
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	(5.10)	5.02
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	7.87	(10.19)
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(17.74)	(10.19)
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.43	(10.36)
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(17.13)	(10.36)

¹The financial period of the Sub-Funds in 2018 is referring to the period from 10 March 2017 (date of inception) to 31 March 2018.

²The financial period of the Sub-Fund in 2017 is referring to the period from 5 October 2016 (date of inception) to 31 March 2017.

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

PERFORMANCE OF THE SUB-FUNDS (CONTINUED)

	<u>For the year/period ended 31 March</u> <u>2019</u>	
	Sub-Fund performance (%)	Index* performance (%)
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	(9.52)	7.33
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product ¹ (in HK\$)	(3.19)	(3.46)
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	(7.26)	(3.46)
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	(1.56)	(5.16)
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(11.98)	(5.16)

	<u>For the year/period ended 31 March</u> <u>2018</u>	
	Sub-Fund performance (%)	Index* performance (%)
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product (in US\$)	(13.10)	11.77
Mirae Asset Horizons Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	(25.00)	27.68
Mirae Asset Horizons Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	61.17	27.68
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (-1x) Inverse Product ¹ (in HK\$)	(20.51)	19.16
Mirae Asset Horizons Hang Seng China Enterprises Index Daily (2x) Leveraged Product ¹ (in HK\$)	38.08	19.16

	<u>For the period from 5 October 2016</u> <u>(date of inception) to 31 March 2017</u>	
	Sub-Fund performance (%)	Index* performance (%)
Mirae Asset Horizons S&P 500 Daily (-1x) Inverse Product ¹ (in US\$)	(10.50)	9.35

¹The financial period of the Sub-Fund in 2017 is referring to the period from 5 October 2016 (date of inception) to 31 March 2017.

*The respective tracking indices of these Sub-Funds are price return, float-adjusted market capitalisation weighted indices. A price return index calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Manager

Mirae Asset Global Investments (Hong Kong) Limited
Level 15, Three Pacific Place
1 Queen's Road East, Hong Kong

Directors of the Manager

Mr. Srinivasa Rao, Kapala
Mr. Jung Ho Rhee
Mr. Byung Ha Kim

Trustee and Registrar

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

Custodian

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

Service Agent

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

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway, Hong Kong

Auditors

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Hong Kong

Listing Agent

KGI Capital Asia Limited
41/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Participating Dealers

BNP Paribas Securities Services
21/F PCCW Tower,
Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong

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

CIMB Securities Ltd ^u
Units 7706-08, Level 77,
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block, Grand Millennium Plaza,
No. 181 Queen's Road Central,
Hong Kong

Goldman Sachs (Asia) Securities Limited %
68/F Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

Participating Dealers (continued)

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

KGI Securities (Hong Kong) Limited
41/F Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong

Merrill Lynch Far East Limited %
17/F-18/F 22/F & 23/F ICBC Tower,
3 Garden Road, Central,
Hong Kong

Mirae Asset Securities (HK) Limited
Suite 1502, Level 15,
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1 Queen's Road East,
Hong Kong

Yue Kun Research Limited
17th Floor, China Building
29 Queen's Road Central
Hong Kong

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

Market Makers

Bluefin HK Limited
8/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Commerz Securities Hong Kong Limited
15/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

Flow Traders Hong Kong Limited %
Room 2803 Hysan Place,
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Causeway Bay Hong Kong

KGI Securities (Hong Kong) Limited ^u
41/F Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong

BNP Paribas Securities (Asia) Limited
59/F-63/F Two International Finance Centre,
8 Finance Street,
Central, Hong Kong

Goldman Sachs (Asia) Securities Limited %
68/F Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

Haitong International Securities Company Limited %
22/F, Li Po Chun Chambers,
189 Des Voeux Road Central

IMC Asia Pacific Limited %
99 Queen's Road
4703-09, 47/F, The Center
Central Hong Kong
Hong Kong

MIRAE ASSET HORIZONS LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION (CONTINUED)

Market Makers (Continued)

Mirae Asset Securities (HK) Limited[%]
Suite 1502, Level 15,
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Optiver Trading Hong Kong Limited[%]
25/F, 33 Des Voeux Rd Central,
Central, Hong Kong

Yue Kun Research Limited[%]
17th Floor, China Building
29 Queen's Road Central
Hong Kong

[%] In respect of Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product only

[#]In respect of S&P 500 Daily (-1x) Inverse Product only