

E FUND LEVERAGED AND INVERSE SERIES

SEMI-ANNUAL REPORT

E FUND YUANTA HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT

E FUND YUANTA HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT

For the period from 1 January 2020 to 30 June 2020

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

E FUND LEVERAGED AND INVERSE SERIES

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Note:

The unaudited interim financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the IFRS 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 Fund of the SFC (the “SFC Code”).

The accounting policies applied are consistent with those described in the Notes to the Financial Statements of the annual financial statement.

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	HK\$	HK\$	HK\$	HK\$
ASSETS				
Financial assets at fair value through profit or loss	15,373,746	21,913,053	12,546,452	24,714,137
Amounts due from brokers	6,083,847	6,685,448	22,092,650	10,847,843
Subscription receivable	-	-	-	-
Other receivables	23,400	23,400	11,700	11,700
Cash and cash equivalents	13,012,865	16,325,936	7,357,701	29,655,938
Total assets	34,493,858	44,947,837	42,008,503	65,229,618
LIABILITIES				
Financial liabilities at fair value through profit or loss	1,600	-	389,190	216,900
Management fee payable	24,203	32,307	28,845	42,725
Trustee fee payable	12,309	3,254	12,575	4,822
Redemption payable	-	-	-	-
Establishment costs payable	-	-	-	-
Other payables	282,803	567,492	339,811	750,568
Total liabilities	320,915	603,053	770,421	1,015,015
Equity				
Net assets attributable to unitholders	34,172,943	44,344,784	41,238,082	64,214,603
Number of units in issue	7,200,000	10,000,000	9,200,000	10,400,000
Net assets attributable to unitholders per unit	4.7462	4.4561	4.4824	6.1986

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2020

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$
INCOME				
Interest income on bank deposits	35,280	94,620	23,594	79,701
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss	3,335,881	(7,506,943)	(17,466,320)	10,488,728
Net foreign exchange losses	(44,505)	(67,029)	(12,222)	(46,147)
Total net income/(loss)	3,326,656	(7,479,352)	(17,454,948)	10,522,282
EXPENSES				
Management fee	(149,381)	(221,373)	(191,306)	(246,994)
Trustee fee	(102,397)	(27,672)	(102,397)	(30,874)
Transaction costs on investments	(27,001)	(30,464)	(53,673)	(59,146)
Audit fee	(97,464)	(46,392)	(97,464)	(64,713)
Legal and professional fee	(34,809)	(99,179)	(34,809)	(154,482)
Bank charge	(3,315)	(3,040)	(4,700)	(2,520)
Other operating expenses	(282,810)	(423,726)	(131,672)	(409,219)
Total operating expenses	(697,177)	(851,846)	(616,021)	(967,948)
Total operating profit/(loss)	2,629,479	(8,331,198)	(18,070,969)	9,554,334
FINANCE COSTS				
Interest expense	-	-	(1,992)	-
Total comprehensive income/(loss) for the period	2,629,479	(8,331,198)	(18,072,961)	9,554,334

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2020

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$
Net assets attributable to unitholders at the beginning of the period	44,344,784	66,297,235	64,214,603	48,469,055
Proceeds from subscription of units	-	10,960	-	11,412,240
Payments on redemption of units	(12,801,320)	(9,274,640)	(4,903,560)	-
Net (decrease)/increase from unit transactions	(12,801,320)	(9,263,680)	(4,903,560)	11,412,240
Total comprehensive income/(loss) for the period	2,629,479	(8,331,198)	(18,072,961)	9,554,334
Net assets attributable to unitholders at the end of the period	<u>34,172,943</u>	<u>48,702,357</u>	<u>41,238,082</u>	<u>69,435,629</u>

Number of units in issue:

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	For the period from 1 January 2020 to 30 June 2020 Units	For the period from 1 January 2019 to 30 June 2019 Units	For the period from 1 January 2020 to 30 June 2020 Units	For the period from 1 January 2019 to 30 June 2019 Units
Number of units in issue at the beginning of the period	10,000,000	12,800,000	10,400,000	9,200,000
Units issued	-	-	-	1,600,000
Units redeemed	(2,800,000)	(2,000,000)	(1,200,000)	-
Number of units in issue at the end of the period	<u>7,200,000</u>	<u>10,800,000</u>	<u>9,200,000</u>	<u>10,800,000</u>

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS

For the period ended 30 June 2020

	E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product		E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product	
	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$	For the period from 1 January 2020 to 30 June 2020 HK\$	For the period from 1 January 2019 to 30 June 2019 HK\$
OPERATING ACTIVITIES				
Purchase of financial assets and financial liabilities at fair value through profit or loss	3,263,920	(8,087,650)	(251,790)	(49,770)
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss	6,612,868	11,571,171	(4,874,454)	10,345,453
Interest received on bank deposits	35,280	94,620	23,594	79,701
Interest paid	-	-	(1,992)	-
Other income received	(44,505)	229,281	(12,222)	191,239
Management fee paid	(157,485)	(234,145)	(205,186)	(237,798)
Transaction costs paid	(27,001)	(30,464)	(53,673)	(59,146)
Trustee fee paid	(93,342)	(29,267)	(94,644)	(29,723)
Audit fee, bank charges and other operating expenses paid	(703,087)	(724,306)	(679,402)	(698,455)
Margin deposit received/(paid)	601,601	(7,520,085)	(11,244,908)	(12,282,685)
Net cash generated from/(used in) operating activities	9,488,249	(4,730,845)	(17,394,677)	(2,741,184)
FINANCING ACTIVITIES				
Proceeds from subscription of units	-	3,810,424	-	11,412,240
Payments on redemption of units	(12,801,320)	(23,893,160)	(4,903,560)	-
Net cash (used in)/generated from financing activities	(12,801,320)	(20,082,736)	(4,903,560)	11,412,240
Decrease/(increase) in cash and cash equivalents	(3,313,071)	(24,813,581)	(22,298,237)	8,671,056
Cash and cash equivalents at the beginning of the period	16,325,936	54,628,065	29,655,938	25,710,461
Cash and cash equivalents at the end of the period	13,012,865	29,814,484	7,357,701	34,381,517
Analysis of balances of cash and cash equivalents				
Bank balances	13,012,865	29,814,484	7,357,701	34,381,517

E FUND LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (unaudited)

As at 30 June 2020

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

			Holdings	Fair value HK\$	% of net assets
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND			8,950	9,233,366	27.02%
E FUND (HK) US DOLLAR MONEY MARKET FUND			7,282	5,982,730	17.51%
				<u>15,216,096</u>	<u>44.53%</u>
Futures contracts					
Hong Kong					
	Counterparty	Expiration date	Contracts		
HANG SENG INDEX 07/30/20	GF Futures (HK) Co. Ltd.	30/07/2020	(28)	157,650	0.45%
MINI HSI IDX FUT 07/30/20	GF Futures (HK) Co. Ltd.	30/07/2020	(1)	(1,600)	0.00%
				<u>156,050</u>	<u>0.45%</u>
Total investments at fair value				15,372,146	44.98%
Other net assets				<u>18,800,797</u>	<u>55.02%</u>
Net assets attributable to unitholders at 30 June 2020				<u>34,172,943</u>	<u>100.00%</u>
Total investments, at cost				<u>14,911,019</u>	

E FUND LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (unaudited) (continued)

As at 30 June 2020

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

			Holdings	Fair value HK\$	% of net assets
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND			4,000	4,126,644	10.01%
E FUND (HK) US DOLLAR MONEY MARKET FUND			10,246	8,418,318	20.41%
				<u>12,544,962</u>	<u>30.42%</u>
Futures contracts					
Hong Kong					
	Counterparty	Expiration date	Contracts		
HANG SENG INDEX 07/30/20	GF Futures (HK) Co. Ltd.	30/07/2020	67	(384,900)	(0.93%)
MINI HSI IDX FUT 07/30/20	GF Futures (HK) Co. Ltd.	30/07/2020	6	(2,800)	(0.01%)
				<u>(387,700)</u>	<u>(0.94%)</u>
Total investments at fair value				12,157,262	29.48%
Other net assets				<u>29,080,820</u>	<u>70.52%</u>
Net assets attributable to unitholders at 30 June 2020				<u>41,238,082</u>	<u>100.00%</u>
Total investments, at cost				<u>12,387,769</u>	

E FUND LEVERAGED AND INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)

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

For the period ended 30 June 2020

	Holdings			Corporate action	30 June 2020
	1 January 2020	Additions	Disposals		
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND	13,000	-	4,050	-	8,950
E FUND (HK) US DOLLAR MONEY MARKET FUND	10,482	-	3,200	-	7,282
Futures contracts					
Hong Kong					
HANG SENG INDEX 01/30/20	(31)	34	3	-	-
HANG SENG INDEX 02/27/20	-	34	34	-	-
HANG SENG INDEX 03/30/20	-	40	40	-	-
HANG SENG INDEX 04/28/20	-	34	34	-	-
HANG SENG INDEX 05/28/20	-	36	36	-	-
HANG SENG INDEX 06/29/20	-	34	34	-	-
HANG SENG INDEX 07/30/20	-	-	28	-	(28)
MINI HSI IDX FUT 01/30/20	(2)	13	11	-	-
MINI HSI IDX FUT 02/27/20	-	23	23	-	-
MINI HSI IDX FUT 03/30/20	-	25	25	-	-
MINI HSI IDX FUT 04/28/20	-	16	16	-	-
MINI HSI IDX FUT 05/28/20	-	24	24	-	-
MINI HSI IDX FUT 06/29/20	-	13	13	-	-
MINI HSI IDX FUT 07/30/20	-	3	4	-	(1)

E FUND LEVERAGED AND INVERSE SERIES

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

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

For the period ended 30 June 2020

	Holdings				30 June 2020
	1 January 2020	Additions	Disposals	Corporate action	
Money market funds					
Hong Kong					
E FUND (HK) HK DOLLAR MONEY MARKET FUND	12,000	-	8,000	-	4,000
E FUND (HK) US DOLLAR MONEY MARKET FUND	15,246	-	5,000	-	10,246
Futures contracts					
Hong Kong					
HANG SENG INDEX 01/30/20	91	4	95	-	-
HANG SENG INDEX 02/27/20	-	90	90	-	-
HANG SENG INDEX 03/30/20	-	95	95	-	-
HANG SENG INDEX 04/28/20	-	78	78	-	-
HANG SENG INDEX 05/28/20	-	71	71	-	-
HANG SENG INDEX 06/29/20	-	69	69	-	-
HANG SENG INDEX 07/30/20	-	68	1	-	67
MINI HSI IDX FUT 01/30/20	-	20	20	-	-
MINI HSI IDX FUT 02/27/20	-	20	20	-	-
MINI HSI IDX FUT 03/30/20	-	26	26	-	-
MINI HSI IDX FUT 04/28/20	-	23	23	-	-
MINI HSI IDX FUT 05/28/20	-	25	25	-	-
MINI HSI IDX FUT 06/29/20	-	23	23	-	-
MINI HSI IDX FUT 07/30/20	-	6	-	-	6

E FUND LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (unaudited)

Net Asset Value

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

	Net asset value of the Sub-Fund <i>HK\$</i>	Net asset value per unit <i>HK\$</i>
At the end of financial year/period dated		
30 June 2020 (Dealing NAV)	34,334,030	4.7686
31 December 2019 (Dealing NAV)	44,561,021	4.4561
31 December 2018 (Dealing NAV)	66,827,520	5.2209
31 December 2017 (Dealing NAV)	155,760,337	4.8675

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

	Net asset value of the Sub-Fund <i>HK\$</i>	Net asset value per unit <i>HK\$</i>
At the end of financial year/period dated		
30 June 2020 (Dealing NAV)	41,426,128	4.5028
31 December 2019 (Dealing NAV)	64,465,056	6.1986
31 December 2018 (Dealing NAV)	49,068,140	5.3335
31 December 2017 (Dealing NAV)	125,652,141	7.3054

E FUND LEVERAGED AND INVERSE SERIES**PERFORMANCE RECORD (unaudited) (continued)****Highest Issue Price and Lowest Redemption Price Per Unit****E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product**

Financial year/period ended	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
30 June 2020	5.6689	4.3253
31 December 2019	5.3972	4.4143
31 December 2018	5.5611	4.3905
31 December 2017 (since inception)	6.3613*	4.8499

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

Financial year/period ended	Highest issue price per unit <i>HK\$</i>	Lowest redemption price per unit <i>HK\$</i>
30 June 2020	6.5406	3.5095
31 December 2019	7.1598	4.9718
31 December 2018	8.9354	4.9253
31 December 2017 (since inception)	7.4318	6.1687

*Effective 15 May 2017, E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product sub-divided its units into two sub-divided units as the application unit size was increased from 200,000 units to 400,000 sub-divided units. Accordingly, the trading lot value was halved and the number of trading board lots held by each existing unitholder was doubled.

E FUND LEVERAGED AND INVERSE SERIES

UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (Unaudited)

As at 30 June 2020

The underlying indices, namely, HSI for E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product (the "HSII") for E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product (the "HSIL"), do not have any constituent stock that individually accounted for more than 10% of the respective index as at 30 June 2020 and 31 December 2019. The Sub-Funds held one investment account with more than 10% of the net asset value of HSII and more than 10% of the net asset value of HSIL as at 30 June 2020 and 31 December 2019. As at 30 June 2020, the Sub-Funds' investments in E Fund (HK) HK Dollar Money Market Fund and E Fund (HK) US Dollar Money Market Fund represented 27.02% and 17.51% (31 December 2019: 29.93% and 19.32%) of the NAV of HSII and 10.01% and 20.41% (31 December 2019: 19.08% and 19.41%) of that of HSIL.

During the period started 1 January 2020 and ended 30 June 2020, the HSI Index decreased by 13.34%. for both E Fund Yuanta Hang Seng Index Daily (-1x) Inverse Product and E Fund Yuanta Hang Seng Index Daily (2x) Leveraged Product while the net asset value per unit of the Sub-Fund increased by 7.01% and decreased by 27.36% respectively.

E FUND LEVERAGED AND INVERSE SERIES

REPORT ON INVESTMENT OVERWEIGHT (Unaudited)

For the period ended 30 June 2020

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

The Manager and the Trustee have confirmed that the Sub-Funds have complied with this limit during the period ended 30 June 2020.

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Manager

E Fund Management (Hong Kong) Co., Limited
35/F, Suites 3501- 02
Two International Finance Centre
8 Finance Street
Central, Hong Kong

Trustee

Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Administrator

Citibank, N.A., Hong Kong Branch
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Investment Adviser

Yuanta Securities Investment Trust Co., Ltd
11/F, No.219, Sect. 3
Nanjing E. Rd.
Taipei, 104
Taiwan

Custodian

Citibank, N.A., Hong Kong Branch
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Service Agent/Conversion Agent

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

Listing Agent

GF Capital (Hong Kong) Limited
29-30/F, Li Po Chun Chambers
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Central, Hong Kong

Legal Counsel to the Manager

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

Auditor

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

Directors of the Manager

Liu Xiaoyan
Ma Jun
Chen Liyuan
Chen Rong
Huang Gaohui

Participating Dealers

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

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

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

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

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

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

E FUND LEVERAGED AND INVERSE SERIES

MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers (continued)

Essence International Securities (Hong Kong) Limited*
39/F, One Exchange Square
Central, Hong Kong

GF Securities (Hong Kong) Brokerage Limited
29 & 30/F, Li Po Chun Chambers
189 Des Voeux Road
Central, Hong Kong

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

UBS Securities Hong Kong Limited
46-52/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

Market Makers

Flow Traders Hong Kong Limited
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Causeway Bay Hong Kong

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Central, Hong Kong

Head & Shoulders Securities Limited
Room 2511, 25/F Cosco Tower
183 Queen's Road Central
Hong Kong

SG Securities (HK) Limited
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Hong Kong

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