

**GLOBAL X LEVERAGED AND INVERSE SERIES**

**AUDITED FINANCIAL STATEMENTS**

GLOBAL X S&P 500 DAILY (-1X) INVERSE PRODUCT

GLOBAL X HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT

GLOBAL X HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT

GLOBAL X HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE  
PRODUCT

GLOBAL X HANG SENG CHINA ENTERPRISES INDEX DAILY (2X)  
LEVERAGED PRODUCT

FOR THE YEAR ENDED 31 MARCH 2021

(SUB-FUNDS OF GLOBAL X LEVERAGED AND INVERSE SERIES)

## GLOBAL X LEVERAGED AND INVERSE SERIES

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#### IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about Global X Leveraged and Inverse Series, please refer to the prospectus of Global X Leveraged and Inverse Series which is available at our website: [www.globalxetfshk.com](http://www.globalxetfshk.com).


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

## **GLOBAL X LEVERAGED AND INVERSE SERIES**

### **REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We hereby confirm that, in our opinion, Mirae Asset Global Investments (Hong Kong) Limited, the Manager of the Global X Leveraged and Inverse Series (the “Trust”) has, in all material respects, managed the Trust, in accordance with the provisions of the Trust Deed dated 1 September 2016 as amended by supplemental deeds dated 23 February 2017, 1 November 2019 and 31 December 2019 (collectively, the “Trust Deed”) for the year ended 31 March 2021.

1. Global X S&P 500 Daily (-1x) Inverse Product
2. Global X Hang Seng Index Daily (-1x) Inverse Product
3. Global X Hang Seng Index Daily (2x) Leveraged Product
4. Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product
5. Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product



**HSBC Institutional Trust Services (Asia) Limited (the “Trustee”)**  
30 July 2021



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## Independent auditor's report

**To the unitholders of Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product of Global X Leveraged and Inverse Series (the "Trust")**  
(An umbrella unit trust established under the laws of Hong Kong)

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product, and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (collectively, the "Sub-Funds") of the Trust set out on pages 6 to 70, which comprise the statement of net assets as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 31 March 2021, and of their financial transactions and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Funds in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

We have determined that there are no key audit matters to be communicated in our report.



## **Independent auditor's report (continued)**

**To the unitholders of Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product of Global X Leveraged and Inverse Series (the "Trust")**  
(An umbrella unit trust established under the laws of Hong Kong)

### **Other information included in the Annual Report**

The Manager and the Trustee are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Manager and the Trustee for the financial statements**

The Manager of the Sub-Funds is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Funds are responsible for assessing the Sub-Funds' abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee of the Sub-Funds either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 1 September 2016 as amended by the supplemental deeds dated 23 February 2017, 1 November 2019 and 31 December 2019 (collectively, the "Trust Deed") and the relevant disclosure provisions of Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "UT Code") issued by the Hong Kong Securities and Futures Commission.



## Independent auditor's report (continued)

**To the unitholders of Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product of Global X Leveraged and Inverse Series (the "Trust")**  
(An umbrella unit trust established under the laws of Hong Kong)

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the UT Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' abilities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **Independent auditor's report (continued)**

**To the unitholders of Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product of Global X Leveraged and Inverse Series (the "Trust")**  
(An umbrella unit trust established under the laws of Hong Kong)

### **Auditor's responsibilities for the audit of the financial statements (continued)**

We communicate with the Manager and the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

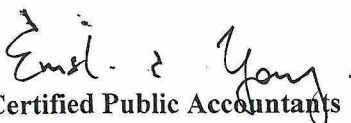
We also provide the Manager and the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager and the Trustee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the UT Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the UT Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Au Chi Pang, Ivan.

  
**Certified Public Accountants**  
Hong Kong  
30 July 2021

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF NET ASSETS

As at 31 March 2021

Notes	Global X S&P 500 Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (2x) Leveraged Product		Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product		Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product		
	2021 US\$	2020 US\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	
<b>ASSETS</b>											
Financial assets at fair value through profit or loss	13, 14(b)(i), 14(e)	-	-	-	-	282,256	1,867,915	-	-	5,336	1,033,820
Amount due from brokers	6	-	767,081	4,775,116	22,202,094	25,270,338	18,271,289	3,996,457	14,511,542	7,047,458	11,030,103
Amount due from the Manager	5(f)	1,967	1,264	1,240	5,586	2,160	5,816	2,040	6,546	2,000	6,248
Interest receivables		627	156	993	42,180	1,661	31,143	867	22,359	672	21,132
Time deposits with maturity of more than three months	8	1,106,390	-	1,607,144	-	11,583,305	-	4,624,606	-	2,522,206	-
Cash and cash equivalents	5(d), 7	5,115,072	7,164,171	23,476,526	32,305,664	33,379,833	28,408,953	15,719,578	17,549,543	10,657,343	14,475,181
<b>TOTAL ASSETS</b>		<u>6,224,056</u>	<u>7,932,672</u>	<u>29,861,019</u>	<u>54,555,524</u>	<u>70,519,553</u>	<u>48,585,116</u>	<u>24,343,548</u>	<u>32,089,990</u>	<u>20,235,015</u>	<u>26,566,484</u>
<b>LIABILITIES</b>											
Financial liabilities at fair value through profit or loss	13, 14(b)(i), 14(e)	-	-	57,283	1,082,877	-	-	5,324	649,765	-	-
Amount due to a broker	6	22,823	-	-	-	-	-	-	-	-	-
Management fee payable	5(a)	5,715	29,038	15,914	95,084	42,061	112,428	13,466	55,495	11,737	49,714
Trustee fee payable	5(b)	1,500	1,540	12,477	12,065	12,476	12,065	12,477	12,066	12,476	12,065
Formation fee payable	5(c)(i)	115,252	115,252	-	-	-	-	-	-	-	-
Administration fee payable	5(c)(ii)	101,990	60,246	1,068,699	747,700	1,100,230	779,230	1,068,700	747,700	1,068,700	747,699
Registrar fee payable	5(b)	-	4,160	2,660	-	-	2,660	-	2,660	-	-
Other payables and accruals		-	-	1,080	2,640	2,160	2,640	2,040	2,760	1,800	2,640
<b>TOTAL LIABILITIES</b>		<u>247,280</u>	<u>210,236</u>	<u>1,158,113</u>	<u>1,940,366</u>	<u>1,156,927</u>	<u>909,023</u>	<u>1,102,007</u>	<u>1,470,446</u>	<u>1,094,713</u>	<u>812,118</u>
<b>EQUITY</b>											
Net assets attributable to unitholders	3(a)	<u>5,976,776</u>	<u>7,722,436</u>	<u>28,702,906</u>	<u>52,615,158</u>	<u>69,362,626</u>	<u>47,676,093</u>	<u>23,241,541</u>	<u>30,619,544</u>	<u>19,140,302</u>	<u>25,754,366</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>6,224,056</u>	<u>7,932,672</u>	<u>29,861,019</u>	<u>54,555,524</u>	<u>70,519,553</u>	<u>48,585,116</u>	<u>24,343,548</u>	<u>32,089,990</u>	<u>20,235,015</u>	<u>26,566,484</u>
Number of units in issue	3(b)	<u>6,500,000</u>	<u>5,250,000</u>	<u>6,100,000</u>	<u>8,500,000</u>	<u>6,700,000</u>	<u>6,500,000</u>	<u>4,600,000</u>	<u>4,800,000</u>	<u>2,400,000</u>	<u>4,100,000</u>
Net asset value per unit	3(b)	<u>0.9195</u>	<u>1.4709</u>	<u>4.7054</u>	<u>6.1900</u>	<u>10.3526</u>	<u>7.3348</u>	<u>5.0525</u>	<u>6.3791</u>	<u>7.9751</u>	<u>6.2816</u>

Mirae Asset Global Investments (Hong Kong) Limited

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



## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

Notes	<u>Global X S&amp;P 500 Daily (-1x)</u>		<u>Global X Hang Seng Index Daily</u>		<u>Global X Hang Seng Index Daily</u>		<u>Global X Hang Seng China</u>		<u>Global X Hang Seng China</u>	
	<u>Inverse Product</u>		<u>(-1x) Inverse Product</u>		<u>(2x) Leveraged Product</u>		<u>Enterprises Index Daily (-1x)</u>		<u>Enterprises Index Daily (2x)</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	US\$	US\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>										
	33,399	176,049	75,336	740,674	119,033	957,007	78,532	129,841	55,290	404,258
4	(3,193,150)	866,736	(6,376,251)	9,231,050	20,958,451	(28,380,200)	(5,366,600)	3,675,601	7,275,001	(14,835,850)
	(3,159,751)	1,042,785	(6,300,915)	9,971,724	21,077,484	(27,423,193)	(5,288,068)	3,805,442	7,330,291	(14,431,592)
<b>EXPENSES</b>										
5(a)	(57,167)	(144,218)	(193,221)	(527,982)	(380,970)	(496,579)	(168,183)	(236,307)	(164,479)	(259,248)
5(b)	(8,070)	(20,360)	(137,716)	(143,284)	(137,716)	(138,283)	(137,716)	(138,284)	(137,716)	(138,283)
	(778)	(3,033)	(29,501)	(72,084)	(103,999)	(125,993)	(55,744)	(73,871)	(102,307)	(147,509)
5(c)(ii)	(5,961)	(4,098)	(69,000)	(66,400)	(69,000)	(66,400)	(69,000)	(66,400)	(69,000)	(66,400)
5(c)(ii)	(38,783)	(28,139)	(321,720)	(326,920)	(321,790)	(326,920)	(321,720)	(326,920)	(321,720)	(326,920)
	(110,759)	(199,848)	(751,158)	(1,136,670)	(1,013,475)	(1,154,175)	(752,363)	(841,782)	(795,222)	(938,360)
<b>Operating profit/(loss)</b>	(3,270,510)	842,937	(7,052,073)	8,835,054	20,064,009	(28,577,368)	(6,040,431)	2,963,660	6,535,069	(15,369,952)
<b>FINANCE COSTS</b>										
Interest expense	-	-	(11,959)	-	(67,486)	-	(8,752)	-	(29,903)	-
<b>Profit/(loss) and total comprehensive income for the year</b>	(3,270,510)	842,937	(7,064,032)	8,835,054	19,996,523	(28,577,368)	(6,049,183)	2,963,660	6,505,166	(15,369,952)

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 March 2021

Note	<u>Global X S&amp;P 500 Daily (-1x)</u> <u>Inverse Product</u>		<u>Global X Hang Seng Index Daily</u> <u>(-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily</u> <u>(2x) Leveraged Product</u>		<u>Global X Hang Seng China</u> <u>Enterprises Index Daily</u> <u>(-1x) Inverse Product</u>		<u>Global X Hang Seng China</u> <u>Enterprises Index Daily (2x)</u> <u>Leveraged Product</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	US\$	US\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Net assets attributable to unitholders at the beginning of the year</b>	7,722,436	19,392,524	52,615,158	151,253,804	47,676,093	86,319,541	30,619,544	35,754,384	25,754,366	57,347,938
Issue of units during the year	2,478,950	7,673,250	8,055,760	-	4,828,380	-	6,059,600	-	2,243,370	765,330
Redemption of units during the year	(954,100)	(20,186,275)	(24,903,980)	(107,473,700)	(3,138,370)	(10,066,080)	(7,388,420)	(8,098,500)	(15,362,600)	(16,988,950)
Net issue of units	1,524,850	(12,513,025)	(16,848,220)	(107,473,700)	1,690,010	(10,066,080)	(1,328,820)	(8,098,500)	(13,119,230)	(16,223,620)
Profit/(loss) and total comprehensive income for the year	(3,270,510)	842,937	(7,064,032)	8,835,054	19,996,523	(28,577,368)	(6,049,183)	2,963,660	6,505,166	(15,369,952)
<b>Net assets attributable to unitholders at the end of the year</b>	<u>5,976,776</u>	<u>7,722,436</u>	<u>28,702,906</u>	<u>52,615,158</u>	<u>69,362,626</u>	<u>47,676,093</u>	<u>23,241,541</u>	<u>30,619,544</u>	<u>19,140,302</u>	<u>25,754,366</u>

### Number of units in issue

Note	<u>Global X S&amp;P 500 Daily (-1x)</u> <u>Inverse Product</u>		<u>Global X Hang Seng Index Daily</u> <u>(-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily</u> <u>(2x) Leveraged Product</u>		<u>Global X Hang Seng China</u> <u>Enterprises Index Daily</u> <u>(-1x) Inverse Product</u>		<u>Global X Hang Seng China</u> <u>Enterprises Index Daily (2x)</u> <u>Leveraged Product</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Units in issue at beginning of the year	5,250,000	13,750,000	8,500,000	27,800,000	6,500,000	7,700,000	4,800,000	6,100,000	4,100,000	6,300,000
Issue during the year	2,000,000	5,750,000	1,600,000	-	600,000	-	1,000,000	-	300,000	100,000
Redemption during the year	(750,000)	(14,250,000)	(4,000,000)	(19,300,000)	(400,000)	(1,200,000)	(1,200,000)	(1,300,000)	(2,000,000)	(2,300,000)
Units in issue at end of year	<u>6,500,000</u>	<u>5,250,000</u>	<u>6,100,000</u>	<u>8,500,000</u>	<u>6,700,000</u>	<u>6,500,000</u>	<u>4,600,000</u>	<u>4,800,000</u>	<u>2,400,000</u>	<u>4,100,000</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	Global X S&P 500 Daily (-1x) Inverse Product	
		2021 US\$	2020 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit and total comprehensive income for the year		(3,270,510)	842,937
Adjustment for:			
Interest income		(33,399)	(176,049)
Decrease/(increase) in an amount due from brokers		767,081	(767,081)
Increase in an amount due from the Manager		(703)	(1,204)
Increase in time deposits with maturity of more than three months		(1,106,390)	-
Increase/(decrease) in an amount due to a broker		22,823	(137,260)
(Decrease)/increase in management fee payable		(23,323)	15,003
Decrease in trustee fee payable		(40)	(441)
Increase in administration fee payable		41,744	32,237
(Decrease)/increase in registrar fee payable		(4,160)	3,640
Cash used in operations		(3,606,877)	(188,218)
Interest received		32,928	201,340
<b>Net cash flows (used in)/generated from operating activities</b>		<u>(3,573,949)</u>	<u>13,122</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from issue of units		2,478,950	7,673,250
Cash paid on redemption of units		(954,100)	(20,186,275)
<b>Net cash flows generated from/(used in) financing activities</b>		<u>1,524,850</u>	<u>(12,513,025)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the year		<u>7,164,171</u>	<u>19,664,074</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>5,115,072</u>	<u>7,164,171</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	5(d), 7	1,672,639	1,678,418
Short term highly liquid investments with maturity less than three months	5(d), 7	3,442,433	5,485,753
Cash and cash equivalents as stated in the statement of cash flows		<u>5,115,072</u>	<u>7,164,171</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2021

		<u>Global X Hang Seng Index Daily (-1x) Inverse</u> <u>Product</u>	
	Notes	2021 HK\$	2020 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit and total comprehensive income for the year		(7,064,032)	8,835,054
Adjustments for:			
Interest income		(75,336)	(740,674)
Interest expense		11,959	-
Decrease in an amount due from brokers		17,426,978	21,192
Decrease/(increase) in an amount due from the Manager		4,346	(3,626)
Increase in time deposits with maturity of more than three months		(1,607,144)	-
Decrease in financial liabilities at fair value through profit or loss		(1,025,594)	(1,506,350)
Decrease in management fee payable		(79,170)	(25,530)
Increase/(decrease) in trustee fee payable		412	(10,202)
Increase in administration fee payable		320,999	320,941
Increase in registrar fee payable		2,660	-
(Decrease)/increase in other payables and accruals		(1,560)	840
Cash generated from operations		<u>7,914,518</u>	<u>6,891,645</u>
Interest received		116,523	728,850
Interest paid		(11,959)	-
<b>Net cash flows generated from operating activities</b>		<u>8,019,082</u>	<u>7,620,495</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from issue of units		8,055,760	-
Cash paid on redemption of units		(24,903,980)	(107,473,700)
<b>Net cash flows used in financing activities</b>		<u>(16,848,220)</u>	<u>(107,473,700)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(8,829,138)	(99,853,205)
Cash and cash equivalents at the beginning of the year		<u>32,305,664</u>	<u>132,158,869</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>23,476,526</u>	<u>32,305,664</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	5(d), 7	15,542,818	19,805,681
Time deposits with maturity of less than three months	5(d), 7	7,933,708	12,499,983
Cash and cash equivalents as stated in the statement of cash flows		<u>23,476,526</u>	<u>32,305,664</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2021

		<u>Global X Hang Seng Index Daily (2x)</u> <u>Leveraged Product</u>	
	Notes	2021 HK\$	2020 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) and total comprehensive income for the year		19,996,523	(28,577,368)
Adjustments for:			
Interest income		(119,033)	(957,007)
Interest expense		67,486	-
Decrease in financial assets at fair value through profit or loss		1,585,659	1,054,851
(Increase)/decrease in an amount due from brokers		(6,999,049)	13,019,414
Decrease/(increase) in an amount due from the Manager		3,656	(4,016)
Increase in time deposits with maturity of more than three months		(11,583,305)	-
(Decrease)/increase in management fee payable		(70,367)	65,099
Increase in trustee fee payable		411	1,340
Increase in administration fee payable		321,000	323,599
(Decrease)/increase in registrar fee payable		(2,660)	2,660
(Decrease)/increase in other payables and accruals		(480)	840
Cash generated from/(used in) operations		<u>3,199,841</u>	<u>(15,070,588)</u>
Interest received		148,515	935,115
Interest paid		(67,486)	-
<b>Net cash flows generated from/(used in) operating activities</b>		<u>3,280,870</u>	<u>(14,135,473)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from issue of units		4,828,380	-
Cash paid on redemption of units		(3,138,370)	(10,066,080)
<b>Net cash flows generated from/(used in) financing activities</b>		<u>1,690,010</u>	<u>(10,066,080)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		4,970,880	(24,201,553)
Cash and cash equivalents at the beginning of the year		<u>28,408,953</u>	<u>52,610,506</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
		<u>33,379,833</u>	<u>28,408,953</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	5(d), 7	25,278,665	16,908,953
Time deposits with maturity of less than three months	5(d), 7	8,101,168	11,500,000
Cash and cash equivalents as stated in the statement of cash flows		<u>33,379,833</u>	<u>28,408,953</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2021

		<u>Global X Hang Seng China Enterprises Index</u> <u>Daily (-1x) Inverse Product</u>	
	Notes	2021 HK\$	2020 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit and total comprehensive income for the year		(6,049,183)	2,963,660
Adjustments for:			
Interest income		(78,532)	(129,841)
Interest expense		8,752	
Decrease/(increase) in an amount due from brokers		10,515,085	(7,220,837)
Decrease/(increase) in an amount due from the Manager		4,506	(4,626)
Increase in time deposits with maturity of more than three months		(4,624,606)	-
(Decrease)/increase in financial liabilities at fair value through profit or loss		(644,441)	244,165
(Decrease)/increase in management fee payable		(42,029)	35,853
Increase in trustee fee payable		411	2,955
Increase in administration fee payable		321,000	323,600
(Decrease)/increase in registrar fee payable		(2,660)	2,660
(Decrease)/increase in other payables and accruals		(720)	840
Cash used in operations		<u>(592,417)</u>	<u>(3,781,571)</u>
Interest received		100,024	110,596
Interest paid		(8,752)	-
<b>Net cash flows used in operating activities</b>		<u>(501,145)</u>	<u>(3,670,975)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from issue of units		6,059,600	-
Cash paid on redemption of units		<u>(7,388,420)</u>	<u>(8,098,500)</u>
<b>Net cash flows used in financing activities</b>		<u>(1,328,820)</u>	<u>(8,098,500)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the year		<u>17,549,543</u>	<u>29,319,018</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>15,719,578</u>	<u>17,549,543</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	5(d), 7	8,407,898	11,049,543
Time deposits with maturity of less than three months	5(d), 7	<u>7,311,680</u>	<u>6,500,000</u>
Cash and cash equivalents as stated in the statement of cash flows		<u>15,719,578</u>	<u>17,549,543</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2021

		<u>Global X Hang Seng China Enterprises Index Daily</u> <u>(2x) Leveraged Product</u>	
	Notes	2021 HK\$	2020 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) and total comprehensive income for the year		6,505,166	(15,369,952)
Adjustments for:			
Interest income		(55,290)	(404,258)
Interest expense		29,903	-
Decrease in financial assets at fair value through profit or loss		1,028,484	264,475
Decrease in an amount due from brokers		3,982,645	8,883,316
Decrease/(increase) in an amount due from the Manager		4,248	(4,448)
Increase in time deposits with maturity of more than three months		(2,522,206)	-
(Decrease)/increase in management fee payable		(37,977)	17,423
Increase in trustee fee payable		411	2,199
Increase in administration fee payable		321,001	323,599
(Decrease)/increase in other payables and accruals		(840)	840
Cash generated from/(used in) operations		<u>9,255,545</u>	<u>(6,286,806)</u>
Interest received		75,750	471,458
Interest paid		(29,903)	-
<b>Net cash flows generated from/(used in) operating activities</b>		<u>9,301,392</u>	<u>(5,815,348)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from issue of units		2,243,370	765,330
Cash paid on redemption of units		(15,362,600)	(16,988,950)
<b>Net cash flows used in financing activities</b>		<u>(13,119,230)</u>	<u>(16,223,620)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the year		<u>14,475,181</u>	<u>36,514,149</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
		<u>10,657,343</u>	<u>14,475,181</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	5(d), 7	4,871,052	8,975,181
Time deposits with maturity of less than three months	5(d), 7	5,786,291	5,500,000
Cash and cash equivalents as stated in the statement of cash flows		<u>10,657,343</u>	<u>14,475,181</u>

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 1. GENERAL INFORMATION

Global X Horizons Leveraged and Inverse Series is an umbrella unit trust (the “Trust”) governed by its trust deed dated 1 September 2016 as amended by supplemental deeds dated 23 February 2017 and 31 December 2019 (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 31 March 2021, 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 Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X 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 SEHK</u>
Global X S&P 500 Daily (-1x) Inverse Product	11 October 2016
Global X Hang Seng Index Daily (-1x) Inverse Product	14 March 2017
Global X Hang Seng Index Daily (2x) Leveraged Product	14 March 2017
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	14 March 2017
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	14 March 2017

These financial statements relate to the above-mentioned Sub-Funds. The Manager is responsible for the preparation of the financial statements.

#### Global X 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.

#### Global X 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.



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 1. GENERAL INFORMATION (CONTINUED)

Global X 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.

Global X 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 China Enterprises Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Global X 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 China Enterprises 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 years presented, unless otherwise stated.

(a)(i) 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* issued by the SFC (the “UT Code”).

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a)(i) Basis of preparation (continued)

The financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities classified as at fair value through profit or loss (“FVPL”) that have been measured at fair value. The financial statements are presented in United States dollars (“US\$”) for S&P 500 Daily (-1x) Inverse Product and Hong Kong dollars (“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, and all values are rounded to the nearest US\$ and HK\$ respectively except where otherwise indicated.

##### (a)(ii) Significant accounting judgements, estimates and assumptions

The preparation of financial statements, in conformity with IFRSs, requires the Manager and the Trustee (collectively, 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.

##### 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 investments’ domiciles.

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a)(iii) Changes in accounting policies and disclosures

The accounting principles adopted in the current year are consistent with those adopted in the prior year; except that the Sub-Funds have adopted the following revised IFRSs:

Amendments to IAS 1 and IAS 8      *Definition of Material*<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

The amendments to IAS 1 and IAS 8 were issued in January 2019 to align the definition of “material” across the standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments are effective for annual reporting periods beginning on or after 1 January 2020 and have had no significant impact on the Sub-Funds’ financial statements upon adoption.

##### (a)(iv) Issued but not yet effective IFRSs

There are no new and revised IFRSs that have been issued but not yet effective applicable to the Sub-Fund’s financial statements.

##### (b) Financial instruments

###### (i) *Classification*

In accordance with IFRS 9, the Sub-Funds classify their 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)

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) *Classification* (continued)

##### *Financial assets*

The Sub-Funds classify their 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 solely payments of principal and interest on the principal amount outstanding. The Sub-Funds include in this short-term non-financing receivables including amounts due from brokers, amounts due from the Manager, interest receivables, time deposits with maturity of more than three months and cash and cash equivalents.

##### *Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest 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 FVPL 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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) **Classification** (continued)

***Financial liabilities***

***Financial liabilities measured at FVPL***

A financial liability is measured at FVPL 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 other than those measured at FVPL. The Sub-Funds include in this category amounts due to a broker, management fee payable, trustee fee payable, formation fee payable, administration fee payable, registrar fee payable and other payables and accruals.

(ii) **Recognition**

The Sub-Funds recognise a financial asset or a financial liability when, and only when, they become a party to the contractual provisions of the instrument. Purchases and sales of financial assets and financial liabilities at FVPL are accounted for on the trade date basis.

(iii) **Initial measurement**

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

Financial assets and financial liabilities (other than those classified as at FVPL) 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-Funds measure financial instruments which are classified as at FVPL 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 and financial liabilities at FVPL”. Interest earned of such instruments is recorded separately in “interest income”.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(iv) *Subsequent measurement* (continued)

Debt instruments, other than those classified as at FVPL, 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 FVPL, 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 a 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 through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees 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 their 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.

When the Sub-Funds have transferred its rights to receive cash flows from an asset (or has 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 expired.

(c) Fair value measurement

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

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (c) Fair value measurement (continued)

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.

##### (d) Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices that are within the bid-ask spread 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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income

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

(f) Expenses

Expenses are recognised on an accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short term deposits in banks and short term highly liquid investments with maturity less than three months, 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.

(h) Translation of foreign currencies

Functional and presentation currencies

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 is measured and reported to the unitholders, and 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. 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.

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.



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (h) Translation of foreign currencies (continued)

###### Foreign currency translation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in the statement of profit or loss and other comprehensive income.

##### (i) 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.

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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Redeemable units (continued)

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 its 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 Sub-Funds.

(j) 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.

(k) Amounts due from and due to brokers

Amounts due from brokers 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.

Amounts due to brokers 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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of financial assets

Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Funds are required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where 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.

The Sub-Funds consider a default has occurred when a financial asset is more than 90 days past due unless the Sub-Funds have reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(m) Net change in unrealised gains or losses on financial assets and financial liabilities at FVPL

This item includes changes in the fair value of financial assets and financial liabilities as at FVPL and excludes interest income and expenses.

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.

(n) Net realised gains or losses on financial assets and financial liabilities at FVPL

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

(o) 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.

(p) 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 profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Distribution to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. The Manager does not intend to pay or make any distribution or dividends to the Sub-Funds' unitholders.

(r) Formation fee

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

(s) Transaction costs

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

(t) 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

- (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 a group of which it is a part, provides key management personnel services to the Sub-Funds or to the parent of the Sub-Funds.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENTS 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. Units are created or redeemed in multiples of 250,000 units for S&P 500 Daily (-1x) Inverse Product, and 100,000 units 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 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 are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(i), 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 the formation fee*

The formation fee for establishing S&P 500 Daily (-1x) Inverse Product was US\$115,252. The formation fee for establishing each 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 was HK\$392,989. Per the prospectus of the Sub-Funds, the formation fee is amortised over the first five 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.

For S&P 500 Daily (-1x) Inverse Product, the unamortised amount of US\$49,631 was reversed during the year ended 31 March 2020 and there are no remaining amortisation period as at 31 March 2021 and 2020. For Hang Seng Index Daily (-1x) Inverse Product, the unamortised amount was HK\$41,413 (2020: HK\$85,103) and the remaining amortisation period was 11 months as at 31 March 2021 (2020: 23 months). For Hang Seng Index Daily (2x) Leveraged Product, there are no unamortised amount and remaining period as at 31 March 2021 and 2020. For Hang Seng China Enterprises Index Daily (-1x) Inverse Product, the unamortised amount was HK\$13,880 (2020: HK\$28,516) and the remaining amortisation period was 11 months as at 31 March 2021 (2020: 23 months). For Hang Seng China Enterprises Index Daily (2x) Leveraged Product, the unamortised amount was HK\$23,934 (2020: HK\$49,185) and the remaining amortisation period was 11 months as at 31 March 2021 (2020: 23 months).

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(a) Net assets attributable to unitholders (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 31 March 2021 and 31 March 2020 is reconciled below:

<u>As at 31 March 2021</u>		<u>Hang Seng</u> <u>China</u> <u>Enterprises</u> <u>Index Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>US\$</u>	<u>Hang Seng</u> <u>Index Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>China</u> <u>Enterprises</u> <u>Index Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>China</u> <u>Enterprises</u> <u>Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>
Accounting NAV as reported in the statement of net assets		5,976,776	28,702,906	69,362,626	23,241,541	19,140,302
Adjustment for the formation fee		-	41,413	-	13,880	23,934
Dealing NAV		<u>5,976,776</u>	<u>28,744,319</u>	<u>69,362,626</u>	<u>23,255,421</u>	<u>19,164,236</u>
<u>As at 31 March 2020</u>		<u>S&amp;P 500 Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>US\$</u>	<u>Hang Seng</u> <u>Index Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>China</u> <u>Enterprises</u> <u>Index Daily</u> <u>(-1x) Inverse</u> <u>Product</u> <u>HK\$</u>	<u>Hang Seng</u> <u>China</u> <u>Enterprises</u> <u>Index Daily</u> <u>(2x) Leveraged</u> <u>Product</u> <u>HK\$</u>
Accounting NAV as reported in the statement of net assets		7,722,436	52,615,158	47,676,093	30,619,544	25,754,366
Adjustment for the formation fee		(49,631)	85,103	-	28,516	49,185
Dealing NAV		<u>7,672,805</u>	<u>52,700,261</u>	<u>47,676,093</u>	<u>30,648,060</u>	<u>25,803,551</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

##### (b) Movements of units

The table below summarises the movements of units for the years ended 31 March 2021 and 2020, and the Accounting NAV per unit and the Dealing NAV per unit for each Sub-Fund as at 31 March 2021 and 2020.

As at 31 March 2021	Number of units				Net assets attributable to unitholders	
	Units in issue at beginning of the year	Issue during the year	Redemption during the year	Units in issue at end of year	Accounting NAV	Dealing NAV
					Per unit at year end	Per unit at year end
S&P 500 Daily (-1x) Inverse Product	5,250,000	2,000,000	(750,000)	6,500,000	US\$0.9195	US\$0.9195
Hang Seng Index Daily (-1x) Inverse Product	8,500,000	1,600,000	(4,000,000)	6,100,000	HK\$4.7054	HK\$4.7122
Hang Seng Index Daily (2x) Leveraged Product	6,500,000	600,000	(400,000)	6,700,000	HK\$10.3526	HK\$10.3526
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	4,800,000	1,000,000	(1,200,000)	4,600,000	HK\$5.0525	HK\$5.0555
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	4,100,000	300,000	(2,000,000)	2,400,000	HK\$7.9751	HK\$7.9851

As at 31 March 2020	Number of units				Net assets attributable to unitholders	
	Units in issue at beginning of the year	Issue during the year	Redemption during the year	Units in issue at end of year	Accounting NAV	Dealing NAV
					Per unit at year end	Per unit at year end
S&P 500 Daily (-1x) Inverse Product	13,750,000	5,750,000	(14,250,000)	5,250,000	US\$1.4709	US\$1.4615
Hang Seng Index Daily (-1x) Inverse Product	27,800,000	-	(19,300,000)	8,500,000	HK\$6.1900	HK\$6.2000
Hang Seng Index Daily (2x) Leveraged Product	7,700,000	-	(1,200,000)	6,500,000	HK\$7.3348	HK\$7.3348
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	6,100,000	-	(1,300,000)	4,800,000	HK\$6.3791	HK\$6.3850
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	6,300,000	100,000	(2,300,000)	4,100,000	HK\$6.2816	HK\$6.2935

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 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 FVPL for the years ended 31 March 2021 and 2020:

	<u>S&amp;P 500 Daily (-1x) Inverse</u>		<u>Hang Seng Index Daily (-1x)</u>		<u>Hang Seng Index Daily (2x)</u>		<u>Hang Seng China Enterprises</u>		<u>Hang Seng China Enterprises</u>	
	Product		Inverse Product		Leveraged Product		Index Daily (-1x) Inverse		Index Daily (2x) Leveraged	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	US\$	US\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net realised gain/(loss) on sale of financial assets and financial liabilities at FVPL	(3,193,150)	866,736	(7,401,844)	7,724,700	22,544,110	(27,325,349)	(6,011,041)	3,919,766	8,303,485	(14,571,375)
Net change in unrealised gain/(loss) on financial assets and financial liabilities at FVPL	-	-	1,025,593	1,506,350	(1,585,659)	(1,054,851)	644,441	(244,165)	(1,028,484)	(264,475)
	<u>(3,193,150)</u>	<u>866,736</u>	<u>(6,376,251)</u>	<u>9,231,050</u>	<u>20,958,451</u>	<u>(28,380,200)</u>	<u>(5,366,600)</u>	<u>3,675,601</u>	<u>7,275,001</u>	<u>(14,835,850)</u>



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

Related parties are those as defined in note 2(t). 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 UT Code. All transactions entered into during the year 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 with no fixed terms. For each Sub-Fund, the annual rates of the management fee is as follows:

	<u>Maximum rate of the net assets in %</u>	<u>Annual rate of the net assets in % 2021</u>	<u>Annual rate of the net assets in % 2020</u>
S&P 500 Daily (-1x) Inverse Product	2%	0.85%	0.85%
Hang Seng Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Hang Seng Index Daily (2x) Leveraged Product	2%	0.65%	0.65%
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	2%	0.65%	0.65%

The management fees incurred during the years ended 31 March 2021 and 31 March 2020 are as follows:

	2021 US\$	2020 US\$
S&P 500 Daily (-1x) Inverse Product	57,167	144,218
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	193,221	527,982
Hang Seng Index Daily (2x) Leveraged Product	380,970	496,579
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	168,183	236,307
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	164,479	259,248

The management fees payables as at 31 March 2021 and 31 March 2020 are as follows:

	2021 US\$	2020 US\$
S&P 500 Daily (-1x) Inverse Product	5,715	29,038
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	15,914	95,084
Hang Seng Index Daily (2x) Leveraged Product	42,061	112,428
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	13,466	55,495
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	11,737	49,714

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

##### (b) Trustee fee, registrar fee, safekeeping fee and transaction fee

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 the Sub-Fund or the applicable monthly minimum. For each Sub-Fund, the annual rates of trustee is as follows:

	<u>Annual rate of the net asset value in % 2021</u>	<u>Annual rate of the net asset value in % 2020</u>
S&P 500 Daily (-1x) Inverse Product <sup>1</sup>	0.12%	0.12%
Hang Seng Index Daily (-1x) Inverse Product <sup>2</sup>	0.12%	0.12%
Hang Seng Index Daily (2x) Leveraged Product <sup>2</sup>	0.12%	0.12%
Hang Seng China Enterprises Index Daily (-1x) Inverse Product <sup>2</sup>	0.12%	0.12%
Hang Seng China Enterprises Index Daily (2x) Leveraged Product <sup>2</sup>	0.12%	0.12%

For S&P 500 Daily (-1x) Inverse Product, the trustee fee was borne by both the Sub-Fund and the Manager during the year ended 31 March 2021 and 31 March 2020 as follows:

	Portion borne by the Sub-Fund US\$	Portion borne by the Manager US\$	Total US\$
2021	8,070	9,930	18,000
2020	20,360	-	20,360

For Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product, Hang Seng China Enterprises Index Daily (2x) Leveraged Product, the trustee fees were borne by the Sub-Fund and incurred during the years ended 31 March 2021 and 31 March 2020 as follows:

	2021 HK\$	2020 HK\$
Hang Seng Index Daily (-1x) Inverse Product	137,716	143,284
Hang Seng Index Daily (2x) Leveraged Product	137,716	138,283
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	137,716	138,284
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	137,716	138,283

<sup>1</sup>The current standard annual rate for S&P 500 Daily (-1x) Inverse Product is 0.12% per year of the net asset value of the Sub-Fund. For the years ended 31 March 2021 and 2020, the trustee fee was subject to a minimum of US\$1,500 per month.

<sup>2</sup>The current standard annual rate for each of these Sub-Funds is 0.12% per year of the net asset value of the Sub-Fund. For the years ended 31 March 2021 and 2020, the trustee fee was subject to a minimum of HK\$11,500 per month.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(b) Trustee fee, registrar fee, safekeeping fee and transaction fee (continued)

The trustee fees payable as at 31 March 2021 and 31 March 2020 are as follows:

	2021 US\$	2020 US\$
S&P 500 Daily (-1x) Inverse Product	1,500	1,540
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	12,477	12,065
Hang Seng Index Daily (2x) Leveraged Product	12,476	12,065
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	12,477	12,066
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	12,476	12,065

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 (2020: HK\$160) (US\$20 (2020: 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 fully borne by the Manager during the years ended 31 March 2021 and 2020.

The Registrar is also entitled to receive from the participating dealer a transaction fee of HK\$2,500 (2020: HK\$2,500), except for the transaction fee of S&P 500 Daily (-1x) Inverse Product which amounts to US\$500 (2020: US\$500), per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Funds. The transaction fees are paid by the participating dealer to the Sub-Funds and the Sub-Funds will pay the transaction fee to the Trustee on behalf of the participating dealer. The registrar fees payable as at 31 March 2021 and 31 March 2020 are as follows:

	2021 US\$	2020 US\$
S&P 500 Daily (-1x) Inverse Product	-	4,160
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	2,660	-
Hang Seng Index Daily (2x) Leveraged Product	-	2,660
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	-	2,660

S&P 500 Daily (-1x) Inverse Product has invested in money market funds during the year. The Trustee is entitled to charge a safekeeping fee of 0.03% per annum of the assets under custody on the last business day of the month. During the year ended 31 March 2021, the safekeeping fee amounted to US\$1,194 (2020: US\$351), which has been fully borne by the Manager.

In addition, the Trustee is also entitled to charge transaction fees of US\$20 (2020: US\$20) per transaction of purchases and sales of money market funds. The transaction fees are imposed on receipt or delivery versus payment, or a receipt or delivery free of payment. A cancellation or an amendment also constitutes a transaction. During the year ended 31 March 2021, transaction fees amount to US\$140 (2020: US\$80) were charged by the Trustee for S&P 500 Daily (-1x) Inverse Product, which have been fully borne by the Manager.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(c) Other expenses

(i) *Formation fee*

As at 31 March 2021, the formation fee for S&P 500 Daily (-1x) Inverse Product of US\$115,252 (2020: US\$115,252) was payable to the Manager.

(ii) *Administration fee*

The Manager is responsible for the payment of several fees, such as auditor's remuneration, 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, 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>	
	2021	2020
S&P 500 Daily (-1x) Inverse Product	0.66%	0.19%
Hang Seng Index Daily (-1x) Inverse Product	1.31%	0.49%
Hang Seng Index Daily (2x) Leveraged Product	0.66%	0.52%
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	1.51%	1.09%
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	1.54%	0.99%

The auditor's remuneration incurred by the Sub-Funds during the years ended 31 March 2021 and 31 March 2020 are as follows:

	2021	2020
	US\$	US\$
S&P 500 Daily (-1x) Inverse Product	5,961	4,098
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	69,000	66,400
Hang Seng Index Daily (2x) Leveraged Product	69,000	66,400
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	69,000	66,400
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	69,000	66,400

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 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 other administration fees incurred by the Sub-Funds.

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

	For the year ended 31 March 2021		
	Portion borne by the Sub-Fund US\$	Portion borne by the Manager US\$	Total US\$
Index licensing fee	18,377	6,623	25,000
Others	20,406	9,981	30,387
	<u>38,783</u>	<u>16,604</u>	<u>55,387</u>

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

	For the year ended 31 March 2020		
	Portion borne by the Sub-Fund US\$	Portion borne by the Manager US\$	Total US\$
Index licensing fee	13,573	11,427	25,000
Others	14,566	15,871	30,437
	<u>28,139</u>	<u>27,298</u>	<u>55,437</u>

Hang Seng Index Daily  
(-1x) Inverse Product

	For the year ended 31 March 2021		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	21,720	144,819	166,539
	<u>321,720</u>	<u>244,819</u>	<u>566,539</u>

Hang Seng Index Daily  
(-1x) Inverse Product

	For the year ended 31 March 2020		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	26,920	151,405	178,325
	<u>326,920</u>	<u>251,405</u>	<u>578,325</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(c) Other expenses (continued)

(ii) *Administration fee* (continued)

Hang Seng Index Daily  
(2x) Leveraged Product

	For the year ended 31 March 2021		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	21,790	144,819	166,609
	<u>321,790</u>	<u>244,819</u>	<u>566,609</u>

Hang Seng Index Daily  
(2x) Leveraged Product

	For the year ended 31 March 2020		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	26,920	151,405	178,325
	<u>326,920</u>	<u>251,405</u>	<u>578,325</u>

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

	For the year ended 31 March 2021		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	21,720	144,819	166,539
	<u>321,720</u>	<u>244,819</u>	<u>566,539</u>

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

	For the year ended 31 March 2020		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	26,920	151,405	178,325
	<u>326,920</u>	<u>251,405</u>	<u>578,325</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(c) Other expenses (continued)

(ii) *Administration fee* (continued)

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

	For the year ended 31 March 2021		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	21,720	144,819	166,539
	<u>321,720</u>	<u>244,819</u>	<u>566,539</u>

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

	For the year ended 31 March 2020		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Index licensing fee	300,000	100,000	400,000
Others	26,920	151,405	178,325
	<u>326,920</u>	<u>251,405</u>	<u>578,325</u>

The administration fees payable as at 31 March 2021 and 31 March 2020 are as follows:

	2021 US\$	2020 US\$
S&P 500 Daily (-1x) Inverse Product	101,990	60,246
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	1,068,699	747,700
Hang Seng Index Daily (2x) Leveraged Product	1,100,230	779,230
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	1,068,700	747,700
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	1,068,700	747,699

(d) Cash and cash equivalents held by the Trustee's related company

As at 31 March 2021 and 2020, short term highly liquid investments with maturity less than three months and part of the interest-bearing bank balances were held with the Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee. Refer to note 14 (c) for details.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(e) Holdings of units

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

As at 31 March 2021, The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, acting as a market intermediary, held 951,900 units (2020: 822,000 units) of this Sub-Fund. As at 31 March 2020, Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held 500,000 units of this Sub-Fund. There are no profits from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2021 and 2020.

Hang Seng Index Daily (-1x) Inverse Product

As at 31 March 2021, The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, acting as a market intermediary, held 199,300 units (2020: 213,800 units) of this Sub-Fund. As at 31 March 2020, Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held 600,000 units of this Sub-Fund. There are no profits from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2021 and 2020.

Hang Seng Index Daily (2x) Leveraged Product

As at 31 March 2021, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, acting as a market intermediary, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held 63,700 units (2020: 26,700 units) and 200,000 units (2020: 200,000 units) of this Sub-Fund respectively. There are no profits from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2021 and 2020.

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

As at 31 March 2021, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, acting as a market intermediary, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held 25,000 units (2020: 41,000 units) and 300,000 units (2020: 500,000 units) of this Sub-Fund respectively. There are no profits from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2021 and 2020.

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

As at 31 March 2021, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, acting as a market intermediary, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held 20,000 units (2020: 60,000 units) and 200,000 units (2020: 200,000 units) of this Sub-Fund respectively. There are no profits from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2021 and 2020.



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

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

(f) Amount due from the Manager

As at 31 March 2021 and 31 March 2020, the amounts due from the Manager of the Sub-Funds are as follows:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
S&P 500 Daily (-1x) Inverse Product	1,967	1,264
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	1,240	5,586
Hang Seng Index Daily (2x) Leveraged Product	2,160	5,816
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2,040	6,546
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	2,000	6,248

The amounts are related to certain trustee fee, administration fees and bank charges paid by the Sub-Funds on behalf of the Manager. The balances are unsecured, interest-free and payable on demand.

#### 6. AMOUNTS DUE FROM AND DUE TO BROKERS

As at 31 March 2021 and 2020, the Sub-Funds have amounts due from and amount due to brokers, which represent receivables and payables for securities sold/bought with the brokers that have been contracted for but not yet settled or delivered on the reporting date respectively. For the amount due to a broker, the balance is unsecured and payable on demand. Refer to note 12 for margin requirements on cash held at brokers.

	2021	2020
	US\$	US\$
<u>S&amp;P 500 Daily (-1x) Inverse Product</u>		
Amount due to a broker		
- Payables for securities sold, but not yet delivered (BNP Paribas Securities Services)	22,823	-
Amount due from brokers		
- Receivables for securities sold, but not yet settled (BNP Paribas Securities Services)	-	153,813
- Receivables for securities sold, but not yet settled (Citigroup Global Markets Ltd., London)	-	613,268
	-	767,081

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 6. AMOUNT DUE FROM AND DUE TO BROKERS (CONTINUED)

	2021 HK\$	2020 HK\$
<u>Hang Seng Index Daily (-1x) Inverse Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	2,894	6,010,568
- Margin account (Goldman Sachs International)	4,772,222	16,191,526
	<u>4,775,116</u>	<u>22,202,094</u>
<u>Hang Seng Index Daily (2x) Leveraged Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	17,013	1,515,360
- Margin account (Goldman Sachs International)	25,253,325	16,755,929
	<u>25,270,338</u>	<u>18,271,289</u>
<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	512	-
- Margin account (Goldman Sachs International)	3,995,945	14,511,542
	<u>3,996,457</u>	<u>14,511,542</u>
<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	6,585	2,505,308
- Margin account (Goldman Sachs International)	7,040,873	8,524,795
	<u>7,047,458</u>	<u>11,030,103</u>

#### 7. CASH AND CASH EQUIVALENTS

	Notes	2021 US\$	2020 US\$
<u>S&amp;P 500 Daily (-1x) Inverse Product</u>			
Bank balances	(i)	1,672,639	1,678,418
Short term highly liquid investments with maturity less than three months	(iii)	3,442,433	5,485,753
Cash and cash equivalents		<u>5,115,072</u>	<u>7,164,171</u>
		HK\$	HK\$
<u>Hang Seng Index Daily (-1x) Inverse Product</u>			
Bank balances	(i)	15,542,818	19,805,681
Time deposits with maturity of less than three months	(ii)	7,933,708	12,499,983
Cash and cash equivalents		<u>23,476,526</u>	<u>32,305,664</u>
<u>Hang Seng Index Daily (2x) Leveraged Product</u>			
Bank balances	(i)	25,278,665	16,908,953
Time deposits with maturity of less than three months	(ii)	8,101,168	11,500,000
Cash and cash equivalents		<u>33,379,833</u>	<u>28,408,953</u>
<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>			
Bank balances	(i)	8,407,898	11,049,543
Time deposits with maturity of less than three months	(ii)	7,311,680	6,500,000
Cash and cash equivalents		<u>15,719,578</u>	<u>17,549,543</u>
<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>			
Bank balances	(i)	4,871,052	8,975,181
Time deposits with maturity of less than three months	(ii)	5,786,291	5,500,000
Cash and cash equivalents		<u>10,657,343</u>	<u>14,475,181</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 7. CASH AND CASH EQUIVALENTS (CONTINUED)

Notes:

- (i) As at 31 March 2021, these interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Citibank, N.A. Hong Kong Branch, Standard Chartered Bank (Hong Kong) Limited and Industrial and Commercial Bank of China (Asia) Limited. As at 31 March 2020, these interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Citibank, N.A. Hong Kong Branch and Standard Chartered Bank (Hong Kong) Limited. Refer to note 14(c) for details.
- (ii) As at 31 March 2021, these time deposits at fixed interest rate ranging from 0.01 to 0.21% p.a. for Hang Seng Index Daily (-1x) Inverse Product, 0.02 to 0.21% p.a. for Hang Seng Index Daily (2x) Leveraged Product, 0.02 to 0.21% p.a. for Hang Seng China Enterprises Index Daily (-1x) Inverse Product and 0.02 to 0.21% p.a. for Hang Seng China Enterprises Index Daily (2x) Leveraged Product were placed with Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited with a maturity of less than three months or more. As at 31 March 2020, these time deposit at fixed interest rates ranging from 1.85 to 1.95% p.a. for Hang Seng Index Daily (-1x) Inverse Product, 1.55 to 1.85% p.a. for Hang Seng Index Daily (2x) Leveraged Product and 1.85 to 1.94% p.a. for Hang Seng China Enterprises Index Daily (-1x) Inverse Product and 1.85 to 2.04% p.a. for Hang Seng China Enterprises Index Daily (2x) Leveraged Product were placed with Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited with a maturity of less than three months. The carrying amounts of the cash and cash equivalents approximate their fair values. Interest income was earned on these cash and cash equivalents during the years ended 31 March 2021 and 2020. Refer to note 14(c) for details.
- (iii) As at 31 March 2021 and 2020, short term highly liquid investments with maturity less than three months are held through The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, in connection with shares in CSOP US Dollar Money Market ETF and ICBC CICC USD Money Market ETF, which are listed in the Stock Exchange of Hong Kong. Refer to note 14(c) for details.

#### 8. TIME DEPOSITS WITH MATURITY OF MORE THAN THREE MONTHS

As at 31 March 2021 and 31 March 2020, the time deposits with maturity of more than three months are as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
S&P 500 Daily (-1x) Inverse Product	1,106,390	-
	HK\$	HK\$
Hang Seng Index Daily (-1x) Inverse Product	1,607,144	-
Hang Seng Index Daily (2x) Leveraged Product	11,583,305	-
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	4,624,606	-
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	2,522,206	-

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 8. TIME DEPOSITS WITH MATURITY OF MORE THAN THREE MONTHS (CONTINUED)

As at 31 March 2021, these time deposits at fixed interest rate ranging from 0.28 to 0.30% p.a. for S&P 500 Daily (-1x) Inverse Product, 0.01% p.a. for Hang Seng Index Daily (-1x) Inverse Product, 0.03% p.a. for Hang Seng Index Daily (2x) Leveraged Product, 0.03 to 0.35% p.a. for Hang Seng China Enterprises Index Daily (-1x) Inverse Product and 0.01% p.a. for Hang Seng China Enterprises Index Daily (2x) Leveraged Product were placed with Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited with a maturity of more than three months. As at 31 March 2020, there was no time deposit with maturity of more than three months for the Sub-Funds. The carrying amounts of the time deposit approximate their fair values. Interest income was earned on these time deposit during the year ended 31 March 2021.

#### 9. 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 have 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 has not participated in any soft commission arrangements in respect of any transactions for the accounts of the Sub-Funds.

#### 10. 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.

#### 11. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders annually (usually in March of each financial year) or determine that no distribution shall be made in any financial year. Distributions may not be paid if the cost of the Sub-Funds’ operations is higher than the yield from management of the Sub-Funds’ cash and holdings of investments. The Sub-Funds did not make any distribution for the year (2020: nil).

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE UT CODE

According to Chapter 7.11A of the UT Code, the value of the Sub-Funds' investment in units or shares in each such underlying scheme may not exceed 30% of its total net asset value, unless the underlying scheme is authorised by the Commission, and the name and key investment information of the underlying scheme are disclosed in the offering document of the Sub-Funds. As at 31 March 2021 and 2020, for S&P 500 Daily (-1x) Inverse Product, the respective value of investment in units or shares in the underlying scheme were as follows:

	<u>2021</u>	% of net asset
	US\$	value
Hong Kong		
CSOP US Dollar Money Market ETF	1,735,287	29.03
ICBC CICC USD Money Market ETF	1,678,832	28.09
	<u>2020</u>	% of net asset
	US\$	value
Hong Kong		
CSOP US Dollar Money Market ETF	2,454,000	31.78
ICBC CICC USD Money Market ETF	3,031,753	39.26

As at 31 March 2021 and 2020, there were no investment in units or shares in the underlying scheme for remaining Sub-Funds.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE UT CODE (CONTINUED)

Upon the new UT Code adopted by the Sub-Funds from 1 April 2020, the initial and maintenance margin requirements are no longer required for financial statements disclosure.

As per Chapter 8.4A(c) of the UT Code that the Sub-Fund adopted up to 31 March 2020, 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 indices, 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(c)(e) of the UT Code, subject to certain conditions as stated in the prospectus of these Sub-Funds. As at 31 March 2020, the initial and maintenance margin requirements for futures were as follows:

<u>Initial margin requirement</u>	<u>2020</u>	% of net asset
	HK\$	value
Hang Seng Index Daily (-1x) Inverse Product	7,263,662	13.81
Hang Seng Index Daily (2x) Leveraged Product	12,054,588	25.28
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	4,134,704	13.50
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	6,418,048	24.92

<u>Maintenance margin requirement</u>	<u>2020</u>	% of net asset
	HK\$	value
Hang Seng Index Daily (-1x) Inverse Product	5,810,930	11.04
Hang Seng Index Daily (2x) Leveraged Product	9,643,670	20.23
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	3,307,763	10.80
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	5,134,438	19.94

#### 13. DERIVATIVE FINANCIAL INSTRUMENTS

##### (i) *Futures contracts*

Futures contracts are commitments 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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

##### (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 amounts recorded. The ultimate gains or losses depends upon the prices at which the underlying financial instrument of the Swaps are valued, at the Swaps' settlement dates.

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 (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).

The following derivative contracts were unsettled as at 31 March 2021 and 2020.

##### S&P 500 Daily (-1x) Inverse Product

###### As at 31 March 2021

Type of contract	Position	Expiration	Number of units	Notional amount US\$	Fair value US\$
Swaps	Short	11 October 2021	(7,500,000)	(6,178,860)	-

###### As at 31 March 2020

Type of contract	Position	Expiration	Number of units	Notional amount US\$	Fair value US\$
Swaps	Short	9 October 2020	(17,999,970)	(9,484,544)	-

##### Hang Seng Index Daily (-1x) Inverse Product

###### As at 31 March 2021

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Short	29 April 2021	(20)	(28,316,000)	(57,283)

###### As at 31 March 2020

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Short	28 April 2020	(44)	(52,184,000)	(1,082,877)

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hang Seng Index Daily (2x) Leveraged Product

As at 31 March 2021

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Long	29 April 2021	97	137,332,600	282,256

As at 31 March 2020

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Long	28 April 2020	80	94,880,000	1,867,915

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

As at 31 March 2021

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Short	29 April 2021	(42)	(22,980,300)	(5,324)

As at 31 March 2020

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Short	28 April 2020	(63)	(30,347,100)	(649,765)

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

As at 31 March 2021

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Long	29 April 2021	69	37,753,350	5,336

As at 31 March 2020

Type of contract	Position	Expiration	Number of contracts	Notional amount HK\$	Fair value HK\$
Futures	Long	28 April 2020	107	51,541,900	1,033,820



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

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#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) Strategy in using financial instruments

*Investment objectives and investment policies*

The investment 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 respective Sub-Funds. The Sub-Funds will rebalance their position at or around the close of trading of the underlying markets, by increasing exposure in response to the relevant index's daily gains or reducing exposure in response to the relevant index's daily losses, so that their daily inverse or leverage exposure ratios to the relevant indices are consistent with the Sub-Funds' investment objectives.

The Sub-Funds themselves are subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Funds are set out below:

- (b) Market risk

- (i) *Market price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Funds are designated to track the performance of their respective indices, and therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked indices. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked indices.

As at 31 March 2021 and 2020, given that financial assets and financial liabilities at FVPL of S&P 500 Daily (-1x) Inverse Product are subject to daily settlement, there are no financial assets and financial liabilities at FVPL which are subject to any market price risk.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

As at 31 March 2021 and 2020, financial assets and financial liabilities 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 at FVPL were concentrated in Hong Kong with the details below:

	<u>Hang Seng Index Daily (-1x) Inverse Product</u>			
	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Futures</u>				
Hong Kong	(57,283)	(0.20)	(1,082,877)	(2.06)
Total financial liabilities at FVPL	<u>(57,283)</u>	<u>(0.20)</u>	<u>(1,082,877)</u>	<u>(2.06)</u>

	<u>Hang Seng Index Daily (2x) Leveraged Product</u>			
	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Futures</u>				
Hong Kong	282,256	0.41	1,867,915	3.92
Total financial assets at FVPL	<u>282,256</u>	<u>0.41</u>	<u>1,867,915</u>	<u>3.92</u>

	<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>			
	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Futures</u>				
Hong Kong	(5,324)	(0.02)	(649,765)	(2.12)
Total financial liabilities at FVPL	<u>(5,324)</u>	<u>(0.02)</u>	<u>(649,765)</u>	<u>(2.12)</u>

	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>			
	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Futures</u>				
Hong Kong	5,336	0.03	1,033,820	4.01
Total financial assets at FVPL	<u>5,336</u>	<u>0.03</u>	<u>1,033,820</u>	<u>4.01</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

Sensitivity analysis in the event of a possible change in the tracked indices by sensitivity threshold as estimated by the Manager

As at 31 March 2021 and 2020, if the tracked indices of Hang Seng Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (-1x) Inverse Product would increase by the following sensitivity thresholds with all other variables held constant, this would decrease the net assets of Hang Seng Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (-1x) Inverse Product by the amounts stated in the following table. If the tracked indices of Hang Seng Index Daily (2x) Leveraged Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product would increase by the following sensitivity threshold with all other variables held constant, this would increase the net assets of Hang Seng Index Daily (2x) Leveraged Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product by the amounts stated in the following table.

Conversely, if the tracked indices of Hang Seng Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (-1x) Inverse Product would decrease by the same sensitivity threshold, this would increase the net assets of Hang Seng Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (-1x) Inverse Product by the amounts stated in the following table. If the tracked indices of Hang Seng Index Daily (2x) Leveraged Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product would decrease by the same sensitivity threshold, this would decrease the net asset of Hang Seng Index Daily (2x) Leveraged Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product by the amounts stated in the following table.

	<u>As at 31 March 2021</u>	
	Sensitivity threshold in %	Impact on net assets HK\$
Hang Seng Index Daily (-1x) Inverse Product	20.23	(5,806,598)
Hang Seng Index Daily (2x) Leveraged Product	20.23	14,032,059
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	14.35	(3,335,161)
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	14.35	2,746,633
	<u>As at 31 March 2020</u>	
	Sensitivity threshold in %	Impact on net assets HK\$
Hang Seng Index Daily (-1x) Inverse Product	(18.75)	9,865,342
Hang Seng Index Daily (2x) Leveraged Product	(18.75)	(17,878,535)
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	(15.68)	4,801,144
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	(15.68)	(8,076,569)

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index percentage are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The only financial assets subject to floating interest rates are bank balances. Given that the interest arising from the bank balances is immaterial, the Manager considers the interest rate risk to be low.

(iii) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

All of the Sub-Funds’ assets and liabilities are denominated in their functional currencies. As a result, these Sub-Funds’ assets and liabilities were not exposed to significant currency risk as at 31 March 2021 and 2020.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Funds’ financial assets which are potentially subject to credit risk consist principally of securities and cash and cash equivalents. The Sub-Funds limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Manager's policy is to closely monitor the creditworthiness of the Products' counterparties (e.g., brokers, custodians and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

##### Financial assets subject to IFRS 9's impairment requirements

The Sub-Funds' financial assets subject to the ECL model within IFRS 9 are amount due from brokers, amount due from the Manager, interest receivables, time deposits with maturity of more than three months and cash and cash equivalents. At 31 March 2021, the total amounts of these financial assets were US\$6,224,056, HK\$29,861,019, HK\$70,237,297, HK\$24,343,548 and HK\$20,229,679 (2020: US\$7,932,672, HK\$54,555,524, HK\$46,717,201, HK\$32,089,990 and HK\$25,532,664) for S&P 500 Daily (-1x) Inverse Product, 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 respectively, on which no loss allowance has been provided. No (2020: no) assets are considered impaired and no (2020: no) amounts have been written off in the year.

For financial assets measured at amortised cost, the Sub-Funds apply the general approach for impairment, there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified at stage 1.

##### Financial assets not subject to IFRS 9's impairment requirements

The Sub-Funds are exposed to credit risk on derivative financial instruments. They are not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying values of these assets, under IFRS 9 for the years ended 31 March 2021 and 2020 represent the Sub-Funds' maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Funds' financial assets which are potentially subject to concentrations of counterparty risk consist principally of financial assets at FVPL held with Goldman Sachs International, amount due from brokers held with BNP Paribas Securities Services, Goldman Sachs International and Citigroup Global Markets Ltd, London, bank balances held with The Hongkong and Shanghai Banking Corporation Limited, Citibank, N.A. Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and Standard Chartered Bank (Hong Kong) Limited, time deposits with maturity of less than three months held with Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited, time deposits with maturity of more than three months held with Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited and short term highly liquid investments with maturity less than three months held with The Hongkong and Shanghai Banking Corporation Limited.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

The table below summarises the Sub-Funds' assets placed with banks and brokers and their related credit ratings from Standard & Poor's and Moody's as of 31 March 2021:

	<u>S&amp;P 500 Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (2x) Leveraged Product</u>	<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>
	Net exposure to counterparty 2021 US\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$
Financial assets at FVPL					
Goldman Sachs International	-	-	282,256	-	5,336
Rating	-	-	A+	-	A+
Source of rating	-	-	Standard & Poor's	-	Standard & Poor's
Amount due from brokers					
BNP Paribas Securities Services	-	2,894	17,013	512	6,585
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Goldman Sachs International	-	4,772,222	25,253,325	3,995,945	7,040,873
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Bank balances					
The Hongkong and Shanghai Banking Corporation Limited	268,210	5,027,325	9,177,397	3,414,724	2,105,729
Rating	AA-	AA-	AA-	AA-	AA-
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Citibank, N.A. Hong Kong Branch	499,997	2,855,481	105,888	502,721	202,275
Rating	A+	A+	A+	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Standard Chartered Bank (Hong Kong) Limited	754,425	3,589,363	8,343,429	3,522,334	514,085
Rating	A+	A+	A+	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

	<u>S&amp;P 500 Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (2x) Leveraged Product</u>	<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>
	Net exposure to counterparty 2021 US\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$	Net exposure to counterparty 2021 HK\$
Bank balances (continued)					
Industrial and Commercial Bank of China (Asia) Limited	150,007	4,070,649	7,651,951	968,119	2,048,963
Rating	A	A	A	A	A
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Time deposits with maturity of less than three months					
Agricultural Bank of China Limited Hong Kong Branch	-	2,924,320	6,970,227	1,473,689	2,758,722
Rating	-	A	A	A	A
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Bank of China (Hong Kong) Limited	-	2,000,958	-	-	-
Rating	-	A+	-	-	-
Source of rating	-	Standard & Poor's	-	-	-
China Construction Bank (Asia) Corporation Limited	-	3,008,430	1,130,941	2,811,605	3,027,569
Rating	-	A1	A1	A1	A1
Source of rating	-	Moody's	Moody's	Moody's	Moody's
Industrial and Commercial Bank of China (Asia) Limited	-	-	-	3,026,386	-
Rating	-	-	-	A	-
Source of rating	-	-	-	Standard & Poor's	-

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

	<u>S&amp;P 500 Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (2x) Leveraged Product</u>	<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>
	Net exposure to counterparty	Net exposure to counterparty	Net exposure to counterparty	Net exposure to counterparty	Net exposure to counterparty
	2021 US\$	2021 HK\$	2021 HK\$	2021 HK\$	2021 HK\$
Time deposits with maturity of more than three months					
Agricultural Bank of China Limited					
Hong Kong Branch	-	-	-	1,093,518	-
Rating	-	-	-	A+	-
Source of rating	-	-	-	Standard & Poor's	-
Bank of China (Hong Kong) Limited	-	1,607,144	6,557,735	3,531,088	2,522,206
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
China Construction Bank (Asia) Corporation Limited	300,679	-	5,025,570	-	-
Rating	A1	-	A	-	-
Source of rating	Moody's	-	Standard & Poor's	-	-
Industrial and Commercial Bank of China (Asia) Limited	805,711	-	-	-	-
Rating	A	-	-	-	-
Source of rating	Standard & Poor's	-	-	-	-
Short term highly liquid investments with maturity less than three months					
The Hongkong and Shanghai Banking Corporation Limited	3,442,433	-	-	-	-
Rating	AA-	-	-	-	-
Source of rating	Standard & Poor's	-	-	-	-



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

The table below summarises the Sub-Funds' assets placed with banks and brokers and their related credit ratings from Standard & Poor's and Moody's as of 31 March 2020:

	<u>S&amp;P 500 Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (-1x) Inverse Product</u>	<u>Hang Seng Index Daily (2x) Leveraged Product</u>	<u>Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>
	Net exposure to counterparty 2020 US\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$
Financial assets at FVPL					
Goldman Sachs International	-	-	1,867,915	-	1,033,820
Rating	-	-	A+	-	A+
Source of rating	-	-	Standard & Poor's	-	Standard & Poor's
Amount due from brokers					
BNP Paribas Securities Services	153,813	6,010,568	1,515,360	-	2,505,308
Rating	A+	A+	A+	-	A+
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	-	Standard & Poor's
Goldman Sachs International	-	16,191,526	16,755,929	14,511,542	8,524,795
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Citigroup Global Markets Ltd., London	613,268	-	-	-	-
Rating	A+	-	-	-	-
Source of rating	Standard & Poor's	-	-	-	-
Bank balances					
The Hongkong and Shanghai Banking Corporation Limited	1,676,088	7,296,170	3,903,115	4,544,777	3,472,926
Rating	AA-	AA-	AA-	AA-	AA-
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (c) Credit risk (continued)

	<u>S&amp;P 500 Daily (-1x) Inverse</u> <u>Product</u>	<u>Hang Seng Index Daily</u> <u>(-1x) Inverse Product</u>	<u>Hang Seng Index Daily</u> <u>(2x) Leveraged Product</u>	<u>Hang Seng China Enterprises</u> <u>Index Daily</u> <u>(-1x) Inverse Product</u>	<u>Hang Seng China Enterprises</u> <u>Index Daily (2x) Leveraged</u> <u>Product</u>
	Net exposure to counterparty 2020 US\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$	Net exposure to counterparty 2020 HK\$
Bank balances (continued)					
Citibank, N.A. Hong Kong Branch	2,330	6,255,660	6,505,838	3,502,917	3,002,255
Rating	A+	A+	A+	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Standard Chartered Bank (Hong Kong) Limited	-	6,253,851	6,500,000	3,001,849	2,500,000
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
Time deposits with maturity of less than three months					
Bank of China (Hong Kong) Limited	-	6,250,000	6,500,000	3,500,000	2,500,000
Rating	-	A+	A+	A+	A+
Source of rating	-	Standard & Poor's	Standard & Poor's	Standard & Poor's	Standard & Poor's
China Construction Bank (Asia) Corporation Limited	-	-	5,000,000	-	3,000,000
Rating	-	-	A1	-	A1
Source of rating	-	-	Moody's	-	Moody's
Industrial and Commercial Bank of China (Asia) Limited	-	6,249,983	-	3,000,000	-
Rating	-	A	-	A	-
Source of rating	-	Standard & Poor's	-	Standard & Poor's	-
Short term highly liquid investments with maturity less than three months					
The Hongkong and Shanghai Banking Corporation Limited	5,485,753	-	-	-	-
Rating	AA-	-	-	-	-
Source of rating	Standard & Poor's	-	-	-	-

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request.

The Sub-Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. The Sub-Funds' securities are considered readily realisable, as they are listed. It is the intent of the Manager to monitor the Sub-Funds' liquidity position on a daily basis.

The following table illustrates the expected liquidity of financial assets held at 31 March 2021 and 2020 and gives the contractual undiscounted cash-flow projection of the Sub-Funds' financial liabilities. The Sub-Funds manage their liquidity risk by investing in securities that they expect to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**GLOBAL X LEVERAGED AND INVERSE SERIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2021**

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(d) Liquidity risk (continued)**

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

<u>As at 31 March 2021</u>	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
<b>Financial assets</b>						
Amount due from the Manager	1,967	-	-	-	-	1,967
Interest receivables	-	571	56	-	-	627
Time deposits with maturity of more than three months	-	805,711	300,679	-	-	1,106,390
Cash and cash equivalents	1,672,639	3,442,433	-	-	-	5,115,072
<b>Total</b>	<b>1,674,606</b>	<b>4,248,715</b>	<b>300,735</b>	<b>-</b>	<b>-</b>	<b>6,224,056</b>
<b>Financial liabilities</b>						
Amount due to a broker	-	22,823	-	-	-	22,823
Management fee payable	-	5,715	-	-	-	5,715
Trustee fee payable	-	1,500	-	-	-	1,500
Formation fee payable	115,252	-	-	-	-	115,252
Administration fee payable	101,990	-	-	-	-	101,990
<b>Total</b>	<b>217,242</b>	<b>30,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,280</b>
<u>As at 31 March 2020</u>						
	On demand US\$	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	More than 12 months US\$	Total US\$
<b>Financial assets</b>						
Amount due from brokers	767,081	-	-	-	-	767,081
Amount due from the Manager	1,264	-	-	-	-	1,264
Interest receivables	-	156	-	-	-	156
Cash and cash equivalents	1,678,418	5,485,753	-	-	-	7,164,171
<b>Total</b>	<b>2,446,763</b>	<b>5,485,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,932,672</b>
<b>Financial liabilities</b>						
Management fee payable	-	29,038	-	-	-	29,038
Trustee fee payable	-	1,540	-	-	-	1,540
Formation fee payable	115,252	-	-	-	-	115,252
Administration fee payable	60,246	-	-	-	-	60,246
Registrar fee payable	-	4,160	-	-	-	4,160
<b>Total</b>	<b>175,498</b>	<b>34,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,236</b>

As at 31 March 2021, one (2020: three) unitholder held 15% (2020: 16%, 16% and 12%) of S&P 500 Daily (-1x) Inverse Product's total net assets.

# GLOBAL X LEVERAGED AND INVERSE SERIES

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Liquidity risk (continued)

##### Hang Seng Index Daily (-1x) Inverse Product

<u>As at 31 March 2021</u>	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Amount due from brokers	4,775,116	-	-	-	-	4,775,116
Amount due from the Manager	1,240	-	-	-	-	1,240
Interest receivables	-	993	-	-	-	993
Time deposits with maturity of more than three months	-	1,607,144	-	-	-	1,607,144
Cash and cash equivalents	15,542,818	7,933,708	-	-	-	23,476,526
<b>Total</b>	<b>20,319,174</b>	<b>9,541,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,861,019</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value through profit or loss	-	57,283	-	-	-	57,283
Management fee payable	-	15,914	-	-	-	15,914
Trustee fee payable	-	12,477	-	-	-	12,477
Administration fee payable	1,068,699	-	-	-	-	1,068,699
Registrar fee payable	-	2,660	-	-	-	2,660
Other payables and accruals	-	1,080	-	-	-	1,080
<b>Total</b>	<b>1,068,699</b>	<b>89,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,158,113</b>
<b>As at 31 March 2020</b>						
	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Amount due from brokers	22,202,094	-	-	-	-	22,202,094
Amount due from the Manager	5,586	-	-	-	-	5,586
Interest receivables	-	28,512	13,668	-	-	42,180
Cash and cash equivalents	19,805,681	6,250,000	6,249,983	-	-	32,305,664
<b>Total</b>	<b>42,013,361</b>	<b>6,278,512</b>	<b>6,263,651</b>	<b>-</b>	<b>-</b>	<b>54,555,524</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value through profit or loss	-	1,082,877	-	-	-	1,082,877
Management fee payable	-	95,084	-	-	-	95,084
Trustee fee payable	-	12,065	-	-	-	12,065
Administration fee payable	747,700	-	-	-	-	747,700
Other payables and accruals	-	2,640	-	-	-	2,640
<b>Total</b>	<b>747,700</b>	<b>1,192,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,940,366</b>

As at 31 March 2021, two (2020: two) unitholders held respectively 74% and 19% (2020: 53% and 33%) of Hang Seng Index Daily (-1x) Inverse Product's total net assets.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

Hang Seng Index Daily (2x) Leveraged Product

<u>As at 31 March 2021</u>	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Financial assets at fair value through profit or loss	-	282,256	-	-	-	282,256
Amount due from brokers	25,270,338	-	-	-	-	25,270,338
Amount due from the Manager	2,160	-	-	-	-	2,160
Interest receivables	-	1,625	36	-	-	1,661
Time deposits with maturity of more than three months	-	6,557,735	5,025,570	-	-	11,583,305
Cash and cash equivalents	25,278,665	8,101,168	-	-	-	33,379,833
<b>Total</b>	<b>50,551,163</b>	<b>14,942,784</b>	<b>5,025,606</b>	<b>-</b>	<b>-</b>	<b>70,519,553</b>
<b>Financial liabilities</b>						
Management fee payable	-	42,061	-	-	-	42,061
Trustee fee payable	-	12,476	-	-	-	12,476
Administration fee payable	1,100,230	-	-	-	-	1,100,230
Other payables and accruals	-	2,160	-	-	-	2,160
<b>Total</b>	<b>1,100,230</b>	<b>56,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,156,927</b>
<u>As at 31 March 2020</u>						
	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Financial assets at fair value through profit or loss	-	1,867,915	-	-	-	1,867,915
Amount due from brokers	18,271,289	-	-	-	-	18,271,289
Amount due from the Manager	5,816	-	-	-	-	5,816
Interest receivables	-	29,654	1,489	-	-	31,143
Cash and cash equivalents	16,908,953	6,500,000	5,000,000	-	-	28,408,953
<b>Total</b>	<b>35,186,058</b>	<b>8,397,569</b>	<b>5,001,489</b>	<b>-</b>	<b>-</b>	<b>48,585,116</b>
<b>Financial liabilities</b>						
Management fee payable	-	112,428	-	-	-	112,428
Trustee fee payable	-	12,065	-	-	-	12,065
Administration fee payable	779,230	-	-	-	-	779,230
Registrar fee payable	-	2,660	-	-	-	2,660
Other payables and accruals	-	2,640	-	-	-	2,640
<b>Total</b>	<b>779,230</b>	<b>129,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>909,023</b>

As at 31 March 2021, one (2020: one) unitholder held 85% (2020: 88%) of Hang Seng Index Daily (2x) Leveraged Product's total net assets.

# GLOBAL X LEVERAGED AND INVERSE SERIES

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Liquidity risk (continued)

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

As at 31 March 2021	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Amount due from brokers	3,996,457	-	-	-	-	3,996,457
Amount due from the Manager	2,040	-	-	-	-	2,040
Interest receivables	-	568	299	-	-	867
Time deposits with maturity of more than three months	-	3,531,088	1,093,518	-	-	4,624,606
Cash and cash equivalents	8,407,898	4,285,294	3,026,386	-	-	15,719,578
<b>Total</b>	<b>12,406,395</b>	<b>7,816,950</b>	<b>4,120,203</b>	<b>-</b>	<b>-</b>	<b>24,343,548</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value through profit or loss	-	5,324	-	-	-	5,324
Management fee payable	-	13,466	-	-	-	13,466
Trustee fee payable	-	12,477	-	-	-	12,477
Administration fee payable	1,068,700	-	-	-	-	1,068,700
Other payables and accruals	-	2,040	-	-	-	2,040
<b>Total</b>	<b>1,068,700</b>	<b>33,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,102,007</b>
<b>As at 31 March 2020</b>						
	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Amount due from brokers	14,511,542	-	-	-	-	14,511,542
Amount due from the Manager	6,546	-	-	-	-	6,546
Interest receivables	-	15,968	6,391	-	-	22,359
Cash and cash equivalents	11,049,543	3,500,000	3,000,000	-	-	17,549,543
<b>Total</b>	<b>25,567,631</b>	<b>3,515,968</b>	<b>3,006,391</b>	<b>-</b>	<b>-</b>	<b>32,089,990</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value through profit or loss	-	649,765	-	-	-	649,765
Management fee payable	-	55,495	-	-	-	55,495
Trustee fee payable	-	12,066	-	-	-	12,066
Administration fee payable	747,700	-	-	-	-	747,700
Registrar fee payable	-	2,660	-	-	-	2,660
Other payables and accruals	-	2,760	-	-	-	2,760
<b>Total</b>	<b>747,700</b>	<b>722,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,470,446</b>

As at 31 March 2021, two (2020: three) unitholders held respectively 78% and 12% (2020: 75%, 14% and 10%) of Hang Seng China Enterprises Index Daily (-1x) Inverse Product's total net assets.

**GLOBAL X LEVERAGED AND INVERSE SERIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2021**

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(d) Liquidity risk (continued)**

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

<u>As at 31 March 2021</u>	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Financial assets at fair value through profit or loss	-	5,336	-	-	-	5,336
Amount due from brokers	7,047,458	-	-	-	-	7,047,458
Amount due from the Manager	2,000	-	-	-	-	2,000
Interest receivables	-	626	46	-	-	672
Time deposits with maturity of more than three months	-	2,522,206	-	-	-	2,522,206
Cash and cash equivalents	4,871,051	2,758,722	3,027,570	-	-	10,657,343
<b>Total</b>	<b>11,920,509</b>	<b>5,286,890</b>	<b>3,027,616</b>	<b>-</b>	<b>-</b>	<b>20,235,015</b>
<b>Financial liabilities</b>						
Management fee payable	-	11,737	-	-	-	11,737
Trustee fee payable	-	12,476	-	-	-	12,476
Administration fee payable	1,068,700	-	-	-	-	1,068,700
Other payables and accruals	-	1,800	-	-	-	1,800
<b>Total</b>	<b>1,068,700</b>	<b>26,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,094,713</b>
<u>As at 31 March 2020</u>						
	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<b>Financial assets</b>						
Financial assets at fair value through profit or loss	-	1,033,820	-	-	-	1,033,820
Amount due from brokers	11,030,103	-	-	-	-	11,030,103
Amount due from the Manager	6,248	-	-	-	-	6,248
Interest receivables	-	11,406	9,726	-	-	21,132
Cash and cash equivalents	8,975,181	2,500,000	3,000,000	-	-	14,475,181
<b>Total</b>	<b>20,011,532</b>	<b>3,545,226</b>	<b>3,009,726</b>	<b>-</b>	<b>-</b>	<b>26,566,484</b>
<b>Financial liabilities</b>						
Management fee payable	-	49,714	-	-	-	49,714
Trustee fee payable	-	12,065	-	-	-	12,065
Administration fee payable	747,699	-	-	-	-	747,699
Other payables and accruals	-	2,640	-	-	-	2,640
<b>Total</b>	<b>747,699</b>	<b>64,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>812,118</b>

As at 31 March 2021, three (2020: one) unitholders held respectively 35%, 30% and 11% (2020: 76%) of Hang Seng China Enterprises Index Daily (2x) Leveraged Product's total net assets.



## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (e) Fair value estimation

The fair values of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Funds used last traded market prices as their fair valuation inputs for financial assets.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the Sub-Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

The determination of what constitutes "observable" requires significant judgement by the Sub-Funds. The Sub-Funds consider observable data as market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

##### Financial assets and financial liabilities carried at fair value

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets and financial liabilities (by class) measured at fair value as at 31 March 2021 and 31 March 2020:

<u>As at 31 March 2021</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
<b>Financial assets at FVPL:</b>				
<i>Futures contracts</i>				
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	282,256	-	-	282,256
	<u>282,256</u>	<u>-</u>	<u>-</u>	<u>282,256</u>
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	5,336	-	-	5,336
	<u>5,336</u>	<u>-</u>	<u>-</u>	<u>5,336</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (e) Fair value estimation (continued)

##### Financial assets and financial liabilities carried at fair value (continued)

<u>As at 31 March 2020</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
<b>Financial assets at FVPL:</b>				
<i>Futures contracts</i>				
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	1,867,915	-	-	1,867,915
	<u>1,867,915</u>	<u>-</u>	<u>-</u>	<u>1,867,915</u>
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	1,033,820	-	-	1,033,820
	<u>1,033,820</u>	<u>-</u>	<u>-</u>	<u>1,033,820</u>

As at 31 March 2021 and 2020, there were no financial assets at FVPL for S&P 500 Daily (-1x) Inverse Product, Hang Seng Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (-1x) Inverse Product.

<u>As at 31 March 2021</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
<b>Financial liabilities at FVPL:</b>				
<i>Futures contracts</i>				
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	57,283	-	-	57,283
	<u>57,283</u>	<u>-</u>	<u>-</u>	<u>57,283</u>
Hang Seng China Enterprises Index Daily (- 1x) Inverse Product (in HK\$)	5,324	-	-	5,324
	<u>5,324</u>	<u>-</u>	<u>-</u>	<u>5,324</u>

<u>As at 31 March 2020</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
<b>Financial liabilities at FVPL:</b>				
<i>Futures contracts</i>				
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	1,082,877	-	-	1,082,877
	<u>1,082,877</u>	<u>-</u>	<u>-</u>	<u>1,082,877</u>
Hang Seng China Enterprises Index Daily (- 1x) Inverse Product (in HK\$)	649,765	-	-	649,765
	<u>649,765</u>	<u>-</u>	<u>-</u>	<u>649,765</u>

As at 31 March 2021 and 2020, there were no financial liabilities at FVPL for S&P 500 Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets and financial liabilities carried at fair value (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

During the years ended 31 March 2021 and 2020, there were no transfers between levels.

Other financial assets and financial liabilities

The Management has assessed that the carrying values of the amount due from brokers, the amount due from the Manager, interest receivables, time deposits with maturity of more than three months, cash and cash equivalents, the amount due to a broker, management fee payable, trustee fee payable, formation fee payable, administration fee payable, registrar fee payable and other payables and accruals approximate to their fair values largely due to the short term maturities of these instruments.

(f) Capital risk management

The Sub-Funds' capital is represented by the net assets attributable to unitholders. The Sub-Funds' objective is 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 of the respective Sub-Funds. The Manager may:

- redeem and issue new units in accordance with the constitutive documents of the Sub-Funds; and
- suspend the creation and redemption of units under certain circumstance stipulated in the Trust Deed.

(g) Offsetting and amounts subject to master netting arrangements and similar agreements

The Sub-Funds (except S&P 500 Daily (-1x) Inverse Product) present the fair value of their derivative assets and liabilities on a gross basis, and no such assets or liabilities have been offset in the statement of net assets. Certain derivative financial instruments are subject to enforceable master netting arrangements.

The arrangements allow for offsetting following an event of default, but not in the ordinary course of business, and the Sub-Funds do not intend to settle these transactions on a net basis or settle the assets and liabilities on a simultaneous basis.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

The tables below set out the carrying amounts of recognised financial assets and financial liabilities that are subject to the above arrangement, together with collateral held or pledged against these assets and liabilities as at 31 March 2021 and 2020:

#### Hang Seng Index Daily (-1x) Inverse Product

As at 31 March 2021

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
<b>Financial asset</b>					
Margin account	4,775,116	-	4,775,116	(57,283)	4,717,833
<b>Total</b>	<u>4,775,116</u>	<u>-</u>	<u>4,775,116</u>	<u>(57,283)</u>	<u>4,717,833</u>
<b>Financial liability</b>					
Futures contracts	(57,283)	-	(57,283)	57,283	-
<b>Total</b>	<u>(57,283)</u>	<u>-</u>	<u>(57,283)</u>	<u>57,283</u>	<u>-</u>

As at 31 March 2020

	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Financial asset</b>					
Margin account	22,202,094	-	22,202,094	(1,082,877)	21,119,217
<b>Total</b>	<u>22,202,094</u>	<u>-</u>	<u>22,202,094</u>	<u>(1,082,877)</u>	<u>21,119,217</u>
<b>Financial liability</b>					
Futures contracts	(1,082,877)	-	(1,082,877)	1,082,877	-
<b>Total</b>	<u>(1,082,877)</u>	<u>-</u>	<u>(1,082,877)</u>	<u>1,082,877</u>	<u>-</u>

**GLOBAL X LEVERAGED AND INVERSE SERIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2021**

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

Hang Seng Index Daily (2x) Leveraged Product

As at 31 March 2021

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
<b>Financial assets</b>					
Futures	282,256	-	282,256	-	282,256
Margin account	25,270,338	-	25,270,338	-	25,270,338
<b>Total</b>	<u>25,552,594</u>	<u>-</u>	<u>25,552,594</u>	<u>-</u>	<u>25,552,594</u>

As at 31 March 2020

	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Financial assets</b>					
Futures	1,867,915	-	1,867,915	-	1,867,915
Margin account	18,271,289	-	18,271,289	-	18,271,289
<b>Total</b>	<u>20,139,204</u>	<u>-</u>	<u>20,139,204</u>	<u>-</u>	<u>20,139,204</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

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

As at 31 March 2021

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
<b>Financial asset</b>					
Margin account	3,996,457	-	3,996,457	(5,324)	3,991,133
<b>Total</b>	<u>3,996,457</u>	<u>-</u>	<u>3,996,457</u>	<u>(5,324)</u>	<u>3,991,133</u>
<b>Financial liability</b>					
Futures contracts	(5,324)	-	(5,324)	5,324	-
<b>Total</b>	<u>(5,324)</u>	<u>-</u>	<u>(5,324)</u>	<u>5,324</u>	<u>-</u>

As at 31 March 2020

	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Financial asset</b>					
Margin account	14,511,542	-	14,511,542	(649,765)	13,861,777
<b>Total</b>	<u>14,511,542</u>	<u>-</u>	<u>14,511,542</u>	<u>(649,765)</u>	<u>13,861,777</u>
<b>Financial liability</b>					
Futures contracts	(649,765)	-	(649,765)	649,765	-
<b>Total</b>	<u>(649,765)</u>	<u>-</u>	<u>(649,765)</u>	<u>649,765</u>	<u>-</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

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

As at 31 March 2021

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
<b>Financial assets</b>					
Futures contracts	5,336	-	5,336	-	5,336
Margin account	7,047,458	-	7,047,458	-	7,047,458
<b>Total</b>	<u>7,052,794</u>	<u>-</u>	<u>7,052,794</u>	<u>-</u>	<u>7,052,794</u>

As at 31 March 2020

	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Financial assets</b>					
Futures contracts	1,033,820	-	1,033,820	-	1,033,820
Margin account	11,030,103	-	11,030,103	-	11,030,103
<b>Total</b>	<u>12,063,923</u>	<u>-</u>	<u>12,063,923</u>	<u>-</u>	<u>12,063,923</u>

## GLOBAL X LEVERAGED AND INVERSE SERIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

#### 15. 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' segments. 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 years ended 31 March 2021 and 2020. The Sub-Funds are domiciled in Hong Kong.

Majority of the Sub-Funds' income is derived from investments in financial assets and financial liabilities at FVPL. The Sub-Funds have no assets or liabilities classified as non-current.

#### 16. EVENTS AFTER THE REPORTING PERIOD

During the period between the end of the reporting period and the date of authorisation of these financial statements, there were redemption of units amounting to HK\$2,244,450 for Hang Seng Index Daily (-1x) Inverse Product. There were subscription of units amounting to HK\$9,200,030 for Hang Seng Index Daily (2x) Leveraged Product. There were subscription and redemption of units amounting to HK\$7,751,700 and HK\$4,316,460 for Hang Seng China Enterprises Index Daily (2x) Leveraged Product respectively.

#### 17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 30 July 2021.



## GLOBAL X LEVERAGED AND INVERSE SERIES

### INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 March 2021

#### S&P 500 Daily (-1x) Inverse Product

		Holdings	Fair value US\$	% of net assets
	<b>Expiration Date</b>	<b>Units</b>		
<b>Unlisted swap contracts</b>				
<b>United States</b>				
GLOBAL X S&P 500 TOTAL RETURN INDEX	11 October 2021	(7,500,000)	-	-
Total investments at fair value			-	-
Total investments, at cost			-	

#### Hang Seng Index Daily (-1x) Inverse Product

		Holdings	Fair value HK\$	% of net assets
	<b>Expiration Date</b>	<b>Contracts</b>		
<b>Listed future contracts</b>				
<b>Hong Kong</b>				
HANG SENG IDX FUT APR21 29/04/2021	29 April 2021	(20)	(57,283)	(0.20)
Total investments at fair value			(57,283)	(0.20)
Total investments, at cost			-	

#### Hang Seng Index Daily (2x) Leveraged Product

		Holdings	Fair value HK\$	% of net assets
	<b>Expiration Date</b>	<b>Contracts</b>		
<b>Listed future contracts</b>				
<b>Hong Kong</b>				
HANG SENG IDX FUT APR21 29/04/2021	29 April 2021	97	282,256	0.41
Total investments at fair value			282,256	0.41
Total investments, at cost			-	

#### Hang Seng China Enterprises Index Daily (-1x) Inverse Product

		Holdings	Fair value HK\$	% of net assets
	<b>Expiration Date</b>	<b>Contracts</b>		
<b>Listed future contracts</b>				
<b>Hong Kong</b>				
HSCEI FUTURES APR21 29/04/2021	29 April 2021	(42)	(5,324)	(0.02)
Total investments at fair value			(5,324)	(0.02)
Total investments, at cost			-	

## GLOBAL X LEVERAGED AND INVERSE SERIES

### INVESTMENT PORTFOLIO (UNAUDITED)(CONTINUED)

As at 31 March 2021

#### Hang Seng China Enterprises Index Daily (2x) Leveraged Product

		<b>Holdings</b>	<b>Fair value</b>	<b>% of net assets</b>
			<b>HK\$</b>	
	<b>Expiration Date</b>	<b>Contracts</b>		
<b>Listed future contracts</b>				
<b>Hong Kong</b>				
HSCEI FUTURES APR21 29/04/2021	29 April 2021	69	5,336	0.03
Total investments at fair value			<u>5,336</u>	<u>0.03</u>
Total investments, at cost			<u>-</u>	

## GLOBAL X LEVERAGED AND INVERSE SERIES

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

For the year ended 31 March 2021

#### Global X S&P 500 Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	Opening	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2021
<b>Swap</b>					
<b>USA</b>					
GLOBAL X S&P 500 TOTAL RETURN INDEX	(17,999,970)	2,556,519,700	-	2,546,019,730	(7,500,000)

#### Global X Hang Seng Index Daily (-1x) Inverse Product

Financial assets or financial liabilities at fair value through profit or loss	Opening	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2021
<b>Futures Contracts</b>					
<b>HONG KONG</b>					
HANG SENG IDX FUT APR20 28/04/2020	(44)	48	-	4	-
HANG SENG IDX FUT MAY20 28/05/2020	-	34	-	34	-
HANG SENG IDX FUT JUN20 29/06/2020	-	30	-	30	-
HANG SENG IDX FUT JUL20 30/07/2020	-	32	-	32	-
HANG SENG IDX FUT AUG20 28/08/2020	-	29	-	29	-
HANG SENG IDX FUT SEP20 29/09/2020	-	32	-	32	-
HANG SENG IDX FUT OCT20 29/10/2020	-	32	-	32	-
HANG SENG IDX FUT NOV20 27/11/2020	-	25	-	25	-
HANG SENG IDX FUT DEC20 30/12/2020	-	22	-	22	-
HANG SENG IDX FUT JAN21 28/01/2021	-	21	-	21	-
HANG SENG IDX FUT FEB21 25/02/2021	-	19	-	19	-
HANG SENG IDX FUT MAR21 30/03/2021	-	23	-	23	-
HANG SENG IDX FUT APR21 29/04/2021	-	1	-	21	(20)

#### Global X Hang Seng Index Daily (2x) Leveraged Product

Financial assets or financial liabilities at fair value through profit or loss	Opening	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2021
<b>Future Contracts</b>					
<b>Hong Kong</b>					
HANG SENG IDX FUT APR20 28/04/2020	80	7	-	87	-
HANG SENG IDX FUT MAY20 28/05/2020	-	89	-	89	-
HANG SENG IDX FUT JUN20 29/06/2020	-	88	-	88	-
HANG SENG IDX FUT JUL20 30/07/2020	-	95	-	95	-
HANG SENG IDX FUT AUG20 28/08/2020	-	98	-	98	-
HANG SENG IDX FUT SEP20 29/09/2020	-	97	-	97	-
HANG SENG IDX FUT OCT20 29/10/2020	-	95	-	95	-
HANG SENG IDX FUT NOV20 27/11/2020	-	95	-	95	-
HANG SENG IDX FUT DEC20 30/12/2020	-	98	-	98	-
HANG SENG IDX FUT JAN21 28/01/2021	-	107	-	107	-
HANG SENG IDX FUT FEB21 25/02/2021	-	110	-	110	-
HANG SENG IDX FUT MAR21 30/03/2021	-	116	-	116	-
HANG SENG IDX FUT APR21 29/04/2021	-	98	-	1	97

## GLOBAL X LEVERAGED AND INVERSE SERIES

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

For the year ended 31 March 2021

#### Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Financial assets or financial liabilities at fair value through profit or loss	Opening	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2021
<b>Future Contracts</b>					
<b>Hong Kong</b>					
HSCEI FUTURES APR20 28/04/2020	(63)	75	-	12	-
HSCEI FUTURES MAY20 28/05/2020	-	64	-	64	-
HSCEI FUTURES JUN20 29/06/2020	-	70	-	70	-
HSCEI FUTURES JUL20 30/07/2020	-	71	-	71	-
HSCEI FUTURES AUG20 28/08/2020	-	62	-	62	-
HSCEI FUTURES SEP20 29/09/2020	-	63	-	63	-
HSCEI FUTURES OCT20 29/10/2020	-	65	-	65	-
HSCEI FUTURES NOV20 27/11/2020	-	57	-	57	-
HSCEI FUTURES DEC20 30/12/2020	-	51	-	51	-
HSCEI FUTURES JAN21 28/01/2021	-	51	-	51	-
HSCEI FUTURES FEB21 25/02/2021	-	43	-	43	-
HSCEI FUTURES MAR21 30/03/2021	-	54	-	54	-
HSCEI FUTURES APR21 29/04/2021	-	1	-	43	(42)

#### Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Financial assets or financial liabilities at fair value through profit or loss	Opening	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2021
<b>Future Contracts</b>					
<b>Hong Kong</b>					
HSCEI FUTURES APR20 28/04/2020	107	10	-	117	-
HSCEI FUTURES MAY20 28/05/2020	-	114	-	114	-
HSCEI FUTURES JUN20 29/06/2020	-	115	-	115	-
HSCEI FUTURES JUL20 30/07/2020	-	131	-	131	-
HSCEI FUTURES AUG20 28/08/2020	-	124	-	124	-
HSCEI FUTURES SEP20 29/09/2020	-	121	-	121	-
HSCEI FUTURES OCT20 29/10/2020	-	120	-	120	-
HSCEI FUTURES NOV20 27/11/2020	-	114	-	114	-
HSCEI FUTURES DEC20 30/12/2020	-	114	-	114	-
HSCEI FUTURES JAN21 28/01/2021	-	89	-	89	-
HSCEI FUTURES FEB21 25/02/2021	-	89	-	89	-
HSCEI FUTURES MAR21 30/03/2021	-	85	-	85	-
HSCEI FUTURES APR21 29/04/2021	-	70	-	1	69

## GLOBAL X LEVERAGED AND INVERSE SERIES

### DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

#### Swaps

The details of swaps contracts held by the Sub-Fund as at 31 March 2021 are as follows:

#### Global X S&P 500 Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional amount	Position	Counterparty	Fair value US\$
<b>Financial assets:</b>						
Global X S&P 500 TOTAL RETURN INDEX	S&P 500 Index	(7,500,000)	(6,178,860)	Short	BNP Paribas Securities Services	-
						-

#### Futures

The details of futures contracts held by the Sub-Funds as at 31 March 2021 are as follows:

#### Global X Hang Seng Index Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional amount	Position	Counterparty	Fair value HK\$
<b>Financial liabilities:</b>						
HANG SENG IDX FUT APR21 29/04/2021	Hang Seng Index	(20)	(28,316,000)	Short	Goldman Sachs International	(57,283)
						(57,283)

#### Global X Hang Seng Index Daily (2x) Leveraged Product

Description	Underlying assets	Contract Size	Notional amount	Position	Counterparty	Fair value HK\$
<b>Financial assets:</b>						
HANG SENG IDX FUT APR21 29/04/2021	Hang Seng Index	97	137,332,600	Long	Goldman Sachs International	282,256
						282,256

#### Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional amount	Position	Counterparty	Fair value HK\$
<b>Financial liabilities:</b>						
HSCEI FUTURES APR21 29/04/2021	Hang Seng China Enterprises Index	(42)	(22,980,300)	Short	Goldman Sachs International	(5,324)
						(5,324)

#### Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product

Description	Underlying assets	Contract Size	Notional amount	Position	Counterparty	Fair value HK\$
<b>Financial assets:</b>						
HSCEI FUTURES APR21 29/04/2021	Hang Seng China Enterprises Index	69	37,753,350	Long	Goldman Sachs International	5,336
						5,336

## GLOBAL X LEVERAGED AND INVERSE SERIES

### INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVES INSTRUMENTS (UNAUDITED)

The table below analyses the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Funds' total net asset value for the year ended 31 March 2021.

	2021 % of Net asset value
<b>Global X S&amp;P 500 Daily (-1x) Inverse Product</b>	
Lowest gross exposure	86.60%
Highest gross exposure	117.64%
Average gross exposure	100.92%
<b>Global X Hang Seng Index Daily (-1x) Inverse Product</b>	
Lowest gross exposure	93.33%
Highest gross exposure	100.52%
Average gross exposure	97.48%
<b>Global X Hang Seng Index Daily (2x) Leveraged Product</b>	
Lowest gross exposure	195.53%
Highest gross exposure	204.44%
Average gross exposure	198.54%
<b>Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product</b>	
Lowest gross exposure	86.20%
Highest gross exposure	102.35%
Average gross exposure	98.56%
<b>Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product</b>	
Lowest gross exposure	140.46%
Highest gross exposure	203.95%
Average gross exposure	198.33%

## GLOBAL X LEVERAGED AND INVERSE SERIES

### INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVES INSTRUMENTS (UNAUDITED) (CONTINUED)

The table below analyses the lowest, highest and average net exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Funds' total net asset value for the year ended 31 March 2021.

	2021 % of Net asset value
<b>Global X S&amp;P 500 Daily (-1x) Inverse Product</b>	
Lowest net exposure	(86.60)%
Highest net exposure	(117.64)%
Average net exposure	(100.92)%
<b>Global X Hang Seng Index Daily (-1x) Inverse Product</b>	
Lowest net exposure	(93.33)%
Highest net exposure	(100.52)%
Average net exposure	(97.48)%
<b>Global X Hang Seng Index Daily (2x) Leveraged Product</b>	
Lowest net exposure	195.53%
Highest net exposure	204.44%
Average net exposure	198.54%
<b>Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product</b>	
Lowest net exposure	(86.20)%
Highest net exposure	(102.35)%
Average net exposure	(98.56)%
<b>Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product</b>	
Lowest net exposure	140.46%
Highest net exposure	203.95%
Average net exposure	198.33%

## GLOBAL X LEVERAGED AND INVERSE SERIES

### PERFORMANCE RECORD (UNAUDITED)

#### NET ASSET VALUE

As at 31 March 2021

	Dealing net asset value	Dealing net asset value per unit
S&P 500 Daily (-1x) Inverse Product (in US\$)	5,976,776	0.9195
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	28,744,319	4.7122
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	69,362,626	10.3526
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	23,255,421	5.0555
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	19,164,236	7.9851

As at 31 March 2020

	Dealing net asset value	Dealing net asset value per unit
S&P 500 Daily (-1x) Inverse Product (in US\$)	7,672,805	1.4615
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	52,700,261	6.2000
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	47,676,093	7.3348
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	30,648,060	6.3850
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	25,803,551	6.2935

As at 31 March 2019

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

#### HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

For the year ended 31 March 2021

	Highest issue price per unit	Lowest redemption price per unit
S&P 500 Daily (-1x) Inverse Product (in US\$)	1.5417	0.9194
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.4034	4.3832
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	12.3770	6.6627
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.5578	4.6088
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	9.9915	5.9330

For the year ended 31 March 2020

	Highest issue price per unit	Lowest redemption price per unit
S&P 500 Daily (-1x) Inverse Product (in US\$)	1.7148	1.1669
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.8854	5.2423
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	12.0837	6.0605
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	7.1887	5.5512
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	9.9063	5.1674



## GLOBAL X LEVERAGED AND INVERSE SERIES

### PERFORMANCE RECORD (UNAUDITED)(CONTINUED)

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

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

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

<sup>2</sup>The 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.

## GLOBAL X LEVERAGED AND INVERSE SERIES

### PERFORMANCE RECORD (UNAUDITED)(CONTINUED)

#### PERFORMANCE OF THE SUB-FUNDS (CONTINUED)

	<u>For the year ended 31 March 2021</u>	
	Sub-Fund performance (%)	Index* performance (%)
S&P 500 Daily (-1x) Inverse Product (in US\$)	(37.09)	53.71
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	(24.00)	20.23
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	41.14	20.23
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	(20.82)	14.35
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	26.88	14.35
	<u>For the year ended 31 March 2020</u>	
	Sub-Fund performance (%)	Index* performance (%)
S&P 500 Daily (-1x) Inverse Product (in US\$)	3.42	(8.81)
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	13.85	(18.75)
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(34.57)	(18.75)
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	8.79	(15.68)
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(30.96)	(15.68)
	<u>For the year ended 31 March 2019</u>	
	Sub-Fund performance (%)	Index* performance (%)
S&P 500 Daily (-1x) Inverse Product (in US\$)	(9.52)	7.33
Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	(3.19)	(3.46)
Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(7.26)	(3.46)
Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	(1.56)	(5.16)
Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(11.98)	(5.16)
	<u>For the year/period ended 31 March 2018</u>	
	Sub-Fund performance (%)	Index* performance (%)
S&P 500 Daily (-1x) Inverse Product (in US\$)	(13.10)	11.77
Hang Seng Index Daily (-1x) Inverse Product <sup>1</sup> (in HK\$)	(25.00)	27.68
Hang Seng Index Daily (2x) Leveraged Product <sup>1</sup> (in HK\$)	61.17	27.68
Hang Seng China Enterprises Index Daily (-1x) Inverse Product <sup>1</sup> (in HK\$)	(20.51)	19.16
Hang Seng China Enterprises Index Daily (2x) Leveraged Product <sup>1</sup> (in HK\$)	38.08	19.16
	<u>For the period from 5 October 2016 (date of inception) to 31 March 2017</u>	
	Highest issue price per unit	Lowest redemption price per unit
S&P 500 Daily (-1x) Inverse Product <sup>2</sup> (in US\$)	(10.50)	9.35

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

<sup>2</sup>The 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.

# GLOBAL X LEVERAGED AND INVERSE SERIES

## MANAGEMENT AND ADMINISTRATION

### Manager

Mirae Asset Global Investments (Hong Kong) Limited  
Room 1101, 11th Floor  
Lee Garden Three, 1 Sunning Road  
Causeway Bay, 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  
8th Floor, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

### Legal Counsel to the Manager

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

### Auditors

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Hong Kong

### Listing Agent

Altus Capital Limited  
21 Wing Wo Street  
Central, 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<sup>''</sup>  
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

### Participating Dealers (continued)

Goldman Sachs (Asia) Securities Limited<sup>%</sup>  
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  
Hong Kong

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

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

Mirae Asset Securities (HK) Limited  
Units 8501, 8507-08  
Level 85, International Commerce Centre  
1 Austin Road West  
Kowloon, 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

Flow Traders Hong Kong Limited<sup>%</sup>  
Room 2803 Hysan Place  
500 Hennessy Road  
Causeway Bay Hong Kong

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

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

Head & Shoulders Securities Ltd<sup>%</sup>  
Room 2511, 25/F  
Cosco Tower, 183 Queen's Road  
Central, Hong Kong

SG Securities (HK) Limited  
38/F, Three Pacific Place  
1 Queen's Road East  
Central, Hong Kong

<sup>%</sup> 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

<sup>''</sup>In respect of S&P 500 Daily (-1x) Inverse Product only