



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

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED
PRODUCT**

(Stock Code: 7226)

(A sub-fund of CSOP Leveraged and Inverse Series)

Unaudited Semi-Annual Report
FOR THE PERIOD FROM 8 DECEMBER 2020 (DATE OF
INCEPTION) TO 30 JUNE 2021

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP Hang Seng TECH Index Daily (2x) Leveraged Product (or the “Sub-Fund”), a sub-fund of the CSOP Leveraged and Inverse Series (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 5 July 2016 (the “Trust Deed”) between CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

It was launched on 9 December 2020 and commenced trading in HKD under the stock code 7226 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 10 December 2020. The Sub-Fund is benchmarked against the Hang Seng TECH Index (the “Index”) and adopts a Swap-based synthetic replication strategy. The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The investment objective of CSOP Hang Seng TECH Index Daily (2x) Leveraged Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of Hang Seng TECH Index. The Product does not seek to achieve its stated investment objective over a period of time greater than one day. The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product

The index is compiled and managed by Hang Seng Indexes Company Limited (the “Index Provider”). It is a free float-adjusted market capitalization weighted index that represents the 30 largest technology companies listed in listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) that have high business exposure to technology themes and pass the index’s screening criteria. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Fund Performance

The CSOP Hang Seng TECH Index Daily (2x) Leveraged Product seeks to provide daily investment results, before fees and expenses, which closely correspond to positive 2 times the daily performance of the Index. As of 30 June 2021, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product was HKD 7.1249 and there were 204,200,000 units outstanding. The total asset under management was approximately HKD 1.5 billion.

Since inception to 30 June 2021, the dealing NAV of CSOP Hang Seng TECH Index Daily (2x) Leveraged Product performed -8.03% while the index performed +0.66%. YTD Price return of the HKD counter (stock code 7226) was -5.40%.

Exchange Liquidity

Since inception, the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7226) remained steadily at an average daily turnover of HKD 71.1 million in June 2021. The trading volume for the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product reflected strong interest in the CSOP Hang Seng TECH Index Daily (2x) Leveraged Product.

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	30 June 2021 (Audited) <i>HKD</i>
ASSETS	
CURRENT ASSETS	
Investments	739,288,374
Derivative financial instruments	4,392,050
Bank interest receivable	1,818
Amounts due from brokers	38,369,676
Other receivable	1,431
Cash and cash equivalents	735,515,936
	<hr/>
Total assets	1,517,569,285

LIABILITIES	
CURRENT LIABILITIES	
Amounts due to participating dealers	28,422,397
Amounts due to brokers	60,902,917
Management fee payable	1,751,097
Establishment costs payable	569,664
Other accounts payable	93,385
	<hr/>
Total liabilities	91,739,460

EQUITY	
Net assets attributable to unitholders	1,425,829,825
	<hr/> <hr/>
Number of units in issue	200,200,000
	<hr/> <hr/>
Net asset value per unit	7.1220
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Note: Semi-Annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Sub-Fund.

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 8 December 2020 (date of inception) to 30 June 2021

	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
INCOME	
Interest income from bank deposits	76,941
Interest income from bonds	55,310
Net loss on investments and derivative financial instruments	(221,598,486)
Net foreign currency loss	(30,571)
Total net loss	<u>(221,496,806)</u>
EXPENSES	
Management fee ^{Note 2}	(6,802,227)
Transaction costs on investments	(64,111)
Audit fee	(19,391)
Safe custody and bank charges ^{Note 1}	(102,784)
Legal and other professional fee	(52,706)
License fee	(111,234)
Establishment cost	(628,000)
Interest expenses	(3,796)
Other operating expenses ^{Note 1}	(176,951)
Total operating expenses	<u>(7,961,200)</u>
Total comprehensive loss	<u><u>(229,458,006)</u></u>

Note 1: During the period from 8 December 2020 (date of inception) to 30 June 2021, Safe custody and bank charges was paid to Trustee. Other respective amounts paid to the Trustee/connected person of Trustee were as follows:

	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
Other operating expenses	(102,402)

Note 2: During the period from 8 December 2020 (date of inception) to 30 June 2021, other than Management fees that paid to the Manager, no other amounts paid to the Manager/connected person of Manager.

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 8 December 2020 (date of inception) to 30 June 2021

	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	-

Proceeds on issue of units	1,887,894,158
Payments on redemption of units	(232,606,327)

Net increase from unit transactions	1,655,287,831

Total comprehensive loss for the period	(229,458,006)

Net assets attributable to unitholders at the end of the period	1,425,829,825
	=====

The movement of the redeemable units are as follows:

	Units
Number of units in issue at the beginning of the period	-
Units issued	232,200,000
Units redeemed	(32,000,000)

Number of units in issue at the end of the period	200,200,000
	=====

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF CASH FLOWS

For the period from 8 December 2020 (date of inception) to 30 June 2021

	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES	
Payments for purchase of investments	(1,775,184,726)
Proceeds from sale of investments	832,439,057
Interest income from bank deposits received	75,123
Interest income from bonds received	55,310
Other income received	(1,431)
Management fee paid	(5,051,130)
Transaction costs paid	(64,111)
Interest paid	(3,796)
Other operating expenses paid	(369,681)
Establishment cost paid	(58,336)
	<hr/>
Net cash used in operating activities	(948,163,721)

FINANCING ACTIVITIES	
Proceeds on issue of units	1,887,894,158
Payments on redemption of units	(204,183,930)
	<hr/>
Net cash generated from financing activities	1,683,710,228

	<hr/>
Net increase in cash and cash equivalents	735,546,507
Effect of foreign exchange rate changes	(30,571)
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Cash and cash equivalents at the end of the period	735,515,936
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Analysis of balances of cash and cash equivalents	
Bank balances	531,200,443
Short-term bank deposits	204,315,493
	<hr/>
	735,515,936
	<hr/> <hr/>

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2021

		Fair value HKD	% of net assets
Investments and derivative financial instruments (52.16%)			
Investments (51.85%)	<i>Holdings</i>		
Listed investment fund (29.58%)			
Listed share class (17.55%)			
Hong Kong (17.55%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	242,000	250,281,022	17.55
		<u>250,281,022</u>	<u>17.55</u>
Unlisted share class (12.03%)			
Hong Kong (12.03%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	4,100,016	42,402,774	2.97
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	16,197,389	129,102,269	9.06
Total listed investment fund		<u>171,505,043</u>	<u>12.03</u>
Quoted debt securities (22.27%)			
Hong Kong (22.27%)			
HONG KONG TREASURY BILL ZCP 14 July 2021	15,000,000	15,000,105	1.05
HONG KONG TREASURY BILL ZCP 21 July 2021	62,000,000	62,000,310	4.35
HONG KONG TREASURY BILL ZCP 28 July 2021	82,500,000	82,500,577	5.79
HONG KONG TREASURY BILL ZCP 04 August 2021	59,500,000	59,500,536	4.17
HONG KONG TREASURY BILL ZCP 11 August 2021	71,000,000	71,000,781	4.98
HONG KONG TREASURY BILL ZCP 01 September 2021	27,500,000	27,500,000	1.93
Total debt securities		<u>317,502,309</u>	<u>22.27</u>

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2021

		Fair value HKD	% of net assets
Investments and derivative financial instruments (52.16%) (Continued)			
Unlisted Index Swaps (0.31%)	<i>Contracts</i>		
Hong Kong (0.31%)			
HSTECH SWAP CICC	650	4,392,050	0.31
HSTECH INDEX SWAP	6,331	-	-
		<hr/>	<hr/>
Total Unlisted Index Swaps		4,392,050	0.31
		<hr/>	<hr/>
Total investments and derivative financial instruments		743,680,424	52.16
Other net assets		682,149,401	47.84
		<hr/>	<hr/>
Net assets attributable to unitholders as at 30 June 2021		1,425,829,825	100.00
		<hr/> <hr/>	<hr/> <hr/>
Total investments and derivative financial instruments, at cost		698,210,370	
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**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 8 December 2020 (date of inception) to 30 June 2021

	Holdings				30 June 2021
	8 December 2020 (date of inception)	Additions	Corporate actions	Disposals	
Investments					
Listed investment funds					
Listed Share Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	-	283,000	-	41,000	242,000
CSOP US DOLLAR MONEY MARKET ETF	-	192,000	-	192,000	-
Unlisted Share Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	-	4,100,016	-	-	4,100,016
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	-	16,197,389	-	-	16,197,389
Quoted debt securities					
HONG KONG TREASURY BILL ZCP 17 February 2021	-	32,000,000	-	32,000,000	-
HONG KONG TREASURY BILL ZCP 24 February 2021	-	29,000,000	-	29,000,000	-
HONG KONG TREASURY BILL ZCP 03 March 2021	-	59,500,000	-	59,500,000	-
HONG KONG TREASURY BILL ZCP 10 March 2021	-	10,500,000	-	10,500,000	-
HONG KONG TREASURY BILL ZCP 17 March 2021	-	103,500,000	-	103,500,000	-
HONG KONG TREASURY BILL ZCP 24 March 2021	-	55,000,000	-	55,000,000	-
HONG KONG TREASURY BILL ZCP 31 March 2021	-	11,000,000	-	11,000,000	-
HONG KONG TREASURY BILL ZCP 07 April 2021	-	36,000,000	-	36,000,000	-
HONG KONG TREASURY BILL ZCP 14 April 2021	-	34,000,000	-	34,000,000	-
HONG KONG TREASURY BILL ZCP 28 April 2021	-	51,000,000	-	51,000,000	-
HONG KONG TREASURY BILL ZCP 05 May 2021	-	37,500,000	-	37,500,000	-
HONG KONG TREASURY BILL ZCP 12 May 2021	-	48,500,000	-	48,500,000	-
HONG KONG TREASURY BILL ZCP 02 June 2021	-	38,000,000	-	38,000,000	-
HONG KONG TREASURY BILL ZCP 09 June 2021	-	50,500,000	-	50,500,000	-

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period from 8 December 2020 (date of inception) to 30 June 2021

	Holdings				30 June 2021
	8 December 2020 (date of inception)	Additions	Corporate actions	Disposals	
Investments (Continued)					
Quoted debt securities (Continued)					
HONG KONG TREASURY BILL ZCP 16 June 2021	-	58,500,000	-	58,500,000	-
HONG KONG TREASURY BILL ZCP 23 June 2021	-	101,500,000	-	101,500,000	-
HONG KONG TREASURY BILL ZCP 30 June 2021	-	51,500,000	-	51,500,000	-
HONG KONG TREASURY BILL ZCP 14 July 2021	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 21 July 2021	-	62,000,000	-	-	62,000,000
HONG KONG TREASURY BILL ZCP 28 July 2021	-	82,500,000	-	-	82,500,000
HONG KONG TREASURY BILL ZCP 04 August 2021	-	82,500,000	-	23,000,000	59,500,000
HONG KONG TREASURY BILL ZCP 11 August 2021	-	71,000,000	-	-	71,000,000
HONG KONG TREASURY BILL ZCP 25 August 2021	-	71,000,000	-	71,000,000	-
HONG KONG TREASURY BILL ZCP 01 September 2021	-	27,500,000	-	-	27,500,000
Unlisted Index Swaps					
HANG SENG TECH INDEX SWAP	-	1,400	-	750	650
HANG SENG TECH INDEX SWAP	-	64,981	-	58,650	6,331
Unlisted Swap Futures Contracts					
HSTECH FUTURES 30 December 2020 (SWAP)	-	76	-	76	-
HSTECH FUTURES 30 December 2020 (SWAP)	-	505	-	505	-
HSTECH FUTURES 28 January 2021 (SWAP)	-	76	-	76	-
HSTECH FUTURES 28 January 2021 (SWAP)	-	925	-	925	-
HSTECH FUTURES 25 February 2021 (SWAP)	-	1,652	-	1,652	-

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 30 June 2021

The financial derivative instruments held by the Sub-Fund as at 30 June 2021 are summarised below:

Unlisted Index Swap

The details of index swap contracts held by the Sub-Fund as at 30 June 2021 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
Financial assets:				
HANG SENG TECH INDEX SWAP	Hang Seng Tech Index	Long	CICC	4,392,050
HANG SENG TECH INDEX SWAP	Hang Seng Tech Index	Long	Societe Generale	0
				<hr/>
				4,392,050
				<hr/> <hr/>

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
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HOLDINGS OF COLLATERAL (Unaudited)

As at 30 June 2021

Collateral provider	Nature of the collateral	Credit rating	Rating agencies	Maturity tenor	Currency denomination	% of net asset value covered by collateral	Value of the collateral <i>HKD</i>
CICC FINANCIAL TRADING LIMITED	Cash collateral	N/A	N/A	N/A	HKD	0.49 %	7,010,000
SOCIETE GENERALE, PARIS	Cash collateral	N/A	N/A	N/A	USD	3.78 %	53,892,917
							<u>60,902,917</u>

Custody/safe-keeping arrangement

	Amount of collateral received/held 30 June 2021 <i>HKD</i>	Proportion of collateral posted by the sub-fund 30 June 2021 %
Custodians of collateral		
Pooled accounts		
The Hongkong and Shanghai Banking Corporation Limited, Hong Kong	60,902,917	100 %

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* <i>HKD</i>	Dealing net asset value per unit <i>HKD</i>
At the end of financial period dated		
30 June 2021	1,426,387,971	7.1248

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>HKD</i>	Lowest net asset value per unit <i>HKD</i>
Financial period ended		
30 June 2021 (since 8 December 2020 (date of inception))	13.5212	6.1882

**The dealing net asset value of the Sub-Fund disclosed is calculated in accordance with the Trust's Prospectus.*

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
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UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)

There is one security which is a collective investment scheme authorized by the SFC, that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2021.

	Fair Value <i>USD</i>	% of assets
As at 30 June 2021		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	250,281,022	17.55

There were no government securities that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2021.

Since inception to 30 June 2021, the Hang Seng Index increased by 0.66% while the net asset value per unit of Sub-Fund decreased by 8.10%.

**CSOP HANG SENG TECH INDEX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
Suite 2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
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Hong Kong

Custodian

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

Service Agent

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Directors of the Manager

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Yi Zhou
Zhiwei Liu
Zhongping Cai

Legal Counsel to the Manager

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