



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

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

**(Stock Code: 07552)**

**(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) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

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# **CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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) Inverse 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) Inverse Product is to provide investment results that, before fees and expenses, closely correspond to negative 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 freefloat-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) Inverse Product seeks to provide daily investment results, before fees and expenses, which closely correspond to negative 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) Inverse Product was HKD 6.0314 and there were 47,800,000 units outstanding. The total asset under management was approximately HKD 288.3 million.

Since inception to 30 June 2021, the dealing NAV of CSOP Hang Seng TECH Index Daily (-2x) Inverse Product performed -22.14% while the index performed +0.66%. YTD Price return of the HKD counter (stock code 7226) was -24.50%.

### Exchange Liquidity

Since inception, the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 7552) remained steadily at an average daily turnover of HKD 43.4 million in June 2021. The trading volume for the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product reflected strong interest in the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product.

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2021*

	30 June 2021 (Unaudited) <i>HKD</i>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Investments	167,107,281
Bank interest receivable	1,105
Amounts due from participating dealers	26,600,503
Deposits with broker	9,396,316
Cash and cash equivalents	118,512,224
	<hr/>
<b>Total assets</b>	<b>321,617,428</b>
	<hr/> <hr/>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Amounts due to brokers	6,251,170
Management fee payable	372,392
Establishment costs payable	569,664
Other accounts payable	155,047
	<hr/>
<b>Total liabilities</b>	<b>7,348,273</b>
	<hr/> <hr/>
<b>EQUITY</b>	
<b>Net assets attributable to unitholders</b>	<b>314,269,155</b>
	<hr/> <hr/>
<b>Number of units in issue</b>	<b>52,200,000</b>
	<hr/> <hr/>
<b>Net asset value per unit</b>	<b>6.0205</b>
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**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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 2020 (Unaudited) <i>HKD</i>
<b>INCOME</b>	
Interest income from bank deposits	14,950
Interest income from bonds	20,179
Net gain on investments	28,836,941
Net foreign currency gain	64,020
	<hr/>
<b>Total net income</b>	<b>28,936,090</b>
	<hr style="border-top: 1px dashed black;"/>
<b>EXPENSES</b>	
Management fee <sup>Note 2</sup>	(2,112,538)
Transaction costs on investments	(24,288)
Audit fee	(19,391)
Safe custody and bank charges <sup>Note 1</sup>	(56,445)
Legal and other professional fee	(52,706)
License fee	(111,234)
Establishment cost	(628,000)
Interest expenses	(1,633)
Other operating expenses <sup>Note 1</sup>	(167,244)
	<hr/>
<b>Total operating expenses</b>	<b>(3,173,479)</b>
	<hr style="border-top: 1px dashed black;"/>
	<hr style="border-top: 1px dashed black;"/>
<b>Total comprehensive income</b>	<b>25,762,611</b>
	<hr style="border-top: 1px dashed black;"/>

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

	Period from 8 December 2020 (date of inception) to 30 June 2020 (Unaudited) <i>HKD</i>
Other operating expenses	(92,695)

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) INVERSE 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	770,263,744
Payments on redemption of units	(481,757,200)
	-----
Net increase from unit transactions	288,506,544
	-----
Total comprehensive income for the period	25,762,611
	-----
<b>Net assets attributable to unitholders at the end of the period</b>	<b>314,269,155</b>
	=====

The movement of the redeemable units are as follows:

	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) Units
Number of units in issue at the beginning of the period	-
Units issued	126,600,000
Units redeemed	(74,400,000)
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Number of units in issue at the end of the period	52,200,000
	=====

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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>
<b>OPERATING ACTIVITIES</b>	
Payments for purchase of investments	(624,420,304)
Proceeds from sale of investments	492,401,134
Interest income from bank deposits received	13,845
Interest income from bonds received	20,179
Management fee paid	(1,740,146)
Transaction costs paid	(24,288)
Interest paid	(1,633)
Other operating expenses paid	(251,973)
Establishment cost paid	(58,336)
Increase in deposits with broker	(9,396,316)
	<hr/>
<b>Net cash used in operating activities</b>	(143,457,838)
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<b>FINANCING ACTIVITIES</b>	
Proceeds on issue of units	743,663,242
Payments on redemption of units	(481,757,200)
	<hr/>
<b>Net cash generated from financing activities</b>	261,906,042
	-----
	<hr/>
Net increase in cash and cash equivalents	118,448,204
Cash and cash equivalents at the beginning of the period	-
Effect of foreign exchange rate changes	64,020
	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	118,512,224
	<hr/> <hr/>
<b>Analysis of balances of cash and cash equivalents</b>	
Bank balances	69,727,259
Short-term bank deposits	48,784,965
	<hr/>
	118,512,224
	<hr/> <hr/>

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

**INVESTMENT PORTFOLIO (Unaudited)**

As at 30 June 2021

		Fair value HKD	% of net net assets
<b>Investments and derivative financial instruments (53.17%)</b>			
	<i>Holdings</i>		
<b>Investment (53.17%)</b>			
<b>Listed investment funds (30.74%)</b>			
<b>Hong Kong (30.74%)</b>			
<b>Listed Share Class</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	49,000	50,676,736	16.13
<b>Unlisted Share Class</b>			
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	900,003	9,307,926	2.96
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	4,594,700	36,622,334	11.65
Total listed investment funds		<u>96,606,996</u>	<u>30.74</u>
<b>Quoted debt securities (22.43%)</b>			
<b>Hong Kong (22.43%)</b>			
HONG KONG TREASURY BILL ZCP 14 July 2021	15,000,000	15,000,105	4.77
HONG KONG TREASURY BILL ZCP 21 July 2021	15,000,000	15,000,075	4.77
HONG KONG TREASURY BILL ZCP 28 July 2021	15,000,000	15,000,105	4.77
HONG KONG TREASURY BILL ZCP 25 August 2021	19,000,000	19,000,000	6.05
HONG KONG TREASURY BILL ZCP 01 September 2021	6,500,000	6,500,000	2.07
Total debt securities		<u>70,500,285</u>	<u>22.43</u>
<b>Unlisted Index Swap (0.00%)</b>			
	<i>Contracts</i>		
<b>Hong Kong (0.00%)</b>			
HANG SENG TECH INDEX SWAP	(1,539)	-	-
Total Unlisted Index Swap future contracts		<u>-</u>	<u>-</u>



**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT  
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**INVESTMENT PORTFOLIO (Unaudited) (Continued)**

*As at 30 June 2021*

	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Investments and derivative financial instruments (53.17%) (Continued)</b>		
Total investments and derivative financial instruments	167,107,281	53.17
Other net assets	147,161,874	46.83
Net assets attributable to unitholders as at 30 June 2021	<u>314,269,155</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost	<u>167,084,768</u>	

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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*

	<b>Holdings</b>				<b>30 June 2021</b>
	<b>8 December 2020 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed investment funds</b>					
<b>Listed Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	-	98,000	-	49,000	49,000
<b>Unlisted Share Class</b>					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	-	900,003	-	-	900,003
CSOP US DOLLAR MONEY MARKET ETF	-	57,000	-	57,000	-
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	-	4,594,700	-	-	4,594,700
<b>Quoted debt securities</b>					
HONG KONG TREASURY BILL ZCP 03 March 2021	-	16,000,000	-	16,000,000	-
HONG KONG TREASURY BILL ZCP 10 March 2021	-	10,500,000	-	10,500,000	-
HONG KONG TREASURY BILL ZCP 17 March 2021	-	34,000,000	-	34,000,000	-
HONG KONG TREASURY BILL ZCP 24 March 2021	-	26,000,000	-	26,000,000	-
HONG KONG TREASURY BILL ZCP 31 March 2021	-	11,000,000	-	11,000,000	-
HONG KONG TREASURY BILL ZCP 07 April 2021	-	11,000,000	-	11,000,000	-
HONG KONG TREASURY BILL ZCP 14 April 2021	-	11,000,000	-	11,000,000	-
HONG KONG TREASURY BILL ZCP 28 April 2021	-	16,500,000	-	16,500,000	-
HONG KONG TREASURY BILL ZCP 05 May 2021	-	53,500,000	-	53,500,000	-
HONG KONG TREASURY BILL ZCP 12 May 2021	-	12,500,000	-	12,500,000	-
HONG KONG TREASURY BILL ZCP 02 June 2021	-	15,500,000	-	15,500,000	-
HONG KONG TREASURY BILL ZCP 09 June 2021	-	12,500,000	-	12,500,000	-
HONG KONG TREASURY BILL ZCP 16 June 2021	-	27,000,000	-	27,000,000	-

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

	<b>Holdings</b>				<b>30 June 2021</b>
	<b>8 December 2020 (date of inception)</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	
<b>Investments (Continued)</b>					
<b>Quoted debt securities (Continued)</b>					
HONG KONG TREASURY BILL ZCP 23 June 2021	-	15,000,000	-	15,000,000	-
HONG KONG TREASURY BILL ZCP 30 June 2021	-	15,500,000	-	15,500,000	-
HONG KONG TREASURY BILL ZCP 14 July 2021	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 21 July 2021	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 28 July 2021	-	15,000,000	-	-	15,000,000
HONG KONG TREASURY BILL ZCP 04 August 2021	-	48,500,000	-	48,500,000	-
HONG KONG TREASURY BILL ZCP 18 August 2021	-	31,500,000	-	31,500,000	-
HONG KONG TREASURY BILL ZCP 25 August 2021	-	19,000,000	-	-	19,000,000
HONG KONG TREASURY BILL ZCP 01 September 2021	-	6,500,000	-	-	6,500,000
<b>Unlisted swap future contracts</b>					
HSTECH FUTURES DEC20 30 December 2020 (SWAP)	-	710	-	710	-
HSTECH FUTURES JAN21 28 January 2021 (SWAP)	-	975	-	975	-
HSTECH FUTURES FEB21 25 February 2021 (SWAP)	-	782	-	782	-
<b>Unlisted Index Swap</b>					
HANG SENG TECH INDEX SWAP	-	19,775	-	21,314	(1,539)

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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 outstanding Index Swap held by the Sub-Fund as at 30 June 2021 are as follows:

	<b>Underlying assets</b>	<b>Counterparty</b>	<b>Fair value <i>HKD</i></b>
<u>Financial liabilities:</u>			
HANG SENG TECH INDEX SWAP	Hang Seng Tech Index	Societe Generale	-
			-
			<hr/> <hr/>

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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	314,827,300	6.0312

**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))	8.2829	3.9217

*\*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) INVERSE PRODUCT  
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**UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)**

There were two securities 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>HKD</i>	% of assets
<b>As at 30 June 2021</b>		
<b>Hong Kong</b>		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	50,676,736	16.13
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	36,622,334	11.65

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 TECH Index increased by 0.66% while the net asset value per unit of the Sub Fund decreased by 22.32%.

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE 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  
1 Queen's Road Central  
Hong Kong

**Custodian**

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

**Service Agent**

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

**Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

**Directors of the Manager**

Chen Ding  
Gaobo Zhang  
Xiaosong Yang  
Xiuyan Liu  
Yi Zhou  
Zhiwei Liu  
Zhongping Cai

**Legal Counsel to the Manager**

Clifford Chance  
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**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
21st Floor Edinburgh Tower  
15 Queen's Road Central  
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