



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

CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(Stock Code: 7500)
(A sub-fund of CSOP Leveraged and Inverse Series)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2022

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

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CSOP HANG SENG 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 Index Daily (-2x) Inverse Product (or the “Sub-Fund”), is 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 24 May 2019 and commenced trading in HKD under the stock code 7500 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 May 2019. The Sub-Fund is benchmarked against the Hang Seng Index (the “Index”) and adopts a combination of a futures-based replication strategy and 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 the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the Index.

The Manager will roll the Hang Seng Index Futures on a monthly basis. The futures roll for the Hang Seng Index Futures will be done on a monthly basis on the SEHK shortly before expiration.

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 tracks the behaviour of a portfolio of blue chip companies, the largest and most liquid Hong Kong securities listed on the Stock Exchange of Hong Kong Limited (the “SEHK”). The Index operates under clearly defined rules published by the index provider and is a tradable index.

The Sub-Fund Performance

CSOP Hang Seng 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 2022, the dealing Net Asset Value (“NAV”) per unit of CSOP Hang Seng Index Daily (-2x) Inverse Product was HKD 5.2056 and there were 464,800,000 units outstanding. The total assets under management was approximately HKD 2.4 billion.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng Index Daily (-2x) Inverse Product performed -8.16% while the index performed -6.57%. YTD Price return of the HKD counter (stock code 7500) was -8.45%.

Exchange Liquidity

The trading value of the HKD counter (stock code: 7500) of CSOP Hang Seng Index Daily (-2x) Inverse Product remained steadily at an average daily turnover of HKD 431.7 million in June 2022. The trading volume for CSOP Hang Seng Index Daily (-2x) Inverse Product reflected strong interest in CSOP Hang Seng Index Daily (-2x) Inverse Product.

Portfolio Rebalance

CSOP Hang Seng Index Daily (-2x) Inverse Product adopts a combination of a futures-based replication strategy and a swap-based synthetic replication strategy to track the Index. Since inception, the Sub-Fund has experienced thirty-seven monthly futures rolls.

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

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 (Unaudited) <i>HKD</i>	31 December 2021 (Audited) <i>HKD</i>
ASSETS		
CURRENT ASSETS		
Investments	674,917,281	909,936,292
Bank interest receivable	3,615	3,719
Other receivable	12,513	19,595
Deposits with broker	456,002,087	537,440,730
Cash and cash equivalents	1,342,750,187	1,259,782,096
	<hr/>	<hr/>
Total assets	2,473,685,683	2,707,182,432
	<hr/>	<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	50,584,595	60,342,133
Amounts due to participating dealers	-	48,326,000
Management fee payable	2,629,458	3,378,219
Other accounts payable	1,511,550	2,182,130
	<hr/>	<hr/>
Total liabilities	54,725,603	114,228,482
	<hr/>	<hr/>
EQUITY		
Net assets attributable to unitholders	2,418,960,080	2,592,953,950
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Number of units in issue	464,800,000	457,600,000
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Net asset value per unit	5.2043	5.6664
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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 INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) HKD	Period from 1 January 2021 to 30 June 2021 (Unaudited) HKD
INCOME		
Interest income from bank deposits	43,008	947,843
Interest income from bonds	-	388,183
Net gain/(loss) on investments and derivative financial instruments	412,636,350	(956,069,727)
Net foreign currency gain/(loss)	18,004	(71,262)
Total net income/(loss)	<u>412,697,362</u>	<u>(954,804,963)</u>
EXPENSES		
Management fee ^{Note 2}	(17,396,473)	(43,082,212)
Transaction costs on investments	(9,693,268)	(15,036,270)
Audit fee	(183,897)	(276,708)
Bank charges ^{Note 1}	(1,760)	(500)
Legal and other professional fee	(21,143)	(20,675)
License fee	(991,460)	(2,366,711)
Interest expenses	(738,691)	(1,430,107)
Other operating expenses ^{Note 1}	(187,840)	(200,663)
Total operating expenses	<u>(29,214,532)</u>	<u>(62,413,846)</u>
Total comprehensive income/(loss)	<u><u>383,482,830</u></u>	<u><u>(1,017,218,809)</u></u>

Note 1: During the period ended 30 June 2022 and 2021, respective amounts paid to the Trustee/connected persons of Trustee were as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) HKD	Period from 1 January 2021 to 30 June 2021 (Unaudited) HKD
Bank charges	(200)	-
Other operating expenses	(147,951)	(98,572)

Note 2: During the period ended 30 June 2022 and 2021, other than Management fees that paid to the Manager, no other amounts paid to the Manager/connected person of Manager.

**CSOP HANG SENG 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 ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	2,592,953,950	6,379,544,534
Proceeds on issue of units	4,453,482,647	4,460,118,725
Payments on redemption of units	(5,010,959,347)	(3,973,643,118)
Net increase from unit transactions	(557,476,700)	486,475,607
Total comprehensive (loss)/income for the period	383,482,830	(1,017,218,809)
Net assets attributable to unitholders at the end of the period	2,418,960,080	5,848,801,332

The movement of the redeemable units are as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) Units	Period from 1 January 2021 to 30 June 2021 (Unaudited) Units
Number of units in issue at the beginning of the period	457,600,000	1,246,400,000
Units issued	815,200,000	1,048,800,000
Units redeemed	(808,000,000)	(898,400,000)
Number of units in issue at the end of the period	464,800,000	1,396,800,000

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

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 1 January 2021 to 30 June 2021 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(263,436,000)	(7,486,906,636)
Proceeds from sale of investments	901,333,823	7,906,768,825
Interest income from bank deposits received	43,112	1,047,454
Interest income from deposits with broker	19,595	-
Interest income from bonds received	-	388,183
Management fee paid	(18,145,234)	(44,776,301)
Transaction costs paid	(9,693,268)	(15,036,270)
Interest paid	(768,331)	(1,545,718)
Other operating expenses paid	(2,039,553)	(2,735,873)
Decrease in deposits with broker	81,438,643	586,145,012
Decrease in cash collateral payable	(48,326,000)	-
	<hr/>	<hr/>
Net cash generated from operating activities	640,426,787	943,348,676
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	4,453,482,647	4,566,446,328
Payments on redemption of units	(5,010,959,347)	(3,920,092,254)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(557,476,700)	646,354,074
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Net increase in cash and cash equivalents	82,950,087	1,589,702,750
Cash and cash equivalents at the beginning of the period	1,259,782,096	1,165,092,277
Effect of foreign exchange rate changes	18,004	(71,262)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,342,750,187	2,754,723,765
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Analysis of balances of cash and cash equivalents		
Bank balances	1,212,097,412	1,884,195,119
Short-term bank deposits	130,652,775	870,528,646
	<hr/>	<hr/>
	1,342,750,187	2,754,723,765
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**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2022

		Fair value HKD	% of net assets
Investments and derivative financial instruments (25.81%)			
	<i>Holdings</i>		
Investment (25.81%)			
Listed investment funds (27.90%)			
Unlisted class (27.90%)			
Hong Kong (27.90%)			
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	44,706,737	463,251,207	19.15
CSOP US DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A	26,220,159	211,666,074	8.75
Total listed investment funds		<u>674,917,281</u>	<u>27.90</u>
Listed futures contracts (-0.87%)	<i>Expiration Date</i>	<i>Contracts</i>	
Hong Kong(-0.87%)			
HANG SENG INDEX FUTURE 28 July 2022	28 July 2022	(2,932)	(21,164,660)
Total futures contracts			<u>(21,164,660)</u>
Unlisted swap future contracts (-1.22%)	<i>Maturity date</i>	<i>Contracts</i>	
Hong Kong (-1.22%)			
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	28 July 2022	(1,500)	(29,419,935)
Total unlisted swap future contracts			<u>(29,419,935)</u>
Total investments and derivative financial instruments		624,332,686	25.81
Other net assets		1,794,627,394	74.19
Net assets attributable to unitholders as at 30 June 2022		<u>2,418,960,080</u>	<u>100.00</u>
Total investments and derivative financial instruments, at cost		<u>671,433,112</u>	

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2022

	Holdings				30 June 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments					
Listed investment funds					
Unlisted share class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A					
67,669,880	25,456,143	-	48,419,286	44,706,737	
CSOP US DOLLAR MONEY MARKET ETF - UNLISTED SHARE CLASS A					
26,220,159	-	-	-	26,220,159	
Listed futures contracts					
HANG SENG INDEX FUTURE 28 January 2022					
(1,931)	4,181	-	2,250	-	
HANG SENG INDEX FUTURE 25 February 2022					
-	5,216	-	5,216	-	
HANG SENG INDEX FUTURE 30 March 2022					
-	9,647	-	9,647	-	
HANG SENG INDEX FUTURE 28 April 2022					
-	5,169	-	5,169	-	
HANG SENG INDEX FUTURE 30 May 2022					
-	6,361	-	6,361	-	
HANG SENG INDEX FUTURE 29 June 2022					
-	5,797	-	5,797	-	
HANG SENG INDEX FUTURE 28 July 2022					
-	887	-	3,819	(2,932)	
Unlisted swap futures contracts					
HANG SENG INDEX FUTURE 28 January 2022 (SWAP)					
(500)	500	-	-	-	
HANG SENG INDEX FUTURE 28 January 2022 (SWAP)					
(2,000)	2,000	-	-	-	-
HANG SENG INDEX FUTURE 25 February 2022 (SWAP)					
-	500	-	500	-	
HANG SENG INDEX FUTURE 25 February 2022 (SWAP)					
-	2,000	-	2,000	-	
HANG SENG INDEX FUTURE 30 March 2022 (SWAP)					
-	1,000	-	1,000	-	
HANG SENG INDEX FUTURE 30 March 2022 (SWAP)					
-	2,500	-	2,500	-	
HANG SENG INDEX FUTURE 28 April 2022 (SWAP)					
-	1,000	-	1,000	-	
HANG SENG INDEX FUTURE 28 April 2022 (SWAP)					
-	1,000	-	1,000	-	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2022

	Holdings				30 June 2022
	1 January 2022	Additions	Corporate actions	Disposals	
Investments (Continued)					
Unlisted swap futures contracts (Continued)					
HANG SENG INDEX FUTURE 30 May 2022 (SWAP)	-	1,000	-	1,000	-
HANG SENG INDEX FUTURE 30 May 2022 (SWAP)	-	1,000	-	1,000	-
HANG SENG INDEX FUTURE 29 June 2022 (SWAP)	-	1,000	-	1,000	-
HANG SENG INDEX FUTURE 29 June 2022 (SWAP)	-	500	-	500	-
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	-	-	-	1,000	(1,000)
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	-	-	-	500	(500)

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

As at 30 June 2022

The financial derivative instruments held by the Sub-Fund as at 30 June 2022 are summarised below:

Futures contract

The details of futures contract held by the Sub-Fund as at 30 June 2022 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
<u>Financial assets:</u>				
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Short	UBS AG London	1,990,690
				<u>1,990,690</u>
<u>Financial liabilities:</u>				
HANG SENG INDEX FUTURE 28 July 2022	Hang Seng Index	Short	BNP Paribas	(23,155,350)
				<u>(23,155,350)</u>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited) (Continued)

As at 30 June 2022

Swap future contract

The details of outstanding swap future contract held by the Sub-Fund as at 30 June 2022 are as follows:

	Underlying assets	Counterparty	Fair value <i>HKD</i>
<u>Financial liabilities:</u>			
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	Hang Seng Index	J.P. Morgan Securities plc	(20,176,335)
HANG SENG INDEX FUTURE 28 July 2022 (SWAP)	Hang Seng Index	Societe Generale	(9,243,600)
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			(29,419,935)
			<hr style="border-top: 3px double black;"/>

**CSOP HANG SENG INDEX DAILY (-2X) INVERSE PRODUCT
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HOLDINGS OF COLLATERAL (Unaudited)

As at 30 June 2022

The Sub-Fund held no collateral as at 30 June 2022.

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

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 2022	2,419,526,246	5.2055
31 December 2021	2,593,667,142	5.6680
31 December 2020	6,380,554,216	5.1192

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 2022	8.6702	4.8803
31 December 2021	6.0370	3.8853
31 December 2020	10.0115	5.0943
31 December 2019 (Since 24 May 2019 (date of inception))	8.0923	6.1870

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

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

UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)

There was one (31 December 2021: one) security which is a collective investment scheme authorised 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 2022.

	Fair Value <i>HKD</i>	% of assets
As at 30 June 2022		

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	463,251,207	19.15
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As at 31 December 2021

Hong Kong

CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	700,078,746	27.00
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There were no government securities (31 December 2021: nil) that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2022.

For the period ended 30 June 2022 and, the Hang Seng Index decreased by 6.57% while the net asset value per unit of Sub-Fund decreased by 8.16%.

For the year ended 31 December 2021, the Hang Seng Index decreased by 14.08% while the net asset value per unit of the Sub-Fund increased by 10.71%.

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

MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
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 (resigned on 17 June 2022)
Yi Zhou
Yundong Zhu (appointed on 17 June 2022)
Zhiwei Liu
Zhongping Cai

Legal Counsel to the Manager

Simmons & Simmons
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Auditor

PricewaterhouseCoopers
Certified Public Accountants
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21st Floor, Edinburgh Tower
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