



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 ENDED 30 JUNE 2022

**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 free float-adjusted market capitalization weighted index that represents the 30 largest technology companies 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 2022, the dealing Net Asset Value (“NAV”) per unit of the CSOP Hang Seng TECH Index Daily (-2x) Inverse Product was HKD 7.3986 and there were 254,600,000 units outstanding. The total assets under management was approximately HKD 1.9 billion.

As of 30 June 2022, the dealing NAV of CSOP Hang Seng TECH Index Daily (-2x) Inverse Product performed -25.06% while the index performed -14.12%. YTD Price return of the HKD counter (stock code 7552) was -25.01%.

Exchange Liquidity

The trading value of the HKD counter (stock code: 7552) of CSOP Hang Seng TECH Index Daily (-2x) Inverse Product remained steadily at an average daily turnover of HKD 699.6 million in June 2022. 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 2022

	30 June 2022 (Unaudited) <i>HKD</i>	31 December 2021 (Audited) <i>HKD</i>
ASSETS		
CURRENT ASSETS		
Investments	584,179,734	198,642,949
Bank interest receivable	10,188	198
Amounts due from brokers	42,933,822	13,643,429
Other receivable	-	6,720
Deposits with broker	166,433,944	10,123,875
Cash and cash equivalents	1,174,737,571	216,700,182
Total assets	<u>1,968,295,259</u>	<u>439,117,353</u>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	24,788,657	5,495,835
Amounts due to participating dealers	158,301,885	-
Amounts due to brokers	-	9,865,835
Cash collateral payable	-	42,426,037
Management fee payable	1,885,858	601,955
Other accounts payable	438,940	215,968
Total liabilities	<u>185,415,340</u>	<u>58,605,630</u>
EQUITY		
Net assets attributable to unitholders	<u>1,782,879,919</u>	<u>380,511,723</u>
Number of units in issue	<u>241,000,000</u>	<u>38,600,000</u>
Net asset value per unit	<u>7.3978</u>	<u>9.8578</u>

Note: Interim 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) 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) <i>HKD</i>	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
INCOME		
Interest income from bank deposits	30,218	14,950
Interest income from treasury bills	-	20,179
Net (loss)/gain on investments and derivative financial instruments	(228,349,416)	28,836,941
Net foreign currency gain	101,624	64,020
Total net (loss)/income	<u>(228,217,574)</u>	<u>28,936,090</u>
EXPENSES		
Management fee ^{Note 2}	(7,322,010)	(2,132,372)
Transaction costs on investments	(133,761)	(24,288)
Audit fee	(46,558)	(19,391)
Bank charges ^{Note 1}	(3,760)	-
Legal and other professional fee	-	(52,706)
License fee	(395,647)	(111,234)
Establishment cost	-	(628,000)
Interest expenses	(6,606)	(1,633)
Other operating expenses ^{Note 1}	(339,794)	(203,855)
Total operating expenses	<u>(8,248,136)</u>	<u>(3,173,479)</u>
Total comprehensive (loss)/income	<u><u>(236,465,710)</u></u>	<u><u>25,762,611</u></u>

Note 1: During the period ended 30 June 2022 and period from 8 December 2020 (date of inception) to 30 June 2021, respective amounts paid to the Trustee/connected persons of Trustee were as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
Bank charges	(200)	-
Other operating expenses	(278,763)	(92,695)

Note 2: During the period ended 30 June 2022 and 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 ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	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	380,511,723	-
Proceeds on issue of units	3,349,732,478	770,263,744
Payments on redemption of units	(1,710,898,572)	(481,757,200)
Net increase from unit transactions	1,638,833,906	288,506,544
Total comprehensive (loss)/income for the period	(236,465,710)	25,762,611
Net assets attributable to unitholders at the end of the period	1,782,879,919	314,269,155

The movement of the redeemable units are as follows:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) Units	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	38,600,000	-
Units issued	363,200,000	126,600,000
Units redeemed	(160,800,000)	(74,400,000)
Number of units in issue at the end of the period	241,000,000	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 ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>HKD</i>	Period from 8 December 2020 (date of inception) to 30 June 2021 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(961,561,628)	(624,420,304)
Proceeds from sale of investments	327,812,021	492,401,134
Interest income from bank deposits received	20,228	13,845
Interest income from treasury bills received	-	20,179
Management fee paid	(6,038,107)	(1,758,540)
Transaction costs paid	(133,761)	(24,288)
Interest paid	(6,606)	(1,633)
Other operating expenses paid	(556,067)	(233,579)
Establishment cost paid	-	(58,336)
Increase in deposits with broker	(156,310,069)	(9,396,316)
Decrease in cash collateral payable	(42,426,037)	-
	<hr/>	<hr/>
Net cash used in operating activities	(839,200,026)	(143,457,838)
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FINANCING ACTIVITIES		
Proceeds on issue of units	3,349,732,478	743,663,242
Payments on redemption of units	(1,552,596,687)	(481,757,200)
	<hr/>	<hr/>
Net cash generated from financing activities	1,797,135,791	261,906,042
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Net increase in cash and cash equivalents	957,935,765	118,448,204
Cash and cash equivalents at the beginning of the period	216,700,182	-
Effect of foreign exchange rate changes	101,624	64,020
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,174,737,571	118,512,224
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Analysis of balances of cash and cash equivalents		
Bank balances	989,873,517	69,727,259
Short-term bank deposits	184,864,054	48,784,965
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	1,174,737,571	118,512,224
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**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 2022

		Fair value HKD	% of net net assets
Investments and derivative financial instruments (31.38%)			
	<i>Holdings</i>		
Investment (32.77%)			
Listed investment funds (32.77%)			
Hong Kong (32.77%)			
Listed Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF	464,000	480,801,904	26.97
Unlisted Class			
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	843,672	8,742,127	0.49
CSOP US DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	11,723,008	94,635,703	5.31
Total listed investment funds		<u>584,179,734</u>	<u>32.77</u>
Unlisted Total Return Swap (-1.39%)			
	<i>Contracts</i>		
Hong Kong (-1.39%)			
HANG SENG TECH FUTURE (SWAP)	(1,110)	(6,339,210)	(0.35)
HANG SENG TECH FUTURE (SWAP)	(370)	(2,107,931)	(0.12)
HANG SENG TECH FUTURE (SWAP)	(3,000)	(16,341,516)	(0.92)
HANG SENG TECH INDEX SWAP	(10,038)	-	-
Total of unlisted total return swap		<u>(24,788,657)</u>	<u>(1.39)</u>
Total investments and derivative financial instruments		559,391,077	31.38
Other net assets		<u>1,223,488,842</u>	<u>68.62</u>
Net assets attributable to unitholders as at 30 June 2022		<u><u>1,782,879,919</u></u>	<u><u>100.00</u></u>
Total investments and derivative financial instruments, at cost		<u><u>583,098,724</u></u>	

**CSOP HANG SENG TECH INDEX DAILY (-2X) INVERSE PRODUCT
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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					
Listed investment funds					
Listed Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF	102,000	827,000	-	465,000	464,000
Unlisted Class					
CSOP HONG KONG DOLLAR MONEY MARKET ETF- UNLISTED SHARE CLASS A	5,740,129	3,398,984	-	8,295,441	843,672
CSOP US DOLLAR MONEY MARKET ETF-UNLISTED SHARE CLASS A	4,214,732	7,508,276	-	-	11,723,008
Unlisted Total Return Swap					
HANG SENG TECH FUTURE (SWAP)	(740)	6,290	-	6,660	(1,110)
HANG SENG TECH FUTURE (SWAP)	(370)	2,220	-	2,220	(370)
HANG SENG TECH FUTURE (SWAP)	-	5,900	-	8,900	(3,000)
HANG SENG TECH INDEX SWAP	(1,548)	148,635	-	157,125	(10,038)

**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 2022

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

Unlisted Total Return Swap

The details of outstanding Index Swap held by the Sub-Fund as at 30 June 2022 are as follows:

	Underlying assets	Position	Counterparty	Fair value <i>HKD</i>
<u>Financial liabilities:</u>				
HANG SENG TECH FUTURE (SWAP)	Hang Seng Tech Index	Short	BNP Paribas	(6,339,210)
HANG SENG TECH FUTURE (SWAP)	Hang Seng Tech Index	Short	Citigroup	(2,107,931)
HANG SENG TECH FUTURE (SWAP)	Hang Seng Tech Index	Short	JP Morgan	(16,341,516)
HANG SENG TECH INDEX SWAP	Hang Seng Tech Index	Short	Societe Generale	-
				<hr/>
				(24,788,657)
				<hr/> <hr/>

**CSOP HANG SENG TECH 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 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 2022	1,783,152,188	7.3990
31 December 2021	380,823,165	9.8659

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	22.7828	6.7661
31 December 2021 (since 8 December 2020 (date of inception))	10.6484	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 was one security (31 December 2021: two) 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 2022. 464,000 (31 December 2021: 83,000) units of CSOP Hong Kong Dollar Money Market ETF listed class amounting to HKD85,868,472 are used as initial margin (“Initial Amount”) to the Swap Counterparties which will be held by the custodian appointed by the Trustee in segregated accounts. No more than 40% of the Net Asset Value of the Sub-Fund from time to time will be used as Initial Amount by way of cash and listed units of money market funds authorised by the SFC to acquire the Swaps. Any investments in ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code. For the avoidance of doubt, the Sub Fund’s investment in the money market funds is not subject to this limit.

	Fair Value <i>HKD</i>	% of assets
As at 30 June 2022		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	480,801,904	26.97%
As at 31 December 2021		
Hong Kong		
CSOP HONG KONG DOLLAR MONEY MARKET ETF	105,525,110	27.73%
CSOP HONG KONG DOLLAR MONEY MARKET ETF-UNLISTED CLASS A	59,384,508	15.61%

During the period ended 30 June 2022, the Hang Seng TECH Index decreased by 14.12% (31 December 2021: decreased by 29.86%) while the net asset value per unit of the Sub Fund decreased by 24.95% (31 December 2021: increased by 27.20%).

**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 (resigned on 17 June 2022)
Yi Zhou
Yundong Zhu (appointed on 17 June 2022)
Zhiwei Liu
Zhongping Cai

Legal Counsel to the Manager

Clifford Chance
27/F, Jardine House
One Connaught Place
Hong Kong

Auditor

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



www.csopasset.com

Telephone: (852) 3406 5688

2801-2803 & 3303-3304, Two Exchange Square, 8 Connaught Place, Central, Hong Kong