Bosera SZSE ChiNext Daily (2x) Leveraged Product

A Product of Bosera Leveraged and Inverse Series

Stock Code: 07234

SEMI-ANNUAL REPORT (UNAUDITED)

For the period from 01 January 2024 to 30 June 2024

BOSERA LEVERAGED AND INVERSE SERIES

REPORTS AND FINANCIAL STATEMENTS

BOSERA SZSE CHINEXT DAILY (2X) LEVERAGED PRODUCT
(Stock Code: 7234)

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

(A PRODUCT OF BOSERA LEVERAGED AND INVERSE SERIES)

Bosera SZSE ChiNext Daily (2x) Leveraged Product
(A Product of Bosera Leveraged and Inverse Series)

CONTENTS

MANAGEMENT AND ADMINISTRATION

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Lian Shaodong
Ou Zhiming
Zhou Yi
Wu Huifeng

Registrar
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Legal Counsel to the Manager
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Auditors
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Registered Public Interest Entity Auditor
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Hong Kong

Administrator and Custodian
Citibank, N.A., Hong Kong Branch
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Trustee
Cititrust Limited
50/F., Champion Tower
Three Garden Road
Central
Hong Kong

Service Agent
HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
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Central
Hong Kong

Listing Agent
Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	30 June 2024 (Unaudited) HK$	31 December 2023 (Audited) HK$
ASSETS		
Financial assets at fair value through profit or loss	–	1,420,172
Interest receivables	9,565	6,030
Margin accounts	11,428,712	13,707,649
Rebate receivables	605,437	600,544
Cash and cash equivalents	11,595,484	13,780,044
TOTAL ASSETS	23,639,198	29,514,439
LIABILITIES		
Financial liabilities at fair value through profit or loss	3,139,112	4,303
Amounts due to broker	39,886	–
Management fee payable	207,843	102,812
Custodian, fund administration and trustee fee payables	67,527	38,495
Other payables and accruals	884,651	795,502
TOTAL LIABILITIES	4,339,019	941,112
EQUITY		
Net assets attributable to unitholders	19,300,179	28,573,327
TOTAL LIABILITIES AND EQUITY	23,639,198	29,514,439

Bosera SZSE ChiNext Daily (2x) Leveraged Product
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 January 2024 to 30 June 2024

	For the period from 1 January 2024 to 30 June 2024 (Unaudited) HK$	For the period from 1 January 2023 to 30 June 2023 (Unaudited) HK$
INCOME		
Interest income	216,761	206,202
Distribution income	4,651	–
Rebate income	4,893	–
	226,305	206,202
EXPENSES		
Management fee	(203,428)	(294,370)
Custodian, fund administration and trustee fee	(193,123)	(170,192)
Auditor’s remuneration	(93,305)	(77,736)
Brokerage and transaction fee	(727)	(1,253)
Bank charges	(410)	(205)
Conversion agent fee	(29,836)	(29,753)
Interest expense	–	(551)
Other operating expenses	(22,110)	(58,610)
TOTAL OPERATING EXPENSES	(542,939)	(632,670)
LOSS BEFORE INVESTMENT LOSS	(316,634)	(426,468)
INVESTMENT LOSSES		
Net realised losses on sale of financial assets and financial liabilities at fair value through profit or loss	(4,602,311)	(7,599,906)
Net change in unrealised (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	(4,594,867)	59,946
	(9,197,178)	(7,539,960)
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(9,513,812)	(7,966,428)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 1 January 2024 to 30 June 2024

	For the period from 1 January 2024 to 30 June 2024 HK$	For the period from 1 January 2023 to 30 June 2023 HK$
Net assets attributable to unitholders at the beginning of the period	28,573,327	37,196,783
Issue of units	4,205,044	–
Redemption of units	(3,964,380)	–
Net issue of units	240,664	–
Total comprehensive loss for the period	(9,513,812)	(7,966,428)
Net assets attributable to unitholders at the end of the period	19,300,179	29,230,355
Number of units		
Units at the beginning of the period	7,500,000	5,600,000
Issue of units	1,300,000	–
Net issue of units	(1,400,000)	–
Units at the end of the period	7,400,000	5,600,000

Bosera SZSE ChiNext Daily (2x) Leveraged Product
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STATEMENT OF CASH FLOWS

For the period from 1 January 2024 to 30 June 2024

	For the period from 1 January 2024 to 30 June 2024 (Unaudited) HK$	For the period from 1 January 2023 to 30 June 2023 (Unaudited) HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and total comprehensive income for the period		
Adjustment for:	(9,513,812)	(7,966,428)
Interest income	(216,761)	(206,202)
Distribution income	(4,651)	–
Operating cash flows before movements in working capital	(9,735,224)	(8,172,630)
Decrease/(increase) in financial assets and liabilities at fair value through profit or loss	4,554,981	(59,946)
Decrease/(increase) in margin accounts	2,278,937	(561,842)
Increase in prepayment and other receivables	–	(1,049,961)
(Increase)/decrease in rebates receivables	(4,893)	372,500
Increase in management fee payable	105,031	154,194
Increase in cash collateral liabilities	–	551
Increase in custodian, fund administration and trustee fee payables	29,032	4,132
Increase in amounts due to broker	39,886	–
Increase in other payables and accruals	89,149	988,043
Cash used in operations	(2,643,101)	(8,324,959)
Interest received	213,226	220,565
Distribution received	4,651	–
Net cash flows used in operating activities	(2,425,224)	(8,104,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	4,205,044	–
Payments on redemption of units	(3,964,380)	–
Net cash flows generated from financing activities	240,664	–
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,184,560)	(8,104,394)
Cash and cash equivalents at the beginning of the period	13,780,044	20,775,509
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11,595,484	12,671,115
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	297,810	2,574,532
Term deposits with original maturity of less than 3 months when acquired	4,940,674	10,096,583
Money Market fund	6,357,000	–
Cash and cash equivalents as stated in the statement of cash flows	11,595,484	12,671,115

1. THE TRUST

Bosera Leveraged and Inverse Series (the "Trust") is an umbrella unit trust governed by its trust deed dated 21 March 2022, as amended by the supplemental deeds on 21 March 2022 (collectively, the "Trust Deed") between Bosera Asset Management (International) Co., Limited (the "Manager") and Cititrust Limited (the "Trustee"). The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance of Hong Kong.

Bosera SZSE ChiNext Daily (2x) Leveraged Product (the "Product") is the sole product of the Trust, which commenced trading under the stock code 7234 on the Stock Exchange of Hong Kong Limited ("SEHK") on 12 May 2022.

Pursuant to the prospectus of the Product, the investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to the performance of a relevant leveraged or inverse index of the ChiNext Index (HK$) (CNH) (the "Index"). The Index comprises the 100 largest and most liquid A-share stocks listed and traded on the ChiNext Market of the Shenzhen Stock Exchange.

The Manager intends to adopt a swap-based synthetic replication strategy to achieve the investment objective of the Product, through entering into one or more partially-funded swaps (which are over-the-counter Financial Derivative Instruments ("FDIs") entered into with more than one swap counterparty) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("Initial Amount") to the swap counterparties which will be held by the custodian appointed by the Trustee in a segregated account and will only be transferred to the swap counterparties when the Product defaults and in return the swap counterparties will provide the Product with an exposure to the Index (net of transaction costs).

2 BASIS OF PREPARATION

The financial statements of the Product 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 of the SFC (the "SFC Code").

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified as at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK$") for the Product. All values are rounded to the nearest HK$ except where otherwise indicated.

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2024

				Holdings Units	Fair value HK$	% of net assets
Financial liabilities at fair value through profit or loss						
	Position	**Underlying assets**	**Counterparty**	**Contracts**	**Fair value HK$**	**% of net assets**
Total return swaps contracts						
Total return swaps	Long	TRS EQUITY~L49~376 18,934,400.52 HKD 19/06/2024 09/08/2024	Goldman Sachs International	11,130	(1,359,851)	(7.05)
Total return swaps	Long	TRS EQUITY~L49~374 19,648,906.20 HKD 17/06/2024 17/06/2025	CICC Financial Trading Limited	7,650	(935,392)	(4.84)
Total return swaps	Long	TRS EQUITY~L49~375 18,037,457.88 HKD 19/06/2024 20/05/2025	Citigroup Global Markets Limited	6,600	(815,007)	(4.22)
Total return swaps	Long	TRS EQUITY~L49~377 119,548.73 HKD 18/06/2024 18/06/2025	CICC Financial Trading Limited	70	(9,018)	(0.05)
Total return swaps	Long	TRS EQUITY~L49~381 683,347.48 HKD 26/06/2024 26/06/2025	CICC Financial Trading Limited	420	(19,844)	(0.10)
					(3,139,112)	(16.26)
Total investments, at fair value					(3,139,112)	(16.26)
Total investments, at cost					–	

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the period from 1 January 2024 to 30 June 2024

	% of net assets	
	For the period from 1 January 2024 to 30 June 2024	For the period from 1 January 2023 to 30 June 2023
Financial assets at fair value through profit or loss		
Total return swap contracts	–	0.03
Financial liabilities at fair value through profit or loss		
Total return swap contracts	(16.26)	(5.08)
Total investments and derivative financial instruments	(16.26)	(5.05)
Other net assets	116.26	105.05
Total net assets	100.00	100.00

PERFORMANCE TABLE (UNAUDITED)

NET ASSET VALUE

	Dealing net asset value HK$	Dealing net asset value per unit HK$
As at:		
30 June 2024 (Unaudited)	20,445,601	2.7629
31 December 2023 (Audited)	28,724,709	3.8300
31 December 2022 (Audited)	38,940,347	6.9536

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	Highest issue price per unit HK$	Lowest redemption price per unit HK$
During the period/year ended:		
30 June 2024 (Unaudited)	3.8596	2.5650
31 December 2023 (Audited)	9.2195	3.5794
From 11 May 2022 (date of commencement of operations) to 31 December 2022 (Audited)	11.7547	6.0455

COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Product's performance (market-to-market) and that of the Index:

	Product performance %	Index performance %
During the period/year ended:		
30 June 2024 (Unaudited)	-30.70	-13.52
31 December 2023 (Audited)	-42.61	-20.67
From 11 May 2022 (date of commencement of operations) to 31 December 2022 (Audited)	-13.13	-3.85