



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

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
Stock Codes: 09388 (USD Counter) and 07388 (HKD Counter)
(A sub-fund of CSOP Leveraged and Inverse Series)

Reports and Financial Statements
FOR THE PERIOD FROM 20 MARCH 2025 (DATE OF INCEPTION)
TO 31 DECEMBER 2025

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

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CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

CSOP NVIDIA 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 20 March 2025 and commenced trading in USD under the stock code 09388 and HKD under the stock code 07388 on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 24 March 2025. 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 Product is to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Daily performance of the common stock of NVIDIA Corp (NASDAQ: NVDA) (the “Underlying Stock”). The Product does not seek to achieve its stated investment objective over a period of time greater than one day. The Product seeks to achieve its investment objective by using a Swap-based synthetic replication strategy.

Fund Performance

CSOP NVIDIA Daily (-2x) Inverse Product seeks to provide investment results that, before fees and expenses, closely correspond to the two times inverse (-2x) of the Underlying Stock. From 20 March 2025 to 31 December 2025, the dealing NAV performed -74.03%.

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

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of CSOP NVIDIA Daily (-2x) Inverse Product (the “Sub-Fund”), a sub-fund of CSOP Leveraged and Inverse Series, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, for the period from 20 March 2025 (date of inception) to 31 December 2025.

HSBC Institutional Trust Services (Asia) Limited
27 April 2026

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of CSOP NVIDIA Daily (-2x) Inverse Product, a sub-fund of CSOP Leveraged and Inverse Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and the Trust Deed dated 5 July 2016, as amended, (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of the period and of the transactions for the period from 20 March 2025 (date of inception) to 31 December 2025. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

CSOP Leveraged and Inverse Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2025, the Trust has established twenty-three sub-funds, namely:

Name of the sub-funds	Launch Date
CSOP NVIDIA Daily (-2x) Inverse Product (the "Sub-Fund")	20 March 2025
CSOP Hang Seng Index Daily (2x) Leveraged Product	10 March 2017
CSOP Hang Seng Index Daily (-1x) Inverse Product	10 March 2017
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	10 March 2017
CSOP Hang Seng China Enterprises Index Daily (-2x) Inverse Product	10 March 2017
CSOP Hang Seng Index Daily (-2x) Inverse Product	24 May 2019
CSOP NASDAQ-100 Index Daily (-2x) Inverse Product	17 September 2019
CSOP Hang Seng TECH Index Daily (2x) Leveraged Product	08 December 2020
CSOP Hang Seng TECH Index Daily (-2x) Inverse Product	08 December 2020
CSOP Nikkei 225 Daily (2x) Leveraged Product	27 May 2024
CSOP Nikkei 225 Daily (-2x) Inverse Product	27 May 2024
CSOP Bitcoin Futures Daily (-1x) Inverse Product	19 July 2024
CSOP NVIDIA Daily (2x) Leveraged Product	20 March 2025
CSOP Tesla Daily (2x) Leveraged Product	20 March 2025
CSOP Tesla Daily (-2x) Inverse Product	20 March 2025
CSOP Coinbase Daily (2x) Leveraged Product	20 March 2025
CSOP Coinbase Daily (-2x) Inverse Product	20 March 2025
CSOP MicroStrategy Daily (2x) Leveraged Product	20 March 2025
CSOP MicroStrategy Daily (-2x) Inverse Product	20 March 2025
CSOP Berkshire Daily (2x) Leveraged Product	20 March 2025
CSOP Samsung Electronics Daily (2x) Leveraged Product	26 May 2025
CSOP Samsung Electronics Daily (-2x) Inverse Product	26 May 2025
CSOP SK Hynix Daily (2x) Leveraged Product	14 October 2025

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

**STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE
(Continued)**

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance to the Trust Deed.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES, AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of CSOP NVIDIA Daily (-2X) Inverse Product (the “Sub-Fund”), a sub-fund of CSOP Leveraged and Inverse Series, which are set out on pages 10 to 32, comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the period from 20 March 2025 (date of inception) to 31 December 2025;
- the statement of changes in net assets attributable to unitholders for the period from 20 March 2025 (date of inception) to 31 December 2025;
- the statement of cash flows for the period from 20 March 2025 (date of inception) to 31 December 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2025, and of its financial transactions and its cash flows for the period from 20 March 2025 (date of inception) to 31 December 2025 in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the Hong Kong Institute of Certified Public Accountants (“HKICPA”)’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Key Audit Matters (Continued)

Key audit matters identified in our audit are summarised as follows:

Key Audit Matter	How our audit addressed the key audit matter
<p><u>Existence and valuation of derivative financial instruments, and occurrence and accuracy of the related investment gain/loss</u></p> <p>As at 31 December 2025, the Sub-Fund had derivative financial liabilities comprised of unlisted total return swaps with fair value of USD366,392. The net loss on derivative financial instruments amounted to USD4,159,756, which represents net change in unrealised loss in value of derivative financial instruments of USD366,392 and net realised loss on sale of derivative financial instruments of USD3,793,364.</p> <p>We focused on the existence and valuation of the derivative financial instruments, and the occurrence and accuracy of the related investment gain/loss, because the derivative financial instruments and the net loss on derivative financial instruments represented the principal elements of Sub-Fund's net assets attributable to unitholders as at 31 December 2025.</p> <p>Refer to note 4 and note 8 to the financial statements.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the derivative financial instruments, and the occurrence and accuracy of the related investment gain/loss, which included the following:</p> <ul style="list-style-type: none"> • We developed an understanding of the control objectives and related controls relevant to our audit of the Sub-Fund by obtaining the service organisation internal control reports (the "Control Reports") provided by the trustee setting out the controls in place, and the independent service auditor's assurance report over the design and operating effectiveness of those controls. • We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Fund. <p>We tested the existence of derivative financial instruments by obtaining direct confirmations from the custodian and brokers and agreeing the Sub-Fund's holdings of derivative financial instruments to the confirmations.</p> <p>We tested the valuation of the Sub-Fund's derivative financial instruments, and the accuracy of their related unrealised gain/loss by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 December 2025.</p> <p>We tested the occurrence and accuracy of net realised gain/loss from trading of derivative financial instruments by agreeing the purchase and sales transactions to the broker statements and testing the calculation of net gain/loss on a sample basis.</p> <p>Based on the procedures we performed, we found no material exceptions from our testing.</p>

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES, AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Other Information

The manager and the trustee (the “Management”) of the Sub-Fund is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 July 2016, as amended (the “Trust Deed”), and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the “SFC Code”).

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
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TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES, AN UMBRELLA UNIT
TRUST ESTABLISHED IN HONG KONG) (CONTINUED)**

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Kwan Wai Tuen, Josephine.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 April 2026

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	31 December 2025 <i>USD</i>
ASSETS		
CURRENT ASSETS		
Bank interest receivable		33
Deposits with brokers	<i>6(c), 9</i>	4,100,000
Other receivable	<i>6(g)</i>	74,113
Cash and cash equivalents	<i>6(c)</i>	1,749,223
		<hr/>
Total assets		5,923,369
		<hr style="border-top: 1px dashed black;"/>
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments	<i>6(c), 8(a), 8(d), 8(f)</i>	366,392
Management fee payable	<i>6(a), 6(b)</i>	8,285
Other accounts payable		26,578
		<hr/>
Total liabilities		401,255
		<hr style="border-top: 1px dashed black;"/>
EQUITY		
Net assets attributable to unitholders	<i>3</i>	5,522,114
		<hr style="border-top: 3px double black;"/>

The financial statements on pages 10 to 32 were approved by the Trustee and the Manager on 27 April 2026 and were signed on their behalf.

For and on behalf of

For and on behalf of

CSOP Asset Management Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

The accompanying notes form an integral part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

For the period from 20 March 2025 (date of inception) to 31 December 2025

	<i>Notes</i>	Period from 20 March 2025 (date of inception) to 31 December 2025 <i>USD</i>
INCOME		
Interest income from bank deposits	<i>6(c)</i>	14,050
Interest income from margin deposits		4,110
Interest income from derivative financial instruments	<i>6(d),7</i>	160,761
Net loss on derivative financial instruments	<i>4</i>	(4,159,756)
Other income	<i>6(g)</i>	67,708
Net foreign currency gains		144
		<hr/>
Total net loss		(3,912,983)

EXPENSES		
Management fee	<i>6(a),6(b)</i>	(55,229)
Transaction costs on investments	<i>6(d),7</i>	(9,303)
Audit fee		(10,300)
Legal and other professional fee		(2,371)
Establishment costs	<i>3</i>	(91,302)
Interest expenses		(16)
Other operating expenses	<i>6(d)</i>	(53,184)
		<hr/>
Total operating expenses		(221,705)

Total comprehensive loss		(4,134,688)
		<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 20 March 2025 (date of inception) to 31 December 2025

	<i>Note</i>	Period from 20 March 2025 (date of inception) to 31 December 2025 <i>USD</i>
Net assets attributable to unitholders at the beginning of the period		-
Issue of units		16,249,981
Redemption of units		(6,593,179)
Net increase from unit transactions		9,656,802
Total comprehensive loss for the period		(4,134,688)
Net assets attributable to unitholders at the end of the period	3	5,522,114

The movements of the redeemable units for the period from 20 March 2025 (date of inception) to 31 December 2025 are as follows:

	Period from 20 March 2025 (date of inception) to 31 December 2025 <i>Units</i>
Number of units in issue at the beginning of the period	-
Units issued	2,905,230
Units redeemed	(750,000)
Number of units in issue at the end of the period	2,155,230

The accompanying notes form an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS

For the period from 20 March 2025 (date of inception) to 31 December 2025

	Period from 20 March 2025 (date of inception) to 31 December 2025 USD
Cash flow from operating activities	
Total comprehensive loss	(4,134,688)
Adjustment for:	
Interest income from bank deposits	(14,050)
Interest income from margin deposits	(4,110)
Interest income from derivative counterparties	(160,761)
	<hr/>
Operating loss before working capital changes	(4,313,609)
Net change in deposits with brokers	(4,100,000)
Net change in other receivables	(74,113)
Net change in derivative financial instruments	366,392
Net change in management fee payable	8,285
Net change in other accounts payables	26,578
	<hr/>
Cash used in operating activities	(8,086,467)
Interest received from bank deposits	14,017
Interest received from margin deposits	4,110
Interest received from derivative counterparties	160,761
	<hr/>
Net cash used in operating activities	(7,907,579)

Cash flow from financing activities	
Proceeds from issue of units	16,249,981
Payments on redemption of units	(6,593,179)
	<hr/>
Net cash generated from financing activities	9,656,802

Net increase in cash and cash equivalents	1,749,223
Cash and cash equivalents at beginning of the period	-
	<hr/>
Cash and cash equivalents at end of the period	1,749,223
	<hr/> <hr/>
Analysis of balances of cash and cash equivalents	
Bank balances	1,749,223
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The accompanying notes form an integral part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP Leveraged and Inverse Series (the “Trust”) is an umbrella unit trust governed by a trust deed dated 5 July 2016, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31 December 2025, the Trust has twenty-three sub-funds which are :

Name of the sub-funds	Launch Date
CSOP NVIDIA Daily (-2x) Inverse Product (the “Sub-Fund”)	20 March 2025
CSOP Hang Seng Index Daily (2x) Leveraged Product	10 March 2017
CSOP Hang Seng Index Daily (-1x) Inverse Product	10 March 2017
CSOP Hang Seng China Enterprises Index Daily (2x) Leveraged Product	10 March 2017
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CSOP Samsung Electronics Daily (2x) Leveraged Product	26 May 2025
CSOP Samsung Electronics Daily (-2x) Inverse Product	26 May 2025
CSOP SK Hynix Daily (2x) Leveraged Product	14 October 2025

The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

The manager and the trustee of the Sub-Fund are CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) respectively.

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (Continued)

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond the two times inverse (-2x) of the daily performance of the Underlying Stock.

In order to achieve the investment objective of the Sub-Fund, the Manager will use a swap-based synthetic replication strategy. The Sub-Fund will enter into swaps whereby the Sub-Fund 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 segregated accounts and will only be transferred to the swap counterparties when the Sub-Fund defaults and in return the swap counterparties will provide the Sub-Fund with an exposure to the Underlying Stock (net of transaction costs). The Sub-Fund does not seek to achieve the investment objective over a period of time greater than one day.

These financial statements are prepared for the Sub-Fund only. The financial statements for the other sub-funds of the Trust are prepared separately.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies.

CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT (A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES)

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards effective 20 March 2025 (date of inception)

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 20 March 2025 (date of inception) that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 20 March 2025 (date of inception) that are relevant to the Sub-Fund and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been early adopted in preparing these financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

For Amendment to IFRS 9 and IFRS 7, the Sub-Fund does not expect these amendments to have a material impact on its operations or financial statements.

For IFRS 18 Presentation and Disclosure in Financial Statements, the Sub-Fund is currently still assessing the effect of this standard and amendment.

(b) Financial instruments

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis - the date on which the Sub-Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the period in which they arise.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, swaps) is determined by using broker quotes or valuation techniques.

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(vi) Derivatives

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges. The Sub-Fund does not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategy. The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(vii) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when the Sub-Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Amounts due from participating dealers and brokers

Amounts due from participating dealers represent the subscription receivable from the participating dealers at the end of the reporting period. Amounts due from brokers represent receivables for investments sold that have been contracted for but not yet settled on the statement of financial position date. The amounts are non-interest bearing and repayable on demand.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Sub-Fund shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, financial assets measured at amortised cost will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(e) Amounts due to participating dealers and brokers

Amounts due to participating dealers represent the redemption payable to the participating dealers at the end of the reporting period. Amounts due to brokers represent payables for investments purchased that have been contracted for but not yet delivered on the statement of financial position date. The amounts are non-interest bearing and repayable on demand. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(f) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

(g) Transaction costs on investments

Transaction costs are costs incurred to acquire/dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(h) Expenses

Expenses are accounted for on an accrual basis.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents excluded deposits with brokers as they are restricted for investment purpose.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The Manager considers United States Dollar (“USD”) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions for the Sub-Fund. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on derivative financial instruments”.

(k) Redeemable units

The Sub-Fund issues redeemable units, which are redeemable at the holder’s option. These units represent puttable financial instruments of the Sub-Fund. The Sub-Fund classifies its puttable financial instruments as equity in accordance with IAS32, “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Fund’s net asset value per unit at the time of issue or redemption. The Sub-Fund’s net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the Prospectus of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Taxation

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

(m) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

(n) Deposit with brokers

Cash collateral provided by the Sub-Fund is identified in the statement of financial position as deposits with brokers and is not included as a component of cash and cash equivalents.

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3. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT

The Sub-Fund's capital is represented by the units in the Sub-Fund, and shown as net assets attributable to unitholders in the statement of financial position. Subscriptions and redemptions of units during the period from 20 March 2025 (date of inception) to 31 December 2025 are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objective, the Sub-Fund endeavor to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust Deed dated 5 July 2016, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

As stated in Note 2(k), redeemable units of the Sub-Fund are classified as equity and they are carried at the price based on the Sub-Fund's net asset value per unit at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

The redeemable units for the period ended 31 December 2025 are as follows:

	As at 31 December 2025 <i>Units</i>
Number of units in issue at the end of the period	2,155,230
	<u><u> </u></u>
	<i>USD</i>
Net assets attributable to unitholders per unit as at 31 December (per statement of financial position)	2.5622
	<u><u> </u></u>

As stated in Note 2(m), establishment costs are expensed as incurred in the financial statements. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method for dealing net assets value for subscriptions and redemptions. For the period from 20 March 2025 (date of inception) to 31 December 2025, the expensing of establishment costs as stated in the financial statements resulted in decrease of net asset attributable to unitholders of USD74,309 as stated in the financial statements when compared with the methodology indicated in the Trust's Prospectus. The amount USD74,309 is unamortised with remaining 4 years and 3 month of amortisation.

	As at 31 December 2025 <i>USD</i>
Net assets attributable to unitholders as reported in the statement of financial position	5,522,114
Adjustments for unamortised establishment costs	74,309
	<u> </u>
Net asset value in accordance with the Trust's Prospectus	5,596,423
	<u><u> </u></u>

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NOTES TO THE FINANCIAL STATEMENTS

4. NET LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS

	Period from 20 March 2025 (date of inception) to 31 December 2025 <i>USD</i>
Net change in unrealised gain/loss in value of derivative financial instruments	(366,392)
Net realised loss on sale of derivative financial instruments	(3,793,364)
	<hr/> <u>(4,159,756)</u> <hr/>

5. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

There were no tax expenses for the Sub-Fund for the period from 20 March 2025 (date of inception) to 31 December 2025.

6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions and transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the connected persons of the Manager. Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period from 20 March 2025 (date of inception) to 31 December 2025, between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons of the Manager except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 1.60% per annum of the net asset value of the Sub-Fund, inclusive of trustee fee and registrar's fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

The management fee includes, but are not limited to, the manager's fee, the trustee's fee, the custodian's fee and the registrar's fee. The management fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments and extraordinary items such as litigation expenses.

(b) Trustee fee and registrar's fee

The trustee fee and registrar's fee are included in the management fee and the Manager will pay the fees of the Trustee and registrar out of the management fee. Refer to Note 6(a).

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**6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS
(Continued)**

(c) Financial assets

The derivative financial instruments, cash and cash equivalents and deposit with brokers of the Sub-Fund held with related parties of the Trustee are:

	Derivative financial instruments <i>USD</i>	Bank balances <i>USD</i>	Deposits with brokers* <i>USD</i>
As at 31 December 2025			
The Hongkong and Shanghai Banking Corporation Limited	-	765,223	3,610,000
HSBC Bank Plc	(288,207)	-	380,000
	<u>(288,207)</u>	<u>765,223</u>	<u>3,990,000</u>

* The amount of deposits with brokers in the initial margin account are held with Hongkong and Shanghai Banking Corporation Limited on behalf of the Sub-Fund.

Interest income amounted to USD14,050 was earned on these bank balances for the period from 20 March 2025 (date of inception) to 31 December 2025.

(d) Other respective amounts received/paid to the Trustee and its connected persons

The other respective amounts paid to the Trustee and its connected persons for the period from 20 March 2025 (date of inception) to 31 December 2025 were as follows:

	Period from 20 March 2025 (date of inception) to 31 December 2025 <i>USD</i>
Interest income from derivative financial instruments	145,643
Transaction costs on investments	6,419
Other operating expenses	42,919
	<u>194,981</u>

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**6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS
(Continued)**

(e) Investment transactions and brokerage commission

During the period from 20 March 2025 (date of inception) to 31 December 2025, the Sub-Fund has entered into transactions through the connected persons of the Trustee for its brokerage services, such investment transactions are set out below:

	Aggregate value of purchase and sale of investments USD	% of the Sub- Fund's total aggregate value of transactions during the period %	Brokerage commission paid USD	Average rate of commission %
2025	16,524,927	72.27%	6,419	0.04%

During the period from 20 March 2025 (date of inception) to 31 December 2025, the Sub-Fund has not entered into any transactions through the connected persons of the Manager for its brokerage services.

(f) Holding in the Sub-Fund

As at 31 December 2025, no unit was held by the Trustee, Manager and their connected persons.

(g) Reimbursement from Manager

The Manager agreed to reimburse the Sub-Fund in cases where the expenses exceed a certain percentage of the NAV of the Sub-Fund. Other income consists of reimbursements from the Manager amounting to USD67,708 for the period from 20 March 2025 (date of inception) to 31 December 2025, with USD67,708 remaining receivable as of period-end.

7. TRANSACTION COSTS ON INVESTMENTS

Transaction costs are costs incurred to acquire/dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers.

Swap fees

Swap fees include all costs associated with swap transactions which represents the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance.

Swap fees are borne by the Sub-Fund that is trading in swap contracts and is inclusive of any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swap contracts. The swap fees are included in the statement of comprehensive income as part of transaction costs as incurred and income/expenses from derivative financial instruments which are accrued daily and spread over the period of the swap contracts.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Stock of the Sub-Fund. The Sub-Fund's activities may expose it to a variety of risks including but not limited to market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to utilise leverage to achieve daily return equivalent to two times inverse (-2x) of the daily performance of the Underlying Stock. The Sub-Fund seeks to achieve the investment objective by using a swap-based synthetic replication strategy.

The following table details the exposure of the Sub-Fund's derivative financial instruments based on respective fair value categorised by the geographical location:

	<u>As at 31 December 2025</u>	
	Fair value <i>USD</i>	% of net asset value
United States of America		
Unlisted derivatives		
- Total return swaps	(366,392)	(6.64)
Total derivative financial instruments	<u>(366,392)</u>	<u>(6.64)</u>

Sensitivity analysis in the event of a possible change in the Underlying Stock as estimated by the Manager

As at 31 December 2025, if the Underlying Stock were to increase by 58% with all other variables held constant, this would decrease the operating profit for the period by approximately USD6,401,509. Conversely, if the Underlying Stock were to decrease by 58%, this would increase the operating profit for the period by an equal amount.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The table below summarises the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2025

	Maturity up to 1 year <i>USD</i>	Maturity between 1-5 years <i>USD</i>	Maturity over 5 years <i>USD</i>	Non- interest bearing <i>USD</i>	Total <i>USD</i>
Assets					
Bank interest receivable	-	-	-	33	33
Other receivable	-	-	-	74,113	74,113
Deposits with brokers	4,100,000	-	-	-	4,100,000
Cash and cash equivalents					
Bank balances	1,749,223	-	-	-	1,749,223
Total assets	5,849,223	-	-	74,146	5,923,369
Liabilities					
Derivative financial instruments	-	-	-	366,392	366,392
Management fee payable	-	-	-	8,285	8,285
Other accounts payable	-	-	-	26,578	26,578
Total liabilities	-	-	-	401,255	401,255
Total interest sensitivity gap	5,849,223	-	-		

At 31 December 2025, the Sub-Fund has bank cash and cash equivalents and deposits with brokers of USD5,849,223. If the interest rates had been 50 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been USD29,246 higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund's exposure to currency risk arising from balances and transactions in foreign currencies is immaterial as the majority of its assets and liabilities are denominated in USD, the Sub-Fund's functional and presentation currency. As a result, Management considers sensitivity analysis of currency risk is not necessary to be presented.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

The Sub-Fund limits its exposure to credit and counterparty risk by carrying out the majority of those investment transactions and contractual commitment activities with well-established broker-dealers, banks and regulated exchanges with high credit ratings.

The Sub-Fund may invest in financial derivative instruments (“FDIs”), which will mainly consist of unlisted funded total return swaps with one or more counterparties. The counterparties are transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral are received from the counterparty to reduce counterparty risk.

All transactions in derivative financial instruments are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Fund places deposits with brokers and cash and cash equivalents with reputable financial institutions. As such, the Manager does not consider the Sub-Fund to be exposed to significant credit and counterparty risk.

The Sub-Fund is exposed to credit and counterparty risk on its derivative financial instruments, deposit with brokers and cash and cash equivalents.

The table below summarises the amount of derivative financial instruments, deposits with brokers and cash and cash equivalents of the Sub-Fund placed with counterparties and counterparties to derivative financial instruments as at 31 December 2025.

As at 31 December 2025

USD

Derivative financial instruments

HSBC Bank Plc	(288,207)
J.P. Morgan Securities Plc	(78,185)
	<u>(366,392)</u>

Deposits with brokers

HSBC Bank Plc	3,410,000
J.P. Morgan Securities Plc	690,000
	<u>4,100,000</u>

Bank balances

Industrial and Commercial Bank of China (Asia) Limited	671,000
Standard Chartered Bank, Hong Kong	33,000
The Hongkong and Shanghai Banking Corporation Limited	765,223
United Overseas Bank Limited, Hong Kong Branch	280,000
	<u>1,749,223</u>

As at 31 December 2025, the credit ratings of the counterparties are at or above investment grade.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2025, bank interest receivable, deposits with brokers, other receivable and cash and cash equivalents are held with counterparties with high credit rating and are due to be settled within 1 month. Applying the requirements of IFRS 9, the expected credit loss (“ECL”) is immaterial for the Sub-Fund and, as such, no ECL has been recognised within the financial statements.

The maximum exposure to credit risk as at 31 December 2025 is the carrying amount of the financial assets as shown on the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in securities that are traded in an active market which can be readily disposed of.

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table is the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month <i>USD</i>	1 month to less than 3 months <i>USD</i>	Over 3 months <i>USD</i>	Total <i>USD</i>
As at 31 December 2025				
Derivative financial liabilities	366,392	-	-	366,392
Management fee payable	8,285	-	-	8,285
Other accounts payable	26,368	210	-	26,578
	<u>401,045</u>	<u>210</u>	<u>-</u>	<u>401,255</u>
Contractual cash outflow	<u><u>401,045</u></u>	<u><u>210</u></u>	<u><u>-</u></u>	<u><u>401,255</u></u>

Units are redeemed on demand at the unitholder’s option. As at 31 December 2025, there were 3 nominee accounts holding more than 10% of the Sub-Fund’s units, representing in aggregate 45.99% of the total Sub-Fund’s units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>USD</i>	1 to 12 months <i>USD</i>	More than 12 months <i>USD</i>	Total <i>USD</i>
As at 31 December 2025				
Total assets	5,923,369	-	-	5,923,369
	<u><u>5,923,369</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,923,369</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub-Fund can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Fund’s financial liabilities (by class) measured at fair value at 31 December 2025:

	Level 1 <i>USD</i>	Level 2 <i>USD</i>	Level 3 <i>USD</i>	Total <i>USD</i>
As at 31 December 2025				
Liabilities				
Derivative financial instruments				
- Unlisted total return swaps	-	(366,392)	-	(366,392)
Total liabilities	-	(366,392)	-	(366,392)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. The Sub-Fund does not adjust the quoted price for these instruments. As at 31 December 2025, the Sub-Fund did not hold any investments classified in level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 31 December 2025, the Sub-Fund classified unlisted total return swap contracts within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2025, the Sub-Fund did not hold any investments classified in level 3.

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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

For the period from 20 March 2025 (date of inception) to 31 December 2025, there were no transfers between levels.

(e) Capital risk management

The Sub-Fund's capital is represented by the redeemable units outstanding. The Sub-Fund's objective is to provide investment results that correspond generally to the performance of the respective Underlying Stock. The Manager may:

- Redeem and issue new units on a daily basis in accordance with the constitutive documents of the Sub-Fund;
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- Suspend the creation and redemption of units under certain circumstances as currently disclosed in the Prospectus of the Sub-Fund.

(f) Derivative financial instruments

Total return swaps

The Sub-Fund enters into various swap contracts as part of its investment strategies. Swap contracts are carried at fair value based on a counterparty provided price or valuation model. The model considers various inputs including the fair value of the underlying, the risks associated with the underlying and the specific terms of the contract.

The details of outstanding total return swaps held by the Sub-Fund as at 31 December 2025 are as follows:

As at 31 December 2025

	Expiration date of contracts	Number of contracts	Notional amount USD	Position	Fair value USD
<u>Total return swaps</u>					
SOLACTIVE LEVERAGED					
2X SHORT NVIDIA					
INDEX (SWAP) -HSBC	23 June 2026	169,923	4,373,648	Long	(288,207)
SOLACTIVE LEVERAGED					
2X SHORT NVIDIA					
INDEX (SWAP) – JPM	6 January 2026	46,097	1,186,491	Long	(78,185)
					(366,392)
					(366,392)

**CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
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NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(g) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2025, the Sub-Fund was subject to master netting arrangements for the derivative assets and liabilities of the Sub-Fund held with these counterparties. All of the derivative assets and liabilities of the Sub-Fund was held with these counterparties and the margin balances maintained by the Sub-Fund are for the purpose of providing collateral on derivative positions.

The following table presents the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The table is presented by type of financial instrument.

A	B	C = A - B	D		E = C - D
Gross amounts of recognised financial assets <i>USD</i>	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position <i>USD</i>	Net amounts of financial assets presented in the Statement of Financial Position <i>USD</i>	Related amounts not set-off in the Statement of Financial Position		Net amount <i>USD</i>
			D(i)	D(ii)	
			Financial instruments <i>USD</i>	Collateral <i>USD</i>	

As at 31 December 2025

Financial assets

Deposits with brokers	4,100,000	-	4,100,000	366,392	-	3,733,608
	<u>4,100,000</u>	<u>-</u>	<u>4,100,000</u>	<u>366,392</u>	<u>-</u>	<u>3,733,608</u>

Financial liabilities

Derivative financial instrument						
- Unlisted total return swaps	366,392	-	366,392	-	366,392	-
	<u>366,392</u>	<u>-</u>	<u>366,392</u>	<u>-</u>	<u>366,392</u>	<u>-</u>

Amount in D(i) and D(ii) above relate to amounts to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) which have not been offset in the statement of financial position and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Fund and its counterparties have elected to settle all transactions on a gross basis. However, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

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NOTES TO THE FINANCIAL STATEMENTS

9. DEPOSITS WITH BROKERS

Included in deposits with brokers are margin deposits of USD4,100,000, which are pledged as collateral against open swap contracts. Refer to Note 8(b).

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2025, all financial assets, other than derivative financial instruments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, are categorised as per IFRS 9 and carried at amortised costs. All the financial liabilities, except for derivative financial instruments which are classified as financial liabilities at fair value through profit or loss of the Sub-Fund are carried at amortised cost.

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

There was no 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 31 December 2025.

For the period from 20 March 2025 (date of inception) to 31 December 2025, the Underlying Stock increased by 58.70% while the net asset value per unit of Sub-Fund decreased by 74.38%.

12. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there have been no soft commission arrangements existing during the period from 20 March 2025 (date of inception) to 31 December 2025 in relation to directing transactions of the Sub-Fund through a broker or dealer.

13. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Fund has a single operating segment which is investing in swap contracts. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to two times inverse (-2x) of the daily performance of the Underlying Stock.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is mainly derived from investments in swaps to obtain the required exposure to the Underlying Stock, the tracked Underlying Stock.

The Sub-Fund has no non-current assets. As at 31 December 2025, the Sub-Fund has no collective investment scheme which accounts for more than 10% of the Sub-Fund's net asset value.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 27 April 2026.

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INVESTMENT PORTFOLIO (Unaudited)

As at 31 December 2025

		Fair value USD	% of net assets
Derivative financial instruments (-6.64%)			
Unlisted total return swaps (-6.64%)	Contracts		
United States of America (-6.64%)			
SOLACTIVE LEVERAGED 2X SHORT NVIDIA INDEX (SWAP) – HSBC	169,923	(288,207)	(5.22)
SOLACTIVE LEVERAGED 2X SHORT NVIDIA INDEX (SWAP) - JPM	46,097	(78,185)	(1.42)
Total unlisted total return swaps		<u>(366,392)</u>	<u>(6.64)</u>
Total derivative financial instruments		(366,392)	(6.64)
Other net assets		<u>5,888,506</u>	<u>106.64</u>
Net assets attributable to unitholders as at 31 December 2025		<u><u>5,522,114</u></u>	<u><u>100.00</u></u>
Total derivative financial instruments, at cost		<u><u>-</u></u>	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 20 March 2025 (date of inception) to 31 December 2025

	% of net asset value 2025
Unlisted total return swaps	
United States of America	(6.64)
	<hr/>
Total derivative financial instruments	(6.64)
Other net assets	106.64
	<hr/>
Total net assets	100.00
	<hr/> <hr/>

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

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 31 December 2025

The financial derivative instruments held by the Sub-Fund as at 31 December 2025 are summarised below:

Unlisted total return swaps

The details of outstanding total return swaps held by the Sub-Fund as at 31 December 2025 are as follows:

Description	Underlying assets	Position	Counterparty	Fair value <i>USD</i>
Financial liabilities:				
SOLACTIVE LEVERAGED 2X SHORT NVIDIA INDEX (SWAP)	Solactive Leveraged 2x short NVIDIA Index	Long	HSBC Bank Plc	(288,207)
SOLACTIVE LEVERAGED 2X SHORT NVIDIA INDEX (SWAP)	Solactive Leveraged 2x short NVIDIA Index	Long	J.P. Morgan Securities Plc	(78,185)
				<hr/> <hr/> <u>(366,392)</u>

Swap fees

The swap fees of the Sub-Fund represents a variable spread (which can be positive or negative) plus Secured Overnight Financing Rate ("SOFR") which reflects the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, two times inverse performance of the Underlying Stock.

The swap fees, including all costs associated with Swap transactions, represent a variable spread (which can be positive or negative) plus SOFR which reflects the brokerage commission and the Swap Counterparty's costs of financing the underlying hedge in order to provide the performance, the two times inverse performance of the Underlying Stock. The Sub-Fund shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such Swaps). Swap fees are accrued daily and spread out over the month.

The swap fees of the Sub-Fund was USD-160,713* for the period from 20 March 2025 (date of inception) to 31 December 2025.

* A positive figure denotes the fee that the Sub-Fund pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties pay to the Sub-Fund.

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**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE
INSTRUMENTS (Unaudited)**

For the period from 20 March 2025 (date of inception) to 31 December 2025

The following table shows the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the period from 20 March 2025 (date of inception) to 31 December 2025.

	Period from 20 March 2025 (date of inception) to 31 December 2025 % of NAV
Lowest gross exposure	98.91
Highest gross exposure	99.68
Average gross exposure	99.38

The following table shows the lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the period from 20 March 2025 (date of inception) to 31 December 2025.

	Period from 20 March 2025 (date of inception) to 31 December 2025 % of NAV
Lowest net exposure	98.91
Highest net exposure	99.68
Average net exposure	99.38

**CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund* <i>USD</i>	Net asset value per unit <i>USD</i>
At the end of financial period dated		
31 December 2025	5,596,423	2.5967

Highest and lowest net asset value per unit

	Highest issue price per unit <i>USD</i>	Lowest redemption price per unit <i>USD</i>
Financial period ended		
31 December 2025 (since 20 March 2025 (date of inception))	14.1436	2.2468

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

**CSOP NVIDIA DAILY (-2X) INVERSE PRODUCT
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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
8th Floor, 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 (resigned on 25 March 2025)
Huachen Zhang (appointed on 25 March 2025)
Li Chen (appointed on 25 March 2025)
Qin Wang (appointed on 25 March 2025)
Xiaosong Yang
Yi Zhou
Yundong Zhu (resigned on 25 March 2025)
Zhiwei Liu (resigned on 25 March 2025)
Zhongping Cai

Legal Counsel to the Manager

Deacons
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