

ChinaAMC Leveraged/Inverse Series

**CHINAAMC DIREXION NASDAQ-100 DAILY (2x)
LEVERAGED PRODUCT (Stock Code: 7261)**

**CHINAAMC DIREXION NASDAQ-100 DAILY (-1x)
INVERSE PRODUCT (Stock Code: 7331)**

**CHINAAMC DIREXION HANG SENG INDEX DAILY (2x)
LEVERAGED PRODUCT (Stock Code: 7221)**

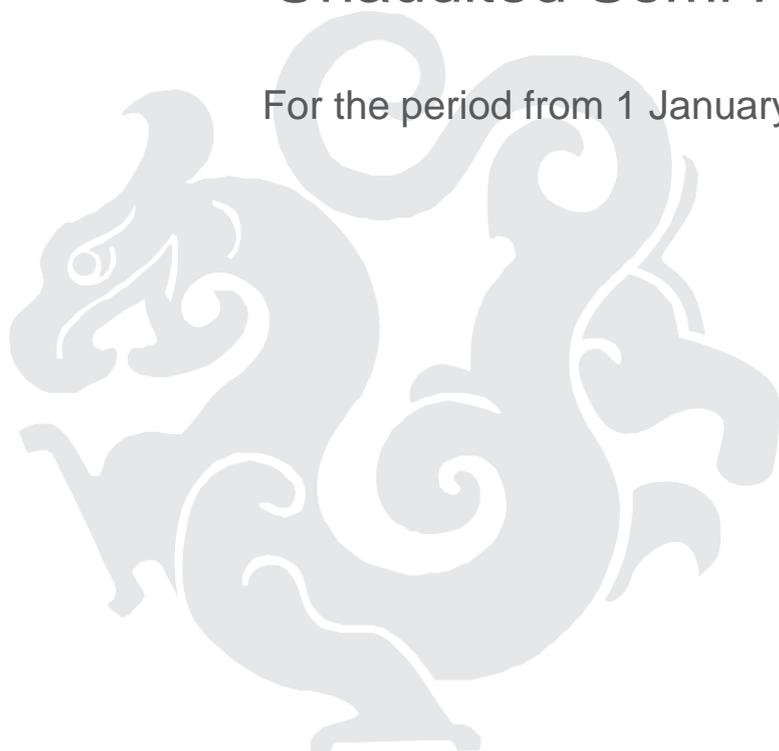
**CHINAAMC DIREXION HANG SENG INDEX DAILY (-1x)
INVERSE PRODUCT (Stock Code: 7321)**

**CHINAAMC DIREXION HANG SENG CHINA ENTERPRISES
INDEX DAILY (2x) LEVERAGED PRODUCT
(Stock Code: 7267)**

**CHINAAMC DIREXION HANG SENG CHINA ENTERPRISES
INDEX DAILY (-1x) INVERSE PRODUCT (Stock Code: 7341)**

Unaudited Semi-Annual Report

For the period from 1 January 2018 to 30 June 2018



UNAUDITED SEMI – ANNUAL REPORT

CHINAAMC DIREXION NASDAQ-100 DAILY (2x) LEVERAGED PRODUCT
(Stock Code: 7261)

CHINAAMC DIREXION NASDAQ-100 DAILY (-1x) INVERSE PRODUCT
(Stock Code: 7331)

**CHINAAMC DIREXION HANG SENG INDEX DAILY (2x) LEVERAGED
PRODUCT** (Stock Code: 7221)

CHINAAMC DIREXION HANG SENG INDEX DAILY (-1x) INVERSE PRODUCT
(Stock Code: 7321)

**CHINAAMC DIREXION HANG SENG CHINA ENTERPRISES INDEX DAILY
(2x) LEVERAGED PRODUCT**
(Stock Code: 7267)

**CHINAAMC DIREXION HANG SENG CHINA ENTERPRISES INDEX DAILY
(-1x) INVERSE PRODUCT**
(Stock Code: 7341)

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

(PRODUCTS OF CHINAAMC LEVERAGED/INVERSE SERIES)

CHINAAMC LEVERAGED/INVERSE SERIES

CONTENTS

	Pages
MANAGEMENT AND ADMINISTRATION	1-2
REPORT OF THE MANAGER TO THE UNITHOLDERS	3-9
UNAUDITED FINANCIAL STATEMENTS	
Statements of financial position	10-11
Statements of comprehensive income	12-13
Statements of changes in net assets attributable to unitholders	14-15
Statements of cash flows	16-21
INVESTMENT PORTFOLIO (UNAUDITED)	22-24
STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)	25-29
PERFORMANCE RECORD (UNAUDITED)	30

IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the products of the ChinaAMC Leveraged/Inverse Series, please refer to the prospectus of the ChinaAMC Leveraged/Inverse Series which is available at our website:

http://www.chinaamc.com.hk/en/products.html?linkage_id=990351

Investors should not rely on the information contained in this report for their investment decisions.

CHINAAMC LEVERAGED/INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Manager

China Asset Management (Hong Kong) Limited
37/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

Directors of the Manager

Mr. Yang Minghui
Mr. Zhang Xiaoling
Mr. Gan Tian
Mr. Tang Xiaodong (appointed on 10 January 2018 and
resigned on 27 April 2018)
Mr. Li Yimei (appointed on 18 May 2018)
Mr. Li Min (appointed on 18 May 2018)

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road
Central, Hong Kong

Investment Adviser

Rafferty Asset Management LLC
1301 Avenue of the Americas
28/F New York, NY 10019
United States of America

Service Agent

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

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway, Hong Kong

Auditor

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Hong Kong

Listing Agent

China International Capital Corporation Hong
Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Participating Dealers for:

- **ChinaAMC Direxion NASDAQ-100 Daily (2X)
Leveraged Product**
- **ChinaAMC Direxion NASDAQ-100 Daily (-1x)
Inverse Product**

ABN AMRO Clearing Hong Kong Limited
70/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

BNP Paribas Securities Services
21/F, PCCW Tower
Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

China International Capital Corporation Hong Kong
Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Citigroup Global Markets Asia Limited
50/F, Champion Tower
3 Garden Road
Central, Hong Kong

Deutsche Securities Asia Limited
Level 52, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road
Central, Hong Kong

KGI Securities (Hong Kong) Limited
41/F Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Merrill Lynch Far East Limited
55/F, Cheung Kong center
2 Queen's Road Central
Central, Hong Kong

Morgan Stanley Hong Kong Securities Limited
46th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CHINAAMC LEVERAGED/INVERSE SERIES

MANAGEMENT AND ADMINISTRATION

Participating Dealers for

- **ChinaAMC Direxion Hang Seng Index Daily (2x) Leveraged Product**
- **ChinaAMC Direxion Hang Seng Index Daily (-1x) Inverse Product**
- **ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product**
- **ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product**

ABN AMRO Clearing Hong Kong Limited
70/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

BNP Paribas Securities Services
21/F, PCCW Tower
Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

China International Capital Corporation Hong Kong
Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
Central, Hong Kong

Citibank N.A.
Citibank Tower
Citibank Plaza
3 Garden Road
Central, Hong Kong

Credit Suisse Securities (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Deutsche Securities Asia Limited
Level 52, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road
Central, Hong Kong

KGI Asia Limited
41/F Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Merril Lynch Far East Limited
55/F, Cheung Kong center
2 Queen's Road Central
Central, Hong Kong

Morgan Stanley Hong Kong Securities Limited
46th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

UBS Securities Hong Kong Limited
46-52/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

Yue Kun Research Limited
17th Floor, China Building
29 Queen's Road
Central, Hong Kong

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS

1. ChinaAMC Direxion NASDAQ-100 Daily (2X) Leveraged Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion NASDAQ-100 Daily (2x) Leveraged Product (“NDL”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of NDL are traded on The Stock Exchange of Hong Kong Limited (“SEHK”) like stocks. It is a futures-based product which invests directly in the E-Mini NASDAQ 100 futures (“E-mini NASDAQ 100 Futures”) which are traded on the Chicago Mercantile Exchange (“CME”) so as to give NDL twice the daily performance of the NASDAQ-100 Index (“NAS100”). NDL is denominated in United States dollars (“US\$”). Creations and redemptions are in US\$ only.

The investment adviser, Rafferty Asset Management LLC (the “Investment Advisor”), intends to adopt a futures-based replication investment strategy to achieve the investment objective of NDL, through directly investing in the nearest quarter E-mini NASDAQ 100 Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the NAS100. NDL’s exposure to E-mini NASDAQ 100 Futures will be 200% of its Net Asset Value (“NAV”), except under extreme circumstances as described below. In entering the nearest quarter E-mini NASDAQ 100 Futures, it is anticipated that no more than 40% of the NAV of NDL from time to time will be used as margin to acquire the E-mini NASDAQ 100 Futures.

Under normal circumstances, at least 60% of the NAV (this percentage may be reduced proportionately under exceptional circumstances, as described above) will be invested in cash (US\$) and other US\$ denominated investment products, such as deposits with banks in Hong Kong and Securities and Futures Commission (“SFC”) authorised money market funds in accordance with the requirements of the Code on Unit Trusts and Mutual Funds (the “SFC Code”). NDL will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading on the NASDAQ on each business day, NDL will seek to rebalance its portfolio, by increasing exposure in response to the NAS100’s daily gains or reducing exposure in response to the NAS100’s daily losses, so that its daily leverage exposure ratio to the NAS100 is consistent with NDL’s investment objectives.

Performance of NDL

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to twice the daily performance of the NAS100. NDL does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of NDL is in below (total returns in respective currency^{1,2,3}):

	1-Month	3-Month	Since Launch ⁴
The NAS100	1.09%	7.27%	47.28%
NDL (NAV-to-NAV)	1.64%	12.85%	91.18%
NDL (Market-to-Market)	2.19%	17.41%	95.05%

Activities of NDL

According to Bloomberg, the average daily trading volume of NDL was approximately 13,479 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 2,900,000 units outstanding.

¹ Source: Bloomberg, as of 30 June 2018.

² Past performance figures are not indicative of the future performance of NDL.

³ NDL seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of NDL may not correspond to two times the return of the underlying index over a one-year period or any period beyond one day.

⁴ Calculated since 28 September 2016.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

2. ChinaAMC Direxion NASDAQ-100 Daily (-1x) Inverse Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion NASDAQ-100 Daily (-1x) Inverse Product (“NDI”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of NDI are traded on the SEHK like stocks. It is a futures-based product which invests directly in the E-mini NASDAQ 100 Futures which are traded on the CME so as to give NDI the inverse of the daily performance of the NAS100. NDI is denominated in US\$. Creations and redemptions are in US\$ only.

The Investment Adviser intends to adopt a futures-based replication investment strategy to achieve the investment objective of NDI, through directly investing in the nearest quarter E-mini NASDAQ 100 Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the NAS100. In entering the nearest quarter E-mini NASDAQ 100 Futures, it is anticipated that no more than 20% of the NAV of NDI from time to time will be used as margin to acquire the E-mini NASDAQ 100 Futures. The remaining 80% of the NAV of NDI will be invested in cash (US\$) and other US\$ denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds in accordance with the requirements of the SFC Code. NDI will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading on the NASDAQ on each business day, NDI will seek to rebalance its portfolio, by decreasing inverse exposure in response to the NAS100’s daily gains or increasing inverse exposure in response to the NAS100’s daily losses, so that its daily inverse exposure ratio to the NAS100 is consistent with NDI’s investment objectives.

Performance of NDI

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to the inverse of the daily performance of the NAS100. NDI does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of NDI is in below (total returns in respective currency^{5,6,7}):

	1-Month	3-Month	Since Launch ⁸
The NAS100	1.09%	7.27%	47.28%
NDI (NAV-to-NAV)	-1.11%	-7.26%	-35.28%
NDI (Market-to-Market)	-1.17%	-8.80%	-34.37%

Activities of NDI

According to Bloomberg, the average daily trading volume of NDI was approximately 21,826 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 3,800,000 units outstanding.

⁵ Source: Bloomberg, as of 30 June 2018.

⁶ Past performance figures are not indicative of the future performance of NDI.

⁷ NDI seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of NDI may not correspond to the opposite return of the underlying index over a one-year period or any period beyond one day.

⁸ Calculated since 28 September 2016.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

3. ChinaAMC Direxion Hang Seng Index Daily (2x) Leveraged Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion Hang Seng Index Daily (2x) Leveraged Product (“HSIL”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of HSIL are traded on the SEHK like stocks. It is a futures-based product which invests directly in Hang Seng Index futures contracts (“HSI Futures”) which are traded on the Hong Kong Futures Exchange Limited (the “HKFE”) so as to give HSIL twice the daily performance of the Hang Seng Index (“HSI”). HSIL is denominated in Hong Kong dollars (“HK\$”). Creations and redemptions are in HK\$ only.

The manager, China Asset Management (Hong Kong) Limited (the “Manager”) and the Investment Adviser intend to adopt a futures-based replication investment strategy to achieve the investment objective of HSIL, through directly investing in the spot month HSI Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the HSI. HSIL’s exposure to HSI Futures will be 200% of its NAV. In entering the spot month HSI Futures, it is anticipated that no more than 20% of the NAV of HSIL from time to time will be used as margin to acquire the HSI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. At least 80% of the NAV (this percentage may be reduced proportionately under exceptional circumstances, as described above) will be invested in cash (HK\$ or US\$) such as deposits with banks in Hong Kong, and HK\$ or US\$ denominated investment products, of which up to 50% of the NAV may be invested in SFC authorised money market funds and other money market funds (either recognised jurisdiction money market funds or non-recognised jurisdiction money market funds) in accordance with the requirements of the SFC Code, as amended by the SFC from time to time. HSIL will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading of the underlying futures market on each business day, HSIL will seek to rebalance its portfolio, by increasing exposure in response to the HSI’s daily gains or reducing exposure in response to the HSI’s daily losses, so that its daily leverage exposure ratio to the HSI is consistent with HSIL’s investment objectives.

Performance of HSIL

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to twice the daily performance of the HSI. HSIL does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of HSIL is in below (total returns in respective currency^{9,10,11}):

	1-Month	3-Month	Since Launch ^{12,13}
The HSI	-4.52%	-2.53%	27.71%
HSIL (NAV-to-NAV)	-10.40%	-6.72%	50.50%
HSIL (Market-to-Market)	-9.61%	-6.52%	50.50%

Activities of HSIL

According to Bloomberg, the average daily trading volume of HSIL was approximately 1,068,192 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 11,500,000 units outstanding.

⁹ Source: Bloomberg, as of 30 June 2018.

¹⁰ Past performance figures are not indicative of the future performance of HSIL.

¹¹ HSIL seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of HSIL may not correspond to two times the return of the underlying index over a one-year period or any period beyond one day.

¹² Calculated since 14 March 2017.

¹³ With effect from 28 August 2017, investment strategy of HSIL was changed. Performance information for periods prior to 28 August 2017 does not reflect the current investment objective.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

4. ChinaAMC Direxion Hang Seng Index Daily (-1x) Inverse Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion Hang Seng Index Daily (-1x) Inverse Product (“HSII”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of HSII are traded on the SEHK like stocks. It is a futures-based product which invests directly in HSI Futures which are traded on the HKFE so as to give HSII the inverse of the daily performance of the HSI. HSII is denominated in HK\$. Creations and redemptions are in HK\$ only.

The Manager and the Investment Adviser intend to adopt a futures-based replication investment strategy to achieve the investment objective of HSII, through directly investing in the spot month HSI Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the HSI. In entering the spot month HSI Futures, it is anticipated that no more than 10% of the NAV of HSII from time to time will be used as margin to acquire the HSI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. At least 90% of the NAV (this percentage may be reduced proportionately under exceptional circumstances, as described above) will be invested in cash (HK\$ or US\$) such as deposits with banks in Hong Kong, and HK\$ or US\$ denominated investment products, of which up to 60% of the NAV may be invested in SFC authorised money market funds and other money market funds (either recognised jurisdiction money market funds or non-recognised jurisdiction money market funds) in accordance with the requirements of the SFC Code, as amended by the SFC from time to time. HSII will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading of the underlying futures market on each business day, HSII will seek to rebalance its portfolio, by decreasing inverse exposure in response to the HSI’s daily gains or increasing inverse exposure in response to the HSI’s daily losses, so that its daily inverse exposure ratio to the HSI is consistent with the HSII’s investment objectives.

Performance of HSII

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to the inverse of the daily performance of the HSI. HSII does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of HSII is in below (total returns in respective currency^{14,15,16}):

	1-Month	3-Month	Since Launch ^{17,18}
The HSI	-4.52%	-2.53%	27.71%
HSII (NAV-to-NAV)	5.10%	1.89%	-23.97%
HSII (Market-to-Market)	4.65%	1.84%	-24.00%

Activities of HSII

According to Bloomberg, the average daily trading volume of HSII was approximately 1,082,272 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 26,300,000 units outstanding.

¹⁴ Source: Bloomberg, as of 30 June 2018.

¹⁵ Past performance figures are not indicative of the future performance of HSII.

¹⁶ HSII seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of HSII may not correspond to the opposite return of the underlying index over a one-year period or any period beyond one day.

¹⁷ Calculated since 14 March 2017.

¹⁸ With effect from 28 August 2017, investment strategy of HSII was changed. Performance information for periods prior to 28 August 2017 does not reflect the current investment objective.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

5. ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion Hang Seng China Enterprises Index Daily (2x) Leveraged Product (“HSCEIL”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of HSCEIL are traded on the SEHK like stocks. It is a futures-based product which invests directly in Hang Seng China Enterprises Index futures contracts (“HSCEI Futures”) which are traded on the HKFE so as to give HSCEIL twice the daily performance of the Hang Seng China Enterprises Index (“HSCEI”). HSCEIL is denominated in HK\$. Creations and redemptions are in HK\$ only.

The Manager and the Investment Adviser intend to adopt a futures-based replication investment strategy to achieve the investment objective of HSCEIL, through directly investing in the spot month HSCEI Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the HSCEI. HSCEIL’s exposure to HSCEI Futures will be 200% of its NAV. In entering the spot month HSCEI Futures, it is anticipated that no more than 20% of the NAV of HSCEIL from time to time will be used as margin to acquire the HSCEI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. At least 80% of the NAV (this percentage may be reduced proportionately under exceptional circumstances, as described above) will be invested in cash (HK\$ or US\$) such as deposits with banks in Hong Kong, and HK\$ or US\$ denominated investment products, of which up to 50% of the NAV may be invested in SFC authorised money market funds and other money market funds (either recognised jurisdiction money market funds or non-recognised jurisdiction money market funds) in accordance with the requirements of the SFC Code, as amended by the SFC from time to time. HSCEIL will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading of the underlying futures market on each business day, HSCEIL will seek to rebalance its portfolio, by increasing exposure in response to the HSCEI’s daily gains or reducing exposure in response to the HSCEI’s daily losses, so that its daily leverage exposure ratio to the HSCEI is consistent with HSCEIL’s investment objectives.

Performance of HSCEIL

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to twice the daily performance of the HSCEI. HSCEIL does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of HSCEIL is in below (total returns in respective currency^{19,20,21}):

	1-Month	3-Month	Since Launch ^{22,23}
The HSCEI	-6.76%	-6.19%	13.49%
HSCEIL (NAV-to-NAV)	-14.73%	-14.85%	16.17%
HSCEIL (Market-to-Market)	-14.08%	-14.55%	16.34%

Activities of HSCEIL

According to Bloomberg, the average daily trading volume of HSCEIL was approximately 1,277,275 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 10,300,000 units outstanding.

¹⁹ Source: Bloomberg, as of June 30 2018.

²⁰ Past performance figures are not indicative of the future performance of HSCEIL.

²¹ HSCEIL seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of HSCEIL may not correspond to two times the return of the underlying index over a one-year period or any period beyond one day.

²² Calculated since 14 March 2017.

²³ With effect from 28 August 2017, investment strategy of HSCEIL was changed. Performance information for periods prior to 28 August 2017 does not reflect the current investment objective.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

6. ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product

---a product of ChinaAMC Leveraged/Inverse Series

Introduction

ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product (“HSCEII”) is a product of ChinaAMC Leveraged/Inverse Series, an umbrella unit trust established under Hong Kong law. Units of HSCEII are traded on the SEHK like stocks. It is a futures-based product which invests directly in HSCEI Futures which are traded on the HKFE so as to give HSCEII the inverse of the daily performance of the HSCEI. HSCEII is denominated in HK\$. Creations and redemptions are in HK\$ only.

The Manager and the Investment Adviser intend to adopt a futures-based replication investment strategy to achieve the investment objective of HSCEII, through directly investing in the spot month HSCEI Futures, subject to the rolling strategy discussed below, to obtain the required exposure to the HSCEI. In entering the spot month HSCEI Futures, it is anticipated that no more than 10% of the NAV of HSCEII from time to time will be used as margin to acquire the HSCEI Futures. Under exceptional circumstances (e.g. increased margin requirement by the exchange in extreme market turbulence), the margin requirement may increase substantially. At least 90% of the NAV (this percentage may be reduced proportionately under exceptional circumstances, as described above) will be invested in cash (HK\$ or US\$) such as deposits with banks in Hong Kong, and HK\$ or US\$ denominated investment products, of which up to 60% of the NAV may be invested in SFC authorised money market funds and other money market funds (either recognised jurisdiction money market funds or non-recognised jurisdiction money market funds) in accordance with the requirements of the SFC Code, as amended by the SFC from time to time. HSCEII will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions.

At or around the close of the trading of the underlying futures market on each business day, HSCEII will seek to rebalance its portfolio, by decreasing inverse exposure in response to the HSCEI’s daily gains or increasing inverse exposure in response to the HSCEI’s daily losses, so that its daily inverse exposure ratio to the HSCEI is consistent with HSCEII’s investment objectives.

Performance of HSCEII

The investment objective is to provide daily investment results, before fees and expenses, which closely correspond to the inverse of the daily performance of the HSCEI. HSCEII does not seek to achieve its stated investment objective over a period of time greater than one day.

The performance of HSCEII is in below (total returns in respective currency^{24,25,26}):

	1-Month	3-Month	Since Launch ^{27,28}
The HSCEI	-6.76%	-6.19%	13.49%
HSCEII (NAV-to-NAV)	7.63%	6.35%	-15.68%
HSCEII (Market-to-Market)	7.20%	6.18%	-15.93%

²⁴ Source: Bloomberg, as of 30 June 2018.

²⁵ Past performance figures are not indicative of the future performance of HSCEII.

²⁶ HSCEII seeks to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of HSCEII may not correspond to the opposite return of the underlying index over a one-year period or any period beyond one day.

²⁷ Calculated since 14 March 2017.

²⁸ With effect from 28 August 2017, investment strategy of HSCEII was changed. Performance information for periods prior to 28 August 2017 does not reflect the current investment objective.

CHINAAMC LEVERAGED/INVERSE SERIES

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

6. ChinaAMC Direxion Hang Seng China Enterprises Index Daily (-1x) Inverse Product (continued)

---a product of ChinaAMC Leveraged/Inverse Series

Activities of HSCEII

According to Bloomberg, the average daily trading volume of HSCEII was approximately 1,005,833 units from 1 January 2018 to 30 June 2018. As of 30 June 2018, there were 20,300,000 units outstanding.

China Asset Management (Hong Kong) Limited
23 August 2018

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

	NDL		NDI		HSIL	
	30 June 2018 (Unaudited) US\$	31 December 2017 (Audited) US\$	30 June 2018 (Unaudited) US\$	31 December 2017 (Audited) US\$	30 June 2018 (Unaudited) HK\$	31 December 2017 (Audited) HK\$
ASSETS						
Financial assets at fair value through profit or loss	-	147,329	74,636	-	39,410,297	71,777,846
Cash and cash equivalents	9,449,394	8,244,966	3,996,990	4,419,701	58,794,507	142,056,608
Amounts due from brokers	1,980,869	1,457,950	812,201	688,780	40,332,093	34,164,236
Prepayments and other receivables	-	4,139	4,180	4,139	-	11,425
TOTAL ASSETS	11,430,263	9,854,384	4,888,007	5,112,620	138,536,897	248,010,115
LIABILITIES						
Financial liabilities at fair value through profit or loss	352,455	-	-	36,177	-	-
Audit fee payable	14,958	10,000	14,958	10,000	119,612	80,454
Management fee payable	9,217	9,249	3,845	4,313	141,191	211,812
Trustee fee payable	3,000	1,121	3,000	523	23,400	25,674
Other payables and accruals	34,823	52,041	38,480	49,166	524,593	515,872
TOTAL LIABILITIES	414,453	72,411	60,283	100,179	808,796	833,812
EQUITY						
Net assets attributable to unitholders	11,015,810	9,781,973	4,827,724	5,012,441	137,728,101	247,176,303
TOTAL LIABILITIES AND EQUITY	11,430,263	9,854,384	4,888,007	5,112,620	138,536,897	248,010,115
Number of units in issue	2,900,000	3,000,000	3,800,000	3,500,000	11,500,000	19,200,000
Net asset value per unit	3.7986	3.2607	1.2705	1.4321	11.9764	12.8738

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF FINANCIAL POSITION (continued)

As at 30 June 2018

	<u>HSII</u>		<u>HSCEIL</u>		<u>HSCEII</u>	
	30 June 2018 (Unaudited) HK\$	31 December 2017 (Audited) HK\$	30 June 2018 (Unaudited) HK\$	31 December 2017 (Audited) HK\$	30 June 2018 (Unaudited) HK\$	31 December 2017 (Audited) HK\$
ASSETS						
Financial assets at fair value through profit or loss	43,203,521	47,772,347	26,519,470	48,840,903	35,219,208	42,284,080
Cash and cash equivalents	103,348,047	109,051,838	45,157,425	83,218,271	89,098,424	96,592,697
Amounts due from brokers	15,108,622	15,197,707	26,102,961	29,484,885	12,309,506	13,035,648
Prepayments and other receivables	-	11,425	-	11,425	-	11,425
TOTAL ASSETS	161,660,190	172,033,317	97,779,856	161,555,484	136,627,138	151,923,850
LIABILITIES						
Financial liabilities at fair value through profit or loss	1,133,477	2,352,851	919,016	-	-	1,239,161
Amount due to broker	38,773	21,158	-	-	-	4,292
Audit fee payable	119,612	80,454	119,611	80,453	119,612	80,453
Management fee payable	126,106	156,487	98,450	139,114	105,293	148,122
Trustee fee payable	23,400	18,968	23,400	16,862	23,400	17,954
Other payables and accruals	444,599	450,556	434,580	449,558	457,522	477,075
TOTAL LIABILITIES	1,885,967	3,080,474	1,595,057	685,987	705,827	1,967,057
EQUITY						
Net assets attributable to unitholders	159,774,223	168,952,843	96,184,799	160,869,497	135,921,311	149,956,793
TOTAL LIABILITIES AND EQUITY	161,660,190	172,033,317	97,779,856	161,555,484	136,627,138	151,923,850
Number of units in issue	26,300,000	27,800,000	10,300,000	15,100,000	20,300,000	22,800,000
Net asset value per unit	6.0751	6.0774	9.3383	10.6536	6.6956	6.5771

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF COMPREHENSIVE INCOME

For the period from 1 January 2018 to 30 June 2018

	<u>NDL</u>		<u>NDI</u>		<u>HSIL</u>	
	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
INCOME						
Interest income	17,014	2,478	10,228	2,152	64,319	1,904
Other income	15,042	194	15,043	82	116,747	-
	<u>32,056</u>	<u>2,672</u>	<u>25,271</u>	<u>2,234</u>	<u>181,066</u>	<u>1,904</u>
EXPENSES						
Management fee	(51,198)	(119,263)	(29,603)	(106,463)	(1,006,595)	(1,165,674)
Trustee fee	(12,035)	(14,456)	(11,135)	(12,905)	(137,203)	(141,294)
Accounting and professional fees	(4,620)	(9,287)	(4,620)	(9,288)	(35,433)	(25,816)
Audit fee	(5,000)	(15,052)	(5,000)	(15,052)	(40,000)	(72,795)
Legal fees	-	-	-	-	(26,598)	-
Safe custody and bank charges	-	-	-	-	(7,254)	-
Brokerage and other transaction fees	(4,429)	(11,384)	(2,928)	(6,490)	(180,498)	(277,840)
Formation costs	-	(165,000)	-	(165,000)	-	(523,250)
Other operating expenses	(28,833)	(40,091)	(30,330)	(38,554)	(210,711)	(177,763)
	<u>(106,115)</u>	<u>(374,533)</u>	<u>(83,616)</u>	<u>(353,752)</u>	<u>(1,644,292)</u>	<u>(2,384,432)</u>
LOSSES BEFORE INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES	(74,059)	(371,861)	(58,345)	(351,518)	(1,463,226)	(2,382,528)
INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES						
Net realised gains/(losses) on financial assets/liabilities at fair value through profit or loss	2,175,761	5,773,505	(1,374,769)	(2,658,107)	(997,522)	71,443,988
Net change in unrealised gains/(losses) on financial assets/liabilities at fair value through profit or loss	(499,783)	(1,246,073)	110,813	414,631	(4,630,098)	(1,568,599)
Foreign exchange gains	278	11	44	11	99,504	11,565
	<u>1,676,256</u>	<u>4,527,443</u>	<u>(1,263,912)</u>	<u>(2,243,465)</u>	<u>(5,528,116)</u>	<u>69,886,954</u>
TOTAL COMPREHENSIVE INCOME	<u>1,602,197</u>	<u>4,155,582</u>	<u>(1,322,257)</u>	<u>(2,594,983)</u>	<u>(6,991,342)</u>	<u>67,504,426</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF COMPREHENSIVE INCOME (continued)

For the period from 1 January 2018 to 30 June 2018

	<u>HSII</u>		<u>HSCEIL</u>		<u>HSCEII</u>	
	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
INCOME						
Interest income	20,545	791	37,029	-	28,741	-
Other income	116,746	-	116,747	-	116,747	-
	<u>137,291</u>	<u>791</u>	<u>153,776</u>	<u>-</u>	<u>145,488</u>	<u>-</u>
EXPENSES						
Interest expense	-	-	-	(696)	-	(3,098)
Management fee	(810,484)	(959,288)	(716,158)	(885,387)	(693,373)	(1,160,750)
Trustee fee	(121,125)	(116,277)	(120,451)	(107,320)	(116,231)	(140,697)
Accounting and professional fees	(35,433)	(25,816)	(35,432)	(25,816)	(35,432)	(25,816)
Audit fee	(40,000)	(72,794)	(40,000)	(72,795)	(40,000)	(72,795)
Legal fees	(29,538)	-	(26,217)	-	(26,057)	-
Safe custody and bank charges	(5,636)	-	(5,001)	-	(4,789)	-
Brokerage and other transaction fees	(84,926)	(123,220)	(308,577)	(521,055)	(171,738)	(348,770)
Formation costs	-	(523,250)	-	(523,250)	-	(523,250)
Other operating expenses	(195,094)	(160,380)	(187,242)	(154,769)	(185,171)	(176,905)
	<u>(1,322,236)</u>	<u>(1,981,025)</u>	<u>(1,439,078)</u>	<u>(2,291,088)</u>	<u>(1,272,791)</u>	<u>(2,452,081)</u>
LOSSES BEFORE INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES	(1,184,945)	(1,980,234)	(1,285,302)	(2,291,088)	(1,127,303)	(2,452,081)
INVESTMENT GAINS/(LOSSES) AND EXCHANGE DIFFERENCES						
Net realised gains/(losses) on financial assets/liabilities at fair value through profit or loss	(1,155,831)	(30,765,941)	(6,523,418)	17,074,753	1,016,385	(13,410,153)
Net change in unrealised gains/(losses) on financial assets/liabilities at fair value through profit or loss	1,729,936	558,602	(3,313,127)	(4,508,575)	1,988,878	2,986,100
Foreign exchange gains/(losses)	25,670	(351)	56,669	32,692	41,898	(604)
	<u>599,775</u>	<u>(30,207,690)</u>	<u>(9,779,876)</u>	<u>12,598,870</u>	<u>3,047,161</u>	<u>(10,424,657)</u>
TOTAL COMPREHENSIVE INCOME	<u>(585,170)</u>	<u>(32,187,924)</u>	<u>(11,065,178)</u>	<u>10,307,782</u>	<u>1,919,858</u>	<u>(12,876,738)</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 1 January 2018 to 30 June 2018

	<u>NDL</u>		<u>NDI</u>		<u>HSIL</u>	
	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	9,781,973	-	5,012,441	-	247,176,303	-
Issue of units	401,500	17,801,920	19,543,580	18,226,960	-	407,741,520
Redemption of units	(769,860)	(7,107,640)	(18,406,040)	(4,827,120)	(102,456,860)	(96,780,630)
Total comprehensive income	1,602,197	4,155,582	(1,322,257)	(2,594,983)	(6,991,342)	67,504,426
Net assets attributable to unitholders at the end of the period	11,015,810	14,849,862	4,827,724	10,804,857	137,728,101	378,465,316

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

For the period from 1 January 2018 to 30 June 2018

	<u>HSII</u>		<u>HSCEIL</u>		<u>HSCEII</u>	
	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	168,952,843	-	160,869,497	-	149,956,793	-
Issue of units	14,573,750	358,614,240	5,818,950	344,129,530	5,171,580	413,517,910
Redemption of units	(23,167,200)	(34,461,580)	(59,438,470)	(84,173,940)	(21,126,920)	(37,262,280)
Total comprehensive income	(585,170)	(32,187,924)	(11,065,178)	10,307,782	1,919,858	(12,876,738)
Net assets attributable to unitholders at the end of the period	<u>159,774,223</u>	<u>291,964,736</u>	<u>96,184,799</u>	<u>270,263,372</u>	<u>135,921,311</u>	<u>363,378,892</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS

For the period from 1 January 2018 to 30 June 2018

NDL

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	1,602,197	4,155,582
Adjustment for:		
Interest income	(17,014)	(2,478)
Operating gain before changes in working capital	<u>1,585,183</u>	<u>4,153,104</u>
Changes in financial assets at fair value through profit or loss	147,329	-
Changes in prepayments and other receivables	4,139	(544)
Changes in amount due from broker	(522,919)	(2,417,259)
Changes in financial liabilities at fair value through profit or loss	352,455	1,246,073
Changes in audit fee payable	4,958	15,052
Changes in management fee payable	(32)	12,773
Changes in trustee fee payable	1,879	1,548
Changes in other payables and accruals	(17,218)	27,702
Net cash flows generated from operations	<u>1,555,774</u>	<u>3,038,449</u>
Interest received	17,014	2,478
Net cash generated from operating activities	<u>1,572,788</u>	<u>3,040,927</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	401,500	17,801,920
Payments on redemption of units	(769,860)	(7,107,640)
Net cash flows (used in)/generated from financing activities	<u>(368,360)</u>	<u>10,694,280</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	1,204,428	13,735,207
Cash and cash equivalents at the beginning of the period	<u>8,244,966</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>9,449,394</u>	<u>13,735,207</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>9,449,394</u>	<u>13,735,207</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS (continued)

For the period from 1 January 2018 to 30 June 2018

NDI

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) US\$	For the period from 28 September 2016 (date of inception) to 30 June 2017 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	(1,322,257)	(2,594,983)
Adjustment for:		
Interest income	(10,228)	(2,152)
Operating loss before changes in working capital	<u>(1,332,485)</u>	<u>(2,597,135)</u>
Changes in financial assets at fair value through profit or loss	(74,636)	(414,631)
Changes in prepayments and other receivables	(41)	(2,095)
Changes in amount due from broker	(123,421)	(767,612)
Changes in financial liabilities at fair value through profit or loss	(36,177)	-
Changes in audit fee payable	4,958	15,052
Changes in management fee payable	(468)	8,734
Changes in trustee fee payable	2,477	1,059
Changes in other payables and accruals	(10,686)	27,672
Net cash flows used in operations	<u>(1,570,479)</u>	<u>(3,728,956)</u>
Interest received	10,228	2,152
Net cash flows used in operating activities	<u>(1,560,251)</u>	<u>(3,726,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	19,543,580	18,226,960
Payments on redemption of units	(18,406,040)	(4,827,120)
Net cash flows generated from financing activities	<u>1,137,540</u>	<u>13,399,840</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(422,711)	9,673,036
Cash and cash equivalents at the beginning of the period	4,419,701	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>3,996,990</u>	<u>9,673,036</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>3,996,990</u>	<u>9,673,036</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS (continued)

For the period from 1 January 2018 to 30 June 2018

HSIL

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	(6,991,342)	67,504,426
Adjustment for:		
Interest income	(64,319)	(1,904)
Operating (loss)/gain before changes in working capital	(7,055,661)	67,502,522
Changes in financial assets at fair value through profit or loss	32,367,549	1,568,599
Changes in prepayments and other receivables	11,425	-
Changes in amount due from broker	(6,167,857)	(59,631,773)
Changes in audit fee payable	39,158	72,996
Changes in management fee payable	(70,621)	323,077
Changes in trustee fee payable	(2,274)	39,161
Changes in other payables and accruals	8,721	380,272
Net cash flows generated from operations	19,130,440	10,254,854
Interest received	64,319	1,904
Net cash flows generated from operating activities	19,194,759	10,256,758
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	-	407,741,520
Payments on redemption of units	(102,456,860)	(96,780,630)
Net cash flows (used in)/generated from financing activities	(102,456,860)	310,960,890
NET CHANGES IN CASH AND CASH EQUIVALENTS	(83,262,101)	321,217,648
Cash and cash equivalents at the beginning of the period	142,056,608	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	58,794,507	321,217,648
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	58,794,507	321,217,648

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS (continued)

For the period from 1 January 2018 to 30 June 2018

HSII

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	(585,170)	(32,187,924)
Adjustment for:		
Interest income	(20,545)	(791)
Operating loss before changes in working capital	<u>(605,715)</u>	<u>(32,188,715)</u>
Changes in financial assets at fair value through profit or loss	4,568,826	(558,602)
Changes in prepayments and other receivables	11,425	-
Changes in amount due from broker	89,085	(20,815,814)
Changes in financial liabilities at fair value through profit or loss	(1,219,374)	-
Changes in amounts due to broker	17,615	-
Changes in audit fee payable	39,158	72,996
Changes in management fee payable	(30,381)	242,156
Changes in trustee fee payable	4,432	29,352
Changes in other payables and accruals	(5,957)	359,119
Net cash flows generated from/(used in) operations	<u>2,869,114</u>	<u>(52,859,508)</u>
Interest received	20,545	791
Net cash flows generated from/(used in) operating activities	<u>2,889,659</u>	<u>(52,858,717)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	14,573,750	358,614,240
Payments on redemption of units	(23,167,200)	(34,461,580)
Net cash flows (used in)/generated from financing activities	<u>(8,593,450)</u>	<u>324,152,660</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(5,703,791)	271,293,943
Cash and cash equivalents at the beginning of the period	<u>109,051,838</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>103,348,047</u>	<u>271,293,943</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>103,348,047</u>	<u>271,293,943</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS (continued)

For the period from 1 January 2018 to 30 June 2018

HSCEIL

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	(11,065,178)	10,307,782
Adjustment for:		
Interest income	(37,029)	-
Operating (loss)/gain before changes in working capital	<u>(11,102,207)</u>	<u>10,307,782</u>
Changes in financial assets at fair value through profit or loss	22,321,433	4,508,575
Changes in prepayments and other receivables	11,425	-
Changes in amount due from broker	3,381,924	(42,521,795)
Changes in financial liabilities at fair value through profit or loss	919,016	-
Changes in audit fee payable	39,158	72,996
Changes in management fee payable	(40,664)	232,853
Changes in trustee fee payable	6,538	28,225
Changes in other payables and accruals	(14,978)	361,753
Net cash flows generated from/(used in) operations	<u>15,521,645</u>	<u>(27,009,611)</u>
Interest received	37,029	-
Net cash flows generated from/(used in) operating activities	<u>15,558,674</u>	<u>(27,009,611)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	5,818,950	344,129,530
Payments on redemption of units	(59,438,470)	(84,173,940)
Net cash flows (used in)/generated from financing activities	<u>(53,619,520)</u>	<u>259,955,590</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(38,060,846)	232,945,979
Cash and cash equivalents at the beginning of the period	<u>83,218,271</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>45,157,425</u></u>	<u><u>232,945,979</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>45,157,425</u>	<u>232,945,979</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF CASH FLOWS (continued)

For the period from 1 January 2018 to 30 June 2018

HSCEII

	For the period from 1 January 2018 to 30 June 2018 (Unaudited) HK\$	For the period from 14 March 2017 (date of inception) to 30 June 2017 (Unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income	1,919,858	(12,876,738)
Adjustment for:		
Interest income	(28,741)	-
Operating gain/(loss) before changes in working capital	<u>1,891,117</u>	<u>(12,876,738)</u>
Changes in financial assets at fair value through profit or loss	7,064,872	(2,986,100)
Changes in prepayments and other receivables	11,425	-
Changes in amount due from broker	726,142	(30,860,791)
Changes in financial liabilities at fair value through profit or loss	(1,239,161)	-
Changes in amount due to broker	(4,292)	-
Changes in audit fee payable	39,159	72,996
Changes in management fee payable	(42,829)	300,099
Changes in trustee fee payable	5,446	36,376
Changes in other payables and accruals	(19,553)	375,858
Net cash flows generated from/(used in) operations	<u>8,432,326</u>	<u>(45,938,300)</u>
Interest received	28,741	-
Net cash flows generated from/(used in) operating activities	<u>8,461,067</u>	<u>(45,938,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	5,171,580	413,517,910
Payments on redemption of units	(21,126,920)	(37,262,280)
Net cash flows (used in)/generated from financing activities	<u>(15,955,340)</u>	<u>376,255,630</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(7,494,273)	330,317,330
Cash and cash equivalents at the beginning of the period	<u>96,592,697</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>89,098,424</u>	<u>330,317,330</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>89,098,424</u>	<u>330,317,330</u>

CHINAAMC LEVERAGED/INVERSE SERIES

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2018

NDL

	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u> US\$	<u>% of NAV</u>
Futures contracts				
NASDAQ 100 E-MINI FUT SEP 21/09/2018	21 September 2018	157	(352,455)	(3.20)
Total future contracts			<u>(352,455)</u>	<u>(3.20)</u>
Total derivative financial instruments, at fair value (Total investments, at cost: Nil)			(352,455)	(3.20)
Other net assets			<u>11,368,265</u>	<u>103.20</u>
Net asset attributable to unitholders			<u><u>11,015,810</u></u>	<u><u>100.00</u></u>

NDI

	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u> US\$	<u>% of NAV</u>
Futures contracts				
NASDAQ 100 E-MINI FUT SEP 21/09/2018	21 September 2018	(34)	74,636	1.55
Total future contracts			<u>74,636</u>	<u>1.55</u>
Total derivative financial instruments, at fair value (Total investments, at cost: Nil)			74,636	1.55
Other net assets			<u>4,753,088</u>	<u>98.45</u>
Net asset attributable to unitholders			<u><u>4,827,724</u></u>	<u><u>100.00</u></u>

HSIL

	<u>Holdings</u>	<u>Fair value</u> HK\$	<u>% of NAV</u>
Money market instrument UBS (IRL) SELECT MONEY MARKET FUND	47,239	37,520,612	27.24
Total money market instrument		<u>37,520,612</u>	<u>27.24</u>

	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u>	<u>% of NAV</u>
Futures contracts				
HANG SENG IDX FUT JUL 30/07/2018	30 July 2018	192	1,889,685	1.37
Total future contracts			<u>1,889,685</u>	<u>1.37</u>
Total derivative financial instruments, at fair value (Total investments, at cost: HK\$36,909,850)			1,889,685	1.37
Other net assets			<u>98,317,804</u>	<u>71.39</u>
Net asset attributable to unitholders			<u><u>137,728,101</u></u>	<u><u>100.00</u></u>

LEVERAGED/INVERSE SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

As at 30 June 2018

HSII

		<u>Holding</u>	<u>Fair value</u> HK\$	<u>% of NAV</u>
Money market instrument				
UBS (IRL) SELECT MONEY MARKET FUND		54,394	43,203,521	27.04
Total money market instrument			<u>43,203,521</u>	<u>27.04</u>
	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u>	<u>% of NAV</u>
Futures contracts				
HANG SENG IDX FUT JUL 30/07/2018	30 July 2018	(111)	(1,133,477)	(0.71)
Total future contracts			<u>(1,133,477)</u>	<u>(0.71)</u>
Total derivative financial instruments, at fair value			(1,133,477)	(0.71)
(Total investments, at cost: HK\$42,506,102)				
Other net assets			<u>117,704,179</u>	<u>73.67</u>
Net asset attributable to unitholders			<u>159,774,223</u>	<u>100.00</u>

HSCEIL

		<u>Holding</u>	<u>Fair value</u> HK\$	<u>% of NAV</u>
Money market instrument				
UBS (IRL) SELECT MONEY MARKET FUND		33,389	26,519,470	27.57
Total money market instrument			<u>26,519,470</u>	<u>27.57</u>
	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u>	<u>% of NAV</u>
Futures contracts				
H-SHARES IDX FUT JUL 30/07/2018	30 July 2018	355	(919,016)	(0.95)
Total future contracts			<u>(919,016)</u>	<u>(0.95)</u>
Total derivative financial instruments, at fair value			(919,016)	(0.95)
(Total investments, at cost: HK\$26,092,026)				
Other net assets			<u>70,584,345</u>	<u>73.38</u>
Net asset attributable to unitholders			<u>96,184,799</u>	<u>100.00</u>

CHINAAMC LEVERAGED/INVERSE SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

As at 30 June 2018

HSCEII

		<u>Holding</u>	<u>Fair value</u> <u>HK\$</u>	<u>% of NAV</u>
Money market instrument				
UBS (IRL) SELECT MONEY MARKET FUND		43,899	34,867,095	25.65
Total money market instrument			<u>34,867,095</u>	<u>25.65</u>
	<u>Expiration date</u>	<u>Contracts</u>	<u>Fair value</u>	<u>% of NAV</u>
Futures contracts				
H-SHARES IDX FUT JUL 30/07/2018	30 July 2018	(250)	352,113	0.26
Total future contracts			<u>352,113</u>	<u>0.26</u>
Total derivative financial instruments, at fair value			352,113	0.26
(Total investments, at cost: HK\$34,304,896)				
Other net assets			100,702,103	74.09
Net asset attributable to unitholders			<u>135,921,311</u>	<u>100.00</u>

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the period from 1 January 2018 to 30 June 2018

NDL

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Future contracts				
NASDAQ 100 E-MINI FUT MAR 16/03/2018	154	47	(201)	-
NASDAQ 100 E-MINI FUT JUN 15/06/2018	-	198	(198)	-
NASDAQ 100 E-MINI FUT SEP 21/09/2018	-	167	(10)	157

NDI

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Future contracts				
NASDAQ 100 E-MINI FUT MAR 16/03/2018	(39)	198	(159)	-
NASDAQ 100 E-MINI FUT JUN 15/06/2018	-	50	(50)	-
NASDAQ 100 E-MINI FUT SEP 21/09/2018	-	3	(37)	(34)

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (continued)

For the period from 1 January 2018 to 30 June 2018

HSIL

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Money Market Instrument				
UBS (IRL) SELECT MONEY MARKET FUND	82,739	-	(35,500)	47,239
Futures contracts				
HANG SENG IDX FUT JAN 30/01/2018	330	31	(361)	-
HANG SENG IDX FUT FEB 27/02/2018	-	325	(325)	-
HANG SENG IDX FUT MAR 28/03/2018	-	569	(569)	-
HANG SENG IDX FUT APR 27/04/2018	-	280	(280)	-
HANG SENG IDX FUT MAY 30/05/2018	-	279	(279)	-
HANG SENG IDX FUT JUN 28/06/2018	-	258	(258)	-
HANG SENG IDX FUT JUL 30/07/2018	-	232	(40)	192

CHINAAMC LEVERAGED/INVERSE SERIES**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (continued)**

For the period from 1 January 2018 to 30 June 2018

HSII

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Money Market Instrument				
UBS (IRL) SELECT MONEY MARKET FUND	60,894	-	(6,500)	54,394
Futures contracts				
HANG SENG IDX FUT JAN 30/01/2018	(112)	114	(2)	-
HANG SENG IDX FUT FEB 27/02/2018	-	128	(128)	-
HANG SENG IDX FUT MAR 28/03/2018	-	238	(238)	-
HANG SENG IDX FUT APR 27/04/2018	-	138	(138)	-
HANG SENG IDX FUT MAY 30/05/2018	-	136	(136)	-
HANG SENG IDX FUT JUN 28/06/2018	-	125	(125)	-
HANG SENG IDX FUT JUL 30/07/2018	-	4	(115)	(111)

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (continued)

For the period from 1 January 2018 to 30 June 2018

HSCEIL

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Money Market Instrument				
UBS (IRL) SELECT MONEY MARKET FUND	58,889	-	(25,500)	33,389
Futures contracts				
H-SHARES IDX FUT JAN 30/01/2018	549	79	(628)	-
H-SHARES IDX FUT FEB 27/02/2018	-	565	(565)	-
HSCEI FUT MAR 28/03/2018	-	1,027	(1,027)	-
HSCEI FUT APR 27/04/2018	-	523	(523)	-
HSCEI FUT MAY 30/05/2018	-	512	(512)	-
HSCEI FUT JUN 28/06/2018	-	461	(461)	-
HSCEI FUT JUL 30/07/2018	-	363	(8)	355

CHINAAMC LEVERAGED/INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (continued)

For the period from 1 January 2018 to 30 June 2018

HSCEII

Investments	Holdings as at 1 January 2018	Additions	Disposals	Holdings as at 30 June 2018
Money Market Instrument				
UBS (IRL) SELECT MONEY MARKET FUND	53,899	-	(10,000)	43,899
Futures contracts				
H-SHARES IDX FUT JAN 30/01/2018	(256)	264	(8)	-
H-SHARES IDX FUT FEB 27/02/2018	-	285	(285)	-
HSCEI FUT MAR 28/03/2018	-	517	(517)	-
HSCEI FUT APR 27/04/2018	-	296	(296)	-
HSCEI FUT MAY 30/05/2018	-	288	(288)	-
HSCEI FUT JUN 28/06/2018	-	267	(267)	-
HSCEI FUT JUL 30/07/2018	-	8	(258)	(250)

CHINAAMC LEVERAGED/INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED)

For the period from 1 January 2018 to 30 June 2018

NET ASSET VALUE (calculated in accordance with the Prospectus)

		30 June 2018 (Unaudited)		31 December 2017 (Audited)	
		Net asset value	Net asset value per unit	Net asset value	Net asset value per unit
NDL	US\$	11,122,799	3.8354	9,905,317	3.3018
NDI	US\$	4,934,712	1.2986	5,135,785	1.4674
HSIL	HK\$	138,115,164	12.0100	247,615,260	12.8966
HSII	HK\$	160,161,286	6.0898	169,391,800	6.0932
HSCEIL	HK\$	96,571,862	9.3759	161,308,454	10.6827
HSCEII	HK\$	136,308,374	6.7147	150,395,750	6.5963

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT*

		30 June 2018 (Unaudited)		31 December 2017 (Audited)	
		Highest issue price per unit	Lowest redemption price per unit	Highest issue price per unit	Lowest redemption price per unit
NDL	US\$	4.1101	3.1764	3.4340	1.9860
NDI	US\$	1.4708	1.2569	1.9815	1.4407
HSIL	HK\$	15.7585	11.5492	13.1018	7.9711
HSII	HK\$	6.2129	5.4940	8.0125	6.0728
HSCEIL	HK\$	14.6426	9.0756	11.2303	7.4430
HSCEII	HK\$	6.8272	5.5933	8.2265	6.4798

COMPARISON OF THE PRODUCTS PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE*

	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
	Index performance (%)	Product performance (%)	Index performance (%)	Product performance (%)
NDL **	10.65	16.28	33.11	67.74
NDI ***	10.65	-10.56	33.11	-26.61
HSIL **	-1.64	-6.81	29.83	61.50
HSII ***	-1.64	0.00	29.83	-24.00
HSCEIL **	-3.87	-11.99	18.06	32.18
HSCEII ***	-3.87	1.52	18.06	-17.19

* Past performance figures shown are not indicative of the future performance of the products.

** These leveraged products seek to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of the leveraged products may not correspond to two times the return of the underlying index over a one-year period or any period beyond one day.

*** These inverse products seek to achieve its stated investment objective in one day and rebalances at the end of the day. That is, the performance of the inverse products may not correspond to the opposite return of the underlying index over a one-year period or any period beyond one day.



华夏基金(香港)有限公司
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

www.chinaamc.com.hk

37/F, Bank of China Tower, 1 Garden Road, Hong Kong

Customer Service Hotline: (852) 3406 8686