

GLOBAL X LEVERAGED AND INVERSE SERIES

INTERIM FINANCIAL STATEMENTS

GLOBAL X S&P 500 DAILY (-1X) INVERSE PRODUCT

GLOBAL X HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT

GLOBAL X HANG SENG INDEX DAILY (2X) LEVERAGED PRODUCT

GLOBAL X HANG SENG CHINA ENTERPRISES INDEX DAILY (-1X) INVERSE
PRODUCT

GLOBAL X HANG SENG CHINA ENTERPRISES INDEX DAILY (2X)
LEVERAGED PRODUCT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

(SUB-FUNDS OF GLOBAL X LEVERAGED AND INVERSE SERIES)

RESTRICTED

GLOBAL X LEVERAGED AND INVERSE SERIES

Unaudited Condensed Interim Financial Statements

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IMPORTANT :

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

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

RESTRICTED

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF NET ASSETS

As at 30 September 2020 (unaudited)

	Notes	Global X S&P 500 Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (2x) Leveraged Product	
		As at 30 September 2020 (unaudited) US\$	As at 31 March 2020 (audited) US\$	As at 30 September 2020 (unaudited) HK\$	As at 31 March 2020 (audited) HK\$	As at 30 September 2020 (unaudited) HK\$	As at 31 March 2020 (audited) HK\$
ASSETS							
Financial assets at fair value through profit or loss	12	-	-	-	-	1,077,294	1,867,915
Amounts due from brokers	6	-	767,081	3,253,488	22,202,094	8,534,221	18,271,289
Amount due from the Manager	5(f)	887	1,264	1,280	5,586	1,960	5,816
Interest receivables		1,368	156	4,760	42,180	8,786	31,143
Cash and cash equivalents	5(e), 7	7,190,088	7,164,171	32,756,686	32,305,664	41,997,477	28,408,953
TOTAL ASSETS		<u>7,192,343</u>	<u>7,932,672</u>	<u>36,016,214</u>	<u>54,555,524</u>	<u>51,619,738</u>	<u>48,585,116</u>
LIABILITIES							
Financial liabilities at fair value through profit or loss	12	-	-	372,022	1,082,877	-	-
Amounts due to brokers	6	55,753	-	-	-	-	-
Management fee payable	5(a)	4,809	29,038	18,008	95,084	28,737	112,428
Trustee fee payable	5(b)	1,540	1,540	11,311	12,065	11,312	12,065
Formation fee payable	5(c)(i)	115,252	115,252	-	-	-	-
Administration fee payable	5(c)(ii)	70,538	60,246	941,932	747,700	973,463	779,230
Registrar fee payable	5(b)	-	4,160	-	-	-	2,660
Other payables and accruals		-	-	1,080	2,640	1,560	2,640
TOTAL LIABILITIES		<u>247,892</u>	<u>210,236</u>	<u>1,344,353</u>	<u>1,940,366</u>	<u>1,015,072</u>	<u>909,023</u>
EQUITY							
Net assets attributable to unitholders	3(a)	<u>6,944,451</u>	<u>7,722,436</u>	<u>34,671,861</u>	<u>52,615,158</u>	<u>50,604,666</u>	<u>47,676,093</u>
TOTAL LIABILITIES AND EQUITY		<u>7,192,343</u>	<u>7,932,672</u>	<u>36,016,214</u>	<u>54,555,524</u>	<u>51,619,738</u>	<u>48,585,116</u>
Number of units in issue	3(b)	<u>6,250,000</u>	<u>5,250,000</u>	<u>5,900,000</u>	<u>8,500,000</u>	<u>7,000,000</u>	<u>6,500,000</u>
Net asset value per unit	3(b)	<u>1.1111</u>	<u>1.4709</u>	<u>5.8766</u>	<u>6.1900</u>	<u>7.2292</u>	<u>7.3348</u>

The accompanying notes are an integral part of these financial statements

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF NET ASSETS (CONTINUED)

As at 30 September 2020 (unaudited)

	Notes	Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product		Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		As at 30 September 2020 (unaudited)	As at 31 March 2020 (audited)	As at 30 September 2020 (unaudited)	As at 31 March 2020 (audited)
		HK\$	HK\$	HK\$	HK\$
ASSETS					
Financial assets at fair value through profit or loss	11	-	-	441,989	1,033,820
Amounts due from brokers	6	2,624,473	14,511,542	4,315,677	11,030,103
Amount due from the Manager	5(f)	1,400	6,546	1,760	6,248
Interest receivables		6,006	22,359	4,875	21,132
Cash and cash equivalents	5(d)	27,322,694	17,549,543	21,686,304	14,475,181
TOTAL ASSETS		<u>29,954,573</u>	<u>32,089,990</u>	<u>26,450,605</u>	<u>26,566,484</u>
LIABILITIES					
Financial liabilities at fair value through profit or loss	11	251,418	649,765	-	-
Management fee payable	5(a)	14,931	55,495	14,433	49,714
Trustee fee payable	5(b)	11,311	12,066	11,312	12,065
Administration fee payable	5(c)(ii)	941,932	747,700	941,932	747,699
Registrar fee payable	5(b)	-	2,660	-	-
Other payables and accruals		1,200	2,760	1,560	2,640
TOTAL LIABILITIES		<u>1,220,792</u>	<u>1,470,446</u>	<u>969,237</u>	<u>812,118</u>
EQUITY					
Net assets attributable to unitholders	3(a)	<u>28,733,781</u>	<u>30,619,544</u>	<u>25,481,368</u>	<u>25,754,366</u>
TOTAL LIABILITIES AND EQUITY		<u>29,954,573</u>	<u>32,089,990</u>	<u>26,450,605</u>	<u>26,566,484</u>
Number of units in issue	3(b)	<u>4,700,000</u>	<u>4,800,000</u>	<u>4,200,000</u>	<u>4,100,000</u>
Net asset value per unit	3(b)	<u>6.1136</u>	<u>6.3791</u>	<u>6.0670</u>	<u>6.2816</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020 (unaudited)

	Notes	Global X S&P 500 Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (-1x) Inverse Product		Global X Hang Seng Index Daily (2x) Leveraged Product	
		For the six months ended 30 September 2020 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
INCOME							
Interest income		23,572	114,493	58,532	395,699	92,708	592,095
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	4	<u>(2,041,254)</u>	<u>(599,904)</u>	<u>(359,550)</u>	<u>7,976,550</u>	<u>(778,850)</u>	<u>(15,314,600)</u>
		<u>(2,017,682)</u>	<u>(485,411)</u>	<u>(301,018)</u>	<u>8,372,249</u>	<u>(686,142)</u>	<u>(14,722,505)</u>
EXPENSES							
Management fee	5(a)	(30,545)	(80,131)	(104,539)	(313,707)	(168,308)	(260,435)
Trustee fee	5(b)	(4,312)	(11,313)	(69,000)	(74,189)	(69,000)	(69,189)
Brokerage and other transaction fees	8	(701)	-	(17,428)	(41,003)	(48,993)	(63,831)
Administration fee	5(c)(ii)	(10,292)	(17,911)	(194,233)	(193,698)	(194,233)	(193,698)
Other expenses		(103)	-	-	-	-	-
		<u>(45,953)</u>	<u>(109,355)</u>	<u>(385,200)</u>	<u>(622,597)</u>	<u>(480,534)</u>	<u>(587,153)</u>
Operating profit/(loss)		(2,063,635)	(594,766)	(686,218)	7,749,652	(1,166,676)	(15,309,658)
FINANCE COSTS							
Interest expense		-	-	(3,099)	-	(28,271)	-
Profit/(loss) and total comprehensive income for the period		<u>(2,063,635)</u>	<u>(594,766)</u>	<u>(689,317)</u>	<u>7,749,652</u>	<u>(1,194,947)</u>	<u>(15,309,658)</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	Notes	Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product		Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
INCOME					
Interest income		60,432	43,542	42,802	272,672
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	4	<u>(778,850)</u>	<u>2,688,350</u>	<u>(906,750)</u>	<u>(9,973,600)</u>
		<u>(718,418)</u>	<u>2,731,892</u>	<u>(863,948)</u>	<u>(9,700,928)</u>
EXPENSES					
Management fee	5(a)	(89,189)	(120,927)	(88,720)	(156,500)
Trustee fee	5(b)	(69,000)	(69,188)	(69,000)	(69,189)
Brokerage and other transaction fees	8	(31,548)	(36,255)	(56,288)	(86,591)
Administration fee	5(c)(ii)	(194,233)	(193,698)	(194,233)	(193,698)
Other expenses		-	-	-	-
		<u>(383,970)</u>	<u>(420,068)</u>	<u>(408,241)</u>	<u>(505,978)</u>
Operating profit/(loss)		(1,102,388)	2,311,824	(1,272,189)	(10,206,906)
FINANCE COSTS					
Interest expense		<u>(775)</u>	-	<u>(14,299)</u>	-
Profit/(loss) and total comprehensive income for the period		<u>(1,103,163)</u>	<u>2,311,824</u>	<u>(1,286,488)</u>	<u>(10,206,906)</u>

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

RESTRICTED

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 30 September 2020 (unaudited)

	<u>Global X S&P 500 Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2020 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	7,722,436	19,392,524	52,615,158	151,253,804	47,676,093	86,319,541
Issue of units during the period	2,239,750	7,357,100	4,328,880	-	4,828,380	-
Redemption of units during the period	(954,100)	(8,710,125)	(21,582,860)	(80,398,540)	(704,860)	-
Net issue of units	1,285,650	(1,353,025)	(17,253,980)	(80,398,540)	4,123,520	-
Total comprehensive income/(loss) for the period	(2,063,635)	(594,766)	(689,317)	7,749,652	(1,194,947)	(15,309,658)
Net assets attributable to unitholders at the end of the period	6,944,451	17,444,733	34,671,861	78,604,916	50,604,666	71,009,883

	<u>Global X S&P 500 Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2020 (unaudited) Number of units	For the six months ended 30 September 2019 (unaudited) Number of units	For the six months ended 30 September 2020 (unaudited) Number of units	For the six months ended 30 September 2019 (unaudited) Number of units	For the six months ended 30 September 2020 (unaudited) Number of units	For the six months ended 30 September 2019 (unaudited) Number of units
Units in issue at beginning of period	5,250,000	13,750,000	8,500,000	27,800,000	6,500,000	7,700,000
Issue during the period	1,750,000	5,500,000	800,000	-	600,000	-
Redemption during the period	(750,000)	(6,250,000)	(3,400,000)	(14,400,000)	(100,000)	-
Units in issue at end of period	6,250,000	13,000,000	5,900,000	13,400,000	7,000,000	7,700,000

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	<u>Global X Hang Seng China Enterprises Index</u> <u>Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng China Enterprises Index</u> <u>Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
Net assets attributable to unitholders at the beginning of the period	30,619,544	35,754,384	25,754,366	57,347,938
Issue of units during the period	6,059,600	-	2,243,370	-
Redemption of units during the period	(6,842,200)	-	(1,229,880)	(16,988,950)
Net issue of units	(782,600)	-	1,013,490	(16,988,950)
Total comprehensive income/(loss) for the period	(1,103,163)	2,311,824	(1,286,488)	(10,206,906)
Net assets attributable to unitholders at the end of the period	<u>28,733,781</u>	<u>38,066,208</u>	<u>25,481,368</u>	<u>30,152,082</u>

	<u>Global X Hang Seng China Enterprises Index</u> <u>Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng China Enterprises Index</u> <u>Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2020 (unaudited) Number of units	For the six months ended 30 September 2019 (unaudited) Number of units	For the six months ended 30 September 2020 (unaudited) Number of units	For the six months ended 30 September 2019 (unaudited) Number of units
Units in issue at beginning of period	4,800,000	6,100,000	4,100,000	6,300,000
Issue during the period	1,000,000	-	300,000	-
Redemption during the period	(1,100,000)	-	(200,000)	(2,300,000)
Units in issue at end of period	<u>4,700,000</u>	<u>6,100,000</u>	<u>4,200,000</u>	<u>4,000,000</u>

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

RESTRICTED

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020 (unaudited)

	Note	Global X S&P 500 Daily (-1x) Inverse Product	
		For the six months ended 30 September 2020 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive income for the period		(2,063,635)	(594,766)
Adjustments for:			
Interest income		(23,572)	(114,493)
Decrease in amount due from brokers		767,081	-
Decrease in amount due from the Manager		377	34
Increase/(decrease) in amount due to brokers		55,753	(46,311)
Decrease in management fee payable		(24,229)	(1,452)
Decrease in trustee fee payable		-	(204)
Increase in administration fee payable		10,292	17,392
Decrease in registrar fee payable		(4,160)	-
Cash used in operations		(1,282,093)	(739,800)
Interest received		22,360	135,068
Net cash flows used in operating activities		(1,259,733)	(604,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		2,239,750	7,357,100
Cash paid on redemption of units		(954,100)	(8,710,125)
Net cash flows generated from/(used in) financing activities		1,285,650	(1,353,025)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		7,164,171	19,664,074
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		7,190,088	17,706,317
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	5(e), 7	2,446,190	16,654,942
Time deposits	5(e), 7	1,103,425	1,051,375
Short term highly liquid investments with maturity less than three months		3,640,473	-
Cash and cash equivalents as stated in the statement of cash flows		7,190,088	17,706,317

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	<u>Global X Hang Seng Index Daily (-1x) Inverse</u>	
	<u>Product</u>	
	For the six months ended 30 September 2020 (unaudited)	For the six months ended 30 September 2019 (unaudited)
Note	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the period	(689,317)	7,749,652
Adjustments for:		
Interest income	(58,532)	(395,699)
Interest expense	3,099	-
Decrease/(increase) in amounts due from a broker	18,948,606	(5,727,667)
Decrease in amounts due from the Manager	4,306	560
Decrease in financial liabilities at fair value through profit or loss	(710,855)	(2,272,977)
Decrease in management fee payable	(77,076)	(77,663)
Decrease in trustee fee payable	(754)	(10,547)
Increase in administration fee payable	194,232	191,039
Decrease in other payables and accruals	(1,560)	(600)
Cash generated from/(used in) operations	<u>17,612,149</u>	<u>(543,902)</u>
Interest received	95,952	411,174
Interest paid	(3,099)	-
Net cash flows generated from/(used in) operating activities	<u>17,705,002</u>	<u>(132,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	4,328,880	-
Cash paid on redemption of units	(21,582,860)	(80,398,540)
Net cash flows used in financing activities	<u>(17,253,980)</u>	<u>(80,398,540)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	451,022	(80,531,268)
	<u>32,305,664</u>	<u>132,158,869</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>32,756,686</u>	<u>51,627,601</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(e), 7 20,732,818	16,675,398
Time deposits	5(e), 7 12,023,868	34,952,203
Cash and cash equivalents as stated in the statement of cash flows	<u>32,756,686</u>	<u>51,627,601</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	Note	<u>Global X Hang Seng Index Daily (2x) Leveraged</u> <u>Product</u>	
		For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive income for the period		(1,194,947)	(15,309,658)
Adjustments for:			
Interest income		(92,708)	(592,095)
Interest expense		28,271	-
Decrease in financial assets at fair value through profit or loss		790,621	2,335,666
Decrease in amounts due from a broker		9,737,068	12,940,380
Decrease in amount due from the Manager		3,856	520
Decrease in management fee payable		(83,691)	(7,045)
(Decrease)/increase in trustee fee payable		(753)	996
Increase in administration fee payable		194,233	193,697
Decrease in registrar fee payable		(2,660)	-
Decrease in other payables and accruals		(1,080)	(720)
Cash generated from/(used in) operations		<u>9,378,210</u>	<u>(438,259)</u>
Interest received		115,065	595,030
Interest paid		(28,271)	-
Net cash flows generated from operating activities		<u>9,465,004</u>	<u>156,771</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		4,828,380	-
Cash paid on redemption of units		(704,860)	-
Net cash flows generated from financing activities		<u>4,123,520</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,588,524	156,771
Cash and cash equivalents at the beginning of the period		<u>28,408,953</u>	<u>52,610,506</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>41,997,477</u>	<u>52,767,277</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	5(e), 7	22,340,843	1,344,901
Time deposits	5(e), 7	19,656,634	51,422,376
Cash and cash equivalents as stated in the statement of cash flows		<u>41,997,477</u>	<u>52,767,277</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	<u>Global X Hang Seng China Enterprises Index Daily</u> <u>(-1x) Inverse Product</u>	
	For the six months ended 30 September 2020 (unaudited)	For the six months ended 30 September 2019 (unaudited)
Note	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss/(profit) and total comprehensive income for the period	(1,103,163)	2,311,824
Adjustments for:		
Interest income	(60,432)	(43,542)
Interest expense	775	-
Decrease/(increase) in amounts due from brokers	11,887,069	(2,325,417)
Decrease in amounts due from the Manager	5,146	400
Decrease in financial liabilities at fair value through profit or loss	(398,347)	(351,900)
Decrease/(increase) in management fee payable	(40,564)	1,130
Decrease/(increase) in trustee fee payable	(755)	2,609
Increase in administration fee payable	194,232	193,698
Decrease in registrar fee payable	(2,660)	-
Decrease in other payables and accruals	(1,560)	(600)
Cash generated from/(used in) operations	<u>10,479,741</u>	<u>(211,798)</u>
Interest received	76,785	46,556
Interest paid	(775)	-
Net cash flows generated from/(used in) operating activities	<u>10,555,751</u>	<u>(165,242)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	6,059,600	-
Cash paid on redemption of units	(6,842,200)	-
Net cash flows used in financing activities	<u>(782,600)</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	9,773,151	(165,242)
Cash and cash equivalents at the beginning of the period	<u>17,549,543</u>	<u>29,319,018</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>27,322,694</u>	<u>29,153,776</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	5(e), 7 13,207,067	29,153,776
Time deposits	5(e), 7 14,115,627	-
Cash and cash equivalents as stated in the statement of cash flows	<u>27,322,694</u>	<u>29,153,776</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2020 (unaudited)

	Note	Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	
		For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss and total comprehensive income for the period		(1,286,488)	(10,206,906)
Adjustments for:			
Interest income		(42,802)	(272,672)
Interest expense		14,299	-
Decrease in financial assets at fair value through profit or loss		591,831	1,215,495
Decrease in amounts due from a broker		6,714,426	13,788,664
Decrease in amounts due from the manager		4,488	640
Decrease in management fee payable		(35,281)	(15,084)
(Decrease)/increase in trustee fee payable		(753)	1,854
Increase in administration fee payable		194,233	193,698
Decrease in other payables and accruals		(1,080)	(840)
Cash generated from operations		<u>6,152,873</u>	<u>4,704,849</u>
Interest received		59,059	309,732
Interest paid		(14,299)	-
Net cash flows generated from operating activities		<u>6,197,633</u>	<u>5,014,581</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		2,243,370	-
Cash paid on redemption of units		(1,229,880)	(16,988,950)
Net cash flows generated from/(used in) financing activities		<u>1,013,490</u>	<u>(16,988,950)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		<u>14,475,181</u>	<u>36,514,149</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>21,686,304</u>	<u>24,539,780</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	5(e), 7	11,892,791	8,822,928
Time deposits	5(e), 7	9,793,513	15,716,852
Cash and cash equivalents as stated in the statement of cash flows		<u>21,686,304</u>	<u>24,539,780</u>

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

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Global X Horizons Leveraged and Inverse Series is an umbrella unit trust (the “Trust”) governed by its trust deed dated 1 September 2016 as amended by supplemental deeds dated 23 February 2017 and 31 December 2019 (collectively, the “Trust Deed”) between Mirae Asset Global Investments (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee” and “Registrar”). The Trust Deed is governed by Hong Kong Law.

As at 30 September 2020, the Trust has established five Sub-Funds, each a separate Sub-Fund of the Trust, which are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The five sub-funds, including Global X S&P 500 Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product are referred to individually or collectively as the “Sub-Fund(s)”. The Sub-Funds are listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) (a subsidiary of The Hong Kong Exchanges and Clearing Limited) and their listing dates are as follows:

<u>Name of Sub-Funds</u>	<u>Listing date on the SEHK</u>
Global X S&P 500 Daily (-1x) Inverse Product	11 October 2016
Global X Hang Seng Index Daily (-1x) Inverse Product	14 March 2017
Global X Hang Seng Index Daily (2x) Leveraged Product	14 March 2017
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	14 March 2017
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	14 March 2017

These financial statements relate to the above-mentioned Sub-Funds. The Manager and the Trustee (collectively, the “Management”) are responsible for the preparation of the financial statements.

Global X S&P 500 Daily (-1x) Inverse Product (“S&P 500 Daily (-1x) Inverse Product”)

The objective of S&P 500 Daily (-1x) Inverse Product (Stock code: 07322) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the S&P 500 Index (net of swap fees). The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Global X Hang Seng Index Daily (-1x) Inverse Product (“Hang Seng Index Daily (-1x) Inverse Product”)

The objective of Hang Seng Index Daily (-1x) Inverse Product (Stock code: 07336) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Global X Hang Seng Index Daily (2x) Leveraged Product (“Hang Seng Index Daily (2x) Leveraged Product”)

The objective of Hang Seng Index Daily (2x) Leveraged Product (Stock code: 07231) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (“Hang Seng China Enterprises Index Daily (-1x) Inverse Product”)

The objective of Hang Seng China Enterprises Index Daily (-1x) Inverse Product (Stock code: 07362) is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (“Hang Seng China Enterprises Index Daily (2x) Leveraged Product”)

The objective of Hang Seng China Enterprises Index Daily (2x) Leveraged Product (Stock code: 07230) is to provide investment results that, before fees and expenses, closely correspond to twice (2x) daily performance of the Hang Seng Index. The Sub-Fund does not seek to achieve its stated investment objective over a period of time greater than one day.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a)(i) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the “SFC Code”).

The financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities classified as at fair value through profit or loss (“FVPL”) that have been measured at fair value. The financial statements are presented in United States dollars (“US\$”) for S&P 500 Daily (-1x) Inverse Product and Hong Kong dollars (“HK\$”) for Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product, and all values are rounded to the nearest US\$ and HK\$ respectively except where otherwise indicated.

(a)(ii) Significant accounting judgements, estimates and assumptions

The preparation of financial statements, in conformity with IFRSs, requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern

The Management has made an assessment of the Sub-Funds’ ability to continue as a going concern and is satisfied that the Sub-Funds have the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Sub-Funds’ ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a)(ii) Significant accounting judgements, estimates and assumptions (continued)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense that is already recorded. The Sub-Funds establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which the Sub-Funds invest. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investments' domiciles.

All references to net assets or net asset value throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

(a)(iii) Standards issued but not yet effective for the six months ended 30 September 2020

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Sub-Fund's financial statements are disclosed below. The Sub-Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective for accounting periods beginning on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022

(b) Financial instruments

(i) **Classification**

In accordance with IFRS 9, the Sub-Funds classify their financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) *Classification (continued)*

- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Sub-Funds classify their financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Sub-Funds include in this short-term non-financing receivables including amount due from brokers, amount due from the Manager, interest receivables and cash and cash equivalents.

Financial assets measured at FVPL

A financial asset is measured FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that solely payments of principal and interest on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Funds include in this category:

- Instruments held for trading. This category includes derivative contracts in an asset position.

Financial liabilities

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Sub-Funds include in this category derivative contracts in a liability position classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities. The Sub-Funds include in this category amount due to brokers, management fee payable, trustee fee payable, formation fee payable, administration fee payable, registrar fee payable and other payables and accruals.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(ii) **Recognition**

The Sub-Funds recognise a financial asset or a financial liability when, and only when, they become a party to the contractual provisions of the instrument. Purchases and sales of financial assets and financial liabilities at FVPL are accounted for on the trade date basis.

(iii) **Initial measurement**

Financial assets and financial liabilities at FVPL are recorded in the statement of net assets at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) **Subsequent measurement**

After initial measurement, the Sub-Funds measure financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in “Net change in unrealised gain/(loss) on financial assets and financial liabilities at FVPL”. Interest earned on such instruments is recorded separately in “interest income”.

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) **Derecognition**

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Funds have transferred their rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Funds have transferred substantially all the risks and rewards of the asset or the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(v) *Derecognition (continued)*

When the Sub-Funds have transferred their rights to receive cash flows from an asset (or have entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Funds' continuing involvement in the asset. In that case, the Sub-Funds also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Funds have retained. The Sub-Funds derecognise a financial liability when the obligation under the liability is discharged or cancelled, or expired.

Fair value measurement

The Sub-Funds measure their investments in financial instruments at fair value at the end of each reporting period.

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Funds.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in its economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices, that are within the bid-ask spread.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices for futures contracts or calculated by reference to changes in specified prices of an underlying asset or otherwise determined notional amount for swap contracts. All derivatives are carried as assets when amounts are receivable by the Sub-Funds and as liabilities when amounts are payable by the Sub-Funds.

Unrealised gains and losses arising from changes in fair value, and realised gains and losses are recognised in profit or loss.

(c) Income

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

(d) Expenses

Expenses are recognised on an accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short term deposits in banks and short term highly liquid investments with maturity less than three months, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(f) Translation of foreign currencies

Functional and presentation currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the “functional currency”). The performance of the Sub-Funds is measured and reported to the unitholders, and in US\$ for S&P 500 Daily (-1x) Inverse Product and in HK\$ for Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product. The Management considers the US\$ and HK\$ as the currencies that most faithfully represent the economic effects of the underlying transactions, events and conditions. The financial statements of the Sub-Funds are presented in US\$ for S&P 500 Daily (-1x) Inverse Product, and in HK\$ for Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product, which are the Sub-Funds’ functional and presentation currencies.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Translation of foreign currencies (continued)

Foreign currency translation

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in the statement of profit or loss and other comprehensive income.

(g) Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a pro-rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Funds' net assets; or
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Funds must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds' redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Redeemable units (continued)

The Sub-Funds continuously assess the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Funds in issuing of their own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Funds' own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

Redeemable units can be redeemed in cash equal to a proportionate share of the Sub-Funds' net asset value. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the respective Sub-Funds.

(h) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Amounts due from and due to brokers

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to note 2(b) for the accounting policy for financial assets measured at amortised cost for recognition and measurement.

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to note 2(b) for the accounting policy for financial liabilities measured at amortised cost for recognition and measurement.

(j) Impairment of financial assets

Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Funds are required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Sub-Funds consider a default has occurred when a financial asset is more than 90 days past due unless the Sub-Funds have reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(k) Net change in unrealised gains or losses on financial assets and financial liabilities at FVPL

This item includes changes in the fair value of financial assets and financial liabilities as at FVPL and excludes interest income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period unrealised gains and losses for financial instruments which were realised in the reporting period.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (l) Net realised gains or losses on financial assets and financial liabilities at fair value through profit or Loss.

Net realised gains or losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

- (m) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

- (n) Taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Funds present the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

- (o) Distributions to unitholders

The Manager does not intend to pay or make any distribution or dividends to the Sub-Funds' unitholders.

- (p) Formation fee

Formation fee is recognised as an expense in the period in which it is incurred.

- (q) Transactions costs

Transaction costs are costs incurred to acquire/dispose financial assets or financial liabilities at FVPL. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

- (r) Related parties

A party is considered to be related to the Sub-Funds if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Sub-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Sub-Funds are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Funds or to the parent of the Sub-Funds.

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

Net assets attributable to unitholders

The creation and redemption of units of the Sub-Funds can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year/period are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(g), units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRSs (the "Accounting NAV"). For the purpose of determining the NAV per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Trustee calculates the Dealing NAV in accordance with the provisions of the Trust Deed, which may be different from the accounting policies under IFRSs.

Reconciliation between accounting NAV and dealing NAV

Adjustment for formation fee

The formation fee for establishing S&P 500 Daily (-1x) Inverse Product was US\$115,252 (31 March 2020: US\$115,252). The formation fee for establishing Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product was HK\$nil (31 March 2020: HK\$392,989) for each Sub-Fund. Per the prospectus of the Sub-Funds, the formation fee will be amortised over the first 5 financial periods of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statements preparation in compliance with IFRSs, their accounting policies are to expense the formation fee in profit or loss as incurred.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(a) Net assets attributable to unitholders (continued)

Adjustment for formation fee (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 30 September 2020 and 31 March 2020 is reconciled below:

<u>As at 30 September 2020</u>	<u>S&P 500 Daily (-1x) Inverse Product US\$</u>	<u>Hang Seng Index Daily (- 1x) Inverse Product HK\$</u>	<u>Hang Seng Index Daily (2x) Leveraged Product HK\$</u>	<u>Hang Seng China Enterprises Index Daily (- 1x) Inverse Product HK\$</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product HK\$</u>
Accounting NAV as reported in the statement of net assets	6,944,451	34,671,861	50,604,666	28,733,781	25,481,368
Adjustment for formation fee	(43,559)	63,198	-	21,178	36,525
Dealing NAV	<u>6,900,892</u>	<u>34,735,059</u>	<u>50,604,666</u>	<u>28,754,959</u>	<u>25,517,893</u>

<u>As at 31 March 2020</u>	<u>S&P 500 Daily (-1x) Inverse Product US\$</u>	<u>Hang Seng Index Daily (- 1x) Inverse Product HK\$</u>	<u>Hang Seng Index Daily (2x) Leveraged Product HK\$</u>	<u>Hang Seng China Enterprises Index Daily (- 1x) Inverse Product HK\$</u>	<u>Hang Seng China Enterprises Index Daily (2x) Leveraged Product HK\$</u>
Accounting NAV as reported in the statement of net assets	7,722,436	52,615,158	47,676,093	30,619,544	25,754,366
Adjustment for formation fee	(49,631)	85,103	-	28,516	49,185
Dealing NAV	<u>7,672,805</u>	<u>52,700,261</u>	<u>47,676,093</u>	<u>30,648,060</u>	<u>25,803,551</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(b) Movement of units

The table below summarises the outstanding units for the period/year ended 30 September 2020 and 31 March 2020, and the Accounting NAV per unit and the Dealing NAV per unit for each of the Sub-Funds as at 30 September 2020 and 31 March 2020.

	Number of units	Net assets attributable to unitholders	
		Accounting NAV	Dealing NAV
<u>As at 30 September 2020</u>			
	Units in issue at end of period	Per unit at period end	Per unit at period end
Global X S&P 500 Daily (-1x) Inverse Product	6,250,000	US\$1.1111	US\$1.1041
Global X Hang Seng Index Daily (-1x) Inverse Product	5,900,000	HK\$5.8766	HK\$5.8873
Global X Hang Seng Index Daily (2x) Leveraged Product	7,000,000	HK\$7.2292	HK\$7.2292
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	4,700,000	HK\$6.1136	HK\$6.1181
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	4,200,000	HK\$6.0670	HK\$6.0757
<u>As at 31 March 2020</u>			
	Units in issue at end of year	Per unit at year end	Per unit at year end
Global X S&P 500 Daily (-1x) Inverse Product	5,250,000	US\$1.4709	US\$1.4615
Global X Hang Seng Index Daily (-1x) Inverse Product	8,500,000	HK\$6.1900	HK\$6.2000
Global X Hang Seng Index Daily (2x) Leveraged Product	6,500,000	HK\$7.3348	HK\$7.3348
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	4,800,000	HK\$6.3791	HK\$6.3850
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	4,100,000	HK\$6.2816	HK\$6.2935

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

4. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FVPL

The following is a breakdown of net gain/(loss) on financial assets and financial liabilities at FVPL for the period ended 30 September 2020 and 30 September 2019:

	<u>Global X S&P 500 Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng Index Daily (2x) Leveraged Product</u>	
	For the six months ended 30 September 2020 (unaudited) US\$	For the six months ended 30 September 2019 (unaudited) US\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$
Net realised gain/(loss) on sale of financial assets and financial liabilities at fair value through profit or loss	(2,059,829)	(845,671)	(1,070,405)	5,703,573	11,771	(12,978,934)
Net change in unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	18,575	245,767	710,855	2,272,977	(790,621)	(2,335,666)
	<u>(2,041,254)</u>	<u>(599,904)</u>	<u>(359,550)</u>	<u>7,976,550</u>	<u>(778,850)</u>	<u>(15,314,600)</u>
	<u>Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>		<u>Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>			
	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$	For the six months ended 30 September 2020 (unaudited) HK\$	For the six months ended 30 September 2019 (unaudited) HK\$		
Net realised gain/(loss) on sale of financial assets and financial liabilities at fair value through profit or loss	(1,177,197)	2,336,450	(314,919)	(8,758,105)		
Net change in unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	398,347	351,900	(591,831)	(1,215,495)		
	<u>(778,850)</u>	<u>2,688,350</u>	<u>(906,750)</u>	<u>(9,973,600)</u>		

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS

Related parties are those as defined in note 2(r). Related parties of the Sub-Funds also include the Manager of the Sub-Funds and its connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Funds and their related parties, including 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-Funds do not have any other transactions with their related parties, including the Manager and its connected persons except for those disclosed below:

(a) Management fee

The Manager is entitled to receive a management fee of up to 2% per year of the net asset value of each Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears with no fixed terms. For each Sub-Fund, the respective annual rates of the management fee are as follows:

	<u>Maximum rate of the net assets in %</u>	<u>Annual rate of the net assets in %</u> 2020	<u>Annual rate of the net assets in %</u> 2019
Global X S&P 500 Daily (-1x) Inverse Product	2%	0.85%	0.85%
Global X Hang Seng Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Global X Hang Seng Index Daily (2x) Leveraged Product	2%	0.65%	0.65%
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2%	0.65%	0.65%
Global Hang Seng China Enterprises Index Daily (2x) Leveraged Product	2%	0.65%	0.65%

(b) Trustee fees and Registrar fees

The Trustee receives out of the assets of each Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each dealing day of up to the greater of 1.00% per year of the net asset of a Sub-Fund or the applicable monthly minimum. For each sub-fund, trustee is entitled to trustee fee as below:

	<u>Annual rate of the net asset value in %</u>	
	2020	2019
Global X S&P 500 Daily (-1x) Inverse Product ¹	0.12% ¹	0.12% ¹
Global X Hang Seng Index Daily (-1x) Inverse Product ²	0.12% ²	0.12% ²
Global X Hang Seng Index Daily (2x) Leveraged Product ²	0.12% ²	0.12% ²
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product ²	0.12% ²	0.12% ²
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product ²	0.12% ²	0.12% ²

¹The current standard annual rate for S&P 500 Daily (-1x) Inverse Product is 0.12% per year of the net asset value of the Sub-Fund, subject to a monthly minimum of US\$1,500 applied retrospectively from 6 October 2019 and there is no expiry date for the same.

²The current standard annual rate for these Sub-Funds is 0.12% per year of the net asset value of each Sub-Fund, subject to a monthly minimum of HK\$11,500 effective from 11 March 2019.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(b) Trustee fees and Registrar fees (continued)

In respect of the Sub-Funds (except for S&P 500 Daily (-1x) Inverse Product), the Trustee acting as the Registrar, is also entitled to receive a registrar fee of HK\$160 (US\$20 with respect to S&P 500 Daily (-1x) Inverse Product) per participating dealer per transaction for updating the register record. The registrar fee incurred by the Sub-Funds has been borne by the Manager during the period ended 30 September 2020 and 2019.

The Registrar is also entitled to receive from the participating dealer a transaction fee of HK\$2,500 (US\$500 with respect to S&P 500 Daily (-1x) Inverse Product) (2019: HK\$2,500 (US\$500 with respect to S&P) per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Funds. The transaction fee would be paid by the participating dealer to the Sub-Funds and the Sub-Funds would pay the transaction fee to the Trustee on behalf of the participating dealer.

(c) Other expenses

(i) *Formation fee*

During the period ended 30 September 2020 and 2019, no formation fee were incurred for establishing Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product.

As at 30 September 2020, the formation fee for Global X S&P 500 Daily (-1x) Inverse Product of US\$115,252 (31 March 2020: US\$115,252) is payable to the Manager.

(ii) *Administration fee*

As at 30 September 2020, part of the administrative fee for Global X S&P 500 Daily (-1x) Inverse Product amounting to US\$1,395 (30 September 2019: US\$nil) was paid to The Hongkong and Shanghai Banking Corporation, a related company of the Trustee.

The Manager is responsible for the payment of several fees, such as audit fee, conversion agent fee and index licensing fee, for the administration of the Sub-Funds. The Manager is entitled to receive a recharge of the administration fee and other expenses, calculated at an annual rate on the net assets of the Sub-Funds at each dealing day and payable monthly in arrears, as illustrated by the table below.

	<u>Annual rate of the net assets in %</u>	
	30 September 2020	30 September 2019
Global X S&P 500 Daily (-1x) Inverse Product	0.19%	0.19%
Global X Hang Seng Index Daily (-1x) Inverse Product	0.17%	0.17%
Global X Hang Seng Index Daily (2x) Leveraged Product	0.17%	0.17%
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	0.17%	0.17%
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	0.17%	0.17%

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Other expenses (continued)

(ii) Administration fee (continued)

The tables below list the breakdown of the administration fee incurred by the Sub-Funds.

Global X S&P 500 Daily (-1x) Inverse Product

	For the six months ended 30 September 2020 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	US\$	US\$	US\$
Audit fee	1,535	2,761	4,296
Index licensing fee	4,283	5,744	10,027
Other administration fee	4,474	8,049	12,523
	<u>10,292</u>	<u>16,554</u>	<u>26,846</u>

Global X S&P 500 Daily (-1x) Inverse Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	US\$	US\$	US\$
Audit fee	2,270	1,964	4,234
Index licensing fee	7,542	17,458	25,000
Other administration fee	8,100	7,011	15,111
	<u>17,912</u>	<u>26,433</u>	<u>44,345</u>

Global X Hang Seng Index Daily (-1x) Inverse Product

	For the six months ended 30 September 2020 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,292	-	33,292
Index licensing fee	150,411	50,136	200,547
Other administration fee	10,530	70,590	81,120
	<u>194,233</u>	<u>120,726</u>	<u>314,959</u>

Global X Hang Seng Index Daily (-1x) Inverse Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Global X Hang Seng Index Daily (2x) Leveraged Product

	For the six months ended 30 September 2020 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,292	-	33,292
Index licensing fee	150,411	50,136	200,547
Other administration fee	10,530	70,590	81,120
	<u>194,233</u>	<u>120,726</u>	<u>314,959</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Other expenses (continued)

(ii) Administration fee (continued)

Global X Hang Seng Index
Daily (2x) Leveraged
Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Global X Hang Seng China
Enterprises Index Daily (-
1x) Inverse Product

	For the six months ended 30 September 2020 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,292	-	33,292
Index licensing fee	150,411	50,136	200,547
Other administration fee	10,530	70,590	81,120
	<u>194,233</u>	<u>120,726</u>	<u>314,959</u>

Global X Hang Seng China
Enterprises Index Daily (-
1x) Inverse Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

Global X Hang Seng China
Enterprises Index Daily (2x)
Leveraged Product

	For the six months ended 30 September 2020 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,292	-	33,292
Index licensing fee	150,411	50,136	200,547
Other administration fee	10,530	64,670	75,200
	<u>194,233</u>	<u>114,806</u>	<u>309,039</u>

Global X Hang Seng China
Enterprises Index Daily (2x)
Leveraged Product

	For the six months ended 30 September 2019 (unaudited)		
	Portion borne by the Sub-Fund	Portion borne by the Manager	Total
	HK\$	HK\$	HK\$
Audit fee	33,200	-	33,200
Index licensing fee	150,000	50,000	200,000
Other administration fee	10,499	75,822	86,321
	<u>193,699</u>	<u>125,822</u>	<u>319,521</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(d) Bank charges

No Bank charges were charged for the Sub-Fund for the period ended 30 September 2020. Bank charges of the Sub-Funds for the period ended 30 September 2019 were charged by The Hong Kong and Shanghai Banking Corporation Limited, the immediate holding company of the Trustee.

(e) Cash and cash equivalents held by the Trustee's related company

As at 30 September 2020 and 31 March 2020, short term highly liquid investments with maturity less than three months and part of the interest-bearing bank balances were held with the Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee. Details refer to note 7 for cash and cash equivalents.

(f) Holdings of units

Global X S&P 500 Daily (-1x) Inverse Product

As at 30 September 2020, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, held 891,700 units (31 March 2020: 822,000 units) and Nil units (31 March 2020: 500,000 units) of this Sub-Fund respectively.

Global X Hang Seng Index Daily (-1x) Inverse Product

As at 30 September 2020, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager, held 209,800 units (31 March 2020: 213,800 units) and Nil units (31 March 2020: 600,000 units) of this Sub-Fund respectively.

Global X Hang Seng Index Daily (2x) Leveraged Product

As at 30 September 2020, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 61,400 units (31 March 2020: 26,700 units) and 200,000 units (31 March 2020: 200,000 units) of this Sub-Fund respectively.

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

As at 30 September 2020, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 25,000 units (31 March 2020: 41,000 units) and 300,000 units (31 March 2020: 500,000 units) of this Sub-Fund respectively.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(e) Holdings of units (continued)

Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 30 September 2020, The Hongkong and Shanghai Banking Corporation Limited., a related company of the Trustee, and Mirae Asset Securities (HK) Ltd., a related company of the Manager held 67,000 units (31 March 2020: 60,000 units) and 200,000 units (31 March 2020: 200,000 units) of this Sub-Fund respectively.

(f) Amount due from the Manager

As at 30 September 2020 and 31 March 2020, the amount due from the Manager of the Sub-Funds is as follows:

	<u>30 September 2020</u> <u>(Unaudited)</u> US\$	<u>31 March 2020</u> <u>(Audited)</u> US\$
Global X S&P 500 Daily (-1x) Inverse Product	887	1,264
	HK\$	HK\$
Global X Hang Seng Index Daily (-1x) Inverse Product	1,280	5,586
Global X Hang Seng Index Daily (2x) Leveraged Product	1,960	5,816
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product	1,400	6,546
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product	1,760	6,248

The amount is related to certain trustee fee and administration fees paid by the Sub-Funds on behalf of the Manager. The balance is unsecured, interest-free and repayable on demand.

6. AMOUNT DUE FROM AND DUE TO BROKERS

As at 30 September 2020 and 31 March 2020, the Sub-Funds have amount due from and amount due to brokers, which represent receivables and payables for securities sold/bought with the brokers that have been contracted for but not yet settled or delivered on the reporting date respectively. Refer to note 10 for margin requirements on cash held at a broker.

	<u>30 September 2020</u> <u>(Unaudited)</u> US\$	<u>31 March 2020</u> <u>(Audited)</u> US\$
<u>Global X S&P 500 Daily (-1x) Inverse Product</u>		
Amount due to a broker		
- Payables for securities sold, but not yet delivered (BNP Paribas Securities Services)	55,753	-
Amount due from brokers		
- Receivables for securities sold, but not yet settled (BNP Paribas Securities Services)	-	153,813
- Receivables for securities sold, but not yet settled (Citigroup Global Markets Ltd, London)	-	613,268
	<u>-</u>	<u>767,081</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

6. AMOUNT DUE FROM AND DUE TO BROKERS (continued)

	<u>30 September 2020</u> (Unaudited) HK\$	<u>31 March 2020</u> (Audited) HK\$
<u>Global X Hang Seng Index Daily (-1x) Inverse Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	2,894	6,010,568
- Margin account (Goldman Sachs International)	3,250,594	16,191,526
	<u>3,253,488</u>	<u>22,202,094</u>
<u>Global X Hang Seng Index Daily (2x) Leveraged Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	17,013	1,515,360
- Margin account (Goldman Sachs International)	8,517,208	16,755,929
	<u>8,534,221</u>	<u>18,271,289</u>
<u>Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>		
Amount due from a broker		
- Margin account (BNP Paribas Securities Services)	512	-
- Margin account (Goldman Sachs International)	2,623,961	14,511,542
	<u>2,624,473</u>	<u>14,511,542</u>
<u>Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>		
Amount due from brokers		
- Margin account (BNP Paribas Securities Services)	6,585	2,505,308
- Margin account (Goldman Sachs International)	4,309,092	8,524,795
	<u>4,315,677</u>	<u>11,030,103</u>

7. CASH AND CASH EQUIVALENTS

	Notes	<u>30 September 2020</u> (Unaudited) US\$	<u>31 March 2020</u> (Audited) US\$
<u>Global X S&P 500 Daily (-1x) Inverse Product</u>			
Bank balances	(i)	2,446,190	1,678,418
Time deposits	(ii)	1,103,425	-
Short term highly liquid investments with maturity less than three months	(iii)	3,640,473	5,485,753
Cash and cash equivalents		<u>7,190,088</u>	<u>7,164,171</u>
		HK\$	HK\$
<u>Global X Hang Seng Index Daily (-1x) Inverse Product</u>			
Bank balances	(i)	20,732,818	19,805,681
Time deposits	(ii)	12,023,868	12,499,983
Cash and cash equivalents		<u>32,756,686</u>	<u>32,305,664</u>
<u>Global X Hang Seng Index Daily (2x) Leveraged Product</u>			
Bank balances	(i)	22,340,843	16,908,953
Time deposits	(ii)	19,656,634	11,500,000
Cash and cash equivalents		<u>41,997,477</u>	<u>28,408,953</u>
<u>Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product</u>			
Bank balances	(i)	13,207,067	11,049,543
Time deposits	(ii)	14,115,627	6,500,000
Cash and cash equivalents		<u>27,322,694</u>	<u>17,549,543</u>
<u>Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product</u>			
Bank balances	(i)	11,892,791	8,975,181
Time deposits	(ii)	9,793,513	5,500,000
Cash and cash equivalents		<u>21,686,304</u>	<u>14,475,181</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

7. CASH AND CASH EQUIVALENTS (CONTINUED)

Notes

- (i) As at 30 September 2020, these interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Citibank, N.A. Hong Kong Branch, Standard Chartered Bank (Hong Kong) Limited and Industrial and Commercial Bank of China (Asia) Limited. As at 31 March 2020, these interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Citibank, N.A. Hong Kong Branch and Standard Chartered Bank (Hong Kong) Limited
- (ii) As at 30 September 2020 and 31 March 2020, these time deposits at fixed interest rate ranging from 0.42-0.66% p.a. for Global X S&P Daily (-1x) Inverse Product, 0.01-0.72% p.a.(31 March 2020: 1.85-1.95% p.a.) for Global X Hang Seng Index Daily (-1x) Inverse Product, 0.24-0.72% p.a.(31 March 2020:1.55-1.85% p.a.) for Global X Hang Seng Index Daily (2x) Leveraged Product, 0.24-0.72% p.a.(31 March 2020:1.85-1.94% p.a.) for Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and 0.24-0.72% p.a.(1.85-2.04% p.a.) for Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product were placed with Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and Agricultural Bank of China Limited with a maturity of less than three months. The carrying amounts of the cash and cash equivalents approximate their fair values. Interest income was earned on these cash and cash equivalents during the period/year ended 30 September 2020 and 31 March 2020.
- (iii) As at 30 September 2020 and 31 March 2020, short term highly liquid investments with maturity less than three months are held through The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, in connection with shares in CSOP US Dollar Money Market ETF and ICBC CICC USD Money Market ETF, which are listed in the Stock Exchange of Hong Kong.

8. TRANSACTION COSTS

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

9. SOFT DOLLAR ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Funds with whom the Manager or any of its connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds as a whole and may contribute to an improvement in the performance of the Sub-Funds. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. Since the inception of the Sub-Funds, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the account of the Sub-Funds.

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

10. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as they are authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempt from Hong Kong Profits Tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

11. DISTRIBUTIONS TO UNITHOLDERS

The Manager does not intend to pay or make any distributions or dividends.

12. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The SFC code states that not more than 10% of the NAV of the Sub-Funds may be invested in securities issued by any single issuer, subject to certain provisions of the SFC code. There were no securities that individually accounted for more than 10% of the NAV of the Sub-Funds as at 30 September 2020 and 31 March 2020.

As per chapter 8.4A(c) of the SFC Code, the Sub-Funds with investments in futures may not hold open positions in any futures contract month for which the combined margin requirement represents 5% or more of the NAV of the Sub-Funds. However, as the Manager expects that the aggregate margin requirement for the futures contracts that Hang Seng Index Daily (-1x) Inverse Product, Hang Seng Index Daily (2x) Leveraged Product, Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Hang Seng China Enterprises Index Daily (2x) Leveraged Product will invest may be as high as 10% in order to obtain the required exposure to the respective index, the Manager has applied to the SFC, and the SFC has granted, a waiver in respect of these Sub-Funds from the requirement under Chapter 8(c)(e) of the SFC Code, subject to certain conditions as stated in the prospectus of these Sub-Funds.

As at 30 September 2020 and 31 March 2020, the initial and maintenance margin requirements for futures were as follows:

	<u>30 September 2020</u>		<u>31 March 2020</u>	
	HK\$	% of net asset value	HK\$	% of net asset value
<u>Initial margin requirement</u>				
Hang Seng Index Daily (-1x) Inverse Product	3,197,453	9.22	7,263,662	13.81
Hang Seng Index Daily (2x) Leveraged Product	9,482,102	18.74	12,054,588	25.28
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2,669,310	9.29	4,134,704	13.50
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	4,804,758	18.86	6,418,048	24.92
	<u>30 September 2020</u>		<u>31 March 2020</u>	
	HK\$	% of net asset value	HK\$	% of net asset value
<u>Maintenance margin requirement</u>				
Hang Seng Index Daily (-1x) Inverse Product	2,557,962	7.38	5,810,930	11.04
Hang Seng Index Daily (2x) Leveraged Product	7,585,682	14.99	9,643,670	20.23
Hang Seng China Enterprises Index Daily (-1x) Inverse Product	2,135,448	7.43	3,307,763	10.80
Hang Seng China Enterprises Index Daily (2x) Leveraged Product	3,843,806	15.08	5,134,438	19.94

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

13. DERIVATIVE FINANCIAL INSTRUMENTS

(i) *Futures contracts*

Futures contracts are a commitment to make or take future delivery of various commodities, currencies or financial instruments at a specified time and place. These commitments can be discharged by making or taking delivery of an approved grade of commodity, currency and financial instrument by cash settlement or by making an offsetting sale or purchase of an equivalent futures contract on the same (or a linked) exchange prior to the designated date of delivery.

(ii) *Swap agreements*

Swap agreements ("Swaps") represent agreements between two parties to make payments based upon the performance of certain underlying assets. The Sub-Fund is obligated to pay, or entitled to receive as the case may be, the net difference in the value determined at the onset of the Swaps versus the value determined at the termination or reset date of the Swaps. Therefore, amounts required for the future satisfaction of the Swaps may be greater or less than the amounts recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instrument of the Swap is valued, at the Swap's settlement date.

In managing a Sub-Fund, the Manager adopted a synthetic replication investment strategy, pursuant to which the relevant Sub-Fund will enter into one or more unfunded swaps (which are over-the-counter financial derivative instruments entered into with one or more counterparties (each a "Swap Counterparty")) whereby the relevant Sub-Fund will receive or pay the economic gain or loss in respect of the inverse or leveraged performance of the relevant index (net of swap fees of the respective Sub-Fund).

The following derivative contracts were unsettled as at the period/year ended 30 September 2020 and 31 March 2020.

Global X S&P 500 Daily (-1x) Inverse Product

As at 30 September 2020 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount US\$	Fair value US\$
Swaps	Short	09 October 2020	(9,800,000)	(6,780,463)	-

As at 31 March 2020 (audited)

Type of contract	Position	Expiration	Number of units	Nominal amount US\$	Fair value US\$
Swaps	Short	9 October 2020	(17,999,970)	(9,484,544)	-

Global X Hang Seng Index Daily (-1x) Inverse Product

As at 30 September 2020 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	29 October 2020	(29)	(33,973,500)	(372,022)

As at 31 March 2020 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	28 April 2020	(44)	(52,184,000)	(1,082,877)

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Global X Hang Seng Index Daily (2x) Leveraged Product

As at 30 September 2020 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	29 October 2020	86	100,749,000	1,077,294

As at 31 March 2020 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	28 April 2020	80	94,880,000	1,867,915

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

As at 30 September 2020 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	29 October 2020	(60)	(28,140,000)	(251,418)

As at 31 March 2020 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Short	28 April 2020	(63)	(30,347,100)	(649,765)

Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product

As at 30 September 2020 (unaudited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	29 October 2020	108	50,652,000	441,989

As at 31 March 2020 (audited)

Type of contract	Position	Expiration	Number of contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	28 April 2020	107	51,541,900	1,033,820

GLOBAL X LEVERAGED AND INVERSE SERIES

NOTES TO FINANCIAL STATEMENTS

14. SEGMENT INFORMATION

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

The Manager considers that each Sub-Fund has a single operating segment which is investing in swaps or futures as the Manager adopts a swap-based or futures-based replication investment strategy to achieve the investment objective of the respective Sub-Funds' segment. The objectives of the Sub-Funds are to provide investment results that, before deduction of fees and expenses, closely correspond to the inverse (-1x) or twice (2x) the daily performance of the underlying index relevant to each Sub-Fund.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of net assets and statement of profit or loss and other comprehensive income.

There were no changes in the reportable segment during the period/year ended 30 September 2020 and 31 March 2020.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is derived from investments financial assets and financial liabilities at fair value through profit or loss. The Sub-Funds have no assets or liabilities classified as non-current.

GLOBAL X LEVERAGED AND INVERSE SERIES

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 September 2020

Global X S&P 500 Daily (-1x) Inverse Product

		Holdings	Fair value US\$	% of net assets
Swap	Expiration Date	Units		
Global X S&P 500 TOTAL RETURN INDEX	09 October 2020	(9,800,000)	-	-
Total investments at fair value			-	-
Total investments, at cost			-	

Global X Hang Seng Index Daily (-1x) Inverse Product

		Holdings	Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HANG SENG IDX FUT OCT20 29/10/2020	29 October 2020	(29)	(372,022)	(1.07)
Total investments at fair value			(372,022)	(1.07)
Total investments, at cost			-	

Global X Hang Seng Index Daily (2x) Leveraged Product

		Holdings	Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HANG SENG IDX FUT OCT20 29/10/2020	29 October 2020	86	1,077,294	2.13
Total investments at fair value			1,077,294	2.13
Total investments, at cost			-	

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

		Holdings	Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HSCEI FUTURES OCT20 29/10/2020	29 October 2020	(60)	(251,418)	(0.87)
Total investments at fair value			(251,418)	(0.87)
Total investments, at cost			-	

Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product

		Holdings	Fair value HK\$	% of net assets
Future contracts	Expiration Date	Contracts		
HSCEI FUTURES OCT20 29/10/2020	29 October 2020	108	441,989	1.73
Total investments at fair value			441,989	1.73
Total investments, at cost			-	

GLOBAL X LEVERAGED AND INVERSE SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the six months from 1 April 2020 to 30 September 2020

Global X S&P 500 Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2020	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2020
Swap					
Global X S&P 500 TOTAL RETURN INDEX	(17,999,970)	1,479,919,700	-	1,471,719,730	(9,800,000)

Global X Hang Seng Index Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2020	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2020
Future Contracts					
HANG SENG IDX FUT APR20 28/04/2020	(44)	48	-	4	-
HANG SENG IDX FUT MAY20 28/05/2020	-	34	-	34	-
HANG SENG IDX FUT JUN20 29/06/2020	-	30	-	30	-
HANG SENG IDX FUT JUL20 30/07/2020	-	32	-	32	-
HANG SENG IDX FUT AUG20 28/08/2020	-	29	-	29	-
HANG SENG IDX FUT SEP20 29/09/2020	-	32	-	32	-
HANG SENG IDX FUT OCT20 29/10/2020	-	1	-	30	(29)

Global X Hang Seng Index Daily (2x) Leveraged Product

Financial assets at fair value through profit or loss	1 April 2020	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2020
Future Contracts					
HANG SENG IDX FUT APR20 28/04/2020	80	7	-	87	-
HANG SENG IDX FUT MAY20 28/05/2020	-	89	-	89	-
HANG SENG IDX FUT JUN20 29/06/2020	-	88	-	88	-
HANG SENG IDX FUT JUL20 30/07/2020	-	95	-	95	-
HANG SENG IDX FUT AUG20 28/08/2020	-	98	-	98	-
HANG SENG IDX FUT SEP20 29/09/2020	-	97	-	97	-
HANG SENG IDX FUT OCT20 29/10/2020	-	87	-	1	86

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Financial assets at fair value through profit or loss	1 April 2020	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2020
Future Contracts					
HSCEI FUTURES APR20 28/04/2020	(63)	75	-	12	-
HSCEI FUTURES MAY20 28/05/2020	-	64	-	64	-
HSCEI FUTURES JUN20 29/06/2020	-	70	-	70	-
HSCEI FUTURES JUL20 30/07/2020	-	71	-	71	-
HSCEI FUTURES AUG20 28/08/2020	-	62	-	62	-
HSCEI FUTURES SEP20 29/09/2020	-	63	-	63	-
HSCEI FUTURES OCT20 29/10/2020	-	5	-	63	(58)

GLOBAL X LEVERAGED AND INVERSE SERIES

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

For the six months from 1 April 2020 to 30 September 2020

Global X Hang Seng China Enterprises Daily (2x) Leveraged Product

Financial assets at fair value through profit or loss	1 April 2020	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2020
Future Contracts					
HSCEI FUTURES APR20 28/04/2020	107	10	-	117	-
HSCEI FUTURES MAY20 28/05/2020	-	114	-	114	-
HSCEI FUTURES JUN20 29/06/2020	-	115	-	115	-
HSCEI FUTURES JUL20 30/07/2020	-	131	-	131	-
HSCEI FUTURES AUG20 28/08/2020	-	124	-	124	-
HSCEI FUTURES SEP20 29/09/2020	-	121	-	121	-
HSCEI FUTURES OCT20 29/10/2020	-	109	-	1	108

GLOBAL X LEVERAGED AND INVERSE SERIES

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

As at 30 September 2020

Futures

The details of futures contracts held by the Sub-Fund as at 30 September 2020 are as follows:

Global X Hang Seng Index Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional market value	Position	Counter party	Fair value
Financial liabilities:						
HANG SENG IDX FUT OCT20 29/10/2020	Hang Seng Index	(29)	(33,973,500)	Short	Goldman Sachs International	(372,022)
						<u>(372,022)</u>

Global X Hang Seng Index Daily (2x) Leveraged Product

Description	Underlying assets	Contract Size	Notional market value	Position	Counter party	Fair value
Financial assets:						
HANG SENG IDX FUT OCT20 29/10/2020	Hang Seng Index	86	100,749,000	Long	Goldman Sachs International	1,077,294
						<u>1,077,294</u>

Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional market value	Position	Counter party	Fair value
Financial liabilities:						
HSCEI FUTURES OCT20 29/10/2020	Hang Seng China Enterprises Index	(60)	(28,140,000)	Short	Goldman Sachs International	(251,418)
						<u>(251,418)</u>

Global X Hang Seng China Enterprises Daily (2x) Leveraged Product

Description	Underlying assets	Contract Size	Notional market value	Position	Counter party	Fair value
Financial assets:						
HSCEI FUTURES OCT20 29/10/2020	Hang Seng China Enterprises Index	108	50,652,000	Long	Goldman Sachs International	441,989
						<u>441,989</u>

Swaps

At 30 September 2020, the Fund held the outstanding credit default swaps contracts as shown below:

Global X S&P 500 Daily (-1x) Inverse Product

Description	Underlying assets	Contract Size	Notional market value	Position	Counter party	Fair value
Financial assets:						
Global X S&P 500 TOTAL RETURN INDEX	S&P 500 Index	(9,800,000)	(6,780,463)	Short	BNP Paribas Securities Services	-
						<u>-</u>

GLOBAL X LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

As at 30 September 2020 (unaudited)

	Dealing net asset value	Dealing net asset value per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	6,900,892	1.1041
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	34,735,059	5.8873
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	50,604,666	7.2292
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	28,754,959	6.1181
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	25,517,893	6.0757

As at 31 March 2020 (audited)

	Dealing net asset value	Dealing net asset value per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	7,672,805	1.4615
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	52,700,261	6.2000
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	47,676,093	7.3348
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	30,648,060	6.3850
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	25,803,551	6.2935

As at 31 March 2019 (audited)

	Dealing net asset value	Dealing net asset value per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	19,431,120	1.4132
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	151,382,717	5.4454
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	86,319,541	11.2103
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	35,797,577	5.8685
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	57,422,443	9.1147

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

For the six months ended 30
September 2020

	Highest issue price per unit	Lowest redemption price per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	1.5417	1.0363
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.4034	5.3398
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	9.1421	6.6627
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.5578	5.4108
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	8.0786	5.9330

GLOBAL X LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT (CONTINUED)

	<u>For the year ended 31 March 2020</u>	
	Highest issue price per unit	Lowest redemption price per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	1.7148	1.1669
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.8854	5.2423
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	12.0837	6.0605
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	7.1887	5.5512
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	9.9063	5.1674
	<u>For the year ended 31 March 2019</u>	
	Highest issue price per unit	Lowest redemption price per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	1.7123	1.3959
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	6.5312	5.2708
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	13.4389	8.2044
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	6.8504	5.6682
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	11.1886	6.8967
	<u>For the year/period ended 31 March 2018</u>	
	Highest issue price per unit	Lowest redemption price per unit
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	1.8189	1.4396
Global X Hang Seng Index Daily (-1x) Inverse Product ¹ (in HK\$)	15.0191	5.1726
Global X Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	23.1596	10.8196
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product ¹ (in HK\$)	15.4402	5.2809
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product ¹ (in HK\$)	20.4167	9.1407
	<u>For the period from 5 October 2016 (date of inception) to 31 March 2017</u>	
	Highest issue price per unit	Lowest redemption price per unit
Global X S&P 500 Daily (-1x) Inverse Product ² (in US\$)	1.7651	2.0585

¹The financial period of the Sub-Funds in 2018 is referring to the period from 10 March 2017 (date of inception) to 31 March 2019.

²The financial period of the Sub-Fund in 2017 is referring to the period from 5 October 2016 (date of inception) to 31 March 2017.

GLOBAL X LEVERAGED AND INVERSE SERIES

PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

PERFORMANCE OF THE SUB-FUNDS

	<u>For the six months ended 30 September 2020</u>	
	Sub-Fund performance (%)	Index* performance (%)
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	(24.45)	30.12
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	(5.05)	(0.61)
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(1.44)	(0.61)
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	(4.18)	(2.06)
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(3.46)	(2.06)
	<u>For the year ended 31 March 2020</u>	
	Sub-Fund performance (%)	Index* performance (%)
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	3.42	(8.81)
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	13.85	(18.75)
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(34.57)	(18.75)
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	8.79	(15.68)
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(30.96)	(15.68)
	<u>For the year ended 31 March 2019</u>	
	Sub-Fund performance (%)	Index* performance (%)
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	(9.52)	7.33
Global X Hang Seng Index Daily (-1x) Inverse Product (in HK\$)	(3.19)	(3.46)
Global X Hang Seng Index Daily (2x) Leveraged Product (in HK\$)	(7.26)	(3.46)
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product (in HK\$)	(1.56)	(5.16)
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product (in HK\$)	(11.98)	(5.16)
	<u>For the year/period ended 31 March 2018</u>	
	Sub-Fund performance (%)	Index* performance (%)
Global X S&P 500 Daily (-1x) Inverse Product (in US\$)	(13.10)	11.77
Global X Hang Seng Index Daily (-1x) Inverse Product ¹ (in HK\$)	(25.00)	27.68
Global X Hang Seng Index Daily (2x) Leveraged Product ¹ (in HK\$)	61.17	27.68
Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product ¹ (in HK\$)	(20.51)	19.16
Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product ¹ (in HK\$)	38.08	19.16
	<u>For the period from 5 October 2016 (date of inception) to 31 March 2017</u>	
	Sub-Fund performance (%)	Index* performance (%)
Global X S&P 500 Daily (-1x) Inverse Product ² (in US\$)	(10.50)	9.35

¹The financial period of the Sub-Funds in 2018 is referring to the period from 10 March 2017 (date of inception) to 31 March 2018.

²The financial period of the Sub-Fund in 2017 is referring to the period from 5 October 2016 (date of inception) to 31 March 2017.

*The respective tracking indices of these Sub-Funds are price return, float-adjusted market capitalisation weighted indices. A price return index calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns

GLOBAL X LEVERAGED AND INVERSE SERIES

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[¶] In respect of Global X Hang Seng Index Daily (-1x) Inverse Product, Global X Hang Seng Index Daily (2x) Leveraged Product, Global X Hang Seng China Enterprises Index Daily (-1x) Inverse Product and Global X Hang Seng China Enterprises Index Daily (2x) Leveraged Product only

[¶] In respect of Global X S&P 500 Daily (-1x) Inverse Product only