

Press Release

CSOP Asset Management licenses Solactive Gold 1-Day Rolling Futures Index for 2x Leveraged Gold ETP

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For Millennials, Gold has acted as a reliable store of value. Its unique color and properties have made it an ideal candidate in the creation of earlier standardized forms of money. Unlike Fiat currencies in times of economic distress, and just like the precious metal itself, Gold's value does not corrode. In the context of capital markets, this has led Gold to become an important safe-haven asset, protecting investors during inflationary and deflationary periods, as well as acting as a crucial portfolio diversifier. Now, as markets are again experiencing turbulences during the Covid-19 crisis, demand for the precious metal also increased significantly, resulting in a solid positive return year to date. In order to enable investors to benefit from this price movement, CSOP Asset Management licensed the Solactive Gold 1-Day Rolling Futures Index for their 2x leveraged Gold ETP. The ETP caters to different types of investors, allowing them to, e.g., tactically hedge or diversify their portfolios.

The **CSOP Gold Futures Daily (2x) Leveraged Product** (南方東英黃金期貨每日槓桿(2x)產品 | Ticker: **7299.HK**) is the first leveraged commodity product listed in Hong Kong, underlining yet again both CSOP's and Solactive's roles as market innovators. The product aims to provide investors with a return of twice (2x) the daily performance of the **Solactive Gold 1-Day Rolling Futures Index**, which in turn tracks the performance of the CME (COMEX) active month Gold future.

Generally, Leveraged and Inverse (L&I) products have been rising in popularity. Today's interdependence of capital markets based on a more globalized world economy, together with rising geopolitical uncertainties, often result in overall heightened market volatility. This situation sparks the necessity to tactically reposition a portfolio more frequently. Leverage can help investors to achieve this short-term reallocation while deploying a substantially reduced level of capital. Now, investors can efficiently obtain leveraged exposure to the unique characteristics of the Gold price to position themselves during the current turmoil and beyond.

*"Using our **Solactive Gold 1-Day Rolling Futures Index**, CSOP has created a powerful tool for investors to tactically diversify or hedge their portfolios," says Steffen Scheuble, CEO of Solactive. "We are honoured to serve as the index provider for this innovative product from CSOP, who is a major player in the Hong Kong L&I space and one of the leading asset managers for China investments."*

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Melody He, Managing Director and Head of Sales and Product Strategy at CSOP AM, comments: *"I am very proud of what we have achieved in the past years. The team spends a lot of time assessing our investors' needs and with Hong Kong's first commodity-based L&I product - 7299.HK - we have created another advanced tool to help them build efficient portfolios. Moreover, with Solactive, we have found a new trusted partner that shares our spirit for innovation. We look forward to expanding our partnership with the fast-growing German index provider to develop more high-quality products for our investors."*

The **CSOP Gold Futures Daily (2x) Leveraged Product** was listed on Hong Kong Stock Exchange on June 5, 2020.

For further information, please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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