

DFEN

Direxion Daily Aerospace & Defense Bull 3X ETF Analyst Report

The Direxion Daily Aerospace & Defense Bull 3X Shares aims to triple the daily return of an index of defense industry stocks like Boeing, United Technologies, Lockheed Martin and Raytheon.

DFEN, like all leveraged products, is designed for short-term trading by sophisticated investors. DFEN rebalances daily, which means its performance over longer time periods will diverge significantly from the underlying stocks. The daily reset means that DFEN could lose money over time even if the underlying equities have posted a gain, which can come as a rude surprise to buy-and-hold investors who don't read the fine print.

DFEN is ideal for traders looking for a way to place an ultra-short-term high-conviction wager on a rally in defense industry stocks. The management fee of 99 basis points might seem high in the world of passive investments, but it's in line with other leveraged products and shouldn't be a major concern for traders who plan to cash out of their positions quickly.

For longer-term investors who want passive exposure to defense stocks without the complications of leverage, BlackRock's iShares U.S. Aerospace & Defense ETF (ITA) tracks the same underlying index as DFEN, and State Street's SPDR S&P Aerospace and Defense ETF (XAR) tracks an MSCI index and invests in many of the same companies. XAR charges a fee of 35 basis points, which is high for an index-tracking ETF but cheaper than competitors including ITA, FITE, PPA and ROKT.

ESG Themes and Scores

5.92/10

ESG Rate

30.23%

Global Percentile

44.08%

Peer Percentile

Performance Data

| | DFEN | ETF Database Category Average | Factset Segment Average |
|---------------|---------|-------------------------------|-------------------------|
| 1 Month | 26.23% | 8.20% | 65.91% |
| 3 Month | -16.88% | 18.59% | 74.50% |
| YTD Return | 17.52% | 21.37% | 15.47% |
| 1 Year Return | 95.47% | 80.12% | 50.65% |
| 3 Year Return | 75.46% | 22.61% | 4.72% |
| 5 Year Return | 31.04% | 3.48% | 1.94% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|------------------------|----------|
| Other | U.S. Dollar | 19.70% |
| GE | GE Aerospace | 16.06% |
| RTX | RTX Corporation | 11.46% |
| BA | Boeing Company | 7.65% |
| RKLB | Rocket Lab Corporation | 4.38% |

Vitals

| | |
|---------------|---|
| Issuer | Rafferty Asset Management |
| Brand | Direxion |
| Structure | ETF |
| Expense Ratio | 0.96% |
| Inception | May 03, 2017 |
| Index Tracked | DJ US Select / Aerospace & Defense (300%) |

ETF Database Themes

| | |
|-------------------|--------------------|
| Category | Leveraged Equities |
| Asset Class | Equity |
| Asset Class Size | Multi-Cap |
| Asset Class Style | Blend |
| Region (General) | North America |
| Region (Specific) | U.S. |

FactSet Classifications

| | |
|-----------|--|
| Segment | Leveraged Equity: U.S. Aerospace & Defense |
| Category | Sector |
| Focus | Industrials |
| Niche | Aerospace & Defense |
| Strategy | Vanilla |
| Weighting | Market Cap |

