

DFEN

Direxion Daily Aerospace & Defense Bull 3X Shares 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

6.19/10

ESG Rate

43.71%

Global Percentile

0.0%

Peer Percentile

Performance Data

	DFEN	ETF Database Category Average	Factset Segment Average
1 Month	21.81%	12.73%	21.81%
3 Month	17.55%	1.60%	17.55%
YTD Return	9.83%	42.38%	9.83%
1 Year Return	13.32%	24.58%	13.32%
3 Year Return	7.85%	-2.26%	7.85%
5 Year Return	-9.09%	0.10%	-9.09%

Top 5 Holdings

Symbol	Holding	% Assets
Other	U.S. Dollar	27.10%
BA	Boeing Company	13.98%
RTX	RTX Corp.	12.33%
LMT	Lockheed Martin Corporation	5.46%
LHX	L3Harris Technologies Inc	3.54%

Vitals

Issuer	Rafferty Asset Management
Brand	Direxion
Structure	ETF
Expense Ratio	0.97%
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

