

CHAU

Direxion Daily CSI 300 China A Share Bull 2X Shares

Fund Description

CHAU provides daily 2x leveraged exposure to an index of the 300 largest and most liquid Chinese shares traded on the Shanghai and Shenzhen exchanges.

FactSet Analyst Report

CHAU is a leveraged play on the China A-share market, using swaps to mimic twice the daily returns on the CSI 300 Index. CHAU rebalances its leveraged exposure daily, so over a period of time, compounding effects can lead to profound differences in expected returns relative to the index. The index invests in large, well-traded Chinese stocks that trade only on the mainland through the subadvisor, Harvest Global Investments, which has an RQFII license up to a specific quota. If the quota is reached, the index will have to either get its quota increased, use derivatives to maintain exposure, or limit or halt creations, so monitoring is warranted. CHAU is not a buy-and-hold investment and should not be expected to provide index leverage return greater than a one-day period. The index is reviewed semi-annually.

