

CVNX

Defiance Daily Target 2X Long CVNA ETF

Fund Description

CVNX seeks to deliver 2x leveraged exposure to the daily share price movement of Carvana Co. (CVNA), less fees and expenses, through derivatives like swap agreements.

FactSet Analyst Report

CVNX uses swap agreements to make bullish bets on Carvana Co. (CVNA) share price. Carvana is an e-commerce platform that specializes in buying and selling used cars online. The company offers vehicle financing, trade-ins, and home delivery, and is known for its car vending machines and vertically integrated operations. The fund seeks to maintain daily leveraged exposure equivalent to 200% of the daily percentage change in CVNA's share price through daily rebalancing. As a leveraged product, it is designed for short-term tactical use, not as a long-term investment vehicle. Returns may deviate from the expected 2x if held longer than a single day due to factors like volatility and compounding effects. This strategy is high-risk and does not incorporate a defensive position. CVNX could potentially lose value over time, even if CVNA's performance is strong. It is expected to invest in US Government securities, money market funds, short-term bond ETFs, and corporate debt as collateral.