

HCMT

Direxion HCM Tactical Enhanced US ETF

Fund Description

HCMT is an actively managed fund-of-funds that toggles between a 200% leveraged US equity position and a 100% investment to cash or cash equivalents based on a proprietary tactical indicator that identifies broad trends in the US equity markets.

FactSet Analyst Report

HCMT is a fund-of-funds that aims to provide enhanced returns across multiple market cycles by allocating between US equities and cash or cash equivalents. Portfolio allocation is based on a proprietary quantitative model that utilizes the HCM-BuyLine, a tactical indicator that uses technical factors to identify broad trends in the US equity markets. An upward or downward trend is established when the S&P 500 Index closes above (for five consecutive days) or hits a specified threshold below the HCM-BuyLine. During an upward trend, the fund holds stocks, ETFs, and derivatives to achieve daily leveraged exposures of approximately 80% S&P 500, 80% NASDAQ-100, and up to 40% sector allocation. The fund selects only one sector whose market trend is the strongest according to a proprietary relative strength formula. The portfolio may rebalance daily when invested in US equities. During a downward trend, the fund fully invests in cash or cash equivalents in an attempt to preserve capital.

