

LABU

Direxion Daily S&P Biotech Bull 3X Shares

Fund Description

LABU provides daily 3 times exposure to the S&P Biotechnology Select Industry Index.

FactSet Analyst Report

LABU is a daily 3x leveraged bet on an equal-weighted index of US biotech stocks. The vast majority of the fund's exposure is to biotechnology and medical research but also captures significant exposure to pharmaceuticals as well. As a leveraged product, the fund is not a buy-and-hold investment. It gets its leverage exposure through a portfolio of derivatives contracts that gets rebalanced at the end of each trading day. Because of that, the fund's return for periods longer than a day becomes path-dependent and is likely to be different from 3x the return of the index for the same period. This makes LABU suitable primarily for short-term traders. Over time, compounding effects can lead to profound differences in expected returns relative to the index.