

MSTX

Defiance Daily Target 2x Long MSTR ETF

Fund Description

MSTX seeks to provide 2x leveraged exposure to the daily share price movement of the MicroStrategy Incorporated (NYSE: MSTR), less fees and expenses.

FactSet Analyst Report

MSTX uses swap agreements to make bullish bets on MicroStrategy Incorporated's (NYSE: MSTR) share price. MSTR was originally known for its enterprise analytics software. It has then pivoted to include acquiring and holding Bitcoin (BTC) as another operational business. The fund maintains a daily leveraged exposure equivalent to 200% of the fund's net assets through daily rebalancing. As a geared product, the fund is intended as a short-term tactical tool, rather than as a long-term investment vehicle. As a result, returns may deviate from the expected 2x if held for longer than a single day due to compounding. This strategy is high-risk and does not include a defensive position as part of its overall process. Additionally, the fund could potentially lose money over time, even if MSTR's performance strengthens. The fund is expected to invest in cash-like instruments as collateral. Following October 29, 2024, the fund adjusted its leverage ratio from 1.75x to 2x.