

RIOX

Defiance Daily Target 2X Long RIOT ETF

Fund Description

RIOX aims to provide 2x long daily price performance of Riot Platforms, Inc. shares, less fees and expenses, through the use of swap contracts. The underlying stock focuses on cryptocurrencies and cryptocurrency mining computers.

FactSet Analyst Report

RIOX uses swap agreements aiming to provide 200% daily targeted exposure to the blockchain and cryptocurrency mining industry through Riot Platforms, Inc. (RIOT). Riot Platforms operates in bitcoin mining, data center hosting, and engineering industries. The firm aims to capitalize on the growing demand for decentralized digital assets and infrastructure. The firm also has the ability to hold bitcoin on its balance sheet, offering a double-edged sword to ETF purchasers. As a leveraged product, it is designed for short-term tactical use. 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. RIOX could potentially lose value over time, even if RIOTs performance is strong. The ETF may hold government securities, money market funds, etc. as collateral for the swaps. Purchasers should be comfortable with counter-party risk.