

RKLX

Defiance Daily Target 2X Long RKLB ETF

Fund Description

RKLX aims to provide 2x long daily price performance of Rocket Lab USA, Inc. shares, less fees and expenses, through the use of swap contracts. The underlying stock focuses on satellite launches, space exploration, and aerospace systems.

FactSet Analyst Report

RKLX uses swap agreements aiming to provide 200% daily targeted exposure to Rocket Lab USA, Inc. (RKLB). Rocket Lab is a company involved with satellite launches, space exploration, and advanced aerospace systems. The firm aims to capitalize on the growing interest in space exploration. 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. RKLX could potentially lose value over time, even if RKLB's 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.