

Leveraged Funds and The Active Trading Boom

Inside the Mind of the Active Trader



White paper

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Executive Summary

For decades, investors have been searching for an edge. A way to double down or amplify their beliefs about certain stocks or sectors without using complex instruments or signing lengthy margin agreements.

Lately, they've found a home in leveraged exchange-traded funds and notes (ETFs and ETNs), which have caught fire since the beginning of COVID and the latest active trading renaissance. Volume in these funds – which allow traders to speculate in a wide range of assets – has grown faster than options or stock volumes between 2020 and 2025.

Since then, every market selloff has felt like a defining moment for leveraged funds. April 2025 – when the White House shocked the world with extreme tariff policy – set a trading

record for leveraged funds in both volume and turnover.

Wall Street has leaned into this obsession, too. Innovative funds burst onto the scene faster than ever in 2025, with the list of active leveraged funds expanding at the fastest pace since 2007. Single-stock leveraged funds that allow you to speculate on popular names like Nvidia, Microsoft, and Amazon have flourished in their three years of existence, now commanding half of all leveraged equity fund volume.

In this report, we will dig into how the leveraged fund space has grown so quickly and how major market events have contributed to this evolution.

Specifically, we'll examine:

- What drove this tremendous growth in leveraged funds.
- How sophisticated active retail traders have used these funds to express their bullish or bearish views. We'll focus specifically on how they've behaved during recent market events: the initial COVID selloff, the 2022 bear market, and 2025's 19% Liberation Day drop.
- What changing investor preferences could bode for the future of leveraged funds.
- If leveraged funds could complement your own approach to trading.

A Primer on Leveraged Funds

Leveraged funds came on the scene in June 2006, allowing individual investors the ability to speculate against – or double/triple down – on the fates of popular stock funds, indexes, and sectors.

While the initial adoption was strong, the leveraged fund space was about to face its first test. In late 2007, the S&P 500 fell into a treacherous 57% slide, brought on by economic fears and a credit meltdown now known as the Global Financial Crisis. America’s risk appetite was neutered by such a quick and nasty turn of fortune, and the retail investing population developed a distrust of Wall Street. Leveraged

funds enjoyed a few years of exponential AUM growth, then floundered in the early 2010s.

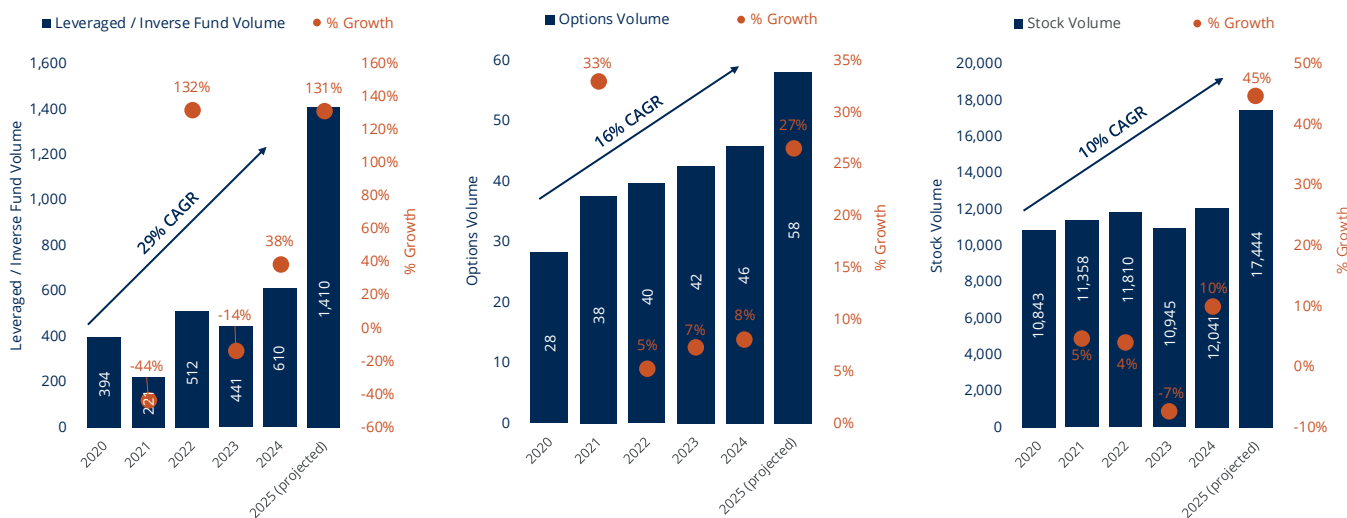
Then came the wild west of the 2020s. COVID forced us all to stay in our homes and be glued to our phones. Since then, stock trading volume has exploded by 60%, options volume has more than doubled, and everyday investors have adopted a whole new level of sophistication.

And in turn, leveraged fund activity has soared. Leveraged volumes have grown at a 29% annual pace since 2020 – faster than options and stock market volumes over that same period.

Leveraged Fund Volume Has Soared Since COVID

Average leveraged ETF/ETN volume per day vs. options and stock volume

2020 through 2025. Volume figures are in millions.



Source: Compound Insights, Bloomberg, CBOE. Data is as of 11/30/2025.

Before we talk trends, let's walk through what these funds actually are.

Leveraged funds combine two classic investing instruments:

- **ETFs and ETNs**, which give you the ability to access new markets and strategies through pooled investments and the flexibility of intraday trading, and...
- **Leverage**, which allows you to amplify investment returns and losses through the use of derivatives (futures, options, and swaps)

There are a few other ways to build the same strategy – either through options or setting up your own margin or derivatives trades on single stocks and funds. However, both of those avenues require understanding complex strategies, getting approval from your brokerage to make these trades, and paying hefty upfront costs to transact in complicated (and sometimes illiquid) products.

Leveraged funds allow you to make similar trades in a familiar wrapper. ETFs and ETNs are extremely popular instruments, and you can trade most funds commission-free at major brokerages.

The ETF structure doesn't fully eliminate complexity, though. You're exposed to the quirks and costs of margin and derivatives within the products, even if margin and derivatives aren't explicitly sitting in your account.

There are a few considerations that traders need to keep in mind when using leveraged funds:

- **Leverage resets**, or when a fund re-adjusts its positions on a daily basis to achieve its stated objective. Many of these funds promise a certain amount of leverage each day relative to the investment they track. To achieve this, the issuers have to shift the balance of their underlying instruments daily.
- **Roll yield**, or the gains/losses the holder incurs when the underlying fund adjusts its derivatives/swaps positions. Derivatives and swaps are ultimately finite contracts with end dates, so when they expire, the fund needs to replace them to maintain the stated objective. When new contracts cost more than the value of the old contracts, the fund incurs a loss. This is an issue mainly in commodity and volatility-based funds.
- **Margin/financing costs**, or the implicit fee you pay for each fund to hold derivatives on margin.

These factors aren't explicitly included in each fund's expense ratio. However, they're factored into each fund's net asset value, so they can affect your returns.

These considerations aren't always costs, either. Leverage resets and roll yield can actually work in your favor. In a smooth, increasing stock market, the daily rebalancing can apply a steady amount of leverage to a growing base of assets.

Ultimately, a leveraged fund responds to gains by becoming more aggressive and responds to losses by becoming more defensive. In markets that are directional, this can be an advantage. But in volatile markets lacking direction, this can be a disadvantage.

Roll yield can be thought of the same way. If the fund's new contracts cost less than the value of the old contracts, the rolling process can help boost returns. The opposite situation can be true, too.

Over time, these considerations can make up a greater chunk of returns. That's why having

a shorter timeframe is crucial when trading leveraged funds.

If you're the type of person who wants leveraged exposure to Nvidia because you're excited about the AI story over the next few years, these products aren't for you. That Nvidia 2X ETF probably won't deliver you 2X returns on Nvidia's stock after these factors are worked in.

However, if you're trading based on short-term market or company events and are willing to frequently monitor and adjust these positions, these funds may make sense for you.

A New Way to Trade Across Asset Classes

Take a new wave of speculation and access in financial markets, add in a somewhat straightforward way to build a view in virtually any type of asset, and you have a recipe for the leveraged fund universe nearly quadrupling in size over the past five years.

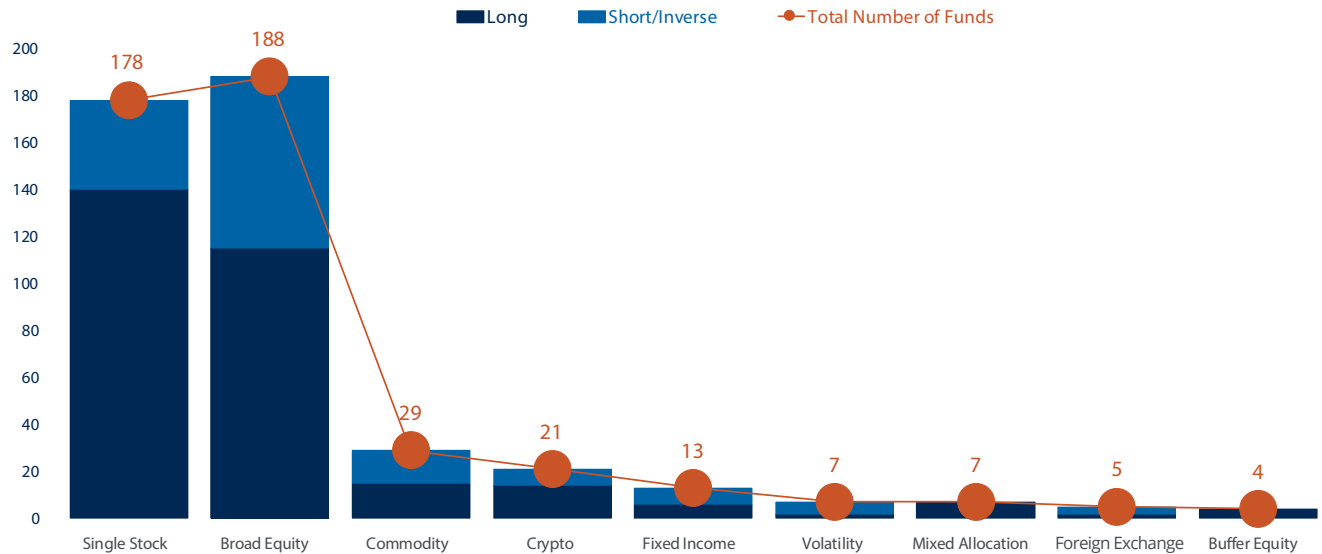
At the end of November, there was about \$160.5 billion invested in leveraged funds. At that point of the year, fund volumes accounted for approximately 8% of total trading activity on U.S. stock exchanges in 2025.

2025 was an especially monumental year for the leveraged fund space, according to a few different measures:

- **As of November, leveraged fund volume was on pace to more than double in 2025 to 16.9 billion shares (from 7.3 billion last year),**
- **April 2025 set a trading record for leveraged funds in both volume and turnover.**
- **The list of active leveraged funds grew at a 50% annual clip in 2025 – the fastest pace of product innovation since 2007.**

As of mid-August, there were 452 leveraged funds listed in the U.S. Here's a quick breakdown:

The Current Leveraged Fund Universe



Source: Compound Insights, Vanda. Data as of 7/31/2025.

A Buffer Equity ETF is an exchange-traded fund that tracks an equity index while using options strategies to provide downside protection (the "buffer") in exchange for capping the maximum potential upside.

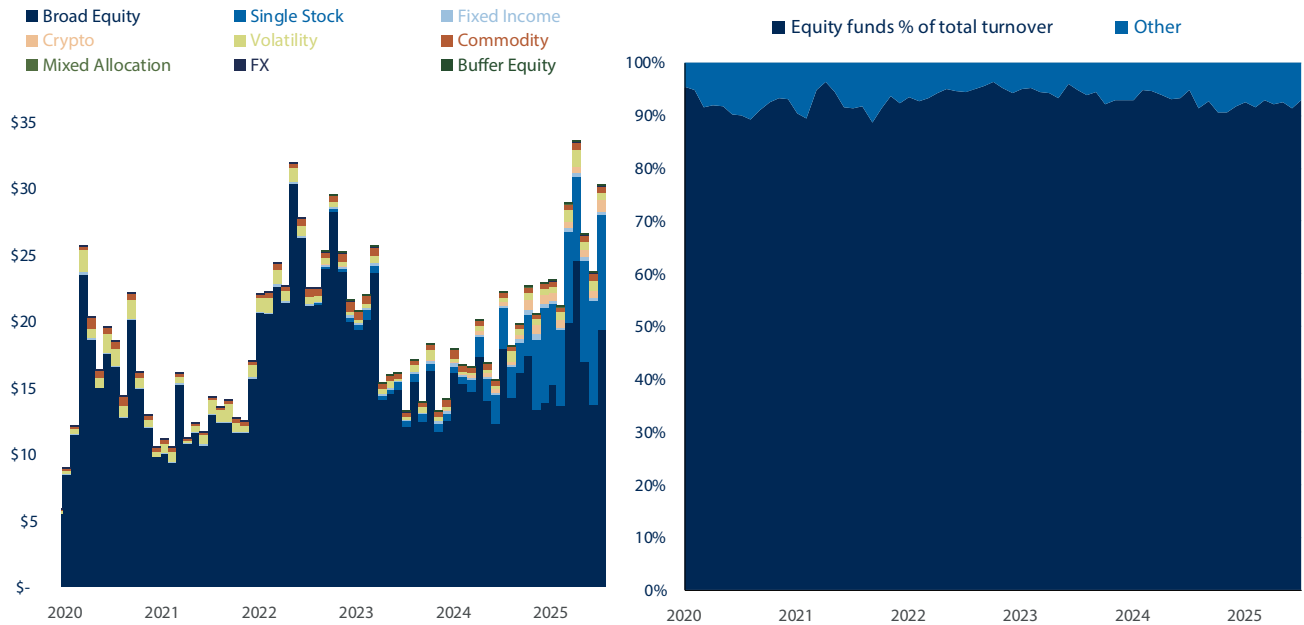
81% are equity funds, designed to give you exposure to an index, group, sector, or single stock. Makes sense – stocks are arguably the most well-known asset class among Americans.

Commodity funds are the second-most offered asset class, but for the opposite reason. Commodities – gold, silver, oil, uranium – are notoriously volatile, but are tough to access and speculate on. The popularity of these funds seems to rise and fall with what's popular and what's gatekept by Wall Street.

You can also select your view – will this particular asset or name move up or down? – and your level of conviction. This is where leverage comes into play. You can use these funds to double or triple down on your view with 2X and 3X leverage.

Traders' preferences for these funds have evolved over the years. Equity funds are far and away the most popular asset class, comprising about 90% of turnover in the space in 2025.

Equity Funds Dominate the Leveraged Fund Space



Source: Compound Insights, Vanda. Data as of 7/31/2025.

In mid-2022, leveraged single-stock funds came to market, and since then, they've garnered significant attention. ETF issuers have picked up on this shift.

Single Stock Funds Have Driven Issuance in 2025



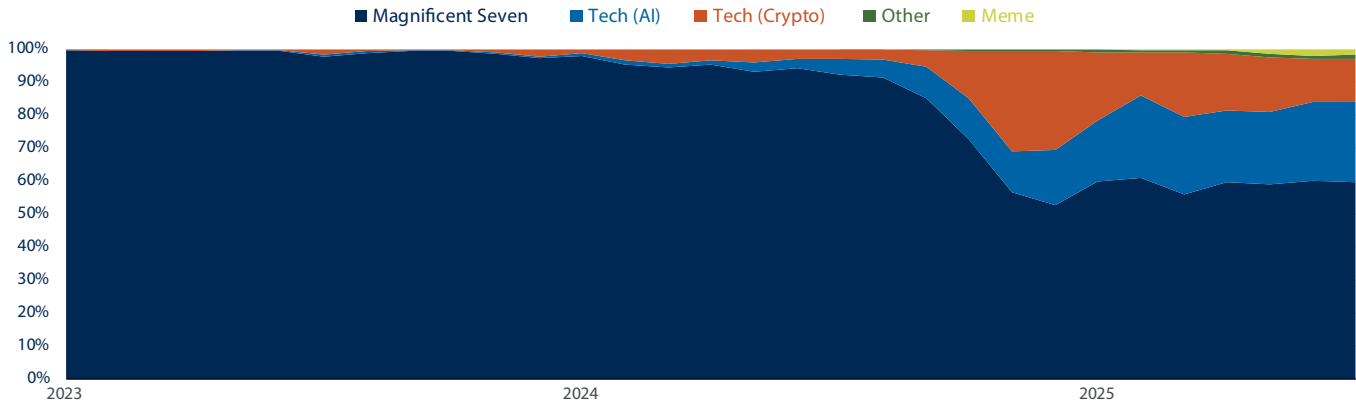
Source: Compound Insights, Bloomberg. Data as of 7/31/2025.

The Other category includes crypto, mixed allocation, volatility, foreign exchange, fixed income, commodity, and buffer equity funds.

After three years of brisk growth in supply and demand, equity fund volumes are almost split 50/50 between broad sector and single-stock funds. Activity within single stock funds has been driven by the usual suspects – big tech, the AI trade, and crypto.

What's Driving Single Stock Fund Volume?

Single-stock turnover by sector
2023 to 2025. Volume figures are in millions.



Source: Compound Insights, Vanda. Data as of 7/31/2025.

The other category includes all single stock funds that are not in the technology sector.

In examining leveraged funds, we need to talk about who actually uses them. Wall Street has the deep pockets and institutional experience to build its own complex strategies. They don't necessarily need leveraged funds.

On the other hand, self-directed traders lacking access to institutional instruments have flocked to these products. You can see this in volumes and turnover (the dollar amount of shares traded). From April to July 2025, about 5.5% of U.S. equity trading activity came from self-directed retail traders, or traders actively buying and selling on short-term views and catalysts.

Zoom in on leveraged funds, however, and you'll see that about 90% of turnover comes from active retail traders. The products have served these traders by democratizing access to institutional-like strategies in products that are readily available to them.

Are Leveraged Funds Right for You?

Now that you're familiar with how leveraged funds work, here's what you should think about when determining if you should use them.

Leveraged funds may be right for you if:

- » You have a view you'd like to express over the next day (or days) on events like earnings, data releases, and news events
- » You understand the short-term nature of these products (and the risk of substantial losses over a short period of time)
- » You have the time and attention span to manage these positions frequently in response to changing market conditions and performance

Leveraged funds may NOT be right for you if:

- » You have a longer-term view you'd like to express over weeks, months, and years
- » You aren't comfortable with the risks of these products or the probability of substantial losses over a short period of time
- » You don't have the time or attention span to frequently manage your positions

Using Leveraged Funds

In the rest of this report, we'll focus specifically on how active retail traders have used these funds through turnover and flows (net buying or selling).

These traders are clearly acting like traders with a short-term view by speculating on what happens next. Or they're responding to a particular catalyst – an earnings report, a Fed meeting, or an unexpected headline.

But it's also interesting to see how many traders use these funds to ride market momentum – or simply respond to how different asset classes are moving day by day.

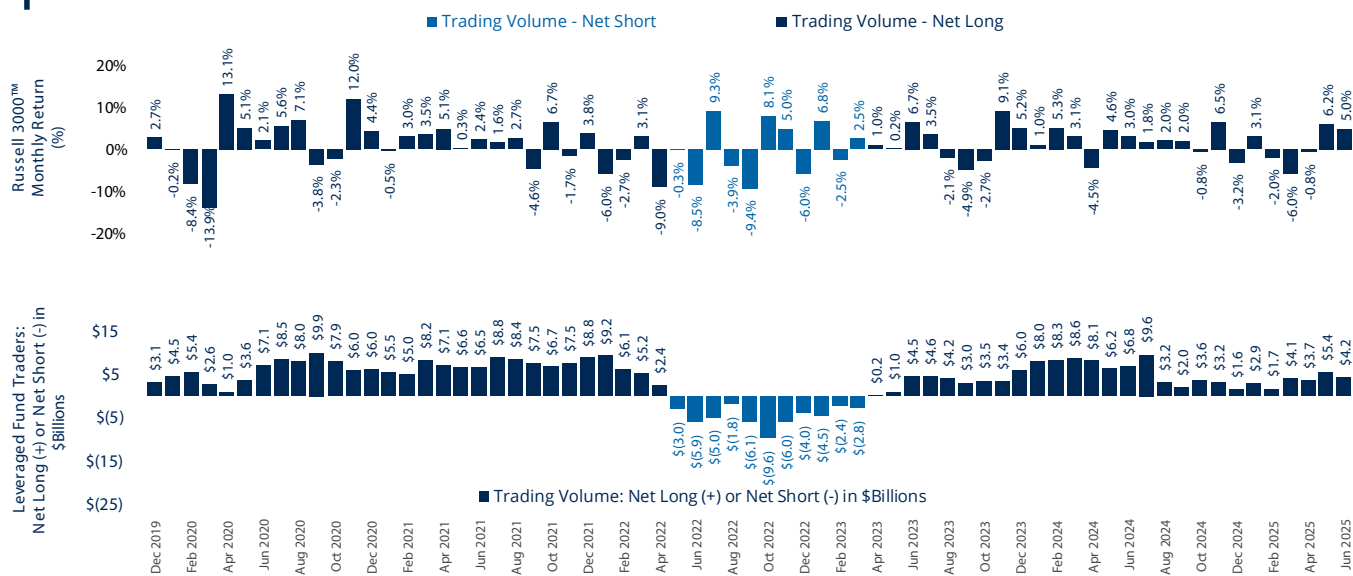
The parallels between market moves and leveraged fund turnover unveil a compelling

use case for leveraged funds. If you're a technical trader looking to express short-term momentum trades, leveraged funds might provide you with the right amount of control and liquidity.

It's important to choose the right leveraged fund for your situation, though. These funds are top-heavy, meaning that a large swath of activity happens in a small fraction of funds.

Trading begets trading because higher volumes often lead to better spreads and execution. Keep this in mind as you pick which fund is appropriate for your needs. Leveraged fund prices move fast, too – you want to make sure you can get in and out of trades smoothly.

Retail Leveraged Fund Traders Like to Follow Market Momentum



Source: Compound Insights, Vanda. Data as of 7/31/2025.
One cannot invest in an index. Past performance is not indicative of future results.

Leveraged Fund Activity During Major Stock Selloffs

The 2020 COVID Bear Market

START: February 2020
END: April 2020
S&P 500 MOVE: -34%

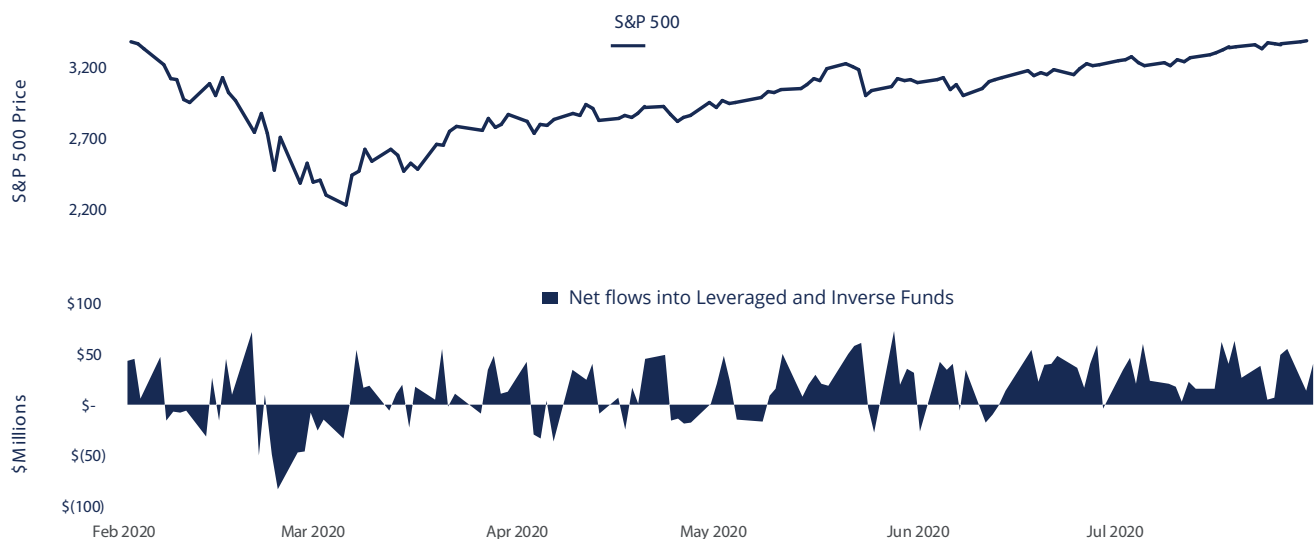
The backdrop: The world was caught off guard by the COVID pandemic, and the U.S.'s efforts to shut down social gatherings catalyzed the quickest bear market slide in history. There were plenty of market dislocations and swings to capitalize on. The S&P 500 fell 34%, the 10-year yield dropped to a record low, and oil prices briefly went negative.

The reaction: If you had to mark the exact moment in history where the current retail boom started, you'd probably drop the pin

here. Turnover in leveraged ETFs more than quadrupled during the depths of the COVID selloff. Retail traders flipped between bull and bear positions in long and short funds, moving increasingly into inverse ETFs as stock prices dropped. Flows from the active retail crowd turned bullish right on March 23, the trough of the selloff, and a day when the S&P 500 jumped 9.4%. Traders' appetites for higher prices were cemented after the benchmark crept within 7% of a record high in July of that year.

Positioning Trends in the 2020 COVID Selloff

Market moves vs. net buying/selling in long and short funds



Source: Compound Insights, Vanda. Data as of 7/31/2025.

One cannot invest in an index. Past performance is not indicative of future results.

The most surprising development was the breadth of funds traders used to express their views. Commodity funds had their day in the sun when crude oil closed as low as negative \$38 per barrel. The world was captivated by the concept of a negative price for a physical product, and traders (understandably) speculated that this anomaly wouldn't last long. Net purchases in oil-based leveraged funds spiked on April 20 – the day oil clocked its first negative close.

The takeaways:

- **Movement invites speculation.** If a market is moving wildly, retail traders will find it and speculate on its next steps via leverage. Leveraged funds were the obvious outlet in the COVID selloff.

- **The thirst for leverage wanes in deep selloffs.** You'd think traders would feel emboldened in their positions as prices move. Turns out the opposite is true based on what we observed during the COVID bear market. Active retail traders moved out of 3X leveraged funds into lower-leveraged products as the selloff progressed. March 2020 was one of the lowest turnover months for high-leveraged trades over the past five years.

- **Equities weren't the only avenue.** The success of oil-based funds shows that traders are willing to speculate on catalysts outside the stock market. The bar for interest in other asset classes may be higher, but it can be hurdled under the right conditions.

The 2022 Inflation Crisis

START: January 2022
END: January 2024
S&P 500 MOVE: -25%

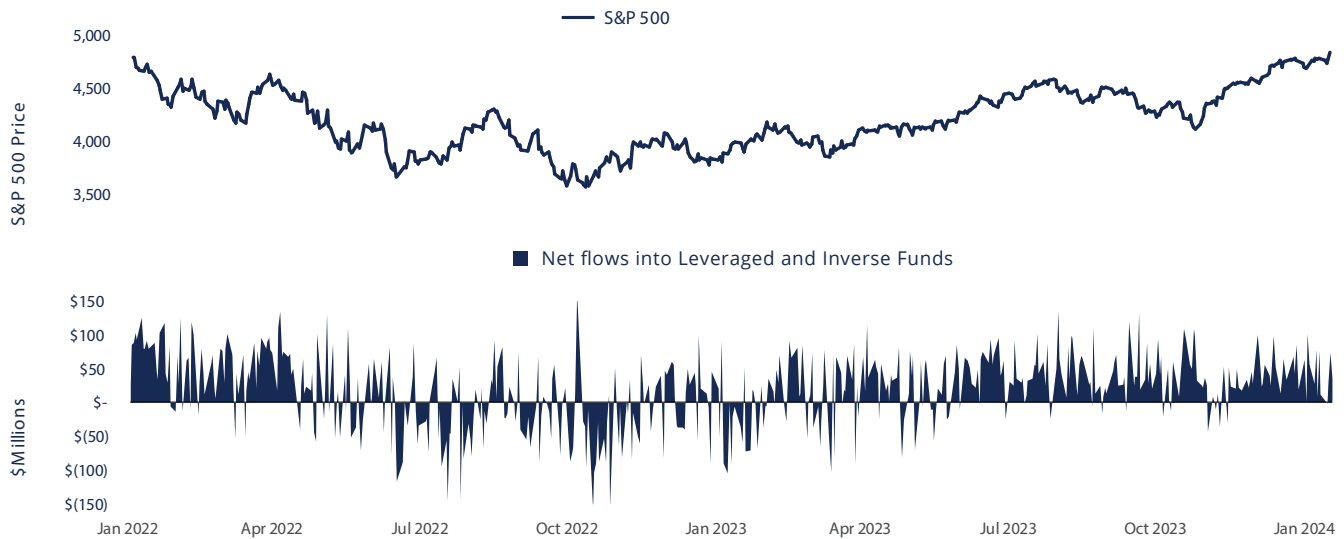
The backdrop: The 2022 bear market was the mirror opposite of what we saw in 2020. Stocks dropped in a slow, painful fashion, and in an inflation-ravaged world, few strategies actually worked (except for tangible assets & trend-following trades). Retail sentiment fell off a cliff, but the washout in sentiment combined with inflation's turn in the summer/early fall stoked hopes that the worst was over.

The reaction: Leveraged fund volumes surged when the selloff began. Retail traders directed their energy towards long trades, essentially fighting the stock market's drop.

Buying exhaustion crept in, though, and traders slowly gravitated towards inverse ETFs. Short positions piled up in April 2022, when the S&P 500 fell 10% below record highs and couldn't recover its losses easily. From August to November, retail traders added to their short positions in nearly 70% of days. Even when the stock market bottomed on October 12, 2022, retail traders took about a month to flip their daily flows from short to long.

Positioning Trends in the 2022 Inflation Crisis Selloff

Market moves vs. net buying/selling in long and short funds



Source: Compound Insights, Vanda. Data as of 7/31/2025.

One cannot invest in an index. Past performance is not indicative of future results.

Similar to the COVID drop, retail traders ramped up their bets in other assets as stocks approached their lows. At the time, the 10-year Treasury yield was touching 14-year highs, and the currency and commodity markets were being rattled by a debt panic in the U.K. and the aftershocks of historic inflation.

The takeaways:

- **Long, grinding selloffs are difficult to trade.** The 2022 crisis was marked by bruising choppiness in stock prices. There wasn't much momentum to follow, and eventually, retail traders' views diverged from the market's direction (hence, the slow reaction after the market started rebounding in October).
- **The best opportunities often lie outside of the stock market.** Most asset classes fell in 2022, including a 10% drop in the S&P 500 and fixed income (measured by the Bloomberg U.S. Aggregate Bond Index). Tangible investments (think real estate) and commodities had a strong year, yet activity in these funds barely grew. Sure, opportunities always exist in both long and short trades, but the low interest in commodity and real estate funds was stunning.
- **Leveraged fund flows are correlated to retail sentiment.** Individual investors were historically nervous in the depths of the 2022 selloff. In late September, bears outnumbered bulls by the highest number since March 2009, according to American Association of Individual Investors survey data.

The Bloomberg U.S. Aggregate Bond Index is a broad-based, market cap-weighted benchmark that measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market.

The 2025 Liberation Day Drop

START: February 2025
END: June 2025
S&P 500 MOVE: -19%

The backdrop: The stock market started sliding due to fear of policy changes and tariff pressures. Then, the White House announced a series of surprising “Liberation Day” tariffs, and the S&P 500 fell 10.8% in two days – a move reminiscent of the 1987 crash or the COVID selloff days. Stocks found support just days later when the S&P 500 jumped 9.5% on April 9, its biggest one-day gain since 2008.

The reaction: Leveraged fund activity looked noticeably different in this market event versus the others we’ve examined, largely because the space changed drastically from 2022 to 2025. Single-stock funds started coming online in mid-2022, and the number of available funds had almost doubled from the depths of the

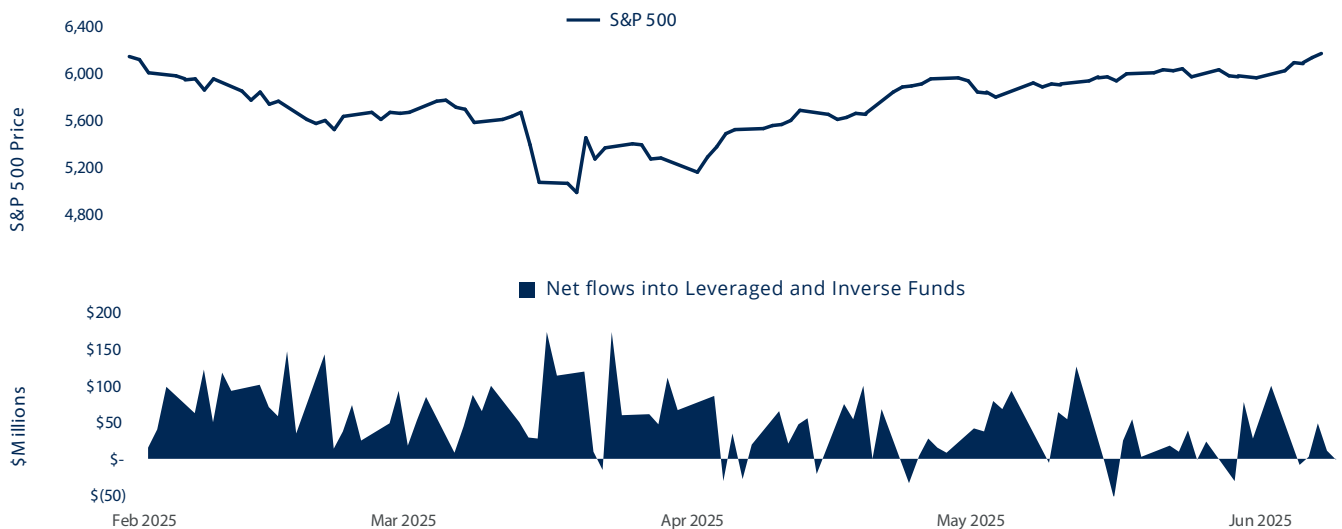
2022 crisis. Crypto leveraged funds tracking the likes of Bitcoin, Ethereum, and Ripple had also entered the scene. Traders had significantly more options at their fingertips.

Retail traders fought against the market’s decline for almost the entirety of the drop. For 35 straight trading days, traders bought into long funds as the S&P 500 fell 19% – gradually, then suddenly. The first day short positions dominated net flows was on April 9, or the stock market’s best day in years.

Retail traders overwhelmingly speculated in equity funds, which constituted over 90% of turnover throughout the market drop and

Positioning Trends in the 2025 Liberation Day Selloff

Market moves vs. net buying/selling in long and short funds



Source: Compound Insights, Vanda. Data as of 7/31/2025.

One cannot invest in an index. Past performance is not indicative of future results.

recovery. Other markets came under duress, too. The 10-year yield dropped almost 40 basis points, gold rose as much as 17%, and the CBOE Volatility Index (the VIX) tripled.

Instead, certain single stocks were hit so hard – and the funds connected to them were so well-established – that the retail crowd stayed there instead of venturing out to other assets. Tesla and Nvidia both dropped more than 30% apiece, and retail traders bought 2X leveraged long Tesla and Nvidia funds all the way down. This was essentially buying the dip, even if it wasn't immediately successful.

Trading activity also shifted towards broad equity funds in late March as the selloff deepened, likely as traders became more timid with their views. Activity even briefly shifted into popular non-leveraged funds like SPY and VOO near the bottom – a sign that trading confidence had eroded far enough for a section of retail to abandon leveraged strategies.

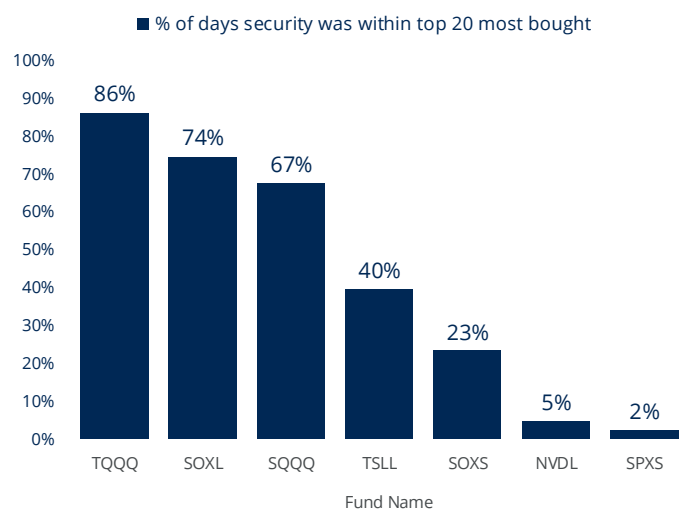
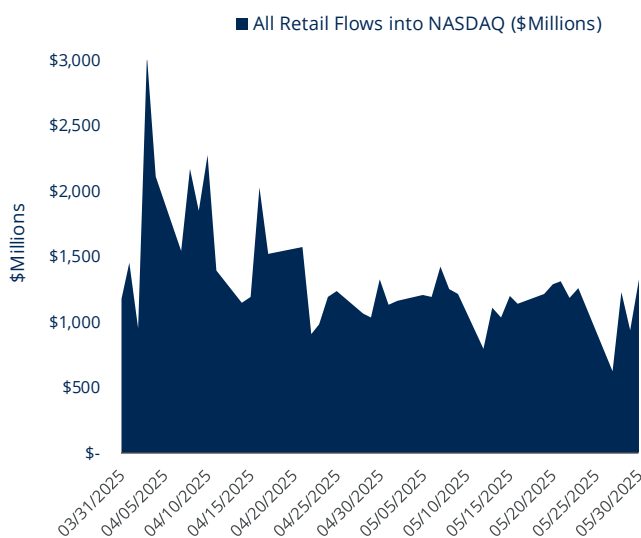
The takeaways:

- **The trade against market momentum.** In the latest selloff, traders felt more comfortable fighting market momentum instead of riding it down. Contrarian trades and a “buy the dip” attitude have prevailed in other stock-based investments. Why not here? Also, this selloff was more tradeable in the fact that the moves were swifter and more defined.
- **The single-stock frenzy.** The Liberation Day drop was the first litmus test for single stock funds for retail traders under stress. It'll be interesting to see how single-stock funds are utilized in future selloffs, given they gobbled up as much as 20 to 40% of trading activity from February to June. Generally, single-stock funds have been more popular during quiet market periods, when much of the day-to-day momentum is concentrated in individual stocks and around catalysts like earnings and product announcements.

Flows During Liberation Day Selloff

All retail flows into Nasdaq and % of days security was within 20 most bought

3/31/2025 to 5/30/2025



Source: Compound Insights, Vanda. Data as of 5/30/2025.

A basis point is one hundredth of one percent.

The Cboe Volatility Index (VIX), is a real-time market index representing the market's expectation of 30-day forward-looking volatility for the S&P 500 Index.

Finding Opportunities

These days, market catalysts seem to happen quicker and more dramatically than ever before. There have always been lots of events to pay attention to – economic data, earnings reports, company-specific announcements, policy changes, etc. However, more investors from a wide set of backgrounds are reacting to these events, and it feels like the outcomes are more binary – beat or miss, tariffs or no tariffs, rate cut or no cut.

If you want to dig up opportunities in today's trading environment, you need to think beyond the black and white possibilities. Look beneath the hood of the stock market, and you'll see that stark divergences between sectors and styles have existed over the past few years despite the binary nature of recent headlines.

The AI frenzy.

If we're talking about divergences, we need to talk about the AI trade. Big tech stocks seem to be marching at the beat of their own drum, motivated by headlines about GPU deals and eye-watering spending tabs. In 2025, the Magnificent 7 stocks moved in a different direction from other S&P 500 stocks on 34% of days, and the average performance gap between the two groups has been 1.1%.

There are two ways to capitalize on this AI disconnect. One way is to use tech-centered funds (broad tech index or Mag 7-related funds) for wide exposure to the biggest players in the sector. Another is to focus on different companies through single-stock funds, which traders are increasingly gravitating towards. As the AI story matures and skepticism grows around funding AI projects, it may be wise to focus on well-established tech companies that can afford to spend hundreds of billions of dollars. And as tech valuations pull away from the rest of the pack, you may have to think about tech as a separate group from all other large caps if a valuation-based market drop materializes.

The gap between large and small.

Large-cap stocks have pulled away from their small-cap counterparts since the stock market bottom in October 2022. Along with that, the gap between small- and large-cap performance has widened on major economic release days. In July 2024, a better-than-expected CPI (inflation) report boosted the Russell 2000 3.6% while the S&P 500 declined 0.9%. A 4.5% gap, which was the biggest daily divergence in the two indices since 2020 (and before that, 2008).

In the days after, small-cap leveraged fund turnover spiked to a three-year high in one of the largest buying rushes for the group on record. Today, similar gaps often open up between large and small caps, especially on days of big AI announcements and economic news.

Trading policy uncertainty.

Not every event should be treated the same. Some can be planned for, while others pop up without warning. Policy headlines are especially salient today, and they're some of the toughest catalysts to position around given their spontaneous nature. Spontaneity invites volatility, though.

What's interesting in these times is that you often see the biggest policy reactions occur outside of the stock market. Commodity-focused funds could be an interesting idea in light of higher political and geopolitical uncertainty. Think about gold, which has flourished because of its profile as a hedge against instability. Gold funds played a key role deep into the 2025 Liberation Day chaos, with turnover jumping to an 11-year high amid wild tariff headlines.

Oil funds also perked up in June, when the U.S. announced it had bombed nuclear sites in Iran. Oil prices gyrated 3% per day in the week following the attack, and interest in leveraged oil funds jumped to a 19-month high. There weren't any obvious buying or selling patterns, just an acknowledgement that something fundamental could change with the Middle East's oil supply if the conflict escalated.

What Happens Next?

We've talked about extraordinary change in leveraged funds over the last five years.

The next five years may be just as transformative. 29% annual growth in volumes may be hard to sustain, but shifts over the past few years in these funds and the retail crowd that uses them may lead to a different look and composition of the space over time.

Also, markets ebb and flow over time. Financial innovation moves quickly, and the regulatory overhang on funds seems lower than usual. This could lead to more issuances, more use cases, and more experimentation for traders and asset managers alike.

Here are some trends worth watching based on what's transpired since the initial COVID days, and how you can learn from them:

Following vs. fighting momentum: While leveraged funds are still overwhelmingly used to follow momentum, traders have begun to evolve on this front. In the Liberation Day selloff, active trader positioning ran counter to the market's direction for the entirety of the slide. This may be the next evolution for these funds – a place to express high-conviction contrarian trades. For now, though, it's fair to assume that daily flows could follow price direction.

- **Leveraged funds can be used for both trend-following and contrarian positions. Keep in mind, though, that fighting the**

crowd may require you to be picky about funds with enough liquidity.

Tracking sentiment: The 2022 selloff did a number on trader confidence. Maybe it was the length of the drop, or the fact that barely any strategy worked for so long. Traders were slow to buy into the recovery, as it took nearly two months into the stock market's bounce for buying to exceed selling in leveraged funds. However, sentiment may be a valuable indicator to watch in predicting the balance between long and short fund interest. Perhaps long-short interest could be the new retail trader sentiment gauge.

- **Incorporate sentiment analysis into your trading strategy through tracking long-short interest, trader surveys, and options market indicators. When market conditions feel chaotic, low expectations for the future could facilitate a rebound in prices.**

Rising trader sophistication: Let's assume markets behave and traders become more sophisticated with time and experience. Will we start to see pair trading between funds? Is there a benefit to employing collar-like trades in both long and short funds to protect against swings in a stock, or a straddle strategy to capitalize on expected volatility in either direction? Maybe issuers are already cooking up funds along these lines. The leveraged fund space could start to look like a proxy for options trades.

- **Think about divergences in today's markets. Complex trades to isolate volatility or performance in a group of stocks are common in derivatives. Wall Street is rarely a zero sum environment, and this is especially true in an era of relatively high interest rates.**

What about crypto leveraged funds?

Crypto funds haven't taken off yet. It's odd: cryptoassets are about as volatile and momentum-driven as you can get, yet traders have been slow to speculate in crypto funds. Turnover in crypto funds has averaged about 2% of total turnover per day in 2025. Granted, it took a while for single-stock funds to gather a critical mass of trading – their share of turnover didn't cross 10% until mid-2024, two years

after the funds were initially launched. Crypto leveraged fund adoption may just take time.

- **Think about which assets you trade in your portfolio and why. There may be an opportunity to replace or complement your current strategies with leveraged funds, especially when positioning around events.**

Most importantly, before you start trading these funds, determine if they're the right tool for you and your trading strategy. You may have interesting ideas or views about where markets go from here, but proper execution and trade management can make or break your success.



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Data and insight in this report were contributed by Vanda. Founded in 2012, Vanda is an independent data and research firm delivering high-frequency positioning data and tactical macro insights over 0-3 month horizon. Vanda have been the leaders in the Positioning & Flow space since their inception back in 2012. Vanda delivers tactical cross asset research and actionable trade ideas grounded in their proprietary positioning and flow data whilst also providing institutional clients with direct access to the underlying high-frequency datasets that support this work. Clients rely on Vanda's research and data to navigate short term risk cycles, drawing on our insights into crowded positions and the catalysts most likely to prompt repositioning across investor cohorts.

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Callie Cox is the chief market strategist at The Compound Insights and the author of OptimistiCallie, a newsletter of Wall Street-quality research for everyday investors. She's passionate about teaching everyday investors the power of investing for their wallets and their lives. Prior to joining The Compound, Callie was the head of US research at eToro, one of the world's biggest social investing brokerages. Prior to eToro, she was on research teams at Ally Invest, LPL Financial, and TABB Group. She's a Business Insider contributor, and her work has been featured in major publications such as CNBC, Bloomberg, the Financial Times, Yahoo Finance, and Barron's. She frequently shares market analysis on Twitter at @callieabost, and on LinkedIn/Bluesky.



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Disclosure

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Definitions:

- **Long:** In finance, buying an asset (like stock, bonds) expecting its price to rise, profiting as it increases.
- **Option:** In finance, an option is a contract which conveys to its owner, the holder, the right, but not the obligation, to buy or sell a specific quantity of an underlying asset or instrument at a specified strike price on or before a specified date, depending on the style of the option.
- **Russell 3000 Index:** The Index measures the performance of the 3,000 largest U.S. publicly traded companies, representing about 98% of the total investable U.S. equity market, combining large, mid, and small-cap stocks for broad market exposure, using a market-capitalization weighting system, and undergoing annual reconstitution to stay current. It serves as a comprehensive benchmark for the overall U.S. stock market, including its major segments like the Russell 1000 (large-cap) and Russell 2000 (small-cap).
- **Short:** In finance, short selling refers to a trading strategy where an investor profits by selling a security they've borrowed and expect to decline in price before buying it back at a lower price.