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# Direxion

## Trading Strategies Session: How to Navigate the Market Uncertainty with Leverage and Inverse ETFs

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## Trading Strategies Session:

# How to Navigate the Market Uncertainty with Leverage and Inverse ETFs

*Grace Chiu*

*Managing Director, Sales and Business Development, Asia*

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# About Direxion

*Experience in 2<sup>nd</sup> generation exchange traded ETFs*

## Firm Overview

- Investment expertise:**
- Specialized expertise in integrating exchange traded ETFs and derivatives
  - Top 2 largest providers globally of L&I ETFs

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- Product set:**
- Diverse family of highly liquid tactical and strategic product solutions:
- 76 L&I ETFs and 7 non leveraged thematic ETFs on NYSE and Nasdaq Stock Exchange

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**Founded:** 1997

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**Offices:** New York, Boston, Hong Kong

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**Clients:** Institutions, Registered Investment Advisors (RIAs), managed portfolios, and sophisticated professional investors

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# About Direxion

## *Non-Traditional ETFs for Decisive Investors*

Direxion specializes in providing decisive investors with solutions that deliver the flexibility to position portfolios opportunistically.

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### Non-Traditional ETFs

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Leveraged and Inverse ETFs provide opportunities for traders to:

- *Magnify short term perspectives with daily 3X and 2X leverage*
- *Utilize bull and bear funds for both sides of the trade*
- *Trade through rapidly changing markets*

### Strategic Weight ETFs

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Strategic Weight ETFs help buy-and-hold investors achieve long-term outperformance when compared to passive indexes, while seeking more specific objectives such as:

- Higher income
- Enhanced diversification
- Reduced volatility
- Excess returns
- Thematical investment

# Stock-and-Bond Rout at the same time in 2022....

Asset	Ticker	% Change YTD	% Change 2022
<b>Key Index</b>			
S&P GSCI Index Spot Commodity Prices	SPGSCI Index	-4.7%	8.71%
Bloomberg US Aggregate Bond Index	LBUSTRUU Index	1.1%	-13.01%
Hang Seng HIS	HSI Index	5.21%	-15.46%
EuroStoxx 50	SX5E Index	12.59%	-11.74%
S&P 500	SPX Index	6.24%	-19.44%
MSCI World Index	MXWO Index	6.9%	-19.46%
MSCI AC Asia Pacific Index	MXAP Index	5.13%	-19.36%
US Treasury 20+ Index	IDCOT20T Index	2.3%	-31.04%
CSI 300	SHSZ300 Index	6.95%	-21.63%
MSCI EM	MXEF Index	5.11%	-22.37%
US Russell 2000	RTY Index	10.51%	-21.56%
Nasdaq 100	NDX Index	12.97%	-32.97%
ICE Semiconductor Index	ICESEMI Index	19.28%	-35.76%
<b>Oil and Gold</b>			
Gold	XAU Curncy	1.02%	-0.28%
WTI Oil	USCRWTIC Index	-4.88%	5.49%
<b>Currency</b>			
Euro	EUR Curncy	-0.35%	-5.85
Japanese Yen	JPY Curncy	-2.41%	-13.94
USD	DXY Curncy	0.49%	7.87%

# Ample catalysts for higher upside and downside volatility

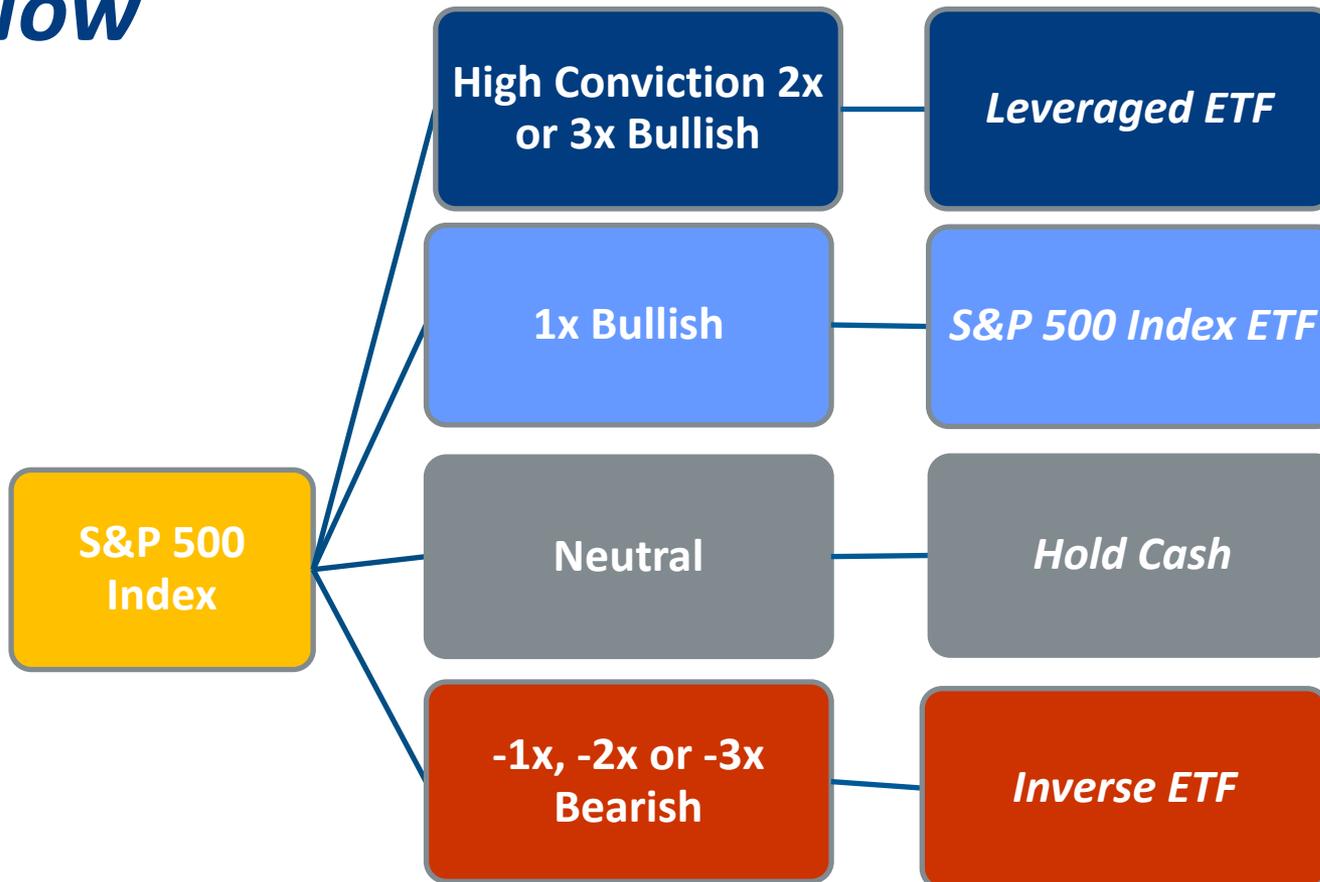


# What are leveraged & inverse ETFs and single stock leveraged & inverse ETFs ?

	Traditional non leveraged ETFs	Leveraged ETF	Inverse ETF	Single stock leveraged ETF	Single stock inverse ETF
<b>Investment objective</b>	Tracking the index	designed to provide 3x or 2x of the <b>index daily return (Daily Base)</b>	designed to provide -1x, -2x or -3x of the <b>index daily return (Daily Base)</b>	designed to provide 1.5x, 1.75x or 2x of the <b>single stock daily return (Daily Base)</b>	designed to provide -1x or -2x of the <b>single stock daily return (Daily Base)</b>
<b>Suitable for whom?</b>	Conservative investors	Sophisticated investors/Traders	Sophisticated investors/Traders	Sophisticated investors/Traders	Sophisticated investors/Traders
<b>What's inside of the portfolio</b>	Acquires and holds the underlying assets or securities on which the ETF's value is based or "tracked"	A synthetic ETF utilizes the functionality of derivative products (swap or futures) to implement its strategic methodology	A synthetic ETF utilizes the functionality of derivative products (swap or futures) to implement its strategic methodology	A synthetic ETF utilizes the functionality of derivative products (swap or futures) to implement its strategic methodology	A synthetic ETF utilizes the functionality of derivative products (swap or futures) to implement its strategic methodology
<b>Investment or Trade?</b>	Are designed to be held for long periods unadjusted and will track the benchmark index over long periods of time	<b>Short term trading tools; are designed to generate 3x or 2x of the <u>index daily return</u></b>	<b>Short term trading tools; are designed to generate -1x, -2x or -3x of the <u>index daily return</u></b>	<b>Short term trading tools; are designed to generate 1.5x, 1.75x or 2x of the <u>single stock daily return</u></b>	<b>Short term trading tools; are designed to generate -1x or -2x of the <u>single stock daily return</u></b>

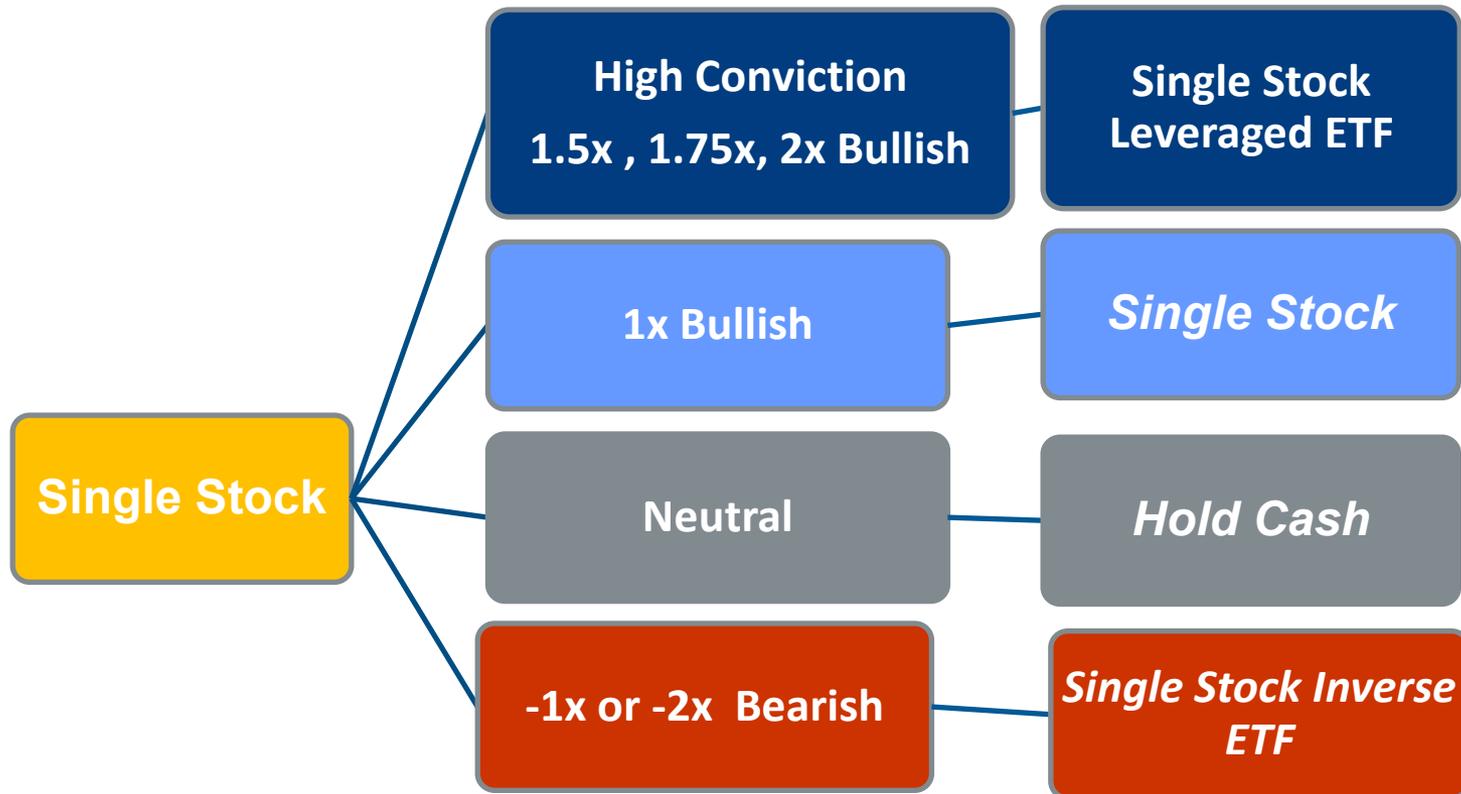
# More ways to trade your view

**Now**



# More ways to trade your view

***After July 2022  
(U.S. Market)***



# Wall street set for new ETF gold rush as single-stock era begins

*Only suitable for sophisticated traders and short-term trading*

- In addition to presenting a high level of risk by virtue of their leveraged and inverse exposure to a single stock, single stock leveraged and inverse ETFs rebalance on a daily basis, like most existing leveraged and inverse ETFs. The daily rebalancing and effects of compounding may cause returns to diverge quite substantially from the performance of the, in this case, one underlying stock, especially if these products are held over multiple days or more.

Tracking stock	Leveraged ratio
 TESLA	2X
	1.75X
	1.5X
 NVIDIA	-1X
	-1.5X
	-2X
	
	
	
	

*Disclosure: Any trading symbols, entities or investment products displayed are for illustrative purposes only and are not intended to portray recommendations.*

# Potential opportunities in both **up** and **down** markets

- ✓ L&I ETFs trade on exchanges like stocks
- ✓ Low minimum investment with no minimum holding period
- ✓ Investors in Korea, Japan, Taiwan, Australia, Hong Kong are already familiar with locally listed L&I ETFs
- ✓ On Asia exchanges the max exposure is generally 2x and -1x
- ✓ Tactical tools to adjust to market conditions:
  1. Express bullish tactical view
  2. Express bearish tactical view or Short-term tactical portfolio hedging
  3. Long/short relative value trading without shorting
- ✓ No risk of margin calls or forced liquidation:  $\text{Max Loss} = \text{Initial Investment}$
- ✓ Often cheaper bid/offer vs most Warrants and CBBCs and L&I ETFs do not have the time decay, implied volatility, knockout risks or issuer trading conflicts

# L&I ETFs vs Futures & Margin Trading

	L&I ETFs	Futures & Margin Trading
Minimum Required Investment	Buy and sell in the unit of share and the price per share	~HKD 120,000 (1 HSI futures contract assuming 10% collateral is required)
Maximum Potential Loss	Limited to only the initial investment amount	Unlimited – can be far more than the initial collateral posted
Margin Account Required	No	Yes
Risk of Forced Liquidation	No	Yes – at the discretion of the futures clearing member
Could Investor Be Required to Add More Cash	No	Yes – at the discretion of the futures clearing member

# Single Stock L&I ETFs vs Margin Trading & Short Selling

*Example: Tesla*

	Single Stock L/I ETF	Margin Trading (Bullish View)	Short Selling (Bearish View)
Margin Account Required	No	Yes	Yes
Minimum Required Investment	Buy and sell in the unit of share and the price per share	Depends on the requirements of each brokerage for the margin ratio of the margin account	Depends on the requirements of each broker on the margin ratio of the margin account; there's the minimum transaction volume requirement
The maximum potential loss	Limited to only the initial investment amount	Unlimited – can be far more than the initial collateral posted	Unlimited – can be far more than the initial collateral posted
Margin requirement	No	40%/2.5X-16.5%/6X (depends on the single stock)	60%
The expense ratio of L/I ETFs; Financing rate or securities borrowing rate	0.99%	4.8% (pegged to USD benchmark interest rate)	3.25% (depends on the short selling pool)
Maintenance margin?	No	Daily	Daily
Maintenance margin level	No	33.33%	50%
Risk of Forced Liquidation ?	No	Yes	Yes
Could Investor Be Required to Add More Cash?	No	Yes	Yes
Limit on the short selling pool volume?	No	Not applicable	Yes, the number of stocks that a brokerage can lend to a short-selling trader is called a short-selling pool

# Key attributes of L&I ETFs and single stock L&I ETFs



# Leveraged and inverse ETF basics

## *What is inside a leveraged or inverse ETF?*

- Leveraged and inverse ETFs are a combination of Cash, Equities, and Derivatives (typically swaps or futures)
- LI ETFs are designed to provide 3x, 2x, -1x, -2x or -3x of the **index daily return (Daily Base)**
- This allows investors to gain exposure to specific indices and sectors without the need for full dollar-for-dollar investment

STRATEGY	EQUITIES	DERIVATIVES
Daily 1X Bear Funds	0%	100%
Daily 2X Bull Funds	10%-80%	120%-190%
Daily 3X Bull Funds	10%-80%	220%-290%
Daily 3X Bear Funds	0%	300%

# Single stock leveraged and inverse ETF basics

## *What is inside a single stock leveraged or inverse ETF?*

- Single Stock leveraged and inverse ETFs are not tracking an Index (one stock does not constitute an Index), but tracks the underlying shares of the respective stock
- Single Stock leveraged and inverse L/I ETFs are designed to provide 1.5x or 1x of **the respective stock's daily return (Daily Base)**
- Single Stock leveraged and inverse ETFs are a combination of Cash, Equities, and Derivatives (typically swaps)
- Single Stock leveraged and inverse ETFs are operating under similar principles to our other L/I ETFs -- **daily reset of leverage, expected to track for any given single day, compounding impact after one day, path of stock during period own it can significantly impact returns**
- Single Stock Leverage Single stock ETFs are designed for active/short term trading and **should be monitored on a daily basis**



Single stock leverage and inverse ETFs are providing leverage and inverse exposure on a single stock where you have additional concentration risk and may be more volatile than the underlying securities or other investments.

Typical Composition of a Single Stock Leveraged/Inverse ETF

Strategy	Cash	Equities	Derivatives: SWAP
Daily Single Stock 1.5x Bull Funds	Yes	0%-25%	125%-150%
Daily Single Stock 1x Bear Funds	Yes	0%	100%

# Leveraged and inverse ETF basics

*2 key topics to understand about leveraged/inverse ETFs*

## 1. Daily rebalancing (to maintain 3x daily exposure)

Direxion rebalances exposure daily by buying or selling swaps (usually near or at market closing time) to ensure that each fund tracks as closely as possible to 300% (or 300% of the inverse in the case of a bear fund) of the benchmark's daily performance. (e.g. a bull fund will likely need to buy on days when its benchmark index is up and sell on days when its down)

## 2. Implications of compounding (not tracking error)



**Trending market** favors L&I ETFs with daily rebalancing and compounding that will amplify multi-period returns



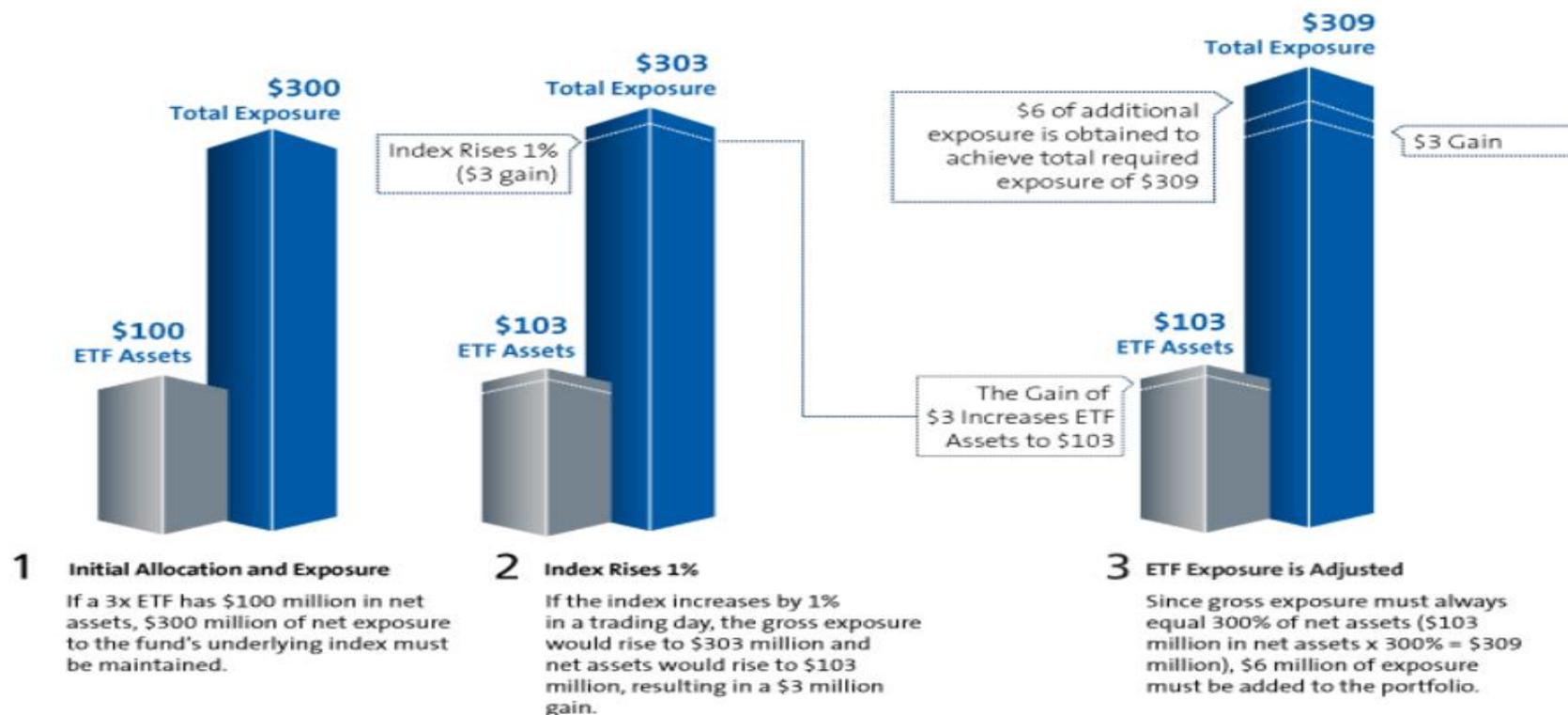
**Choppy market** is unfavorable to buy-and-hold L&I ETFs over long periods of time

# Leveraged and inverse ETF basics

## Daily rebalancing (3x Bull Fund – index rises 1%)

### Scenario #1: Hypothetical Impact of a 1% Index Gain on a Daily 3X Bull Fund

- When the underlying index rises, the assets of the Bull Fund rise, so the fund must buy more exposure to the index so that the fund's total exposure is equal to 300% of the fund's new level of net assets.

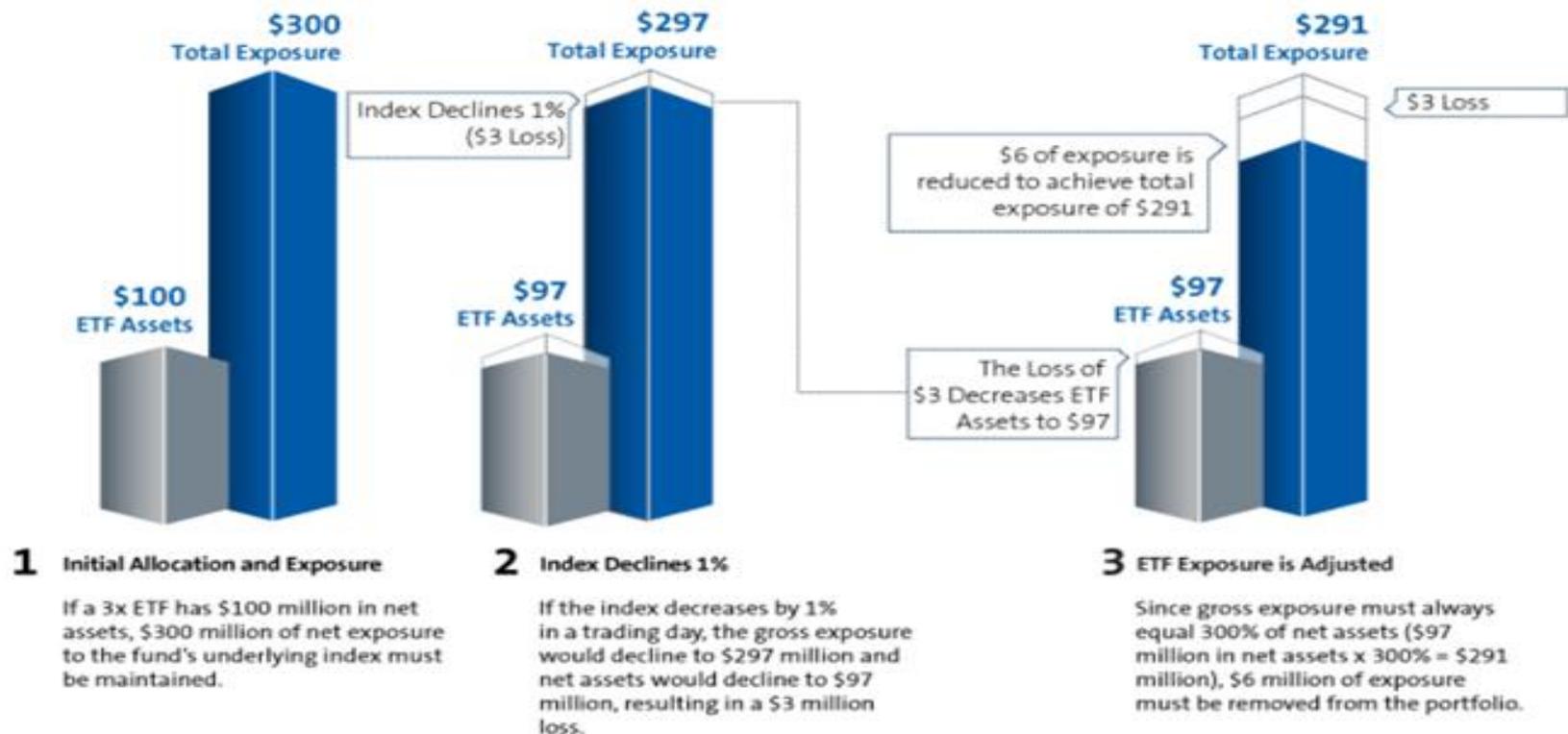


# Leveraged and inverse ETF basics

## Daily rebalancing (3x Bull Fund – index declines 1%)

### Scenario #2: Hypothetical Impact of a 1% Index Decline on a Daily 3X Bull Fund

- When the underlying index declines, the assets of the fund also decline, so the fund must reduce its exposure to the index so that the fund's total exposure is once again equal to 300% of the fund's new level of net assets.

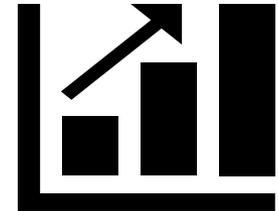


# Leveraged and inverse ETF basics

## *Implications of compounding (Trending up market)*

### The Risks of Compounding - Market Rises Steadily

- If a trader were to hold a leveraged ETF for a period longer than a single day in a steadily rising market, the fund's gains may potentially be more favorable than its stated daily goal, for that period.



### Market Rises Steadily

Day		1	2	3	4	5
Index Value	100	105	110	115	120	125
Index Daily Return (%)		5.00	4.76	4.55	4.35	4.17
Index Cumulative Return (%)		5.00	10.00	15.00	20.00	25.00
Index Cumulative Return 3x (%)		15.00	30	45.00	60.00	75.00
3x Fund Expected Daily Return (%)		15.00	14.28	13.65	13.05	12.51
Fund NAV (\$)	20.00	23.00	26.28	29.86	33.75	37.97
Actual Cumulative Return (%)		15.00	31.40	49.30	68.75	89.85

As you can see from the table, the difference between the indexes 3x return and the actual cumulative return is quite high.

# Leveraged and inverse ETF basics

## *Implications of compounding (Trending down market)*

### The Risks of Compounding - Market Declines Steadily

- If a trader were to hold a leveraged ETF for a period longer than a single day in a steadily declining market, the fund's losses may potentially be less severe than its stated daily goal, for that period. The following table illustrates this scenario.



### Market Declines Steadily

Day		1	2	3	4	5
Index Value	100	95	90	85	80	75
Index Daily Return (%)		-5.00	-5.26	-5.56	-5.88	-6.25
Index Cumulative Return (%)		-5.00	-10.00	-15.00	-20.00	-25.00
Index Cumulative Return 3x (%)		-15.00	-30.00	-45.00	-60.00	-75.00
3x Fund Expected Daily Return (%)		-15.00	-15.78	-16.68	-17.64	-18.75
Fund NAV (\$)	20.00	17.00	14.32	11.94	9.84	8.00
Actual Cumulative Return (%)		-15.00	-28.40	-40.30	-50.80	-60.00

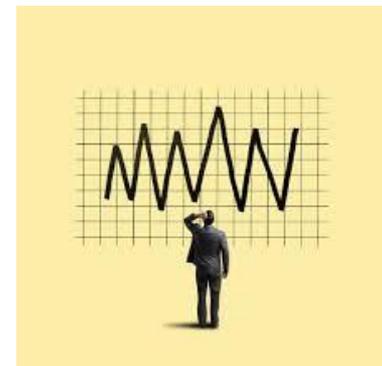
In this table, the difference between the indexes 3x return and the actual cumulative return is dramatic in the other direction.

# Leveraged and inverse ETF basics

## *Implications of compounding (Flat but Volatile Market)*

### The Risks of Compounding - Flat but Volatile Market

- In volatile markets, the pursuit of daily investment goals will have a negative impact on the ETF's performance for periods longer than a single day, as illustrated in this final example.
- When the market is experiencing volatile movements, a leveraged ETF, that is required to reset its net assets to exposure ratio daily, will experience negative compounding and will not be able to keep up with the daily investment objectives for periods longer than a day.



### Market is Flat, Yet Volatile

Day	1	2	3	4	5	6	
Index Value	100	95	100	105	100	95	100
Index Daily Return (%)	-5.00	5.26	5.00	-4.76	-5.00	5.26	
Index Cumulative Return (%)	-5.00	0.00	5.00	0.00	-5.00	0.00	
Index Cumulative Return 3x (%)	-15.00	0.00	15.00	0.00	-15.00	0.00	
3x Fund Expected Daily Return (%)	-15.00	15.78	15.00	-14.28	-15.00	15.78	
Fund NAV (\$)	20.00	17.00	19.68	22.63	19.40	16.49	19.09
Actual Cumulative Return (%)	-15.00	-1.60	13.15	-3.00	-17.55	-4.50	

You can see that although the index remained flat, the actual cumulative performance was negative.

# The guideline for leveraged and inverse ETFs trading

## **The trending market is the best friend of L/I ETFs**

During the period of holding a L/I ETF, if the underlying target the L/I ETF tracks shows a significant rise or fall and if the investor bet on the right direction, the actual return of the investment in the L/I ETF will be higher than expected; if investors bet on the wrong direction, the actual loss of investing in the L/I ETF will be less than expected.

## **Flat but volatile market is the bad friend of L/I ETFs**

During the period of holding the L/I ETF, if the underlying target tracked is subject to high volatility and no obvious trend, the actual return of the L/I ETF investment will be worse than expected. The more times there are swings and the higher the volatility is, the adverse effects of compounding will also be amplified.

## **L/I ETFs are tools for short-term trading not for long-term buy-and-hold investment**

The reason is not that holding a L/I ETF for a long time will inevitably lead to unfavorable results, but that once the holding time is longer, the chances of it facing market volatility will increase.

How sophisticated traders  
use L&I ETFs and single  
stock L&I ETFs



# Role of L&I ETFs in portfolio construction

## Core

- Strategic
- Long-term
- Generally buy-and-hold
- Matched to liabilities and tracking benchmarks

- ✓ Equities
- ✓ Fixed Income
- ✓ Commodities
- ✓ Real Estate
- ✓ Alternatives
- ✓ **Thematic ETFs**

## Satellite

- Tactical
- Opportunistic with daily monitoring
- Liquidity is critical
- Adjust portfolio's market exposure, return profile, and standard deviation

- ✓ Futures
- ✓ Options
- ✓ Warrants
- ✓ CBBCs
- ✓ **L&I ETFs**

# Use the right tool for the right purpose

## WARNING:

*L&I ETFs are appropriate for sophisticated traders only*

10%



Vs



# Risks for using L&I ETFs

## **L&I ETFs are appropriate only for sophisticated tactical traders who:**

- ✓ Have market views they want to express and understand how to use tactical trading strategies
- ✓ Understand the risks associated with the use of leverage and inverse exposure and the consequences of seeking daily rebalanced results
- ✓ Understand that L&I ETFs are tactical trading tools and not buy-and-hold instruments like ETFs or stocks
- ✓ Intend to actively monitor and manage their trades daily

## **L&I ETFs are not suitable for conservative investors who:**

- Are unfamiliar with the unique nature and performance characteristics of ETFs that seek daily leveraged investment results
- Are solely long-term investors who do not monitor their portfolios daily

# How traders in the U.S. use L&I ETFs

## *10 examples why U.S. traders use leveraged/inverse ETFs*

1. Efficient deployment of capital
2. Long / short relative value using securities
3. Rapid market exposure
4. Alternative to derivatives / futures
5. Portfolio hedging
6. Interim beta / portfolio rebalancing
7. Opportunistic trading (earnings, US Fed announcements)
8. Access fixed income, commodities, real estate
9. Options / volatility trading
10. Strategic (arbitrage, double short)

# Critical summary for leveraged/inverse ETFs

1. Leveraged and inverse ETFs are tactical instruments, not buy-and-hold => **must monitor daily**
2. Will not likely track the benchmark index over long periods of time (**L&I ETFs are not designed to be held for long periods unadjusted – this is not “tracking error”**)
3. If an investor **purchases shares of a leveraged ETF during the day at any value other than the fund's prior day closing NAV, the level of exposure will be different than the fund's stated daily goal.** The amount of this difference will depend on the magnitude of the movement of the index.
4. Remember to **monitor iNAV** and **understand exposure levels at the time of purchase**
5. L&I ETFs are **synthetic**, employ **derivatives**, have **credit risk**
6. Designed for **sophisticated traders** who understand the value of including unique return profiles to enhance the efficient frontier of their portfolio

# Popular trading themes to watch



# Popular trading themes to watch

US Treasury Yield  
Move

Gold/  
Gold Miners

Big Tech

Semiconductor

Oil/Energy

HK/China

Economy  
Recession?

Banking

Biotech

Chinese Tech

Commodities

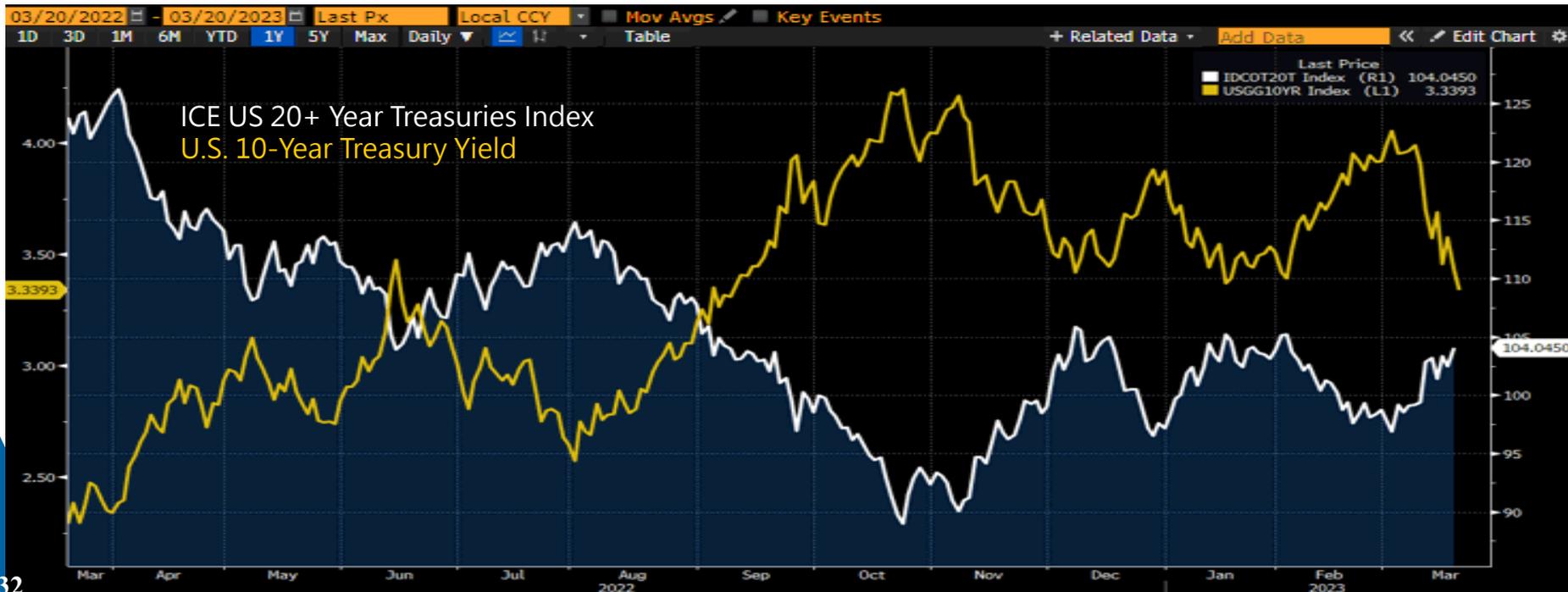
Emerging Market

# Ways to play US treasury yield move

“ **Gundlach Sees US 10-Year Yield ‘Much Lower’ If 3.37% Is Breached** ” -- Bloomberg.com, March 20, 2023

“ **Rate-Hike Bets Evaporate as Global Bonds Surge Amid Bank Turmoil?** ” -- Bloomberg.com, March 16, 2023

When U.S. 10-Year Treasury Yield is rising	3/4/2022-4/11/2022	4/26/2022-5/6/2022	5/23/2022-6/13/2022	8/1/2022-9/23/2022	When U.S. 10-Year Treasury Yield is falling	6/4/2021-6/18/2021	11/7/2022-11/16/2022	12/30/2022-1/9/2023	3/8/2023-3/17/2023
ICE US 20+ Year Treasuries Index	-12.19%	-6.74%	-5.53%	-11.59%	ICE US 20+ Year Treasuries Index	+4.07%	+8.53%	+5.43%	+4.92%
U.S. 10-Year Treasury Yield	1.73%→ 2.78%	2.72%→ 3.12%	2.85%→ 3.35%	2.57%→ 3.68%	U.S. 10-Year Treasury Yield	1.55% → 1.43%	4.21%→ 3.68%	3.87%→ 3.53%	3.99%→ 3.42%

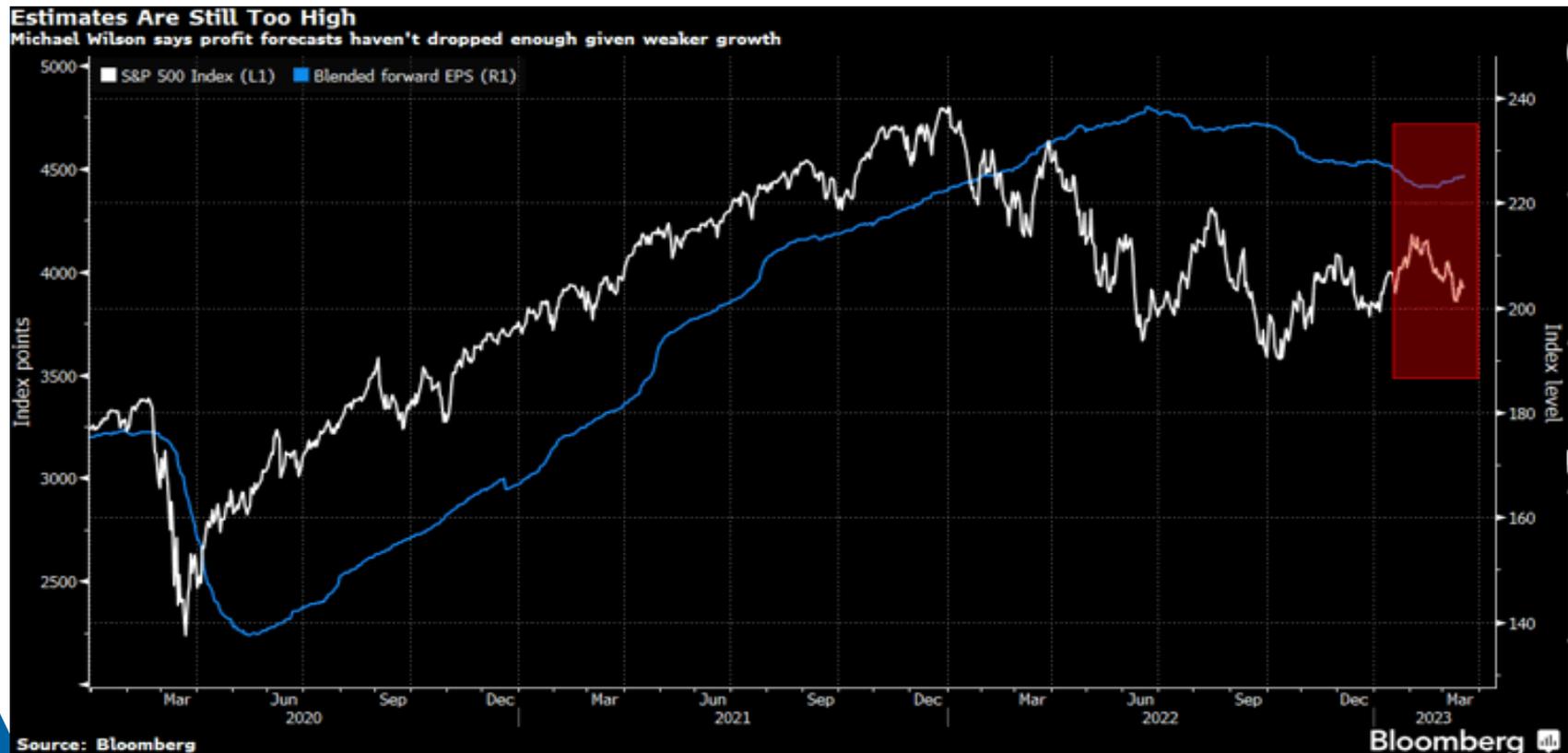


# US stocks are likely to see bigger declines?

*Use Trading tools to keep your investment nimble and tactical*

**“ Morgan Stanley’s Wilson Says Bear Market End Will Be Vicious ”** -- Bloomberg.com, March 20, 2023

**“ US REACT: UMichigan Gauge Reflects Uncertain US Consumer Outlook ”** -- Bloomberg.com, March 20, 2023

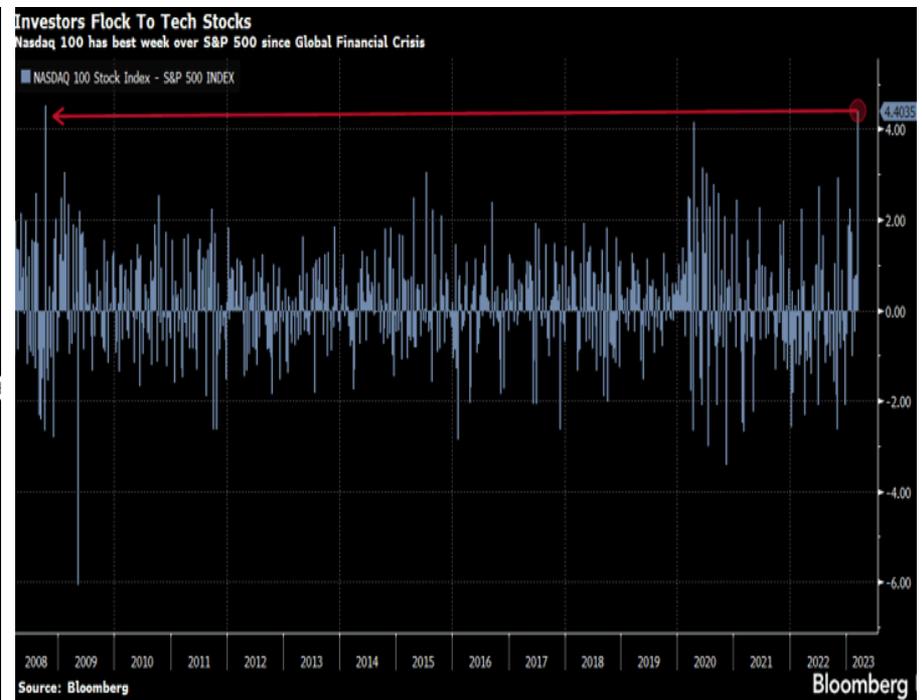
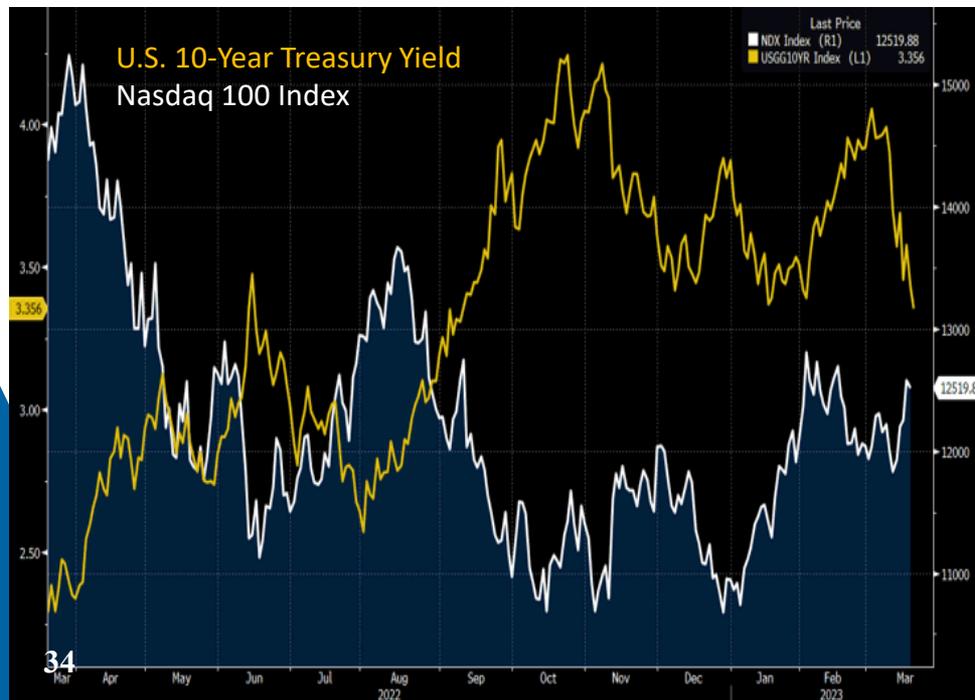


Source: Bloomberg, as of Mar. 17, 2023

# U.S. Techs feel the burn from the rising yield. Will the rate-cut bet reverse this situation?

The hawkish rate hike cycle has a greater negative impact on growth stocks. As bank stocks tremble, will the rate-cut bet boost Tech stocks this year?

When U.S. 10-Year Treasury Yield was rising	2/12/2021 -3/8/2021	12/31/2021 -1/7/2022	3/30/2022 -5/6/2022	9/12/2022- 9/23/2022	When U.S. 10-Year Treasury Yield was falling	6/16/2021 -7/6/2021	11/9/2022- 11/11/2022	12/30/2022 -2/2/2023	3/8/2023- 3/17/2023
S&P Technology Sector Index	-9.27%	-4.61%	-12.84%	-11.07%	S&P Technology Sector Index	+6.30%	+10.17%	+14.85%	+2.49%
Dow Jones Internet Index	-15.11%	-6.61%	-22.80%	-13.41%	Dow Jones Internet Index	+8.68%	+14.23%	+24.57%	+0.11%
U.S. 10-Year Treasury Yield	1.20%→ 1.59%	1.51%→ 1.76%	2.33%→ 3.12%	3.35%- 3.68%	U.S. 10-Year Treasury Yield	1.57%→ 1.34%	4.09%→ 3.81%	3.87%→ 3.39%	3.99%→ 3.42%



# Semiconductors have more downside from rising recession fears?

Chip stocks are set to be one of the big sectors hit as recession fears ratchet up with surging yields. The chip sector has a long history of being very volatile, prone to busts, and susceptible to high valuations.

When chips plunged....	1/14/2022-1/27/2022	3/29/2022-4/11/2022	4/19/2022-4/27/2022	6/7/2022-6/13/2022	6/24/2022-7/1/2022	9/12/2022-9/23/2022
ICE Semiconductor Index	-16.65%	-16.12%	-8.35%	-13.77%	-9.64%	-11.73%

When chips rallied....	10/27/2021-11/9/2021	3/14/2022-3/29/2022	7/2/2022-7/21/2022	11/3/2022-11/15/2022	12/30/2022-2/2/2023
ICE Semiconductor Index	+13.12%	+19.08%	+18.98%	+22.72%	+24.74%

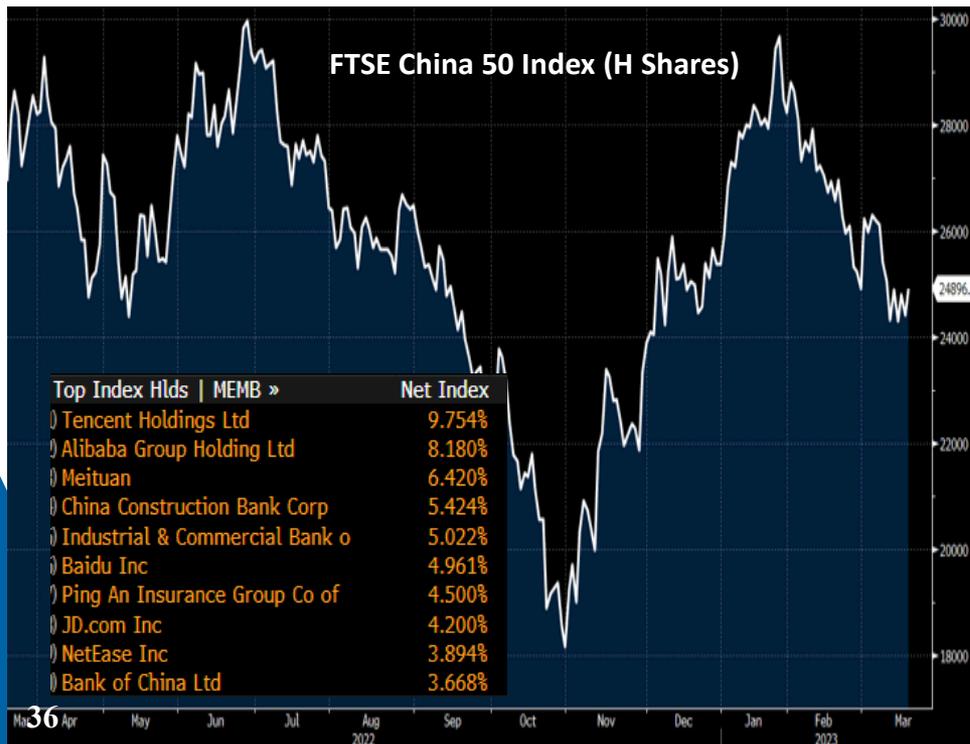


# Tactical strategy to trade China market

“ *China A-Shares May Emerge as an Oasis Amid Global Turmoil* ” -- Bloomberg.com, Mar. 20, 2023

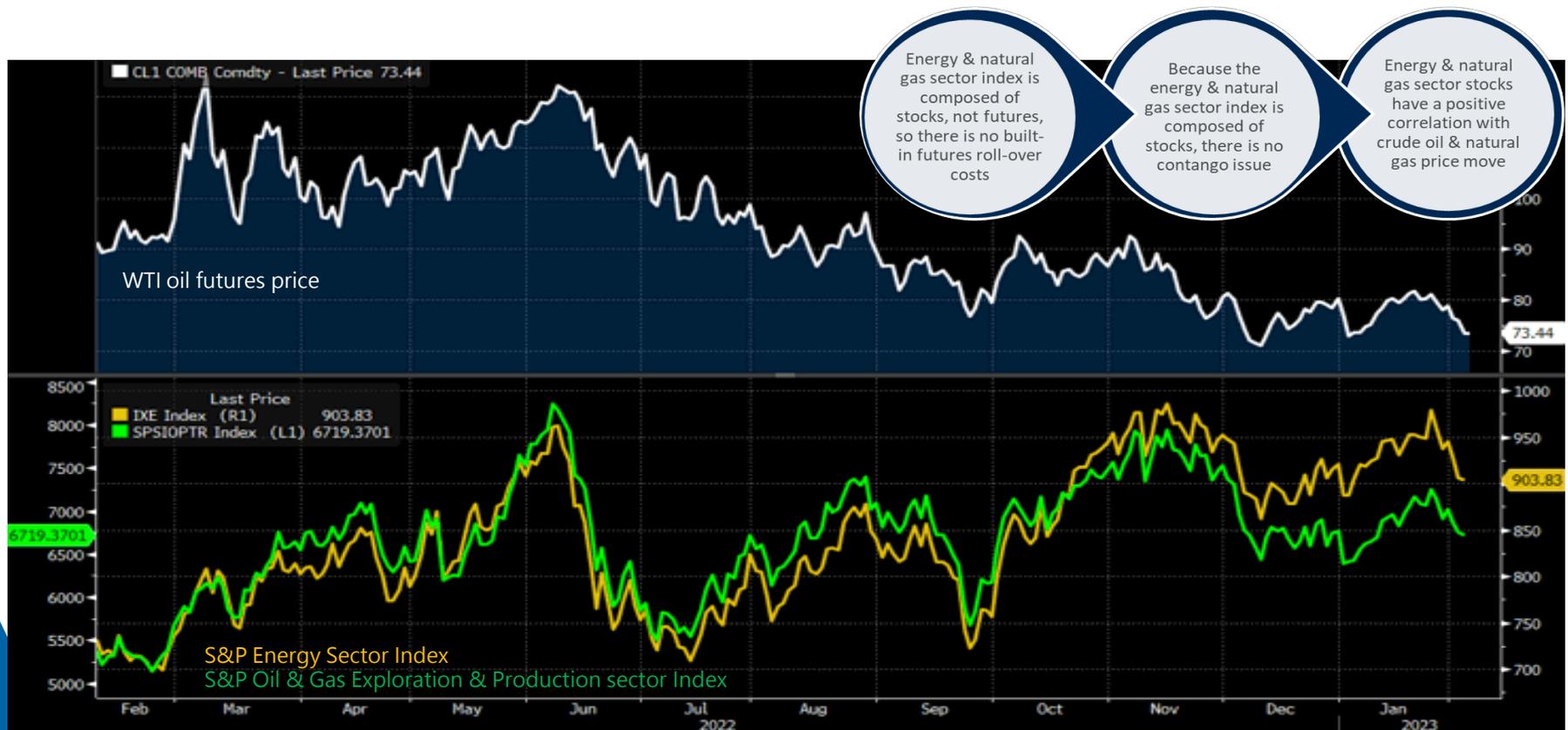
“ *Global Rout Strengthens Case for Long China Stocks* ” -- Bloomberg.com, Mar. 16, 2023

	11/16/2021-12/6/2021	1/5/2022-1/10/2022	2/28/2022-3/15/2022	5/26/2022-6/8/2022	9/9/2022-9/23/2022	10/31/2022-11/15/2022	11/28/2022-12/5/2022	1/27/2023-2/6/2023
FTSE China 50 Index	-10.59%	+4.71%	-24.99%	+14.77%	-9.73%	+28.77%	+16.62%	-7.93%



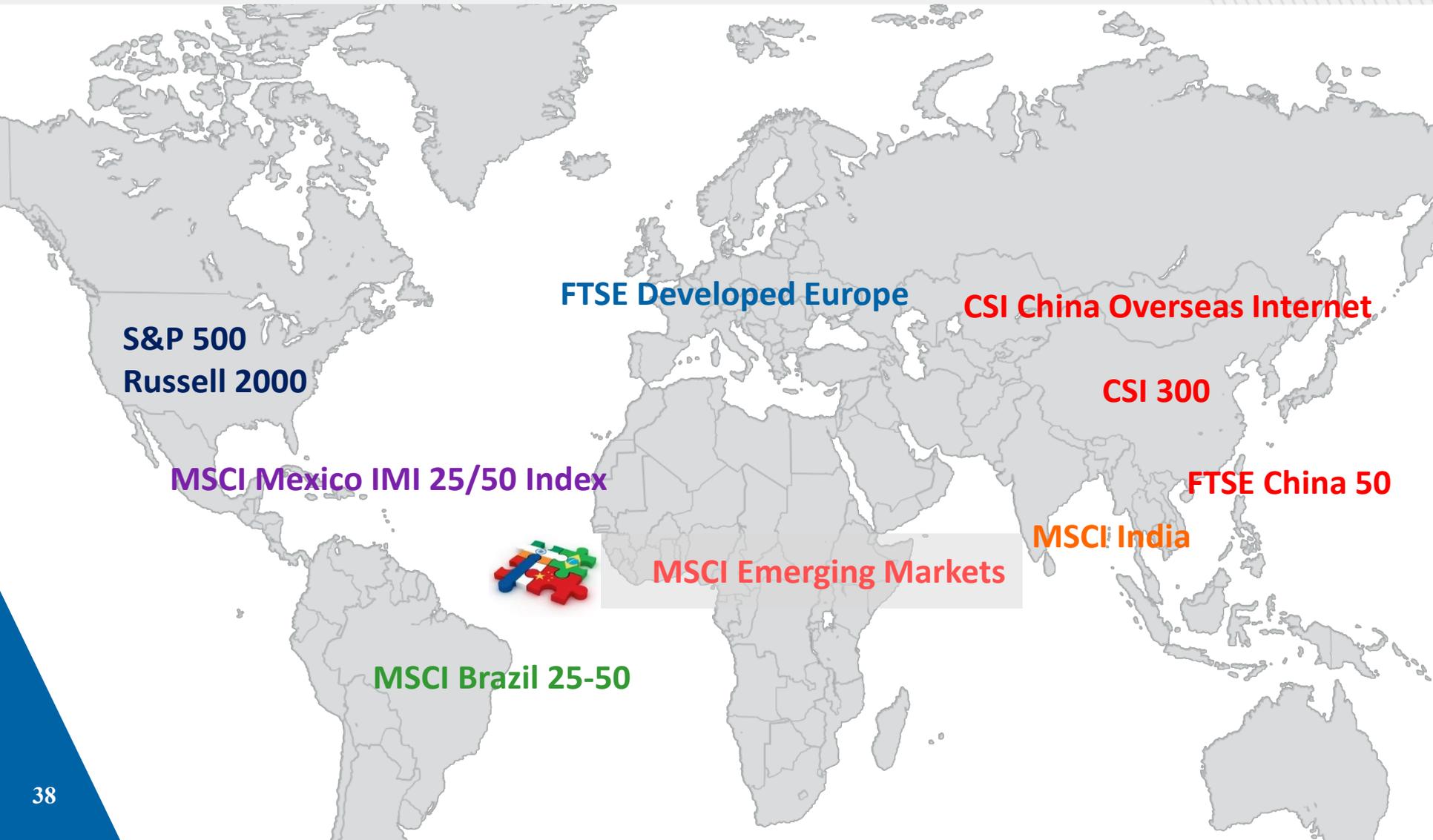
# Alternatives to oil and natural gas futures products

	12/20/2021-1/6/2022	2/23/2022-3/4/2022	6/8/2022-6/23/2022	8/29/2022-9/7/2022	9/26/2022-10/7/2022	11/4/2022-12/8/2022
WTI oil futures	+15.81%	+25.6%	-14.61%	-15.53%	+20.77%	-22.85%
S&P Energy Sector Index	+14.17%	+11.11%	-22.80%	-7.05%	+19.02%	-7.87%
S&P Oil & Gas Exploration & Production sector Index	+15.24%	+15.91%	-27.77%	-8.69%	+24.12%	-14.59%



# Tactical tools for your trading idea

*Across the globe*



# Tactical tools for your trading idea

*Across asset classes and sectors*



**ICE U.S. Treasury 20+ Years Bond Index**

**ICE U.S. Treasury 7-10 Year Bond Index**



**Financial Select Sector Index**

**S&P Regional Banks Select Industry Index**



**NYSE Arca Gold Miners Index**

**MVIS Junior Gold Miners Index**



**Real Estate Select Sector Index**

**Dow Jones U.S. Select Home Construction Index**



**S&P Oil & Gas E&P Select Sector Index**

**Energy Select Sector Index**

**MVIS US Listed Oil Services 25 Index**



**Technology Select Sector Index**

**ICE Semiconductors Index**

**Dow Jones Internet Index**

**CSI China Overseas Internet Index**



**S&P Retail Select Industry Index**

**Consumer Discretionary Select Sector**

**IndexBlueStar® Travel and Vacation Index**



**Indxx Global Robotics and Artificial**

**Intelligence Thematic Index**

**Health Care Select Sector Index**

**S&P Biotechnology Select Industry Index**



**Indxx US Electric and Autonomous**

**Vehicles Index**



**DJ US Select Aerospace & Defense Index**



Q&A



Thank you



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