



Leveraged ETFs, explained

Daily leverage, long-term decay

WHAT THEY ARE

2x or 3x, for one day

Leveraged ETFs promise double or triple the DAILY return of an index. TQQQ aims for 3x the Nasdaq-100's move today. Just today. That last part is everything.

Compounding breaks the promise

The leverage resets every morning. Over weeks, compounding distorts the math. A 3x daily ETF does not deliver 3x over a month. The path matters more than the endpoint.



Chop is the tax

In sideways markets the reset bleeds value.
Index up 10% then down 10% ends near flat. A
3x ETF on the same path ends down double
digits. Volatility is the silent fee.



Tactical only, never buy and hold

Day trades. Hedges around events. Short bursts with a clear exit. The prospectus itself warns against holding longer than a single day. Treat them like power tools, not investments.





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