

CARU

MAX Auto Industry 3X Leveraged ETN

Fund Description

CARU is an exchange-traded note that tracks 3x the daily price movements of an index consisting of US-listed companies in the broader auto industry ecosystem. The index selects equities by market-cap and weights the resulting portfolio by liquidity.

FactSet Analyst Report

CARU is an aggressive and bullish one-day bet on the US auto industry. The fund provides 3x daily leveraged exposure to a modified liquidity-weighted index that includes firms engaged in automobile manufacturing, automobile parts and retail, and car dealing. The index defines the industries based on the North American Industry Classification System (NAICS) and selects US-listed equities, excluding ETPs. The fund gains its international exposure through the use of ADRs, but will specifically exclude issuers organized in Canada or China. As a geared product, CARU is designed as a short-term trading tool and not a long-term investment vehicle. Long-term returns could materially differ from those of the index due to daily compounding. Since the fund uses an ETN structure, investors assume the credit risk of the issuer.

