

ESUS

ETRACS 2x Leveraged MSCI US ESG Focus TR ETN

Fund Description

ESUS provides 2x leveraged exposure to the compounded quarterly performance of an index containing large- and midcap US companies that are selected and weighted based on various ESG factors.

FactSet Analyst Report

ESUS makes a leveraged bullish bet on the MSCI USA ESG Focus Indexan index that holds large- and midcap companies exhibiting positive ESG characteristics, while maintaining a market-like risk and return profile. Eligible securities are initially screened to exclude firms involved in tobacco, controversial weapons, fossil fuel extraction, and thermal coal power. The portfolio is then optimized to maximize its exposure to ESG factors while staying true to a market-like exposure (subject to constraints). The underlying index rebalances quarterly. As a levered product with 2x factor that resets quarterly, the fund is not a buy-and-hold investment and should not be expected to provide index leverage return on a day-to-day basis. In addition, investors should note that ESUS is an ETN, and therefore carries the credit risk of the issuer, UBS.