

FLYU

MicroSectors Travel 3x Leveraged ETN

Fund Description

FLYU tracks 3x the daily price movements of a liquidity-weighted index of US-listed travel-related companies.

FactSet Analyst Report

FLYU provides daily 3x exposure to an index of large-cap companies in the travel and tourism industry. The fund will comprise those engaged in specified segments including hotels, resorts, cruise lines, casinos and gaming, and leisure activities that meet certain requirements. Eligible securities must be listed on a US exchange, classified in the travel industry, and have a market-cap of at least 3 billion USD. Selected constituents will then be assigned a weighting in accordance with their 12-month average daily value traded, with individual capping at 25%. The index is rebalanced monthly and reconstituted quarterly. As a leveraged product with 3x factor that resets daily, FLYU is not a buy-and-hold investment and should not be expected to provide index leverage return greater than a one day period. In addition, since this is structured as an ETN, investors assume the credit risk of the Bank of Montreal.