

MTUL

ETRACS 2x Leveraged MSCI US Momentum Factor TR ETN

Fund Description

MTUL provides 2x leveraged exposure to an index of US large- and midcap securities selected and weighted based on momentum.

FactSet Analyst Report

MTUL offers 2x the daily performance of the MSCI USA Momentum Index, an index of large- and midcap US companies with the highest price momentum. The underlying index starts with assigning a momentum value to each MSCI USA Index (parent index) constituent using its combined recent 12-month and 6-month price performance. These values are risk-adjusted by means of price returns over the period of three years to determine stocks momentum score. The index selects securities with the highest momentum scores and weights them by the product of their market cap weight in the parent index and momentum score. Each individual security is capped at 5% weight. The index generally covers approximately 30% of the parent index market cap. As a levered product with quarterly resets, MTUL is designed as a short-term trading tool and not a long-term investment vehicle. As a result, long-term returns could materially differ from those of the underlying index due to compounding. In addition, keep in mind MTUL is an exchange-traded note, holders are subject to the credit risk of UBS.

