

MVRL

ETRACS Monthly Pay 1.5x Leveraged Mortgage REIT ETN

Fund Description

MVRL provides 1.5x leveraged exposure to a market-cap weighted index of mortgage REITs. Leverage is reset quarterly.

FactSet Analyst Report

MVRLs index consists of US mortgage REITs which includes REITs engaged in the purchase or service of commercial or residential mortgage loans or mortgage related securities. The return on the note is linked to the performance of the price return of the MVIS US Mortgage REITs Index. Unlike most levered funds which usually reset daily MVRL offers 1.5x leveraged exposure over quarterly periods. Over periods spanning more than the quarterly reset dates, returns can vary significantly from its promised 1.5x exposure. However, the securities may pay a monthly coupon during their term. MVRL 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 underlying index due to quarterly compounding. Because this is a tactical tool, liquidity rather than holding cost is paramount for the note.

