

OILU

MicroSectors Oil & Gas Exp. & Prod. 3x Leveraged ETN

Fund Description

OILU provides 3x daily leveraged exposure to a tier-weighted index of US firms involved in oil and gas exploration and production.

FactSet Analyst Report

OILU is an aggressive and bullish one-day bet on a concentrated portfolio of US companies in the oil and gas exploration and production industry. The index has a slightly broader scope of the industry as it covers three segments: (i) integrated oil and gas exploration and production, (ii) upstream energy, and (iii) downstream and midstream energy. The index does not include MLPs. It selects the top 25 stocks by market-cap and weights the resulting portfolio by average daily value traded. The following weights are assigned per bucket: 30% for oil and gas exploration and production, 50% for upstream, and 20% for downstream and midstream. As a geared product, OILU is only designed as a short-term trading tool. Long-term returns could materially differ from those of the index due to daily compounding. Additionally, since the fund uses an ETN structure, investors assume the credit risk of the issuer.