

# PFFL

## ETRACS 2xMonthly Pay Leveraged Preferred Stock Index ETN

### Fund Description

PFFL tracks twice the monthly returns of a market-value-selected and -weighted index of preferred securities from various issuers.

### FactSet Analyst Report

PFFL is a leveraged take on the US preferred shares market. The underlying index consists of equally weighted positions in two ETFs: iShares PFF and Invescos PGX. Both are preferred stock funds that hold securities of various credit ratings. PFFL is a leveraged product that resets monthly. While this makes the note more suitable for longer-term positions than a daily-reset product, it is not intended as a buy-and-hold ETF. Returns will track 2x exposure to the underlying index only if shares are purchased at the beginning of a calendar month and sold by the end of the month. Note that PFFLs index is calculated based on the trading price of its underlying funds. This means that the effect of the funds fees, tracking error, and trading premium/discount is baked into the index and PFFLs leverage factor doubles their impact.