

# USML

## ETRACS 2x Leveraged MSCI US Minimum Volatility Factor TR ETN

### Fund Description

USML provides 2x leveraged exposure to an index of US large- and mid-cap securities selected and weighted to create a low-volatility portfolio, subject to various constraints.

### FactSet Analyst Report

USML offers 2x the daily performance of the MSCI USA Minimum Volatility Index, an index that optimizes the MSCI USA Index (parent index) to create a minimum-volatility portfolio within a given set of constraints. This optimization process uses an estimated co-variance matrix based on the Barra multi-factor equity model. Index constituents are constrained such that each individual constituent has a weight greater than 0.5% but is limited to 1.5% weight of the index, and sector weights will not deviate more than +/- 5% from the sector weights of the parent index. As a geared product with quarterly resets, USML 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 USML is an exchange-traded note, holders are subject to the credit risk of UBS.