

***Information Regarding Leveraged and/or Inverse Exchange-Traded Funds and Notes***

**Leveraged and/or inverse ETFs and ETNs**

Leveraged and inverse products are unique and involve additional risks and considerations not present in traditional products. Leveraged products are often identified with a multiplier in their names, such as "2x" or "3x," or may have a fund-specific description such as "ultra." These funds are designed to double or triple the performance of a particular index over a stated period of time. Similarly, "inverse" or "short" products are designed to deliver the opposite return of an index, or, in the case of a leveraged inverse fund, a multiple of the opposite return of the index. The majority of leveraged and inverse ETFs/ETNs currently reset over short periods of time, daily or monthly, and are designed to deliver their stated returns for the reset period only.

**Risk Disclosure**

Investments in leveraged and/or inverse ETFs/ETNs are subject to a number of risks not associated with similar investments in conventional debt instruments. Investors should reach an investment decision only after carefully considering, with their financial, legal, tax, accounting and other professionals, the suitability of leveraged and/or inverse ETFs/ETNs in light of their particular circumstances and the risk factors set forth below and in the Prospectus. The risks set forth below are only a summary and investors should consult the Prospectus for a more detailed assessment of the risks involved in purchases of leveraged and/or inverse ETFs/ETNs.

Some of the risks include, but are not limited to:

- Leveraged and/or inverse ETFs/ETNs invest in swaps, futures contracts, and other derivative instruments which subject the security to a variety of risks as described in the prospectus.
- These securities are generally designed to achieve their short-term objective over the course of a single trading day. Most leveraged and/or inverse ETFs/ETNs reset daily and their performance over longer periods of time can differ significantly from the performance of the underlying benchmark or index. Holding these investments longer than one day would be acting in a manner contrary to the prospectus and will incur the potential for greater risks including liquidity, market volatility, the daily reset and deviations in performance tracking relative to the benchmark or index.
- While trading and hedging strategies may justify holding leveraged and/or inverse ETFs/ETNs longer than one day, investors with a long-term time horizon should carefully consider whether these are appropriate for their portfolio. It is possible to suffer significant losses, up to and including the total amount invested, even if the long-term performance of the benchmark or index moves in the direction expected.
- Leveraged and/or inverse ETFs/ETNs may not meet their stated objective on any given trading day.
- Leveraged and/or inverse ETFs/ETNs may be more costly than traditional ETFs and ETNs.
- Leveraged and/or inverse ETFs/ETNs may be less tax-efficient than traditional ETFs/ETNs, due in part to the daily reset which can cause the leveraged and/or inverse ETFs/ETNs to realize significant short-term capital gains that may not be offset by a loss.
- The risks are described in the prospectus and investors must have the ability to withstand the loss of principal, up to and including the total amount invested.

For additional information please contact your TAM registered representative.

[Leveraged and Inverse ETFs: Specialized Products with Extra Risks for Buy-and-Hold Investors](#)  
[FINRA Regulatory Notice 09-31](#)  
[FINRA Urges Caution on Leveraged Funds](#)  
[Non-Traditional ETFs FAQ](#)