

# Source STOXX Europe 600 Optimised Banks UCITS ETF

## Investment objective

The Source STOXX Europe 600 Optimised Banks UCITS ETF seeks to provide the performance of the STOXX® 600 Optimised Banks Total Return Index.

## Source ETF structure

The Fund achieves its performance through Source's swap-enhanced ETF structure. This innovative investment technique combines full investment in physical equities with a multicounterparty swap overlay to minimise tracking error. Source's approach allows counterparty risk to be substantially reduced compared to typical swap-enhanced ETFs.

## About the benchmark

STOXX® Europe 600 Optimised Supersector indices have been optimised to reduce exposure to illiquid stocks thereby creating a more representative and investable sector benchmark.

Currency	EUR
No. of constituents <sup>1</sup>	42
Countries	Europe
Weighting	Optimised market cap
Rebalance frequency	Quarterly (Mar/Jun/Sep/Dec)
Capped individual stock weight	20, 15 or 10% depending on the number of components in the index
Mkt cap type	Mid/Large (€1 BN +)

## Top 10 index holdings

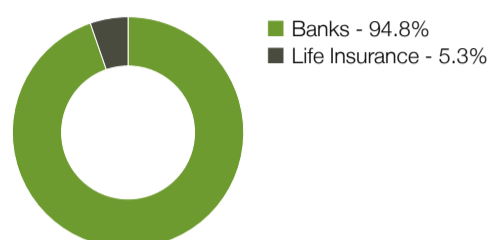
Company	Weighting
Banco Santander	9.45%
HSBC Holdings Plc	7.46%
BNP Paribas	6.61%
Banco Bilbao Vizcaya Argentaria	6.18%
UBS	5.87%
Barclays Plc	5.53%
ING Groep	5.19%
Lloyds Banking Group Plc	4.75%
Intesa Sanpaolo SpA	3.86%
Credit Suisse Group	3.81%

## Trading activity

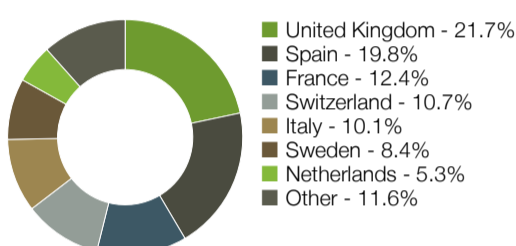
Source ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and enhanced liquidity.

## STOXX Europe 600 Optimised Banks Total Return (Net) Index Index (Data as of 30 October 2014)

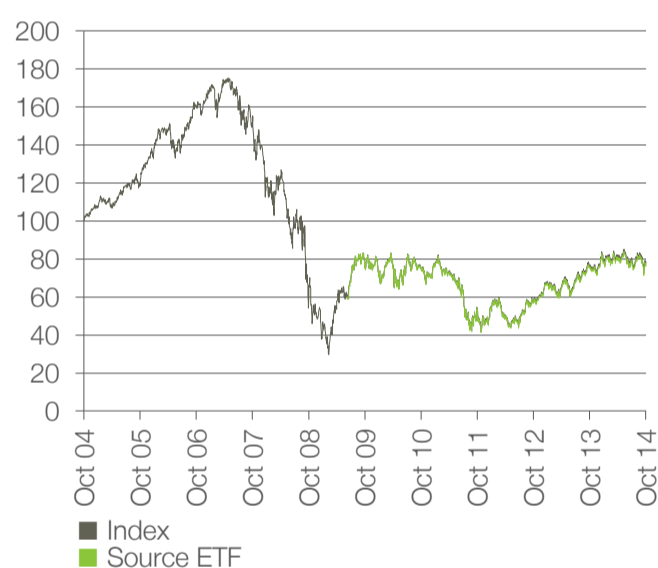
### Allocation - Sector



### Allocation - Geographic



## 10 year performance



## Risk/return profile

Year	Index performance	Volatility <sup>2</sup>	Sharpe ratio <sup>3</sup>
2014 YTD	0.15%	18.63%	-
2013	25.64%	19.85%	1.28
2012	28.93%	28.72%	1.00
2011	-32.02%	37.77%	-0.85

## ETF performance metrics

Year	Fund performance	Tracking difference <sup>4</sup>	Tracking error <sup>5</sup>
2014 YTD	-0.10%	-0.30%	0.0031%
2013	25.27%	-0.30%	0.0034%
2012	28.54%	-0.30%	0.0054%
2011	-32.23%	-0.31%	0.0070%
Inception <sup>6</sup>	26.55%	-0.30%	0.0067%

## Source: Bloomberg

Past performance is not a reliable indicator of future returns.

## Trading information

Exchange listing: Borsa  
 Trading currency: EUR  
 Trading times: 08:00 - 16:30  
 London time  
 ISIN: IE00B5MTWD60  
 Bloomberg: X7PS IM  
 Bloomberg (iNAV): X7PSIN  
 Reuters: X7PS.MI  
 Reuters (iNAV): X7PSINAV.DE

Exchange listing: LSE  
 Trading currency: EUR  
 Trading times: 08:00 - 16:30  
 London time  
 ISIN: IE00B5MTWD60  
 Bloomberg: X7PS LN  
 Bloomberg (iNAV): X7PSIN  
 Reuters: X7PS.L  
 Reuters (iNAV): X7PSINAV.DE

Exchange listing: LSE  
 Trading currency: GBp  
 Trading times: 08:00 - 16:30  
 London time  
 ISIN: IE00B5MTWD60  
 Bloomberg: X7PP LN  
 Bloomberg (iNAV): X7PPIN  
 Reuters: X7PP.L  
 Reuters (iNAV): X2H2INAV.DE

Exchange listing: SIX  
 Trading currency: EUR  
 Trading times: 09:00 - 17:30  
 Zurich time  
 ISIN: IE00B5MTWD60  
 Bloomberg: X7PS SW  
 Bloomberg (iNAV): X7PSIN  
 Reuters: X7PS.S  
 Reuters (iNAV): X7PSINAV.DE

Exchange listing: Xetra  
 Trading currency: EUR  
 Trading times: 09:00 - 17:30  
 Frankfurt time  
 ISIN: IE00B5MTWD60  
 Bloomberg: X7PS GR  
 Bloomberg (iNAV): X7PSIN  
 Reuters: X7PS.DE  
 Reuters (iNAV): X7PSINAV.DE

## Index information

Index: STOXX Europe 600 Optimised Banks Total Return (Net) Index  
 Currency: EUR  
 No. constituents: 42  
 Bloomberg: SXO7R  
 Reuters: .SXO7R

## ETF information

Replication method: Physical with swap overlay  
 Base currency: EUR  
 Issuer: Source Markets plc  
 Manager: Source Investment Management Ltd  
 Investment manager: Assenagon Asset Management S.A.  
 Custodian: Northern Trust Fiduciary Services (Ireland) Limited  
 Fund inception date: 07 July 2009  
 Management fee: 0.30% p.a.  
 Swap fee: 0%  
 Total expense ratio: 0.30% p.a.  
 Dividend treatment: Accumulating  
 Open-ended: Yes  
 UCITS: Yes  
 Domicile: Ireland  
 UK reporting status: Yes  
 Minimum investment: 1 unit

## Available on www.source.info

Assets under Management  
 NAV & iNAV  
 Prospectus & KIID

## For more information

<sup>1</sup> The actual number of index constituents may vary

<sup>2</sup> Annualised volatility based on daily log returns

<sup>3</sup> Sharpe ratio is adjusted for risk free rate, taken as the yield on 12 month US Treasuries

<sup>4</sup> Annualised relative return vs the benchmark, calculated on a proportional basis, as  $(\text{fund return} + 1) / (\text{index return} + 1) - 1$

<sup>5</sup> Tracking error is calculated as the annualised volatility of daily excess returns against the index

<sup>6</sup> Start date used is 07 July 2009

## About Source

Source is a specialist provider of Exchange Traded Products (ETPs) with a unique approach and deep roots in the trading community. Source's partners include: Bank of America Merrill Lynch, Goldman Sachs, J.P. Morgan, Morgan Stanley, Nomura, UBS, Virtu Financial and Flow Traders, along with over 15 other market makers. Our unique approach to ETPs is delivering a superior investor experience and rapid asset growth.

## Source ETFs

Source ETFs enable an investor to gain exposure to the performance of various equity market indices in only one trade. Source ETFs are linked to broad and country indices. Source ETFs are open-ended funds that can be created or redeemed on demand. They are traded and settled both OTC and on exchange and have market maker support providing liquidity and robust bid-offer spreads.

## Key features

### Liquidity

Source's multi broker/dealer platform enhances daily liquidity and provides robust bid-offer spreads both OTC and on exchange. Source ETFs have similar liquidity characteristics to their underlying traded securities.

### Flexibility

By using Source ETFs on a number of indices, an investor can build or customise a range of exposures and with intraday liquidity can adjust these exposures dynamically. Source ETFs can be lent and borrowed, allowing investors to go long and short indices.

### Transparency

Source ETFs aim to replicate the performance of the underlying index. Additionally, they benefit from a transparent fund and cost-structure. Benchmark constituents and weightings are published daily.

### Simplicity

Source ETFs help investors to gain exposure to a wide range of indices while executing only one trade.

### Accessibility

Source ETFs are traded and settled on regulated stock exchanges and can be purchased and held in ordinary brokerage or custodial accounts.

## Key Disclaimer Information:

This factsheet contains a short summary description of the above mentioned ETF (the "Fund") and is for discussion purposes only. This factsheet is not for distribution to, or for the attention of, US or Canadian persons. The prospectus and KIID documenting the issue of shares by the Fund can be downloaded from [www.source.info](http://www.source.info)

Without limitation, this factsheet does not constitute an offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation and any prospectus relating to the transaction and not this summary. Investment strategies involve numerous risks.

Investors should consult their own business, tax, legal and accounting advisors with respect to a purchase of shares and you should refrain from entering into a transaction unless you have fully understood the associated risks and have independently determined that the transaction is appropriate for you. In no way should Source UK Services Limited ("Source") be deemed to be holding itself out as a financial adviser or a fiduciary of the recipient hereof.

**Risk Factors:** The investments of the Fund in securities are subject to normal market fluctuations and other risks

## Cost-effectiveness

Source ETFs have significantly lower management fees or total expense ratios (TERs) than many actively managed funds.

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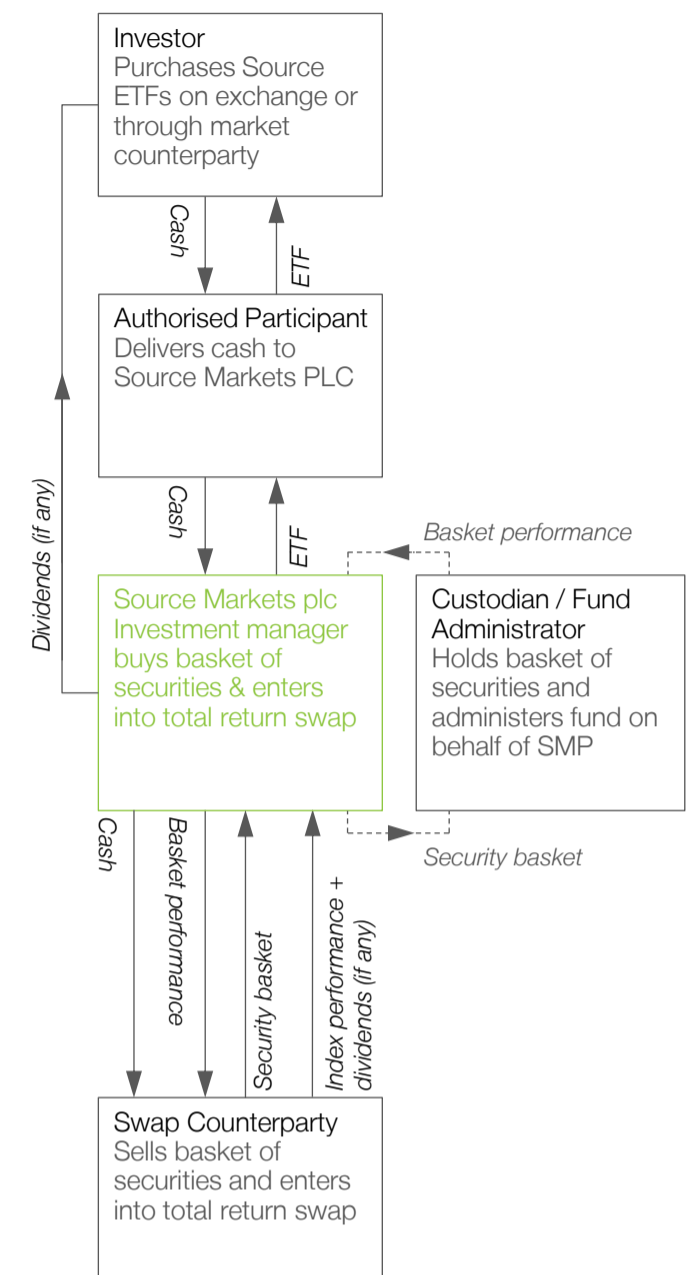
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Other Over 15 market makers. For further information please visit [www.source.info](http://www.source.info)

## Source swap enhanced ETF structure



inherent in investing in securities. The value of investments and the income from them, and therefore the value of and income from shares relating to each Fund can go down as well as up and an investor may not get back the amount invested. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. Due to charges which may be payable on the shares, an investment in shares in the Fund should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

There is no assurance that any Fund will achieve its investment objective. As a Fund whose target performance is linked to a reference index will often be invested in securities which differ from the constituents of the index and derivative techniques will be used to achieve the performance. While the prudent use of such derivatives can be beneficial, derivatives also involve risks which, in certain cases, can be greater than the risks presented by investing directly in the constituents of the index.

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