

# Source Goldman Sachs Equity Factor Index Europe UCITS ETF

## Investment objective

The Source Goldman Sachs Equity Factor Index Europe UCITS ETF (the "Fund") aims to deliver the return of the Goldman Sachs Equity Factor Index Europe Net Total Return EUR (the "Index"), less an annual management fee of 0.55%.

## Key advantages

- Diversified exposure to five equity "factors"
- Efficient index construction
- Transparent, independent index calculation

## About the benchmark

The Index offers broad, European equity exposure. It aims to outperform traditional benchmarks, on an absolute and risk-adjusted basis, by emphasising five factors that may contribute to equity returns:

- Low beta
- Size
- Value
- Momentum
- Quality

The Index is constructed so as to maximise exposure to these factors, while controlling country and sector risk versus market cap-weighted benchmarks. Weightings are calculated such that each factor contributes an equal amount of risk, once correlations between factors are taken into account. The maximum weighting per constituent is 1%.

The Index is calculated daily. Constituents and weightings are determined monthly and published with a two week delay. A detailed description of the methodology is available at [www.source.info](http://www.source.info). The Index may underperform either market capitalisation-weighted benchmarks and other strategies aiming to capture similar factor returns.

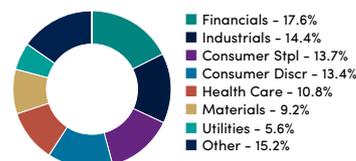
## Source ETF structure

Source's market-leading ETF structure combines physical investment with a swap overlay to allow efficient tracking of the Index. The Fund is fully invested in listed equities and enters into total return swaps to achieve the Index performance. The swap counterparty (in this case Goldman Sachs) bears the risk and cost of tracking. Swaps are reset frequently to keep counterparty exposure within strict limits. In addition, the counterparty must satisfy and maintain predefined credit criteria. Source reserves the right to use alternative swap counterparties and to transfer existing exposure to a new counterparty.

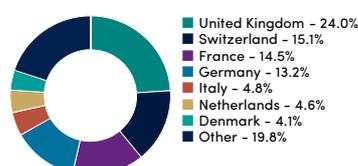
## Goldman Sachs Equity Factor Index Europe Net

### Total Return (Data as of 30 November 2017)

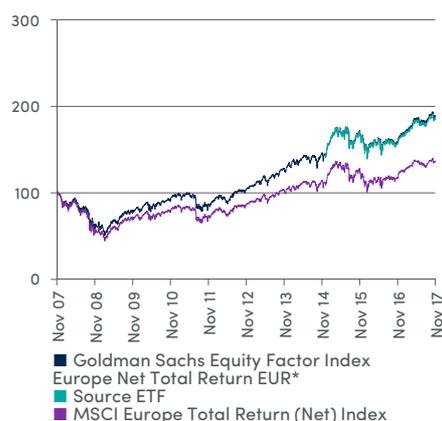
#### Sector exposure



#### Geographic exposure



#### 10 year performance



#### Risk/return profile

Year	Index performance	Volatility <sup>1</sup>	Sharpe ratio <sup>2</sup>
2017 YTD	13.80%	8.53%	-
2016	0.46%	18.54%	-0.01
2015	14.50%	18.25%	0.78
2014	10.62%	12.82%	0.82

**Source: Bloomberg. Past performance (actual or simulated) is not a reliable indicator of future performance**  
\* Performance of the Goldman Sachs Equity Factor Index Europe Net TR Index prior to April 23 2014 date has been simulated by Goldman Sachs. Simulated performance is calculated using the index rules, published at [www.sourceetf.com](http://www.sourceetf.com), but has at times used different data sources and a slightly different methodology.

#### Key product risks

- No capital protection: the amount originally invested may not be recovered
- The Index may underperform market cap-weighted benchmarks
- There is no objectively correct way to capture the selected equity factors and the Index may underperform other strategies aiming to capture these factors

#### Trading information

**Exchange listing:** Borsa  
**Trading currency:** EUR  
**Trading times:** 08:00 - 16:30  
London time  
IE00BMW3NY56  
EFIE IM  
Reuters: EFIE.MI

**Exchange listing:** LSE  
**Trading currency:** GBp  
**Trading times:** 08:00 - 16:30  
London time  
IE00BMW3NY56  
EFIE LN  
Reuters: EFIE.L

**Exchange listing:** SIX  
**Trading currency:** EUR  
**Trading times:** 09:00 - 17:30  
Zurich time  
IE00BMW3NY56  
EFIE SW  
Reuters: EFIE.S

**Exchange listing:** Xetra  
**Trading currency:** EUR  
**Trading times:** 09:00 - 17:30  
Frankfurt time  
DE000A1161M1  
SMLU GR  
Reuters: SMLU.DE

#### Index information

**Index:** Goldman Sachs Equity Factor Index Europe Net Total Return  
**Currency:** EUR  
**Bloomberg:** GSRPEXEN  
**Reuters:** .GSRPEXEN  
**Index sponsor:** Goldman Sachs International  
**Index calculation agent:** Standard & Poor's  
**Weight calculation agent:** Axioma, Inc

#### ETF information

**Replication method:** Equities with swap enhancement  
**Base currency:** EUR  
**Issuer:** Source Markets plc  
**Manager:** Source Investment Management Limited  
**Investment manager:** Assenagon Asset Management S.A.  
**Depository:** Northern Trust Fiduciary Services (Ireland) Limited  
**Fund inception:** 06 Jan 2015  
**Ongoing charge<sup>3</sup>:** 0.55% p.a.  
**Swap fee:** 0%  
**Dividends:** Accumulating  
**Open-ended:** Yes  
**UCITS:** Yes  
**Domicile:** Ireland  
**UK reporting status:** Yes  
**ISA/SIPP:** Eligible  
**Minimum investment:** 1 unit

#### Available at powersharesetf.com

Assets under Management  
NAV & iNAV  
Prospectus & KIID

<sup>1</sup> Annualised volatility based on daily log returns

<sup>2</sup> Sharpe ratio is adjusted for risk free rate, taken as the yield on 12 month US Treasuries

<sup>3</sup> Includes management fee, custody and administration costs but excludes transaction costs such as swap costs

### 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, Société Générale, UBS, Virtu Financial, Flow Traders, Commerzbank and Deutsche Bank AG, along with over 15 other market makers. Our unique approach to ETPs is delivering a superior investor experience and rapid asset growth.

### Buying and selling Source ETFs

Source ETFs can be traded both on exchange and over the counter. The ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and high liquidity. For guidance and intelligence concerning trading in Source products, please contact our Capital Markets group on +44 (0) 20 3370 1154 or [capitalmarkets@SourceETF.com](mailto:capitalmarkets@SourceETF.com).

### 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.

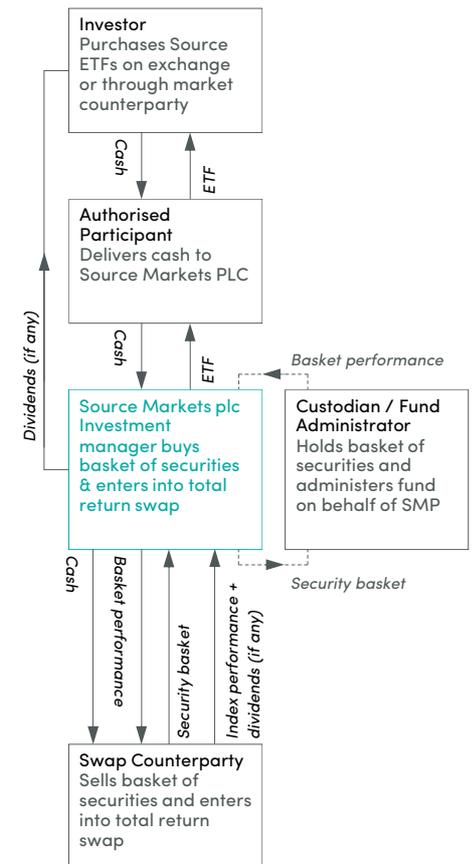
### Accessibility

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

### Cost-effectiveness

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

### Source swap enhanced ETF structure



### Key Disclaimer Information:

Investors in Source products should note that the value of your investment may go down as well as up. As a result, you may not get back the amount of capital you invest.

This material is not for distribution to retail clients, as that term is defined under The European Union Markets in Financial Instruments Directive (2004/39/EC).

This factsheet which contains a summary description of the above mentioned ETF is for discussion purposes only and is intended for professional investors pursuant to Directive 2004/39/EC (MIFID) Annex II Section I. A complete description of the shares is set out in the prospectus of the above mentioned ETF. This factsheet is not for distribution to, or for the attention of, US or Canadian persons. The prospectus documenting the issue of Source ETFs is downloadable from [www.sourceeif.com](http://www.sourceeif.com).

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therefore at risk that the level of the index may cause any amounts payable under the product to be less than the amount paid for the ETFs. Accordingly, this investment bears market risk and investors are cautioned to take advice accordingly. The historical level of the index should not be taken as an indication of the index's future performance during the term of the ETFs. The value of investments may fluctuate and investors may not get back the amount invested. Investment risks from market and currency losses as well as high volatility and concentration risk cannot be excluded.

Counterparty risk: through the Fund, investors are exposed to counterparty risk resulting from the use of derivatives to provide index exposure. In line with UCITS guidelines and Source policies, the exposure to any counterparty is tightly controlled but the default of a counterparty may cause a loss to the Fund. Investors should note that, as of the date of publication of this brochure, the Fund used a single swap counterparty for derivative transactions.

Simulated performance data: the historical performance of the Goldman Sachs Equity Factor Index Europe Net TR (the "Index") is simulated and uses hypothetical circumstances to estimate how the Index might have performed prior to its actual existence. Source provides no assurance or guarantee that the Index will operate or would have operated in the past in a manner consistent with the simulations provided.

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