

# Source MSCI Europe Value UCITS ETF

## Investment objective

The Source MSCI Europe Value UCITS ETF (the "Fund") aims to provide the performance of the MSCI Europe Value EUR TR (Net) 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

The MSCI Europe Value EUR TR (Net) Index is a value-focused index constructed from the constituents of the MSCI Europe. It targets around 50% of the free float-adjusted market capitalisation of the MSCI Europe and includes those stocks that exhibit "Value" – as opposed to "Growth" – characteristics relative to the MSCI Europe universe. The factors used to assess a stock's value are as follows:

- Book value to price ratio
- 12-month forward earnings to price ratio
- Dividend yield

The MSCI Europe Value EUR Total Return (Net) Index is reviewed semi-annually.

## Top 10 index holdings

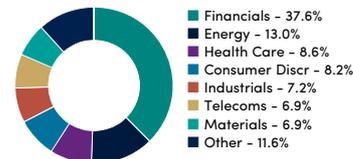
Company	Weighting
HSBC Holdings Plc	4.25%
Novartis	4.06%
Royal Dutch Shell Plc	3.06%
Total	2.85%
Royal Dutch Shell Plc	2.58%
Banco Santander	2.31%
Allianz	2.26%
Siemens	2.21%
Sanofi	2.21%
BASF	2.19%

## Trading activity

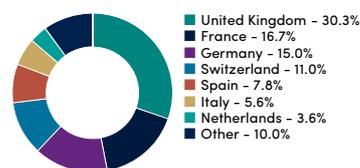
Source ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and enhanced liquidity.

## MSCI Europe Value Total Return (Net) Index (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	7.59%	9.38%	-
2016	7.41%	23.12%	0.29
2015	0.65%	21.16%	0.02
2014	5.59%	14.19%	0.39

## ETF performance metrics

Year	Fund performance	Tracking difference <sup>3</sup>	Tracking error <sup>4</sup>
2017 YTD	7.25%	-0.32%	0.00%
2016	7.03%	-0.35%	0.00%
2015	0.30%	-0.35%	0.00%
2014	5.23%	-0.35%	0.00%

Source: Bloomberg

Past performance is not a reliable indicator of future returns.

## Trading information

Exchange listing: Xetra  
Trading currency: EUR  
Trading times: 09:00 - 17:30 Frankfurt time  
ISIN: IE00B3LK4Z20  
Bloomberg: EMSV GR  
Bloomberg (iNAV): EMSVIN  
Reuters: EMSV.DE  
Reuters (iNAV): EMSVIN.DE

## Index information

Index: MSCI Europe Value Total Return (Net) Index  
Currency: EUR  
No. constituents: 218  
Bloomberg: MSVEUNTR  
Reuters: .dMIEU0000VNEU

## ETF information

Replication method: Physical with swap overlay  
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: 15 Mar 2012  
Ongoing charge<sup>5</sup>: 0.35% p.a.  
Swap fee: 0%  
Dividends: Accumulating  
Open-ended: Yes  
UCITS: Yes  
Domicile: Ireland  
UK reporting status: Yes  
ISA/SIPP: Eligible  
Base currency: EUR  
Minimum investment: 1 unit

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<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> Annualised relative return vs the benchmark, calculated on a proportional basis, as (fund return+1)/(index return+1) - 1

<sup>4</sup> Tracking error is calculated as the annualised volatility of daily excess returns against the index

<sup>5</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.

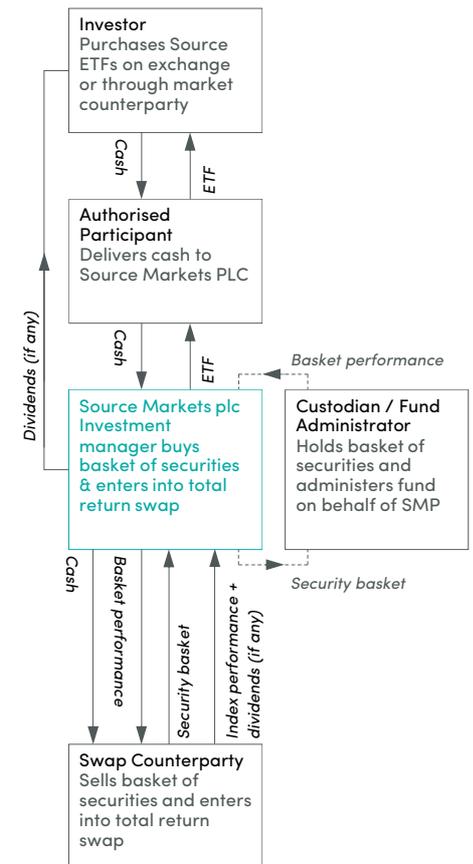
**Accessibility**

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 price of your investment may go down as well as up. As a result you may not get back the amount of capital you invest.

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