

# Source RBIS Equal Risk Equity US UCITS ETF

## Investment objective

The Source RBIS Equal Risk Equity US UCITS ETF aims to provide the performance of the R Risk-Based US Equity Index Total Return (Net), after the impact of fees.

## Key advantages

- Uses the correlation and volatility of individual stocks to determine their weighting in the index
- Aims to improve risk-adjusted returns compared to traditional market-cap weighted benchmarks
- Maintains diversification similar to the broad US equity market

## Key product risks

- No capital protection: the amount originally invested may not be recovered
- The index may underperform market cap-weighted benchmarks
- The index may underperform similar strategies

## About the benchmark

The R Risk-Based US Equity Index Total Return (Net) is a strategy index providing exposure to US equities. The largest 500 US stocks are eligible for inclusion:

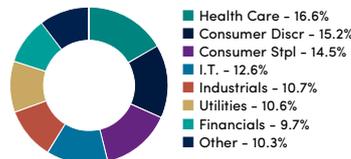
- The 250 stocks with the lowest risk (on the basis of their volatility and correlation) are selected
- Stocks are then weighted such that they each contribute equal risk
- The index is rebalanced monthly and reviewed quarterly.

## Source ETF structure

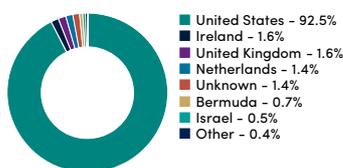
The Fund achieves its performance through Source's swap-enhanced ETF structure. This innovative investment technique combines full investment in physical equities with a multicounterparty swap overlay to minimise tracking error. Source's approach allows counterparty risk to be substantially reduced compared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

## R Risk-Based US Equity Index Total Return (Net) (Data as of 30 November 2017)

### Sector exposure



### Geographic exposure



### 1 year performance



### Risk/return profile

Year	Index performance	Volatility <sup>1</sup>	Sharpe ratio <sup>2</sup>
2017 YTD	16.59%	5.80%	-
2016	11.02%	11.34%	0.92

### Source: Bloomberg.

Past performance (actual or simulated) is not a reliable indicator of future performance.

### Top 10 index holdings

Company	Weighting
NXP Semiconductors	1.38%
Time Warner Inc	0.92%
Monsanto Co	0.84%
CBOE Global Markets Inc	0.69%
Lockheed Martin Corp	0.66%
Humana Inc	0.66%
EOG Res Inc	0.64%
Northrop Grumman Corp.	0.63%
McDonalds Corp	0.63%
Wal Mart Stores Inc	0.63%

## Trading information

Exchange listing: LSE  
Trading currency: USD  
Trading times: 08:00 - 16:30  
London time  
IE00BYT2P548  
Bloomberg: RUQR LN  
Bloomberg (iNAV): RUQRIN  
Reuters: RUQR.L  
Reuters (iNAV): 275TINAV.DE

## Index information

Index: R Risk-Based US Equity Index Total Return (Net)  
Currency: USD  
No. constituents: 250  
Bloomberg: RBISUSNT  
Reuters: .RRBUSNT2

## ETF information

Replication method: Equities with swap enhancement  
Base currency: USD  
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: 01 Sep 2016  
Ongoing charge<sup>3</sup>: 0.48% 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

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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> 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.

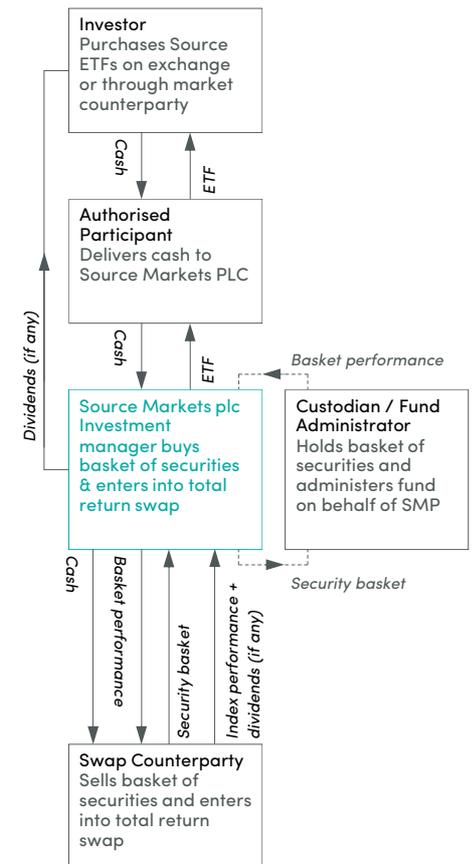
### Accessibility

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 a significantly lower ongoing charges 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 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 ETF is set out in the prospectus. 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.sourceetf.com](http://www.sourceetf.com).

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The R Risk-Based US Equity Index is calculated by Markit Equities Ltd ("Markit"), the Calculation

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