

Source MSCI Europe UCITS ETF

Investment objective

The Source MSCI Europe UCITS ETF aims to provide the performance of the MSCI Europe Total Return (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 Total Return (Net) Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance in Europe.

| | |
|----------------------------------|-----------------------------|
| Currency | EUR |
| No. of constituents ¹ | 446 |
| Countries | Europe |
| Weighting | Free-float market cap |
| Rebalance frequency | Quarterly (Feb/May/Aug/Nov) |
| Capped individual stock weight | n/a |
| Mkt cap type | Mid/Large (€1 BN +) |

Top 10 index holdings

| Company | Weighting |
|------------------------------|-----------|
| Nestle | 2.84% |
| HSBC Holdings Plc | 2.12% |
| Novartis | 2.03% |
| Roche Hldg Ltd | 1.89% |
| British American Tobacco Plc | 1.54% |
| Royal Dutch Shell Plc | 1.53% |
| Total | 1.42% |
| BP Plc | 1.39% |
| Royal Dutch Shell Plc | 1.28% |
| SAP | 1.17% |

Trading activity

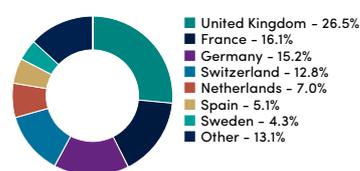
Source ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and enhanced liquidity.

MSCI Europe Total Return (Net) Index (Data as of 30 November 2017)

Sector exposure



Geographic exposure



10 year performance



Risk/return profile

| Year | Index performance | Volatility ² | Sharpe ratio ³ |
|----------|-------------------|-------------------------|---------------------------|
| 2017 YTD | 9.37% | 8.48% | - |
| 2016 | 2.58% | 19.96% | 0.10 |
| 2015 | 8.22% | 20.32% | 0.39 |
| 2014 | 6.84% | 13.48% | 0.50 |

ETF performance metrics

| Year | Fund performance | Tracking difference ⁴ | Tracking error ⁵ |
|----------|------------------|----------------------------------|-----------------------------|
| 2017 YTD | 9.42% | 0.04% | 0.04% |
| 2016 | 2.64% | 0.06% | 0.04% |
| 2015 | 8.20% | -0.02% | 0.03% |
| 2014 | 6.81% | -0.03% | 0.04% |

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
IE00B60SWY32
Bloomberg: SMSEUR IM
Bloomberg (iNAV): SMSEURIN
Reuters: SMSEUR.MI
Reuters (iNAV): SMSEURINAV.DE

Exchange listing: LSE
Trading currency: GBp
Trading times: 08:00 - 16:30
London time
IE00B60SWY32

Exchange listing: LSE
Trading currency: USD
Trading times: 08:00 - 16:30
London time
IE00B60SWY32
Bloomberg: MXEU LN
Bloomberg (iNAV): MXEUIN
Reuters: MXEU.L
Reuters (iNAV): X2H4INAV.DE

Exchange listing: LSE
Trading currency: USD
Trading times: 08:00 - 16:30
London time
IE00B60SWY32
Bloomberg: SMEU LN
Bloomberg (iNAV): SMEUIN
Reuters: SMEU.L
Reuters (iNAV): D9XZINAV.DE

Exchange listing: SIX
Trading currency: EUR
Trading times: 09:00 - 17:30
Zurich time
IE00B60SWY32
Bloomberg: MXEU SW
Bloomberg (iNAV): SMSEURIN
Reuters: MXEU.S
Reuters (iNAV): SMSEURINAV.DE

Exchange listing: Xetra
Trading currency: EUR
Trading times: 09:00 - 17:30
Frankfurt time
IE00B60SWY32
Bloomberg: SMSEUR GR
Bloomberg (iNAV): SMSEURIN
Reuters: SMSEUR.DE
Reuters (iNAV): SMSEURINAV.DE

Index information

Index: MSCI Europe Total Return (Net) Index
Currency: EUR
No. constituents: 446
Bloomberg: MSDEE15N
Reuters: .dMIEU00000NEU

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: 23 Mar 2009
Ongoing charge⁶: 0.20% 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

For more information

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¹ The actual number of index constituents may vary

² Annualised volatility based on daily log returns

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

⁴ Annualised relative return vs the benchmark, calculated on a proportional basis, as (fund return+1)/(index return+1) - 1

⁵ Tracking error is calculated as the annualised volatility of daily excess returns against the index

⁶ 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.

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.

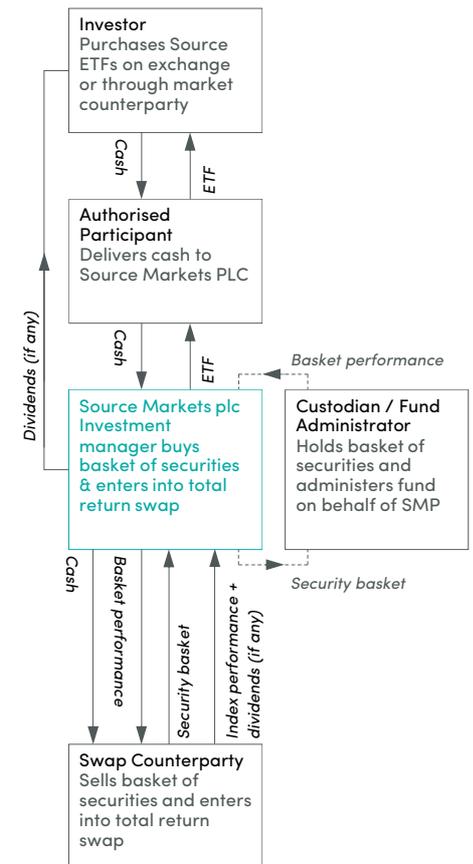
Accessibility

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



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