

Source STOXX Europe 600 Optimised Industrial Goods & Services UCITS ETF

Investment objective

The Source STOXX Europe 600 Optimised Industrial Goods & Services UCITS ETF seeks to provide the performance of the STOXX® 600 Optimised Industrial Goods & Services TR 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 ¹	97
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

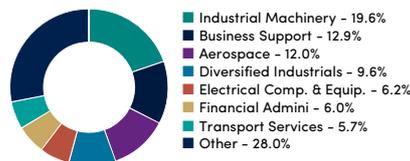
Company	Weighting
Siemens	7.49%
Airbus	4.49%
ABB Ltd	4.32%
AB Volvo	3.26%
Atlas Copco AB	3.06%
Deutsche Post	2.95%
Schneider Electric	2.91%
AMADEUS IT HLDGS	2.75%
BAE Systems Plc	2.62%
Safran	2.43%

Trading activity

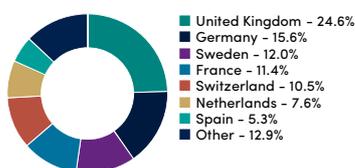
Source ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and enhanced liquidity.

STOXX® Europe 600 Optimised Industrial Goods & Services 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	16.52%	10.48%	-
2016	11.00%	21.53%	0.48
2015	6.95%	19.80%	0.34
2014	-0.18%	14.80%	-0.02

ETF performance metrics

Year	Fund performance	Tracking difference ⁴	Tracking error ⁵
2017 YTD	16.20%	-0.27%	0.00%
2016	10.67%	-0.30%	0.00%
2015	6.63%	-0.30%	0.00%
2014	-0.48%	-0.30%	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:	IE00B5MJYX09
Bloomberg:	XNPS GR
Bloomberg (iNAV):	XNPSIN
Reuters:	XNPS.DE
Reuters (iNAV):	XNPSINAV.DE

Index information

Index:	STOXX® Europe 600 Optimised Industrial Goods & Services Total Return (Net) Index
Currency:	EUR
No. constituents:	97
Bloomberg:	SXONR
Reuters:	.SXONR

ETF information

Replication method:	Physical with swap overlay
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:	08 Jul 2009
Ongoing charge ⁶	0.30% 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 powershareseff.com	
Assets under Management	
NAV & iNAV	
Prospectus & KIID	

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.

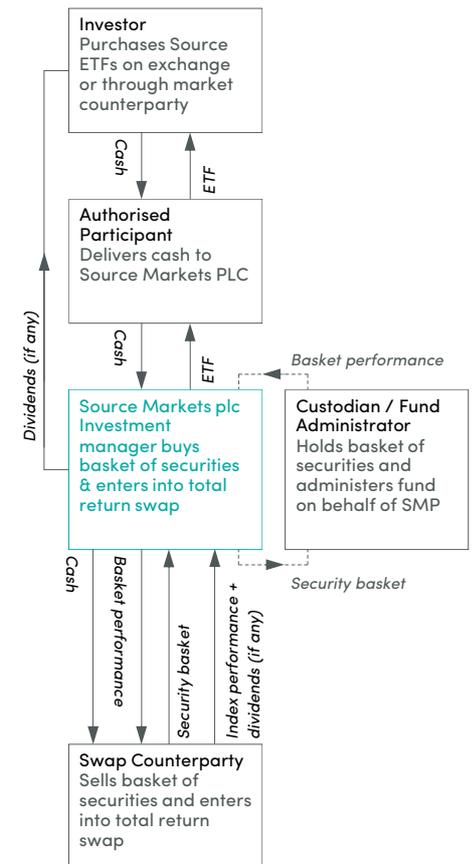
Accessibility

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



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 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.sourceeff.com.

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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

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