

Source Utilities

S&P US Select Sector UCITS ETF

Investment objective

The Source Utilities S&P US Select Sector UCITS ETF aims to provide the performance of the S&P Select Sector Capped 20% Utilities 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 S&P Select Sector Capped 20% Utilities Total Return (Net) Index represents the utilities sector of the S&P 500 Index. Derived from the US Utilities Select Sector index (Bloomberg: IXU), the index has been modified with a 19% single stock weighting cap, allowing all ETFs based on it to be UCITS compliant.

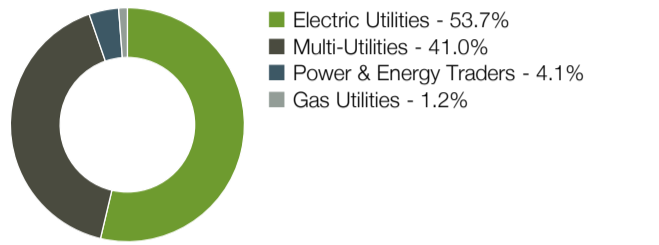
Currency	USD
No. of constituents ¹	30
Countries	US
Weighting	Modified market cap
Rebalance frequency	Quarterly (Mar/Jun/Sep/Dec)
Capped individual stock weight	19%
Mkt cap type	Mid/Large (US\$2 BN +)

Top 10 index holdings

Company	Weighting
Duke Energy Corp	9.58%
NextEra Energy Inc	8.14%
Dominion Resources Inc.	7.61%
Sthn Co	7.39%
Exelon Corp	5.64%
American Electric Power Company Inc	4.96%
Sempra Engy	4.34%
PPL Corp	4.09%
PG&E Corp.	4.04%
Pub SERVICE ENTERPRISE GROUP Inc	3.75%

S&P Select Sector Capped 20% Utilities
Total Return (Net)
(Data as of 30 June 2014)

Allocation - Sector



10 year performance



Risk/return profile

Year	Index performance	Volatility ²	Sharpe ratio ³
2014 YTD	17.97%	11.72%	-
2013	11.86%	12.39%	0.95
2012	-0.64%	9.87%	-0.07
2011	19.14%	16.62%	1.14

ETF performance metrics

Year	Fund performance	Tracking difference ⁴	Tracking error ⁵
2014 YTD	17.80%	-0.29%	0.0023%
2013	11.52%	-0.30%	0.0024%
2012	-0.94%	-0.30%	0.0019%
2011	18.78%	-0.30%	0.0030%
Inception ⁶	60.06%	-0.30%	0.0026%

Source: Bloomberg

Past performance is not a reliable indicator of future returns.

Trading activity

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

Trading information

Exchange listing:	LSE
Trading currency:	USD
Trading times:	08:00 - 16:30 London time
ISIN:	IE00B3VPKB53
Bloomberg:	XLUS LN
Bloomberg (iNAV):	XLUSIN
Reuters:	XLUS.L
Reuters (iNAV):	XLUSINAV.DE

Exchange listing:	LSE
Trading currency:	GBP
Trading times:	08:00 - 16:30 London time
ISIN:	IE00B3VPKB53
Bloomberg:	XLUP LN
Bloomberg (iNAV):	XLUPIN
Reuters:	XLUP.L
Reuters (iNAV):	X2IEINAV.DE

Exchange listing:	SIX
Trading currency:	USD
Trading times:	09:00 - 17:30 Zurich time
ISIN:	IE00B3VPKB53
Bloomberg:	XLUS SW
Bloomberg (iNAV):	XLUSIN
Reuters:	XLUS.S
Reuters (iNAV):	XLUSINAV.DE

Benchmark information

Index:	S&P Select Sector Capped 20% Utilities Total Return (Net)
Currency:	USD
No. constituents:	30
Bloomberg:	SPSUUN
Reuters:	.SPSUUN

Security information

Replication method:	Physical with swap overlay
Issuer:	Source Markets plc
Manager:	Source Investment Management Ltd
Investment manager:	Assenagon Asset Management S.A.
Custodian:	Northern Trust Fiduciary Services (Ireland) Limited
Fund inception date:	16 December 2009
Management fee:	0.30% p.a.
Swap fee:	0%
Dividend treatment:	Accumulating
Open-ended:	Yes
UCITS:	Yes
Domicile:	Ireland
UK reporting status:	Yes
Base currency:	USD
Minimum investment:	1 unit

Available on www.source.info:

Assets under Management
NAV & iNAV
Prospectus & KIID

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 Start date used is 04 January 2010

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, Nomura, UBS, Virtu Financial and Flow Traders, along with over 15 other market makers. Our unique approach to ETPs is delivering a superior investor experience and rapid asset growth.

Source ETFs

Source ETFs enable an investor to gain exposure to the performance of various equity market indices in only one trade. Source ETFs are linked to broad and country indices. Source ETFs are open-ended funds that can be created or redeemed on demand. They are traded and settled both OTC and on exchange and have market maker support providing liquidity and robust bid-offer spreads.

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.

Contact information - Source

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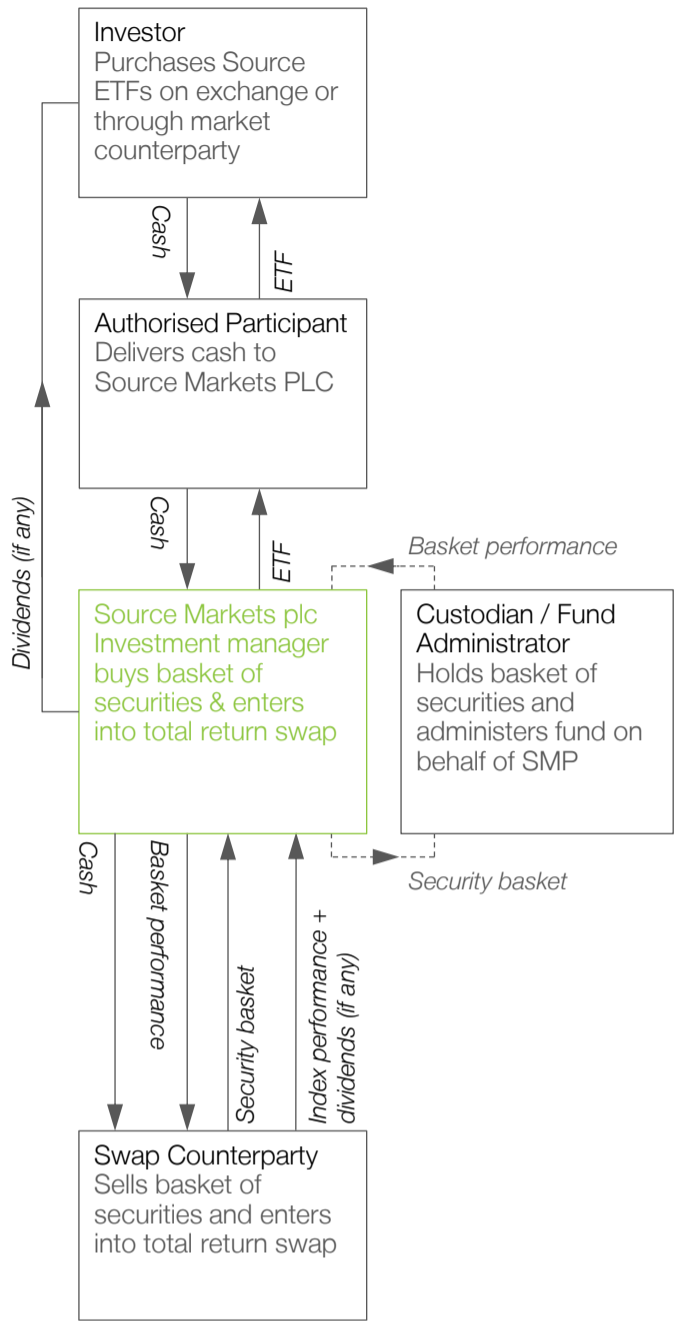
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Other	Over 15 market makers. For further information please visit www.source.info

Source swap enhanced ETF structure



Key disclaimer information:

This fact sheet contains a short summary description of the above mentioned ETF and is for discussion purposes only. A complete description of the notes is set out in the prospectus of the above mentioned ETF. This fact sheet 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.source.info.

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