

Assenagon Asset Management S.A.

Our perfect partner

Assenagon Asset Management S.A. has responsibility for the day-to-day investment management of Source's equity and alternative ETFs. Assenagon has sophisticated market-leading risk management tools and deep experience with ETFs. They have outstanding product and distribution insight with compelling knowledge of the issues specific to the German markets. Assenagon are very well positioned to provide investment management services to Source and its funds.

In-depth knowledge of ETFs

Assenagon's founding partners, Hans Gunther Bonk and Vassilios Pappas, were senior members of the team at Bayerische Hypo- und Vereinsbank (HVB) that created INDEXCHANGE in 2000 and developed it into the second largest provider of ETFs in Europe (both physical and swap backed). INDEXCHANGE was a trend setting ETF provider and many of the current partners in Source were also involved in its development (Bank of America Merrill Lynch, Goldman Sachs, Morgan Stanley and the Deutsche Borse). (In 2007, HVB sold INDEXCHANGE to iShares and it no longer operates independently).

Compelling investment solutions

Assenagon was established in 2007 and specialises in structuring and managing bespoke investment solutions, including credit funds, index replication, optimisation strategies, portfolio structuring, management, administration and reporting.

Assenagon's funds provide both benchmark beta tracking and active strategies. Assenagon also provides risk analysis, monitoring and management as well as restructuring of specific risk profiles.

Vital daily value-added

Today at Source, Assenagon is responsible on a day-to-day basis for implementing the investment strategy and guidelines developed by Source. They support us in complying with the policies, objectives and restrictions set out in our fund prospectus and the UCITS guidelines as well as co-ordinating with all of the members of the consortium.

Assenagon is an independent financial asset and risk manager with 50 employees and incorporated in Luxembourg, with offices in Luxembourg and Munich and authorised and regulated by the Commission de Surveillance du Secteur Financier. Assenagon is completely independent of Source's shareholders and derivative providers. Furthermore, Assenagon has built very powerful credit analysis and risk management software. They are members of our credit committee and are ideally positioned to continually evaluate complex credit, counterparty and correlation exposure particularly in the face of today's post credit crisis environment.

Employee breakdown

Number of employees in respective functions	
Management (Luxembourg, Munich)	7 ¹
Legal & Compliance	2
Portfolio Operations	7
Structuring/Portfolio Management	13
Risk Management	8
Sales/Marketing (incl. Communications, Product Management & Economics)	12
Corporate Administration (incl. Finance, Operations & Administration)	8

¹ Management staff will be allocated to the respective corporate functions.

Note: Assenagon Credit Management GmbH headcount is not part of this calculation: ASG CM GmbH currently has 9 employees (thereof 3 management).

Data: Assenagon, as 30th June 2011

Key milestones

Financial year 2009

- Focus on risk management services, IT stability and the asset class credit
- Assenagon significantly built up junior and senior staff
- Significant growth in awareness of Assenagon in the press and on TV

Financial year 2010

- Turnaround-year, Assenagon achieved positive monthly cash-flow and positive year-end financial statements
- Setting the course for strategic business partnering (Assenagon Credit Management GmbH, Assenagon Client Service GmbH/Crossflow Financial Advisors GmbH)
- Several further mandates won, e.g. Assenagon Global Opportunities Fund
- Launch of Assenagon Credit Basis II Funds, biggest funds with €1.25 BN AuM

Financial Year 2011 (as of 30 June 2011)

- Assets under Management break EUR 7.5 bn with more than EUR 3.0 bn in pure Assenagon funds
- Profits continue to grow as does positive cash-flow
- Further investments in IT evolution & stability
- Selective hirings in order to answer the increased business size

Focus and Initiatives in 2012

- Insourcing of Asset Management Services from Investment Banks to Assenagon
- Investments in non traditional asset classes like Volatility (Hidden Assets)
- Expansion of our activities in the Absolute Return segment (capital protection)