

**IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional financial advice.**

6 June, 2016

**Source Markets plc (the "Company")**

**Source Russell Europe SMID 300 UCITS ETF (the "Fund")**

**ISIN: IE00BJVD4K83**

Dear Shareholder

We are writing to you as a Shareholder of the Fund, a sub-fund of the Company, to update you on upcoming changes to the Russell Europe SMID 300 Index (the "**Reference Index**").

### **Background**

We wish to update Shareholders that FTSE Russell, as index sponsor, are making a number of changes to the Reference Index which are summarised below. FTSE Russell intend to further improve the liquidity, tradability and market representation of the Reference Index with these changes.

### **Changes to the Reference Index**

The name of the Reference Index will change from "Russell Europe SMID 300 Index" to "FTSE Developed Europe SMID Cap Tradable Plus Index". However, the Company does not currently propose to make a corresponding change to the name of the Fund.

The universe of eligible constituents will change from the Russell Developed SMID Index to the FTSE Developed Europe All Cap Index (excluding large cap stocks). In addition, the selection criteria for small and mid cap stocks will change with regard to liquidity and tradability screens and new borrowing cost and available borrowing capacity screens will be implemented. Following the application of the new selection criteria, as further detailed in the index methodology and described in the Supplement, the Reference Index will be comprised of up to 300 of the largest eligible stocks by free-float market capitalisation.

FTSE Russell are changing the annual rebalancing to March and introducing quarterly reviews to facilitate the removal of stocks which do not meet the selection criteria on the relevant cut-off day. At present the rebalancing of the Reference Index occurs annually in June and no interim reviews are conducted.

Further information about the Reference Index is available at:

[http://www.ftse.com/products/downloads/FTSE\\_Tradable\\_Plus\\_Index\\_Series\\_Ground\\_Rules.pdf](http://www.ftse.com/products/downloads/FTSE_Tradable_Plus_Index_Series_Ground_Rules.pdf)

### **Notice Period and Effective Date**

The changes to the Reference Index are expected to take effect on or around 20 June 2016 (the "**Effective Date**"). The changes will be reflected in the Supplement in due course and will be available to investors free of charge.

The changes described above do not require Shareholder approval.

Should you wish to redeem your shareholding, you may do so in accordance with the dealing provisions outlined in the Supplement.

Shareholders may obtain the Prospectus, a copy of the Supplement, the key investor information documents, the latest annual and semi-annual reports and copies of the M&A free of charge from the registered office of the Company or the respective local representatives in the countries where the Company is registered and from the representative in Switzerland, BNP Paribas Securities Services,

Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland, as well as from the German information agent, Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany and where applicable on the website of the Company - [www.SourceETF.com](http://www.SourceETF.com).

All capitalised terms used in this notice shall bear the same meaning as the capitalised and defined terms used in the Prospectus of the Company and in the Supplement of the Fund.

If you have any queries arising from this notice, please contact us at [invest@SourceETF.com](mailto:invest@SourceETF.com).

Yours sincerely

**Source Markets plc**