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INVESTORS MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED**

## PRESS RELEASE

*(Not for release in the United States of America)*

### **RESEARCH REVEALS STRONG FOCUS BY EUROPEAN INVESTORS ON ETPS AND POTENTIAL FOR MARKET GROWTH**

**London, 11 May 2015:** New research from Source, one of the largest providers of Exchange Traded Products (ETPs) in Europe, reveals more than two-thirds (68%) of professional investors and advisers in Europe are currently using ETPs in the portfolios they manage, while a further 22% have used them in the past.

The survey<sup>(1)</sup> was conducted among more than 750 professional investors and advisers based in 11 European countries. Each of those interviewed are responsible for at least £50 million worth of private client investments or £100 million of institutional assets.

When asked what products were most likely to be in their top three holdings, ETPs were mentioned first by 34% of respondents. This was the highest percentage with “first mentions”, with the second highest being traditional UCITS funds, which garnered 29% of responses. In total, two-thirds said that ETPs were among the top three products used. For completeness, single stocks were the third.

The biggest users of ETPs are professional investors and advisers based in Switzerland, where 87% currently use them. This is closely followed by Israel where the corresponding figure is 86%. Spain had the lowest percentage of professional investors and advisers using ETPs at 40%.

Overall, investors estimate that around 10% of the assets they help manage are in ETPs. 78% of those interviewed said they do not plan to use these products less, and 39% intend to use more over the next 12 months. In Israel, 78% of respondents said they plan to use them more in the next 12 months, followed by 56% of those in Austria, 49% in Switzerland and 42% in the UK. Only 14% of investors and advisers in Spain intend to use more ETPs over the next year, the lowest of all the countries surveyed.

The research also found that, on average, investors have between three and four different types of ETPs in the portfolios for which they are responsible. Of those using them, 71% said they are utilising pure tracker products, and 40% said they are using actively managed ones. Overall, the findings reveal an expected net increase of 32% in the use of tracker ETPs over the next year, whereas the corresponding figure for actively managed ETPs is 6%.

Peter Thompson, President of Source, says: “We wanted to gauge the experiences of using ETPs in different markets, and our survey uncovered many meaningful differences. Overall the findings suggest that the European market for ETPs still has significant room for growth and that they remain popular investment vehicles.

“Drilling down into the data provides valuable insights”, continues Thompson, “and these have important implications in terms of how ETPs are developed to meet the needs of investors in each country.”

Source UK Services Limited is authorised and regulated by the Financial Conduct Authority in the UK.

#### **Important Information**

The prospectus documentation describing the products, risks and related costs of Source products are available for residents of countries where such products are authorised for sale at [www.source.info](http://www.source.info)

The products described on [www.source.info](http://www.source.info) are not suitable for everyone. Investors’ capital is at risk and they may get back less than they invested. Investors should not deal in these products unless they understand their nature and the extent of their exposure to risk. The value of these products can go down as well as up and can be subject to volatility due to factors such as price changes in the underlying instrument and interest rates. It is recommended that potential investors study the prospectus before investing.

#### **ENDS**

For further information:

- (1) Source commissioned the research company Prescient to interview 751 professional investors in a range of organisations and job roles across Europe. Telephone interviews took place between 14<sup>th</sup> November and 18<sup>th</sup> December 2014 across 11 countries. Each of those interviewed are responsible for at least £50 million worth of private client investments or £100 million of institutional assets.

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#### **About Source**

Source is an investment firm and one of Europe’s leading Exchange Traded Product (ETP) providers, with approximately US\$18 billion in assets under management. Since launch in April 2009, Source has focused

on delivering incremental value to European ETP investors through a combination of enhanced indices, strong partnerships, improved structuring and active trading. Its range of just under 80 products gives investors the ability to gain exposure to equities, commodities, fixed income and alternative assets, through ETF and ETC structures with deep liquidity, increased transparency and reduced counterparty risk.

Further information about Source is available at [www.source.info](http://www.source.info)