

**INVESTOR WARNING: SOURCE PRODUCTS PLACE YOUR CAPITAL AT RISK.  
INVESTORS MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED**

## PRESS RELEASE

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

### **SIMPLE BUT SMART: USING THE “MONTH-END EFFECT” TO BOOST RETURNS**

**London, 7 July 2014:** Source is pleased to announce the launch of the Source Morgan Stanley Europe MEMO Plus UCITS ETF. The fund provides exposure to the Morgan Stanley Europe MEMO Plus Strategy (“MEMO Plus”), which aims to outperform the broad European equity market by exploiting the “month-end effect”.

The month-end effect is one of the most persistent patterns in equity markets. In short, equities tend to perform better around the end of the month, when many investors receive and invest cash. The Morgan Stanley Europe MEMO Plus Strategy aims to capture this performance, and thereby enhance returns. The MEMO Plus strategy combines continuous exposure to European equities with additional exposure, of 2x leverage, around month-end. In simulations over the past 13 years, MEMO Plus has outperformed MSCI Europe by an average 6.0% per annum<sup>1</sup>.

“The month-end effect is a simple concept backed by academic research, but to capture it effectively you need to apply a dynamic approach,” says Aleksandar Ivanovic, Managing Director at Morgan Stanley. MEMO Plus takes European equity exposure via the MSCI Europe Index. However, around month-end, it takes additional exposure, to a basket of six regional and country indices. Each month, MEMO Plus uses a proprietary algorithm to determine the optimal investment period for each index. “Because the month-end effect is a behavioural pattern, it can vary slightly across markets and over time,” explains Ivanovic. “By using a selection of regional and country indices, and by adjusting its investment periods, MEMO Plus can capture these variations and generate improved returns over the long term.”

“Source continues to deliver differentiated products to investors,” says Source CEO Ted Hood. “This fund provides exposure to a well-known market anomaly, via a smart strategy delivered in a convenient ETF format.”

The Source Morgan Stanley Europe MEMO Plus UCITS ETF trades on Deutsche Börse in EUR. The management fee is 0.30% per annum.

#### **Key product terms**

Product Name:	Source Morgan Stanley Europe MEMO Plus UCITS ETF
ISIN:	DE000A1XFCE2
Base/trading currency:	EUR
Bloomberg:	EMSE GR

<sup>1</sup> Performance of MEMO Plus versus MSCI Europe Daily Net TR Index, as at 30 April 2014. Past performance (actual or simulated) is not a reliable indicator of future returns

Reuters	SOEMSE.DE
Management fees:	0.30% per annum
Exchange:	Xetra
Strategy:	Morgan Stanley Europe MEMO Plus Strategy
Index currency:	EUR
Strategy Bloomberg code:	<MSEMEMOP>
Strategy manager:	Morgan Stanley & Co International plc
Strategy fees:	0.5% per annum paid to Strategy Manager, plus notional implementation costs (included in Strategy calculation)
UCITS:	Yes
Domicile:	Ireland

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 within this publication 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. The Morgan Stanley Europe Memo Plus Strategy employs leverage and targets a market exposure of 200% around month-end. It is recommended that potential investors study the relevant product prospectus before investing.

#### **ENDS**

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**Notes to Editors:**

**About Source**

Source is an asset manager and one of Europe's leading Exchange Traded Product (ETP) providers, with over US\$19 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)

**About Morgan Stanley**

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 43 countries. For further information about Morgan Stanley, please visit [www.morganstanley.com](http://www.morganstanley.com).