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INVESTORS MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED**

## PRESS RELEASE

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

### US AND EUROPEAN BANKS PRESENT BUYING OPPORTUNITY

**London, 3<sup>rd</sup> August 2015:** US and European banks now present a buying opportunity as they are predicted to be among the biggest beneficiaries from rising interest rates and improving housing markets, according to Source research. Source is one of the largest providers of Exchange Traded Products (ETPs) in Europe.

Source research see steepening yield curves are already benefiting banks, which outperformed their respective stock markets in both regions during Q2, the latest Source Sector Selector, a quarterly update, says. European banks are also benefiting from economic recovery in the Eurozone.

According to Source research, the performance of Eurozone banks tends to follow the path of loan volumes and house prices, both of which had turned positive by the end of 2014. Return on equity for banks is now improving but from low levels: it is 3.4% in Europe and 8% in the US, while banks' price to book value has normalised in both regions to around **1x** after hitting nadirs in 2009 and 2012.

Paul Jackson, Head of Multi-Asset Research at Source, commented: "We remain fully committed to financial on both sides of the Atlantic and we are overweight all subsectors, including banks, financial services, insurance and real estate.

"In our view, valuations of banks are cheap when put in an historical context, although they may be considered to have been in a bubble for 10 years of that history. Profitability remains a problem, with limited loan growth, poor markets and regular dilution from stock issuance; hence return on equity is unlikely to return to pre-crisis levels. But a combination of good valuations, improving economic fundamentals, rising interest rates and a high beta in a rising market means banks, in our view, are a compelling buy."

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

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#### About Source

Source is an investment firm and one of Europe's leading Exchange Traded Product (ETP) providers, with more than 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)