

## PRESS RELEASE

### WARBURG PINCUS TO ACQUIRE MAJORITY STAKE IN SOURCE SOURCE TO FOCUS ON ACCELERATED GROWTH AS INDEPENDENT ENTITY

**London and New York, 20 January 2014:** Source, an asset manager and one of the market leading European providers of Exchange Traded Products (ETPs), today announced that an affiliate of Warburg Pincus, a global private equity firm focused on growth investing, has committed to acquire a majority stake in Source. The existing shareholders, including five of the world's largest investment banks: BofA Merrill Lynch, Goldman Sachs, J.P. Morgan, Morgan Stanley and Nomura, will continue as minority shareholders. This investment highlights the significant opportunity available to grow Source's assets and its highly compelling product offering to investors in the European ETP market. It also further reinforces Source's position as a dynamic and independent asset manager.

Lee Kranefuss, currently an Executive-in-Residence at Warburg Pincus, will join Source as Executive Chairman where he will work closely with the current management team led by CEO Ted Hood in order to develop the business further. Mr. Kranefuss was the architect and Global Chief Executive Officer (CEO) of iShares, formerly part of Barclays Global Investors, which he built into the largest global ETF platform. Mr. Kranefuss oversaw the global expansion of iShares from launch in 2000 to managing over \$600bn in assets in 2010. Warburg Pincus is a leading financial services investor and has significant experience in working with companies to support their growth globally.

Source offers market leading equity, fixed income, commodity and alternative market exposure through expertly engineered Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs). As a full service ETP provider, Source offers a number of unique products from select partners, including one from its recent partnership with CSOP Asset Management, a Hong Kong subsidiary of China Southern, one of the largest and oldest asset managers in mainland China. Source's open architecture approach has enabled it to forge partnerships with global financial leaders such as CSOP, PIMCO, MAN GLG and LGIM. Since its launch in April 2009, Source has successfully collected over US\$15 billion in total assets and its products have traded over US\$510 billion.

This transaction will provide Source with substantial additional resources enabling it to further develop and launch new products, enhance existing products, expand client relationships and deliver investor solutions. Source and Warburg Pincus share the view that the ETP industry represents a substantial opportunity for growth and consolidation coming both from organic expansion and strategic combinations. This transaction will put Source in a strong position to pursue both of these avenues.

Ted Hood, CEO of Source, commented: "I am delighted to welcome Warburg Pincus as a shareholder and Lee Kranefuss as our new Executive Chairman. I am proud of everything that Source has achieved since it was founded only a few years ago and look forward to building on our success with the support of Lee and Warburg Pincus. This investment will provide us with additional capital to further enhance the value that we offer investors."

Lee Kranefuss, incoming Executive Chairman of Source, commented: "I am excited to become part of the Source team and to work with the experienced management group in order to further accelerate the expansion and development of the business. The ETF industry is at an inflection point and Source offers a unique value proposition to investors through its combination of products providing both innovative funds and market exposure. I think that there is a tremendous opportunity for explosive growth over the next couple of years and believe that Source is well placed to become a top tier ETF provider, not only in Europe but also globally."

Cary Davis, Managing Director at Warburg Pincus, commented: "Source has quickly established itself as a leading European provider of Exchange Traded Products and we are impressed with its track record and performance. We look forward to partnering with the current shareholders, Lee, Ted and the rest of the management team with a view to significantly accelerating the company's growth plans."

The transaction is subject to regulatory approval.

**ENDS**

## **Contacts**

### **Source**

Michael John Lytle

**Tel: +44 20 3370 1102**

invest@source.info

### **CTF Corporate & Financial Communication**

Adrian Flook

**Tel: +44 20 3540 6456**

aflook@ctfcomms.com

### **Warburg Pincus**

Sarah Gestetner

**Tel: +44 207 306 0377**

sarah.gestetner@warburgpincus.com

Ed Trissel

Tel: +1 212 878 9288

ed.trissel@warburgpincus.com

## **Notes to Editors**

### **About Source**

Source is an asset manager and one of Europe's leading Exchange Traded Product (ETP) providers, with over US\$15 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 that provide enhanced liquidity, increased transparency and reduced counterparty risk.

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

### **About Warburg Pincus**

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than US\$35 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than US\$45 billion in over 675 companies in more than 35 countries.

Current and past financial sector investments include Arch Capital Group, Aeolus Re, DIME Bancorp, HDFC, Kotak Mahindra, Mellon Bank, National Penn Bancshares, Primerica, Renaissance Re, Sterling Financial, Santander Consumer USA, Santander Asset Management, The Mutual Fund Store and Webster Financial. The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Port Louis, San Francisco, São Paulo and Shanghai.

For more information, please visit [www.warburgpincus.com](http://www.warburgpincus.com)