TABULA

News Release

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INVESTORS LOOK TO FOCUS MORE ON CREDIT AND INFLATION LINKED INVESTMENT STRATEGIES

New research[1] from Tabula Investment Management reveals over the next 24 months, when considering a range of fixed income and debt investment vehicles, those linked to credit and inflation will see the biggest increase in demand from investors. Investors highlighted investment grade credit where 42% of those interviewed expect demand to increase compared to 10% who think it will fall. Some 48% of institutional investors and wealth managers interviewed expect demand for inflation strategies to increase between now and 2020, and just 2% anticipate a fall.

The findings from Tabula, a new European fixed income ETF provider, reveals other fixed income/debt strategies that investors expect to see a net increase in demand over the next two years include high yield credit, emerging market debt and asset backed securities. Demand for government bonds will remain relatively flat.

Fixed income/debt vehicle	Percentage of institutional investors and wealth managers who expect demand to increase over the next 24 months	Percentage of institutional investors and wealth managers who expect demand to decrease over the next 24 months	Stay the same	Don’t know
Inflation	48%	2%	40%	10%
Investment grade credit	42%	10%	38%	10%
High yield credit	42%	21%	28%	9%
Emerging market debt	38%	21%	33%	8%
Asset backed securities	36%	11%	38%	15%
Government bonds	32%	30%	30%	8%
Bank loans	30%	21%	36%	13%

Michael John (‘MJ’) Lytle, Chief Executive, Tabula Investment Management said: “Our findings reflect investors increasing focus on the impact of inflation and for signs that it’s going to pick up. Many are beginning to make changes to their portfolios in preparation for this.

Increased demand for investment grade credit reflects investors’ continued search for yield, and difference between implied and realised default rates. The implied default rates are the yields on the securities which are there to compensated investors for the credit risk of the issuer. Today’s yields far outstrip the actual (realised) default rates over the last forty years.

Our findings also highlight the growing demand for a wider range of fixed income and debt investment products, which we plan to capitalise on with our range of ETFs that we plan to start launching soon.”

-Ends-

Notes to editors:

[1] Tabula Investment Management commissioned PollRight to conduct research with professional investors including asset managers, pension funds, insurance companies, private banks and wealth managers. 55 investors took part in the survey in April 2018.

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Tabula Investment Management

Tabula is an asset manager focused on passive fixed income. It is based in London and plans to offer Irish domiciled UCITS funds to European investors, mainly in the form of ETFs. Tabula recognises that the trend toward passive investing, which has transformed equity investing in the past two decades, has only just begun in fixed income. Tabula works in partnerships and alliances with HSBC, IHS Markit, KB Associates, ICE and PwC. Until Tabula receives its own authorisation, it will be an Appointed Representative of Cheyne Capital Management (UK) LLP., which is authorised and regulated by the Financial Conduct Authority.

Tabula Investment Management Limited is led by Michael John ('MJ') Lytle as CEO. He was one of the founding partners of independent ETF provider Source (acquired last year by Invesco). Prior to that he spent 18 years at Morgan Stanley, mainly in fixed income. Hasan Sabri is COO. Mr Sabri has over 30 years of experience in FinTech, asset management and banking. He has held roles as diverse as the CEO of MyInvest, COO of MoneyFarm and COO of GLG Partners (now part of Man Group).