



News Release

10th September 2018

TABULA LAUNCHES ITS FIRST ETF

- **New European Credit ETF offers a current yield of 5.04%¹**
- **Minimal interest rate risk**
- **Liquid, transparent UCITS ETF**

New European fixed income ETF provider Tabula Investment Management Limited (“Tabula”) has launched its first ETF. The Tabula European Performance Credit UCITS ETF offers passive exposure to European corporate credit. It aims to provide a competitive yield *without* the interest rate risk of traditional corporate bond indices. The ETF could be used to replace long-term bond holdings or for tactical credit exposure.

“European corporates look healthy and credit is attractively priced but, with rate hikes on the horizon, not everyone wants the interest rate risk inherent in corporate bonds”, said Tabula CEO Michael John Lytle.

“Specialist credit managers can isolate and manage credit risk using credit default swap indices,” says Lytle. “This is a liquid and efficient market, but it isn’t accessible to all asset managers. Our new ETF gives you the same kind of control - precise credit exposure and the ability to increase or decrease it whenever you want to.”

¹ The estimated yield calculation is as of 29 August 2018, gross of fees and involves ageing and repricing the fund portfolio. The calculation involves a number of assumptions and approximations including that the spread curves remain constant, and around rolls/rebalancing. The estimated yield is not a guarantee of future returns



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The new ETF is also performance-focused. “It is designed to replace traditional bond holdings, so it needs to offer a competitive yield,” says Lytle.

“When you remove interest rate risk, you’re removing one source of yield. Our ETF compensates for this by taking on more exposure to credit spread.”

The Tabula European Performance Credit UCITS ETF currently yields approximately 5.04% and, in simulations over 10 years, has outperformed both high yield and investment grade benchmarks².

“To enhance yield, you typically need to reduce credit quality or increase duration. However, if you have a positive view on European credit, it makes sense to scale up that exposure instead,” adds Lytle.

This is the first of a range of fixed income ETFs from Tabula. “We’re a new ETF provider but we have many years’ experience in fixed income and are focused on creating better passive products,” says Lytle.

Tabula plans to expand its offering across the asset class, from investment grade and high yield credit to inflation, bank capital, money markets, ESG strategies and Solvency II-efficient funds.

Lida Eslami, Head of London ETP Business Development, London Stock Exchange Group said: “We are delighted to welcome Tabula as new issuer on London Stock Exchange and congratulate them on their ETF launch. Their new fixed income ETF adds to the diverse range of funds available on our markets offering exposure to a broad range of fixed income assets from government bonds to corporate credit.

² Yield as at [31 August 2018]. Performance analysis based on simulated index performance as of [31 August 2018]. Past performance (actual or simulated) is not a reliable indicator of future returns.



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London is the premier listing and trading venue for ETFs in Europe and we look forward to developing our relationship with Tabula in the future.”

About the ETF

Index	iTraxx European Performance Credit Index (ITRXPFL)
Replication method	Direct
Exchange	London Stock Exchange
Bloomberg ticker	TCEP LN
Income treatment	Re-invested
Base/trading currency	EUR
Ongoing charge	0.50%
Investment manager	Cheyne Capital Management (UK) LLP
Domicile	Ireland
Registered countries	Ireland and UK

About the index

The ETF tracks the iTraxx European Performance Credit Index, a new index developed by Tabula in partnership with IHS Markit. It offers well-diversified European credit exposure, mostly investment grade but with a small high yield allocation. The index takes exposure to two liquid and well-established credit default swap (CDS) indices: iTraxx Europe 5y (investment grade) and iTraxx Crossover (sub-investment grade). The index reflects the return from selling protection on the current series of each CDS index. It takes total market exposure of 300%, allocated in an 80/20 ratio to iTraxx Europe and iTraxx Crossover respectively. The index is rebalanced monthly and is calculated by IHS Markit. A detailed methodology is available at TabulaIM.com.

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Notes to editors:

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Tabula Investment Management Limited

Tabula is an asset manager focused on passive fixed income. It is based in London and offers 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.