

iTraxx European Crossover Credit Short index (ITRXXOVS Index)

Diversified short exposure to European high yield, with enhanced liquidity and reduced interest rate risk

Capital is at risk. The value of the index may go down as well as up.

Index information

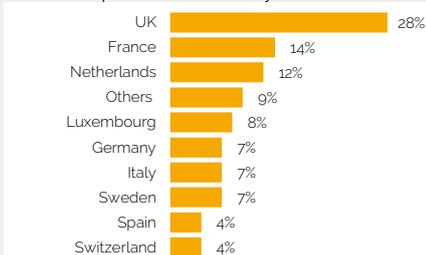
Index:	iTraxx European Crossover Credit Short index
Index provider:	IHS Markit
Bloomberg index ticker:	ITRXXOVS
Index currency:	EUR

Key metrics

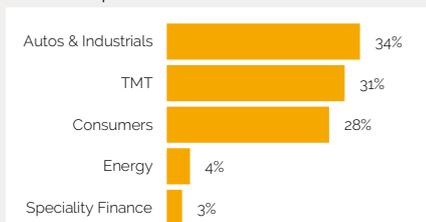
Estimated 12m yield:	-5.64%
Credit DV01:	-5.0bp
Average CDS spread:	319bp
Modified IR duration:	-0.04

Index breakdown

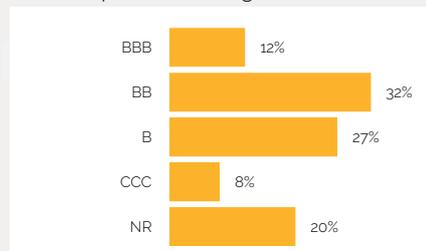
Credit exposure - country



Credit exposure - sector



Credit exposure - rating



Data: Tabula IM as of 31 January 2019. Charts show the percentage of total CDS index notional. Credit breakdown is based on S&P rating. Credit DV01 is the expected change in NAV for a 1bp change in credit spreads.

Benefits

- Liquid, tradeable tool for short HY credit exposure
- Strong negative correlation with European cash HY market
- Minimal interest rate exposure
- Can be used to hedge the credit component of existing HY bond holdings or for tactical positioning

About the index

The ITRXXOVS Index provides short exposure to high yield European corporate credit. To emphasize credit risk and reduce direct interest rate risk, it takes exposure via a liquid credit default swap (CDS) index rather than corporate bonds:

- iTraxx Crossover 5y (75 sub-investment grade entities, equally weighted)

The index reflects the return from buying protection on the current series of iTraxx Crossover 5y. It has market exposure of 100%, rebalanced monthly. Exposure is calculated as the ratio of CDS bond equivalent price to index value, so the ratio of notional to Net Asset Value may not be exactly 100%.

Index performance

Index performance is calculated by IHS Markit. Past performance (actual or simulated) is not a reliable indicator of future performance.



	Dec 13 - Dec 14	Dec 14 - Dec 15	Dec 15 - Dec 16	Dec 16 - Dec 17	Dec 17 - Dec 18
Index	-9.2%	-4.7%	-5.5%	-10.3%	18%

	YTD	1m	1y	3y (ann.)	5y (ann.)	Since inception	Volatility	Sharpe ratio
Index	-2.6%	-2.6%	-0.8%	-6.3%	-6.4%	-54.2%	5.7%	-1.07

Data: Tabula IM/IHS Markit, 31 January 2019. Volatility and Sharpe ratio are calculated over 5 years

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About Tabula

Tabula is an ETF provider focused on fixed income for European institutional investors.

Tabula is focused on fixed income, supporting investors as flows into the asset class accelerate. The company believes that although fundamentals and market dynamics are positive for fixed income, the persistent innovation that ignited the equity ETF market has been lacking in this sector. As a result, the large incumbent funds continue to gather assets, but investors looking for differentiated new products.

Tabula has launched its first range of ETFs and will be expanding its offering throughout the year, providing new and more precise tools for passive credit exposure. Over time, Tabula plans to move across the asset class, from investment grade and high yield credit into inflation, government debt, emerging markets, bank capital, money markets, ESG strategies and Solvency II-efficient funds.

Tabula is working in partnerships with HSBC, IHS Markit, Cheyne Capital, KB Associates, ICE and PWC.

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