CDX North American High Yield Credit Short Index (CDXNAHYS Index)

Diversified short exposure to North American high yield corporate credit with reduced interest rate risk

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

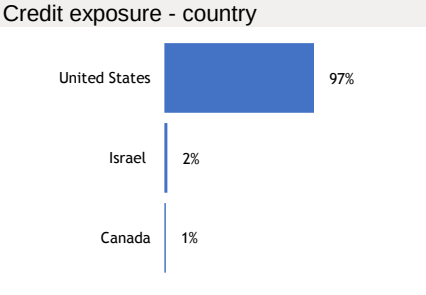
Index information

Index:	CDX North American High Yield Credit Short Index
Index provider:	IHS Markit
Bloomberg index ticker:	CDXNAHYS
Index currency:	USD

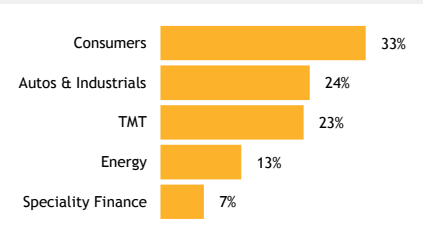
Key metrics

CDX HY ratio:	106%
Credit DV01:	-4.7bp
Weighted CDS spread:	364bp
Modified IR duration:	-0.17

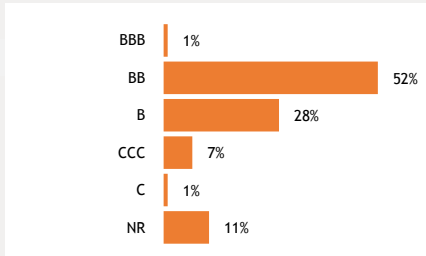
Credit exposure - country



Credit exposure - sector



Credit exposure - rating



Data: Tabula IM, 30 August 2019.

Charts show the percentage of total CDS index notional. Credit DV01 is the expected change in NAV for a 1bp change in credit spreads. Weighted CDS spread refers to the spreads weighted by the CDS notional to NAV ratio(s).

Benefits

- Liquid, tradeable tool for short HY credit exposure
- Strong negative correlation w ith North American 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

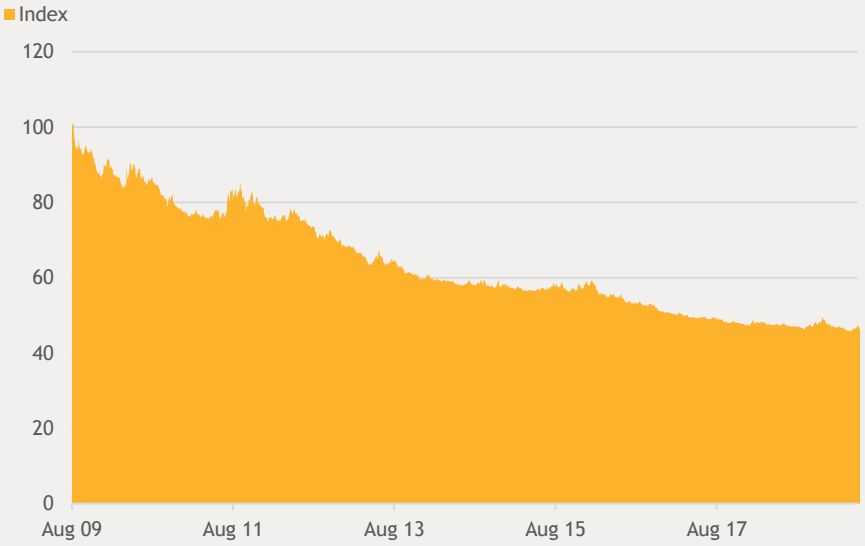
The CNHS Index provides diversified short exposure to North American high yield corporate credit. To emphasise credit risk and reduce direct interest rate risk, it takes exposure via a liquid and w ell-established CDS index rather than via corporate bonds:

- CDX North American High Yield 5y (100 sub-investment grade entities, equally w eighted)

The strategy reflects the return from buying protection on the current series of the CDS index. It takes 100% short market exposure on the CDX North American High Yield, and is rebalanced monthly. It assumes a yield of the Fed Funds rate +11bps (subject to change) on cash and is calculated net of transaction costs.

Index performance

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



	Jun 14 - Jun 15	Jun 15 - Jun 16	Jun 16 - Jun 17	Jun 17 - Jun 18	Jun 18 - Jun 19
Index	-1.5%	-4.9%	-9.0%	-3.4%	-4.5%

	YTD	1m	1y	3y (ann.)	5y (ann.)	Volatility	Sharpe ratio
Index	-3.9%	0.5%	-0.5%	-4.2%	-4.2%	5.0%	-1.05

Data: Tabula IM/IHS Markit, 30 Aug 2019. Volatility and Sharpe ratio are calculated over the 5 year period.

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About Tabula

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

Tabula specialises in 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 are 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, for example: 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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