



Press Release

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INVESTORS SET TO INCREASE EXPOSURE TO FIXED INCOME ETFS

- **Research points to greater allocation to fixed income and ETFs within the asset class over the next three years**

New research⁽¹⁾ from European fixed income ETF provider Tabula Investment Management ("Tabula"), reveals 32% of professional investors – from wealth managers to pension funds – plan to increase their exposure to fixed income over the next three years.

Within their fixed income portfolios, the allocation to ETFs is also set to rise; the number of investors with 10% or more of their fixed income exposure in ETFs more than doubles from 16% to 33% in the same period. This brings the average amount invested up to 12% by 2022, compared to 7% today.

Additionally, more than half (51%) of investors are hopeful that the level of smart beta and innovation used in the fixed income ETF sector will increase over the next three years.

This is despite 72% of wealth managers and institutional investors saying that the environment for trading fixed income has not seen notable progress in the last three years, with 47% saying it has actually become harder. In particular, finding Euro-denominated fixed income investments that deliver satisfactory levels of yield is a challenge for 63% of investors.

Percentage of their current fixed income portfolio in ETFs (professional investors)	Today	Expected allocation in 2022
None	32%	19%
Under 10%	40%	34%
Between 10% and 20%	9%	19%
Between 20% and 50%	7%	13%
Over 50%	-	1%
Don't know	12%	13%

"As investor appetite for fixed income grows, so does the demand for innovation in fixed income ETFs as a means of broadening accessing to the asset class at a low cost," says Tabula CEO Michael John Lytle.

"At Tabula, we want to help drive this process. At a time when negative Euro yields are driving many investors to increase their high yield allocations in their search for yield, we offer solutions that allow investors to access yield scaled up a mainly investment grade portfolio, in order to generate returns comparable to high yield. Meanwhile, our ETFs have minimal interest rate exposure, helping to address concerns about rising rates."



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Tabula's current offering includes investment grade performance funds, tools for both long and short high yield, as well as the first credit volatility premia ETF (TVOL).

Tabula ETFs

ETF Name	Ticker	Available Shareclasses	Exposure
Tabula European Performance Credit UCITS ETF	TCEP TCED TCEG	EUR accumulating EUR distributing GBP-hedged distributing	Diversified long exposure to primarily investment grade European credit with minimal interest rate duration
Tabula European iTraxx Crossover Credit UCITS ETF	TECC	EUR accumulating	Diversified long exposure to European high yield credit with minimal interest rate duration
Tabula European iTraxx Crossover Credit Short UCITS ETF	TECS	EUR accumulating	Short European high yield credit with minimal interest rate duration
Tabula J.P. Morgan Global Credit Volatility Premium Index UCITS ETF	TVOL	EUR accumulating	Volatility risk premia from short-term credit options in European and US high yield

-Ends-

NOTES TO EDITORS:

- (1) Tabula Investment Management commissioned the market research company PollRight to interview 67 professional investors during June and July 2019.

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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. www.tabulaim.com/