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TABULA LAUNCHES WORLD'S FIRST ARTICLE 9 PARIS-ALIGNED ULTRASHORT BOND ETF

European ETF provider Tabula Investment Management Limited (“Tabula”) has claimed another world first, launching a new ETF providing Paris-aligned access to euro-denominated ultrashort investment grade corporate bonds. The **Tabula EUR Ultrashort IG Bond Paris-Aligned Climate UCITS ETF (TUCP GY)** meets the criteria of an EU SFDR Article 9 fund, and provides significantly lower portfolio GHG emissions and an enhanced ESG profile when compared to existing ultrashort solutions.

The investment strategy for the new ETF is designed to limit global warming to 1.5°C in accordance with the Paris Agreement, while integrating environmental, social and governance (ESG) criteria into the security selection process.

Key features of the strategy include:

- 50% initial reduction in GHG emissions vs the broad benchmark and a 7% year-on-year annual reduction
- ESG screening: norms-based (e.g. UNGC), controversies and certain business activities (alcohol, adult entertainment, gambling, controversial weapons, civilian firearms, nuclear power, GMO, nuclear weapons, cannabis)
- Liquidity and holdings constraints applied to improve liquidity profile while maintaining similar characteristics to the broad underlying benchmark

The strategy aims to deliver key metrics similar to the broad EUR ultrashort IG bond index it is based on. The ETF index has a current 12-month gross yield of 4.3% with duration of ~0.4 years, an average daily volatility of less than 1bp and average credit rating of A.

A new index for the economy of tomorrow

For its new ETF, Tabula worked with Solactive and ISS ESG to develop a Paris-aligned benchmark for euro-denominated ultrashort investment grade bonds. The new Solactive ISS Paris Aligned Select 0-1 Year Euro Corporate IG Index (SOLES01P Index), which Tabula's ETF tracks, has a strong correlation with its parent index, the Solactive 0-1 Year Euro Corporate IG Index (SOLEC01 Index). However, the new index provides a 50% greenhouse gas emissions reduction compared to its parent, and it also delivers a 7% annual emissions reduction.

The investment universe for the index consists of bonds with a maximum maturity of 1 year. Issuer allocations are capped at 5% of the index.

SFDR Article 9 exposures across the fixed income spectrum

“Tackling climate change is the defining issue of our age, and a major risk to all investment portfolios,” says Tabula CEO Michael John Lytle. “Meeting the goals of the Paris Agreement requires a multi-pronged approach. Investors must combine targeted allocations to specialist climate solutions with a shift of large asset pools into broad climate-friendly investments.

“TUCP is the first Paris-aligned ultrashort product and joins our existing stable of euro investment grade, global fallen angels and euro high yield Paris-aligned funds. The latest launch shows our commitment to providing investors with SFDR Article 9 exposures across the fixed income spectrum.”

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: “Through our collaboration with Tabula we are excited to offer investors increased opportunities to align their portfolios with the vital objectives of the Paris Agreement and drive greater capital allocation towards companies demonstrating clear support for the global transition to net zero emissions.”

Press Release



The **Tabula EUR Ultrashort IG Bond Paris-Aligned Climate UCITS ETF** launched with EUR20 million in assets. The ETF is listed on Xetra with ticker TUCP GY and has an ongoing charge figure of 0.15%.

About the ETF

Tabula EUR Ultrashort IG Bond Paris-Aligned Climate UCITS ETF

Base Currency	EUR
Trading Currency	EUR
Exchange	Xetra
Ticker	TUCP GY
TER	0.15%
ISIN:	EUR Acc: IE000WXLHR76
Index	Solactive ISS Paris Aligned Select 0-1 Year Euro Corporate IG Index
Index Ticker	SOLES01P Index

- Ends -

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About Tabula Investment Management Limited

Tabula Investment Management Limited (“Tabula”) is an independent asset manager and ETF provider focused on differentiated strategies. Its current strategies provide unique solutions in the fixed income space, and help investors achieve greater control of investment risks and rewards. The Tabula group currently manages ~US\$900 million assets. Tabula is authorised and regulated by the Financial Conduct Authority.