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TABULA LAUNCHES INVESTMENT GRADE SHORT DURATION INDIAN GOVERNMENT BOND ETF

- **Provides compelling yield per unit of duration**
- **Positioned to benefit from capital inflows as major emerging market bond indices begin to include Indian government bonds**

European ETF provider Tabula Investment Management Limited (“Tabula”) has launched a new ETF providing international investors with liquid access to investment grade Indian government bonds.

The Tabula FTSE Indian Government Bond Short Duration UCITS ETF (Bloomberg: TIND LN) offers investors an efficient tool to access the world’s fifth largest and one of the fastest growing economies. The ETF, which offers a current yield of 7.1%, invests only in Indian Rupee (INR) denominated government bonds issued by the Reserve Bank of India. Tabula’s fund aims to track the FTSE Indian Government Bond FAR Short Duration Capped Index, which focuses on the 0.5 to 5 year segment of the market, excluding long duration bonds that have limited pickup in yield.

India is currently excluded from major emerging market bond indices. This summer that changes, as JP Morgan has announced it will include India in its widely tracked emerging markets government bond index. The resulting capital inflows should be structurally positive for INR, Indian bond prices, and the wider economy.

“India is one of the largest and fastest growing countries,” says Tabula CEO Michael John Lytle. “It has an investment grade credit rating and a liquid and transparent bond market. However, until recently, the government bond market has been difficult to access, with foreign investment limited. These restrictions were relaxed in 2020 with the introduction of Fully Accessible Route (“FAR”) bonds, open to foreign investors. FAR bonds already account for over 20% of this US\$1.1tn market and include all new

issues of 5, 10 and 30-year bonds. TIND provides European investors with liquid and transparent access to the most attractive short duration segment of the market.”

The Indian government bond yield curve has been flat at the long end for over a decade. Currently, around 66% of the broad market index is in bonds with maturities over five years, where investors are not being well-compensated for the additional duration risk they are taking. By focusing only on the 1-5 year segment of the market, Tabula’s optimised solution generates almost the same yield as the broad market index, with significantly lower duration.

Stefan Garcia, chief commercial officer at Tabula Investment Management, said: “As Indian government bonds are added to global emerging market bond indices in the summer, inflows of over \$35bn are expected over the next 18 months. Our latest ETF provides a highly efficient, liquid and transparent way to gain exposure to both the India growth story and the wave of expected capital inflows ahead of the country’s EM index inclusion.”

The Tabula FTSE Indian Government Bond Short Duration UCITS ETF will invest in a portfolio of bonds that reflects the composition of the FTSE Indian Government Bond FAR Short Duration Capped Index (CFIIFSDU Index). The Index focuses on INR-denominated bonds that are investment grade only. The index has a strong liquidity filter with a minimum notional outstanding requirement of at least INR 250bn (US\$3 billion). The Index has a maximum 25% cap weighting per bond, and the minimum number of bonds in the index is six.

The **Tabula FTSE Indian Government Bond Short Duration UCITS ETF** is listed on the London Stock Exchange and has a total expense ratio of 0.39%.

Press Release



About the ETF

Tabula FTSE Indian Government Bond Short Duration UCITS ETF

Base Currency	USD
Trading Currency	USD
Exchange	London Stock Exchange
TER	0.39%
ISIN	IE000061JZE2
Ticker	TIND LN
Index	FTSE Indian Government Bond FAR Short Duration Capped Index
Index Ticker	CFIIFSDU Index

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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\$800 million in assets. Tabula is authorised and regulated by the Financial Conduct Authority.

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