

March 2021

## Summary

- The iTraxx index roll into the new S35 series commenced on Monday 22 March, affecting Tabula ETFs linked to the iTraxx Europe (Main) and iTraxx Crossover indices.
- Markit publishes a new series of its iTraxx CDS Indices semi-annually on 20 March and 20 September. The Europe (Main) index (125 equally weighted Investment Grade names) and the Crossover (75 equally weighted Sub-investment Grade names) are updated based on liquidity and sector criteria.
- The new index series, which has an initial duration of 5.25 years and is known as the "on-the-run" series is bought, while the "off-the-run" series with 4.75 years duration, is sold. By rolling into the most current series investors seek to materialise a roll-yield and maintain a higher liquidity profile.

## S35 iTraxx Europe (Main) constituent changes

### ADDITIONS

Fiat Chrysler Automobiles	Industrials
Hochtief aktiengesellschaft	Industrials
Smurfit Kappa	Industrials
Auchan	Consumers
Louis dreyfus company	Consumers
Next	Consumers

### REMOVALS

Adecco Group	Consumers
Hellenic Telecommunications	TMT
Koninklijke Philips	Consumers
Linde	Industrials
RELX	Consumers
Rentokil Initial	Consumers

Source: IHS Markit

## S35 iTraxx Crossover constituent changes

### ADDITIONS

Bellis acquisition company	Consumers
Cirsa Finance International	Consumers
Nidda Healthcare Holding	Consumers
Orano	Energy
PPF Telecom Group	TMT
TechnipFMC	Energy
Teollisuuden Voima Oyj	Energy
Verisure Midholding	Consumers
TK Elevator Holdco	TMT
ZF Europe Finance	Consumers

### REMOVALS

Auchan	Consumers
Europcar Mobility	Consumers
Fiat Chrysler Automobiles	Industrials
Garfunkelux Holdco	Financials
Louis Dreyfus	Consumers
Next	Consumers
Peugeot	Consumers
Smurfit Kappa	Industrials
Syngenta AG	Industrials
Synlab Unsecured Bondco	Consumers

Source: IHS Markit

## Tabula Roll commentary

### Tabula European Performance Credit UCITS ETF

The Tabula European Performance Credit UCITS ETF, rolled its position in iTraxx Europe as well as iTraxx Crossover with +4bps of outperformance relative to the index. The roll date co-incident with a general credit market widening (iTraxx Europe widened by 8.2bps and Crossover widened by 34.2bps). The average spread was unchanged. The updated estimated 12-month gross yield increased from 3.74% at February month end and now stands at 3.82% p.a.

Spread	2.81%
Roll	1.68%
Cash	-0.57%
Transaction costs	-0.10%
<b>1Y gross yield</b>	<b>3.82%</b>

### Tabula European iTraxx Crossover Credit UCITS ETF

The Tabula European iTraxx Crossover Credit UCITS ETF rolled its exposure to iTraxx Crossover with +3.2bps of outperformance relative to the index. The roll date co-incident with a general credit market widening (iTraxx Crossover widened by 34.2bps). The estimated 12-month yield increased slightly to 3.23% compared to 3.16% at February month end. The current notional-to-NAV ratio is 217bps and the credit sensitivity (DV01) is 4.9.

Spread	2.50%
Roll	1.39%
Cash	-0.59%
Transaction costs	-0.07%
<b>1Y gross yield</b>	<b>3.23%</b>

### Tabula European iTraxx Crossover Credit Short UCITS ETF

The Tabula European iTraxx Crossover Credit Short UCITS ETF with +2.9bps of outperformance relative to the index. The roll date co-incident with a general credit market widening (iTraxx Crossover widened by 34.2bps). The negative 12-month estimated yield now stands at -5.49%. The current notional-to-NAV ratio is 269bps. The credit sensitivity (DV01) decreased to -6.0 from -5.3 due to the lengthening of the credit duration.

Spread	-3.05%
Roll	-1.68%
Cash	-0.71%
Transaction costs	-0.06%
<b>1Y gross yield</b>	<b>-5.49%</b>

Source: Tabula, as of 23 March 2021.

**Notes:** The 1Y gross yield calculation involves ageing and repricing the fund portfolio and assuming the spread curves remain constant. The calculation involves a number of assumptions and approximations including around the fund composition remaining constant, rebalancing/rolls and interpolation. The estimated yield is not a guarantee of future returns, which will vary based on market price changes. **Past performance is not a reliable indicator of future returns.**

## About Tabula

Tabula is an ETF provider focused on passive fixed income. Tabula 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.

## Contact us

### Tabula Investment Management

55 Strand  
London WC2N 5LR

**Phone** +44 20 3909 4700

**Email** IR@tabulaim.com

[tabulaim.com](http://tabulaim.com)

## Important information

This document is issued by Tabula Investment Management Limited ("Tabula"), authorised and regulated by the Financial Conduct Authority ("FCA"). Tabula is a private limited company registered in England and Wales (Registered no. 11286661). Registered address: 10 Norwich Street, London, EC4A 1BD. Business address: 55 Strand, London WC2N 5LR. The Tabula funds referenced herein are open-ended investment funds with variable capital having segregated liability between their funds organised under the laws of Ireland and authorised by the Central Bank of Ireland. **This material is for distribution to Professional Clients (as defined by the FCA or MiFID Rules) and Qualified Investors only and should not be relied upon by any other persons.** Tabula has not considered the suitability of this investment against your individual needs and risk tolerance. The data displayed provides summary information, any decision to invest must be based solely on the information contained in the Fund's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts, when available, free from your broker, financial adviser or Tabula. It is the responsibility of every person reading this document to satisfy himself as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country and which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. No provider of information presented here, including index and ratings information is liable for damages or losses of any type arising from use of their information nor breach of such legislation or for any losses relating to the accuracy, completeness or use of information in this communication, including consequential loss. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. No sale will be made in any jurisdiction in which the offer, solicitation, or sale is not authorised or to any person to whom it is unlawful to make the offer, solicitation or sale. This document does not constitute an offer to sell or solicitation of an offer to buy interests in any product and may not be used to make such an offer. The information contained in this document, especially as regards portfolio construction/parameter-type information, reflects the current thinking of Tabula and may be changed or modified in response to its perception of changing market conditions, or otherwise, without further notice to you. Accordingly, the information herein, in respect of investment products and services, should be considered indicative of Tabula's current opinion and should not be relied on in making any investment decisions. This document is not, and under no circumstances is to be construed as an advertisement or any other step in furtherance of a public offering of shares in the United States or Canada. This document is not aimed at persons who are resident in the United States, Canada or any province or territory thereof, where the Fund/securities are not authorised or registered for distribution and where no prospectus has been filed with any securities commission or regulatory authority. The Funds/securities may not be acquired or owned by, or acquired with the assets of, an ERISA Plan. Investment in the products mentioned in this document may not be suitable for all investors. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product. The price of the investments may go up or down and the investor may not get back the amount invested. Your income is not fixed and may fluctuate. The value of investments involving exposure to foreign currencies can be affected by exchange rate movements. We remind you that the levels and bases of, and reliefs from, taxation can change. In respect of the products mentioned this document is intended for information purposes only and does not constitute investment advice or an offer to sell or a solicitation of an offer to buy the securities described within.

Benchmark source: the indices referenced herein are the property of Markit Indices Limited and are used under license.

© 2021 Tabula Investment Management Limited®