

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. 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 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.

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