



Press Release

6 September 2021

TABULA LAUNCHES EUROPE'S FIRST ASIA EX-JAPAN HIGH YIELD ESG USD CORPORATE BOND UCITS ETF. THE FUND IS RUN IN PARTNERSHIP WITH HAITONG INTERNATIONAL ASSET MANAGEMENT.

European fixed income ETF provider Tabula Investment Management Limited ("Tabula") has launched Europe's first Asia ex-Japan High Yield Corporate USD Bond ESG UCITS ETF (TAHY on the LSE). The ETF was developed in partnership with Haitong International Asset Management ("Haitong International"), an investment manager with considerable expertise in the Asian high yield market as well as strong ESG credentials.

The new Tabula Haitong Asia ex-Japan High Yield Corp USD Bond ESG UCITS ETF aims to enhance both liquidity and ESG profile, while maintaining an attractive yield (currently ~9%¹), a duration of ~2.6 years, and is classified as Article 8 under EU Sustainable Finance Disclosure Regulation (SFDR).

The Reference Index

The ETF tracks a new index developed by Tabula, Haitong International and IHS Markit. The iBoxx MSCI ESG USD Asia ex-Japan High Yield Capped Index combines proven iBoxx index construction expertise with high-quality MSCI ESG data. It applies a more stringent liquidity filter than its parent index, the iBoxx Asia ex-Japan USD Corporates High Yield Index, and only includes bonds that have a minimum size of US\$250 million, plus strict ESG screening to exclude issuers involved in certain controversial business activities. The index also uses ESG tilts, and over-weights issuers with higher ESG ratings, and/or positive ESG momentum.

¹ Gross index yield as at 31 August 2021



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Tapping the Asian High Yield Sector

“While the opportunity in Asian high yield is clear, there are also some challenges to address,” says Tabula CEO Michael John Lytle. “With high yield issuers, there can be greater concerns about ESG, particularly governance, and liquidity is also a consideration. Local expertise can significantly improve trading efficiency.”

“Working in partnership with Haitong International, leveraging their considerable experience and on-the-ground presence in the region, as well as IHS Markit, we have been able to address these opportunities.”

“Until recently, European ETF investors could only access the Asian USD high yield corporate bond market via broad emerging market or global ETFs. Our new ETF supports far more granular asset allocation decisions.”

Frederick Chu, Head of ETF Business at Haitong International, says: “Asian credit is now a trillion-dollar asset class - and China the world’s second largest bond market - but many European investors are significantly underweight. This ETF provides straightforward access to the USD segment of Asia’s high yield market, while also addressing ESG and liquidity challenges.”

“As well as yield, this market can provide interesting diversification benefits in a fixed income portfolio, since it is often at a different stage in the market cycle. It is also worth noting that default rates for USD Asian high yield bonds have been significantly lower than for US high yield bonds.”



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The Partnership

Tabula and Haitong International have taken the opportunity to work together in order to deliver this ground-breaking exposure as a UCITS ETF. Tabula is uniquely positioned to help leading international asset managers deliver and distribute their content to institutional ETF investors. With an established network across market maker, stock exchanges and EU jurisdictions, Tabula has a business which delivers efficiencies of scale and speed to market.

About the ETF

The Tabula Haitong Asia ex-Japan HY Corp USD Bond ESG UCITS ETF has an ongoing charge of 0.60% per annum and is available on the London Stock Exchange with ticker TAHY.

Tabula is firmly committed to supporting ESG investing. It is a signatory to the UN-supported Principles for Responsible Investing and also to the Climate Action 100+. In addition, Tabula is a member of the Institutional Investors Group on Climate Change and it aims to actively engage with index providers to improve ESG standards across new and existing fixed income indices. It has also been a certified carbon neutral business since 2020.

Tabula Haitong Asia ex-Japan High Yield Corp USD Bond ESG UCITS ETF (USD)	
Base Currency	USD
Trading Currency	USD
Exchange	London Stock Exchange
OCF	0.60% p.a.
Share class details	USD Accumulating
Ticker	TAHY
ISIN	IE000LZC9NM0
Index	iBoxx MSCI ESG USD Asia ex-Japan High Yield Capped
Index Ticker	IBXXUXJT Index



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About Tabula Investment Management Limited

Tabula Investment Management Limited (“Tabula”) is an asset manager and ETF provider focused on differentiated fixed income strategies. Its ETFs provide unique solutions in the fixed income space, and help investors achieve greater control of investment risks and rewards. Tabula currently manages close to US\$500 million in assets. Tabula is authorised and regulated by the Financial Conduct Authority.

Haitong International Asset Management (HK) Limited

Haitong International Asset Management (HK) Limited was established in Hong Kong in 2007. Based in Hong Kong with a global reach, it has grown to become one of the leading Chinese asset managers in the region, offering a diversified range of investment solutions for institutional, corporate and individual investors. The firm now offers unit trusts and mutual funds investing in the global equities and fixed income markets, and tailor-made discretionary institutional accounts management. In 2019, the firm successfully obtained the Hong Kong Mutual Recognition of Funds (MRF) and started distributing fund in Mainland China.