

# iBoxx iTraxx Europe Bond Index roll commentary



30 September 2020

## Summary

- The iBoxx iTraxx Europe Bond Index rolled on Monday 21 September 2020
- The index rolls twice a year in March and September, mirroring the roll of the iTraxx Europe CDS index
- The roll increased the maturity, duration, yield and spread of both the index and the Tabula iTraxx IG Bond UCITS ETF ("TTRX"), which tracks the index

## S34 iTraxx Europe (Main) constituent changes

### ADDITIONS

Deutsche Post	Industrials
Sodexo	Consumers
United Utilities	Energy
Wolters Kluwer	TMT
Rentokil Initial	Industrials
Alstrom	Industrials
Hellenic Telecoms.	TMT
Adecco Group	Industrials

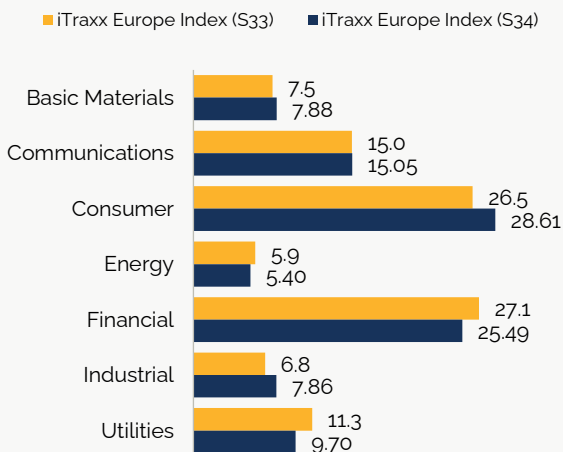
### REMOVALS

Rolls-Royce	Industrials
Deutsche Lufthansa	Industrials
Valeo	Industrials
Peugeot	Industrials
Accor	Consumers
ITV	TMT
Next	Consumers
Innogy	Energy

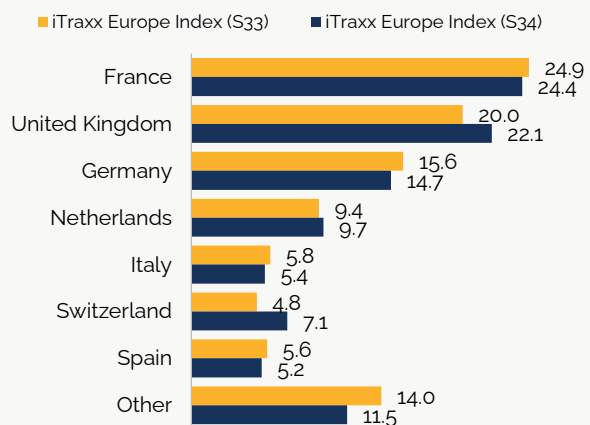
Source: Markit

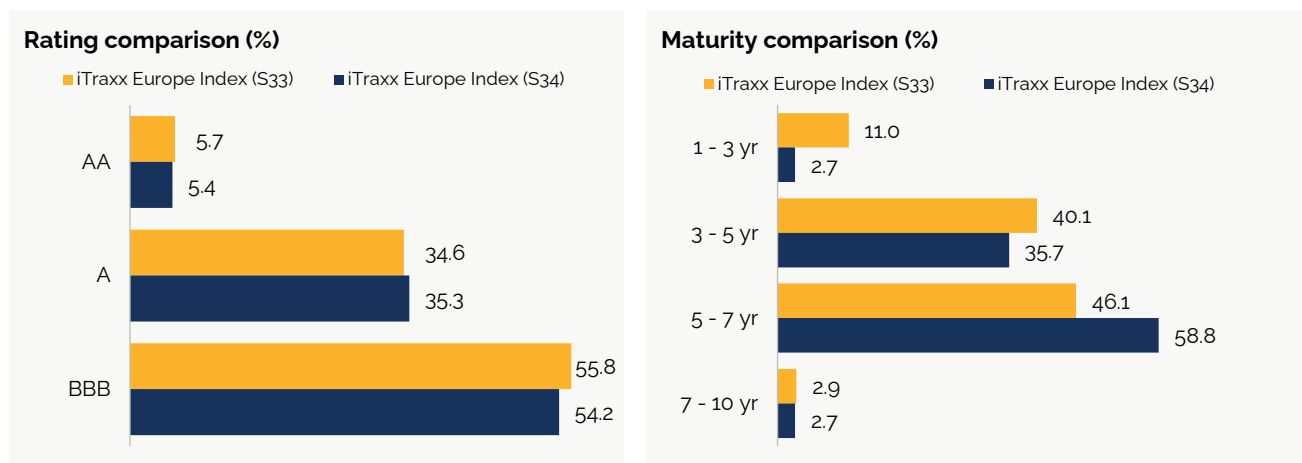
## iTraxx Europe Index comparison

### Sector comparison (%)



### Country of risk comparison (%)





## Key statistics

	Number of issuers	Number of bonds	Average maturity	Average duration	Estimated yield	Estimated spread
<b>iTraxx Europe S33 Index</b>	107	260	4.75yrs	4.50yrs	0.21%	87.50bps
<b>TTRX (pre-roll)</b>	107	229	4.81yrs	4.55yrs	0.23%	89.76bps
<b>iTraxx Europe S34 Index</b>	114	274	5.22yrs	4.95yrs	0.26%	94.45bps
<b>TTRX (post-roll)</b>	114	216	5.17yrs	4.90yrs	0.25%	93.61bps

iTraxx Europe S33 Index and TTRX (pre-roll) is as at 18 September 2020. iTraxx Europe S44 Index and TTRX (post roll) is as at 30 September 2020

## The index

The difference in the index composition between S33 and S34 increased the number of bonds by seven.

There was a decrease in sector exposure to:

- Energy which fell to 5.40% from 5.87%
- Utilities which fell to 9.70% from 11.26%

There was an increase in sector exposure to:

- Basic Materials which rose to 7.88% from 7.49%
- Consumer which rose to 28.61% from 26.47%

## The fund

The Tabula iTraxx IG Bond UCITS ETF (TTRX) exhibited minimal tracking error throughout the course of the roll day.

The ETF roll proved that for a well-constructed, focused corporate bond fund it is possible to implement a significant index rebalance, with negligible performance impact.

- Yield increased by 2bps
- Duration increased by 0.35yrs
- Average maturity increased from 4.81yrs to 5.17yrs
- OAS increased by to 93.61bps

The number of bonds held by the fund increased by seven. The fund sold a number of short-dated bonds that didn't meet the benchmark criteria, in order to increase the duration and to fund the buying of new issues joining the index. The fund will continue to work through inflows to increase the number of bonds to closer match the index.

Source: Tabula, as of 30 September 2020

## About Tabula

Tabula is a London-based asset manager focused on fixed income. We offer a growing range of differentiated UCITS ETFs and funds to institutional investors. Our ETFs provide unique solutions in the fixed income space, and help investors achieve greater control of the risks and rewards inherent in institutional investing.

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