



Press Release

23 June 2022

ESG FIXED INCOME ETF INVESTORS DEMAND PRODUCT INNOVATION AND BROADER COVERAGE

One in ten European professional investors rate the current ESG offering in the fixed income ETF market as poor, and a further 29% describe it as average. Just 7% believe it is excellent, with the remainder claiming it to be quite good.

This is according to research⁽¹⁾ from European ETF provider Tabula Investment Management Limited (“Tabula”) with professional investors based in the UK, France, Germany, Italy and Switzerland who collectively manage over US\$140 billion in assets.

In terms of how the fixed income ESG market could improve, 60% of professional investors surveyed say they would like to see more innovative products available. This is followed by 54% who would like to see better coverage across different fixed income asset classes, and 44% who want greater transparency. Four in ten want greater choice of fixed income ESG ETFs.

In relation to which asset classes within the fixed income space could see new or better ESG ETFs, 62% cite corporate credit, followed by 39% who say high yield credit and 39% who highlight emerging market exposure.



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Fixed income asset class	Percentage of European professional investors who would like to see new or better ESG ETFs for this asset class
Corporate credit	62%
High yield credit	39%
Emerging market credit	39%
Carbon market	34%
Sovereign credit	32%
Climate-aligned strategies	27%
Thematic	4%

Commenting on the research findings Michael John Lytle, CEO of Tabula, said, “Our research shows there is much room for improvement in the range of ESG fixed income ETFs. At Tabula, we are working hard to offer unique fixed income ETF solutions with a strong focus on ESG, innovation, and diverse exposures.

“Almost 70% of our current ETF AuM is in ESG (EU SFDR Article 8) or climate (EU SFDR Article 9) ETFs, which helps explain why our group assets under management have more than doubled in the last twelve months from US\$440 million to US\$725 million, while the European fixed income ETF market as a whole shrank by 7%.

“We are in the process of launching several new funds and exploring how to address investors’ needs and tackle the current gaps in fixed income solutions. Every time we propose a new fund to clients, they share with us five other challenges facing their fixed income portfolios. It is a very dynamic environment, ripe with needs and opportunities.”

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Notes to editors:

(1) Tabula Investment Management commissioned the market research company PureProfile to survey 100 professional investors across Italy, France, Germany, the



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UK and Switzerland (20 in each country). Collectively they manage \$142 billion in asset, and they work for European fund managers, wealth mangers, private banks and family offices. Interviews were conducted online in Q1 2022.

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About Tabula Investment Management Limited

Tabula Investment Management Limited (“Tabula”) is an asset manager and ETF provider focused on differentiated strategies. Its current ETFs provide unique solutions in the fixed income space, and help investors achieve greater control of investment risks and rewards.

Tabula currently manages over US\$725 million in assets. Tabula is authorised and regulated by the Financial Conduct Authority.