



THE SWISS STOCK EXCHANGE

ETF Market Report

1st Quarter of 2021

Number of
the Quarter

524 984

Number of ETF transactions
on the Swiss Stock Exchange in Q1 2021

Highest issuer
market share

32,38 %

UBS

32

Number of New Listings
in the 1st Quarter of 2021

Best Performance in the
1st Quarter of 2021

50,95 %

IVZ ELWOOD GLOBAL BLOCKCHAIN (BCHE)

611,32 Mio.

Top Turnover Single ETF

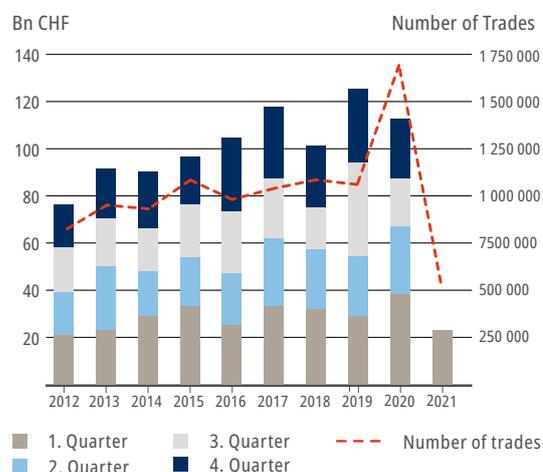
Volume of most-traded product in Q1 2021
UBSETF MSCI JAPAN JPY ACC (JPNA)

Record number of trades

The equity markets continued their upward trend in the first quarter of 2021, fueled by hopes that the pandemic would soon be overcome. Thanks to the vaccination programs initiated around the world, it should be possible to break the current third wave. The stock markets, which tend to anticipate the future economic development, are certainly indicating hope with their recent development. The huge support program waved through the US House of Representatives in March and the central banks' continued expansionary monetary policy ensure that the current negative effects of COVID-19 can be absorbed. In addition, the new US government is planning an extensive stimulus package in the coming months, with the funds to be used mainly to upgrade the country's partly ailing infrastructure. The substantial increase in debt in the short term led to a rise in long-term US interest rates in the first quarter. However, the market is expecting the US Federal Reserve to limit the rise in interest rates by managing the yield curve. In this context, almost everything currently still favors equities in general and cyclical sectors in particular.

The unabated optimism on the stock markets also had a positive impact on the Swiss ETF market. Turnover was brisk, only just falling short of the previous quarter's level. With 524 984 trades, an absolute record for the first quarter was achieved. This result was mainly attributable

ETF Turnover Development



Source: Swiss Stock Exchange

to ticket sizes of less than CHF 10,000, which already reached 35,85 % of the level for the whole of the previous year. The continuous expansion of the ETF supply continued in the first three months of the year. The main focus of the 32 new additions was on sustainability. At the end of March, a total of 1 542 ETFs were traded on SIX Swiss Exchange.

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1.1 ETF Turnover and Number of Trades

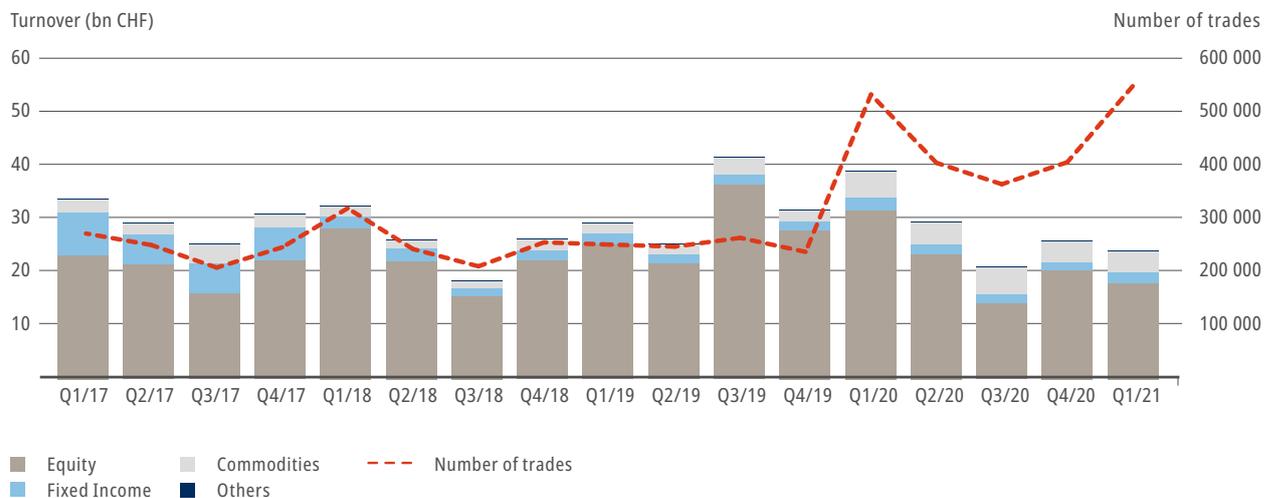
Compared to the previous quarter, total turnover declined by 6,96 % to CHF 23 465 million. This was chiefly attributable to the asset class with the highest turnover, equities, which fell by 12,10 % due to a lack of fresh impetus. In addition, the hesitant start on the Swiss stock market and the interim correction on the Nasdaq technology stock exchange probably temporarily curbed purchase interest. By contrast, bond ETFs and commodity ETFs were in high demand in the first quarter, increasing their turnover by 28,95 % and 6,04 % respectively compared to the final quarter of the previous year. This is probably largely due to fears of inflation in the case of commodities, while for bond ETFs the slightly higher interest rates are likely to have played a key role. In the first quarter, equity ETFs accounted for 74,51 % of total turnover (fourth quarter of 2020: 78,87 %), followed by commodity ETFs with 16,79 % (fourth quarter of 2020: 14,74 %) and bond ETFs with 8,38 % (fourth quarter of 2020: 6,05 %).

In the first quarter, the list of the 20 most-traded ETFs was still headed by the JPNA ETF from UBS based on the MSCI Japan, followed by the very popular INRG ETF from iShares based on the S&P Global Clean Energy Index and the LYBNK ETF from Lyxor based on the STOXX Europe 600 Banks Index. Gold, silver, commodity basket and commodity equity ETFs, which accounted for a total of seven among the top 20, also enjoyed strong demand. The remaining ETFs were mostly based on Swiss, European or US equity indices.

Top-20 Most Traded ETFs

Product	Turnover (mn CHF)	Trend
UBSETF MSCI JAPAN JPY ACC	611,32	↑
iSh Glob Clean Enrgy USD Dis	524,80	↑
Lyxor STOXX EU 600 Banks	388,54	↑
ZKB GOLD ETF (USD)	384,55	↓
ZKB GOLD ETF	379,34	↓
iSh Core S&P500 USD Acc	373,65	↓
Invesco EQQQ	311,79	↑
LYX ETF EURO STOXX 50 (DR) DIS	311,43	↓
Lyxor T&R/CoreCommo CRB - Acc	283,72	↑
Lyxor S&P Eurozone (EU PAB)	279,28	↓
ZKB Gold ETF hedged (CHF)	274,18	↑
iSh Nasdaq 100 USD Acc	263,75	↑
iSh Core SPI (CH) CHF Dis	263,41	↓
ZKB Silver ETF - A (CHF)	259,53	↑
Lyxor STOXX EU 600 Basic Res	251,54	↑
UBSETF MSCI EMU EUR ACC	245,27	↑
UBSETF SMI CHF DIS	223,81	↓
UBSETF MSCI USA SRI USD DIS	214,37	↑
Lyxor STOXX EU 600 Healthcare	207,36	↑
UBSETF GOLD H-CHF DIS	194,07	↓

Source: Swiss Stock Exchange



Source: Swiss Stock Exchange

1.2 Top-10 – Selected Changes in the Overall Market

In the first quarter, the best-performing ETFs were those focusing on blockchain, cannabis, energy, or banks. In the lead with an increase of 50,95 % was the BCHE ETF based on the Elwood Blockchain Global Equity Index. The underlying aims to offer an investment in listed companies that participate in the blockchain or cryptocurrency ecosystem. Substantial price increases were also achieved by the FLWR and CBDX ETFs from the issuers Rize ETF and HANetf, which focus on equity baskets from companies operating in the field of medicinal cannabis.

The weakest performance in the first three months of the year, with a decline of 16,54 %, was attributable to the HTRY ETF based on the MSCI Turkey. LYDSD based on the ShortDAX, which generally develops inversely to the DAX, also performed weakly. In addition, ETFs based on long-term US bonds and on gold and gold mines recorded price

decreases. The increase in long-term yields in the US also had a negative impact on the DTLC, UST10F and DTLE ETFs. The resulting rise in real interest rates and a slightly increasing US dollar were the main factors driving the price declines for the precious metal gold.

The first quarter was characterized by a higher than average number of trades. Among the top 10, the INRG ETF stood out with 24 125 trades, representing an increase of 128,67 % as against the fourth quarter of 2020. There was also very lively trading in the SXXPEX ETF based on the STOXX Europe 600 Telecommunications Index, which had seen very little activity in the previous quarter, and in the ZSIL ETF from ZKB based on the precious metal silver. The ETF with the highest turnover in the first quarter, JPNA, was among the «also-rans» in terms of trades. It reached its volume with only 1 544 trades.

Top-10 ETFs Best Performance

Product	Symbol	Performance	Trend
IVZ ELWOOD GLOBAL BLOCKCHAIN	BCHE	50,95	↑
RIZE MED CANNABIS UCITS ETF	FLWR	46,41	↑
HAN MED CANNABIS UCITS ETF	CBDX	42,88	↑
SPDR S&P US ENERGY SELECT	SXLE	39,82	↑
ISHARES S&P 500 ENERGY	IUES	39,57	↑
INVESCO US ENERGY S&P	XLSE	38,81	↑
X MSCI USA ENERGY	XUEN	38,16	↑
UBS ETF CMCI OIL USD	OILUSA	31,29	↑
L&G US ENERGY INFRASTR MLP	MLPI	31,09	↑
LYXOR S&P 500BANKS UCITS ETF	BNKU	30,73	↑

Source: Bloomberg

Top-10 ETFs Worst Performance

Product	Symbol	Performance	Trend
HSBC MSCI TURKEY UCITS ETF	HTRY	-16,54	↓
LYXOR DAILY SHORTEX X2	LYDSD	-16,39	↓
ISHARES USD TRES 20+ CHF-H D	DTLC	-12,95	↓
UBS ETF BARC US TR.10+ H.EUR	UST10F	-11,51	↓
ISHARES USD TRES 20+ EUR-H D	DTLE	-11,25	↓
RAIF ETF SLD GLD OUNCES HCHF	RGLDOH	-11,13	↓
SWISSCANTO PHYS GLD - CHF AX	JBGOCX	-11,08	↓
VANECK JR. GOLD MINERS ETF	GDXJ	-10,96	↓
SWISSCANTO PHYS GLD - CHF A	JBGOCA	-10,52	↓
ISHARES GOLD CHF HDG CH	CSGLDC	-10,39	↓

Source: Bloomberg

Top-10 ETFs Number of Trades (Tickets)

Product	Symbol	No. of Trades	Trend
iSh Glob Clean Enrgy USD Dis	INRG	24 125	↑
iSh Stx Eur600 Telecom EUR Dis	SXXPEX	13 671	↑
ZKB Silver ETF - A (CHF)	ZSIL	10 142	↑
UBSETF GOLD H-CHF DIS	AUCHAH	8 981	↑
iSh Nasdaq 100 USD Acc	CSNDX	8 909	↑
UBSETF SXI RE FUNDS CHF DIS	SRECHA	8 303	↑
ZKB GOLD ETF	ZGLD	7 909	↑
iSh Core SPI (CH) CHF Dis	CHSPI	6 897	↑
iSh Core S&P500 USD Acc	CSSPX	6 574	↑
iSh Gold (CH) USD	CSGOLD	6 481	↑

Source: Swiss Stock Exchange

1.3 Turnover by Product Provider

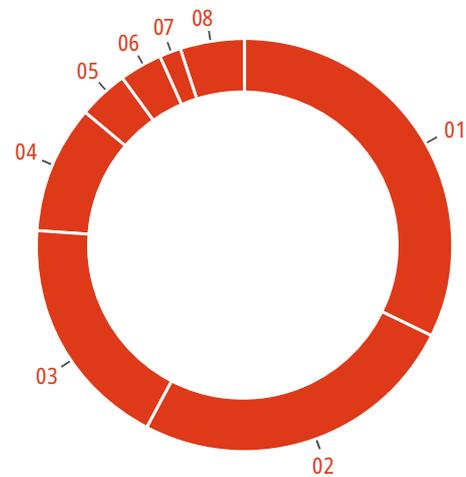
UBS continued to lead the turnover ranking ahead of BlackRock/iShares, which moved somewhat closer, and then Lyxor and ZKB. The share of total turnover attributable to these four issuers came to 86, 21 % in the first quarter (fourth quarter of 2020: 87,92 %). The turnover of each

of the other 24 providers was below the one-billion mark. Among these issuers with lower turnover, Amundi, Legal & General and Credit Suisse marked the biggest absolute increases, compared to the fourth quarter of 2020, while BNP Paribas and HSBC faced the largest net outflows.

ETF Turnover by Product Provider

Issuer	Products	Turnover (mn CHF)	Market Share	Trend
UBS-ETF	344	7 598,88	32,38	↓
iShares	284	5 984,46	25,50	↑
Lyxor	220	4 314,42	18,39	↓
ZKB ETFs	34	2 331,71	9,94	↑
Invesco	82	915,74	3,90	↑
Xtrackers	107	772,04	3,29	↑
SPDR ETF	96	418,50	1,78	↑
Amundi	68	223,54	0,95	↑
Vanguard	25	187,06	0,80	↑
HSBC	37	159,06	0,68	↓
Van Eck Global	21	114,12	0,49	↑
Credit Suisse Index Fund	8	101,79	0,43	↑
Legal & General	13	67,97	0,29	↑
Raiffeisen	5	54,08	0,23	↑
WisdomTree	46	42,65	0,18	↑
Ossiam	19	30,36	0,13	↑
JPMorgan	27	27,96	0,12	↑
Franklin Templeton	19	22,76	0,10	↑
Rize UCITS ICAV	4	22,10	0,09	↑
BNP Paribas	29	20,47	0,09	↓
HANetf	7	19,94	0,09	↑
Pimco	16	13,19	0,06	↑
Nomura	(4)	10,15	0,04	↑
Fidelity	19	6,15	0,03	↑
China Post Global	3	3,53	0,02	↑
Tabula	1	1,20	0,01	↑
Goldman Sachs	3	1,13	0,01	↑
First Trust	1	0,10	0,00	↓
	1 542	23 465,05	100,00	

Source: Swiss Stock Exchange



01	32,38 %	UBS-ETF
02	25,50 %	iShares
03	18,39 %	Lyxor
04	9,94 %	ZKB ETFS
05	3,90 %	Invesco
06	3,29 %	Xtrackers
07	1,78 %	SPDR ETF
08	4,82 %	other issuers

1

ETF Market on the Swiss Stock Exchange

1.4 Top-5 Selected Changes per Asset Class

Equity Developed Market

Product	Turnover (mn CHF)	Trend
UBSETF MSCI JAPAN JPY ACC	611	↑
iSh Core S&P500 USD Acc	374	↓
Invesco EQQQ	312	↑
LYX ETF EURO STOXX 50 (DR) DIS	311	↓
Lyxor S&P Eurozone (EU PAB)	279	↓

Source: Swiss Stock Exchange

Fixed Income & Money Market

Product	Turnover (mn CHF)	Trend
iSh Core CorpBnd (CH) CHF Dis	136	↑
iSh \$ TreasBnd 7-10 USD Dis	108	↑
iSh \$ TIPS USD Acc	58	↑
iSh \$ TreasBnd 1-3y USD Dis	58	↑
UBSETF EU LiqCorSust EUR ACC	55	↑

Source: Swiss Stock Exchange

Equity Emerging Market

Product	Turnover (mn CHF)	Trend
ISH CORE MSCI EM IMI USD ACC	192	↑
Lyxor MSCI AC APEJ - Acc	115	↑
UBSETF MSCI EM USD ACC	114	↑
Lyxor China Enterprise - Acc	76	↑
iSh MSCI EM USD Dis	67	↓

Source: Swiss Stock Exchange

Commodities

Product	Turnover (mn CHF)	Trend
ZKB GOLD ETF (USD)	385	↓
ZKB GOLD ETF	379	↓
LYXOR T&R/CORECOMMO CRB - ACC	284	↑
ZKB GOLD ETF HEDGED (CHF)	274	↑
ZKB SILVER ETF - A (CHF)	260	↑

Source: Swiss Stock Exchange

Equity Style / Strategy / Themes

Product	Turnover (mn CHF)	Trend
iSh Glob Clean Enrgy USD Dis	525	↑
Lyxor STOXX EU 600 Banks	389	↑
Lyxor STOXX EU 600 Basic Res	252	↑
UBSETF MSCI USA SRI USD DIS	214	↑
LYXOR STOXX EU 600 HEALTHCARE	207	↑

Source: Swiss Stock Exchange

Volatility

Product	Turnover (mn CHF)	Trend
iSh Edg MSCI Wrld MinVol Acc	20	↓
UBSETF FAC US LO VOL USD DIS	12	↑
UBSETF FAC EMU LO VOL H-EUR DI	2	↑
iSh Edg MSCI EM MinVol Acc	2	↓
iSh Edg S&P500 MinVol Acc	1	↑

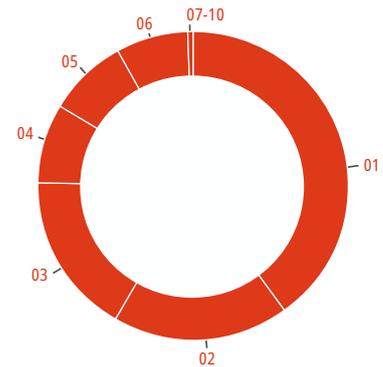
Source: Swiss Stock Exchange

1.5 Trading Details

Turnover by Asset Classes

Asset Class	Absolute	Change	Turnover (mn)	Trend
1 Aktien Entwickelte Märkte	40,02 %	-36 %	9 390,91	↓
2 Aktien Themen	18,42 %	120 %	4 322,68	↑
3 Rohstoffe	16,79 %	9 %	3 940,83	↑
4 Aktien Schwellenländer	8,47 %	-16 %	1 988,63	↓
5 Anleihen	8,34 %	-68 %	1 956,45	↓
6 Aktien Stile / Strategien	7,43 %	0 %	1 744,54	↑
7 Fonds	0,31 %	2 %	73,43	↑
8 Volatilität	0,16 %	-65 %	37,47	↓
9 Geldmarkt	0,04 %	-84 %	10,04	↓
10 Andere	0,00 %	-65 %	0,41	↓
Total	100,00 %		23 465,39	

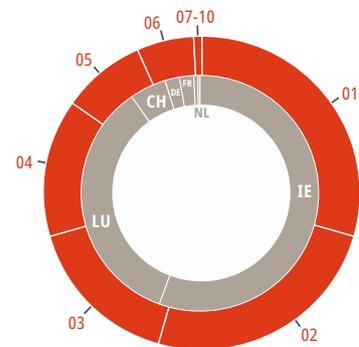
Source: Swiss Stock Exchange



Number of ETs on the Swiss Stock Exchange by Asset Class

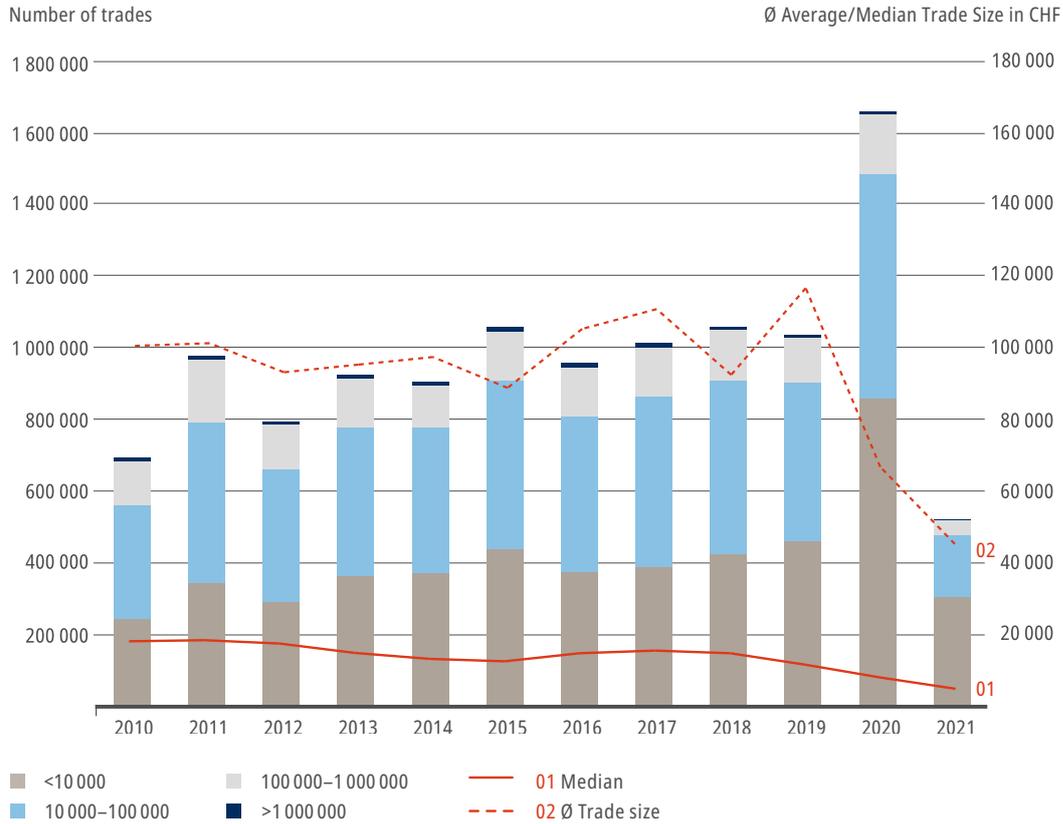
Asset Class	Absolute	Change	Turnover (mn)	Trend
1 Aktien Entwickelte Märkte	29,57 %	-3 %	456	↓
2 Anleihen	24,97 %	-4 %	385	↓
3 Aktien Stile / Strategien	16,02 %	-4 %	247	↓
4 Aktien Themen	14,27 %	-7 %	220	↓
5 Aktien Schwellenländer	8,56 %	-1 %	132	↓
6 Rohstoffe	5,77 %	-2 %	89	↓
7 Volatilität	0,58 %	0 %	9	→
8 Geldmarkt	0,13 %	0 %	2	→
9 Andere	0,06 %	0 %	1	→
10 Fonds	0,06 %	0 %	1	→
Total	100,00 %		1 542	

Source: Swiss Stock Exchange



*Some fungible ETFs (same ISIN) are tradable in multiple currencies. They are accordingly counted more than once.

2.1 Trading Details (Breakdown of Respective Ticket Size)



2.2 Number of ETFs on the Swiss Stock Exchange by Market Maker (During the Quarter)

Name	ETFs	Name	ETFs
Flow Traders B.V.	1 171	Virtu Financial Ireland Ltd	73
Société Générale	1 002	Deutsche Bank AG London Branch	47
Optiver VOF	839	Zürcher Kantonalbank	34
Goldenberg Hehmeyer LLP	309	Credit Suisse International	8
BNP Paribas	213	RBC Europe Limited	6
UBS AG	208	Credit Suisse AG	6
Finovesta GmbH	168	Raiffeisen Schweiz Genossenschaft	5
Susquehanna	116	Morgan Stanley	3

Source: Swiss Stock Exchange

Spread-Monitor (Tightest Spreads)

Product	Ticker	TER	Ø Bid Ask Spread (%)
X DAX	XDAX	0,09	0,03
LYXOR SMART OVERNIGHT RETURN	SMOR	0,05	0,03
SPDR BBG 1-3MO US TRES USDA	TBIL	0,10	0,04
X EUR RATE SWAP 1D	XEON	0,10	0,04
ISHARES CORE S&P 500	CSSPX	0,07	0,04
ISHARES TRSY 1-3YR USD ACC B	CSBGU3	0,07	0,05
ISHARES USD TRSRY 1-3Y USD A	IBTA	0,07	0,05
X EURO STOXX 50 1D	XESX	0,09	0,05
ISHARES CORE S&P 500	IUSA	0,07	0,05
SPDR BBG 1-3 US TREASURY	TRS3	0,15	0,05
INVESCO NASDAQ-100 DIST	EQQQ	0,30	0,05
ISHARES USD TRSRY 1-3Y USD D	IBTS	0,07	0,05
ISHARES EUR GOVT 3-7Y ACC	CSBGE7	0,20	0,06
ISHARES NASDAQ 100 USD ACC	CSNDX	0,33	0,06
INVESCO S&P 500 DIST	SPXD	0,05	0,06
ISHARES USD TREASURY 3-7YR	CSBGU7	0,07	0,06
ISHARES USD TRES BOND 7-10Y	CSBGU0	0,07	0,06
ISHARES USD TREASURY 7-10Y	IBTM	0,07	0,06
ISHARES EUR GOVT 1-3YR	IBGS	0,20	0,06
SPDR BBG US TREASURY	TRSY	0,15	0,06

Source: Bloomberg

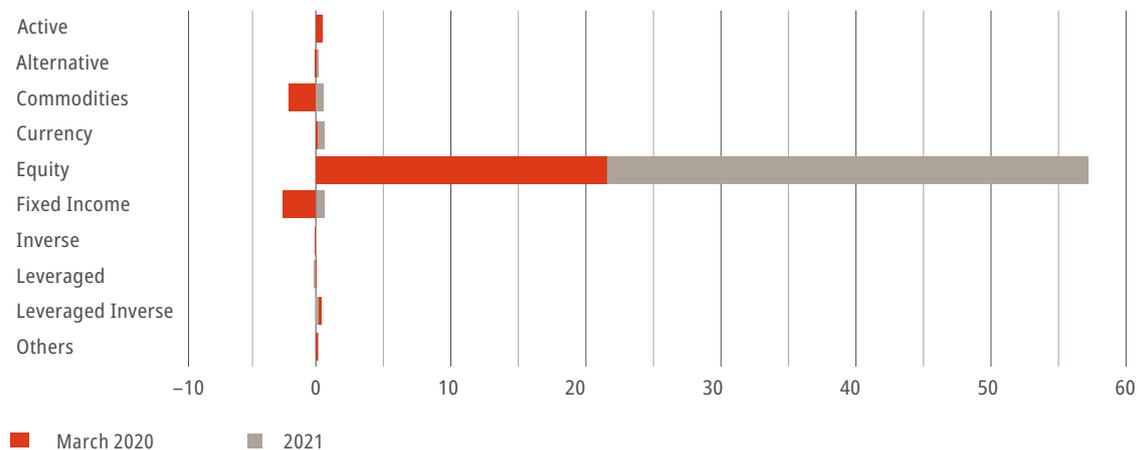
2.3 New Listings in the Quarter

First Trading Day	Product	Symbol	Currency	Management Fee	Market Maker
29.03.2021	Fidelity Sust. Glb Corp Bond MF UCITS ETF - Inc	FSMF	CHF	0,25 %	Société Générale
29.03.2021	Fidelity Sust. Glb Corp Bond MF UCITS ETF - Inc	FSMF	USD	0,25 %	Société Générale
29.03.2021	Fidelity Sust. USD EM Bond UCITS ETF - Inc	FSEM	USD	0,45 %	Société Générale
29.03.2021	Fidelity Sust. USD EM Bond UCITS ETF - Inc	FSEM	CHF	0,45 %	Société Générale
25.03.2021	WisdomTree Cybersecurity UCITS ETF USD Acc	WCBR	USD	0,45 %	Société Générale
23.03.2021	UBS ETF MSCI Europe Socially Responsible UCITS ETF EUR acc	EURSRI	EUR	0,18 %	Société Générale
23.03.2021	UBS ETF MSCI Switzerland IMI Socially Res UCITS ETF CHFacc	CHSRII	CHF	0,28 %	Société Générale
23.03.2021	UBS ETF Solactive China Technology UCITS ETF (USD) A-acc	CQQQ	USD	0,47 %	UBS AG
19.03.2021	UBS Climate Aware GI Dev Equity CTB UCITS ETF (USD) A-acc	CLIMA	USD	0,19 %	Société Générale
12.03.2021	UBS (Irl) ETF plc S&P 500 ESG ELITE UCITS ETF (hCHF) acc	5ESGES	CHF	0,20 %	Société Générale
12.03.2021	UBS (Irl) ETF plc S&P 500 ESG ELITE UCITS ETF (USD) A-acc	SPESGE	USD	0,15 %	Société Générale
05.03.2021	Digital Infrastructure and Connectivity UCITS ETF - Acc	DIGI	CHF	0,69 %	RBC Europe Limited
05.03.2021	iClima Global Decarbonisation Enablers UCITS ETF - Acc	CLMA	CHF	0,65 %	RBC Europe Limited
26.02.2021	iShares \$ Corp Bond 0-3yr ESG UCITS ETF CHF Hedged (Acc)	IU0C	CHF	0,17 %	Goldenberg Hehmeyer LLP, Société Générale
26.02.2021	iShares Edge MSCI World Min Vol ESG UCITS ETF CHF Hdgd (Acc)	MVEC	CHF	0,35 %	Optiver VOF, Société Générale
26.02.2021	iShares Edge MSCI World Min Vol ESG UCITS ETF EUR Hdgd (Acc)	MVWE	EUR	0,35 %	Optiver VOF, Société Générale
25.02.2021	Tabula US Enhanced Inflation UCITS ETF (USD) - CHF-Hed - Acc	TINC	CHF	0,30 %	BNP Paribas
23.02.2021	UBS ETF (CH) SPI ESG (CHF) A-acc	SPISI	CHF	0,15 %	UBS AG
18.02.2021	Xtrackers MSCI AC World UCITS ETF 1C	XMAW	USD	0,05 %	Goldenberg Hehmeyer LLP, Société Générale
18.02.2021	Xtrackers MSCI EMU ESG UCITS ETF 1C	XZEZ	CHF	0,10 %	Goldenberg Hehmeyer LLP, Société Générale
18.02.2021	Xtrackers Nasdaq 100 UCITS ETF 1C	XNAS	CHF	0,05 %	Goldenberg Hehmeyer LLP, Société Générale
10.02.2021	L&G Hydrogen Economy UCITS ETF-USD Acc	HTWO	CHF	0,49 %	Flow Traders B.V., Susquehanna
25.01.2021	Fidelity EM Quality Income UCITS ETF - Inc	FEMC	CHF	0,50 %	Société Générale
25.01.2021	Fidelity EM Quality Income UCITS ETF - Inc	FEMC	USD	0,50 %	Société Générale
25.01.2021	Fidelity Sust. Res. Enh. EM Equity UCITS ETF - Acc	FEMR	USD	0,50 %	Société Générale
25.01.2021	Fidelity Sust. Res. Enh. EM Equity UCITS ETF - Acc	FEMR	CHF	0,50 %	Société Générale
25.01.2021	Fidelity Sust. Res. Enh. Japan Equity UCITS ETF - Acc	FJPR	CHF	0,30 %	Société Générale
25.01.2021	Fidelity Sust. Res. Enh. Japan Equity UCITS ETF - Acc	FJPR	USD	0,30 %	Société Générale

At the end of the first quarter, the largest asset class, equities, reported assets under management of USD 912 billion, representing a share of 67,16 % (end of December: 63,88 %). The bonds asset class came in second place once again as its share decreased further from 24,96 % to 22,51 %. The commodities asset class still ranked third at 7,84 % (end of December: 8,95 %).

The number of ETFs increased by 85 to 2 393 in the first quarter, while total assets under management rose by USD 74 billion to USD 1,358 trillion. In March equity ETFs saw a substantial increase, whereas bond ETFs and commodity ETFs posted net outflows. Apart from leveraged ETFs, all other asset classes have recorded net inflows since the start of the year.

Net New Assets per Asset Class (in bn USD)



Source: ETFGI

Asset Classes	ETFs/ETPs	AuM Dec 2020 (in mn USD)	Market Share	Net New Assets (in mn USD)		
				March 2021	YTD 2021	YTD 2020
Active	52	15 593	1,1 %	588	562	-799
Alternative	6	127	0,0 %	-10	47	-307
Commodities	285	106 436	7,8 %	-2 291	579	7 688
Currency	51	8 186	0,6 %	155	690	-35
Equity	1 216	911 976	67,2 %	22 097	57 315	-3 874
Fixed income	453	305 684	22,5 %	-3 067	645	-4 550
Inverse	62	1 806	0,1 %	-64	1	-106
Leveraged	183	3 640	0,3 %	20	-78	771
Leveraged Inverse	74	2 102	0,2 %	235	462	-882
Other	11	2 434	0,2 %	119	215	210
Total	2 393	1 357 984	100,0 %	17 781	60 437	-1 885

Source: ETFGI



Our clients are currently focused on three main areas: ESG, inflation and yield.



Michael John (“MJ”) Lytle is CEO of Tabula Investment Management. Tabula is focused on creating and managing outstanding funds offering investors precise tools for fine tuning fixed income exposure. Previously MJ was a founding partner in Source, an investment manager focused on the creation and distribution of ETFs, including a partnership with PIMCO to create and distribute a range of fixed income ETFs. Source was purchased by Invesco in 2017. Prior to Source, MJ spent 18 years at Morgan Stanley with a variety of roles across corporate finance, capital markets origination, trading, sales, equity, fixed income, private wealth and technology strategy. Most of these roles revolved around fixed income and evolving and expanding investors’ access to the asset class. MJ has a BA in Economics and Government from Dartmouth College with further studies at the London School of Economics.



Michael John Lytle, CEO, Tabula Investment Management

What is your speciality?

Tabula is an independent investment manager and ETF provider 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 to achieve greater control of the risks and rewards inherent in this asset class. For example, we launched the Tabula US Enhanced Inflation UCITS ETF (recently listed on SIX Swiss Exchange in a CHF-hedged share class, TINC SE) to help investors gain exposure to both realised and expected US inflation in one product.

What issues are currently shaping developments in the ETF sector?

There is little doubt that the shift to passive will continue in fixed income, with an increasing focus on ESG. Passive fixed income could end up growing at twice the rate of equities, supported by its much bigger range of exposures and returns. ESG will continue to play an increasing role in fixed income, with its own unique challenges, and product development and innovation will need to catch up with increased demand. In our view, investors are looking for more precise, more efficient and more liquid products in the fixed income space, and

fixed income ESG exposures that aim to make a clearer impact on the sustainability landscape.

What are your clients focusing on in the current environment?

Our clients are currently focused on three main areas: ESG, inflation and yield. On the ESG front, investors are focused on the new EU Sustainable Finance Disclosure Regulation (SFDR) which came into effect on the 10th of March 2021, understanding which funds have sensible and demonstrable sustainability targets, and which ETFs are suitable for «Article 9, Dark Green» portfolios. To address this new regulation, in January 2021 we launched the Tabula EUR IG Bond Paris-aligned Climate UCITS ETF, which is an SFDR Article 9 Dark Green fund that allows investors to align their Euro IG allocation with the 1,5C Paris agreement scenario and reduce climate risk in the portfolio (>60 % reduction in GHG emissions vs the parent Euro IG universe). On the inflation front, current forecasts are very dispersed, COVID-19 and economic lockdowns have changed consumer behaviour and prices, and predicting the net effect on inflation is complicated; we believe that investors are looking to gain exposure to more targeted elements of inflation, including both realised and expected inflation. Finally, in terms of yield, we're currently working on some exciting new products with an ESG lens, but we already offer a range of leveraged IG and European HY ETFs which deliver positive yield in the current subdued credit environment.

What changes do you have planned?

Tabula will continue to innovate in the fixed income ETF space, providing solutions which complement and enhance the current products available in the market, especially when it comes to benchmark construction and liquidity. We plan on bringing more unique fixed income products to market over the coming months, with a particular focus on ESG. Finally, we believe that partnership is important in the product development process, and we're excited to be working with both leading industry participants (including innovative index providers, ESG data providers, specialist asset managers) and forward-thinking end investors to ensure that we're solving problems in this space.

Where do you see the ETF market in Switzerland in the near future?

Switzerland is a key market for European ETF issuers, especially for a relatively new entrant like Tabula. The Swiss investor community is sophisticated and has generally been an early adopter and supporter of innovation in the ETF space; our Tabula US Enhanced Inflation UCITS ETF was in fact 'seeded' by a Swiss wealth manager who understood the inflation backdrop and the importance of capturing different elements of inflation exposure. Furthermore, we've expanded our coverage footprint in Switzerland over the past year and are excited about working more closely with our investors in this market.

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