

‘Anti-benchmark’ boutique launches first bond fund

By Atholl Simpson on 03 October 2014



French boutique TOBAM has announced the launch of its first fixed income fund which will focus on the US credit market.

Known for its 'Anti-benchmark' investment model, the TOBAM Anti-Benchmark US Credit fund is the first to be registered under its SICAV platform, which was set up in May this year, the firm's founder Yves Choueifaty told *Citywire Global*.

The Luxembourg-domiciled fund will aim to outperform the Merrill Lynch US Corporate Index by 120 bps per annum by focusing on a portfolio of around 80 names.

It will be run by the French boutique's latest recruit, Raphael Thuin who joined them in January from Société Générale where he was a specialist in US high yield credit.

Corporate bond benchmark indices are usually weighted according to the volume of debt issued, leading to heavy concentrations of bias, said

Choueifaty. Currently one of the strongest biases in these indices is towards financials with some benchmarks having over 40% in banks.

'The nature of a good market is one that is not predictable, if it is then it is not efficient,' Yves Choueifaty, founder of TOBAM told *Citywire Global*. 'Speculation is very useful for investors. The most efficient market in US fixed income is the credit market and it is here that the benchmark fails as it is very concentrated on banks. It is also one of the most liquid.'

Next expansion phase

Following the setup of its SICAV platform, Choueifaty said that they aim to add the remainder of their funds onto the platform to create Luxembourg-domiciled vehicles. This will help broaden the appeal of their fund range as they are increasingly looking to target European wealth managers, multi-managers and family offices.

Among the biggest French-domiciled funds within the group's range are the \$1.9 billion [Anti-Benchmark World Equity](#), \$1.3 billion Anti-Benchmark EM Equity and the \$1.3 billion [Anti-Benchmark US Equity](#).