TOBAM's unique US Credit Strategy surpasses $300 million in six months

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Company innovation in challenging alternative fixed income space rewarded by North American and European investors

TOBAM, the Paris-based asset manager, announced that its Anti-Benchmark US Credit Strategy has attracted a total AUM of US$317 million since officially opening to investors in November last year.

The inflows into the fund have come from a range of institutional and retail investors - mainly from North America and Europe. This demonstrates the strong initial momentum behind the strategy, which TOBAM expects to show further growth in the near future.

The fund's assets are both a reflection of the growing interest from global investors for innovative strategies applying a 'smart beta' approach to the fixed income space, and a testament to TOBAM's success in achieving an efficient implementation of their flagship Anti-Benchmark approach to the challenging fixed income space.

Corporate bond benchmark indices are traditionally weighted according to the volume of debt issued, leading to heavy concentrations and biases, namely towards a limited number of sources of risks. By contrast, TOBAM's patented Maximum Diversification approach, applied by the Anti-Benchmark US Credit Strategy, aims to deliver the credit risk premium to investors through a portfolio of diversified issues, providing a more efficient core exposure to credit.

TOBAM's research team worked on designing the strategy's implementation in order to effectively apply the firm's patented Anti-Benchmark approach, taking into consideration the specificities of the corporate debt market. The strategy has established a successful track record since its launch in 2014, outperforming the Merrill Lynch US Corporate Index by more than 120 basis points on average per annum as of May 2016.

The strategy is currently available in a Ucits IV daily dealing Luxembourg SICAV format with institutional, retail and clean-fee share classes.

Raphaël Thuin, senior fund manager of TOBAM's Anti-Benchmark US Credit Strategy, explained: "In a market driven by a handful of factors, namely commodity pricing, currency swings or central banks policies, investors have increasingly piled into the same positions. This created a high concentration of risk within the investment community, and generated

unpredictable swings in various asset classes. In this challenging context, maintaining a highly diversified portfolio of securities has been key to deliver performance, by protecting the portfolio against concentration and contagion risks".

The strategy represents a unique approach for investors looking for core exposure to the US Credit market while avoiding these concentrations and biases.

Christophe Roehri, Head of Business Development, declared: "We see the recent inflows as an endorsement of TOBAM's innovation efforts within fixed income markets. We designed the strategy to offer an innovative solution to investors targeting these markets, and these ivnestors have embraced that innovation. We are happy to report an increased interest in the strategy following this initial success, and intend to extend our fixed-income expertise further going forward."

A pioneer of the smart beta investment industry, TOBAM, founded by Yves Choueifaty, has been managing investment portfolios according to its unique Maximum Diversification® quantitative investment approach since 2006. TOBAM's patented Anti-Benchmark® strategies, aim at improving risk/return by enhancing diversification, avoiding the concentration of risk found in traditional market-cap weighted benchmarks.

http://www.financialinvestigator.nl/nieuws/20160622-tobams-unique-us-credit-strategy-surpasses-300-million-in-six-months