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## XTBs break through \$200 million milestone

*Innovative fixed income solution opens access to corporate bonds, attracts strong demand*

The ASX quoted higher-yield corporate bond solution XTBs (Exchange Traded Bond units), has doubled funds under management (FUM) in the past six months, reaching \$200 million.

The FUM milestone coincides with the product's two-year anniversary. XTBs have attracted increasing demand from self-directed investors, financial advisers, and brokers since launching in 2015.

47 XTBs are currently available on ASX and on 27 leading platforms. A further expansion of the range is due in the coming weeks. XTBs offer all investors access to returns from individual corporate bonds on ASX and are approved for distribution by 158 Australian dealer groups.

### A real alternative to Term Deposits

XTBs were launched due to growing demand for higher-yielding corporate bonds on ASX as an alternative to Term Deposits (TDs). They are a milestone in meeting this demand and are ASX's only product with:

- A risk-return profile close to TDs
- The same predictability of income & capital payments as TDs
- Low capital volatility and
- Yields generally above TD rates - with some considerably higher than current Top 4 bank TD rates.

### Industry support and collaboration driving growth

XTB has also unveiled a number of new solutions to make corporate bonds more accessible, including model portfolio SMAs for both financial advisers and investors.

XTB has experienced strong support from across the broader wealth management industry, collaborating with industry luminaries such as Macquarie's Owners Advisory, Ord Minnett, Praemium and BondAdviser and entering into an education alliance with online broker Bell Direct to expand access to XTBs.

Richard Murphy, XTB co-founder and CEO, said, “Doubling FUM within six months is testament to the broadly-held vision across the industry that there’s an enduring need for access on ASX to corporate bonds for all investors.

“Before XTBs there was a gaping hole in ASX’s range of individual securities. There was nothing between low-risk Government Bonds and much more capital-volatile hybrids and equities. Corporate bonds are the missing link. They sit just above government bonds and TDs in risk terms, but well below more risky hybrids and equities.

“It’s no wonder so many investors have been sitting on the sidelines in TDs when there was nothing on ASX’s supermarket shelves that met their need for lower-risk, lower-volatility predictable investments, but with returns above TDs.

“The world of XTBs is growing fast on ASX because XTBs plug the gap and stack the once-empty shelves in the corporate bond section of the ASX Supermarket.

Macquarie Group Chief Investment Officer John O’Connell said that XTBs had filled an important gap in the market.

“XTBs provide an innovative way for retail investors to gain exposure to the Australian corporate bond market. They are well worth consideration as an ASX-traded alternative to term deposits in a low interest rate market,” Mr O’Connell said.

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#### About XTB and the Australian Corporate Bond Company

Australian Corporate Bond Company (ACBC) is the Securities Manager of XTBs quoted on the ASX.

Established in 2013 to develop the XTB fixed income investment opportunity, ACBC's directors and key executives have extensive skills and experience in investment banking, broking, trading, funds management, investment product manufacturing and exchange operations. Working with banks, brokers and market makers, ACBC selects the underlying corporate bonds whose returns will be made available to investors via XTBs on ASX.

ACBC was recognised as "Best Disrupter" at the 2016 Afinition Melbourne Showcase, for its work in developing the Australian corporate bond market. Afinition is a network that supports the development and growth of FinTech in Australia.

ACBC's full role and that of the Responsible Entity are detailed in the XTB Product Disclosure Statements (PDS) available at [www.xtbs.com.au](http://www.xtbs.com.au).