



## XTB Portfolios Outperform Bond Indices by 175%

**Sydney, 13 September 2017** - XTB, a fast growing Australian-based provider of ASX-traded corporate bond investments, announced today that all its portfolios outperformed relevant bond indices in the past 12 months.

“Our portfolios outperformed a range of popular investment products that track these indices - including Exchange Traded Funds (ETFs), ETPs and managed funds,” said XTB co-founder and CEO Richard Murphy.

XTBs allow investors to gain exposure to individual Australian corporate bonds issued by leading corporates on the ASX, just like buying shares in the same companies. Each XTB delivers the price stability and income from a specific underlying corporate bond with no minimum investment.

XTB’s Fixed Rate Model Portfolios outperformed four comparative and popular ETFs and ETPs by as much as 350 basis points (3.5 per cent)<sup>1</sup>, on an after-fee basis for the 12-month period ending August 31.

“Before XTBs there was a gaping hole on the ASX for investors seeking individual securities between low-risk government bonds and much more capital-volatile and complex hybrids, and the equity market,” said Mr Murphy.

“Corporate bonds are the missing link on the ASX. They provide greater returns than term deposits, with the added convenience of daily liquidity through ASX-trading.

“XTBs provide investors and savers with additional return for the risk of lending money to an ASX100 corporate rather than the bank for term deposits.”

Mr Murphy said the strong performance of XTBs trading on the ASX in a low interest rate environment had led to a strong 2017 for the firm.

“On our two-year anniversary in June, we passed the funds under management (FUM) milestone of \$200 million and this continues to grow,” Mr Murphy said.

Close to 50 XTBs are now available, with three new bonds and one new issuer added in the past quarter. XTB has also started two separately managed accounts on all Praemium platforms and Macquarie’s Investment Wrap along with making XTBs available on AMP North Super and Allocated Pension Platform.



*A higher-return alternative to term deposits (TDs) with added liquidity*

“APRA’s August 2017 household deposit figures show bank held deposits are now over \$850 billion. Australian investors have defaulted to the familiarity of term deposits despite historically low returns,” said Mr Murphy.

XTBs provide an alternative to term deposits (TDs) because they have low capital volatility and their underlying corporate bonds are issued by leading Australian corporates. And unlike term deposits, XTBs have the added benefit that they can be sold on the ASX throughout their life, or held to maturity for investors to receive their face value.

The Concentrated High Yield XTB Portfolio had a yield of 3.35%<sup>2</sup> on 31 August 2017.

“In comparison, on the same day published term deposit rates, which are at the lowest since records began, ranged from 1.45% to 2.85%<sup>3</sup> for locking your funds up in a term deposit for 5 years,” said Mr Murphy.

“With interest rates at historic lows and term deposit rates at their lowest levels since figures began, many investors are looking for an alternative defensive investment.” Mr Murphy said.

“XTBs are catering to those needs as they offer a risk profile not dissimilar to term deposits and provide stable, moderate returns. “

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

<sup>1</sup> Australian Corporate Bond Company & Bloomberg AusBond Credit Index. Performance August 2016-August 2017: Credit Index 12 month performance: 2.25%. XTB Concentrated High Yield Portfolio performance: 6.2% (after fees)

<sup>2</sup> Canstar – Investment of \$50,000 in a top 4 bank

<sup>3</sup> Australian Corporate Bond Company