



XTB expands range of corporate bonds to meet growing investor demand

Sydney, 14 December 2017 - XTB, a fast growing Australian-based provider of ASX-traded corporate bond investments, announced today that it is continuing to expand its range of corporate bonds, with a further four XTBs now available to trade.

“We now have more than 50 XTBs available on the ASX, and our newest XTBs are all over bonds from issuers who have proved popular with our investors,” 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.

“The new XTBs are at the higher end of our available yields and have longer maturities, which allows investors looking for longer-term investments to access bond returns up until 2026,” said Mr Murphy.

“Before XTBs the corporate bonds market was only available to sophisticated and institutional investors. It’s no wonder that so many individual investors have been sitting on the sidelines in term deposits when there was nothing on the ASX’s supermarket shelves to satisfy their hunger for lower-risk, lower-volatility, totally predictable investments, but with returns above term deposits,” he said.

“XTBs have changed the game and we are growing fast on the ASX because we are stacking the once empty shelves in the corporate bond section of the ASX supermarket. We are now well in excess of \$250 million of XTBs sold and as the business has developed we have seen our investor base change from largely advised clients to a greater interest from self-directed investors.”

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

APRA’s November 2017 household deposit figures show bank held deposits exceeding \$858 billion, a number which has increased more than \$20 billion during the year.

“Australian investors have defaulted to the familiarity of term deposits (TDs) and the associated government guarantee up to \$250,000, despite historically low returns.



XTBs provide an exchange traded alternative to TDs because they have low capital volatility and their underlying corporate bonds are issued by leading Australian corporates. Unlike TDs, 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,” said Mr Murphy.

“The new XTBs have yields of up to 3.43% on 9 December 2017¹. In comparison, on the same day published term deposit rates, which are at the lowest since records began, ranged from 1.20% to 2.80%² for locking your funds up in a term deposit for 5 years.

“With rock-bottom interest rates, investors are looking for real alternatives to term deposits. XTBs are catering to those needs as they offer a risk profile **that’s just** above TDs on a risk return spectrum and provide stable and predictable 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.

¹ Canstar – Investment of \$50,000 in a top 4 bank

² Australian Corporate Bond Company YTM as at 10 Dec 2017