

XTB Portfolios Deliver Strong End to 2017

Sydney, 30 January 2018 - XTB, an Australian-based provider of Australian Stock Exchange-traded corporate bond investments, said today that its fixed-rate portfolios considerably outperformed both the credit index and the comparative bond ETF market in 2017.

The best-performing XTB portfolio, the Concentrated High Yield Portfolio, delivered a one-year return of 7.5%, versus a 5.1% return from the credit index. The top four comparative bond ETFs delivered annual performance of between 2.1% and 5.2%.

“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,” said XTB co-founder and CEO Richard Murphy.

XTBs generated significant interest from investors in 2017, with funds under management up 117% to \$265 million in 2017, up from \$122 million in 2016.

Mr Murphy said the strong performance of XTBs on the ASX, coupled with the low interest rate environment had delivered a solid 2017 for the firm.

“More than doubling FUM in a year is testament to the fact that many investors have been seeking alternative defensive investments for their portfolios,” he said.

Mr Murphy said XTBs are helping to fill the gap between low risk, low return term deposits and higher risk equities in the Australian market.

“Over the holiday period all the big four banks cut their base term deposit rates while raising introductory rates, so unless you are a constant shopper, you are likely to be getting a very low rate on term deposits,” he said.

“Corporate bonds are the missing link on the ASX, providing investors with up to 40% greater returns than term deposits, with the added convenience of daily liquidity through ASX trading.”

There are now more than 50 XTBs available on the Australian market, which give investors exposure to specific, individual corporate bonds issued by blue-chip companies including AMP, BHP, Qantas, and Telstra.

XTBs are also offered via most of Australia's leading platforms and wraps, including AMP North, BT Wrap, HUB24, Macquarie and Praemium.

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About Australian Corporate Bond Company

Australian Corporate Bond Company (ACBC), also known as XTB, 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.

Sources: Canstar – Investment of \$50,000 in a top 4 bank
Australian Corporate Bond Company & Bloomberg