

NEWS / ADVISER NEWS

## XTB portfolios achieve outperformance

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Australian Securities Exchange-traded corporate bond investment provider XTB has reported considerable outperformance for its fixed-rate portfolios when compared against the credit index and comparative bond exchange-traded fund (ETF) market in 2017.

Its Concentrated High Yield Portfolio, its best-performing offering, delivered a one-year return of 7.5 per cent versus the 5.1 per cent return from the credit index.

The top four comparative bond ETFs delivered annual performance of between 2.1 per cent and 5.2 per cent.

XTB chief executive and co-founder Richard Murphy said XTBs are an important consideration for SMSFs.

“SMSFs share a common goal of wanting to grow wealth while preserving capital, but are overweight to equities, with shares accounting for more than 30 per cent of the average SMSF portfolio,” Murphy told *selfmanagedsuper*.

“To mitigate this risk, SMSFs are increasingly looking for defensive assets, with risk profiles offering higher returns than term deposits.

“With XTBs, SMSFs can now access returns from individual corporate bonds that are still lower risk but have comparatively good returns.”

He said XTBs allowed SMSF investors to know when they receive income, the risk profile of each bond, the length of investment and when to diversify between corporate bond issuers.

“Unlike share dividends, bond coupon payments are not discretionary and cannot fluctuate according to the profitability of a company,” he noted.

“They provide a steady income stream that keeps your portfolio on track and allows you to control how you want to invest.”

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

There are now more than 50 XTBs available in the Australian market.

<http://www.smsmagazine.com.au/articles/xtb-portfolios-achieve-outperformance>