

Exchange Traded Bond units: Downer Group



FACT SHEET

XTBs are Australia's first Exchange Traded Bond units. They combine the income and capital stability of corporate bonds with the transparency and liquidity of the ASX market. XTBs trade on ASX just like shares, in \$100 units.

XTB Overview

- Each XTB provides exposure to a specific underlying bond
- Available over a number of ASX200 companies, e.g. Telstra, BHP and Qantas
- ASX quoted, price transparency (6 letter ASX code starting YTM, e.g. YTMDO1)
- 100% of coupons and final principal (\$100) is passed to XTB Holders.

Key benefits

- Access to corporate bond market returns for a broader range of investors
- Transparency of ASX listing and two way prices (subject to liquidity)
- Regular income via underlying bond coupons:
 - Investors can match income to cash flow requirements
- Diversification:
 - Provide capital stability and security in an investment portfolio
 - Make a tactical asset allocation to the Australian corporate bond market
- Opportunity for a higher rate of return than TDs or other cash based products.
(Term deposits may enjoy the benefit of protection under the Financial Claims Scheme).

Key risks

As with all investments, there are risks you should be aware of before making an investment decision. These include:

- Credit worthiness of the underlying corporate bond
- Liquidity risk
- Concentration risk
- Market risk
- Trust risk.

Maturity Date	11-MAR-2022	Coupon P.A.	4.50%
Capital Structure	Senior Unsecured	Issue Date	22-MAR-2015
Coupon Type	Fixed	Payment frequency	Semi Annual

Downer Group 2022 Bond Details

- Downer EDI Limited and certain subsidiaries are guarantors of the bond
- Nature of the Bonds - The Bonds are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank equally amongst themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.
- Early Redemption by Issuer available for taxation reasons, and also at any time 90 days prior to the Maturity Date.
- Early Redemption by Bondholders can be requested if a change of control occurs and the credit rating falls below a certain level or the credit rating is withdrawn. Bondholders then may request the bonds to be bought back by the Issuer prior to the Maturity Date.
- Events of Default include: Failure to pay; Breach of Other Obligations; Illegality: it is or becomes unlawful for the Issuer or Guarantor to perform any of its obligations under the bond; Enforcement or Attachment: Applicable, with a Threshold Amount of A\$15,000,000; Cross Default: Applicable, Threshold Amount is A\$30,000,000; Insolvency: Applicable in respect of a Guarantor or the Issuer; Cessation of Business: the Group as a whole ceases to carry on all or a substantial part of its business; NZ statutory management: a Relevant Company incorporated in New Zealand is declared at risk pursuant to the New Zealand Corporations (Investigation and Management) Act 1989 (New Zealand), or a statutory manager is appointed or the New Zealand Financial Markets Authority makes a recommendation to the relevant Minister of the Crown (in New Zealand) to the effect that the Relevant Company be made subject to statutory management.
- See more at: <https://xtbs.com.au/xtbs-profile/ytmd01/>



More information

- Visit www.xtbs.com.au to find out more about XTBs and the company behind them, Australian Corporate Bond Company
- View the table of **Available XTBs** to see the latest Yield to Maturity
- Use the **Yield Calculator** and **Cash Flow Tool** to determine the precise Yield to Maturity and cash flows for this XTb
- Talk to your adviser about the suitability of including XTBs within your portfolio.

Understanding the XTb life cycle

At purchase on ASX	Whilst you hold XTBs	At Maturity and Settlement
<p>You should receive the following documents:</p> <ul style="list-style-type: none"> ➤ 'Buy Contract Note' ➤ ASX CHESS Statement ➤ Registry Statement ➤ Registry Welcome Letter <p><i>(NB: No additional account opening forms required)</i></p>	<p>Coupon payments occur on pre-determined dates providing predictability of income</p> <p>You will receive all coupons (subject to no default) as Distribution payments made to the nominated bank account provided to the Registry.</p> <p>XTb prices on ASX are expected to track the corporate bond price, after fees and expenses</p> <p>You may sell some of all of your XTb units on ASX at any time, subject to liquidity</p> <p>Documents:</p> <ul style="list-style-type: none"> ➤ 'Sell Contract Note' (if any) ➤ Distribution Statements ➤ Periodic & Exit Statements ➤ Tax Statements 	<p>You will receive the Face Value of \$100 per unit (subject to no default)</p> <p>You will receive the final coupon payment via a Distribution payment</p> <p>Documents:</p> <ul style="list-style-type: none"> ➤ Final Distribution and ➤ Final Statement

Contact Us

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DISCLAIMER

View further information on the [benefits](#) and [risks](#) associated with XTBs.

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ACBC and Theta will earn fees for making the XTBs available to investors, which is payable at the time that an Authorised Participant applies for an XTb. Further, Product Disclosure Statements relating to the relevant Class of XTb have been lodged with ASIC (each a "PDS"). No units will be issued until such time as ASX have admitted that Class of XTBs to quotation pursuant to the AQUA Rules. Applications will only be accepted from Authorised Participants pursuant to the PDS. All other investors must acquire XTBs on ASX or through an Authorised Participant.

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