

# Exchange Traded Bond units: Telstra Corp Ltd



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. YTMTL2)
- 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.

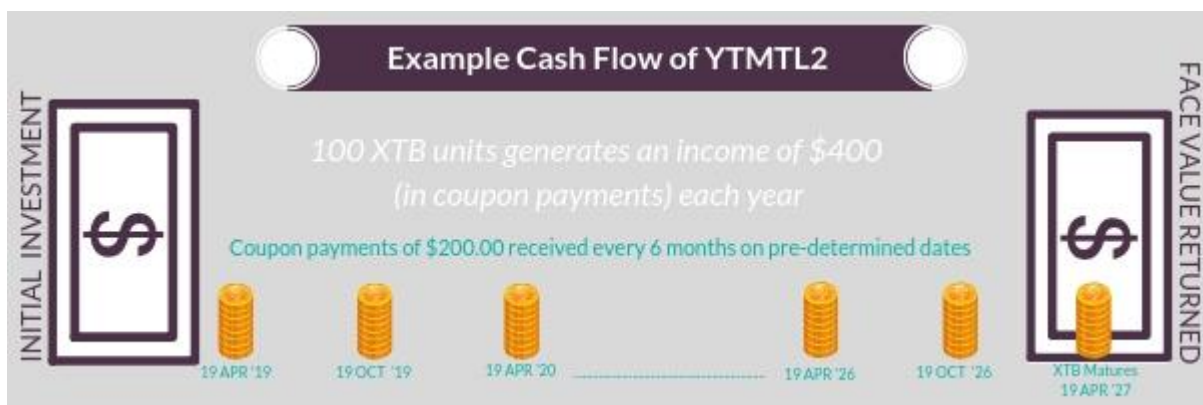


## Telstra XTB (ASX CODE – YTMTL2)

<b>Maturity Date</b>	<b>19-APR-2027</b>	<b>Coupon P.A.</b>	<b>4.00%</b>
<b>Capital Structure</b>	<b>Senior Unsecured</b>	<b>Issue Date</b>	<b>19-APR-2017</b>
<b>Coupon Type</b>	<b>Fixed</b>	<b>Payment frequency</b>	<b>Semi Annual</b>

### Telstra 2027 Bond Details

- Base Terms: Debt issuance program dated 31 March 2017
- Nature of the Bonds - The bonds are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other unsecured and unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.
- Issue Size - A\$550,000,000
- Early Redemption - The Issuer may redeem early in certain circumstances for tax reasons.
- Events of Default include: Failure to Pay: Applicable with a 5 day cure period; Breach of Other Obligations: Applicable with a 30 day cure period; Cross Default: Applicable, Threshold Amount is A\$50,000,000; Insolvency: Applicable; Administration: Applicable; and Obligations Unenforceable: Applicable.
- See more at: <https://xtbs.com.au/xtbs-profile/ytmtl2/>



### More information

- Visit [www.xtbs.com.au](http://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"> <li>➤ 'Buy Contract Note'</li> <li>➤ ASX CHESS Statement</li> <li>➤ Registry Statement</li> <li>➤ Registry Welcome Letter</li> </ul> <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"> <li>➤ 'Sell Contract Note' (if any)</li> <li>➤ Distribution Statements</li> <li>➤ Periodic &amp; Exit Statements</li> <li>➤ Tax Statements</li> </ul>	<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"> <li>➤ Final Distribution and</li> <li>➤ Final Statement</li> </ul>

### Contact Us

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### DISCLAIMER

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

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