

Australian technology driving a revolution in capital markets

World's first free-access capital raising app returns 25 per cent on its deals

24 February, 2016: Some of the most impressive equity returns in Australia have been gained from investing in ASX Initial Public Offerings (IPOs) and equity placements rather than established indices or so-called 'blue-chip' shares, says Ben Bucknell, chief executive of OnMarket BookBuilds (OMB), an Australian fintech behind OnMarket, an innovative online investment access portal that gives all investors direct access to ASX IPOs.

According to data from OMB, companies using disruptive [OnMarket](#) technologies to raise capital from the public through IPOs and equity placements have easily outperformed indices for larger companies as well as small-caps, returning an impressive 25 per cent from October 2013 to 31 January, 2016, Mr Bucknell said.

"If you had bought and held stock in every one of 14 capital raisings offered by an OnMarket technology since 2013, you would have made a 25 per cent return on your investment. With our technology, it has never been easier for the public to participate directly in such attractive IPOs and placements. You don't need to be a stockbroker or big institution to participate, as in times past; any investor can bid with our app or online," said Mr Bucknell.

"The returns are impressive. If you had bought the ASX50 or ASX Small Ords indices at that time, you'd be underwater by 6 and 2 per cent, respectively," he said. "Even when the outliers are removed (LNG which gained 1300 per cent at one point and is still up 106 per cent, and Macphersons Resources which lost 50 per cent) the OnMarket portfolio still yields a 25 per cent return overall."

"An investment in BHP in October 2013 at \$31.42 would have lost you around half of your capital investment while the big bank ANZ and NAB have fared marginally better, but are still well in the red".

Code	First trading date post raise	% gain/loss as at last trade 31 Jan 16
WMC	21-Dec-15	120%
AEG	16-Dec-15	21%
DFM	19-Oct-15	35%
MAI	1-Oct-15	49%
TTC	8-Sep-15	25%
PPL	29-Jul-15	-6%
ENZ	7-May-15	38%
NRT	12-Nov-14	9%
MRP	1-Aug-14	-50%
SVY	7-May-14	-38%
CDM	7-May-14	11%
UND	19-Feb-14	2%
LNG	13-Dec-13	106%
WAM	16-Oct-13	29%
Average		25%

"So why the outperformance? Companies that have embraced technology and raised capital directly from the public are clearly doing more than one thing right: they have, as a group, significantly outperformed their peers, the market, and so-called blue-chip 'safe bets'," said Bucknell.

"In a world where technology is disrupting every industry, using [OnMarket](#) could indicate that a company's management team is comfortable with disruptive technology. It takes a certain type of executive to embrace a new technology, particularly for raising capital."

To make IPOs more accessible, OMB recently launched its [OnMarket platform and app](#), which bypasses brokers and gives investors free, fair and direct access to ASX IPOs and equity placements. "OnMarket is the world's first free-access capital raising tool that enables eligible investors to easily access IPOs and placements conducted by ASX-listed companies. It is completely free to investors: it's free to sign up, bid and invest. A defined and automated system ensures all OnMarket bidders are allocated fairly.

"We now offer investors a great opportunity to build their wealth by investing directly in Australian IPOs or placements which have in the past often been available only to a select group of institutional investors.

"Through our disruptive technology, we are opening up access to IPOs and offering investors more equitable terms and the opportunity to diversify their portfolios beyond the big banks and big miners. We offer diversity and equality of access to equity raisings and potentially much better returns for building wealth," Bucknell said.

ENDS

[About On-Market BookBuilds \(OMB\)](#)

OnMarket BookBuilds' mission is to empower investors and companies through innovation in financial technology. OMB believes that investors and companies benefit when capital raisings are conducted fairly, transparently, and efficiently.

OMB is emerging as a leader in Australian fintech. OMB conceived, developed, and patented intellectual property which it licensed in Australia to ASX to build the ASX BookBuild facility – the world's first exchange-hosted capital raising platform. The ASX BookBuild facility is a tool for companies and their lead managers to combine control over pricing and allocations with the all-of-market reach of ASX.

OMB has also been acknowledged internationally. The UK Lord Myners Review, which was commissioned following the UK Government's IPO of Royal Mail, 'strongly recommended' the ASX BookBuild facility to business leaders and for into future government privatisations. The United States Securities and Investments Commission (SEC) has published a no-action letter confirming foreign private issuers may rely on the ASX Bookbuild rules to meet their compliance with the US Securities Act Rules. More recently, OMB was invited by UK Trade & Investment to London FinTech Week, in September 2015, the world's largest fintech event.

The new [OnMarket app and bidding platform](#) is a wholly-owned and operated initiative of OMB. The OnMarket app and bidding platform is not a joint venture with ASX and is independent of OMB's association with ASX in relation to the ASX BookBuild facility.

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