

## OnMarket Celebrates 1-Year Anniversary

### *Fintech delivers on mission to open IPO market*

**24 October 2016:** Fintech OnMarket BookBuilds is celebrating 12 months since the launch of OnMarket, the world's first direct access portal and app for IPOs and equity placements, having attracted a strong Generation Y following while opening up this 'asset class' to all investors.

The platform, launched by Prime Minister Malcolm Turnbull in October 2015, has helped a broad spectrum of Australian and international companies to float and access the huge pool of investors' capital. Those listings have, on average, generated strong returns for investors, said Ben Bucknell, chief executive of OnMarket BookBuilds (OMB).

"Initial Public Offerings comprise an 'asset class' that has consistently outperformed – over the year to September 30, 2016, Australian IPOs returned an average of 27.2%, compared to just 2.6% for the S&P/ASX 200. Because IPOs can be so lucrative, they have traditionally been offered to a select few wealthy individuals and institutions.

"But OnMarket is changing that with its innovative technology, which all investors can use to *directly* invest in Australian IPOs," Bucknell said.

"And the rewards are there for all to see. The [OnMarket app and portal](#), in its first year, has given the public access to 23 IPOs – that's 24% of all IPOs in Australia in the corresponding period," said Bucknell.

"The average return, three months after listing, of all OnMarket BookBuilds' deals since the launch of its first service, the ASX BookBuild facility in October 2013, is a very healthy 22.4%," said Bucknell.

"We've had great success in attracting Gen Y investors to IPOs. They make up over one-third of OnMarket's members, or 37%, while accounting for 40% of all OnMarket app downloads. People in this age group have grown up with technology in their face and are using their smartphones to buy into IPOs, whereas older generations tend to make bids using a computer," he said.

The second largest age group using the [OnMarket app and portal](#) is young Gen X, or investors aged 35-44, who make up 23% of OnMarket's members and accounts for 24% of all app downloads. Young Gen X is bidding an average \$7168, compared to \$4585 for Gen Y.

Older Gen X, or people aged 45 to 54, are the third most active users of OnMarket, making up 20% of all members and accounting for 20% of downloads, bidding an average \$7795.

"While people entering retirement, or investors aged between 55 to 64, make up 12% of users, they are bidding considerably more than younger generations, with an average bid value of \$9540. Investors aged over 65 comprise 8% of total OMB members and they typically place the highest value average bid at \$10,701. That's no surprise since they hold the most wealth.

"Yet the beauty of the OnMarket tool is that investors need just \$2000 to invest in most of IPOs, greatly expanding the opportunity for even less cashed-up investors such as Gen Y to get involved in IPOs. We are a fintech that has revolutionised access to IPOs."

OnMarket's Bucknell says in its second year, the company's mission remains to secure the right of all Australians to participate in IPOs and placements on the same terms as institutional investors.

"Larger IPOs of more established businesses are pre-sold to institutions and exempt investors prior to the prospectus being lodged with ASIC. When this happens there are no shares left for retail investors. The disclosure regime only allows retail investors to access IPOs after lodgement, and ASX has no rules reserving shares for retail investors. The result is that retail investors are offered higher risk IPOs and institutional investors lower risk IPOs.

"This is a perverse outcome. Current market practice is effectively circumventing the policies on which the disclosure regime was built. What is the point of requiring prospectuses to be of a standard relevant to retail investors if they never have an opportunity to buy under the offer document? How are retail investors 'protected' by only having the option to buy at a higher price in secondary trading?

"Currently, ASX rules reserve 0% for smaller investors. Hong Kong reserves 25% and Singapore reserve up to 40%. The ASX should be following its neighbours and adopt similar listing rules," said Bucknell.

"The [OnMarket Third Quarter IPO Report 2016](#) reveals that over the year-to-date, the average return from the 58 companies which had listed on the ASX by September 30, 2016, was 27.2%, delivering a 24.6% outperformance of the S&P/ASX 200. All investors should be able to take advantage of this wealth-generating growth," said Bucknell.

## **MEDIA CONTACT**

Nicki Bourlioufas

E: [nicki@onmarketbookbuilds.com](mailto:nicki@onmarketbookbuilds.com)

M: +61 411 786 933

Tim Eisenhauer

Managing Director, OnMarket BookBuilds

E: [tim.eisenhauer@onmarketbookbuilds.com](mailto:tim.eisenhauer@onmarketbookbuilds.com)

M: +61 450 588 433

### [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. The company's 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.