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Millennials pouring their money into new low-fee investment products, which are fee-free for balances of \$5,000 or less

MORE than 1,400 Australian millennials have, in the last month, put money into Spaceship's new investment products, which are 'fee-free' for low balances of \$5,000 or less, the nation's specialist investment manager for younger people announced today.

The result underscores the enormous untapped demand younger Australians have for simple, and engaging, investment products that are different to those designed for their parents and grandparents.

Spaceship founder & CEO, Paul Bennetts, said today the company had developed two ultra-low fee products for the 'online' generation aged 18-44 years old, and they were discreetly made available to the market in late April.

In the first four weeks, 1,412 customers signed up and began investing.

"Spaceship has been amazed at the early take-up by millennials who want a new way to invest, that is low cost, and removes some of the complexity and jargon of managed funds and exchange traded funds," Mr Bennetts said.

"We have not even widely published these two products, and we are currently getting almost 100 millennials signing up each day."

The two new Spaceship products are an index fund and a managed share fund, where investors have the opportunity to benefit from a range of Australian and international shares.

There are zero fees for balances of up to \$5,000, and then 'micro' fees of only 0.05% per year for the index fund and 0.10% per year for the managed share fund for balances above that level.

That means an investment of \$10,000 only attracts fees of \$2.50 per year, less than the cost of a take-away coffee.

Mr Bennetts said the breakthrough product offerings were designed to appeal to millennials who wanted to invest globally but were spooked by the complexity and high costs of doing so.

"Younger Australians have traditionally been disconnected from investing in domestic and global equities because of high fees, complicated processes and jargon-heavy products," he said.

"Our two new investment products allow younger Australians in particular, to invest with confidence, knowing their future earnings will not be eaten away by expensive management fees.



"Australians deserve access to investments that don't cost the earth. We've designed a way forward that is cost-effective, simple and easy to use via our Voyager app, which is exactly what younger Australians want."

New research shows an astounding 93% of younger Australians aged 18-45 years believe barriers exist to investing in Australian and global shares and stocks. However, 97% of them want to build their wealth and believe that investing should be easy and accessible for all.

Spaceship's two new products, available through the Spaceship Voyager App are:

1. **Spaceship Index Portfolio**, which is a passive index fund made up of shares in 200 of some of the largest listed companies in Australia and around the world. Current holdings include companies such as Berkshire Hathaway, Boeing, Coca-Cola, Intel, Johnson & Johnson, JPMorgan, Microsoft, Procter & Gamble, Samsung, Toyota, Visa, Walt Disney, Westfield and Woolworths. Its management fees are one of the lowest in the Australian market, at 0.05% per annum on balances over \$5,000 and its free for balances of \$5,000 or less. The Spaceship Voyager App enables investors to see what stocks are included in the fund, in a simple and engaging way.
2. **Spaceship Universe Portfolio**, which is an actively selected fund made up of shares in 100 Australian and global companies that Spaceship believes meet its 'Where the World is Going' criteria. Current holdings include Afterpay, Apple, Baidu, Facebook, Kogan, Netflix, Nvidia, Redbubble, Softbank, Tencent, Tesla, Twitter, Workday, Xero and Zillow. Its management fee is 0.10% per year on an investment balance over \$5,000. It's also free for balances of \$5,000 or less and enables investors to see what stocks are included in the fund. The portfolio is run by three investment professionals, led by Jason Sedawie with more than 10 years of domestic and global investment management experience.

Spaceship launched in 2017 and has successfully broken into Australia's \$2.3 trillion superannuation industry, capturing more than \$198 million in funds under management in its first 18 months as at the date of this release.

More than 90% of Spaceship's funds under management have come from the internet generation, who have responded positively to Spaceship's goal of providing a simple, engaging and jargon-free way of managing their investments.

Australia's superannuation industry is expected to double its assets under management to \$4.6 trillion over the next 10 years.

¹ YouGov Galaxy May 2018.

² Spaceship Index Portfolio's 0.05% per annum fees are lower than Betashares Australia 200 ETF (0.07%) which is currently marketed as "the cheapest index product in Australia", Vanguard Australian Shares Index ETF (0.14%), iShares MSCI Shares Australia Index ETF (0.16%), Vanguard MSCI Index International Shares ETF (0.18%), SPDR/ ASX 200 (0.19%), iShares MSCI World ETF (0.24%), Betashares FTSE RAFI Australia 200 ETF (0.30%) and VanEck Vectors Australian Equal Weight ETF (0.35%).



Spaceship team expands

The launch of the new Spaceship Voyager App and managed investment funds follows Spaceship's announcement earlier this month of several new Board and management appointments to strengthen the company's compliance and governance capability.

Spaceship announced the appointment of Andrew Moore as Chairperson of the Spaceship Financial Services Pty Ltd Board of Directors, and Sarah Goodman as a Board Observer.

Mr Moore has more than 20 years' experience in financial services, including senior leadership roles at Westpac, GE Capital and Bankers Trust.

Ms Goodman has more than 20 years' senior executive experience in strategic regulatory policy, governance and risk management including senior roles at the Australian Prudential Regulatory Authority (**APRA**) and the Australian Securities and Investments Commission (**ASIC**).

In addition, Daniel Yip joins the management team as Chief Risk Officer (**CRO**). Mr Yip has seven years' experience at APRA, most recently as a Principal Analyst.

Finally, Thomas Kildea has been appointed Senior Compliance Manager to lead Spaceship's internal compliance team, joining from AON where he was Senior Compliance Officer.

In the last year, the Spaceship team, based in Sydney has grown from 6 to more than 30.

Spaceship Universe Portfolio's portfolio manager, Jason Sedawie, worked for Platypus Asset Management's top 10 performing fund over the last 10 years as it grew from \$150m to \$2 billion. He also ran a global fund with a focus on technology for a family office with returns of 25% per annum over five years.

About Spaceship Capital and Spaceship Financial Services Pty Ltd

Spaceship Super was launched in 2017 as an online alternative to the legacy products being offered by long-standing superannuation providers in Australia. Spaceship Capital Limited (ABN 67 621 011 649, AFSL 501605) is the issuer of the Spaceship Universe Portfolio and Spaceship Index Portfolio.

Spaceship Capital Limited is a wholly owned subsidiary of Spaceship Financial Services Pty Ltd.

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