

Stronger foundations for resilience and growth

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Agenda



**Stronger
foundations**
for resilience
and growth



**Contemporary
technology**
to drive efficiency
and innovation



**A new
generation**
of products
and services



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Focus on core operations and future growth

	Listings	Trade execution	Post-trade		
Core customer value proposition	<ul style="list-style-type: none"> Access to capital Listings integrity Trusted brand Investor choice 	<ul style="list-style-type: none"> Liquidity Risk management Market integrity Efficient and timely access 	<ul style="list-style-type: none"> Capital efficiency Risk reduction Operational efficiency Settlement certainty 		
Macro growth drivers	<ul style="list-style-type: none"> Expanding savings system Product diversification Growing capital needs 	<ul style="list-style-type: none"> Globalisation of markets Automation of OTC markets 24 hour trading 	<ul style="list-style-type: none"> Regulatory developments Operational efficiency Capital efficiency 		
ASX initiatives  New products and services	<ul style="list-style-type: none"> Listings franchise expansion ETF/ETP listings mFund growth LIC/LIT listings 	<ul style="list-style-type: none"> Growing customer ecosystem ASX Benchmarks (BBSW) Centre Point innovation ALC/ASX Net solutions 	<ul style="list-style-type: none"> Distributed ledger technology OTC Clearing Margin efficiency ASX Collateral 		
 Licence to operate	<ul style="list-style-type: none"> Market Announcement Platforms upgrade Secondary data centre 	<ul style="list-style-type: none"> Business monitoring tools and processes ASX Net upgrade 	<ul style="list-style-type: none"> Listings compliance enhancements Digital refresh 	<ul style="list-style-type: none"> Operational infrastructure CHESS replacement 	<ul style="list-style-type: none"> Customer service improvements Investor education

Contemporising technology platforms

To support the next 20 years of growth



Richer, more
timely data sets



Better operational
functionality & resilience



Improved
analytics



New futures platform

Operational infrastructure

Secondary data centre

ASX Net upgrade

Digital refresh

BBSW robustness

CHES replacement



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Extensive evaluation to inform DA and DLT decision

Enterprise-grade software developed to test for functional and non-functional aspects

2016

2017

2018

2019

2020

2021



**Technology partner
and software evaluation**

DLT companies assessed } Build prototype and software } Testing and review

Dec 2017

Decision to use DA and DLT

Stakeholder input drives CHES replacement planning

Currently consulting on Day 1 functionality, timing and implementation

2016

2017

2018

2019

2020

2021



Technology partner and software evaluation

DLT companies assessed } Build prototype and software } Testing and review

Dec 2017

Decision to use DA and DLT



Stakeholder consultation and Day 1 functionality

Initial consultation } DLT demos } Industry working groups } Day 1 consultation

Mid 2018

Day 1 scope agreed

Proposed new functionality

Provides streamlined processes and standardisation



50 functional
and non-functional
opportunities

Connectivity choice

2 ½+ year planning
and preparation



40 features

Day 1

Enhanced corporate
actions management

Improved settlement processing

Electronic provision of
CHESS holding statements

Corporate Actions STP Phase II

Move to global messaging
standard ISO 20022



Further features

Phase II

Multi-year build, test and readiness program

Preparing for system cut-over in Q4 2020 - Q1 2021

2016

2017

2018

2019

2020

2021



Technology partner and software evaluation

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Mid 2018

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Analysis, building and testing

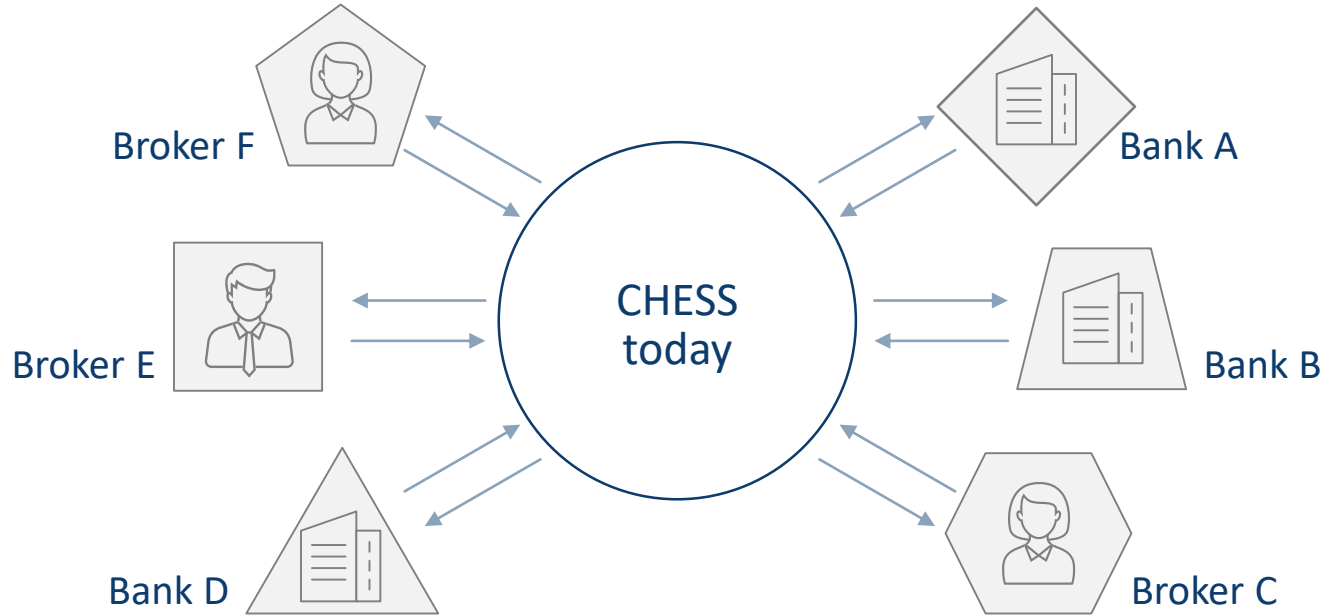
Enterprise-grade build } Incremental external software drops } Industry-wide testing

Q4 2020 - Q1 2021*

Go live

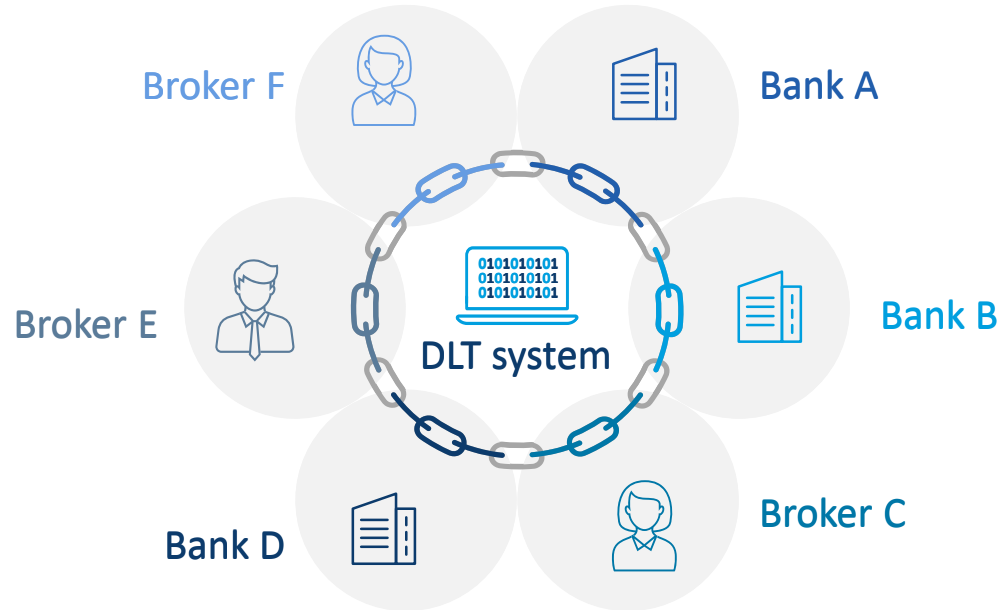
CHES today

Sends messages to reconcile many and different systems



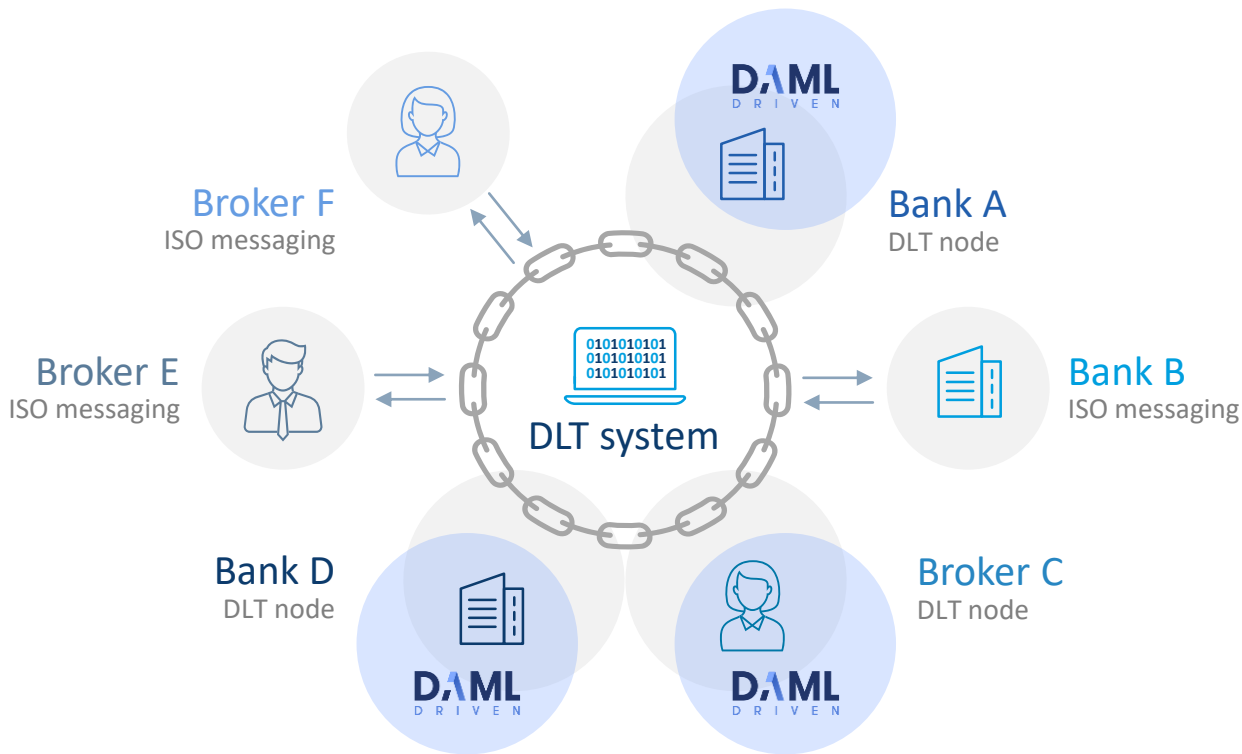
DLT-based CHESS

Offers real-time, single source of truth data on standardised databases



DLT-based CHESS offers flexibility and choice

Connection options via DLT node or message-based like today





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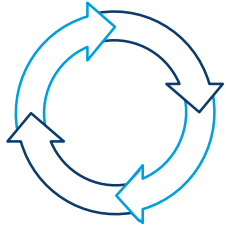
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New products and services

To meet increasing and changing investor appetite



\$2.6t

in super, growing to
\$9.4t by 2035

\$1.9t

total market cap
of ASX listed equities

6.9m

hold on-exchange
investment

27%

super held
in SMSF



\$239b via
ASX

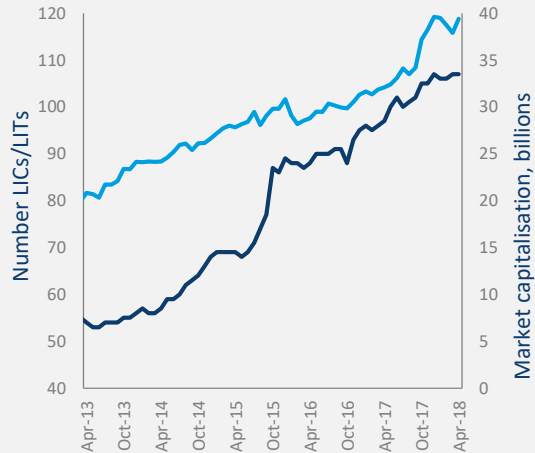
high proportion in
large cap Australian equities

Strong growth in ASX investment products

Early days, but mFund growing fast

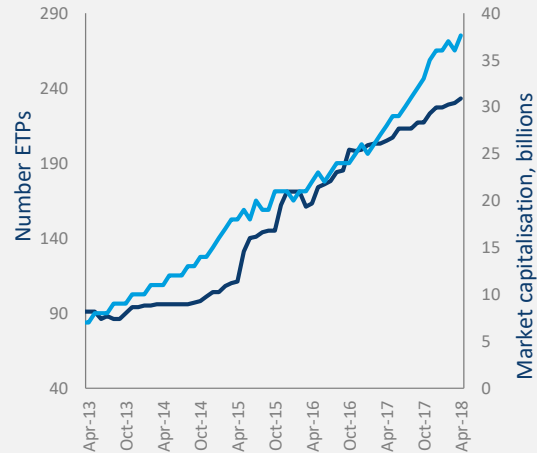
LICs and LITs

\$39.4b
market cap (FUM) **107**
Funds



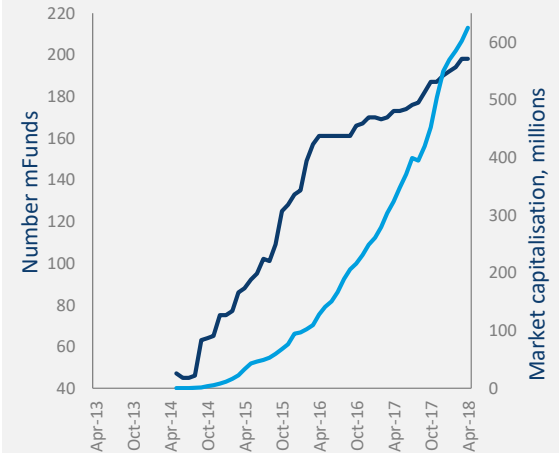
Exchange traded products

\$37.6b
market cap (FUM) **233**
Funds



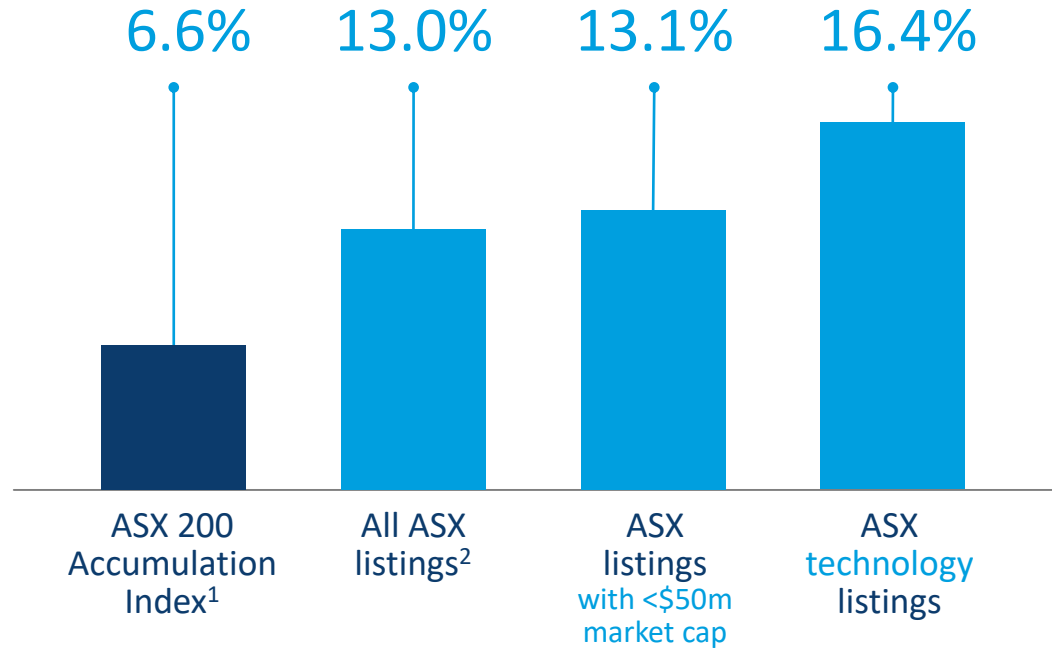
mFund

\$624.5m
market cap (FUM) **198**
Funds



New listings

Since 2012, new listings have provided attractive returns to investors



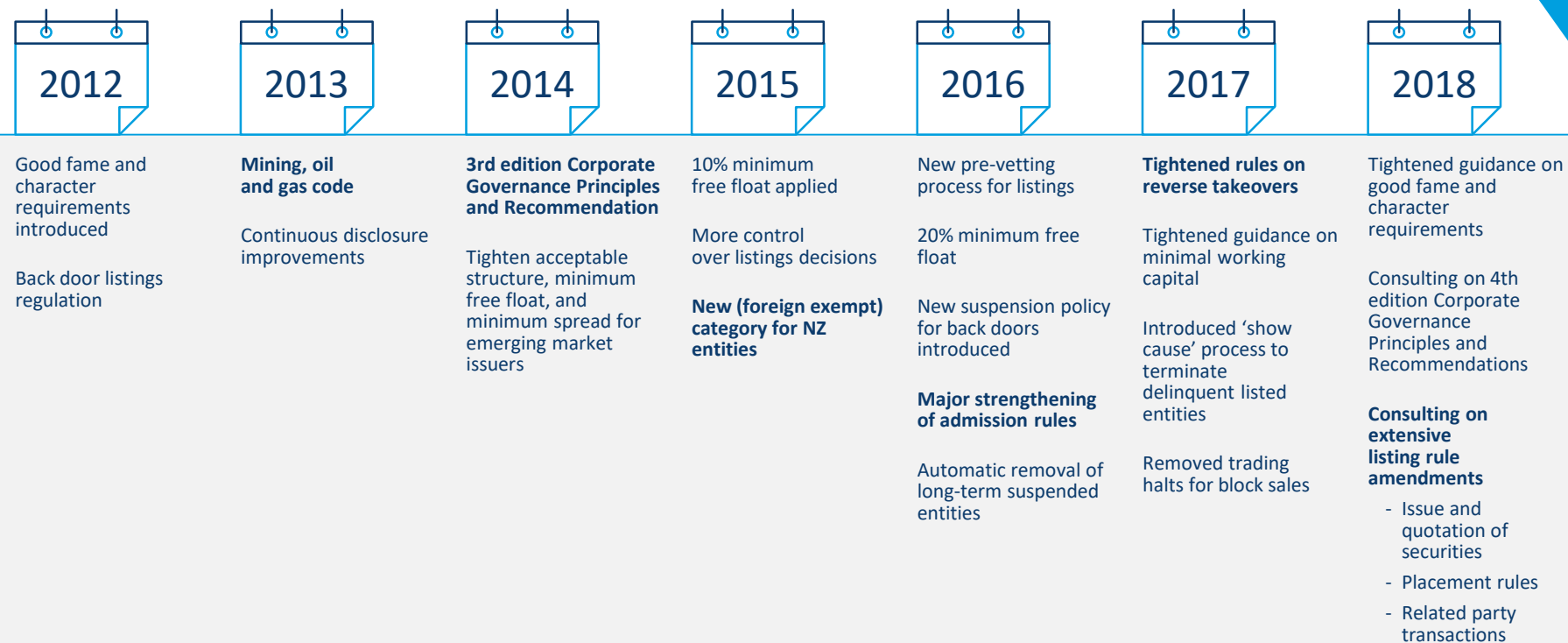
Appetite for diversification

A collection of logos for various ASX-listed companies, arranged in a grid. The logos include: bigtincan, livehire, Kelly + Partners (Chartered Accountants), Smiles (Together We Smile), Domain group, WiseTech Global, updater, and Audinate.

17 | ¹\$1 invested in ASX 200 on each day of every ASX listing Jan 2012 – Feb 2018
²\$1 invested in every ASX listing Jan 2012 – Feb 2018 (includes back door listings)

Quality is key for market integrity

Continued evolution and strengthening of listings framework





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Thank you.