



MEDIA RELEASE

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ASX Equity Research Scheme trial commences

ASX has commenced a 12-month trial of the ASX Equity Research Scheme, an initiative to fund high-quality, independent research for ASX-listed companies with a market capitalisation below \$1 billion (around 92% of all listed companies) that may not have been covered by research before. ASX is contributing \$1 million to fund the trial.

By improving the quality and availability of research in the small to mid-cap sector, the Scheme will provide a broader range of opportunities for investors. Over time, this will assist the investor relations activities of small to mid-cap companies and improve their ability to raise capital.

The ASX Equity Research Scheme is part of a suite of ASX initiatives to ensure the Australian market remains globally competitive and attractive to companies and investors. Others include proposals to reduce the standard timetable for rights issues, improve the flexibility in the capital raising process for small and mid-cap companies, and enhance the disclosure of reserves and resources in the mining and oil and gas industries.

The ASX Equity Research Scheme provides the following during the 12-month trial:

- **Company snapshot report – for companies with a market capitalisation below \$50 million.** To be produced by Morningstar Australia for all 1,179 eligible companies. Each company snapshot is updated daily and includes information drawn from publicly available sources.
Reports are available on the ASX website at: <http://www.asx.com.au/professionals/company-snapshot.htm>
- **Retail report – for companies with a market capitalisation between \$50 million and \$200 million.** For the 12-month trial, ASX has selected 10 licensed research providers to produce three standard retail research reports with analysis and commentary on approximately 30 companies chosen by the research providers. Reports are branded by the research providers and distributed through their existing distribution channels.
- **Institutional report – for companies with a market capitalisation between \$200 million and \$1 billion.** For the 12-month trial, ASX has selected six licensed market participants with an established institutional research function to produce three standard institutional reports with analysis and commentary on approximately 20 companies chosen by the research providers. Reports are branded by the research providers and distributed through their existing distribution channels.

A list of participating companies and research providers is available at: <http://www.asx.com.au/professionals/equity-research-scheme.htm>

If the trial is successful, ASX will assess how the Equity Research Scheme could be expanded from July 2013 and what impact this will have on annual listing fees. ASX estimates that a fully operational scheme would cost up to \$10 million per annum.

Media

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