Stockbrokers and Financial Advisers Conference 2019

Delivering new customer opportunities with digital, data and DLT

Dominic Stevens, CEO

22 May 2019

ASX

Agenda

DLT
CHESS replacement

Data
ASX DataSphere

Digital
asx.com.au

Open infrastructure solutions

- Create new products and services
- Improve operational efficiency
- Reduce risks and costs

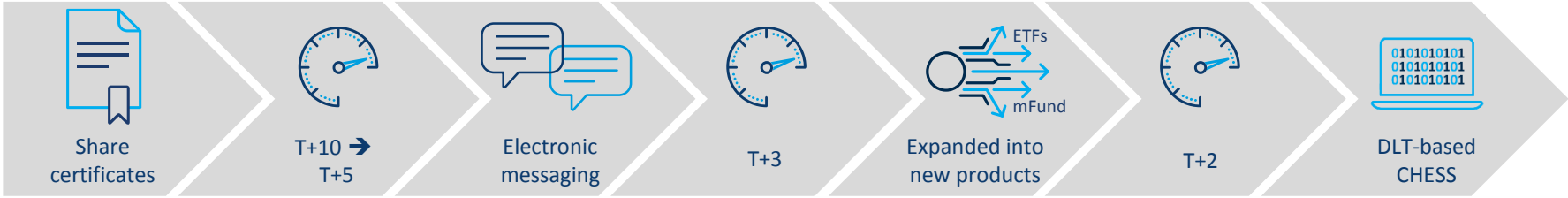
ASX

History of delivering industry efficiency and innovation

Enhancing ASX's core customer proposition through world-leading innovation

The evolution of trading and data services

The evolution of equities clearing and settlement



Updated clearing and settlement system

New functions and optionality for the 2020s and beyond

CHESS replacement

Replace aged COBOL system

Open source software language

Global ISO standard

All existing functionality

Plus 35 new specifications –
for the market by the market

Choice of connectivity

Access real-time, synchronised,
source-of-truth data

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Customer Development Environment

Now open

Design, build and test system changes

Assess new functionality

First of 7 software drops

New functionality every ~8 weeks

Compare access options

Full functionality and industry-wide testing mid-2020

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CHESS replacement

- ✓ Will offer message-based connections
- ✓ Will replace current functionality and add more
- ✗ Will not change rules to require new information
- ✗ Will not increase cost of like-for-like services

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Now open

On track for DLT-based go-live

March-April 2021

CHESS replacement

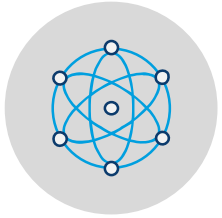
- ✓ Will offer message-based connections
- ✓ Will replace current functionality and add more
- ✗ Will not change rules to require new information
- ✗ Will not increase cost of like-for-like services

- ✓ **Option** to access real-time, synchronised, permissioned, source-of-truth data

Delivering contemporary, open infrastructure

Provide more value-added products and services to customers

ALC Net upgrade



Secondary Data Centre

ASX DataSphere

Contemporary technology

Stronger foundations

Improved infrastructure

AI efficiency

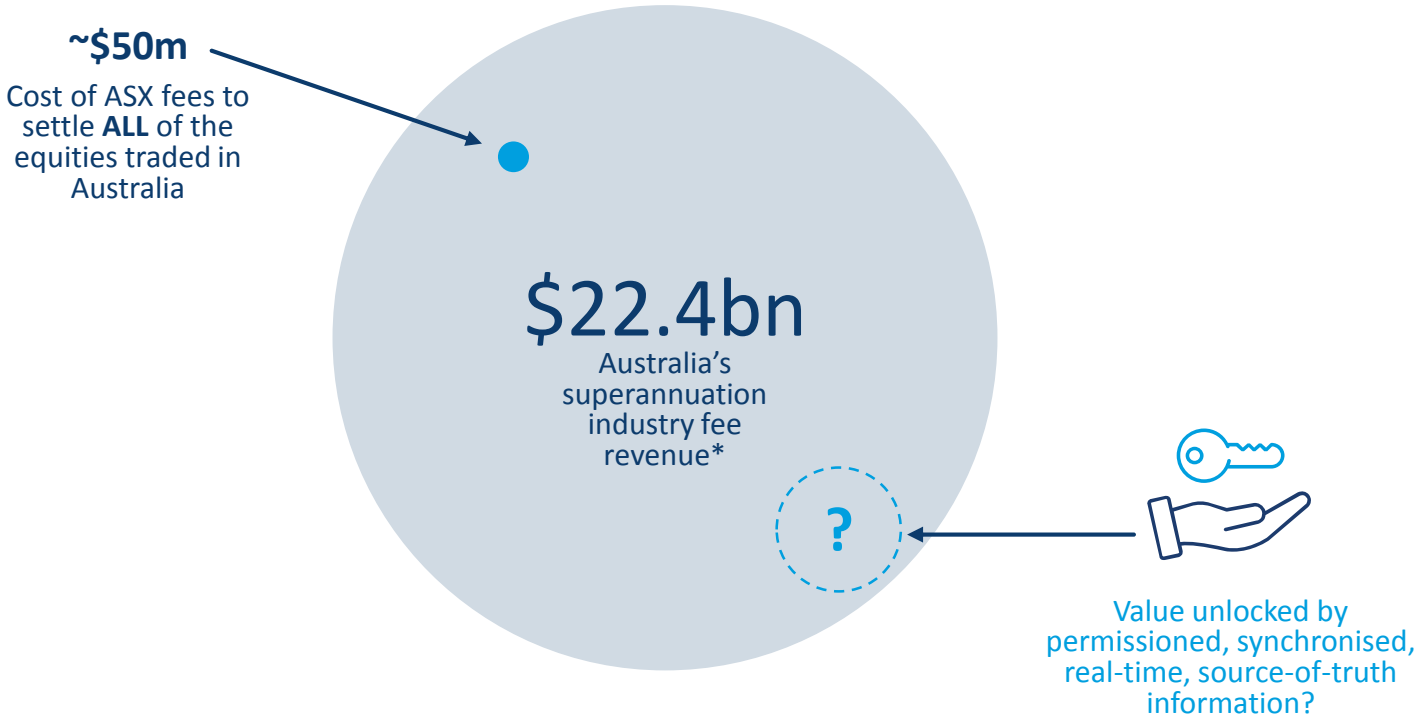
New opportunities

Open infrastructure solutions to benefit customers

	Customer challenge	ASX solution	Customer benefits
Industry connectivity	 Data centre investment Data management & expense	 Australian Liquidity Centre Tier-3 data centre	 Competitive services Community connectivity
Data analytics	Curate and standardise Big data science capability Commercialise and distribute	ASX DataSphere Open ecosystem platform Technology, governance, datasets and analytical tools	Improved data generating product development Governed data platform without upfront investment costs Product distribution
Post-trade infrastructure	Cost and inefficiency Multiple reconciliations Data inaccuracies Bespoke solutions	DLT Solutions Enterprise-grade technology infrastructure Smart contract software Safe and secure delivery of real-time, synchronised source-of-truth data	Productivity benefits New revenue opportunities Perfect information, and cost and time savings Efficient workflows New products and services

Opportunity to unlock value and reduce costs

DLT solution



*Rainmaker Consulting May 2017 report for the 2016 year

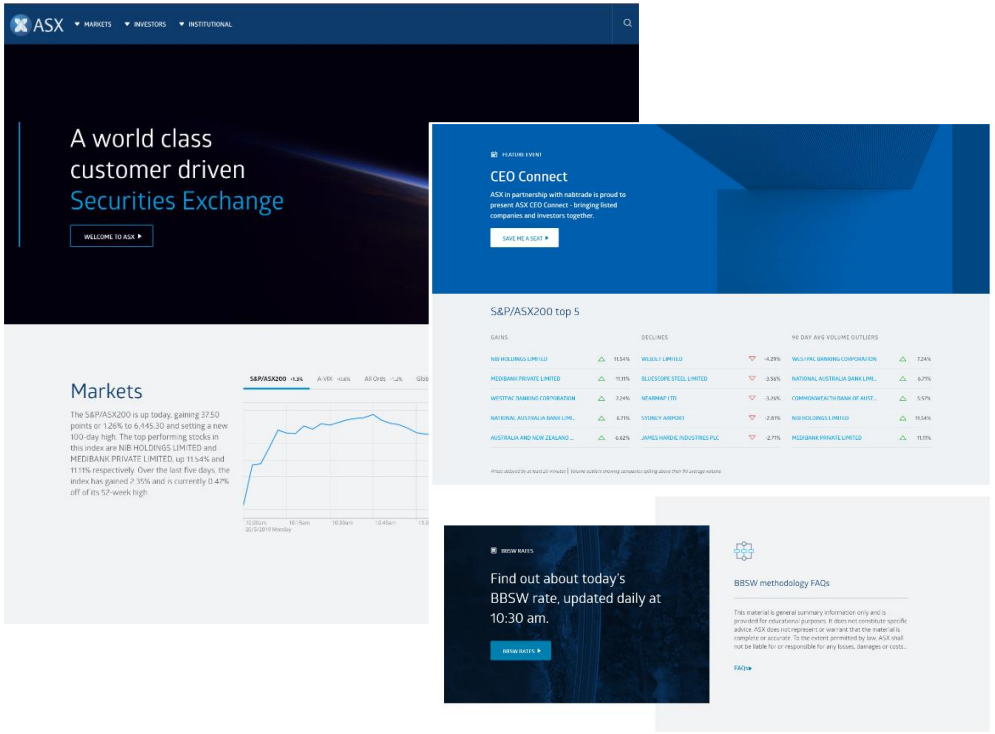
Improving the digital experience

Redesigning and modernising the ASX website

More ways to connect

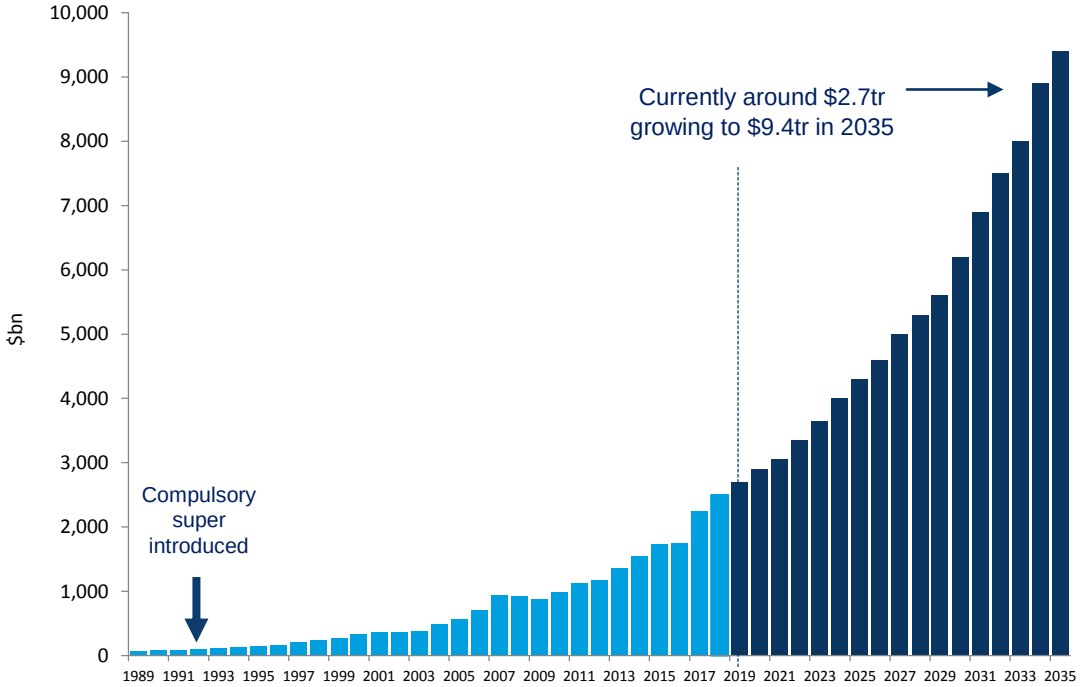
New data analytics and insights

New pricing and issuer pages



New products and services to capture opportunity

Meet increasing demand and changing investor appetites



Partnering with local and global fund managers

Quality products and trusted advice

Diversification across asset classes, sectors and geographies

Liquidity and transparency

Capital growth and income

Source: ABS, Deloitte Actuaries and Consultants

Strong growth in ASX investment products

mFund growth continues with 43% increase in FUM over past year

LICs and LITs

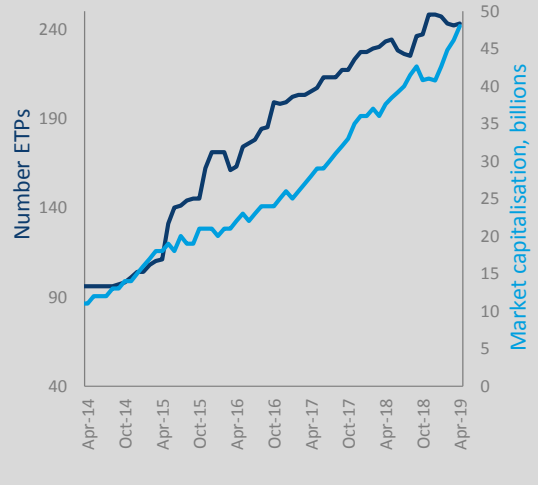
$43b market cap (FUM)

113 Funds

Exchange traded products

$48b market cap (FUM)

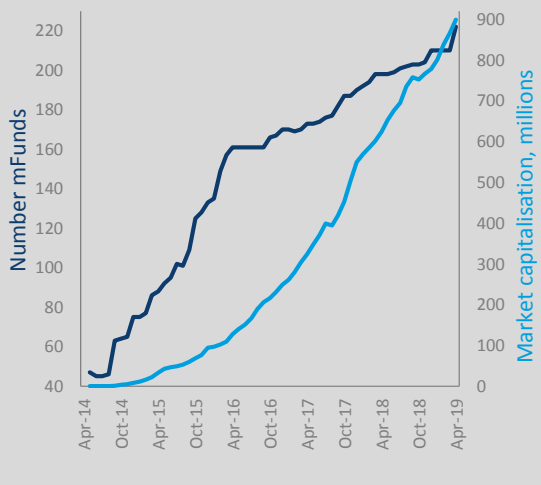
243 Funds



mFund

$899m market cap (FUM)

222 Funds

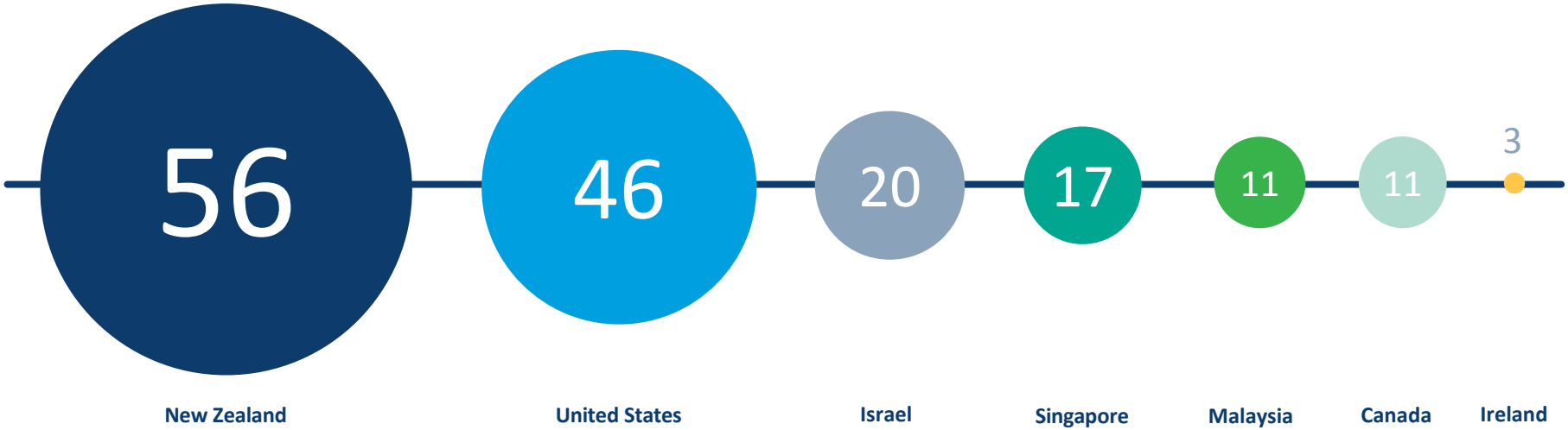


Source: ASX Investment Products Monthly Update – Apr 19

ASX

Choice through sectoral and geographic diversity

ASX's international listings strategy

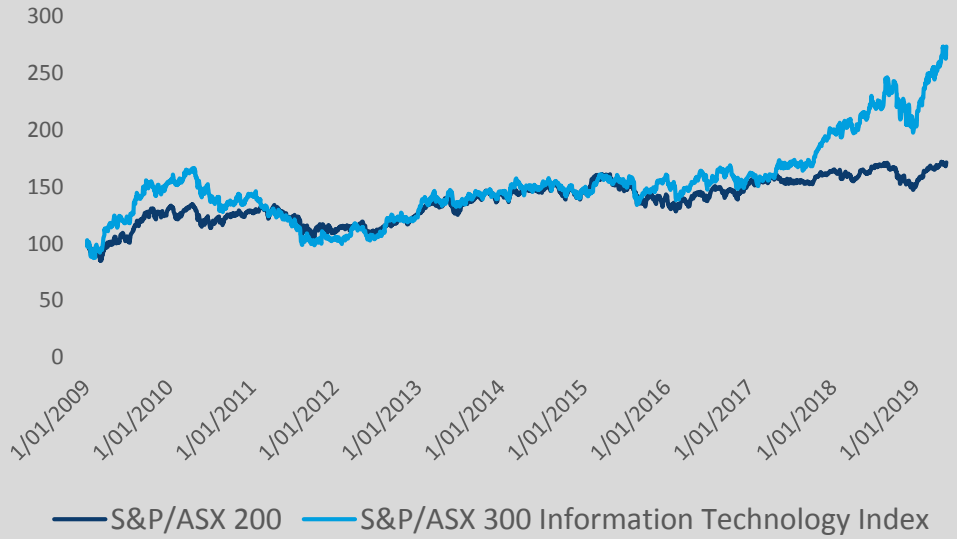


Total Foreign Listings 280+

Source: ASX Data, May 2019

Expanding and diversified listings franchise

Tech listings have provided attractive returns to investors



Computershare $9.27bn

WiseTech Global $7.29bn

xero $6.85bn

afterpay $4.98bn

Altium $4.22bn

LINK Group $3.93bn

appen $2.68bn

technology one $2.54bn

iress $2.28bn

NEXTDC $2.17bn

myob $1.97bn

bravura solutions $1.17bn

Source: Bloomberg, 17 May 2019. Indexed to 100 rebased from January 2009.

Quality is key for market integrity

Continued evolution and strengthening of listings framework

2012

Good fame and character requirements

Back door listings regulation

2013

Mining, oil and gas code

Continuous disclosure improvements

2014

3rd edition Corporate Governance Principles and Recommendation

Tighten acceptable structure, minimum free float, and minimum spread for emerging market issuers

2015

10% minimum free float applied

More control over listings decisions

New (foreign exempt) category for NZ entities

2016

New pre-vetting process for listings

20% minimum free float

New suspension policy for back doors introduced

Major strengthening of admission rules

Automatic removal of long-term suspended entities

2017

Tightened rules on reverse takeovers

Tightened guidance on minimal working capital

Introduced ‘show cause’ process to terminate delinquent listed entities

Removed trading halts for block sales

2018

Tightened guidance on good fame and character requirements

2019

4th edition Corporate Governance Principles and Recommendations

Consulting on simplifying, clarifying and enhancing listing rules

Thank you.

ASX