

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  Licence to operate	<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 		
	<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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Stakeholder consultation and Day 1 functionality

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

Mid 2018

Day 1 scope agreed



Analysis, building and testing

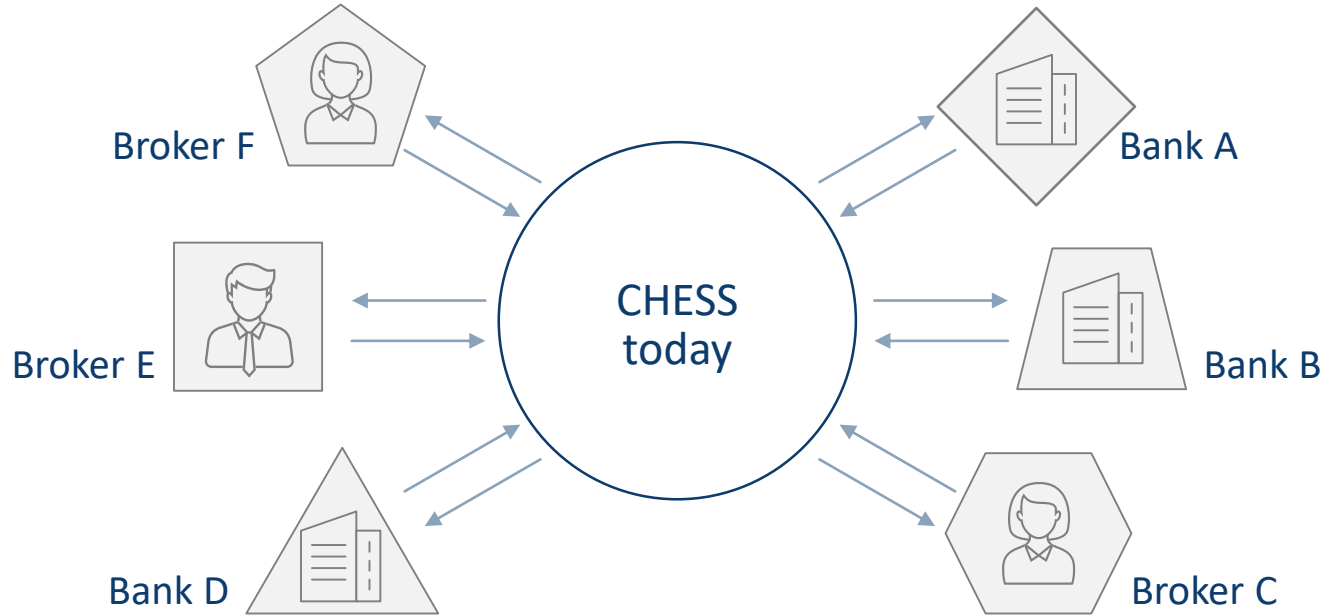
Enterprise-grade build } Incremental external software drops } Industry-wide testing

Q4 2020 - Q1 2021*

Go live

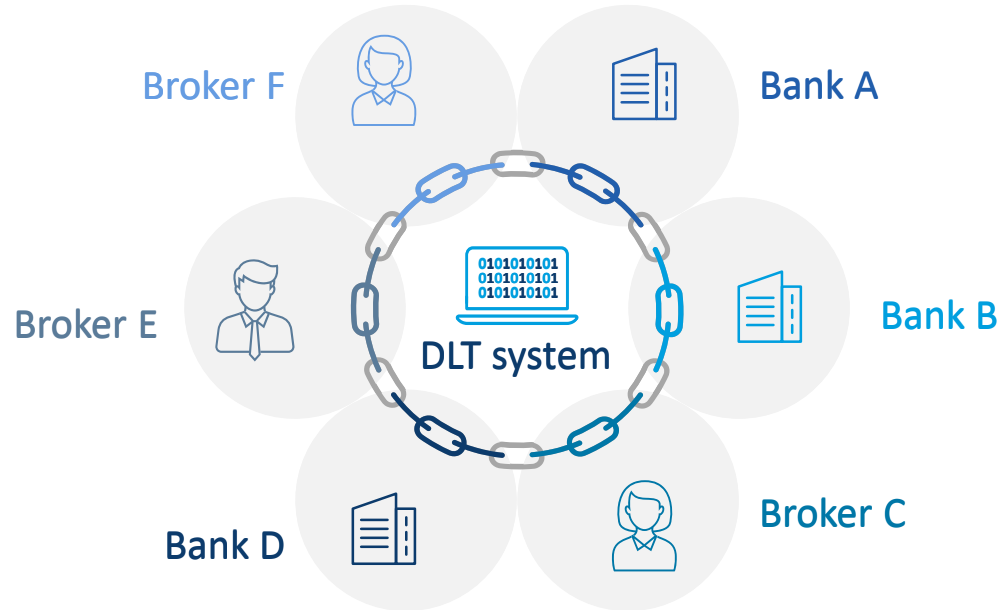
CHES today

Sends messages to reconcile many and different systems



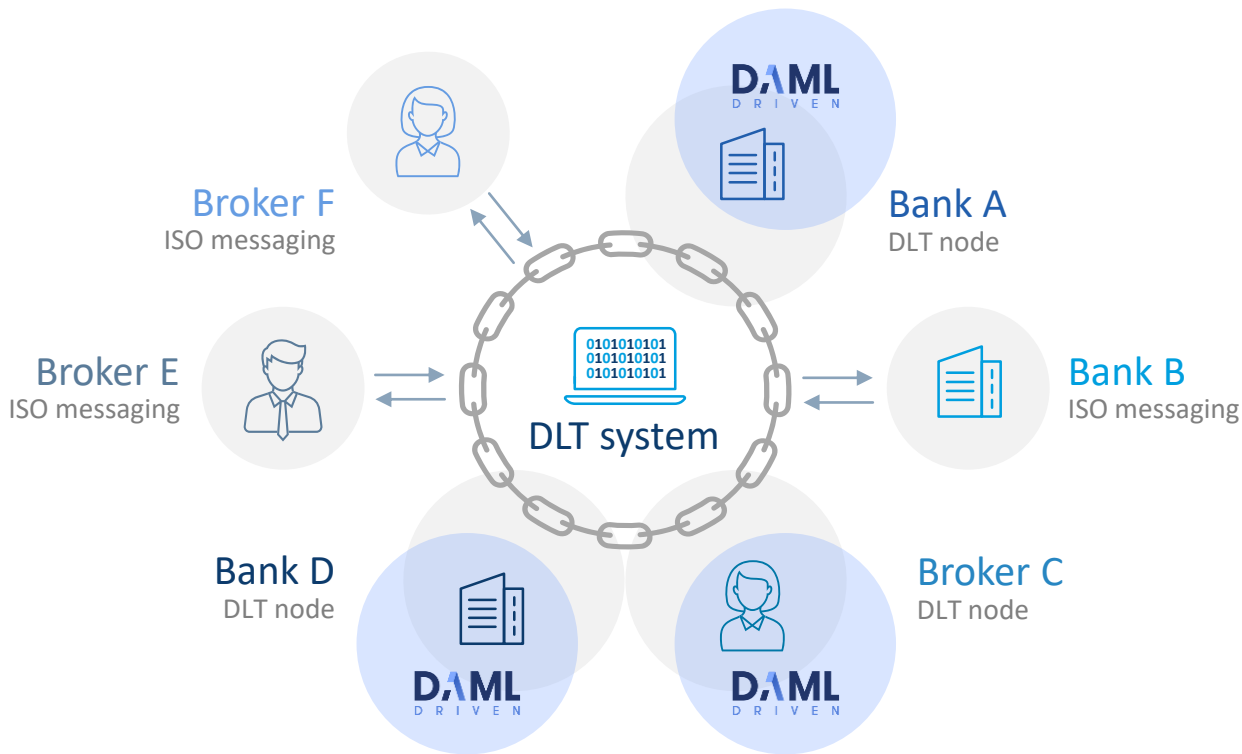
DLT-based CHESS

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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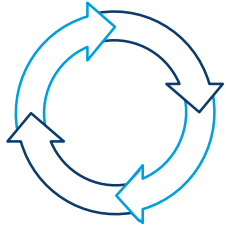
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New products and services

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

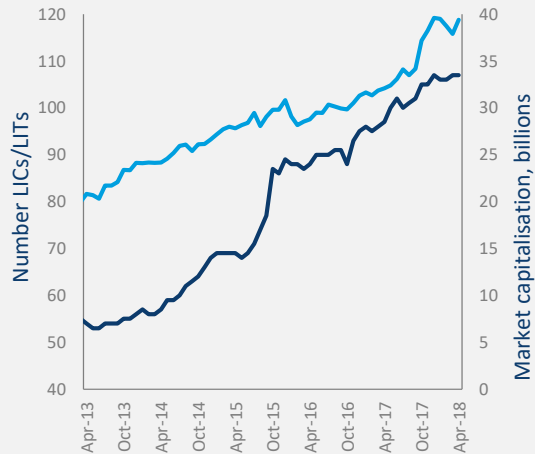
high proportion in
large cap Australian equities

Strong growth in ASX investment products

Early days, but mFund growing fast

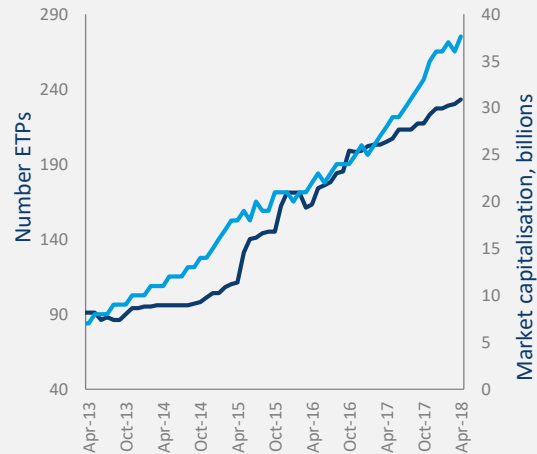
LICs and LITs

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



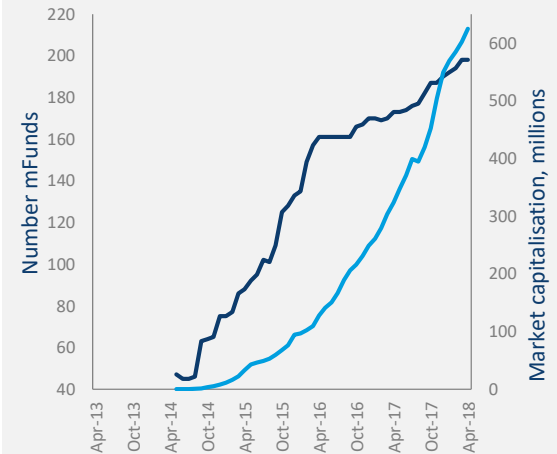
Exchange traded products

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



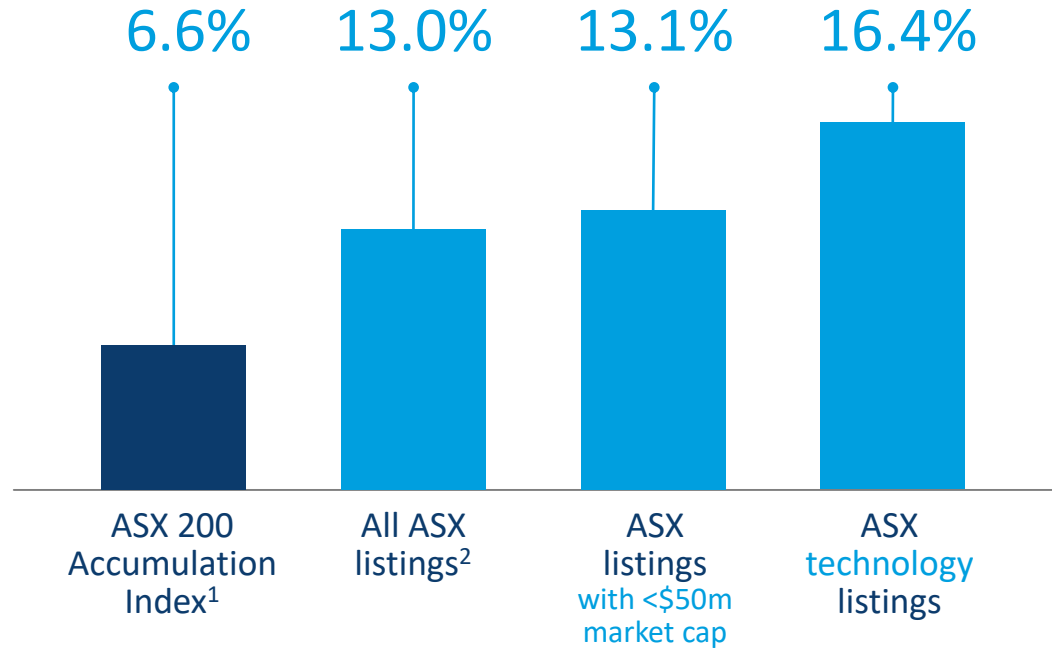
mFund

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



New listings

Since 2012, new listings have provided attractive returns to investors



Appetite for diversification

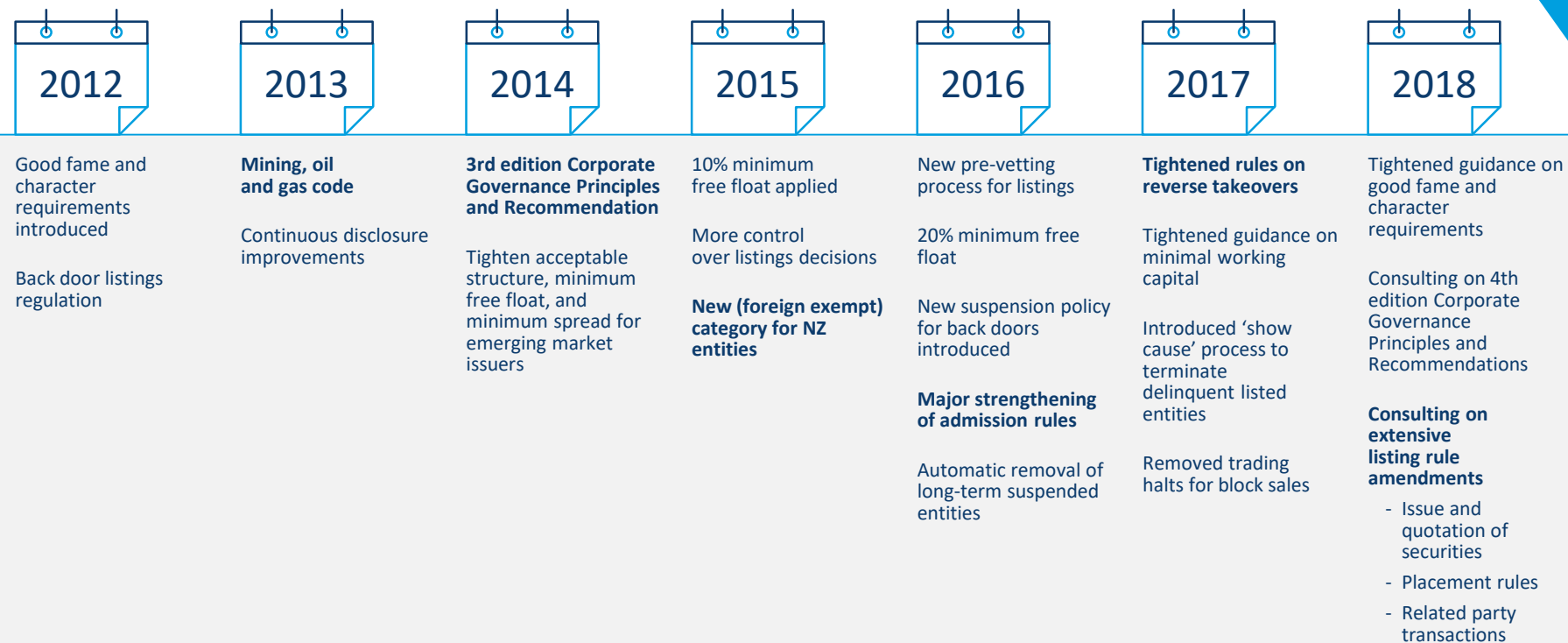
The image displays a collection of logos for various ASX-listed companies, arranged in a grid. The logos include: bigtincan (orange circle logo), livehire (orange and blue text), KELLY + PARTNERS (blue text with 'CHARTERED ACCOUNTANTS' below), Smiles (green square logo with 'Smiles Inclusive' and 'Together We Smile' below), Domain group (green and black text), WiseTech GLOBAL (blue text), updater (red text with a red underline), and Audinate (black text with a red underline).

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.

