



# Stockbrokers and Financial Advisers Conference 2019

Delivering new customer  
opportunities with  
digital, data and DLT

**Dominic Stevens, CEO**

22 May 2019



# Agenda



**DLT**  
CHESS replacement



**Data**  
ASX DataSphere



**Digital**  
[asx.com.au](https://asx.com.au)

## Open infrastructure solutions

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

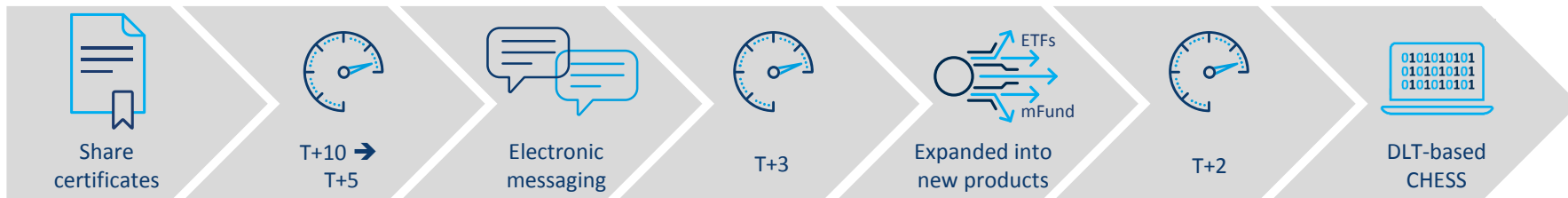
# History of delivering industry efficiency and innovation

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



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

# Updated clearing and settlement system

## New functions and optionality for the 2020s and beyond



### CHES replacement

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Open source software language  
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### Customer Development Environment Now open

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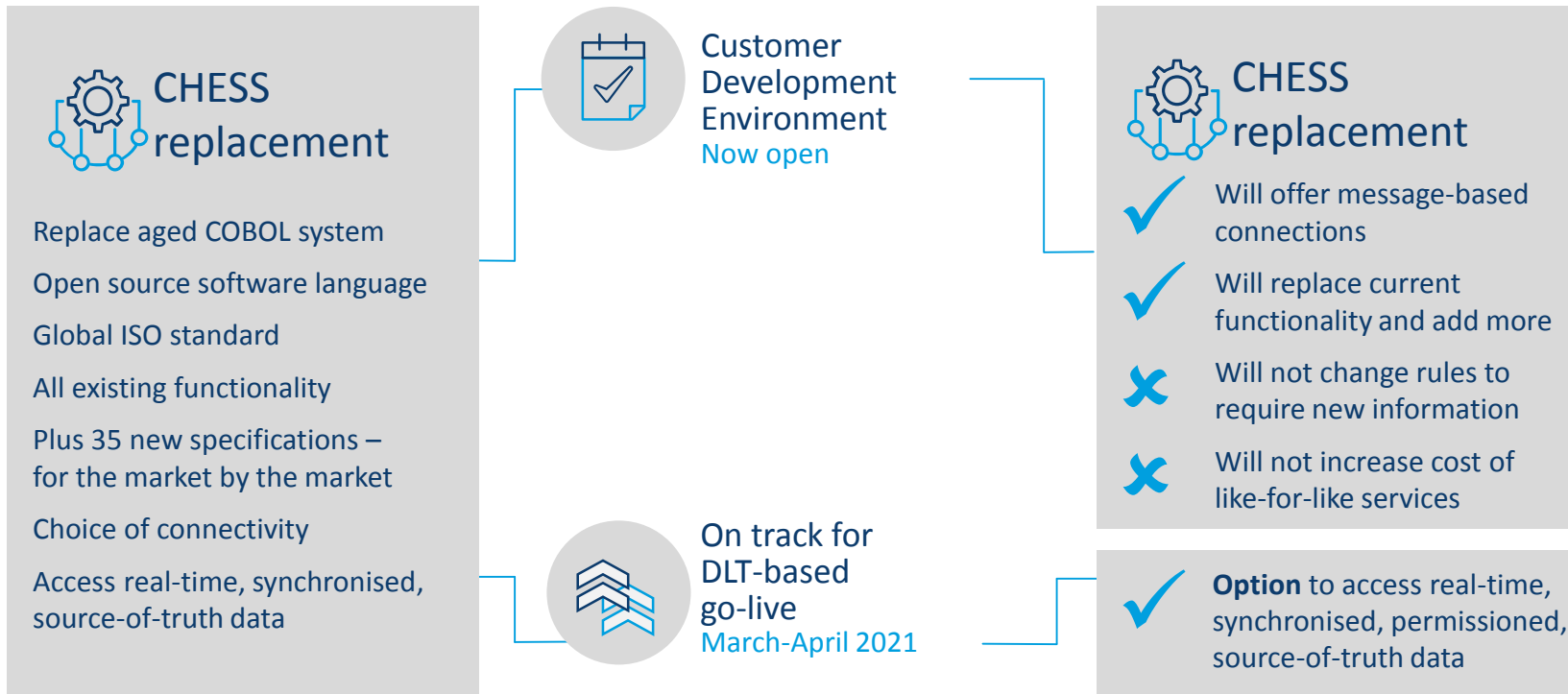


### CHES replacement

- ✓ 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

# Updated clearing and settlement system

## New functions and optionality for the 2020s and beyond

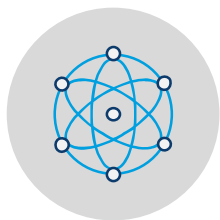


# Delivering contemporary, open infrastructure

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

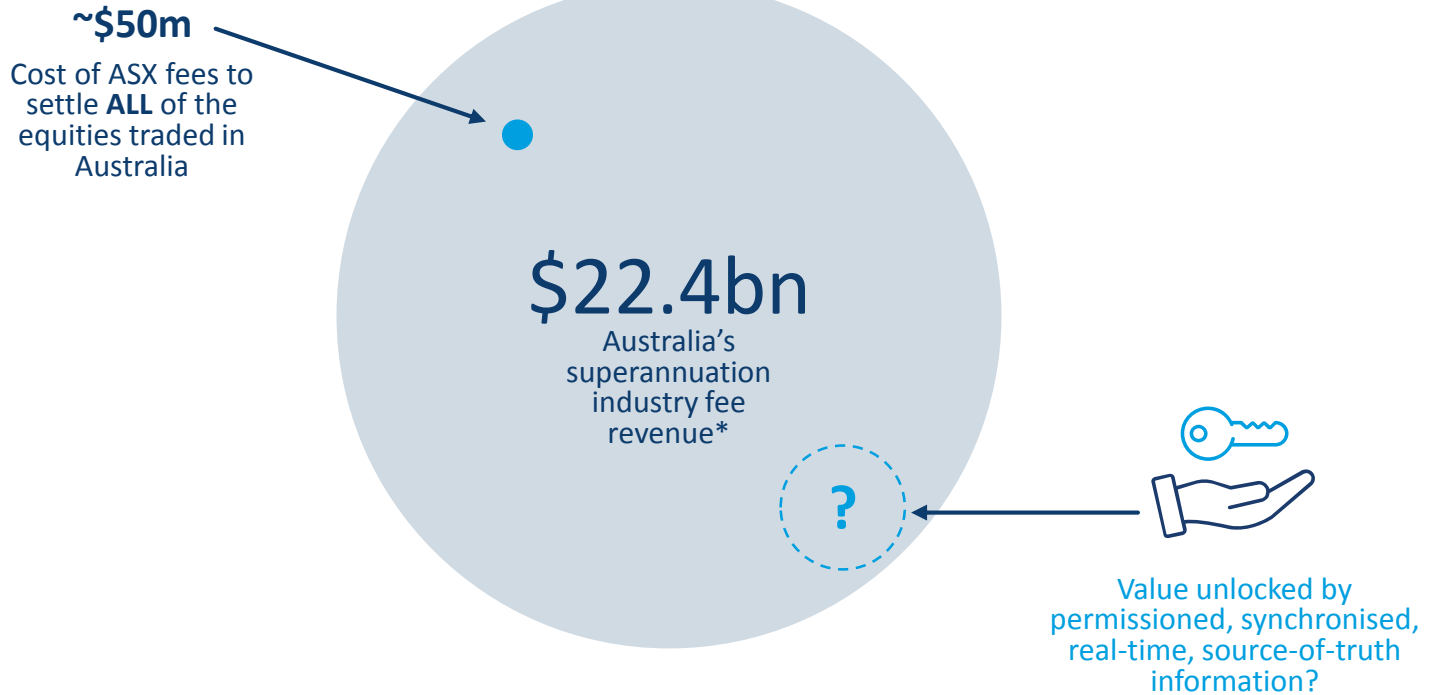


# Open infrastructure solutions to benefit customers

	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	<b>ASX DataSphere</b> 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	<b>DLT Solutions</b> 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

The screenshot displays the ASX website's new design. At the top is a dark blue header with the ASX logo and navigation links for 'MARKETS', 'INVESTORS', and 'INSTITUTIONAL'. Below the header is a hero section with a dark background and the text 'A world class customer driven Securities Exchange' and a 'WELCOME TO ASX' button. To the right is a 'CEO Connect' event announcement with a 'SAVE ME A SEAT' button. Below these is a 'Markets' section featuring a line chart for the S&P/ASX200 index and a 'S&P/ASX200 top 5' table. At the bottom right is a 'BBSW methodology FAQs' section.

### Markets

The S&P/ASX200 is up today, gaining 37.50 points or 1.26% to 6,445.30 and setting a new 100-day high. The top performing stocks in this index are THE HOLDINGS LIMITED and MEDIBANK PRIVATE LIMITED, up 11.54% and 11.11% respectively. Over the last five days, the index has gained 2.35% and is currently 0.47% off of its 52-week high.

MARKETS	ASX 200	ASX 50	ASX 100	ASX 200	ASX 50	ASX 100
S&P/ASX200	+1.26%	+1.58%	+0.84%	+1.26%	+1.58%	+0.84%

### S&P/ASX200 top 5

CHANGERS	DECLINERS	NO DAY AYS VOLUME OUTLIERS
THE HOLDINGS LIMITED <span>▲</span> 11.54%	WELLS 1 LIMITED <span>▼</span> -4.29%	WELLS FINE SANDS CORPORATION <span>▲</span> 7.24%
MEDIBANK PRIVATE LIMITED <span>▲</span> 11.11%	BLUESCOPE STEEL LIMITED <span>▼</span> -3.54%	NATIONAL AUSTRALIA BANK LIM. <span>▲</span> 6.79%
WETPACK MINING CORPORATION <span>▲</span> 7.24%	NEWBARK LTD <span>▼</span> -3.24%	COMMONWEALTH BANK OF AUSTR. <span>▲</span> 5.50%
NATIONAL AUSTRALIA BANK LIM. <span>▲</span> 6.79%	STONY HARBOR <span>▼</span> -2.81%	REDFIELD LIMITED <span>▲</span> 15.44%
ASTRALIA AND NEW ZEALAND... <span>▲</span> 6.62%	JAMES HARDIE INDUSTRIES PLC <span>▼</span> -2.71%	MEDIBANK PRIVATE LIMITED <span>▲</span> 11.11%

Photo: iStock by Getty Images | iStockphoto.com.au | iStockphoto.com.au

### CEO Connect

ASX in partnership with Austrade is proud to present ASX CEO Connect - bringing listed companies and investors together.

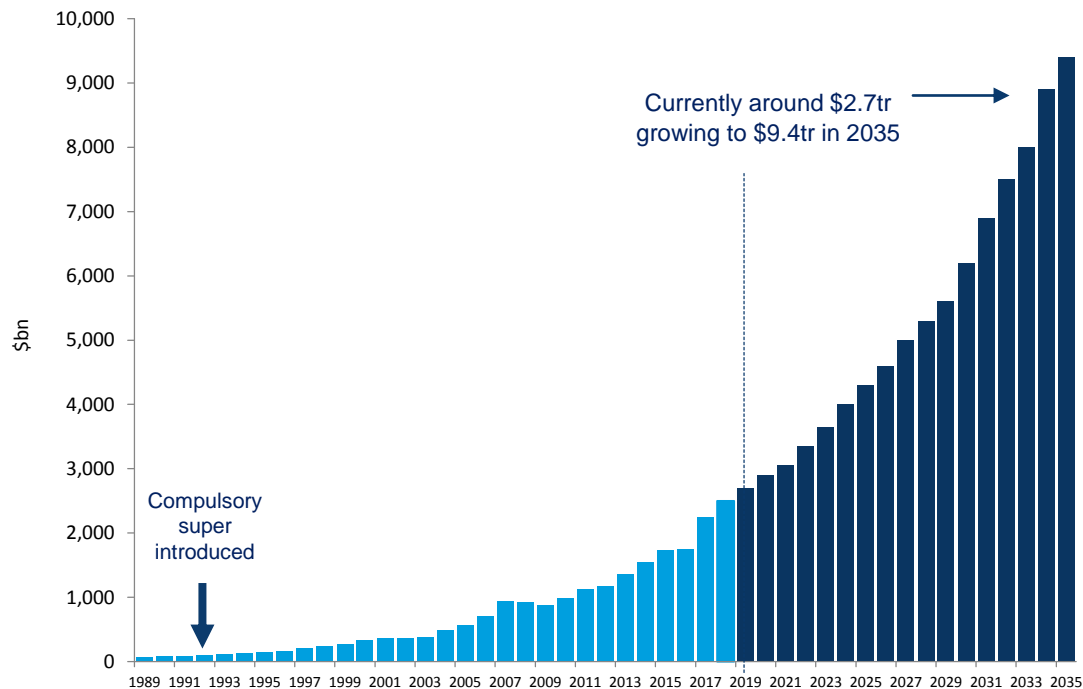
SAVE ME A SEAT

### BBSW methodology FAQs

This material is general summary information only and is provided for educational purposes. It does not constitute specific advice. ASX does not represent or warrant that the material is complete or accurate. To the extent permitted by law, ASX shall not be liable for or responsible for any losses, damages or costs.

# 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

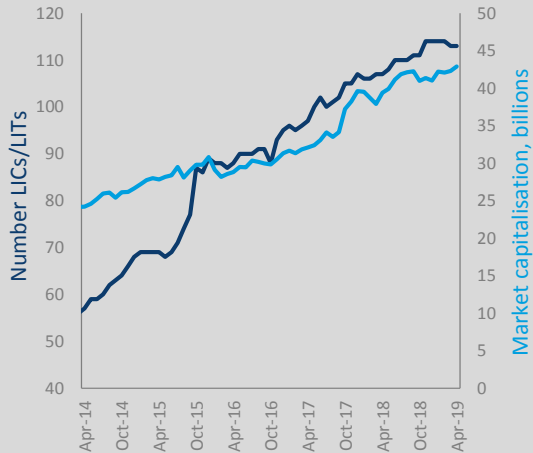
# Strong growth in ASX investment products

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

## LICs and LITs

**\$43b**  
market cap (FUM)

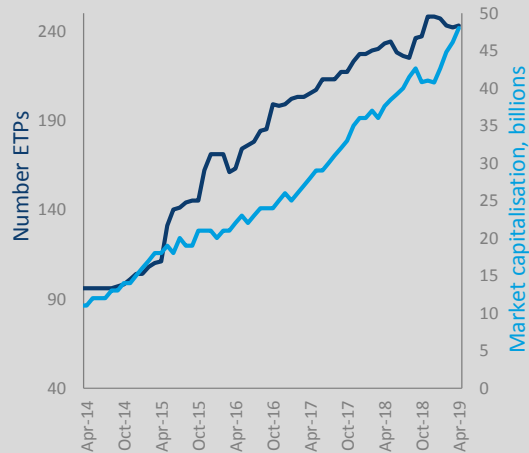
**113**  
Funds



## Exchange traded products

**\$48b**  
market cap (FUM)

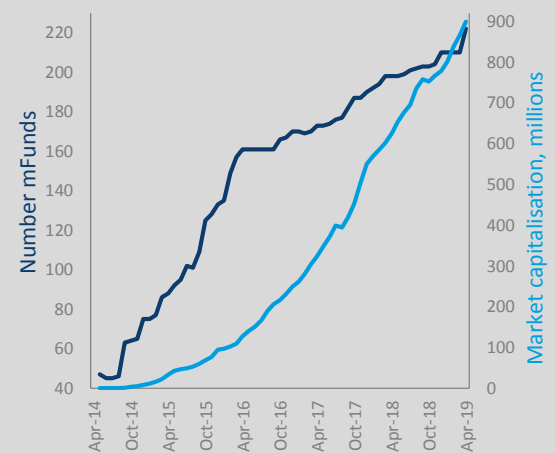
**243**  
Funds



## mFund

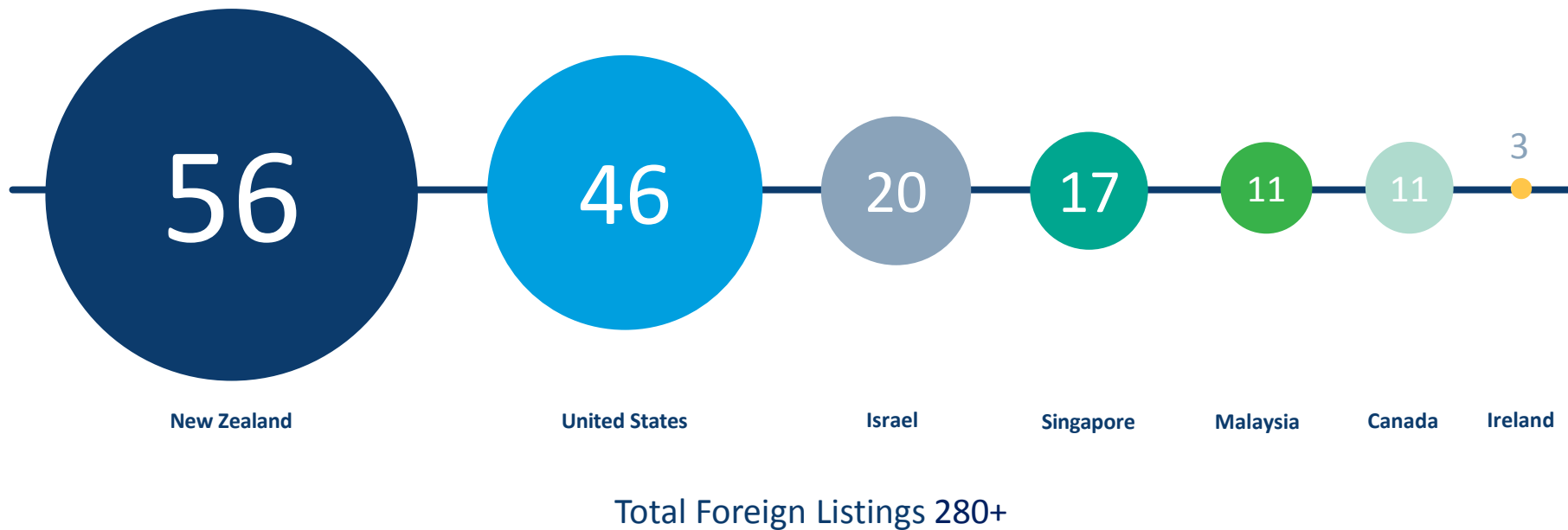
**\$899m**  
market cap (FUM)

**222**  
Funds



# Choice through sectoral and geographic diversity

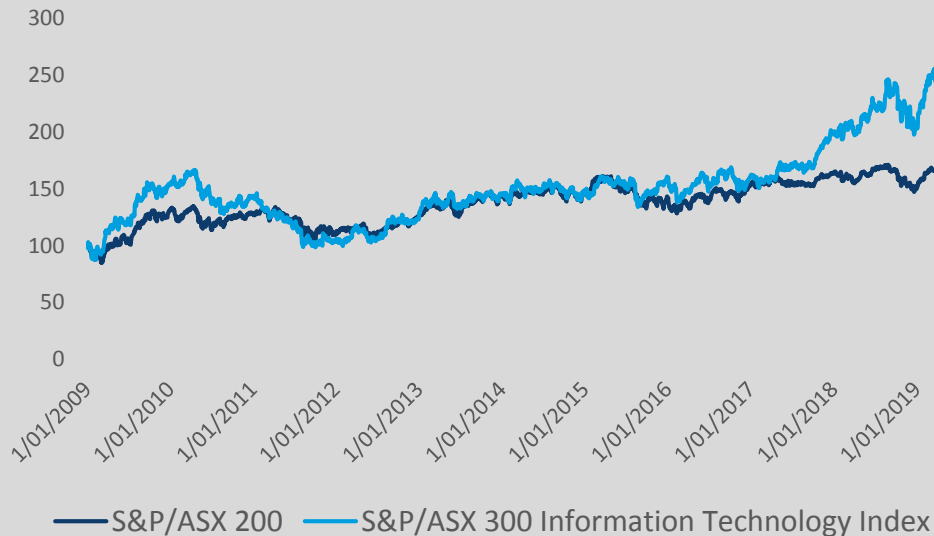
## ASX's international listings strategy



# Expanding and diversified listings franchise

## Tech listings have provided attractive returns to investors

S&P/ASX 200 vs S&P/ASX 300 Info Tech index



\$9.27bn



\$7.29bn



\$6.85bn



\$4.98bn



\$4.22bn



\$3.93bn



\$2.68bn



\$2.54bn



\$2.28bn



\$2.17bn



\$1.97bn



\$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.

