



It has been a busy 3 months for A2X and I am encouraged to report that it was a very positive start to the year. Trade activity on our platform increased five-fold with each of the 3 months achieving a record level, while the number of companies listed on A2X also continues to grow.

So far this year, we have listed Santam, Tharisa and Aspen Pharmacare and we are also delighted to announce that our first retailer, Mr Price will list on 2 May. This brings the total number of companies listed on A2X to 19 with a combined market cap of over R2.4 trillion. Six of these companies are Top40 constituents and account for over 30% of the index weighting.

On the broking side, good progress has also been made as the infrastructure hurdles associated with trading across two venues slowly get resolved. The team has been working closely with both the technology vendors and the broking community to find solutions and an increasing number of options at competitive prices are now available.

For the first time, Smart Order Router (SOR) technology is being used in South Africa. SORs enable brokers to seamlessly

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transact across markets to ensure that they always execute at the best quoted price. This not only ensures they get the best deal for their clients but also that they capitalise on the lower fees charged when transacting on A2X.

Although A2X has only been operational for some 18 months, the positive impact that lower costs have on increasing liquidity and narrowing spreads is becoming increasingly evident. In all the liquid stocks listed on A2X, the National Best Bid and Offer (NBBO) price is most frequently found resting on the A2X platform and often in better liquidity.

As has been demonstrated internationally, competition will help grow the overall level of trade activity in South African shares, save investors and brokers money, and in time lower the cost of raising capital.

We are very encouraged by our on-going progress and, although we are very aware that nothing goes-up in a straight line, we do feel positive that the broader growth trend is firmly in place.

I would like to end by posing two questions to all investors: firstly, are you comfortable that you are getting best execution when you transact? And, secondly, do the companies you invest in provide you with the option of transacting on an alternative low-cost platform?

Warm regards

Kevin
CEO
A2X Markets

A2X Announcements



- South Africa's largest Insurer, Santam's shares became available for trade on



- Integrated platinum group metal and chrome producer, Tharisa plc's shares

A2X on 1 February.



- ▶ On 1 April, leading multinational pharmaceutical company, Aspen Pharmacare's shares became available for trade.

became available for trade on 6 February.



- ▶ Mr Price Group Limited will become the first retail company to secondary list on A2X. We are delighted to announce that their shares will be available for trade from 2 May.



ETFs and ETNs

We are pleased to announce that our application to extend our licence to include the secondary listing and trading of ETFs and ETNs, a high growth segment of the market, has been approved by our dual regulators, the FSCA and the Prudential Authority (Reserve Bank).

The extension of our licence to include ETFs and ETNs is an important development for the local market, as issuers now have an additional venue on which to list their funds and notes for trade. This comes at no cost, risk or additional regulation for issuers, while providing the underlying investors with a low-cost alternative venue on which to transact.

This addition to the A2X product set extends the benefits of competition to include issuers of, and investors in these products who have not been recipients of the benefits by virtue of the fact that only shares in publicly listed companies have been traded on A2X.

ETFs and ETNs are products which are particularly cost sensitive. Consequently, by providing a competitive offering in these products, the reduction of indirect and direct costs and the resultant benefits to investors is particularly important.

We are engaging with various ETF and ETN issuers on secondary listing their products on A2X and look forward to making an announcement in this regard shortly.

[Follow us on Twitter and LinkedIn for regular updates](#)





Availability of A2X data

A2X real time data is available via all 3 major data vendors: Bloomberg, Iress and Refinitiv, as well as on our website.

On **BLOOMBERG** the data can be located using the A2X exchange code 'AJ'. Users can access the data by typing in the security code followed by the exchange identifier and asset class. For instance, the price of Afrimat shares can be accessed using AFT AJ Equity < GO >.

On **IRESS PRO**, you simply need to enter in the ticker followed by @A2X e.g.: AFT.JSE @A2X or use AFT.ZAX to view the consolidated price feed. This displays the bid and offer prices from across the two exchanges into one order book.

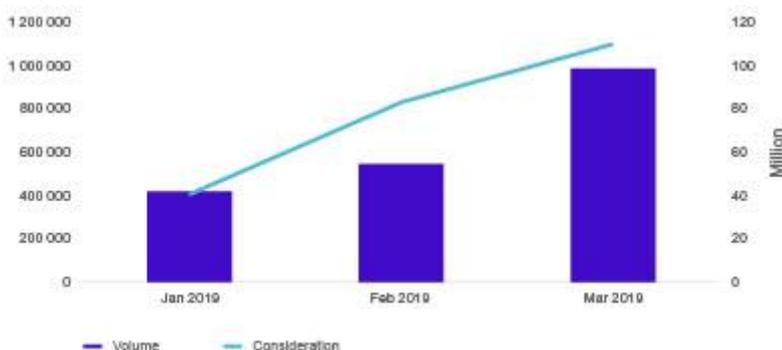
On **REFINITIV** (previously Reuters), the data can be located using the A2X exchange code 'A2X'. Users can access the data by typing in the security code and the exchange code 'A2X' in the search box, for example 'CML.A2X'.



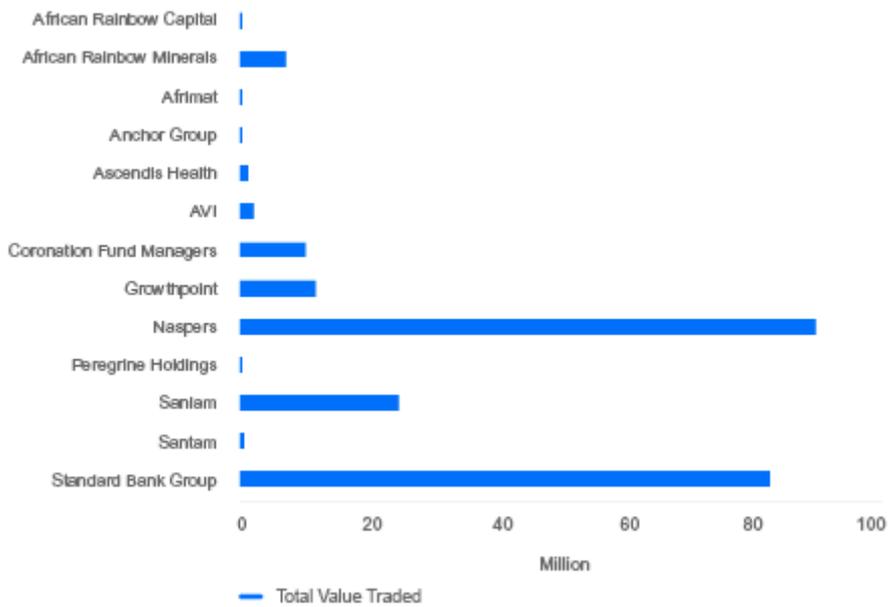
Trade Activity Levels

We noted a record number of trades in March and trade activity levels are growing on A2X as lower fees and narrower spreads attract increasing investor interest.

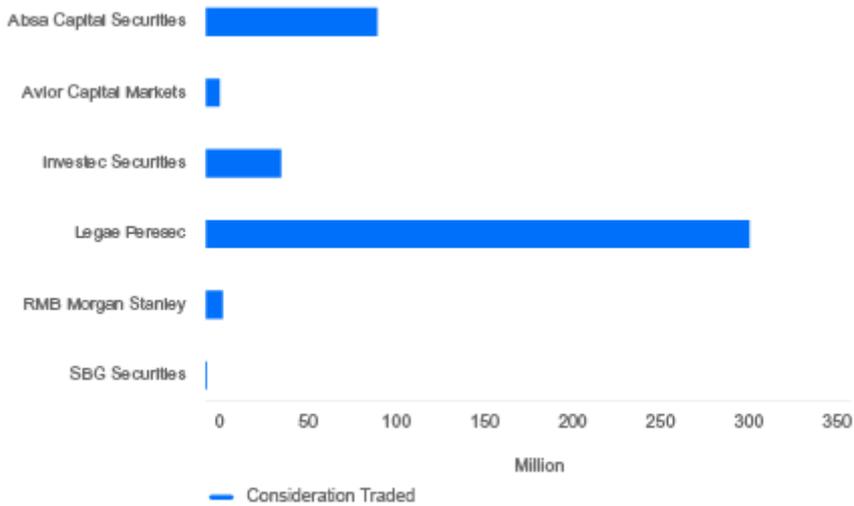
> Month on month



> Q1 activity by share



> Q1 activity by broker





JP Morgan Corporate Challenge

On Thursday 28 March, a few of us represented A2X at the JP Morgan Corporate Challenge. We are glad to report that our exchange runs a lot faster than we do. Team spirit was the real winner though and lots of fun was had.



As more and more of South Africa's big names list on A2X, we still get the question: What are the major benefits of having a secondary listing on A2X?

While South Africa has an advanced capital market system, it is generally seen, from an international perspective, as a high

By leveraging the latest exchange technology and business practices, new exchanges like A2X can pass on the efficiency savings in the form of large fee reductions.

Reducing the cost of doing business has a positive impact in 3 ways:

1. It creates large direct fee savings for participants transacting on the exchange (estimated at R200m per year in South Africa);
2. It improves the quality of the market. When we talk about the quality of the market, we look at two things: liquidity and spreads:
 - » **Liquidity increases** as reduced friction costs lower the hurdle to entrance and attracts new players; and

cost destination. This primarily stems from the fact that the JSE has been the sole service provider for most part of the last 130 years and hasn't been exposed to the competitive pressures that exist in other countries that ensure it offers not only an effective service (which it does well) but also a cost-effective service (where we believe there is room for improvement).

- » **Bid/Ask spreads narrow** as some of the cost savings are passed-on in the formation of the price. This creates large savings for the end investor, which we estimate to be in-excess of R1bn per year in South Africa.

By illustration, if you were buying dollars for an overseas trip and only looked at one bank, you simply wouldn't know if you could secure better prices elsewhere and could potentially be overpaying for the same amount of currency. The same applies to shares.

3. Deeper pools of liquidity and narrower spreads reduces the cost of raising capital for companies.

In addition to all the above, competition helps drive the pace of innovation and quality of service as competitive platforms look to attract activity.

If you are a JSE listed company and wish to add a secondary listing on A2X simply contact us.
Phone: +27 11 088 5010 or email : listings@a2x.co.za



Market Surveillance at A2X

Fair and orderly trading is the backbone of market confidence and a key requirement of any exchange. Market participants want the assurance that abusive and illegal practices are intercepted, investigated and prevented. A2X takes this critical requirement seriously and makes use of a surveillance system that is well equipped to do this.

A2X Markets uses Aquis Market Surveillance (AMS), a specialist system that was developed by leading exchange and market surveillance experts. AMS monitors all types of market abuse including illegal practices that may result from algorithmic and high frequency trading.

Our real-time supervision capability provides a



This UK Financial Conduct Authority approved solution has been successful in Europe and can survey in excess of 2000 instruments across multiple jurisdictions. This cutting-edge technology is a positive addition to the South African market.

powerful tool to monitor high volumes of messages, graphically displayed for efficient visual analysis, order-book reconstruction and cross-market surveillance.



Sign-up for our quarterly newsletter [click here](#).

A2X Markets is an exchange licensed in terms of the Financial Markets Act, 2012.