

28 September 2017

Strate's Debt Instrument Solution Update

Strate is in its 3rd day of operations since the implementation of its new DIS platform and would like to provide the market with a detailed overview of the experience to date.

The market will be aware that the DIS system represents not only a new settlement technology platform but that it has also introduced a new settlement model. This has introduced enhanced functionality designed to improve risk mitigation and enhance the visibility of trade statuses on a more detailed level across market stakeholders.

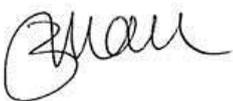
Since going live a number of challenges have been experienced. These have resulted in the settlement day having to be extended to late evening for both Tuesday and Wednesday. We are pleased to be able to confirm that the extended operating periods have not been as a result of technical difficulties on the new DIS platform.

The introduction of new functionality such as back-to-back links and a new operating model has been the primary reason for delays currently being experienced. The use thereof is being refined in conjunction with market Participants. Strate has already noted the benefit of these refinements as evidenced by faster conclusion of individual settlement runs.

The extensions experienced have necessitated the execution of a number of settlements using the agreed contingency arrangements in place with the market whereby the cash settlement component is only being processed by the settling banks the next morning under the previous days date. These are closely monitored with Participants on a daily basis.

Every settlement initiated in the system has been successfully executed since implementation and all Capital Events processed on the new system have been flawlessly executed.

Yours Sincerely



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