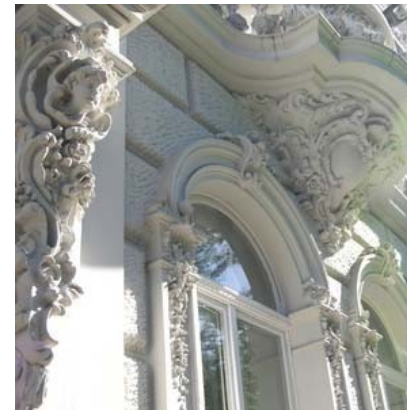


The evolving world of trading



- 1996 Swiss blue chips moved to electronic trading
 - First European exchange to close trading floor
- Over next few years, other exchanges became electronic
 - rapid increase in trading volumes
- 1999 Remote membership became possible
- 2001 GLOX offers hosted FIX interface to Swiss Exchange
 - first message based connection to a European exchange
- 2007 MiFID
- 2009 SIX Swiss Exchange becomes first major European to offer a FIX interface as only connection option
- Other exchanges will follow shortly.....

- Electronic trading fundamentally changed the nature of the market:
- Introduced new trading models
 - algorithmic trading
 - increase in arbitrage (was of course possible from the early days using pigeons)
- Market fragmentation
 - re-emerging with simultaneous access to all pools
- Increased regulatory requirements
 - MiFID unthinkable under old floor trading regime
- Greater customer awareness and capabilities
 - E-Banking and near real-time market information
- → Ongoing process which continues to develop

- SIX has an 86% market share of SMI volume
- Other markets are more fragmented:
- 30% of FTSE-100 volume done on MTFs
 - LSE market share 69.5%
- Paris & Amsterdam have 73.5% market share in CAC40 (Paris 66.5%)
- Xetra has 79.4% market share of DAX volume
- Dark Liquidity pools will increase fragmentation

- Market connectivity is now a commodity
 - heavy exchange specific infrastructure disappearing
 - easy FIX based connection to multiple markets
- This encourages fragmentation
 - MTFs
 - dark liquidity pools
- Increased fragmentation brings more regulation
 - trading landscape becomes more complex
- Customers want STP for other asset classes (e.g. Funds)

- Business still very manual (faxes, double keying)
- Double keying means potential errors
 - breaks means costs
 - manual intervention increases costs
- Potentially missed cut-off time means operational risk

- GLOX will provide full fund STP with active monitoring of approaching cut-off times
 - fully integrated Swisscanto connection is unique offering

- Focus for all participants moves to adding value
 - Like others, GLOX's unique selling point is evolving
- Funds
- Multi-market
 - brokers
 - Eurex
 - MTFs
 - Smart Order Router

- News feed
- Market data multiple markets
- → order of delivery defined by our customers

- Swisscanto
 - full STP for funds
- Brokers

- Swiss Block
- Eurex
- Xetra

- White Labelling
 - provides high performance trading system for your clients
 - Hyposwiss and Bank Coop
- Data Warehouse
- Smart Order Router

- Using a hosted market side OMS delivers flexibility
- GLOX can offer solutions to new problems as the market evolves
- Hosting allows new markets / features to become available to all
- With 22 customers, we will continue to meet the changing requirements
- Uniquely placed to provide next generation market side OMS

Any Questions?

