



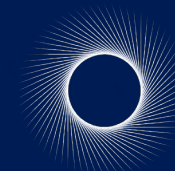
Diverse alternative infrastructure for competitive Australian capital markets

Research paper

OCTOBER 2025

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Note: All dollar figures are Australian dollars unless indicated otherwise.

Executive summary

Australia needs competitive capital markets that facilitate access to capital and liquidity

Australia's capital markets exceed \$5 trillion in value, with superannuation funds playing a significant role by contributing approximately 24 per cent of all capital market investments. As our superannuation system continues to grow, potentially exceeding \$10 trillion by 2040, Australia has a tremendous opportunity to strengthen its capital market competitiveness.

However, Australia is falling behind as a global financial centre. Since 2010, Sydney has fallen 20 places to 30th, while Melbourne fell 5 places to 28th on the Global Financial Centres Index. This decline reflects a failure to innovate and adapt to changing market needs, including for small firms. To regain competitiveness, Australian capital markets need to provide efficient capital raising and adequate liquidity for companies of all sizes.

Many small caps face ongoing liquidity challenges that traditional markets have difficulty addressing

The rate of new listings on public markets is declining dramatically. In 2024, only 29 companies went public—an 85 per cent decrease from 2021 levels. This decline primarily affects small caps, which have historically accounted for over 70 per cent of all IPOs.

Small cap securities experience fundamentally different liquidity patterns compared to large caps. While 82 per cent of ASX200 securities achieve annual trade values exceeding a quarter of their market capitalisation, only 50 per cent of non-ASX200 securities reach this threshold. Small cap trading is typically event-driven rather than continuous, with 11 per cent of non-ASX200 securities experiencing a single day of trading representing over one-fifth of their annual volume. In comparison, only 1 per cent of ASX200 securities experience such trading patterns.

As a result of this asymmetric reality, smaller firms are increasingly choosing to remain in private markets, which have grown 2.6 times over the past decade. However, private markets do not offer the liquidity benefits that public markets provide, with transactions taking significantly longer to complete and limiting growth opportunities.

Australia needs to foster an ecosystem of diverse alternative market infrastructure that can unlock liquidity for small caps

Alternative market infrastructure can bridge the gap between public and private markets, offering tailored solutions for small cap companies struggling with liquidity challenges. Legacy market infrastructure is hamstrung by

processing limitations, settlement delays, restricted data access, and compliance burdens disproportionately affecting small caps.

Innovative approaches like tokenised securities trading platforms can help address these challenges. Tokenisation of company equity offers substantial benefits including improved liquidity, transparency, and auditability, while reducing settlement time, costs, and intermediaries. Implementing tokenisation could significantly reduce capital costs by lowering liquidity premiums, potentially generating savings of up to \$13 billion annually for issuers.

Global markets offer valuable models for enhancing small cap liquidity. The UK's proposed PISCES is an alternative regulated market exchange for private companies that offers the liquidity benefits of public markets. The TSX Venture Exchange in Canada created sector-specific ecosystems with enhanced liquidity and clear graduation paths to the main board. By learning from these international examples, Australia can develop a more robust ecosystem of diverse alternative market infrastructure that supports small cap growth and strengthens our position as a global financial centre.



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Australia's capital markets exceed \$5T, with super funds playing a significant role as an investor

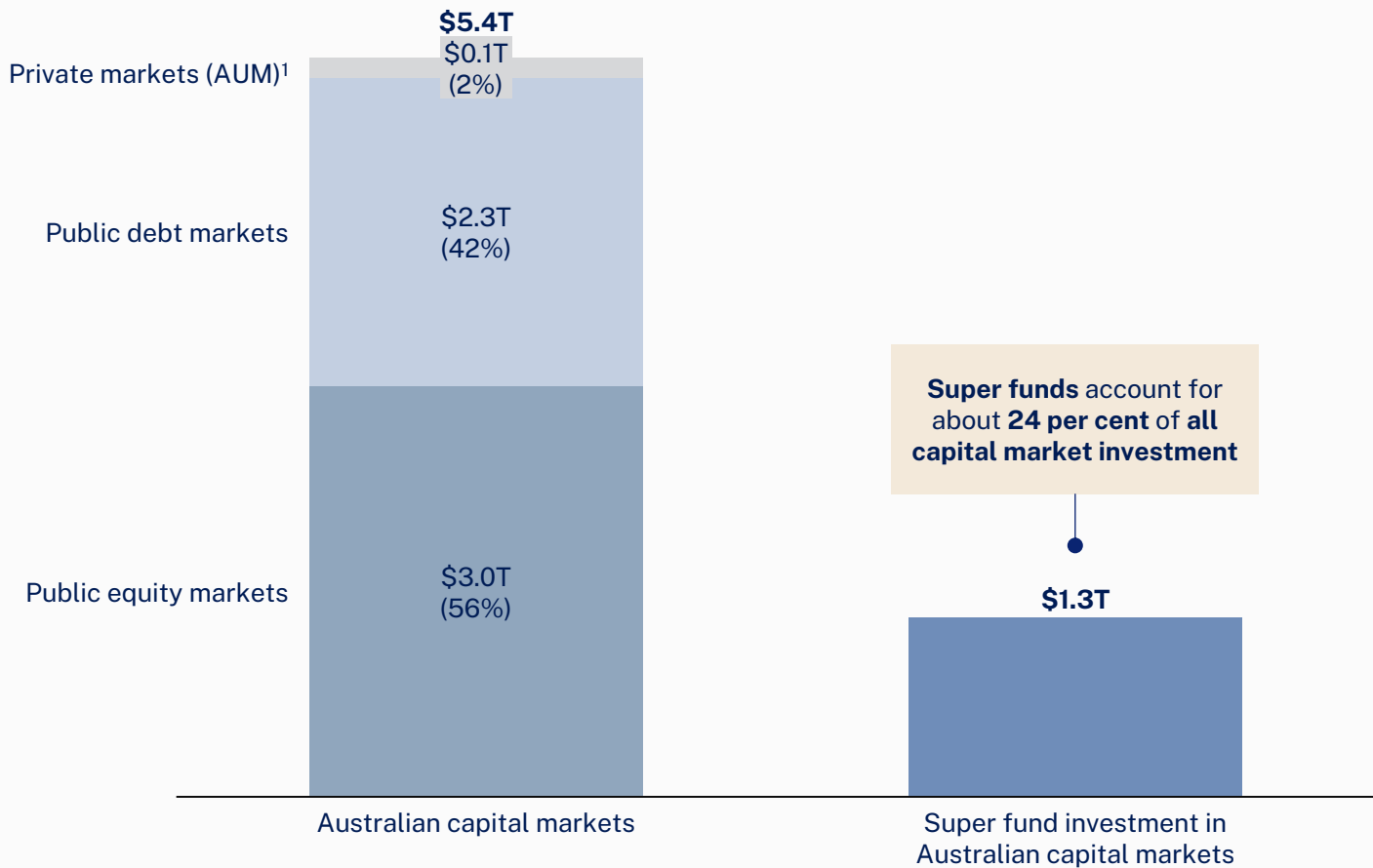
Australia's capital markets exceed \$5 trillion in value, composed of public equity markets accounting for 56 per cent, public debt markets (42 per cent), and private markets (11 per cent).

Superannuation funds account for approximately 24 per cent of all capital market investments, with a total value of over \$1.3 trillion.

This large proportion of superannuation investment shows how Australia's superannuation system is a key source of capital, providing stability and liquidity to Australian capital markets.

Exhibit 1: Value of Australian capital markets and the contribution of super funds

AU\$ trillions, 2024



Note: AUM excludes assets not regulated by the APRA, which is Australia's primary financial services regulator. There are various estimates for the valuation of private markets. We have used ASIC's *Australia's evolving capital markets* discussion paper (\$148B). More recent estimates by EY and Alvarex & Marshal put this around \$200B. Source: ASIC (2025) *Australia's evolving capital markets*; APRA (2024) *Quarterly Superannuation Statistics*; RBA (2025) *Exchange rates*; Mandala Partners (2025) *Going global: Unlocking the growth potential of Australian pension capital*; Timbs and Williams (2025) *Private credit in Australia*; Mandala analysis.

As Australia's super system continues to grow, it presents an opportunity for domestic capital market expansion

Australia's superannuation system currently holds over \$4 trillion in assets, equivalent to over \$400,000 per household. Our system is expected to become the world's second-largest pool of retirement savings by 2031, surpassing Canada and the UK.

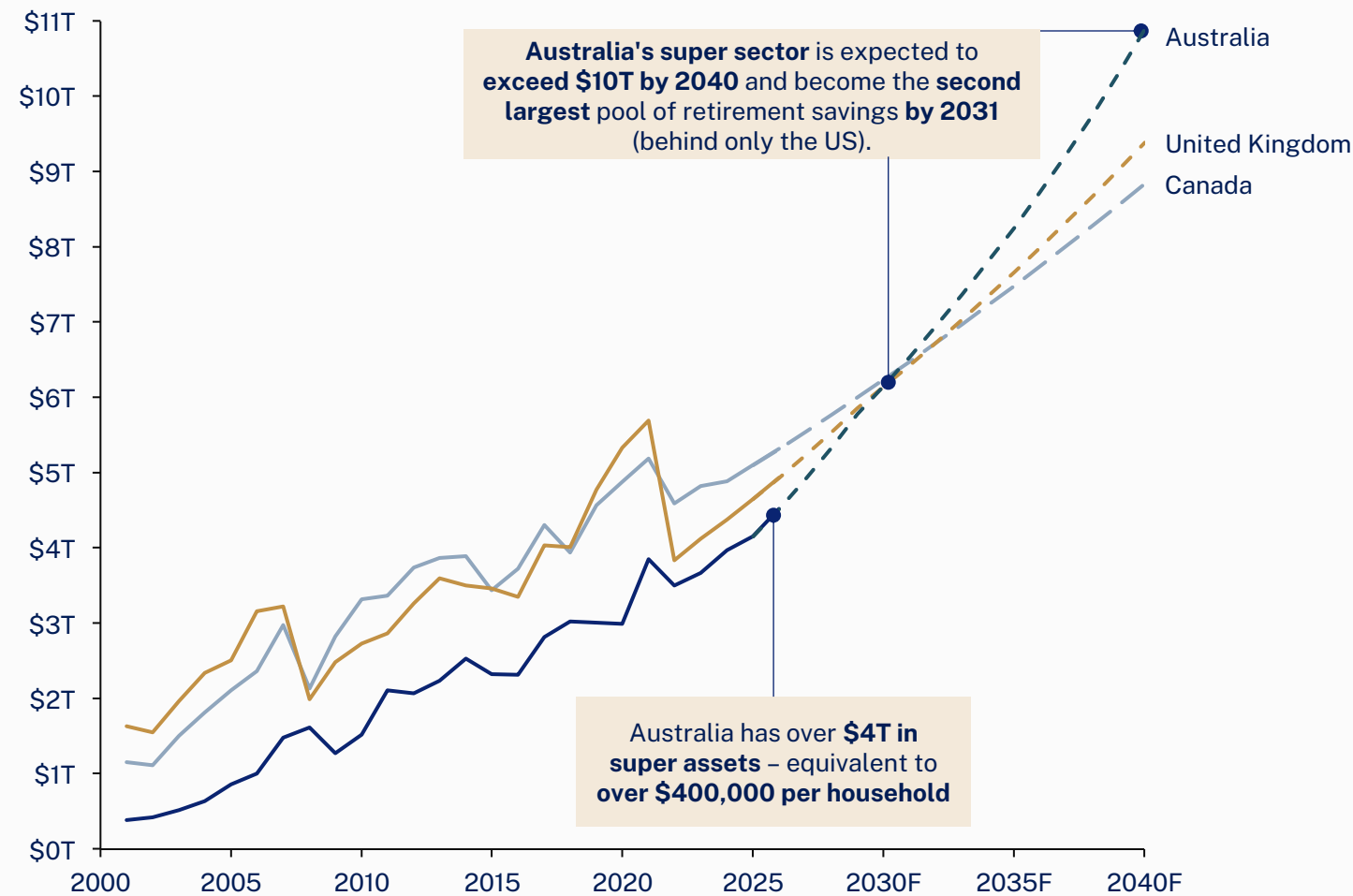
However, super funds' domestic investments are trending downwards. In the decade to 2024, APRA-regulated super funds decreased their allocation to Australian markets from 60 per cent to 53 per cent.¹ Today, only 30 per cent of new assets flowing into Australia's largest super funds are invested domestically.²

As the pool of retirement savings grows to exceed \$10 trillion by 2040, Australian capital markets have an opportunity to capture a portion of this growing pool of capital by strengthening their international competitiveness.

1. Mandala (2025) *Going Global: Unlocking the growth potential of Australian pension capital*.
2. Lucas Baird (2025) *The country's big super funds are reaching their ASX investing limit*.

Exhibit 2: Value of pension assets for Australia, UK, and Canada

AU\$ trillions, 2001 – 2040F



Note: Projections are based on an exchange rate of 0.6579 AUD/USD
Source: OECD (2024) *Pension markets in focus 2024*; RBA (2025) *Exchange rates*; SMC (2025) *Global pension rankings*; Mandala analysis.

Failure to capture domestic investment has contributed to Australia's declining position as a financial centre

Australia was once a leader in global financial markets. The Australian Securities Exchange (ASX) was one of the first exchanges in the world to adopt a fully electronic clearing and settlement system in the 1990s.

Global markets have since caught up and started to outpace Australia. For example, the London Stock Exchange (LSE) established an Alternative Investment Market (AIM) in the late 1990s to help smaller companies raise capital and access liquidity through public markets with a lower regulatory burden.

As global markets have continued to innovate, Australia has fallen behind. Australian cities are declining in importance as global financial centres. From 2010 to 2025, Sydney fell by 20 places and Melbourne by 5 places on the Global Financial Centres Index.

Exhibit 3: Ranking of Australian cities on the Global Financial Centres Index

Index ranking, 2010 and 2025

Rank	2010		2025
1	London		New York
2	New York		London
3	Hong Kong		Hong Kong
4	Singapore		Singapore
5	Tokyo		San Francisco
6	Shanghai		Chicago
7	Chicago		Los Angeles
8	Zurich		Shanghai
9	Geneva		Shenzhen
10	Sydney		Seoul
...	...		...
21	Vancouver	-20	Zurich
22	Jersey		Tokyo
23	Melbourne	-5	Toronto
24	Seoul		Busan
25	Montreal		Jersey
26	Guernsey		Miami
27	Munich		Montreal
28	Dubai		Melbourne
29	Dublin		Edinburgh
30	Osaka		Sydney

Source: Mark Yeandle, Jeremy Horne, Nick Danev, Ben Morris and Richard Leeds (2010) *The Global Financial Centres Index* 8; Mike Wardle, Professor Michael Mainelli (2025) *The Global Financial Centres Index* 37; Mandala analysis.

To regain competitiveness, Australian capital markets need to provide efficient capital raising and adequate liquidity for firms of different sizes

Exhibit 4: Australia's capital markets

	Efficient capital raising	Adequate liquidity
Large caps	▪ Large caps often seek to raise large amounts to finance major projects such as expansions or acquisitions ▪ Efficient capital raising allows large cap firms to respond to market stress as it enables companies to raise capital quickly ▪ Large firms seek to maintain their competitive position and require ongoing capital to ensure long-term growth. Even established companies require regular infusions of capital to expand operations, develop new product and make acquisitions	▪ Need adequate liquidity for many large/institutional investors, and to support price discovery ▪ Sufficient liquidity can help mitigate market concentration risks by supporting overall market functioning and stability ▪ Superannuation funds and large institutional investors are heavily invested in large cap firms, so liquidity allows them to change their position without causing marker disruption
Small caps	▪ Small cap firms often operate in limited funding and require efficient capital raising to effectively execute employee share schemes ▪ There are limited alternative opportunities for smaller cap firms so efficient capital raising is critical to explore early-stage growth opportunities ▪ High administrative, compliance and direct costs reduce the efficiency of capital raising	▪ Need liquidity to provide founders/early investors with exit strategy outside of merges and acquisitions ▪ Improved liquidity can lead to lower cost of capital for small cap firms who typically face higher financing costs ▪ Liquidity is crucial for creating investor confidence in small cap stocks

Source: Mandala analysis.



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Businesses can choose to raise funds through traditional public and private markets, and alternative market options

Exhibit 5: Key features of traditional and alternative markets in Australia

	Key features	Examples
Traditional public markets	▪ Widely accessible to diverse investors (e.g., superannuation funds, asset managers (through exchange traded funds (ETFs)) and retail investors) ▪ Typically provides capital to large, mature businesses ▪ Offers high standards of governance and transparency	▪ Australian Securities Exchange (ASX) ▪ Cboe Australia ▪ Smaller exchanges (e.g., NSX,¹ SSX²)
Traditional private markets	▪ Diverse range of investors support the private capital market including superannuation funds, private equity firms, and high-net worth individuals ▪ Often supports emerging and growing firms (e.g., through venture capital) and large and growing firms (e.g., through private equity). ▪ Provides limited liquidity to investors due to the smaller buyer market and the longer time taken to make investment decisions (given the higher perceived risks, lower transparency requirements of private firms and price valuation uncertainty).	▪ Private equity ▪ Venture capital ▪ Private credit ▪ Real estate and infrastructure ▪ OTC markets ▪ Unlisted funds
Alternative markets	▪ Provides an opportunity to leverage newer technologies (e.g., distributed ledger technology) to support timely and transparent trading ▪ Tokenisation is an emerging form of trading within private markets which involves digitising assets. This enables fractional ownership and provides easier access to capital. ▪ Other alternatives include private capital raising for unlisted businesses and trading hubs to provide liquidity to shareholders	▪ Tokenised platforms for private capital (e.g., FCX)

1. National Stock Exchange of Australia.

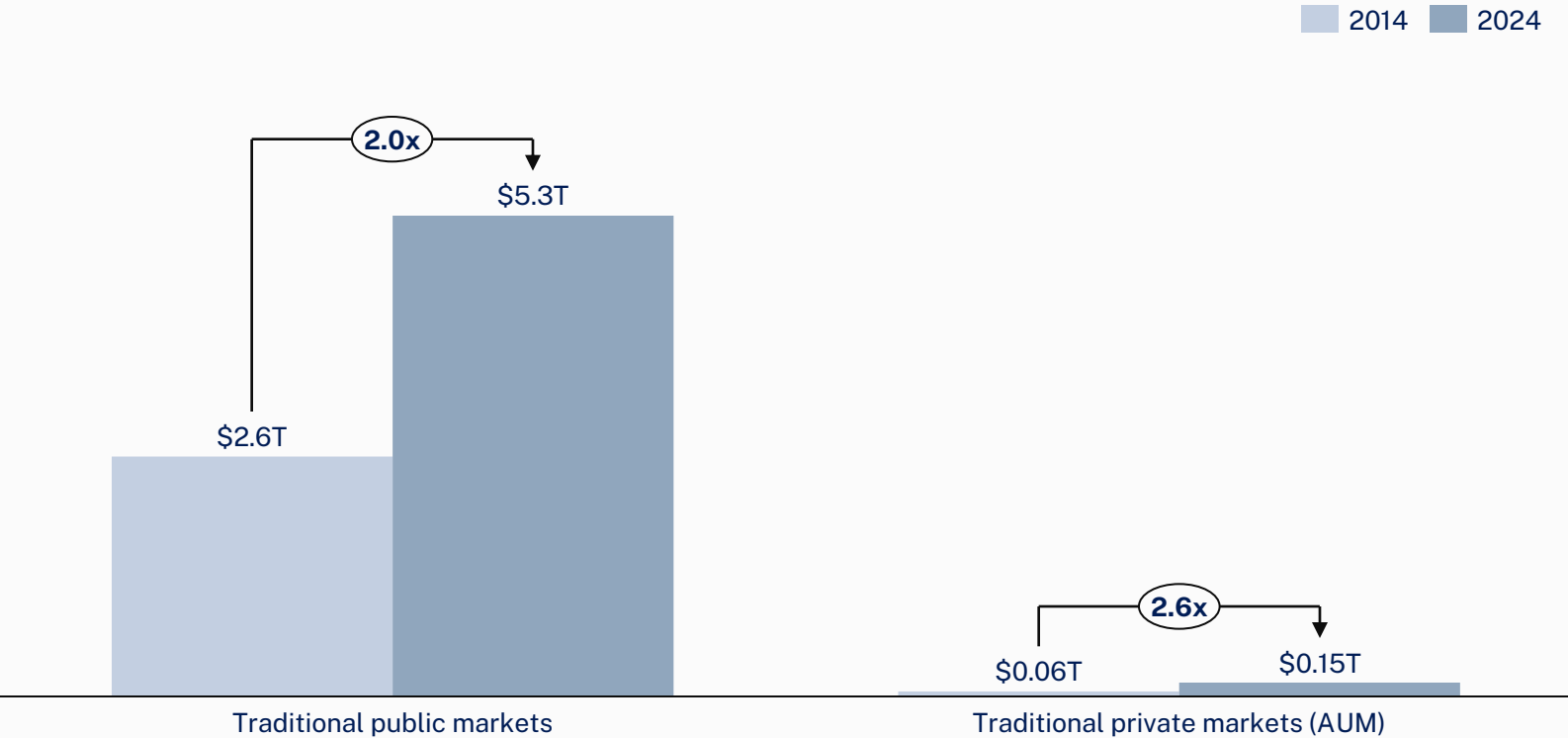
2. Sydney Stock Exchange.

Source: RBA (2024) *The Private Equity Market in Australia*; ASIC (2025) *Evaluating the state of the Australian public equity market: Evidence from data and academic literature*; RBA (2023) *A Tokenised Future for the Australian Financial System?*; FinClear (2022) *OZ Clearing Firm Finclear Launches FCX Blockchain for Unlisted Stocks*; ASIC (2025) *Australia’s evolving capital markets*; Mandala analysis.

Public markets are the dominant source of capital fundraising in Australia while private and alternative markets are growing in prominence

Exhibit 6: Value of traditional public and private markets in Australia

AU\$ trillions, 2014 and 2024



- **Alternative asset markets** are expected to grow in Australia and globally.
- For example, as Australia’s only tokenised securities market, FCX holds **over \$2 billion of tokenised real-world assets**.¹
- Globally, tokenised market capitalisation could reach about **US\$2 trillion by 2030** with a compound annual growth of 75 per cent from 2024 to 2030.²

1. FinClear (2025) Public and private – It’s about consistent regulatory / investor protections and world leading infrastructure.
2. McKinsey & Company (2024) From ripples to waves: The transformational power of tokenising assets.
Source: ASIC (2025) Evaluating the state of the Australian public equity market: Evidence from data and academic literature; RBA (2023) A Tokenised Future for the Australian Financial System?; ASIC (2025) Australia’s evolving capital markets; Mandala analysis.

However, fewer companies are turning to Australia’s public market, with listings at its lowest in recent years

The rate of new listings in public markets is in decline. In 2024, only 29 companies went public — an 85 per cent decrease from 2021 levels. From 2014 to 2024, the value of equity raised in IPOs has declined by over 80 per cent. This decline was largely driven by a decline in small cap IPOs, which have accounted for over 70 per cent of all IPOs since 2018. Among small caps, there has been a 92 per cent reduction in the number of IPOs since 2021.

The fall in small caps listing on the ASX reflects a growing reality that Australian public markets are not well-suited to the needs of small caps. For example, Evans and Partners chose to delist from the ASX, noting:

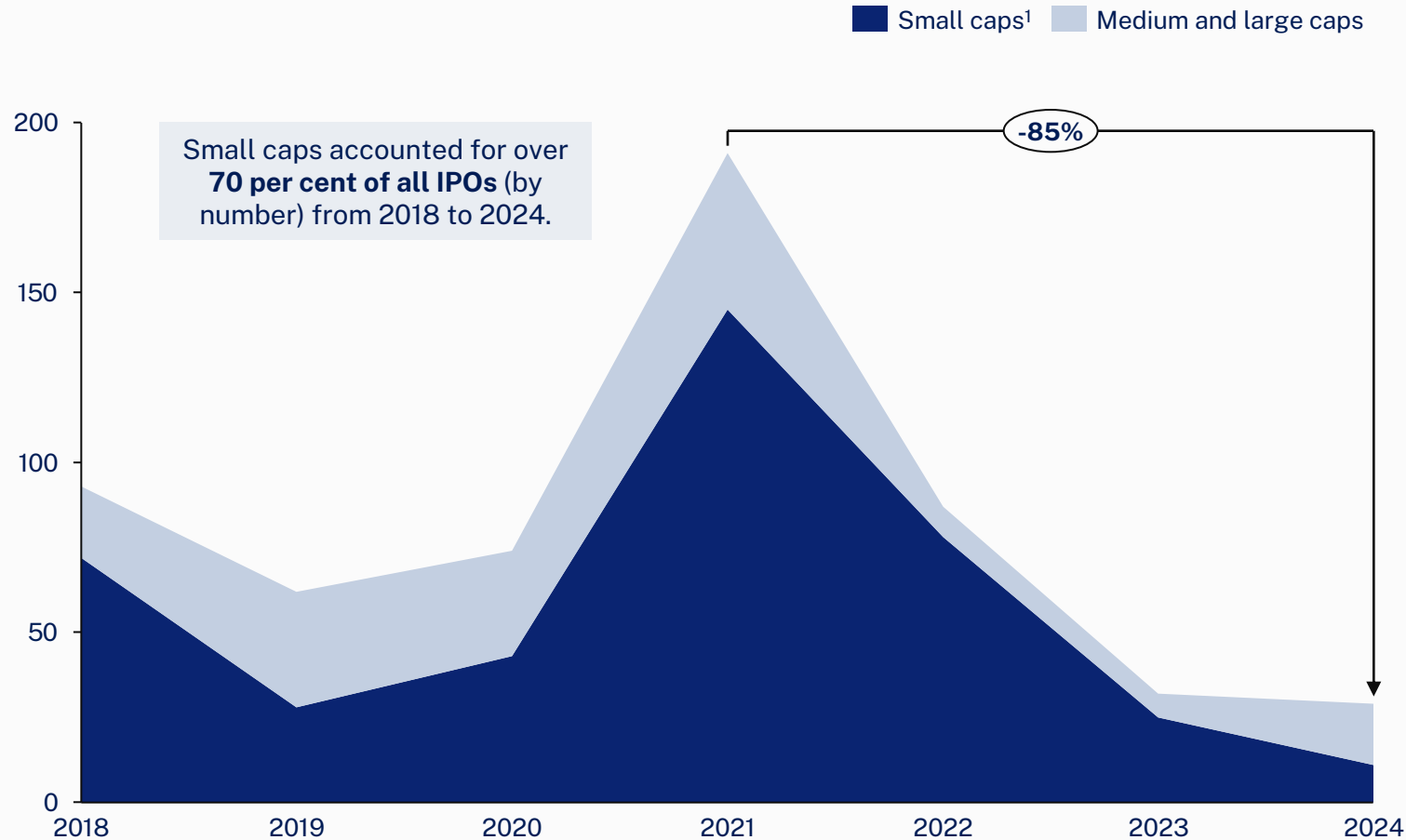
“Shares are... **highly illiquid**, making it challenging for new investors to join the register and for existing shareholders to realise value for their shares...

The **ongoing administrative, compliance and direct costs** associated with maintaining the listing of the Company’s shares on the ASX are **disproportionate to the benefit** obtained by remaining list.”

Source: ASIC (2025) *Australia’s evolving capital markets*; HLB Mann Judd Advisory and Accounting (2025) *IPO Watch Australia*; Professional Planner (2024) *E&P shareholders vote in favour of ASX delisting*; Mandala analysis.

Exhibit 7: IPOs on the ASX

Annual number of companies undertaking an IPO, 2018 – 2024



Note: Certain listings excluded including exchange traded funds, backdoor listing and secondary listings with no new capital raised.

1. Small cap stocks defined as those with a market capitalisation of \$100 million or less
Source: HLB Mann Judd Advisory and Accounting (2025) *IPO Watch Australia*; Mandala analysis.

This reflects an asymmetric reality: public markets provide liquidity to large caps, but not always for small caps

Large cap firms consistently maintain robust liquidity in public markets, while small cap companies struggle, often seeing activity concentrated around isolated events.

Among ASX200 securities, 82 per cent achieved annual trade values exceeding 0.25x of their market cap, compared to just 50 per cent for non-ASX200 securities. This pattern persists across various market cap ratio measurements, demonstrating substantially stronger liquidity for Australia's larger publicly listed companies.

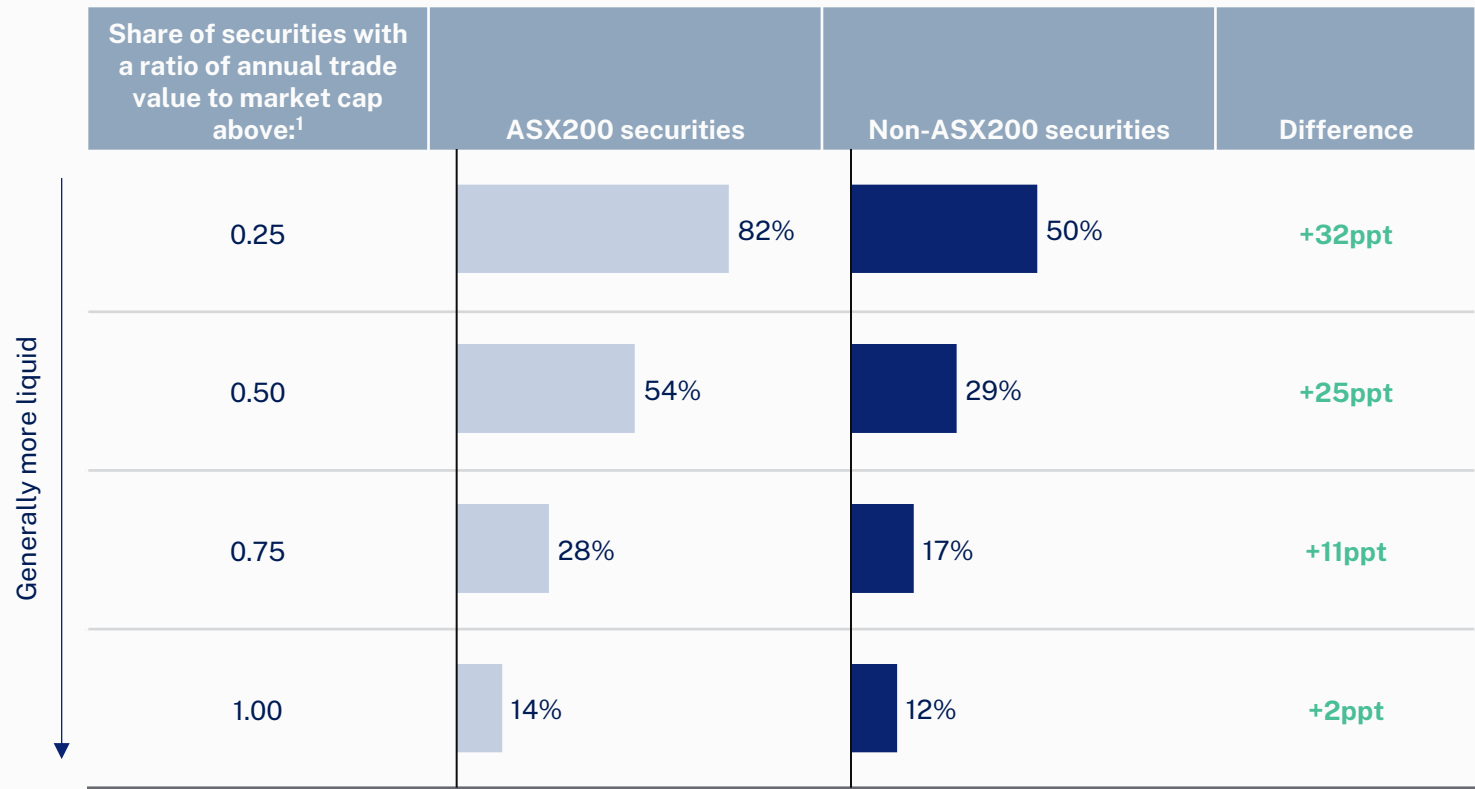
Several factors likely contribute to this liquidity gap:

- Limited institutional and superannuation fund investment
- Insufficient trading volume and expanded bid-ask spreads
- Reduced analyst coverage and data accessibility

This structural liquidity disparity creates a fundamentally different risk profile for small cap stocks themselves. The concentrated trading around specific events exposes these companies to greater price volatility, and higher costs of capital during periods of market stress. This event-driven liquidity pattern ultimately contributes to the higher risk premium associated with the small cap segment.

Exhibit 8: Ratio of annual trade value to market cap for ASX-listed securities

% of ASX-listed securities, 2024



Many small caps with higher trade volumes reflect one-off trade events rather than sustained day-to-day liquidity (see next page)

1. Daily trade value is calculated as daily trade volume multiplied by the daily close price. Excludes all stocks currently suspended or not traded over 2024. Source: Yahoo Finance (2025); Mandala analysis.

Small cap liquidity is typically driven by price-sensitive events, while large caps enjoy more consistent trading

Small caps with higher trade volumes often reflect one-off trade events rather than sustained liquidity. Trade volume data from the ASX in 2024 shows that 11 per cent of non-ASX200 securities had at least one day where trade volume that was over 20 per cent of the total trade volume for the year, compared to only 1 per cent of ASX200 securities.

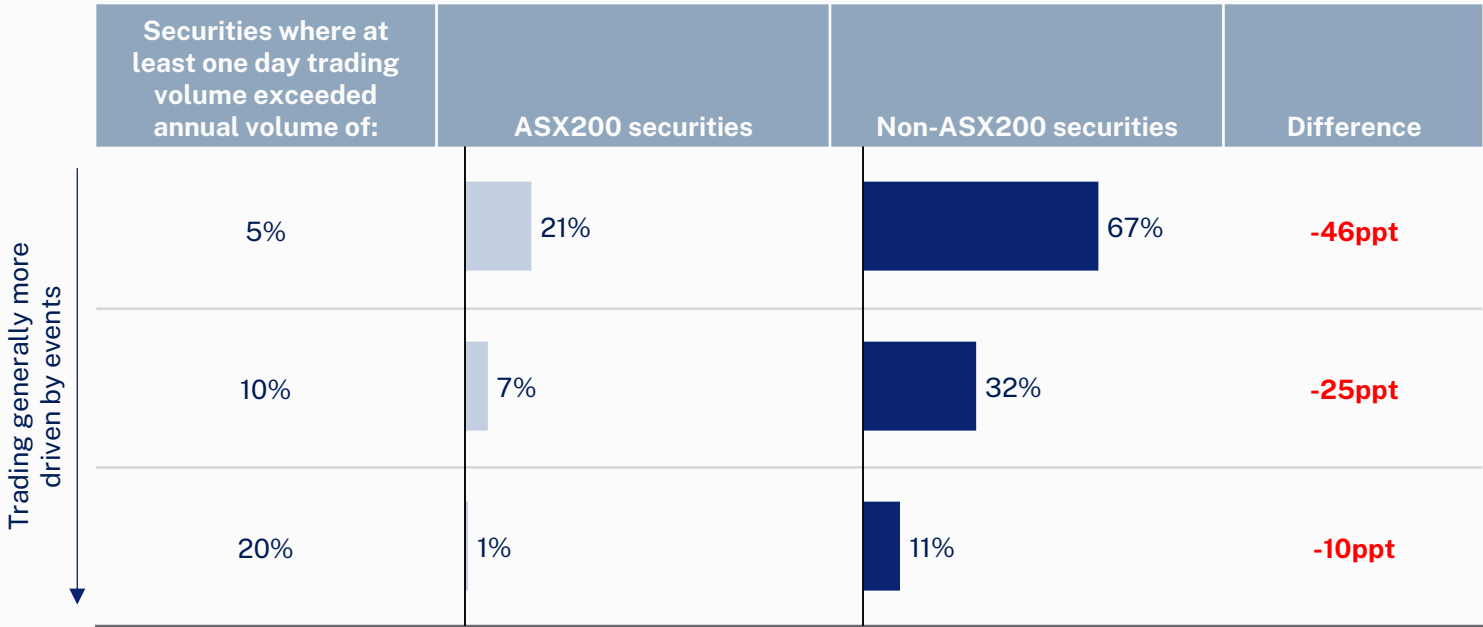
Event-based trading significantly amplifies volatility in the small cap market, creating risk and opportunity due to information asymmetry. While large caps typically weather market disruptions with moderate volatility, small caps can experience severe price dislocations during sentiment shifts.

The events that trigger these large spikes in trading volumes typically fall into one of these categories:

- Project discovery / results
- Capital raising
- Regulatory approval
- Partnership / contract
- Management change

Exhibit 9: Daily trade volume concentration for ASX-listed securities

% of ASX-listed securities by size (ASX200 vs non-ASX200), 2024



Small cap securities experience highly concentrated trading driven by specific events, while large cap securities benefit from more consistent liquidity patterns.

Note: Excludes all stocks currently suspended or not traded over 2024.
Source: Yahoo Finance (2025); Mandala analysis.

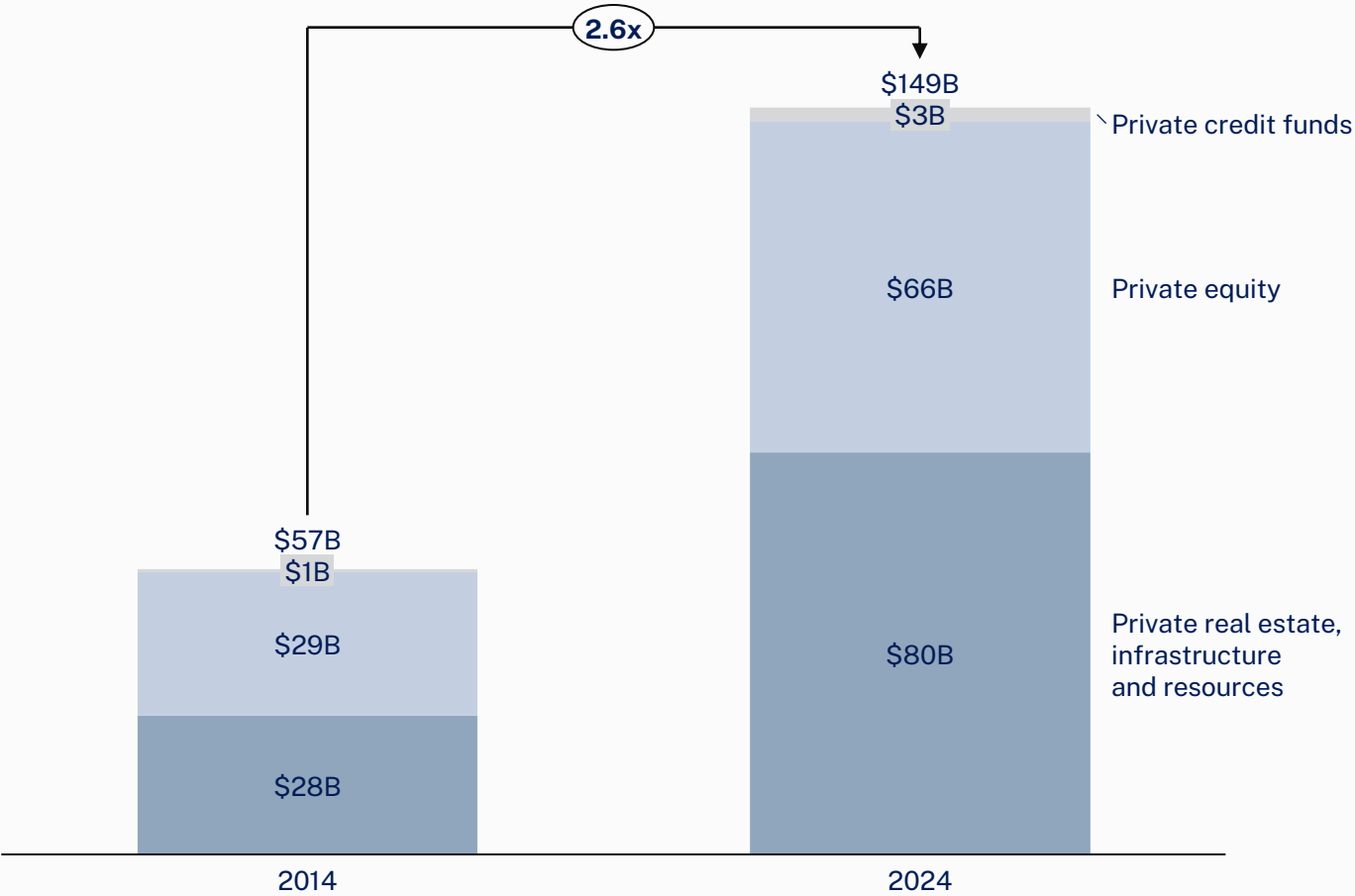
In response, smaller cap firms are increasingly contributing to the growth in Australia's private markets

Smaller firms are increasingly choosing to remain in traditional private markets, rather than transitioning to public markets as their capital needs grow. Many of these firms are trading off the benefits of greater liquidity and access to deeper pools of capital that come with public markets, for the lower administrative, compliance and direct costs of private markets.

This has driven strong growth in Australian private markets, which have seen a 2.6x increase in assets under management over the decade to 2024.

Exhibit 10: Assets under management in Australia’s private market

AU\$ billions, 2014 and 2024



Source: ASIC (2025) Australia’s evolving capital markets; Mandala analysis.

Private markets lack the liquidity benefits that public markets provide

While small cap firms are increasingly accessing capital through private markets, they do not currently provide access to good liquidity for three key reasons:

- **Smaller market size:** There are fewer buyers and sellers in the private market overall. If an investor or firm wishes to sell shares, it takes longer to find a willing buyer than public markets (where investors can trade daily). This is exacerbated by the nature of small cap firms. Among small cap firms, capital raised is events-based. If investors want to sell their shares outside of an event, it is difficult to find willing buyers without significantly lowering the price.
- **Higher risk and low transparency:** Investment decisions can take longer given the perceived higher risk of investing in small and emerging firms and the limited disclosure requirements. Investors will often need more time to conduct their due diligence before investing in a firm.
- **Price valuation uncertainty:** Without access to public market valuation, time is required to negotiate the value of shares in the private market. This has become increasingly more difficult with the rise of firms with intangible assets.

Source: ASIC (2025) *Australia's evolving capital markets*; ASIC (2025) *Evaluating the state of the Australian public equity market: Evidence from data and academic literature*.

Exhibit 11: Liquidity options in traditional private and public markets

Less liquid More liquid			
Liquidity options	2024 volume in Australia	Standard time taken to sell capital/ raise funds	Typical holding period
Public Market			
ASX	32 million trades during December 2024	Daily	~6 months (though this varies substantially across different investors)
Private Markets			
Private equity fundraising	37 funds closed	12 – 18 months	~5-7 years
Venture capital fundraising	12 funds closed	12 - 18 months	7-10 years
Equity buyout deal	116 buyout deals	~8 months	N/A
Venture capital deals	260 deals	~6 months	N/A

Source: ASX (2025) Trading volumes; Hamilton Locke (2022) Public companies in Australia; Prequin (2024) A Prequin and Australian Investment Council Yearbook 2024; Buyouts (2025) Private equity fundraising timelines hit a record 19 month in 2024; CFI (2025) Private Equity Transaction Timeline; S&P Global (2025) Private equity exit value falls to 5-year low; Mandala analysis.

Compared to traditional public and private markets, alternative markets can be more tailored to the capital raising and liquidity needs of small caps

Exhibit 12: Alignment of capital market options with the needs of small caps

	Efficient capital raising		Adequate liquidity
	Access to capital	Administrative and compliance simplicity	
Traditional public market	High - Access to capital through IPOs, secondary market offerings and events-based trading - Diverse range of investors (e.g., institutional investors, super funds, retail investors, etc.) - Growth of small caps on ASX not a priority as majority of revenue comes from large caps	Low For smaller cap firms, the costs outweigh the benefits of going public given the regulatory burden and the disclosure costs	Low to medium - With market concentration and ETFs favouring larger caps on ETFs, lower caps experience lower daily trading volumes - Events-based nature of smaller firms means that trading is also unlikely to occur at other times
Traditional private market	High Growing capital source for small cap firms with diverse range of investors (e.g., superannuation funds, private equity firms, investors specialised in specific sectors)	High Simplified disclosure requirements. Considerations being made about disclosure requirements of larger private companies (given growth in the private market sector)	Low - Significant time is required to raise and exit funds - Smaller pool of investors available to buy/sell shares given the higher perceived risk and low transparency of private firms
Alternative markets	High - Growing capital source for firms in Australia (e.g., FCX) - Opportunity to use ETFs for smaller cap firms to diversify sources of capital	High - Opportunity to access markets that meet specific needs of firms at a lower cost than going public - Alternative markets that use tokenisation are likely to realise cost savings due to its efficient nature	High - Opportunity to grow and educate pool of investors on benefits of trading more frequently on smaller cap firms - Opportunity to leverage new technologies (such as tokenisation) to make trading easier and more frequent

Source: ASIC (2025) *Evaluating the state of the Australian public equity market: Evidence from data and academic literature*; Mandala analysis.



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Legacy infrastructure is hamstrung in its ability to solve for the needs of small cap firms

Ageing technology poses significant risk to small cap firms due to increased risk around trading volumes and settlement times. Largely, the increased risks concerning ageing systems add further pressure to the key barriers for small caps being publicly listed – increased risks are likely to see a reduction in the depth of investors.

Most notably, limited processing capacity during market volatility has the potential to lead to trading delays and system outage risks which could see further reductions in trading of small cap securities.

Additionally, increased settlement time poses a considerable risk as it places further strain on the already narrow pool of potential investors. For founders/early investors with a large ownership stake looking to exit, the increased settlement time could have significant impact on the financial health of small cap firms as they manage the challenges of matching with buyers.

Restricted capabilities for data extraction and analysis could potentially reduce market transparency and increase costs for investors. This would further restrict the investor depth for small cap securities.

Exhibit 13: The impact of legacy system to small cap securities

	Detail	Impact on small caps	Impact size
1 Processing capacity	Limited ability to handle high transaction volumes, especially during market volatility	Trading delays, extended processing times during peak periods, and potential for system outages reducing liquidity	
2 Settlement time	Current settlement time for public listed companies is T+2. Alternative markets and global competitors can offer T+0.	Increased risk to find market match and complete settlement. A particular concern for major shareholders looking to exit.	
3 Data access	Restricted capabilities for data extraction, analysis, and reporting	Reduced market transparency and higher costs for insights adding to investor expectations of liquidity premiums	
4 Regulatory compliance	Difficulty implementing new regulatory requirements due to inflexible architecture	Increased compliance burden on market participants	
5 Global competitiveness	Falls behind capabilities offered by other international exchanges	Potential for reduced international investment and capital flows	

Source: ASX (2023) ASX CHESS Special Report; Mandala analysis.

Innovative approaches like tokenised securities trading platforms can help bridge the public-private divide

Tokenised assets refer to real-world assets that are assigned an immutable digital token, which are then recorded on a distributed ledger as the ‘record of ownership’ for the asset. These tokens can be traded and settled in a secure and transparent manner using DLT.

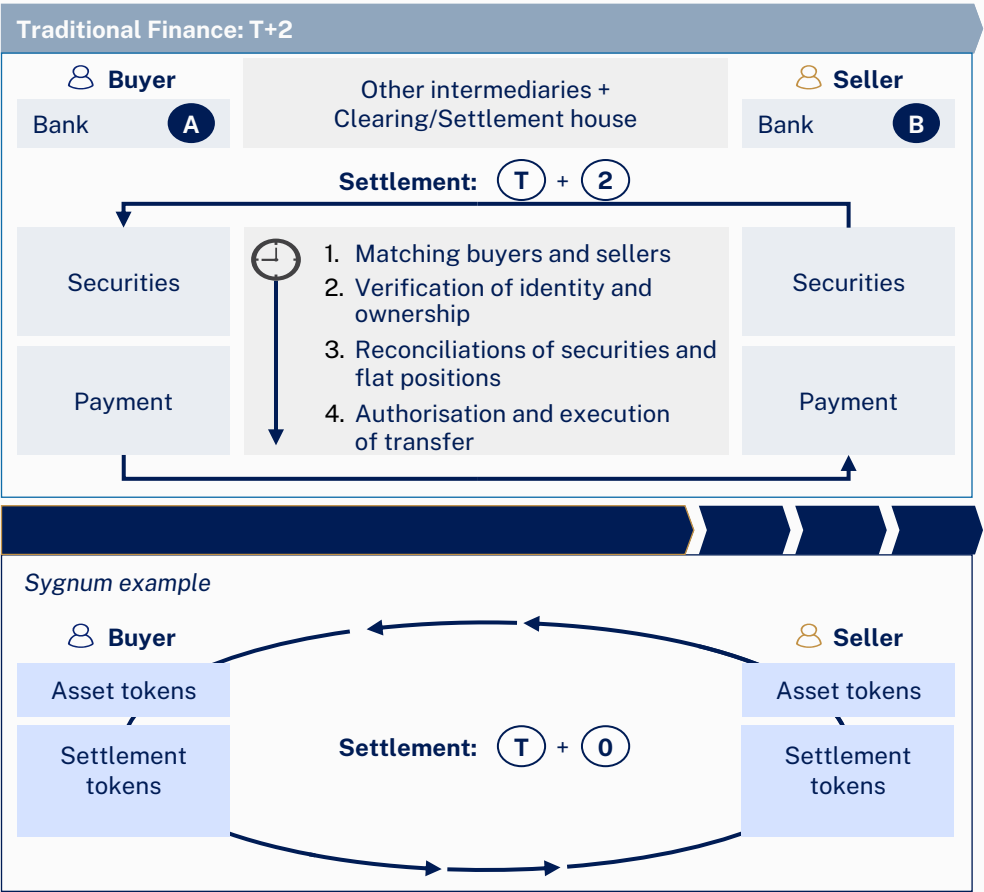
Tokenisation of company equity offers substantial benefits including improving liquidity, transparency, and auditability, while simultaneously reducing settlement time and cost, and removing intermediaries.

This innovation could enable continuous trading environments and enable programmability of financial asset trading. For smaller firms in particular, these advancements may address the persistent liquidity challenges in public markets while improving transparency in private market transactions.

The implementation of tokenisation could significantly reduce capital costs in Australian markets by lowering liquidity premiums, potentially generating savings of up to \$13 billion annually for issuers.¹ These benefits would be realised through:

- Expanded market accessibility and democratisation
- Strengthened transparency and governance mechanisms
- Improved operational efficiency and liquidity
- Progressive regulatory innovation and oversight

Exhibit 14: Illustration of tradition trading to tokenised trading settlement processes



1. RBA (2023) A Tokenised Future for the Australian Financial System?
2. F10 is a global FinTech and InsurTech Innovation Ecosystem; Aequitec is a digital share register and cap table company.
Source: Gregory Hogan (2018) Canadian tokenized securities trading platform announced; SIX (2022) SIX Digital Exchange successfully tokenizes private shares on its regulated blockchain-based Central Securities Depository in partnership with F10 and Aequitec; Sygnum (2020) Settlement tokens and their role in a tokenized ecosystem; Mandala analysis.

International examples of where this has been successfully implemented



- Switzerland’s SIX Digital Exchange (SDX) announced in 2022 the **first-ever tokenisation of equity shares in a fully regulated CSD based on DLT** in partnership with F10 and Aequitec²



- Canadian Securities Exchange (CSE) has announced a proposed securities clearing and settlement platform which enables companies to issue conventional equity and debt through **tokenised securities**

Other global markets have had success in solving these liquidity challenges for small cap firms

The global financial landscape has evolved to address the persistent challenge of liquidity for small capitalisation stocks through various specialised alternative markets. These markets represent strategic responses to the unique economic and regulatory environments, each implementing distinct mechanisms to enhance trading activity, attract investors, and create sustainable ecosystems for smaller companies.

Australia stands to gain valuable insights from international alternative market models to enhance its small cap ecosystem. From the global examples provided, adopting the UK's dedicated market maker system and targeted tax incentives for investors, along with implementing Canada's sector-specific exchange mechanisms with clear graduation pathways between junior and main boards, Australia could significantly improve small cap liquidity. The UK is also currently developing an exchange for privately traded securities.

Additionally, incorporating elements of the US pre-IPO trading model to bridge private and public markets, while implementing Singapore's mandatory market making requirements in challenging sectors, would create a more robust foundation for growth companies.

Exhibit 15: Global examples of alternative markets addressing liquidity

Country	Alternative market	Approach to Addressing Liquidity for Small Cap Stocks	Market issue addressed
	AIM: Alternative Investment Market	▪ Dedicated market maker system for each stock ▪ Nomad (Nominated Adviser) requirement ensures ongoing support ▪ Tax incentives (Enterprise Investment Scheme) for investors	▪ High trading volumes relative to company size
	PISCES – in development	▪ Private intermittent securities and capital exchange system ▪ View to provide a marketplace and liquidity for companies pre-IPO	▪ Exchange for private securities
	TSX Venture Exchange and TSX Capital Pool Program	▪ Specialized exchange focused on resource exploration ▪ Capital Pool Companies to facilitate reverse takeovers ▪ Clear graduation path to main TSE board	▪ Strong sector-specific ecosystem with enhanced liquidity
	NASDAQ private market and Forge Global	▪ Focus on pre-IPO trading rather than small public companies ▪ Limited to accredited investors ▪ Periodic liquidity windows rather than continuous trading	▪ Transaction-based rather than continuous market
	SGX Catalist and REIT market (Real Estate Investment Trust)	▪ Mandatory market makers for Catalist listings ▪ Strong liquidity in REITs but mixed in other sectors ▪ Active promotion to expand investor base	▪ Increased liquidity in specific segments

Source: Mandala analysis.



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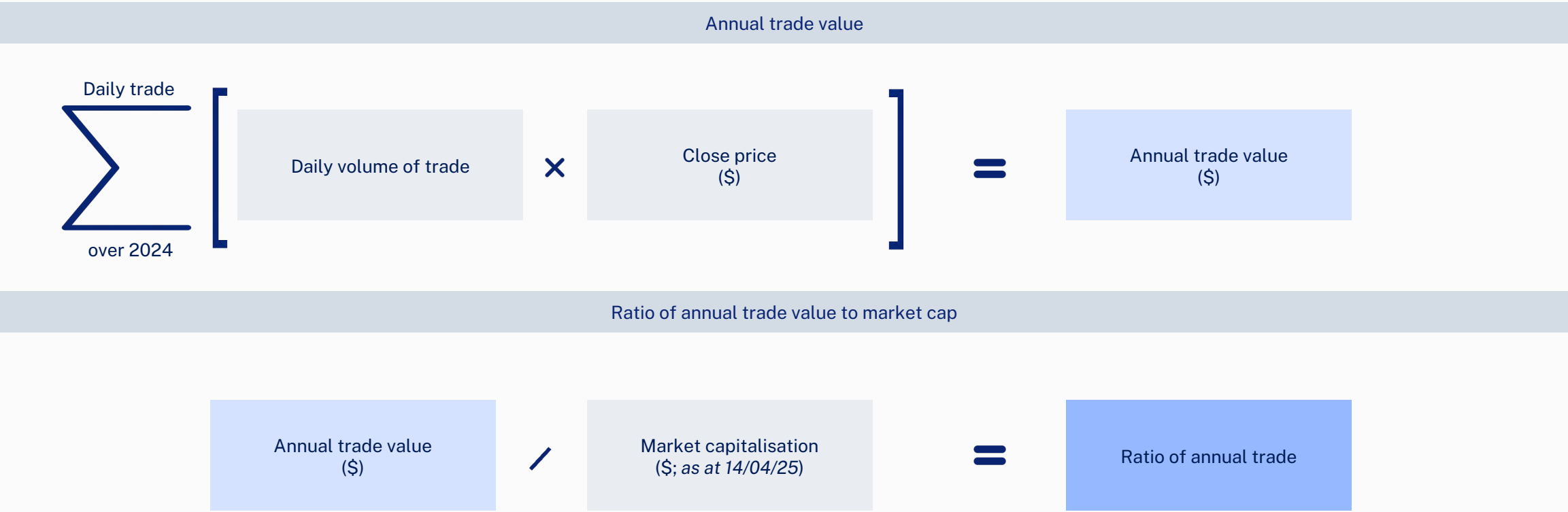
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Appendix

We used daily trade data to estimate the ratio of annual trade value to market cap for ASX-listed securities

Exhibit A1: Methodology to calculate ratio of annual trade value

Units as described



Note: Excludes all stocks currently suspended or not traded during 2024.
Source: Yahoo Finance; Mandala analysis.



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