

MARKET ANNOUNCEMENT

Date:	28 April 2016
To:	Australian Securities Exchange
Subject:	Investor and Analyst Briefing 2016

Attached are the materials that are being presented to investors and analysts today at Computershare's annual business briefing session.

A copy of these materials will also be posted on the Computershare website (www.computershare.com.au).

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About Computershare Limited (CPU)

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust, mortgage, bankruptcy, class action and utility administration, and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 15,000 employees worldwide.

For more information, visit www.computershare.com

MARKET ANNOUNCEMENT

Investor Day

Stuart Irving
CEO and President
Computershare Limited



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Welcome

Format for today

10.00 – 10.15	CEO Welcome
10.15 – 11.30	Loan Services session
11.40 – 12.20	Stream sessions Presentation and Q&A - Employee Share Plans and Innovation - Investor Services and Technology
12.25 – 12.55	Lunch
1.00 – 1.40	Stream sessions Presentation and Q&A - Employee Share Plans and Innovation - Investor Services and Technology
1.50 – 2.50	Blockchain
2.50 – 3.20	Closing remarks and Q&A

FY16 Guidance

- › In February 2016 we said that we expected the Group's Management EPS would be around 7.5% lower than FY15 and that we were seeing some softening in the operating environment.
- › We now have greater clarity on FY16 and reiterate our guidance that Management EPS is expected to be around 7.5% lower than FY15.
- › Our guidance assumes no material change to current market conditions for the balance of the fiscal year and that any contributions from the Capital Markets Cooperative LLC acquisition and the potential UKAR appointment will be immaterial in FY16.

Company overview

A leading global provider of administration services in our selected markets

Who we are

- › Global market leader in transfer agency and share registration, employee equity plan administration, proxy solicitation and stakeholder communications
- › Also specialise in mortgage servicing, corporate trust, bankruptcy, class action administration and a range of other business services

Our capabilities

- › Renowned for our expertise in high integrity data management, high volume transaction processing, reconciliation, payments and stakeholder communications
- › Many of the world's leading organisations use Computershare's services to streamline and maximise the value of relationships with their investors, employees, customers and other stakeholders

Our strategy and model

- › Our strategy is to be the leading provider of services in our selected markets by leveraging our core competencies to deliver outstanding client outcomes from engaged staff
- › We focus on new products and services to reinforce market leadership in established markets and invest in technology and innovation to deliver productivity gains and improve cost outcomes
- › We have a combination of annuity and activity based revenue streams, strong free cash flow and ROIC > WACC

Growth drivers

- › Leverage to rising interest rates on client balances, corporate action and equity market activity
- › Investment in mortgage servicing and employee share plans to drive growth and improved returns
- › Emerging trend of new non-share registry outsourcing due to rising compliance, technology complexity and requirement for efficient processing, payments and reconciliations

Computershare core principles



Update on current initiatives

Capital Markets Cooperative

- › The Capital Markets Cooperative acquisition that we announced in January 2016 is expected to close imminently as we complete the regulatory approval process.

UKAR

- › We continue to work through the contract process with UKAR as the preferred supplier. We have made significant progress. It is a large and complex transaction. We expect to be in a position to advise the outcome shortly.

Capital Management

- › Post conclusion of the UKAR process we expect to recommence our buyback (currently suspended for governance reasons).
- › Reviewing our real estate assets as part of our ongoing focus to optimize our balance sheet and recycle capital to drive enhanced returns, with plans to sell and lease back our global headquarters.

Key messages for today

US Loan Services

- › Attractive industry that we know well where we can leverage our core strengths and existing platform. We have a growth strategy that over the medium term is expected to deliver profitable growth, strong free cash flow and enhanced returns. Today we supply education materials on this business, additional financial disclosure and our risk management approach.

Registry and Technology

- › Registry is a strong, stable and consistent business with leverage to corporate actions. Our investment in technology is aimed at driving innovation, new product development and productivity gains.

Key messages for today

Employee Share Plans

- › Equity based compensation continues to be a key element of global remuneration. While there are some short term challenges, long term structural growth remains intact. We bring scale and deep expertise to this market and we are transforming the business to improve customer and productivity outcomes.

Blockchain

- › Blockchain is interesting and potentially offers significant cost savings across the post trade environment. For adoption, it will require broad capital markets' and central banks' support. Computershare is well placed. We have developed a deep understanding and see more opportunities than threats. In our judgment, our role as the leading global issuer agent will endure. We will also be joined today by subject matter expert, Peter Randall, CEO, SETL.



US LOAN SERVICES

APRIL 2016

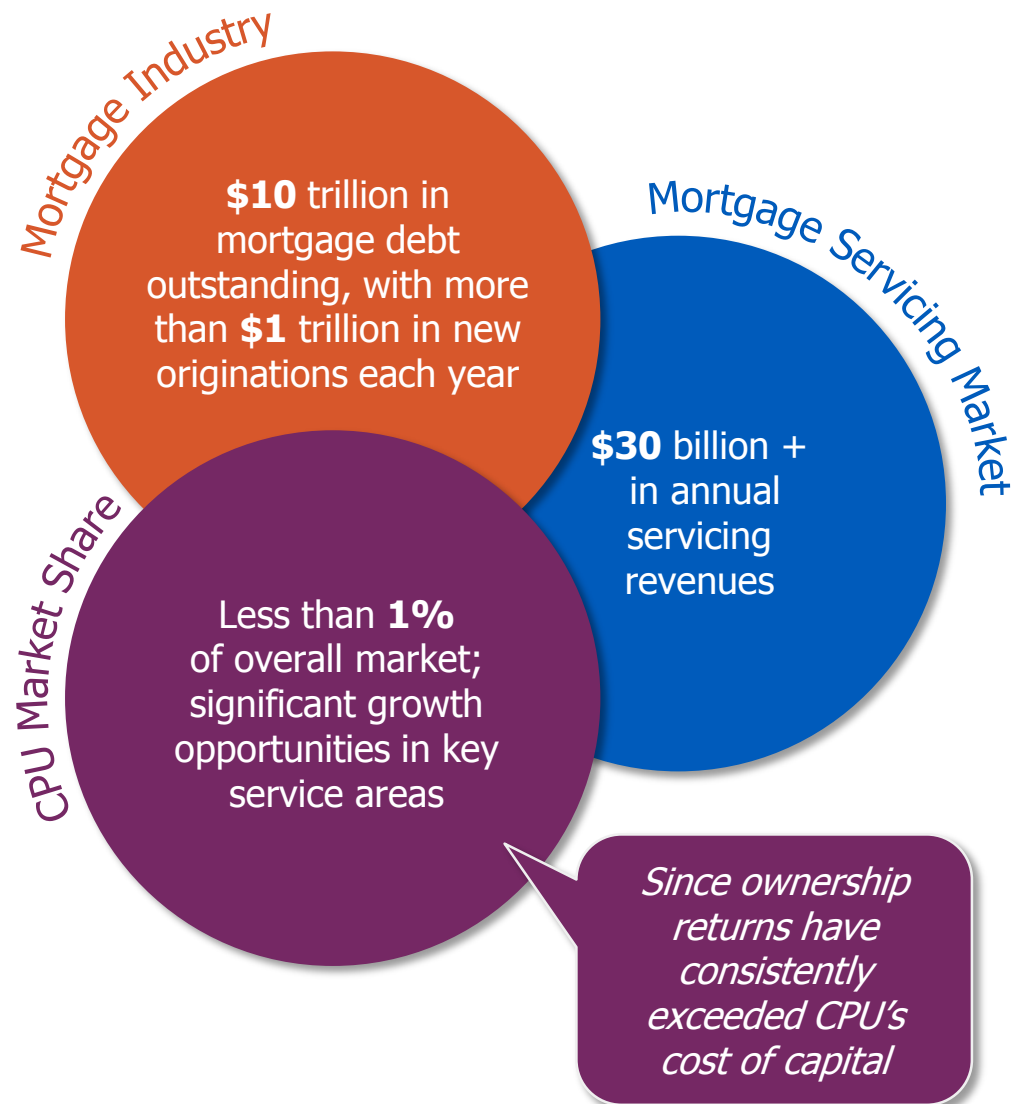
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US Mortgage Servicing Market



U.S. Mortgage Servicing Recap

What is Mortgage Servicing

The management and administration of mortgage loans and adherence with loan documents and various regulatory requirements. It includes:

- › Billing, collection and processing of payments
- › Management of customer enquiries
- › Monitoring of tax and insurance
- › Management of client bank accounts
- › Managing loan modification process as alternatives to foreclosure
- › Supervising foreclosure, bankruptcy and property dispositions

Types of Mortgage Servicing

Mortgage Servicing Rights (“MSRs”) are intangible assets that we acquire for cash and which provide the legal right to service a particular mortgage for a fee for the duration of its life. We hold these assets on our balance sheet and amortize them over 9 years.

Sub-servicing refers to a contractual relationship with the owner of a MSR or Loan, whereby the owner would appoint us to service their loan for a fee for the period of the contract. We perform sub-servicing for banks, hedge funds, bond insurers, GSE's. Sub-servicing business can be lost through a sale of the underlying MSR or loan or through a desire of the owner to change servicing provider for whatever reason. Mortgage servicing broadly covers three different type of mortgages.

Sources of Mortgage Servicing

Agency Servicing (Govt Sponsored Agencies) - Generally higher credit quality and conventional/conforming loans.

- › Low risk of default
- › Low cost to service and minimal servicing advance requirements
- › Low servicing and subservicing fees
- › Acquisition of mortgage servicing rights (MSRs) have a higher value or multiples of servicing fees
- › Results in less risk or discount rate or return requirements

Private Securitizations – Generally lower credit quality and/or higher loan-to-value non-conventional/non-conforming loans.

- › Higher risk of default
- › Higher cost to service and increased advance requirements
- › High servicing and subservicing fees with lower volumes of loans serviced
- › Acquisitions of MSRs trade at lower multiples of servicing fees

Whole Loans – Generally not securitized, and owned by a single investor, which tends to be a hedge fund or financial institution that does not have captive or affiliated servicers.

- › Whole loan portfolios can be composed of many types of loans
- › Servicing fees are generally based on the status of the loan & the servicers are often entitled to incentive fees for loss mitigation activity
- › Loan owner owns the MSRs

Mortgage Servicing Key Terms

Performing Servicing

- › Servicing of a mortgage which is less than 30 days delinquent. Typically loans that meet the criteria of the Government Sponsored Entities.

Non-Performing Servicing

- › Servicing of a mortgage that is over 30 days delinquent up to management of the foreclosure process. Typically, non-performing servicing is performed over loans subject to private securitizations.

Mortgage Servicing Rights

- › Intangible assets representing an ownership right to service the mortgage for a fee for the life of the mortgage. The owner of the MSR can either service the loan itself or appoint a sub-servicer to do so.

Servicing Advances

- › The owner of the MSR is required to fund various obligations required to protect a mortgage if the borrower is unable to do so. Advances receive a priority in any liquidation and are often financed in standalone non-recourse servicing advance facilities.

Government Sponsored Entities ("GSEs")

- › Otherwise known as Fannie Mae, Freddie Mac, Ginnie Mae that enable originators to recycle capital.
- › Buy loans from originators subject to certain lending criteria and guarantee timely payments to bondholders. MSRs created during the sale process can be either retained by originator or sold.

Private Securitizations

- › Alternatively, mortgages not sold to GSEs, are aggregated and sold as privately owned securitized pools. Third party servicers are often appointed or able to acquire the MSR pertaining to these pools of loans.

Part Owned MSRs

- › An Excess Strip Sale refers to the sale of a stream of cash flows associated with the servicing fee on a performing MSR. The seller of the servicing strip has the ability to service the mortgage.
- › An SPV deal refers to the sale of the rights to the MSR and associated servicing advances into an SPV. CPU typically takes a 20% equity stake in the SPV and performs all servicing on the loans via a sub-servicing fee for service relationship.

Addressing our strategic challenges

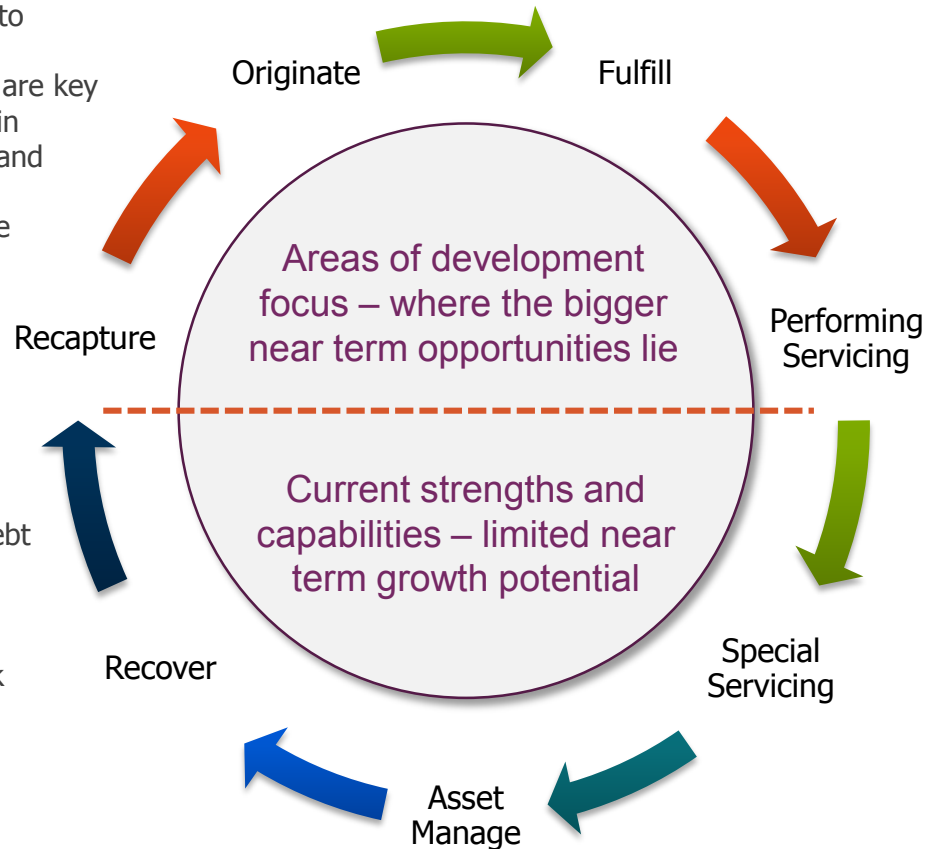
Strategic Challenge	Why we need to address	Impact of CMC
1. We need to acquire MSR in volume at the best possible price	› Drive scale › Manage run-off › Enhance RoIC	› Co-issue program provides steady flow and avoids bulk auction pricing › Provides access to new servicing opportunities earlier in cycle
2. We need to grow our sub-servicing business at a similar rate to the growth in our owned business	› Capital light › Helps drive scale efficiencies and maximises RoIC performance	› Provide multiple cross sell opportunities › Key clients are large consumers of sub-servicing business
3. We need to manage risk that legacy sub-servicing could fall away	› High concentration driven by GFC settlements › High oversight costs combined with reducing portfolio could encourage MSR owners to sell	› Expected to deliver steady replacement flow of new business › Provides access to over 200 clients and opportunity to further diversify servicing portfolio

US Mortgage Servicing Strategy

Our objective is to build a capital light servicing business able to support all parts of the mortgage cycle.

We do not nor do we intend to originate loans however partnerships with originators are key to our overall strategy, both in terms of driving new owned and sub-serviced business and in potentially directing recapture business.

Asset management (of foreclosed properties) and debt recovery are closely aligned with special servicing and an integral part of SLS' core business. Our plan is to seek to sell these services to 3rd parties.

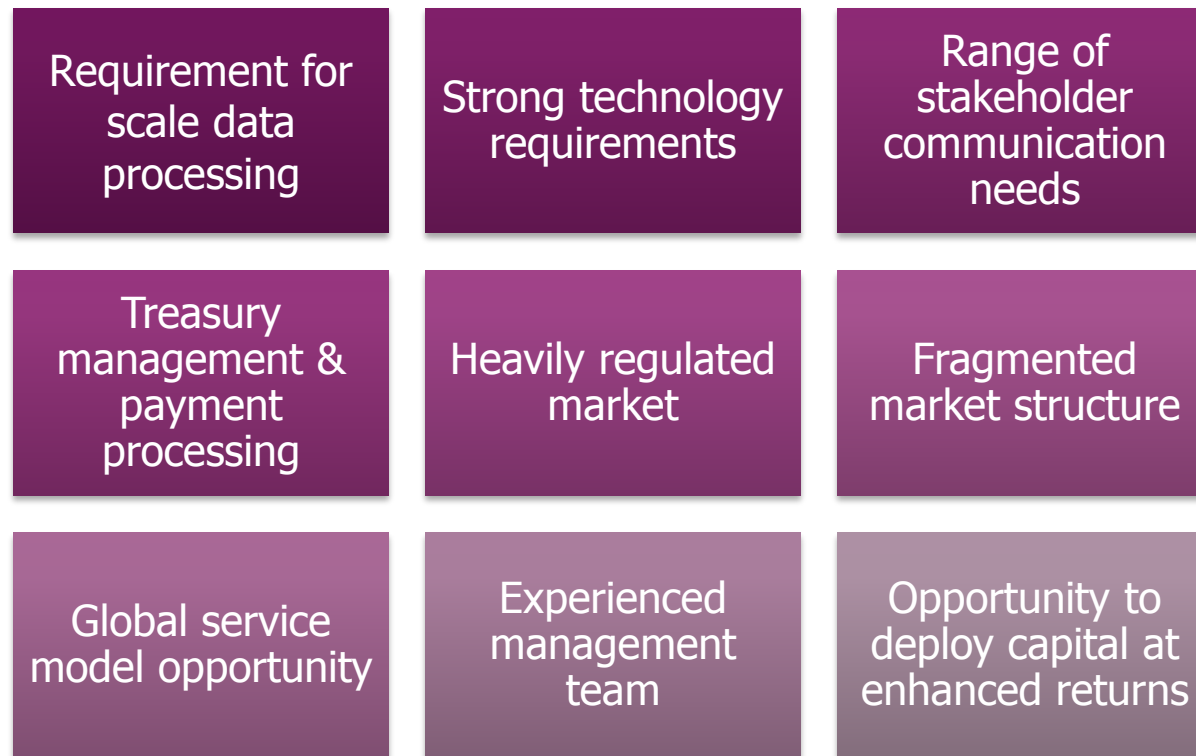


We are investing in building our fulfillment capabilities. This can be a lead in to servicing opportunities, both sub-servicing and MSR purchases. CMC Co-Issue program will help drive greater performing servicing business.

SLS' core business is special servicing. This is what drives the large compliance costs and regulatory risk, due to the sensitivities around the borrowers personal situations.

Why does CPU believe it can be successful in this industry?

Mortgage servicing is a market we know well. The core competencies and market requirements align extremely well with our strengths, capabilities and service suite.



Our Current Business

	Fully-Owned MSRs	Part-Owned MSRs	Sub-servicing
What we mean	CPU owns the MSR outright	CPU has sold part of the MSR to a third party investor	Servicing performed on a contractual basis for another MSR owner
Balance sheet impact (31 Dec 15)	\$67M value on BS \$86M advance equity on BS	\$31M value on BS	No balance sheet impact
Performing	\$4BN UPB 21K Loans	Excess strip deals \$10BN UPB 38K Loans	Minimal \$ UPB / Loans
Non-performing	\$9BN UPB 96K Loans	SPV deals* \$10BN UPB 40K Loans	\$11BN UPB 99K Loans

**covered further on Slide 10*

Revenue Drivers

	Fully-Owned MSRs	Part-Owned MSRs	Sub-servicing
Performing	Typically 20-30 bps of UPB	Typically 10-15 bps of UPB	Negotiated fee per loan subject to contract
Non-performing	Ranges between 25-50 bps of UPB	Typically a negotiated fee per loan plus equity income from SPV	Negotiated price per loan subject to contract
Other	Ranges between 2.5-5 bps of UPB depending on loan type	Subject to negotiation with capital partner	Subject to contract

Other income includes fees for title services, valuations, sale of foreclosed properties (REO) and debt collection services as well as any incentive payments for portfolio improvement and late fees. Heavily skewed to non-performing loans.

Cost Drivers

	Fully-Owned MSRs	Part-Owned MSRs	Sub-servicing
Performing	Low touch, low cost. Varies according to loan type.	Same as if owned MSR	Low touch, low cost but client oversight costs in addition.
Non-performing	High touch, higher cost Varies according to delinquency.	Same as if owned MSR	High touch, higher cost. Client requirements can be substantial.

Typical cost to service a performing loan ranges between \$75-\$100 p.a. per loan.
A non-performing loan typically costs in the range of \$400-\$1000 p.a. per loan.
Generally owning the MSR can lead to a lower cost to serve as far fewer client requirements to manage.

CPU capital deployment in this business - MSRs

Our balance sheet position at 31 Dec 2015	\$M
MSR asset	\$177
MSR liability (arises due to association with capital partners)	(\$79)
Net MSR asset	\$98

FAQ	Answer
What are they?	Intangible asset giving right to service loan for a fee for the life of the mortgage
How are they valued?	Typically based on the net present value of the cashflows attributable to the servicing of the loan. Non-performing valuations impacted by advance financing rates, cost of service and prepayment / run-off rates. Performing valuations predominantly driven by prepayment/run-off rates and the cost of service. Advances excluded as minimal for performing loans.
How does valuation change over time?	MSR value reduces as the mortgage is repaid by the borrower and UPB amortizes down.
How do we account for them?	Held at cost and amortized on a straight line basis over 9 years. Current book value is \$98M – estimated market value is \$104M.
How are they financed?	CPU funds its MSR purchases from its operating cashflows.
Can they be sold?	There is a liquid market in MSRs and MSRs are traded regularly.
What are the key risks?	Non-performing : Interest Rate Risk (Advance Financing), Cost of Servicing, Housing Values and credit markets. Performing: Interest Rate Risk (driving prepayment risk) and cost of servicing.

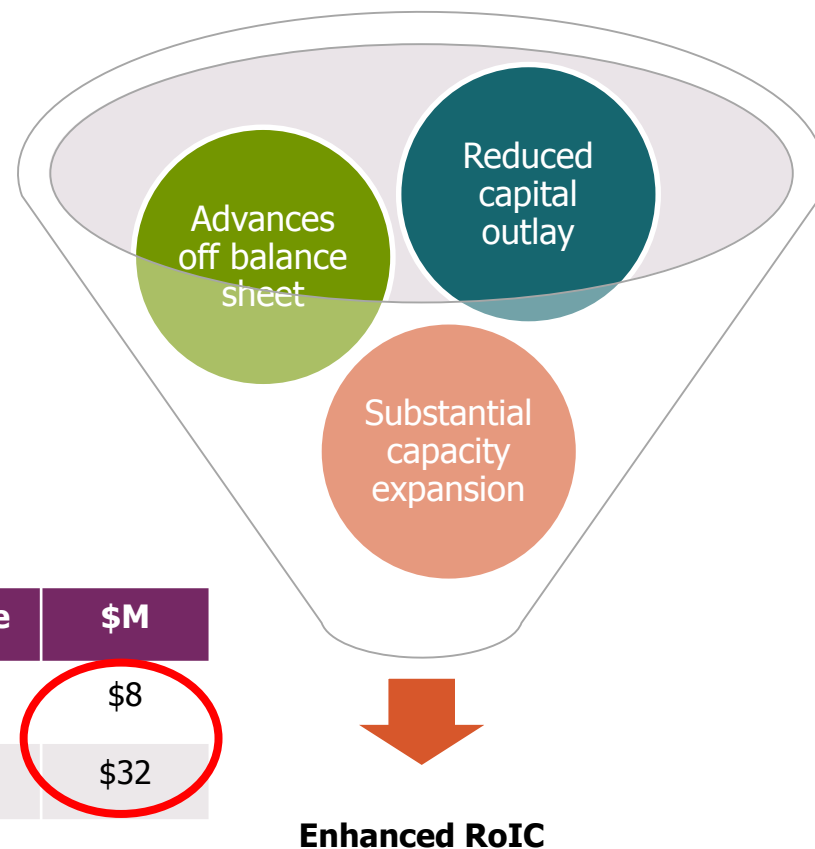
How does CPU manage its non-performing MSR capital requirements?

Deal type	Capital partner SPV
Structure	MSR rights and associated advances sold to an SPV, in which CPU typically takes a 20% ownership interest
Balance sheet impact	MSR and advances replaced by equity investment in an SPV (typically 20% of MSR value and advance equity).
P&L effect	CPU in effect assumes a sub-servicing role, but receives 20% share of profit after interest and servicing cost

Illustrative Example	\$M
MSR cost	10
Advances	200
Less Advance Finance	(170)
Advance Equity	30
Total Capital Required	40

	Share	\$M
CPU	20%	\$8
Partner	80%	\$32

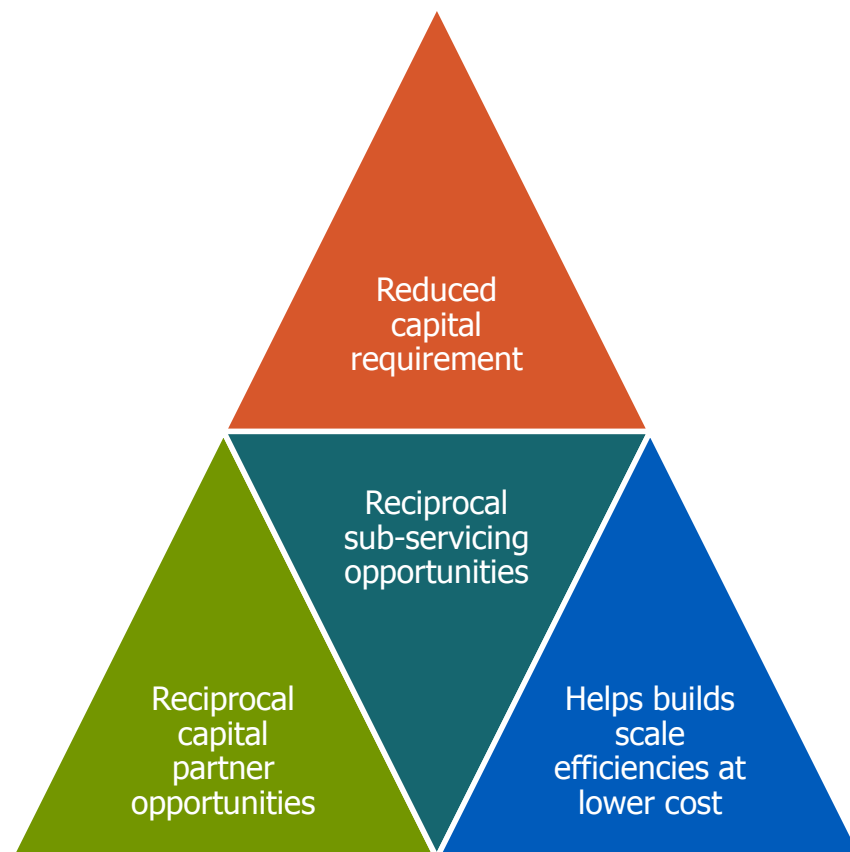
Benefits & Outcomes



How does CPU manage its performing MSR capital requirements?

Deal type	Excess strip
Structure	50% ownership interest in MSR revenue stream sold to a financial investor
Balance sheet impact	MSR carrying value typically reduced by over 60% being proportionate value attributable to the excess strip
P&L effect	CPU receives only 50% of MSR revenue but retains all servicing expense. Amortization cost typically reduced by over 60%.
Example	MSR valued at \$10m. Revenue 25 bps. CPU sell excess strip for \$6m. Receive revenue of 12.5bps. Amortization expense reduced by 62%. MSR BV \$4m.

Benefits & Outcomes



CPU capital deployment in this business - advances

Servicing Advances at 31 Dec 2015	\$M
Servicing Advance Receivables	\$363
Advance Financing Facility	(\$277)
Net Advance Asset	\$86

FAQ	Answer
What are they?	Payments to the owner of the loan by the servicer on behalf of the borrower. There are typically two kinds of advance – (i) Protective (taxes & insurance) – which are made to protect a lender's interest in the home; and (ii) Principal & interest – which are servicer paid borrower payments to ensure bondholders receive timely payments.
How are they collected?	Typically reimbursed at the earlier of (i) direct collections from the borrower; (ii) a modification of the loan; (iii) the liquidation of the loan (whether through borrower initiated short sales or the sale of foreclosure properties); or, if collections are insufficient (iv) from the securitization cash-flows prior to any bondholder payment.
How do we account for them?	Held on our balance sheet as a current asset but funded through a non-recourse financing facility.
How are they financed?	Through a non-recourse finance facility. Typically, 80-90% of the advance receivable is able to be financed.
Can they be sold?	Advances follow the MSR. The level of advances can materially impact the MSR value.
What are the key risks?	Servicing Advance Risk is generally contained to duration and financing risk. Servicing advances are non-recourse to CPU and we do not incur a loss from default.

Surplus capital once optimal size attained

We're expecting to deploy additional capital in the coming years. Upon reaching optimal scale, our after-tax cash flows will be able to replace our run-off AND deliver strong excess free cash flow.

FOR ILLUSTRATION ONLY	KEY	VALUE \$M	CALC
Example Target Portfolio (UPB)	A	\$ 10,000.0	A
Avg Period UPB	B	\$ 9,444.4	B
Assumed FMV (bps)	C	0.85%	C
Beginning MSR	D	\$ 85.0	AxC
(-) Annual Amort	E	(9.4)	D/9
(+) New MSR	F	-	F
End MSR	G	\$ 75.5	D-E
Avg Capital Deployed	H	\$ 80.3	(D+G)/2
Annual Pre-tax Marginal Income (bps of UPB)	I	0.12%	I
PBT	J	\$ 11.3	BxI
NPAT	K	\$ 7.0	Jx62%
After Tax Cash Flow	L	\$ 16.5	-E+K
(1) Portfolio Run-off	M	\$ 1,111.1	A/9
(2) Replacement MSR Cost \$ (run-off)	N	\$ 9.4	-E
(3) Excess Remaining free Cash Flow	O	\$ 7.0	K
Annualized RoIC	P	20.52%	L/H

Key Assumptions:

- Purchase of a \$10Bn portfolio at 85 bps
- Straight line amortization over 9 years
- Run-off in line with amortization
- Marginal PBT 12 bps of UPB
- Tax at 38% of PBT

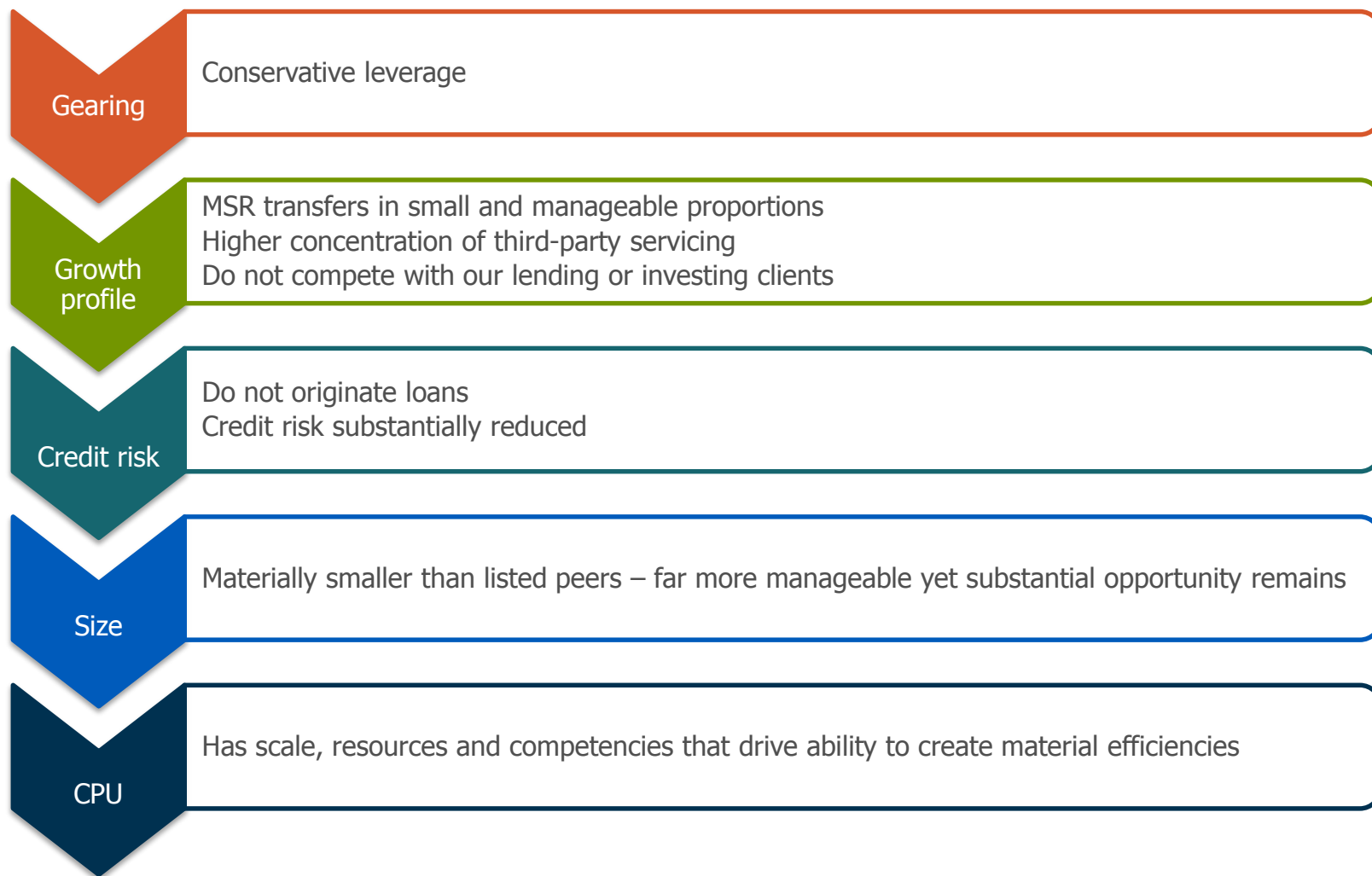
Key Outcome:

Replacing the servicing run-off of \$1.1Bn in UPB would cost \$9.4M, leaving \$7M in surplus capital that could be distributed or invested in further growth

Note: 20.52% represents the marginal RoIC for a fully owned MSR purchase. Overall RoIC is enhanced by part-owned MSRs and sub-servicing business, as well as the broad mix of ancillary services such as fulfillment.

The competitive landscape – Why we differ

A lower risk business model aligned to more conservative capital management and ability to leverage core competencies.



Management of Risks

New mortgage origination and MSR volumes

- MSR volumes drive financial outcomes. Market for bulk purchase of performing MSRs remains very active. CMC provides strong visibility of performing buying opportunity.

Prepayment rates

- Higher prepayment rates could impact financial outcomes. Increasing interest rates mitigate risk.

Interest rates

- Increasing rates could have potential impact on origination levels, which could impact flow of new origination servicing. However rise in rates overall a net positive – pricing, run-off.

Sustainability of MSR pricing

- MSR prices should fall as interest rates rise, helping improve RoIC. Co-Issue program provides access to MSRs at better than auction pricing.

Capital structuring

- Overall ROIC is dependent on ability to transact with capital partners at regular intervals for SPV deals and excess strip sales. Track record of delivery and strong investor appetite from our partners.

Sub-Servicing business

- Sub-servicing is ROIC enhancing BUT retention subject to appetite and strategy of ultimate MSR owner. Good performance can lead to loss of business. Switching is rare so new business linked to new origination.

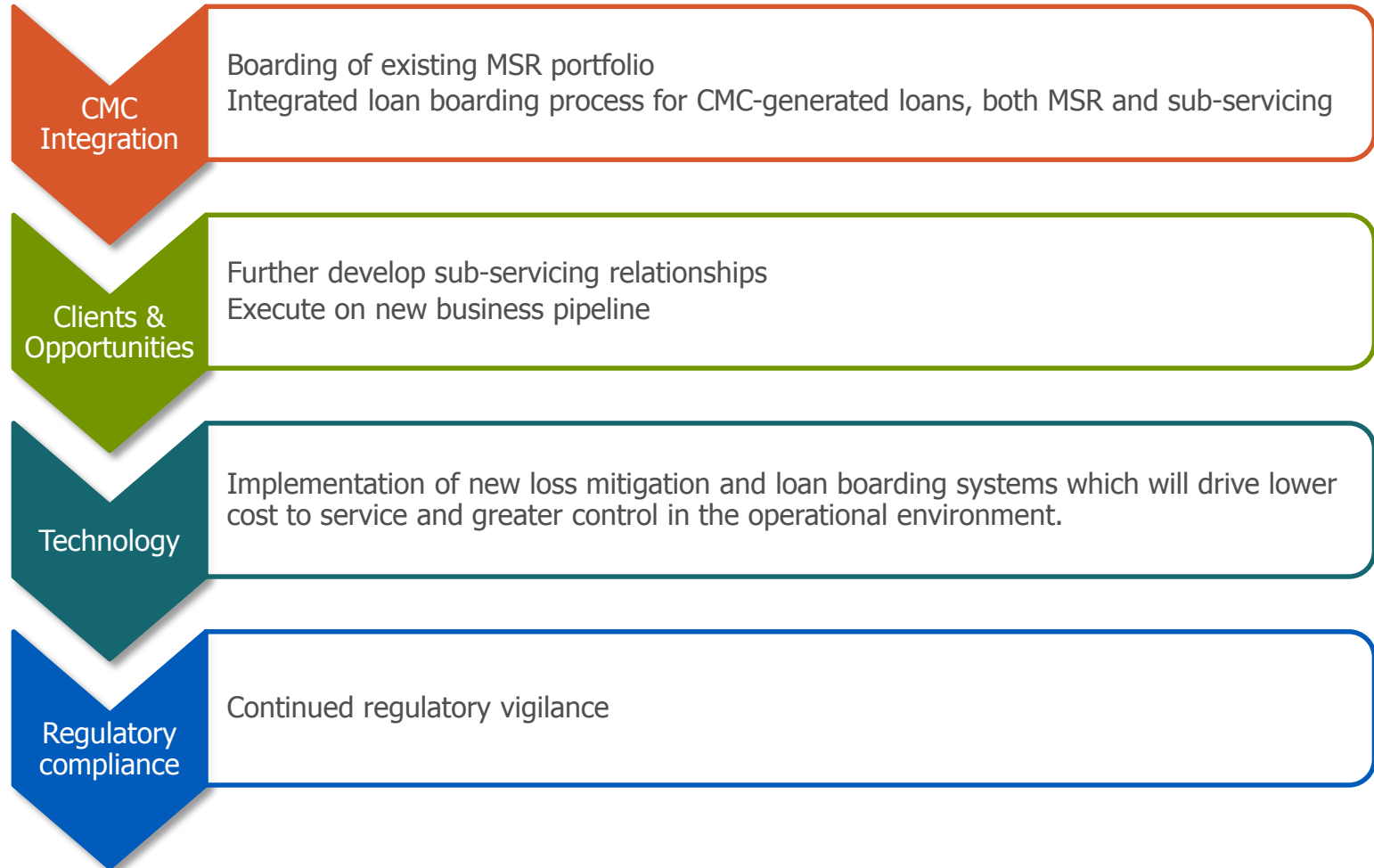
Legacy Servicing

- Opportunities to acquire large portfolios of non-performing MSRs will decline over time as the market improves and delinquencies are worked out.

Regulatory environment

- We have invested significantly in our regulatory management resources and we are not expecting any further material changes.

Key Execution Priorities





INVESTOR DAY – EMPLOYEE SHARE PLANS

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Employee Share Plans

State of play

- › The Employee Share Plans business remains a strong global franchise with opportunities to grow
- › Large and diversified regional business with major centres in Europe, North America, Australia and Asia
- › Growth in client mandates despite competitor activity
- › The business continues to enjoy growth in fee based revenue
- › Recently impacted by lower transaction volumes and some sector concentration affected by weak stock prices
- › Margin income continues to be negatively impacted by low rates and large maturing schemes, i.e. UK SAYE Plans
- › Elements of the service are regulated and attract appropriate investment
- › Encouragingly, the amount and value of post-vest assets under management is growing

Employee Share Plans

Strong global position



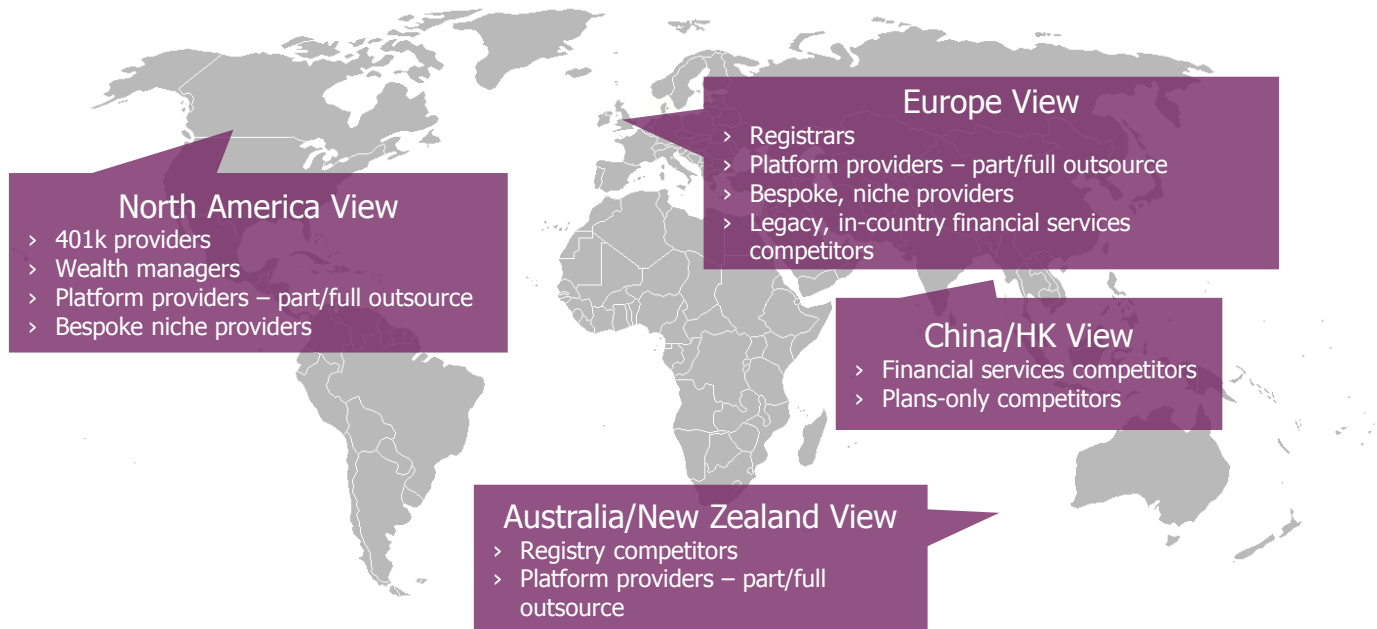
Unparalleled global coverage

Employee Share Plans

Competitor landscape

Global View

We are the only comprehensive full service provider



Strong globally | Strong regionally

Employee Share Plans

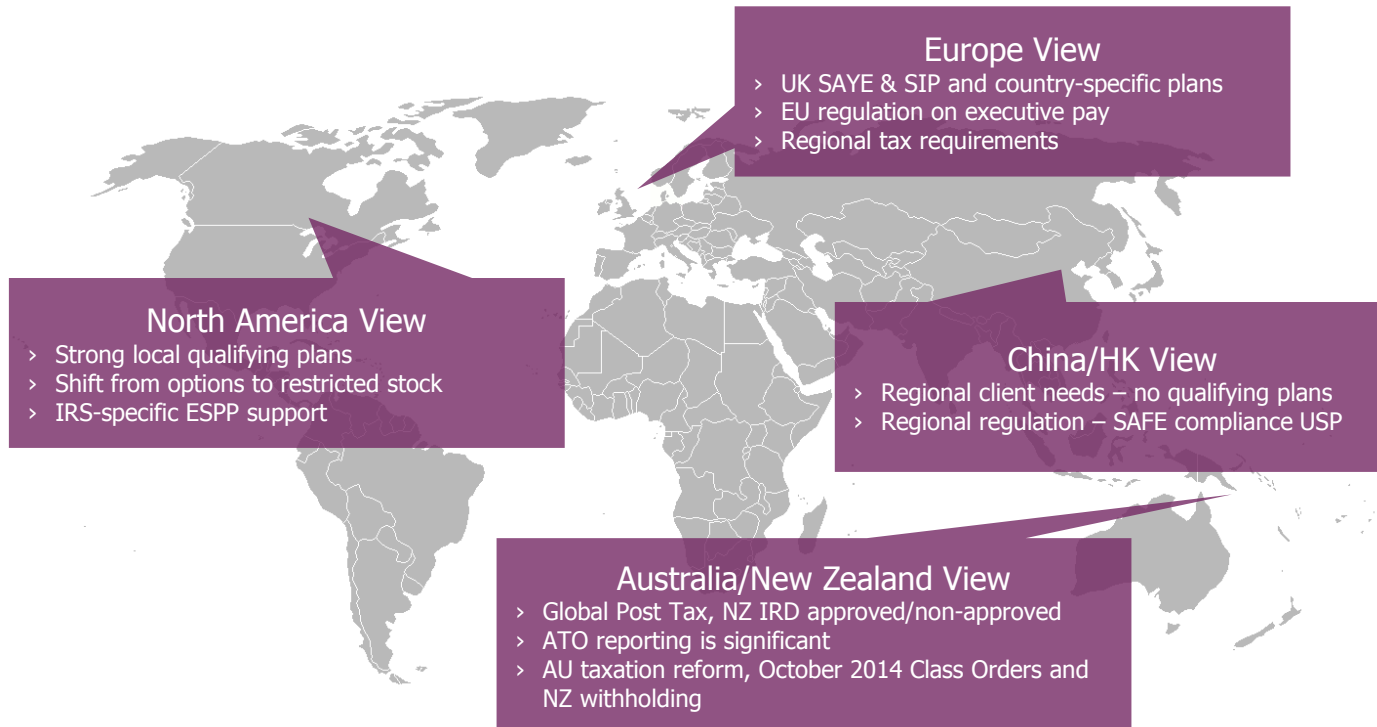
Comprehensive service suite across the world

	All-employee plans Voluntary plans offered to all eligible employees	Discretionary plans Plans awarded to targeted individuals e.g. executives	Post vest services Accounts to trade/hold shares after vest
Europe View	All-employee plans SIP, SAYE, Global ESPP	All discretionary plans – Options (+ approved), Restricted, Performance	Dealing and custody services
North America View	Section 423 qualified (largest provider) RRSP/TFSA in Canada	All discretionary plans – RSUs, options (US ISOs), performance	Dealing and custody services
HK/China View	Lead player in nascent broad-based plans market	All discretionary plans – restricted stock & performance plans	Dealing and custody services
Australian View	Salary sacrifice Broad-based exempt gift Post-tax (global)	All discretionary plans – Rights, tax deferred STI & LTI bonus awards	Dealing and custody services

We support equity plan requirements in all regions

Employee Share Plans

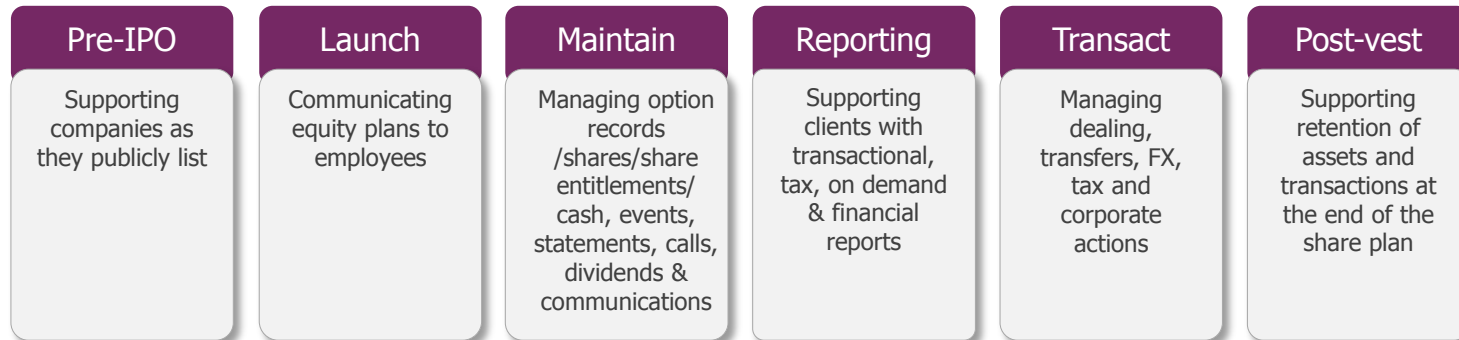
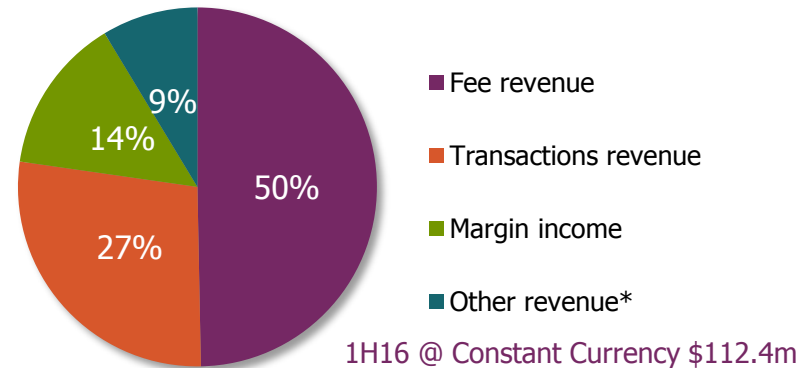
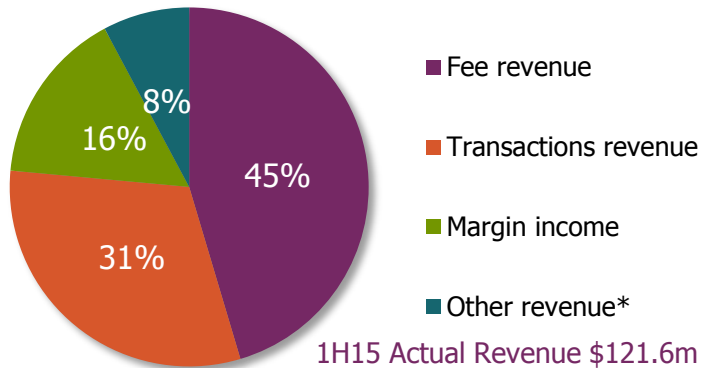
Local knowledge supporting complex global requirements



Our regional structure supports local client needs and country-specific requirements

Employee Share Plans

Multiple revenue sources across the value chain



We can drive increased value from each part of our value chain

Employee Share Plans

Opportunities and challenges

Cost reduction

- › Redefining our operational model to increase automation and drive cost savings
- › Develop effective solutions to meet ongoing new regulatory demands

New clients

- › Further targeting of global clients where our offering matches their requirements for their global employees
- › New listed companies – leveraging Registry and Capital Markets position

New products and Services

- › Financial reporting development with Synbase acquisition
- › Using plans data to drive insight and value
- › Share plan communications
- › Driving value from post-vest assets
- › PLANS 2.0

Market factors

- › Increased competitive environment
- › Global equity markets activity
- › Equity market trends - propensity to outsource and consolidate
- › Interest rates

Current conditions challenging but opportunities prevalent

INVESTOR DAY – GLOBAL REGISTRY

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Global Registry

Strong global position

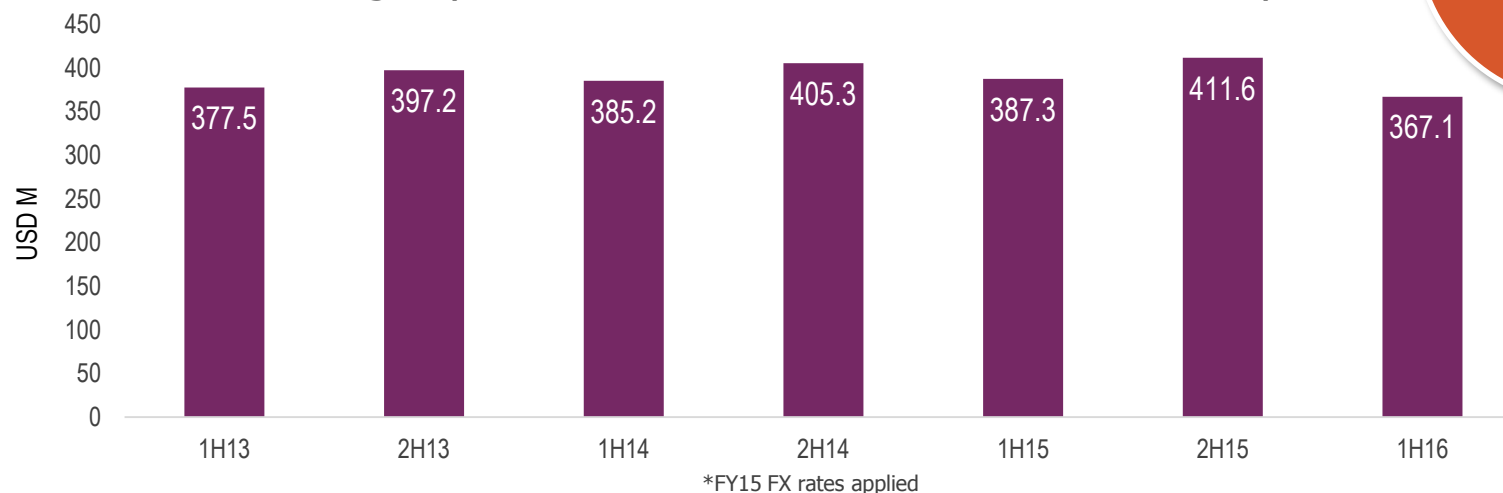


Computershare is the leading and most globally integrated registry

Global Registry

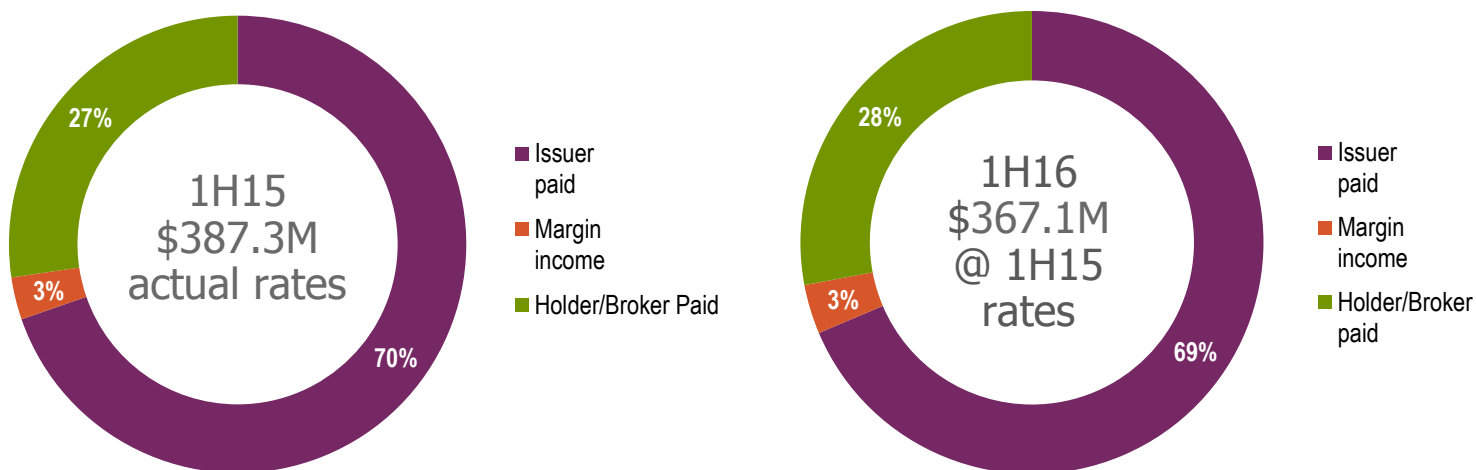
Registry maintenance revenue

Registry maintenance revenue in constant currency*



Strong
recurring
revenue
across
equity
cycles

Registry maintenance revenue split in constant currency



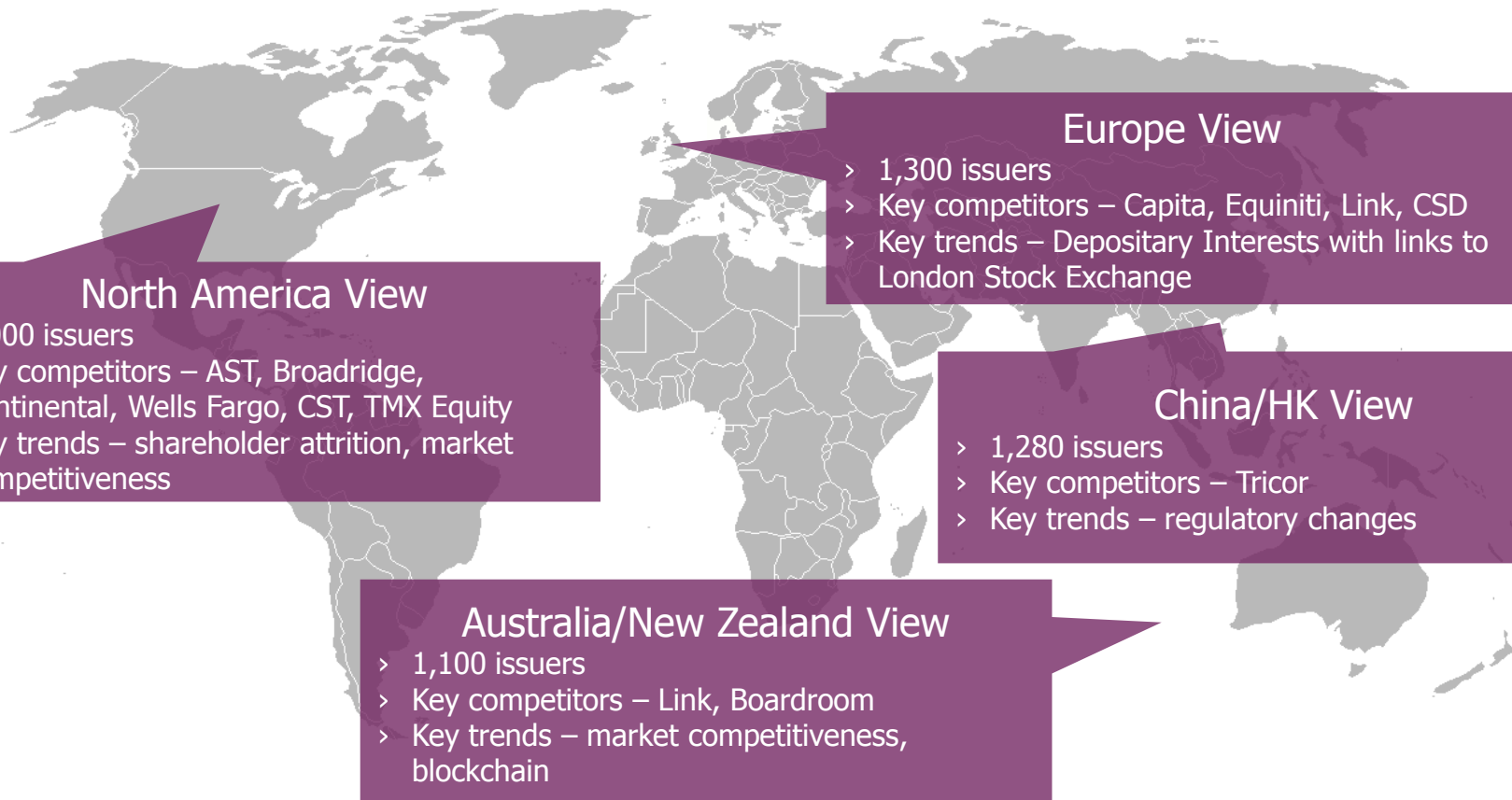
Global Registry

The registry market

Global view

We are the largest global registry

Global capability is important for global issuers trading on multiple exchanges



Strong globally | Strong regionally

Global Registry

Our services

Pre-IPO

Supporting companies as they publicly list

IPO

Communicating with shareholders

Maintain

Managing shareholder records, events (e.g. AGM), statements, calls, dividends, communications and connection to settlement systems

Report

Supporting clients and shareholders with transactional, tax, on demand and financial reports (Issuer Online and Investor Centre)

Transact

Corporate actions (raisings, demergers, takeovers), proxy advisory, dealing, transfers, FX and distributions

Specialised services

North America

- › Dividend and paying agent services
- › Dividend reinvestment and direct stock purchase plan services
- › Lost shareholder and escheatment services
- › IPO services
- › QuickCert™ print-on-demand stock certificates
- › Online trading sales

Europe

- › Depositary Interests with links to London Stock Exchange
- › GILTs (UK Gov't bonds)
- › Direct reinvestment service
- › Nominee and safekeeping services

China/HK

- › IPO services
- › Shareholder Identification

Australia/NZ

- › Dividend and paying agent services
- › Dividend reinvestment
- › IPO services
- › Intermediary services

We support all registry requirements in all regions

Global Registry

Regional strengths

The only truly global player

High recurring revenue

Strong cash generative business

Leading market positions

Diverse customer base

Europe View

- › Unique service model: Depositary Interest service and links into the London market have been the growth area in EMEA Registry

North America View

- › Largest regional registry
- › Comprehensive suite of issuer services
- › Product depth and technology

China/HK View

- › Market knowledge and market influence in a complex environment, able to provide all of an issuer's governance and compliance requirements

Australia/New Zealand View

- › Market share and strong brand recognition

Our regional structure supports local client needs and country-specific requirements

Global Registry

Opportunities and challenges

Cost reduction

- › Improvement in operating efficiency through further implementation of standard technology and service models
- › Working to reduce facilities expense in high cost locations

New clients

- › Targeting private companies to build a pipeline of IPO and registry potential clients
- › Winning clients through corporate activity (IPO, spin-offs, etc)

New products

- › Focused upselling and cross-selling initiatives across our portfolio of services
- › Mobile version of Investor Centre
- › Shareholder voting app
- › Financial advisor portal
- › Virtual annual meetings

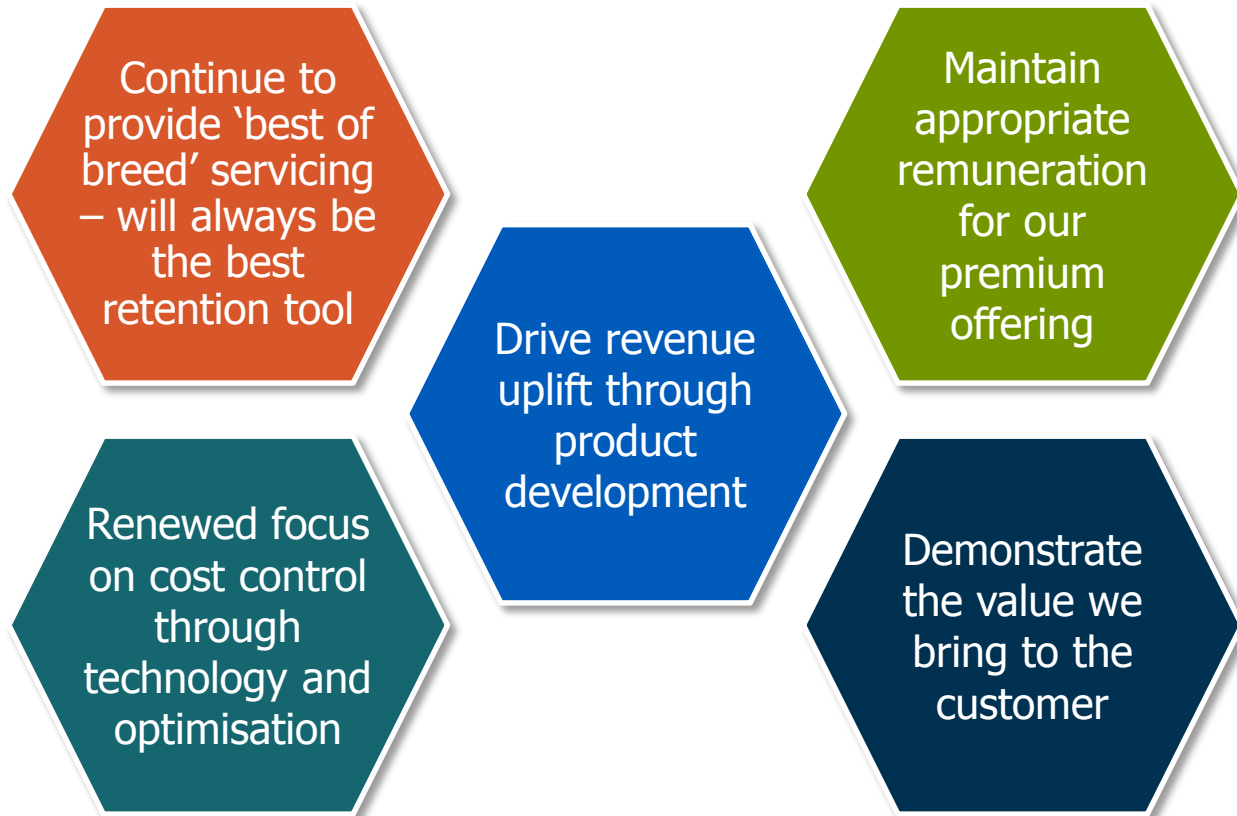
Market factors

- › Interest rates
- › Global equity markets activity
- › Client corporate action activity
- › Structural attrition in some markets

We are focusing on specific areas for organic growth

Registry

Our priorities



Maintain market leading offering that demonstrates value for our customers

TECHNOLOGY



CERTAINTY

INGENUITY

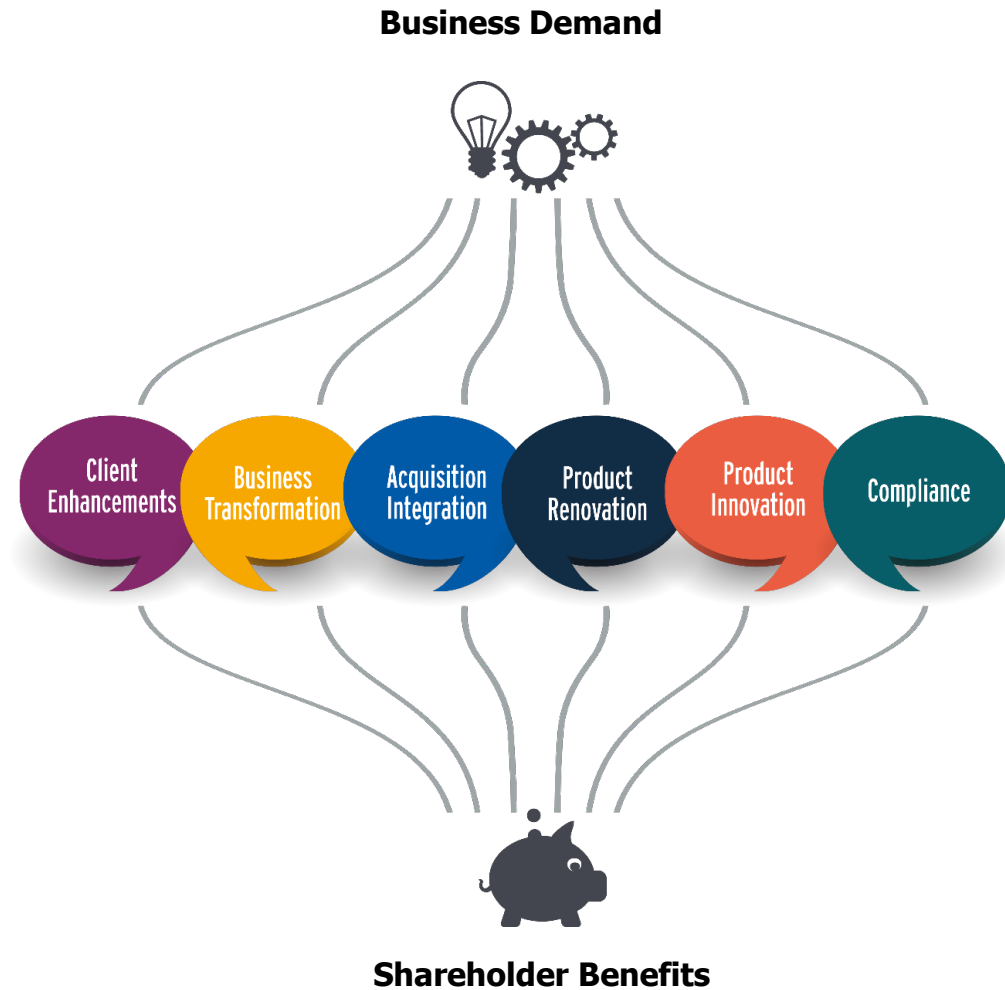
ADVANTAGE

 **Computershare**

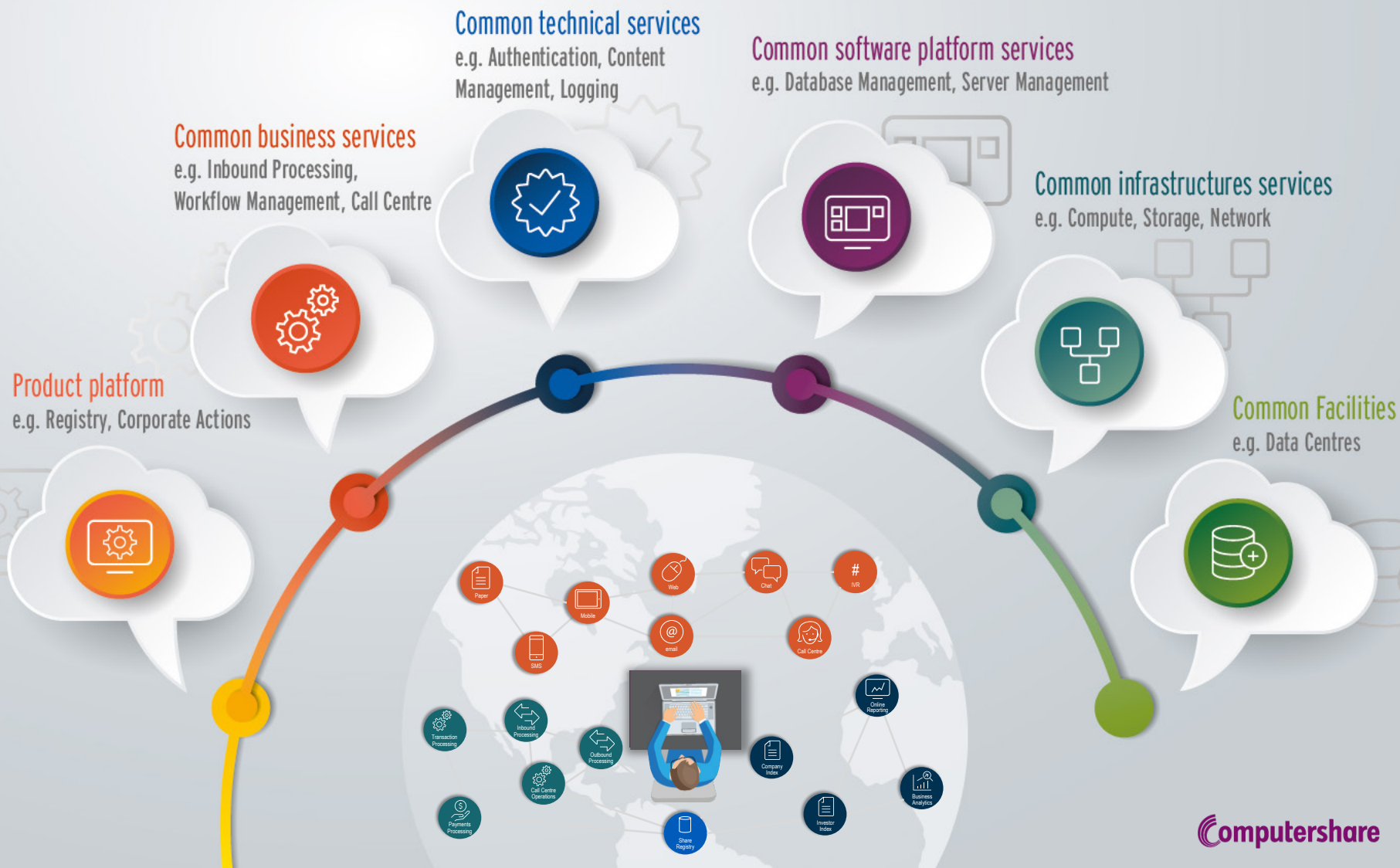
Technology Mandate

Technology partners with the businesses around the globe to prioritise competing investment demands and ensure there is a balance of innovation, risk management and market needs

- › Assist in growing revenues
- › Improve margins
- › Maintain a leadership position in the market
- › Strengthen business processes to drive sustainability



Global economies of scale across the registry technology stack



Investor Services technology ecosystem



Customer Channels – Investors

The primary self-service channel, Investor Centre, provides convenient access for investors to access their share portfolio

- › Registration, portfolio and enquiry
- › Transactions, statements and alerts

Integrated online knowledge base and web chat

- › Fully responsive web design
- › Desktop
- › Smartphone
- › Tablet (July 2016)
- › Using the latest in web technologies

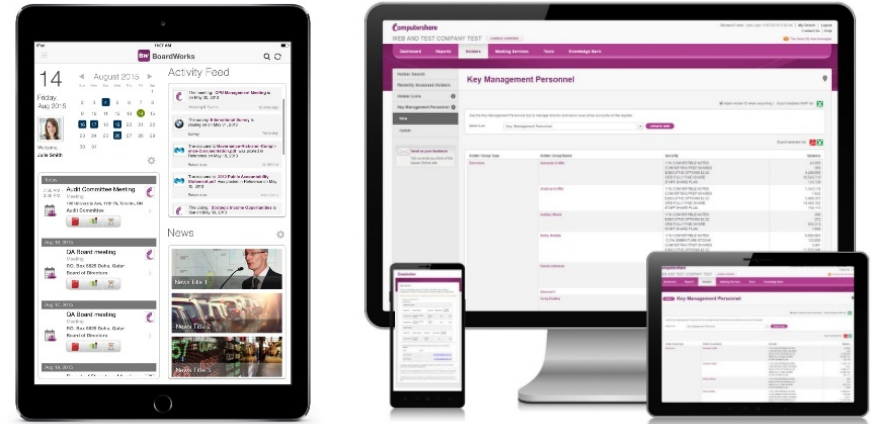


Customer Channels – Issuers

A number of products are available for issuers such as Issuer Online for shareholder management and Boardworks for board meeting management

Issuer Online

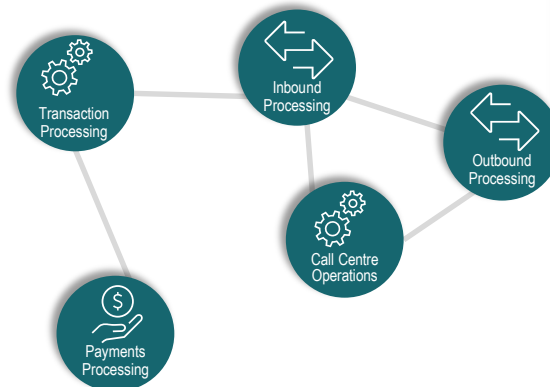
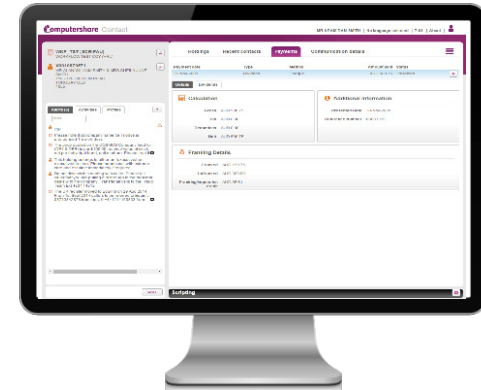
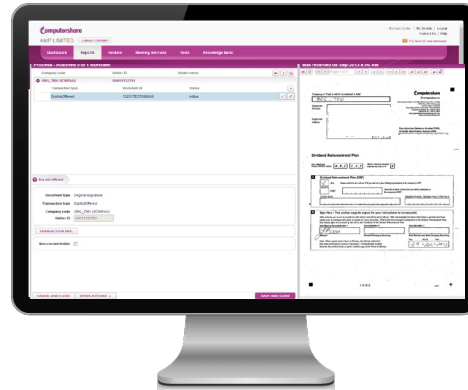
- › A personalised dashboard that can be configured to client needs
- › Advanced Holder Search
- › Key Management Personnel tracker and Directors' Interest's Alert Service
- › Meeting tools, including real time proxy information
- › Leveraging the same technology stack as Investor Centre



Operations – Investor Servicing

Developed on the same technology frameworks as the web platforms, our operations technology is used by thousands of internal staff, processing millions of shareholder requests

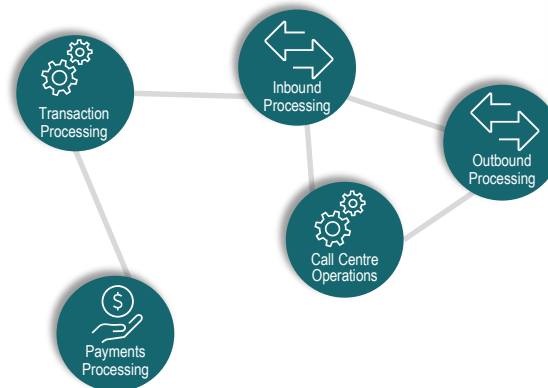
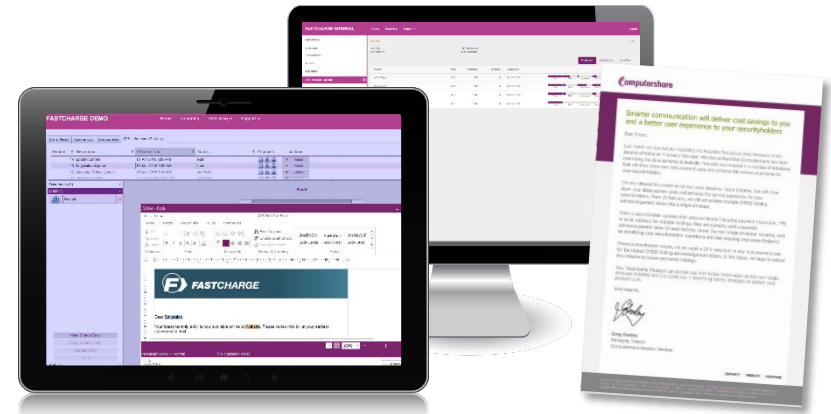
- › Integrated interactive voice response (IVR) and skills-based routing into the contact center for caller identification and optimal handling times
- › Automated workflow process wizards for processing accuracy and high throughput
- › Complex workforce management systems integrated across the stack, providing the ability to measure and benchmark the performance of processing centres around the globe



Operations – Communications

Despite living in the digital age, Computershare still processes tens of millions of inbound pieces of mail as well as sending even more outbound on behalf of our issuers

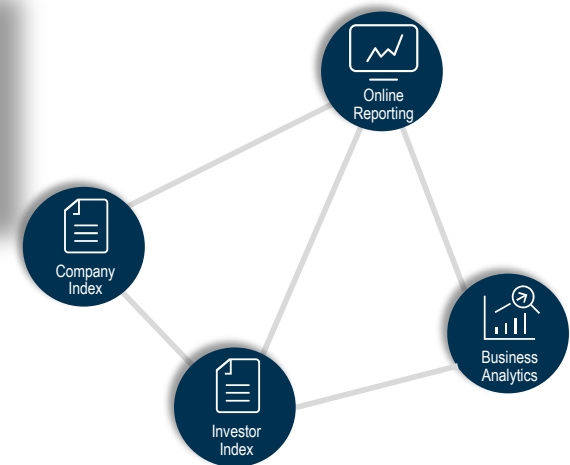
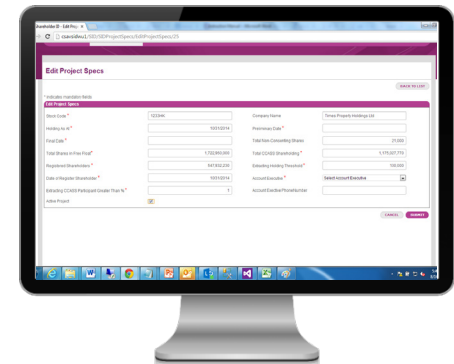
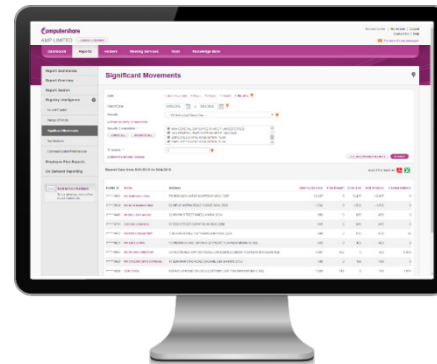
- › Intelligent form design combined with form recognition technology delivers high volume inbound form processing and auto classification
- › Integrated in a digital format into the operations workflow system for prompt processing and quality control
- › Outbound we provide issuers with communication strategies and design to interact with investors across their channels of choice



Data and Insight

Investor data that is processed and analysed to deliver internal improvements and client insights

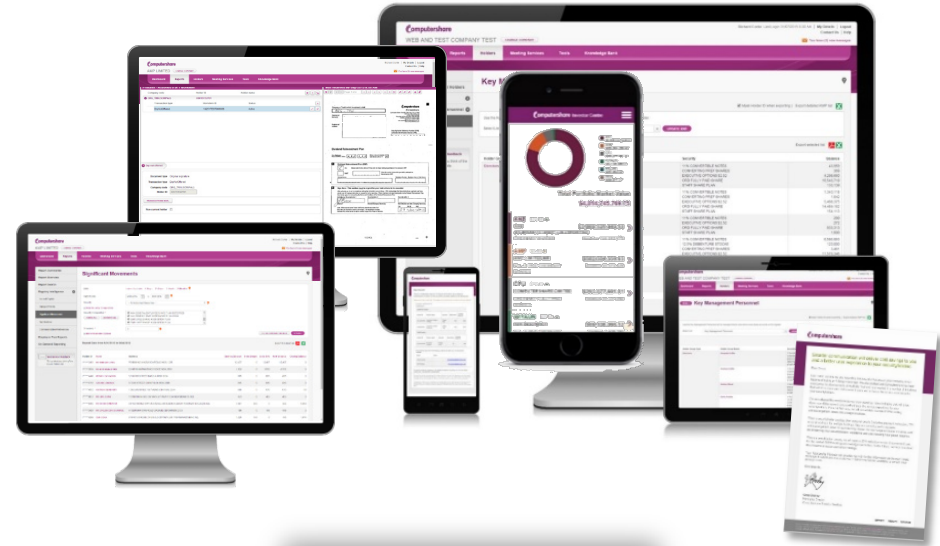
- › A range of key management reports for issuers delivered online through Issuer Online, e.g. Significant Movements, Top Holders, Issued Capital etc.
- › Data analytics providing patterns of shareholder behaviour to assist issuers and Computershare with insight as to how to best service them
- › Creation of stand-alone data products in some regions e.g. Shareholder Identification providing issuers with clarity around beneficial ownership



Recordkeeping

The core recordkeeping system for the management of company shareholder accounts, the SCRIP system is now used for processing millions of transactions worldwide on a daily basis

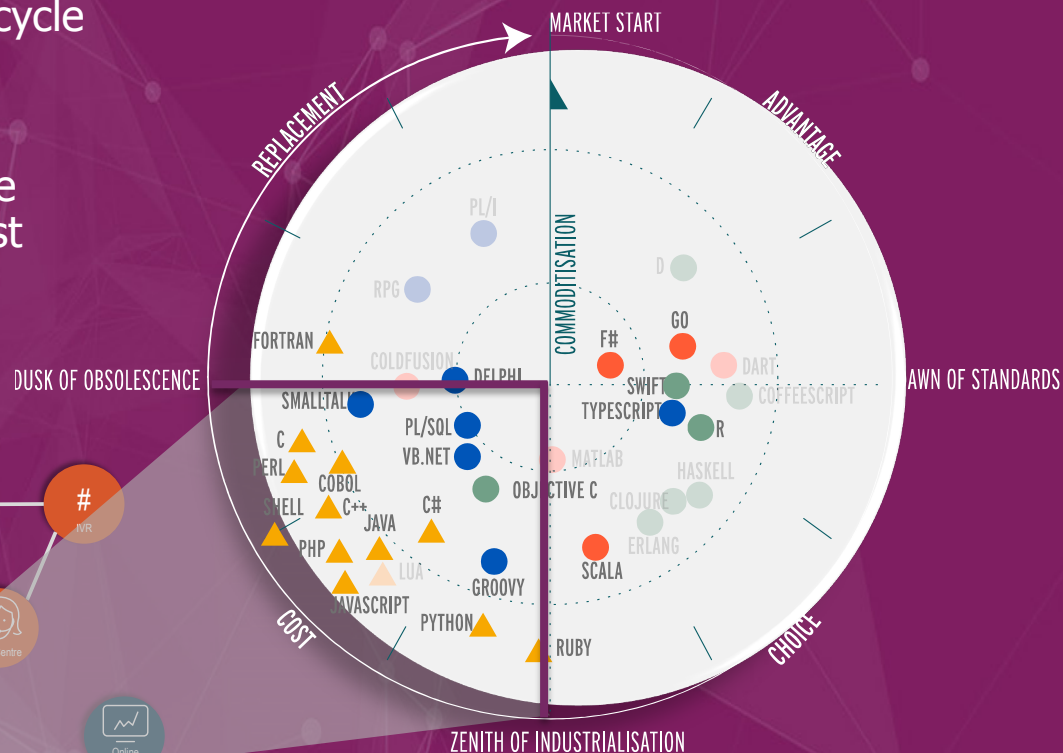
- › Three deployments around the globe that service the EMEA, Americas and Oceania regions
- › Providing core registry services such as registry management, corporate actions, annual general meetings, trading and payments
- › Providing real-time integration for online self-service platforms, internal operations platforms, analytics platforms, banks, depositories, mail houses etc.



Investor Services technology landscape – what lies beneath

The Gartner research IT Market clock for programming languages (2015) represents the progress through the market lifecycle for old and new technologies.

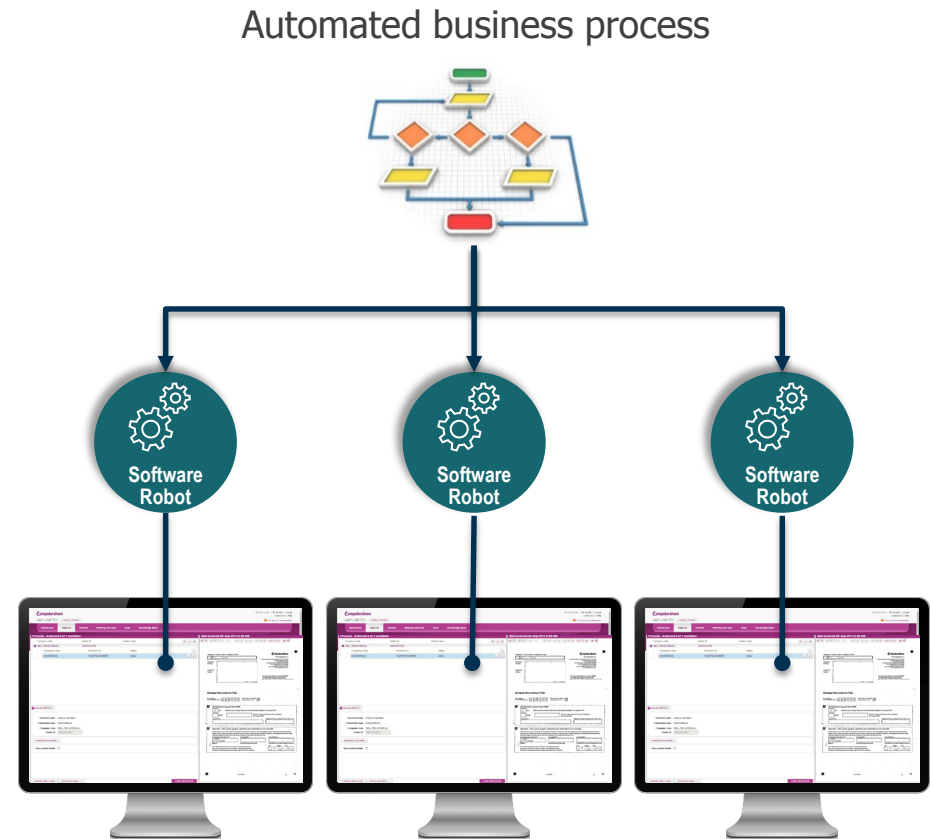
The technologies that underpin the Investor Services ecosystem lie in the “cost” quadrant which represents cost effectiveness, vendor choice, skills availability and lowest risk.



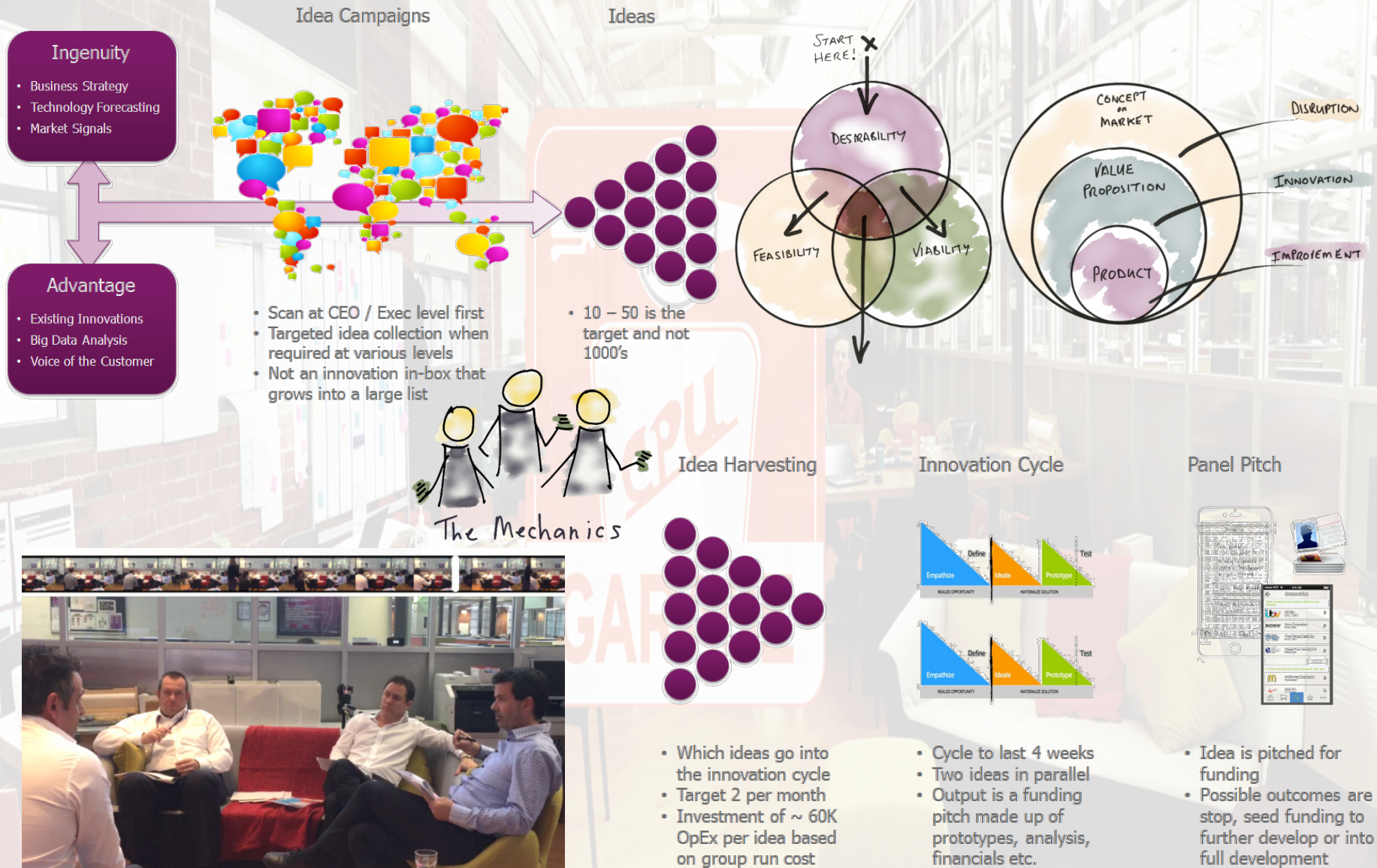
Business Transformation – Operations Automation

Computershare is currently performing an innovation pilot to trial the value of Intelligent Process Automation through the use of software robotics

- › The software robot mimics human actions and is provided employee credentials and access so it becomes part of a virtual workforce
- › Automation is facilitated through the user interface (i.e. the “presentation layer”); the same layer used by staff to execute on business processes
- › It doesn’t require system integration – therefore no development is required
- › The primary benefit is agility and scale – the ability to automate quickly and at lower cost



Product Innovation - Innovation Garage



INVESTOR DAY – BLOCKCHAIN

What are the implications
for Computershare?

28 April 2016

CERTAINTY

INGENUITY

ADVANTAGE

 **Computershare**

Blockchain

Introduction

Stuart Irving, CEO, Computershare said:

"There are evangelists who say it will change everything and sceptics who say it will change nothing. The answer will surely be somewhere in between, but to which of these two extremes the outcome skews towards and when it will do so is the subject of much speculation."

"Fear and greed are likely adding fuel to this debate, as various parties analyse what it means for market evolution and what it means for them specifically"

Source: "Blockchain could blow away sharemarkets",
Shaun Drummond, Sydney Morning Herald, March 28th, 2016

Today, our focus is on the implications for Computershare



Blockchain

Introduction

- › Pre-trade order-routing and electronic trading of financial assets is now virtually frictionless and low cost. Various technologies have been applied to push trading responsiveness to millisecond levels.
- › In contrast clearing, settlement and custody processes have not similarly evolved. Securities transactions are held in a 'clearing' process for 2 or 3 business days creating vast credit exposures that have to be managed, often through complex risk systems and margining requirements.
- › The clearing and settlement process has given rise to specialist clearing and settlement organisations with specialist credentials, systems and skillsets.
- › Equally, the laws, regulations and rules around the legal register of shareholders has given rise to specialist providers such as Computershare. These legal and regulatory frameworks are not uniform across jurisdictions



Blockchain

Introduction & Perspective

- › We believe the commentary that blockchain is automatically “bad for Computershare” is ill informed and reflects incomplete analysis or competing vested interests.
- › The focus should be on payments and trade settlement; not registry. This is where the investments are being channelled.
- › The view that ‘distributed ledger’ technology means everyone will get a copy of a share register is naïve.
- › Computershare is not an intermediary in the traditional sense. Computershare is an agent for a critical end-user segment of the market (an enviable position in a blockchain environment).
- › We see real-life commercial opportunities given Computershare’s unique positioning (e.g. Computershare is not an intermediary), not just risks as is often reported in the local AU market.



Overview: So what is a Blockchain?

"At its most basic, the blockchain is a global spreadsheet, an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value and importance to human kind: birth and death certificates, marriage licenses, deeds and titles of ownership, educational degrees, financial accounts, medical procedures, insurance claims, votes, transactions between "smart" objects, and anything else that can be expressed in code."

Source: Don Tapscott: What's the Next-Generation Internet? Surprise: It's All About the Blockchain!, HuffPost Business, March 12th, 2015

What some key market participants said



"There are basically three groups – there are the **large banks**, there are the **exchanges**, and there is the **settlement system**. And what's going to happen is **one of those three are going to use this technology to disrupt the other two**. I think that's the bottom line."

Patrick Byrne, Phd. CEO, Overstock.com, November 20th, 2015



"Distributed Ledger Technology could provide a **once in a generation opportunity to reduce cost, time and complexity in the post-trade environment** of Australia's equity market,"

Elmer Funke Kuppe, former CEO, ASX, January 22nd, 2016



"The industry has **a once-in-a-generation opportunity** to reimagine and modernise its infrastructure to resolve long-standing operational challenges... To realise the potential of distributed ledger technology in a responsible manner and to avoid a disconnected maze of siloed solutions, **the industry must work together in a coordinated fashion.**"

Michael Bodson, President and CEO at DTCC, January 25th, 2016



Post-trade made easy

"**The industry needs to take a collective view** on the potential of the technology [...] The market must embrace this potential, show patience with this development and invest in various innovative solutions to bring it to bear."

Euroclear and Oliver Wyman report, issued February 3rd, 2016

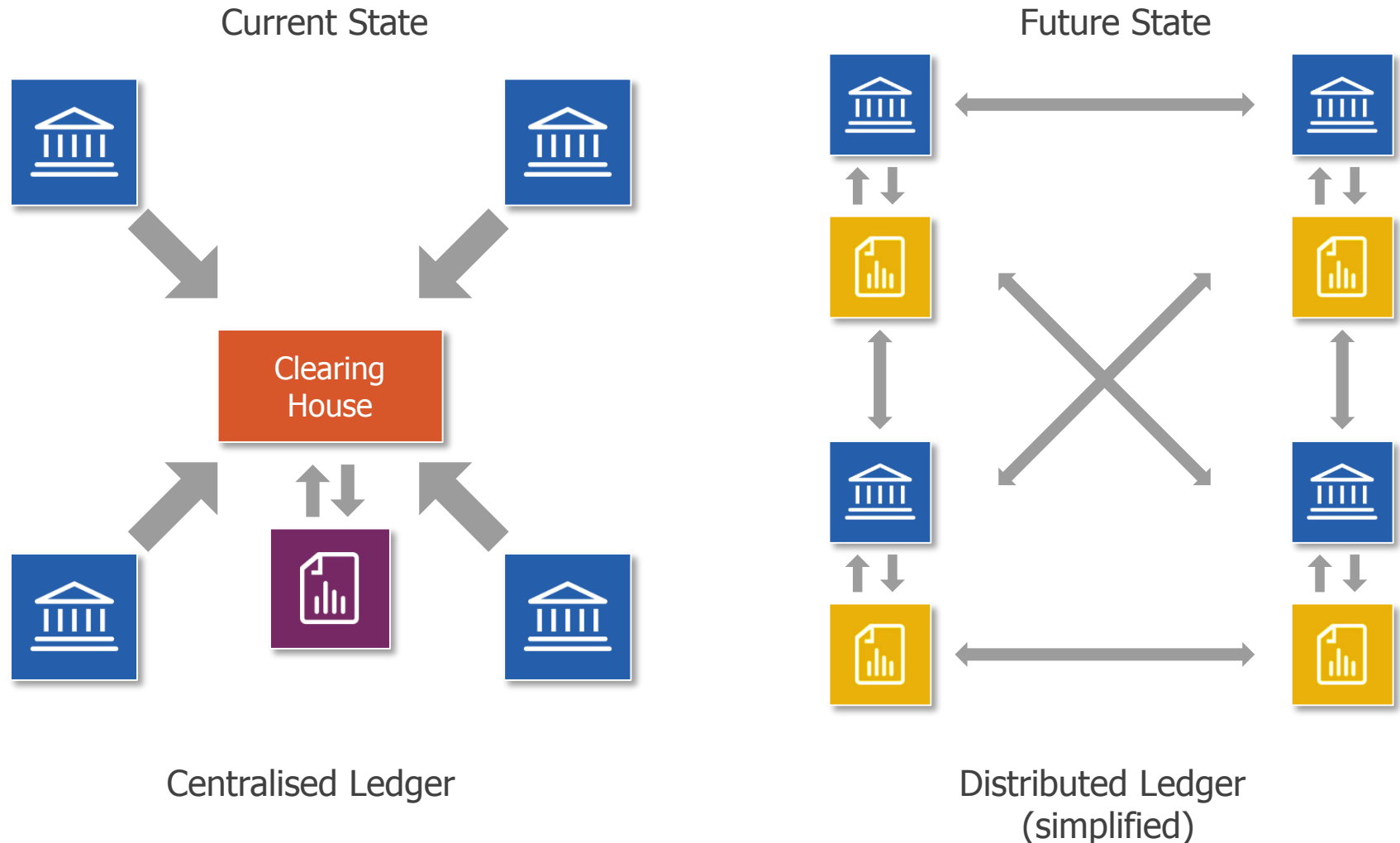
Blockchain: Risk & Opportunities

Implications for Computershare

- › Our global presence makes us an attractive partner to blockchain solution providers. It also gives us access to a wide range of commercial blockchain 'use case' opportunities.
- › If blockchain technology delivers on its promise, we are very well positioned and fully expect to service and leverage our strong relationships with issuers globally to simplify their obligations to the market (via distributed ledger technology) and to evolve our services platform to make this seamless for issuers, investors and market participants;
 - As a global agent acting for issuers, Computershare will seek collaborative solutions to deliver service efficiencies within existing market infrastructures and new market structures.
 - We will also promote more innovative ('disruptive') solutions where they can deliver clear benefits to issuers, investors and market users.

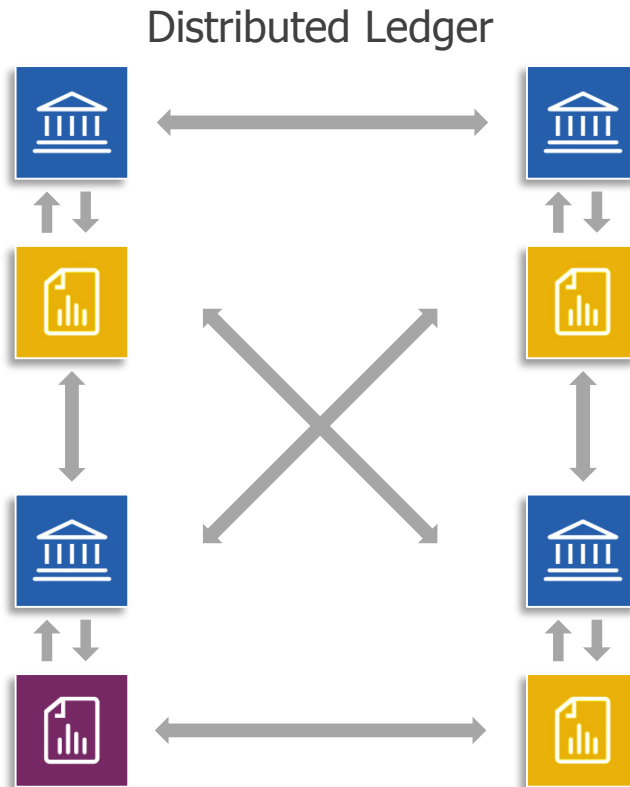
Market Structure: Centralised vs. Distributed Ledgers

A distributed ledger is a network that records ownership through a shared ledger, not through a centralised institution



Market structure: future state

More granular analysis: Distributed Ledgers versus Share Register



The blockchain must be “permissioned” to reflect the different roles and responsibilities of the key actors in the market place, e.g. the exchange for trading purposes, the issuer agent for issuance, cancellation, investor communications and corporate actions management, etc.

The issuer agent plays a critical role in administering the distributed ledger. This role does not go away.

Only one trusted party can logically act as the gateway (or node) for the issuer for the purposes of maintaining issued share capital (etc.), otherwise the system will lack the integrity it needs on a distributed basis.

NOTE: Access to the distributed ledger will be a public policy, regulatory and competition issue. It is hard to envisage a Government approving a monopoly for issuer and investor services where a competitive market exists today.

Risk or opportunity?

Our current focus

- › We are focusing our deep markets and technology expertise on understanding the implications for:
 - Existing, liquid and deeply established post-trade market infrastructure (e.g., CHES or DTC)
 - › Computershare can “collaborate” with existing market infrastructure to bring about evolutionary efficiencies.
 - New product markets where no infrastructure exists or is highly inefficient.
 - › Computershare can demonstrate innovation, and strong industry leadership by partnering with major market participants and fintech partners.
 - Collaborative vs disruptive opportunities – which offers the best path short and long term?
 - Hybrid opportunities, where new digital assets and transactions systems leverage existing market systems.
 - › Fungibility and exchangeability of digital securities.

Risk or opportunity?

So which infrastructure functions logically become redundant, if blockchain technology is widely adopted?

- › Some market speculation about how ASX will leverage blockchain technology to move downstream into “issuer agent” services role. The rationale cited is to offset loss of clearing revenue from competition.
- › This speculation is no fully informed and fails to reflect the different ways distributed ledgers might be constructed.
 - Interestingly, CHESS today is a form of distributed ledger system with ASX and registries managing separate components of the register.
- › Market speculation hasn’t focused on the most rudimentary aspects of blockchain technology, i.e. that blockchain provides for (i) the transfer of assets electronically and (ii) synchronised asset transfers (shares vs cash), whether using smart contract principles or not.
- › Share registry doesn’t seem like the place to start any AU-market analysis re disintermediation of market critical functions.

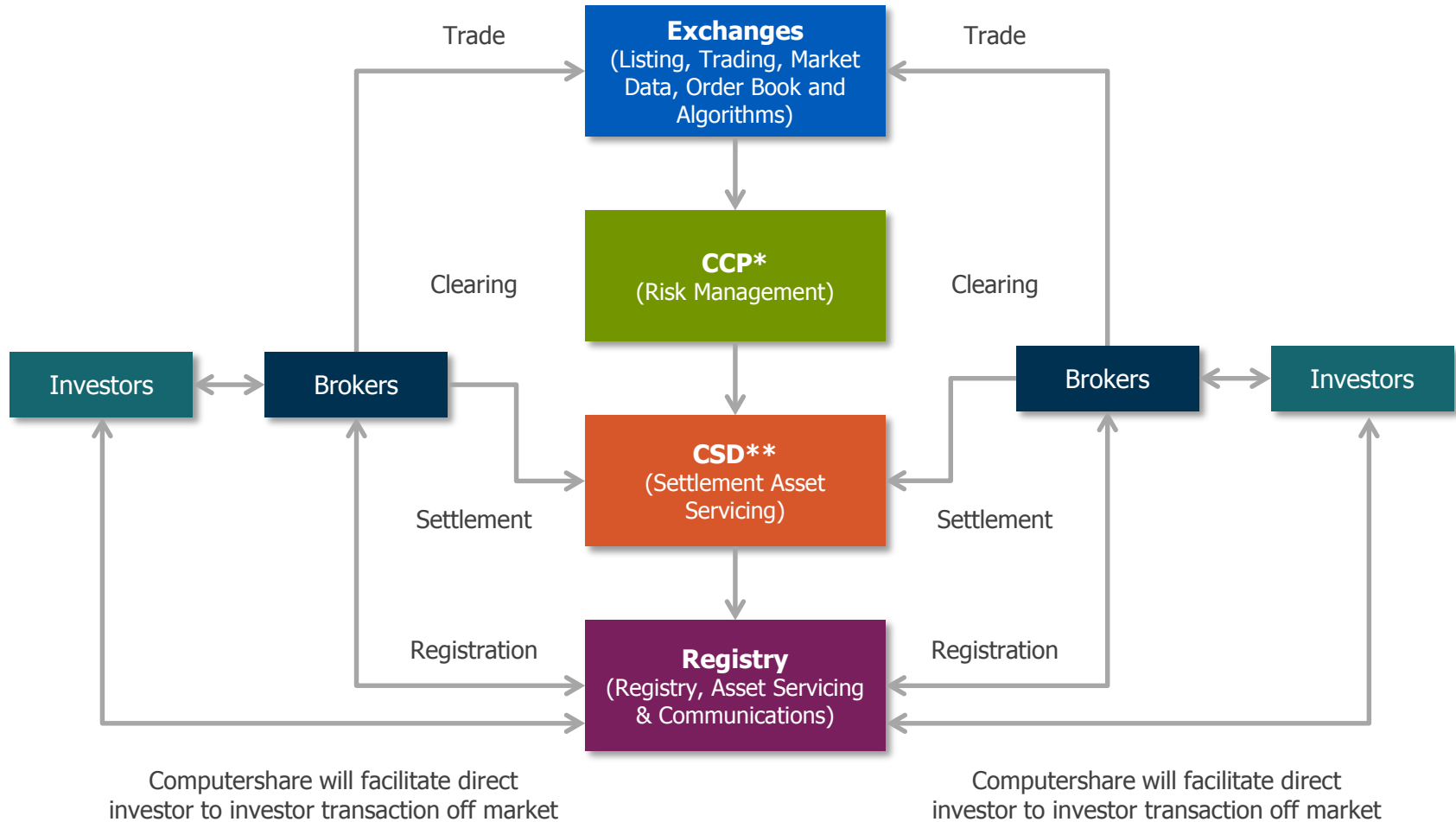
Risk or opportunity?

So which infrastructure functions logically become redundant, if blockchain technology is widely adopted?

- › Little to no attention has been given to the idea that new channels for post-trade settlement activities may become feasible.
 - Connecting a registry platform directly to a trading platform through a distributed ledger is a logical construct for a streamlined and efficient market model.
 - Perhaps not surprisingly the entities seeking to lead the post-trade industry forward are the CSDs
- › What seems clear, however, is if blockchain delivers on its promise – and it still has to demonstrate it is sufficiently scalable to support mission critical capital markets - the current “supply chain” could become highly compressed, both in function and time (e.g. T+2 reducing to T+0).
- › The market structure implications will remain fluid while organisations jockey for position.

Current state

Market structure: four level architecture



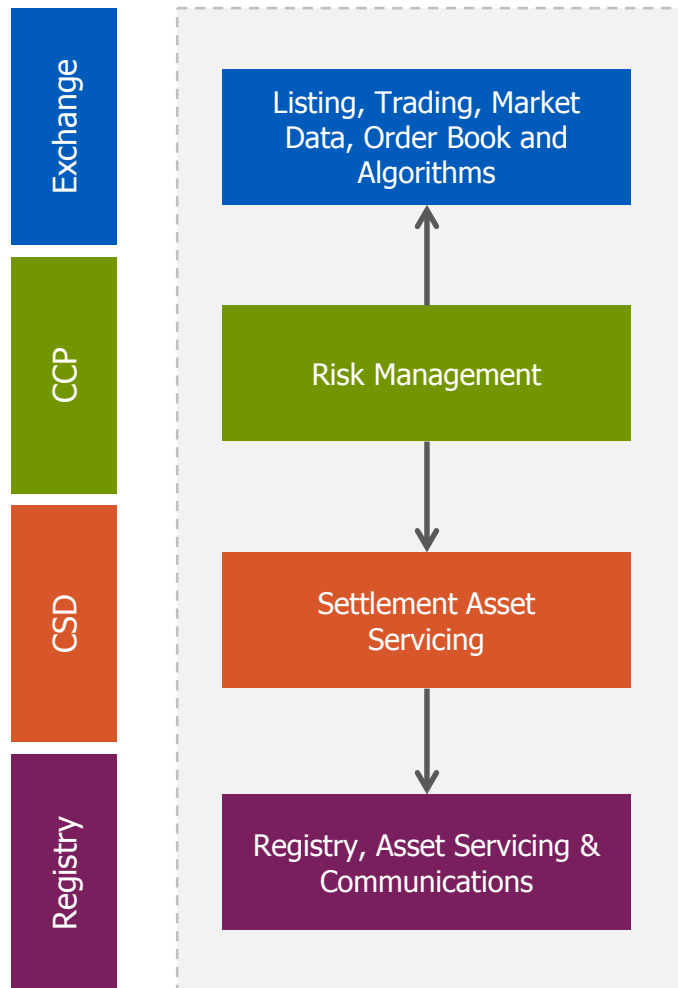
* CCPs include LCH, NSCC etc.

** CSDs include Crest, DTCC, CHESSE etc.

Potential future state

New market model? ~ a potential business opportunity

Compressed market structure: 4 to 2 level architecture?

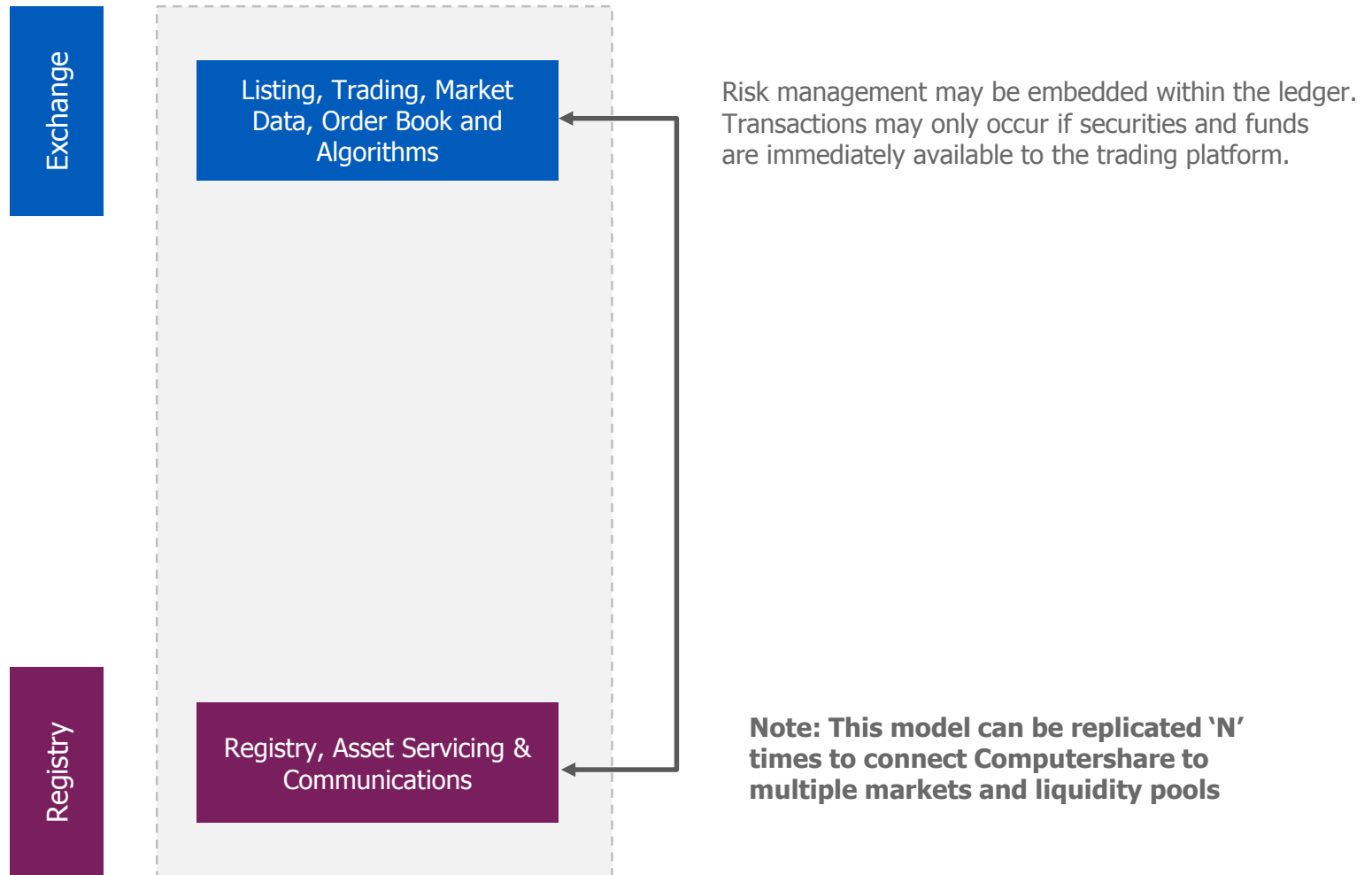


Note: This existing model today connects Computershare (and its Issuer clients) to multiple markets and liquidity pools

Potential future state

New market model? ~ a potential business opportunity

Compressed market structure: 4 to 2 level architecture?



Risks and opportunities

Interaction between a Distributed Ledger and the Share Register

- › In our view, the share register and the ledger are highly complementary but serve different purposes.
- › We do not believe a distributed ledger will be the “share register” for corporate law, privacy reasons or operational purposes.

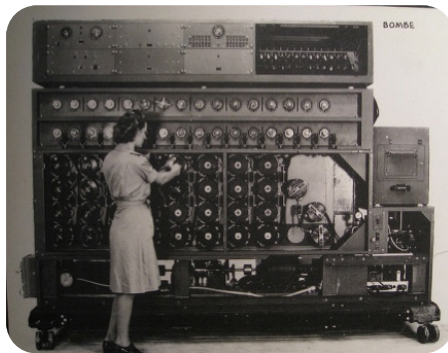
Note: The legal register of title is already “the single source of truth”.

- › We view the distributed ledger as a sophisticated transaction communications channel between different actors in the market system. Access rules and commercial dynamics determine who plays what roles for whom on the ledger.
- › We believe there are sound and effective regulatory policy reasons why connecting the register to the distributed ledger will deliver a more effective regulatory outcome based on trusted service providers. It will also provide the best transition to a future state environment.
- › We’re engaging with various parties on this issue, including ASX and SEC.

Share Registry implications

Registry responsibility continues

- › Registers, share management and reporting
- › Transfer processing, including for restricted securities
- › Dividends and other Corporate Actions, e.g., splits, acquisitions & spin-offs
- › Shareholder Communications and Proxy Voting
- › Other innovative solutions:
 - Development of alternate settlement channels e.g. future state model (ref slide 14) connecting to deeply established exchange platforms and /or alternative trading platforms
 - Our team is also developing relevant 'use cases' to understand product and service benefit and will soon start to focus on what "cost out" opportunities blockchain may separately create (if any).



Risks and opportunities: Specific Use Cases

So where's the opportunity for CPU?

We're developing a range of Use Cases for commercial consideration, including:

1. Registry management for US market, but globally applicable.
 - Private Market Registry (Transfer Agency) for US market, progressively applicable in a range of Computershare core markets as regulators liberate capital raising mechanisms [crowdfunding]
 - Restricted Securities Market (includes Public Issued Securities) for large, existing market in US.
2. Registry to CSD interface to facilitate registry management, CSD interactions and dematerialization, globally applicable.
3. Development of an "on-register" expedited settlement module
4. Cross Listed securities, including fungibility of digital securities and exchangeability between digital and analogue securities quoted on different markets
5. Investor Communications and Proxy Voting, focus on UK/EU, but global applicable. Applicable to new market models and to existing market structures.
6. Other broader enterprise solutions



SETL.io

simple | unified | immediate

Brief History of FinTech 1970s > 2016

Every decade a new technology changes financial services

- 1970s SWIFT
- 1980s Dematerialisation / CSDs
- 1990s Real Time Gross Settlement Systems [RTGS] / Central Banks
- 2000s C21st technology to front office, Chi-X, Algorithmic Trading, ICE
- 2010s C21st technology to post-trade

Strategic rationale for SETL

- We aim to do to the post-trade space what Chi-X did to front office trading
- Blockchain technology has the potential to completely transform settlement and post trade administration
- Three key elements to understand about our plan
 - The benefits - why is this such a good idea for the market
 - The technology - the essential elements for institutional finance
 - The proposition - key elements for the success of SETL

Benefits of SETL ?

- A simple, unified, t-instant, multi-currency settlement system using central bank money to
 - Transfer Cash
 - Settle FX
 - Settle Securities and Derivatives Transactions
- A 'Golden Record' of financial asset ownership designed to replace multiple complex and expensive intermediaries
- A way to de-risk the settlement and clearing process
- A way to free up significant bank capital
- A way to drive US\$80 bn of costs out of the post-trade environment

Proposition

- SETL is putting a proposition to the market which has a significant probability of success
 - There is a track record in executing disruptive technology - a very particular skill in financial markets
 - SETL has an understanding of financial markets borne of decades of experience and innovation
 - SETL has a clear execution strategy based around a phased approach
 - SETL can demonstrate technology working at real-world volumes
 - The SETL team has the trust and confidence of the market

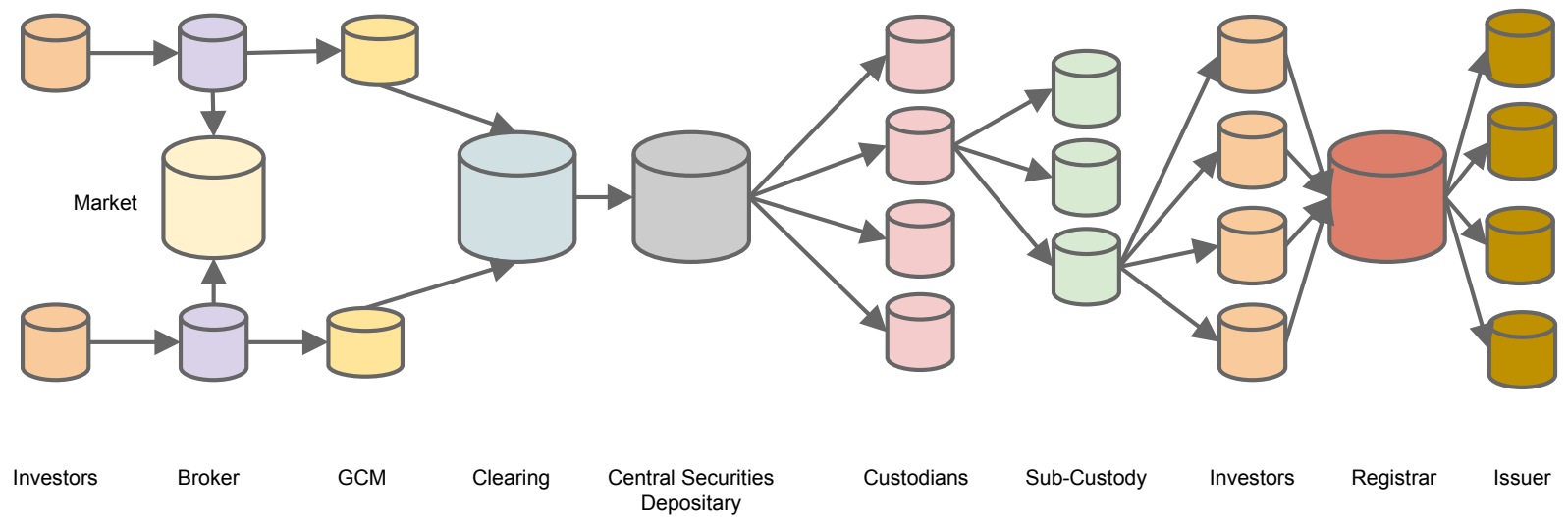
SETL

- Founded in 2015 after 24 months of pre-incorporation technical development
- Key Executives all previously worked together at Flemings / JPMorgan
- Board – Chairman Sir David Walker, Dame Rachel Lomax, Antony Jenkins, Ed Richards
- Regulatory engagement: BoE, ECB, BIS, IOSCO, ESMA
- Deep understanding that this is NOT solely about technology, it is really a project about regulation and adoption
- Deep understanding that payments and collateral movements are the ‘core’ of all financial service offerings

Technology

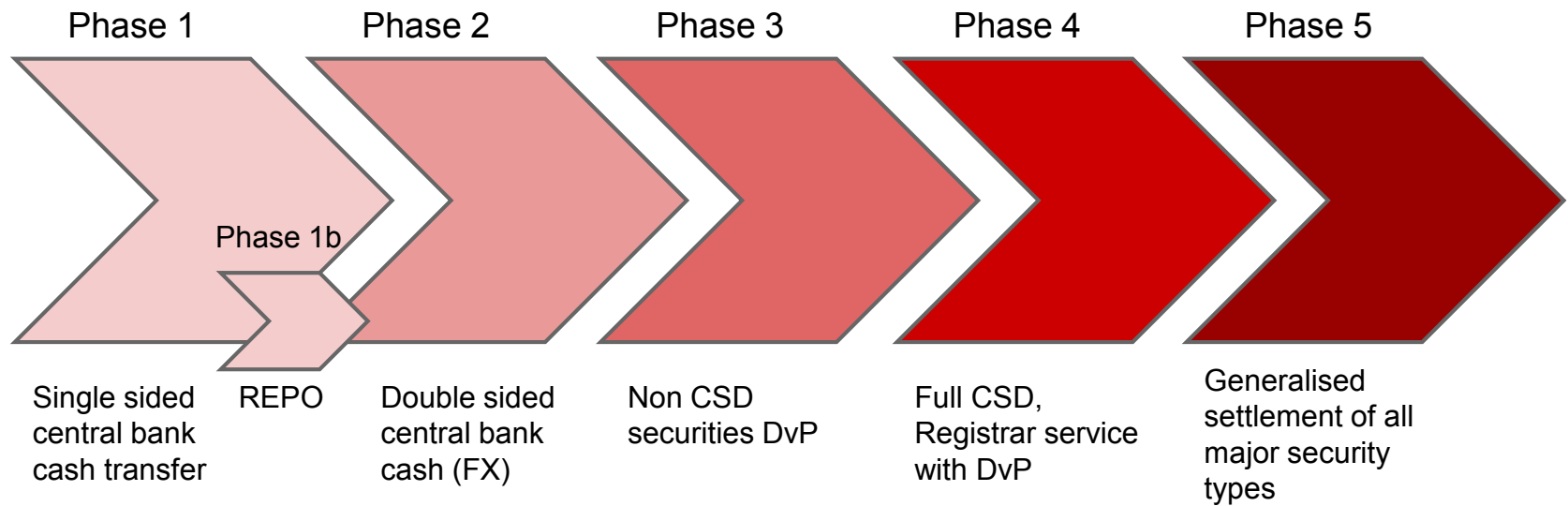
- To achieve these goals we needed permissioned technology that can work in the real-world of finance. In contrast to other blockchains, institutional finance needs:
 - The ability for participants to be ultimately identified
 - The ability to SETL real world currency and assets
 - The ability to execute 1,000s of transactions per second
 - The certainty that DvP and PvP can be executed
 - The ability to interface with existing protocols and systems such as SWIFT and FIX

Simplified Equity Process



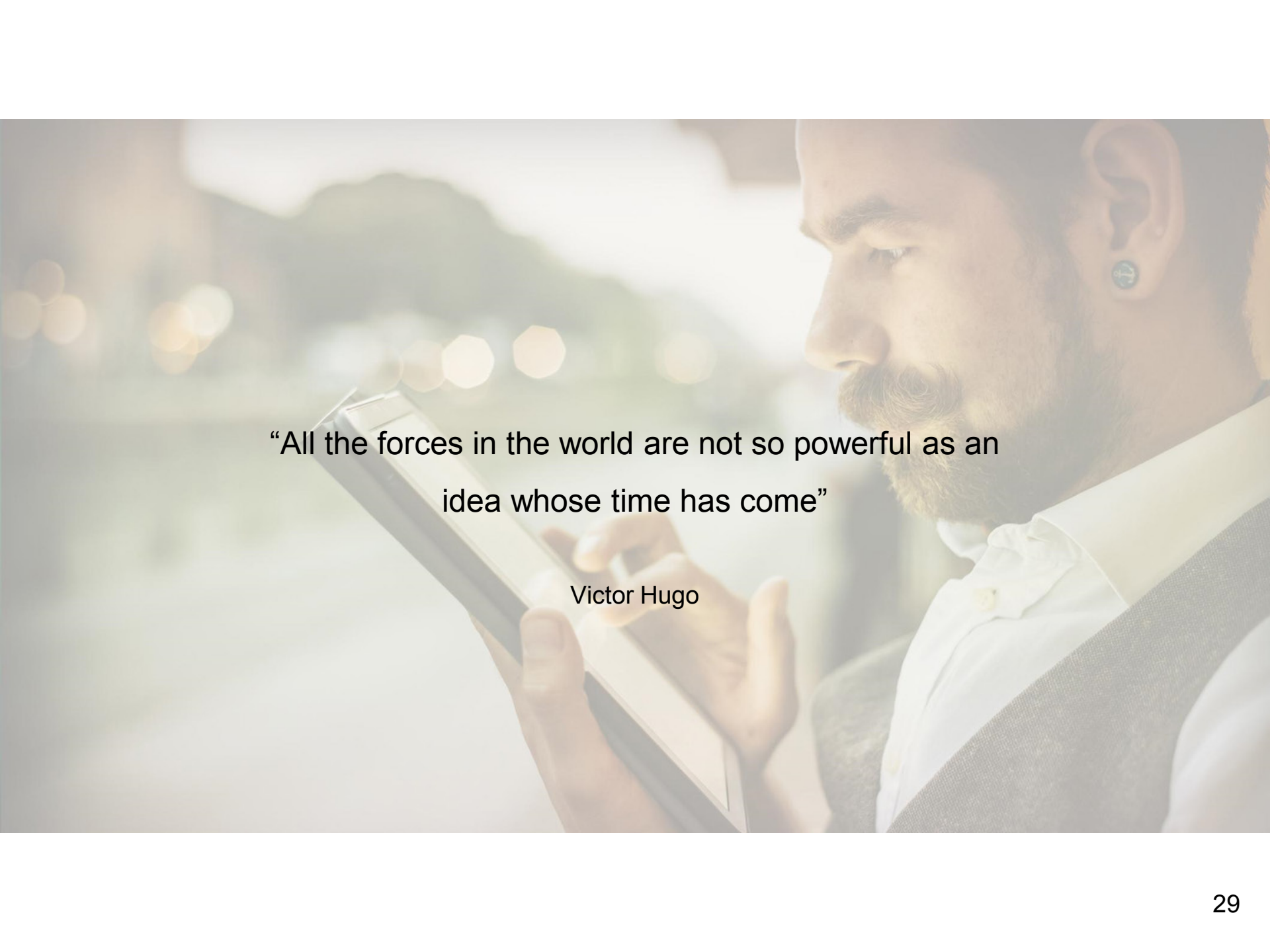
Post trade environment is over-crowded with intermediaries

Phased Implementation



SETL / Computershare

- Computershare brings: neutrality, trust, client base, issuers, regulators, financial infrastructure, geographic coverage and 'Final Mile' contact
- SETL brings: experience of delivering financial market disruption, robust financial grade Distributed Ledger Technology, deep Cryptographic and Info-security heritage, scalable business model
- The project we will jointly explore allows all parties to play to their strengths - Computershare as a provider of node access, as a provider of wallet services, as a provider of regulatory cover. SETL as a provider of working technology, first mover advantage, unified systems
- Together we plan to be able to offer to payments and financial services what the container has done for shipping and world trade.



“All the forces in the world are not so powerful as an
idea whose time has come”

Victor Hugo

Summary

- › If blockchain technology is widely adopted across our markets:
 - The share registry function will endure
 - Computershare is well positioned for market evolution
- › We are actively engaged in various blockchain initiatives.
 - We see opportunities, locally and globally

Important notice

Forward-looking statements

- › This announcement may include 'forward-looking statements'. Such statements can generally be identified by the use of words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'objectives', 'outlook', 'guidance' and similar expressions. Indications of plans, strategies, management objectives, sales and financial performance are also forward-looking statements.
- › Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Computershare. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this announcement.