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TMX Group Limited 2024 Investor Day
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Corporate Speakers

- Amin Mousavian; TMX Group; Vice President Investor Relations
- John McKenzie; TMX Group; Chief Executive Officer
- Loui Anastasopoulos; TMX Group; President Toronto Stock Exchange and TSX Venture Exchange
- Luc Fortin; TMX Group; President and Chief Executive Officer Montreal Exchange
- Jay Rajarathinam; TMX Group; Chief Operating Officer
- Peter Conroy; TMX Group; Chief Executive Officer TMX Trayport
- David Arnold; TMX Group; Chief Financial Officer
- Tom Hendrickson; TMX Group; President TMX VettaFi
- Unidentified Speaker; Unknown; Unknown

Participants

- Brian Bedell; Deutsche Bank Securities; Analyst
- Aravinda Galappatthige; Canaccord Genuity Capital Markets; Analyst
- Etienne Ricard; BMO Capital Markets; Analyst
- Graham Ryding; TD Securities; Analyst
- Jaeme Gloyn; National Bank Financial; Analyst
- Unidentified Participant; Unknown; Unknown
- Nik Priebe; CIBC World Markets Inc; Analyst
- Chris O'Brien; Barclays; Analyst

PRESENTATION

Amin Mousavian: Okay, we're going to get started. Hello and welcome. Welcome to TMX's 2024 Investor Day. My name is Amin Mousavian. I'm the Vice President of Investor Relations and Treasury here at TMX.

We're live from our Market Centre in Toronto, and we really appreciate every one of you taking the time to be here today and for everyone tuning in online on the webcast. Now, it's been six years since our last Investor Day, and we've been in touch with many of you on a regular basis.

But we're really excited about sharing our growth journey in the past few years, and even more importantly, talking about how we plan to accelerate growth into the future.

I would like to begin by acknowledging that the land on which TMX operates in Toronto is a traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat peoples.

As an organization with a national footprint and operations across the country, we're grateful for the rich Indigenous history, traditions, and contributions to Canada. The land acknowledgement you just heard is part of an important initiative that TMX took in 2021 to improve relations with Canadian Indigenous people and is an important component of our ED&I and sustainability efforts to make a positive impact on the communities and markets in which we operate.

Just yesterday, we celebrated Indigenous History Month in this very same room. It looked very different with the crafts market and cultural celebrations that we had, and that's just one of the many events that we take part in throughout the year.

Today's agenda will start with an overview of our enterprise strategy by our CEO, John McKenzie, and end with a financial update from our CFO, David Arnold. Now, I may be biased, but I don't think you can get a better opening and closing act than that.

What's unique about today, and even more exciting, is all the presentations we have from our business leaders, Loui, Luc, Jay, and Peter. We have a very strong and driven leadership team, and they'll take a deeper dive into each of their businesses and highlight the different elements that will accelerate growth in each of their businesses.

We'll have a Q&A session at the end, so please hold on to all your great questions until then, and we'll be sure to answer them. Following the Q&A, just to my left, we'll all participate in a market close ceremony, which I know many of you are looking forward to.

A few administrative items. For those here today, you can access the presentation by scanning the QR code on your table. That also includes information for the Wi-Fi, and both the Wi-Fi name and the username are TMXGuest, all caps, and it's all case sensitive. For everyone online, you can access the presentation at InvestorDay.TMX.com.

Let's cover our forward-looking legal disclosure as well. Certain statements made during today's presentation may relate to future events and expectations and constitute forward-looking information in the meaning of the Canadian Securities Law. Actual results may differ materially from these expectations, and additional information is found in the appendix of this presentation, our 2023 annual report, and other periodic reports that we have filed with the regulatory authorities.

Now, it gives me great pleasure to introduce our CEO, John McKenzie, who will get us started on this fantastic day we have planned for you.

John McKenzie: Well, thanks everyone, and welcome. As Amin said, welcome to the TMX Market Centre. I recognize this is probably the first time for many of you to ever be here. We actually built this site during COVID of all times. If you didn't know beforehand, it was actually a high steakhouse. If you had the steak for lunch, I'm not going to say whether or not it was the original steak we found when we actually rebuilt this.

So thank you very much for taking the time of your day, especially on a beautiful summer day like this, to join us here in Toronto. For many of you who know our story already and you've been following the company closely, you know this is a tremendous opportunity not to just get the refresh of how we're doing and where we're going, but really meet some of the key leaders in our team, hear from them directly about the important plans we've got to evolve TMX into both the near and the long-term future.

And at the outset today, before we get deep into the elements of our overall growth strategy and the evolving market, I think it's important for us to start with a bit of who we are and how we got here. We wanted to put together a very simple analysis of what makes TMX such a compelling success story.

Our success over the next number of years is no accident. We've achieved some very impressive growth over that time by adhering to a very focused, client-centric, market-tested strategy to diversify, innovate, and globalize the franchise. And when you're paced with technology and the fast-twitch evolution of modern markets, as we write each chapter of our story, candidly, the tempo keeps picking up. And our goal today is quite simple. It's actually to help everyone understand how we actually get to double time. We move twice as fast. And it starts with the key attributes that are on the slide about our winning traits as an organization, which I hope many of you are familiar with already.

First of all, we do have a very high-performance and diversified business model, a structure that is not by accident. It's dynamic. And it actually responds well in all market conditions.

In the second column, we've got the capacity to grow. You know about the strength of our balance sheet, our ability to use it to accelerate what we're doing, our AA credit rating, multiple successful debt issuance that we were able to do this year that had phenomenal response for the investor community, and a demonstrated ability to generate strong free cash flow year over year in multiple market conditions.

Now the third piece in here, the proven track record of strategic execution. And we thought about this quite a bit as a look back. Sometimes when you're looking at project by project, you think about execution. But I think about a story we heard just recently from an investor in TMX who is no longer an investor in TMX. They actually had sold their position a couple of years ago. And they said to our team, "Well, I saw what you were saying, what you were going to do, but I wasn't sure you could do it." And that's what we've been really trying to ensure that we demonstrate over the last couple of years, is it's not just about the plan we lay out, but we've got a team that knows how to execute, and that we deliver on what we are going to say.

The last two pieces and the critical pieces that underpin all of this is this is a technology-first organization. Every piece of business in this organization is underpinned by world-leading technology. But even more importantly, it's operated and delivered by a phenomenal set of people. It's our winningest trait, it's our most powerful asset, our people both here in Toronto and all around the world. And they are the true engine of TMX, committed to serving our clients both here and around the world with excellence and integrity, and driven by our unified purpose as an organization, which is to make markets better and empower bold ideas.

Now, I thought originally I might talk about 172 years of history of TMX, but we will just focus on the last 20. But for 172 years, we've really operated the center of the Canadian capital markets, really it's the heart of the nation's economy. And the history of us is actually linked with the history of the success of the country itself. If you think about the Toronto Stock Exchange and the Montreal Exchange particularly, they were home of visionaries and trailblazers that built Canada's infrastructure from coast to coast -- railroads, manufacturing, resource exploration, and now on the forefront of delivering technology and biotech in the industries of the future. And our markets globally have earned a well-earned worldwide reputation for fairness, integrity, efficiency, and reliability.

So it's a history we're all extremely proud of. But that's the end of the old history lesson, because I know many of you, I've been in some of the conversation with investor meetings before, you may have heard me say before that this is not your grandmother's TMX anymore. And the last 20 years have really changed and defined what the modern TMX is. And if you go through some of the pieces on the chart just in our last 20 years history, since our demilitarization in 2000 and our go public in 2002, we've brought in and integrated some immensely powerful assets to build the organization where it is today.

So, you know, starting back in 2001, we brought in the TSX Venture Exchange, which is unquestionably the leading public venture market in the world. In 2008, we brought in the Montreal Exchange, that's when we became TMX Group. Canada's Equity and Fixed Income Clearinghouse and Alpha, they came into the organization in 2012.

In 2013, we started down the path of building out our trust franchise with Equity Trust, which later became TSX Trust, and then expanded more recently with the combination of AST Canada in 2021.

And then even more exciting in the last number of years, 2017, the acquisition of Trayport, and just earlier this year in January, the acquisition of VettaFi, which really changed the business mix for what TMX brings, not just to its clients, but stakeholders and shareholders.

And while I don't want to underplay the importance of these transformative steps in our origin story, I do want to reiterate, and if you look back at this track record, each of these major milestones was well executed and exceeded expectations every single time. And with that, we've effectively extended TMX's reach across the value chain for a growing global client base, enhanced our competitive position, and delivered increased value to shareholders over time.

And in addition to these game-changing acquisitions that we've made over the years, we've been opportunistic in adding complementary pieces to the franchise as well, like Shorecan, or adding VisoTech and Tradesignal to Trayport, or Wall Street Horizon for TMX Datalinx, all designed to augment our capabilities and our talent in key growth areas for the franchise.

But more than just a series of acquisitions, and more than the sum of our parts, TMX has really transformed from a regional operator to now into a global enterprise, which I'm going to show you in more detail. And along the way, we've evolved the focus of our strategy from an infrastructure business to very much an information business, and which is how we get to the theme of today's presentation.

I know you've all seen this all before in terms of our brochure, our diversified business, but I'm going to share, if you haven't seen the presentation already, a couple of different lenses in terms of how we're looking at it and how we're transforming it.

But if we look at just the mix, which includes capital formation, equity and fixed income trading, clearing, derivatives clearing and trading, global solutions, insight analytics, David's going to go into a lot of these pieces in more detail later on in the financials, but I wanted to set some of the context, and particularly some of the financial objectives that we've set for the organization, and that we've updated over the last couple of years, including the transformational objectives that we laid out.

One of them, if you recall, was actually to build the GSIA segment, our global solutions, insight and analytics segment, to 50% of the franchise. And that's part of that vision of being an information business. And what you'll see today with the addition of VettaFi this year after our first quarter, we're already at 44% and well on the way.

Now turning to some of the other lenses of how we look at it, we've shared with you over time the growth objectives for the different business. And I know we redefined this in the last year in terms of what is high growth and strong growth. Just a quick reminder, high growth is defined as high single to double digit revenue for a business. Strong growth is 5 plus percent in growth. And market growth is businesses that should grow with the market themselves.

I always reiterate these are over time. Please don't ask me quarter to quarter how each one is going. These are long term objectives. But the reason we wanted to show it this way, and actually show it in terms of the business mix, is the other thing that's transformed in the organization since we did our last roadmap for growth presentation in 2018 is the amount of businesses actually in the high growth component of our franchise.

Back in 2018, it was about a third. Today over 50% of the franchise is in segments that we talk about being these high growth segments. And we are always looking to add more to that. In addition, even in our strong growth segments, we have a business like Datalinx which you will recall, we actually upgraded from market growth to strong growth on the back of a reset of our strategy and confidence in new management team and the ability to deliver it.

And one of the things we're going to highlight today that I'm hoping you're going to get excited about for the first time is the growth potential in our post trade operations, CDS, CDCC. So the new things that we're doing in post trade, we believe are going to position this business for growth in the future. And it'll give us the strength in the future to potentially come back and re-rate and have another discussion about that business in the future in terms of being a different elevation and a different contributor to long term growth.

But along with that, I'm also just happy to reiterate that we're actually well on track on these objectives we set out. Trust is 30% above. We've got acceleration in Trayport, which was 7% when we bought it, now growing at 12% to 13% a year. And our derivatives business is up 16% on a reported basis over the time frame.

The other two slides I'm going to go through really quickly just to give you another couple of lens. The diversification of our business on recurring revenue, we've got a long term objective of 2/3 of the business. We are now happily at 55% of the franchise, including VettaFi. It was not that long ago that this was actually 40% right before we did the Trayport acquisition. So it actually is a substantial move in terms of this mix over time.

And the last piece in terms of the global aspiration and what we're doing globally is you know we have a long term global objective of having more than 50% of our business outside of Canada. And the way we've defined that is actually the revenue that we bring into the organization in non-Canadian dollars. And for the first time in the first quarter this year, we actually exceeded that objective. We had 50% for the first time. But I do want to iterate. It actually understates what we do globally. Because it doesn't include what you're going to hear from Loui later on around the 240 international companies, because they actually pay us in Canadian dollars.

Or what you hear from Luc around the international traders that trade directly through either the US operations or US time zone or our time zone operations we've got around the world.

And so it's not just GSIA that's actually contributing to that global piece. It actually is all of our franchises. And over the time in the future, we'll figure out new ways to actually show that to you. So with that, I'm going to pause on the history and do a quick snapshot and transition in terms of where we are going in a new way of looking at it.

(Video playing)

So I like that transition for a couple of reasons. I mean, I got a chance to have a drink of water for one. But also, the thematic there-- and it does feel a bit like we're starting the next Marvel franchise with it. But it very is much trying to capture the excitement we all have in the organization around the feeling and the spirit of 2X. So TM2X is a rallying cry about growing faster. And I'm going to talk a bit about what that actually means as we go.

In our last investor day that we did in 2018, we set out what was the roadmap for growth. And since that, if you look at some of the metrics since that day, we've more than 2X'd the market value of this organization. We've nearly 2X'd the revenue in the company. We've exceeded the long-term objectives that we set out six years ago, and the company has grown an average yearly rate of about 7%.

In the business areas since 2018, Trayport has more than 2X'd. Trust has more than 2X'd. The value of the ETFs listed on Toronto Stock Exchange has more than doubled. And the average daily volume of derivative trading contracts on the MX has more than 2X'd-- all areas that we laid out as being high-growth areas in the firm.

So going forward, what we're trying to do, what our ambition is to do, is to do it again, but to do it faster. So TM2X is about acceleration. It's about accelerating the growth of the franchise. And if I take you back in terms of how we got there, it was a little over a year ago that we actually pulled the senior team together in the organization, leadership from across the country and around the world, and representatives from a wide cross-section of our businesses, our functional areas, and talk about how we can push TMX out in terms of a growing global company, build on that proud and storied history.

And we challenged ourselves to aim bigger, to see beyond the next incremental initiative or the incremental change, and do the most ambitious, most audacious moonshot we could. And it was a very simple piece. It took us 170 years to build this into a billion-dollar franchise. It took 14 years to get from a half a billion to a billion. And so the simple challenge was, how do we do that in half the time? Half of 14 years, how do we do it in five to seven and do this twice as fast?

So TM2X is a simple rallying cry. It's the lens through which we view growth opportunities going forward. And I'm going to leave it to David at the end to actually get into the how in greater detail. But our ability to reach 2X is determined by a combination of things. And actually, I got one of the questions before we even started the session today, which is, can you do it organically? And yes, we've got an organic plan to deliver this objective. But we also have a balance sheet and flexibility to pursue inorganic strategies that actually help us get us there faster.

And we've also built a propulsive mindset in the organization so that we can make decisions faster and we're enabling technology so we can go to market faster as well. And all those things help to accelerate.

So while 2X actually started a year ago as an aspiration, you will see today that we've actually got an executable plan to deliver. This slide I'm showing you quickly is-- I wanted to share it with you because it's a slide we use internally to talk about our strategy with the staff overall. And the importance of it, it actually highlights the fact that growth is one component. Because growth cannot exist without three other pillars of the strategy to rely on.

And those pillars are talent in the team, talent and culture. We've got phenomenal people that are really inspired by the theme of making markets better. We all get up every day to do that. We've got the importance of advocacy. Because advocating as a central market for our clients is actually key to making markets better, ensuring that our clients can have success with us. And then also recognizing that we've got a role to play around sustainability. Not just sustainability as a firm ourselves, but that capital markets have a critical role to play in financing a more sustainable future. And in keeping with our purpose and our important core function, TMX Group is committed to facilitating a market-driven response to key issues like climate change. And we play an active role to position Canada as a world-leading marketplace for sustainable investment and finance, empowering clients to become more sustainable themselves in whatever industries that they're in.

Now in terms of the lens of the actual growth strategy going forward, you can refer to this as kind of the core plus four in terms of simplifying it. But what we were trying to do as an organization, and I always think about Steve Jobs. And Steve Jobs, if you remember when he came back to Apple, Steve Jobs didn't come back to Apple and create a bunch of new strategies. Steve Jobs came back to Apple and looked at the 100 programs they were working on, and he cut it down to 10 that were going to be the most impactful for the organization.

Because strategy is about making choices. And the choices that we have made is to focus on continuing to build a very strong, growing core franchise we have and augment it with four distinct growth strategies going forward.

Listings and beyond, beyond traders, getting beyond market data, and getting beyond our borders. And we'll go into those in more detail.

But I want to clarify quickly, beyond in no way means abandoning the core of what we do well. It means supplementing, adding to it, and building from it. And so the core itself, we've got phenomenal track record over the last few years of building new products to enhance the core operations for our clients. And if you look at the last five years, and I would say over the last couple of years, it's really accelerated. Some of the highlights, in our capital more information space, we launched TMX LINX. We've done new TSX Trust equity plan management services. And an initiative I'm very excited for you to hear more about later on is Markette Ventures, where we're actually trying to solve problems for the private market as well as the public market.

In our markets business, we launched Alpha-X and Alpha DRK late last year. In derivatives, we've successfully expanded our product offering across the Canadian yield curve and just recently launched the SGC, which is a secure general collateral notes program which helps facilitate the transition from CDOR to CORRA.

In Datalinx, we actually co-developed the new CORRA index, a new benchmark for the fixed income industry, as well as we've added new data sets like global corporate actions and North American buybacks.

And finally, in Trayport, we've introduced the voluntary carbon market and added new analytics and agile solutions to meet the needs of today's sophisticated traders.

Now what is getting beyond in some of these means? Listings and beyond is about growing across two different axis of building the franchise out from where we are today. We've got a very strong global brand and a great ecosystem around the world. As I mentioned, TSX Venture is the best junior market in the world and it's a proven two-tiered ecosystem. So we're looking to where we can bring that to other issuers around the world. But we're also looking beyond those issuers themselves on how we bring more product onto market like the ETF market and expanding beyond corporate listings.

I mean, I'm going to remind people that we actually invented the ETF here. We actually didn't invent it here. We invented it across the street in the old building. But Canada was a pioneer in the ETF. And since then, we've continued to invest in ensuring that this is a market that does more to support ETF issuers and fund development than any other market in the world.

But we're also expanding in terms of our non-listing products. So how do we provide a deeper share of services or a deeper share of wallet and relationship with the issuer today or the issuers of the future? And that's through things like transfer agency, trust services, and the other additional services that we can provide through that vehicle.

Now building beyond our borders is really articulation of where we take our trading and clearing strategy. It starts with strengthening the core because we have a core responsibility of making sure that these really critical programs are up and running every single day and that we keep investing in the ongoing needs of clients as they, in terms of adaptive trading strategies and the things they want to do to build their business.

But we're also evolving our platforms. And we're evolving them so we can add new products for clients. And we can also move into new geographies, either virtually through actual networks or physically like we are actually doing in the US market.

And to meet the advanced needs of traders and clearers globally, we're really evolving the post-trade business. We're evolving it into a responsive, adaptive, solutions-based business. And with the recent launches of CCMS, the Canadian Collateral Management Solution, the successful industry transition to T+1, the introduction of the SGC Notes, post-trade is becoming a really exciting part of our franchise. And it's becoming part of our emerging growth story, which you're going to want to hear more about as we go.

Now moving to the right side of the page, and yes, I deliberately put on Trayport and VettaFi on the back half of the presentation because I know you're always excited about that. But we're going to get excited about markets and listings first, and then we're going to talk about those data pieces afterwards. In market data and Datalinx, we built a new GSIA-driven strategy a couple of years ago, really focused around expanding the product range. And if you remember, this was a business that was a market growth business. It had moved with the economy. But with a new strategy and a new team, we're seeing real acceleration in that franchise.

And then we identified new ways to accelerate even faster, and we started a very deliberate effort to start investing in benchmark and ETF capabilities. And when the opportunity came to go a lot faster last year with the addition of VettaFi to our team, it was one that we couldn't pass up. It's given us the opportunity to expand our platform into new asset classes and new geographies and grow beyond traditional market data. It also enhances other parts of our franchise. You'll hear about how it enhances our capital formation business, but also these are things we can trade. We can put options on them. We can put futures on them.

So I'm really excited actually to have some members of the team here today for you to meet both within the Q&A session, but we've got some demos afterwards, and I hope you get a chance to interact with our new VettaFi team members.

So lastly, Trayport, which I know many of you know very well. Trayport is a business that's had exemplary growth. Now the success of Trayport has very much been built on the aggregation of markets for European energy traders. That's where we started. But our ultimate goal is to replicate the success of that core network and move it into more fast evolving markets in new geographies and new asset classes and serve the broker community better than we even do today. And you're going to hear more of that from Peter later on in terms of what we're doing in developing both new markets like Japan and the US and the new commodities that we're working on.

Now a couple of pieces that I want to close on to wrap all this up. You saw from my slide early on the other pillars that really underpin our growth, technology and talent. Technology is extraordinarily important for us. And there's four pieces I'm going to talk to you very quickly in terms of the importance of technology. First of all around systems modernization.

Our objective is to simply have no technology debt in the organization. We need to be constantly modernizing, constantly reinvesting our systems for the benefit of our clients. And we've been doing that for the past five years. We are well down the path of modernizing most of our systems including CDS which we expect to be ready for with the post-trade system by the end of this year and ready to go live then based on the testing and industry readiness with the street partners.

Our Trayport architecture, even though it actually had been refreshed a number of years ago, we are working on it again with an exciting project called Theseus. Theseus is based on the mythical ship where you replaced every part of the ship and it was a brand new ship afterwards but it was still the same ship before. And Peter's going to talk about what that does in terms of enabling us to go faster.

And we are working on next gen trading systems. So Alpha-X and Alpha-X US are using some of the next gen capabilities of what we're building for trading and clearing. The second piece is we are very much a cloud first organization now. And I know I've had this conversation with many people because other exchanges will do cloud announcements. And I always say we don't do cloud announcements; we just deliver cloud business. We're already using cloud across the franchise. We use it to scale capacity, we use it to support business growth. We've used cloud migrations to allow us to reimagine the experience for clients. TMX LINX, the front end for issuers is 100% cloud base. It's also enabled us to manage data across the organization and bring new analytical tools in both Datalinx and Trayport through cloud delivery solutions.

And on the third column, we're embracing new technology innovations. So we have embraced Gen AI, we've started using it internally. We actually just kicked off a proof of concept today using Google Gemini. You can guess later on whether or not any of our presentations were written by AI or not. I assure you that I don't believe they were.

And then the last piece, we've really got world class employee technology. And this is something that we took a risk on a number of years ago. This is actually an organization that moved to a full Google suite before actually people were embracing cloud delivery of workplace productivity. But we've done everything productivity in the cloud and it's enabled us to actually shrink the globe for our employees. It allows us to make hybrid work and make a global organization feel more like a local organization than it did before.

And so my last piece around people, and if you get the chance, please ask us a people question today. Cindy Bush, our head of HR, is here with us today to help me out on any of the people questions. But this is actually one of the most exciting pieces for us because we've really leaned in on culture over the last number of years and it's the number one piece of our strategic platform.

Over the last 20 year timeline that I showed you early on, we've gone from 500 people organization largely based here in Toronto to 2,000 people across Canada, but also UK, Germany, Austria, Australia, Singapore, Israel, Brazil, and the US.

And I mean, I wouldn't want to forget our most important expansion this year with our new team in Edmonton. So if we have a quick "Go Oilers Go" from the group today, we're looking for a good game tonight.

And from a talent perspective, we're very much building for the future, agile, adaptive organization, purpose-driven, and client-centric. And I'm going to highlight a couple of things on the slide that really are a testament to what we've been doing people-wise.

First of all, our organizational engagement in this organization over the past five years has moved from 53% to 73%, Cindy and I set the goal but we're going to get it over 80 because we want the A paper. We have industry leading retention, if you compare us to any other financial institution, we're right at the top. We're trying to create seamless employee experiences regardless of where people work in the world and what division they work in that we are all TMX people.

But we've also made some very deliberate choices around skillsets to invest in to enhance what we are doing globally, particularly private markets, global markets, AI, acquisition integration indices, sales, all net areas where we've invested in.

But at the same time in that middle column, we wanted to make sure the interests are always aligned to the stakeholder community, particularly the shareholder community. So every employee has short term incentives that are tied to the long term objection to the firm that we share with you. Our long-term incentives are equally tied to the performance of the organization. In North America, we've got over 83% of our employees that actually participate in our share ownership plan. I think you won't find many public companies that have that level of participation and penetration. And in our senior executives, roughly 60% of that incentive is long-term and tied to the performance, not just of how TMX performs, but how we perform relative to the market.

And the last piece that's becoming more and more important to really engaging and retaining a great workforce, a great talent team, is we've really leaned on a sustainable workforce and a sustainable organization. So Amin mentioned a bit of this up front. A number of things we've been doing, like advancing indigenous reconciliation, we're actually phase two of the PAR program, the Progressive Aboriginal Relations Program. We've got a strong ED&I program to ensure it's an inclusive workforce. In fact, one of the reasons you don't see some of our teammates here is because they were actually celebrating our pride events on the sixth floor of the building upstairs.

We've got a 59% increase in 2023 of employees that have used paid time off to volunteer. So not only do we do a volunteer dollar matching program, but we provide impact days so that our people can actually give back to their communities. And every single one of our senior management team members has sustainability objectives built into their performance objectives going forward.

So let me close with where I started in terms of our compelling success story. Before we move on the agenda, I'm going to turn back briefly to those winning traits. The defining element was our success to date and the keys to supercharging growth for the future. And I don't want to oversimplify it because there's a lot for you to take in today as we go through the pieces. But I want to leave you with a simple piece that TMX has what it takes to sustain this growth and we've got the plan to deliver on 2X.

We've delivered a high performance resilient business model. We've demonstrated consistent strength in multiple market cycles. You've seen that in the last two years where we've had a sustained challenge in capital markets and the organization that's still overperformed.

And now our square focus is simply on picking up the pace and going faster. So we do believe we've got the right model, we've got the right strategy, we have the financial capacity, the technology, and the people to get it done.

I hope you will really enjoy the day and the presentations for our team. I know our team is very excited about the TM2X story and what we're doing to accelerate and we're super grateful for everyone to participate both in the room today and live on the webcast.

But I do want to reiterate as we get going in terms of if you remember nothing else from the presentations today, I would encourage you to think about the following simple pieces. That we've made very clear choices around four distinct growth strategies to accelerate growth from where we are today, building on a strong core franchise. And by doing that well, we are reaching into markets where we've had limited presence in the past, private markets, post-trade services, ETF and benchmark services, and brand new geographies.

So with that, I will stop there and I'll move it on the team to get it started.

Thank you everyone.

(Video playing)

Amin Mousavian: Great, thank you. I did promise a great opener.

Thank you for that, John. Thanks to Gabe and Zoe and the marketing team for putting such a great video together. I think it really captures the strength of our listing business and just all the excitement you can have being part of public markets at TMX here in Canada.

Now I'd like to welcome Loui Anastasopoulos to the stage, the CEO of Toronto Stock Exchange and the global head of capital formation.

Loui Anastasopoulos: Good afternoon, everyone. Well done, Amin.

He was practicing my name yesterday. After working together for 15 years, it's still a bit of a challenge, so you got it right.

I have, I guess, the tough task of going right after my boss, so bear with me. For those of you in the room that I don't know, my name is Loui Anastasopoulos. I'm the CEO of the Toronto Stock Exchange. I'm going to spend the next few minutes talking to you about how we are growing our business in three ways, moving beyond Canada, moving beyond corporates, and moving beyond listings.

And to set the scene, let's begin with some key points from our capital formation business, as you can see on the screen here. In 2023, revenues in this segment were nearly CAD270 million, 60 million of that coming from the listings business, oh, sorry, 60% of that coming from our listings business and 40% of that from TSX Trust and other issuer services. Last year, over 50% of this revenue was recurring, and as we'll talk about shortly, despite the headwinds in the financing activity in the capital formation business, we've generated strong CAGR of over 6%, in part from our success of being able to attract international listings.

Now our exchanges have nearly 3,500 issuers at the end of 2023, including approximately 1,000 ETFs and 200 CPCs. In 2023, over 200 new listings joined the exchanges, with approximately half of these being ETFs. As you know, 2023 was a slow year for new corporate listings, with activity declining year over year in almost every sector.

But with this slowdown, while it was certainly not unique to Canada, it allowed us to maintain our global rankings relative to our peers. We are number three in the world for attracting new international listings, and we are number two for overall listings, punching well above our weight against our global peer group.

We also continue to see graduation activity in 2023, as companies move from TSXV to TSX. This continues to be an important and unique part of our business and our business model, with over 700 companies now having graduated to the TSX.

And finally, our transfer agency business, as you heard John refer to earlier, is the second largest in Canada, with a market share of over 30% in 2023. Approximately half of our transfer agency clients are ETFs and CPCs, though our biggest revenue generators are the over 230 TSX companies that we have as transfer agency clients.

Now as I mentioned a minute ago, I'm going to share some thoughts on how we're growing our business in three ways. Again, as I said, moving beyond Canada, moving beyond corporates, and moving beyond listings. On the first of these, I'm often asked how we've had the success that we've had beyond Canada and in building our international franchise to over 240 companies.

A big focus for us has been boots on the ground in key markets and where we see winning conditions, and this has really allowed us to scale our business globally. Now the reasons for our success are many, but in short, our team is outselling our globally unique two-tiered market, and that story resonates with entrepreneurs and investors in every market that we enter.

We also spend a lot of time nurturing and supporting the ecosystem that powers that two-tiered market in each of these jurisdictions, and our proximity to the US market really positions us as a gateway to North American capital.

These things resonate with companies looking to access public venture capital and those looking to expand their investor base in North America.

Now with that strong global presence that I just spoke about, we have built and grown a well-defined and structured pipeline of private companies that we are nurturing and preparing for our markets. That pipeline is global, and we take a very systematic approach to that process. 55% of the companies in our pipeline are international, and roughly 60% of those are from the innovation sector.

When market conditions are supportive, we know from experience that our pipeline converts into listings at a high conversion rate. So this is important for our teams to continue to nurture these companies and help them get ready for the public path.

Now some of you may have seen and some of you may have read, last year we added a presence in Australia as we continue to build out our global footprint. Now I'll use this as an example of what we expect when we enter a new region and the various tactics that we use to grow in new markets.

In terms of our expectations, in all markets that we enter, we target adding 15 to 20 new listings over a five-year period. That's been our experience with our investments in Israel and other markets around the world.

In terms of tactics, there are a few broad things that our teams do really, really, really well, and I would argue better than any other exchange group in the world. We build awareness and our brand in these regions. We build ecosystems and we connect those ecosystems of dealmakers locally with those in Canada, facilitating important connections to support dealmaking. And then we continue to nurture these companies through the pipeline for several years.

Now another important part of our strategy, as we look at our pipeline, another important area of growth for us has been winning listings from other exchanges. Switches are a very important source of growth, especially when the IPO market is weak, as it has been over the last couple of years.

We actively screen, track, and target companies on other exchanges that meet our requirements, and we've dedicated people focused on this around the clock. This applies to mostly companies listed on our Canadian competitive exchanges, but we also do this against other global peers as well.

From 2019 to 2023, we've switched over CAD10 billion in market value from other exchanges to our markets. Our strategy has clearly proven to be effective in our eyes.

Now moving along, I've just walked through how we are growing our business beyond Canada. As I said earlier, now I'll spend a few minutes discussing how we're growing beyond corporates. Notably, our ETF business has grown by just over three times in numbers and almost six times by value over the last decade. Given that TSX already has roughly 96% market share, you might ask, "How will you continue to grow in this segment?" and two points come to mind.

First off, new fund providers continue to come to our market. Today our ETF franchise comes from 39 unique fund families, but we're in constant dialogue with new providers globally that are looking at entering the Canadian market.

We've added to this count this year and we continue to see expected growth and continue discussions with providers again, as I said, looking to enter our market. The second point, and a bigger one in our view, is that macro growth supports growth for us in this sector.

Today ETFs only account for 16% of funds in Canada, with the balance of assets being in mutual funds. This means that there's a large share that the ETF market providers are trying to gain. The transition away from mutual funds into ETFs has been happening for a while and we expect to continue to see that trend continue. Now obviously this evolution benefits our ETF franchise, but to be clear, we are not passively waiting to receive ETF listings. We listed over 100 ETFs in 2023 and we expect that trend to continue. We aggressively continue to work the market for new listings.

Now we also actively support the sector and look for ways to partner with ETF clients, ETFs list with us, because we offer profile, liquidity, and visibility in service that is unmatched in our market.

So we continue to enhance these to ensure that we maintain our share of market and our share of growing market. Now in John's opening remarks, you heard him talk about our recent acquisition of VettaFi. This acquisition is really important and it gives us yet another suite of solutions to support the growing ETF sector.

In particular, the digital distribution and profile services that VettaFi provides are an important part of what our ETF clients are looking for. VettaFi's thought leadership through things like the

VettaFi Exchange Conference allows us to demonstrate leadership overall and reinforces our commitment to supporting ETFs.

As we continue to see more ETF providers coming to Canada and existing ETF providers launching new products, VettaFi will be an important platform to support the growth of our ETF franchise. You'll hear more about VettaFi in Jay's presentation a bit later on this afternoon.

So far, I've shared some perspectives on how we're growing our business beyond Canada and beyond corporates. The final area that I want to explore is how we're growing our business beyond listings.

So for context, 10 years ago, our non-listings business revenue generated CAD17 million. By 2023, that revenue had grown to over CAD100 million. Most of that growth has come from the business of TSX Trust, but it's also important to understand how broad our non-listings products and services offering actually is. As you can see from the slide, it's not just transfer agency and corporate trust services, it's much, much more. Now, this is a very exciting area for us and obviously an area that's very near and dear to my heart, having spent many, many years working on it. Our strategy has been focused on expanding and growing our share of wallet. With roughly 3,500 issuers and thousands of private companies, there are more solutions that we can provide to these companies.

When we started to build out our non-listings business, we initially looked at adjacent services that public companies need. For example, transfer agency, IR services, newswire services, regulatory compliance, et cetera.

We particularly like the TA space because it's a non-discretionary spend. What I mean by that is every public company in Canada requires a transfer agent. We entered that space, as you saw earlier, through our acquisition of equity transfer in 2013, and then we worked to expand the product offering and also the target market to sell into the private company space, which we weren't doing earlier.

Now, growing this business is not just about increasing market share, it's also about deepening the relationships with each client and providing new products and services. Today we offer these products to public and private companies, and in our mind there are some exciting opportunities to grow this business. Today only about 300 of our core transfer agency clients use some of these additional services. So we see significant opportunities to drive more penetration into the roughly 1,700 TA clients that we have and the roughly 3,500 corporate issuers more broadly.

Now, in recent years, a significant part of the growth for our non-listings revenue came from the acquisition of AST Canada's business, and AST obviously added scale, new clients, and a different profile of clients, but it also added new products and services to expand our capabilities. And with these new products and capabilities, it gave us even more reason to talk to more clients and more reasons to deepen our relationships with our clients.

We are incredibly excited about the many opportunities that this product offering allows us to support our clients and their businesses.

Now while I see several ways for our non-listings business to continue to grow in the years ahead, I want to call out two areas that I think are particularly interesting that John mentioned earlier. First, it's a new business called Markette Ventures that we have not previously discussed, so I'm excited to share just a bit more with you about this today.

Markette is a new platform that we're planning to launch later this year in joint partnership with our partner, Canaccord Genuity. It's really about bringing together the strengths of both organizations to solve a real client need. It's focused on addressing a pain point for public and private companies who raise money via private placements. The platform will digitize and streamline the private placement process and improve access to investors.

Over time, it's expected that other dealers and expansion into other geographies will increase deal flow and drive positive network effects.

Now the second area that I'm excited about is a business we're already in, and that's the business of equity plan management. It's one that we inherited with the AST acquisition. It's still relatively small, but in a market where we see a lot of potential. What you see here is a representation of what we believe is the addressable market. The market has three to four large global players who serve the largest issuers, but we see an opportunity with SMEs that is underserved. So today, we serve roughly 50 companies and 50 clients in this business, but we see an addressable market of roughly 600 SMEs that could be our clients tomorrow. We believe that we can really grow into this market, and when we do this, we will continue to grow the non-listings business in capital formation.

Now next, as I wrap up, there are three key takeaways that I want to share with you. First, that we have a strong global presence and brand that is allowing us to grow globally and beyond Canada. In particular, we have a truly unique two-tiered model with TSX and TSX-V that allows companies to go public at an early stage, incubate, grow, and graduate to the TSX. This model, our global brand, and our powerful ecosystem are key parts of our ability to grow beyond Canada and attract international companies.

The second thing I want to leave you with is that we are growing our business beyond corporates. Our ETF franchise, supported by the recent acquisition of VettaFi, is well-positioned to continue to capture share in a growing industry as we continue to see assets move from mutual funds to ETFs.

Our expanded offering of non-listed services is allowing us to support the needs of private companies, governments, and non-corporate issuers. Finally, we are growing beyond listings and capturing greater share of wallet with a range of platforms and solutions, including TA and corporate services, and other 10 services that I showed a few slides ago, like equity plan management, ownership intelligence, corporate printing, virtual AGMs, the list goes on. We see lots of opportunities to continue to increase penetration of these services with our existing clients and with companies that we have not previously served.

Apologies for not moving the slide forward.

Now hopefully, what you'll take away from here today is that we have a really exciting opportunity ahead of us and we believe that we have the people, the products, and the execution strategy to continue to grow this business globally. So thank you for your time today.

(Video playing)

Amin Mousavian: Partnerships, relationships, responsiveness are really key factors of the success of our franchise. It's my pleasure to introduce Luc Fortin, the President and CEO of Montreal Exchange and the Global Head of Trading for TMX.

Luc Fortin: Thanks, Amin.

So good afternoon, everyone. I want to thank you, first of all, for investing time with us today in order to get to know our business better. And over the next 30-odd minutes, I'll provide some perspectives in terms of markets and post-trade and really hope that you have some key takeaways from this. Now firstly, I will focus on where we've been in terms of growing our business. Secondly, I'm going to share some ongoing thoughts on our strategy. And lastly, I'll highlight two of the major growth pillars for the business that will help contribute. It will be our contribution to TM2X. But before I dive in, let's take a quick snapshot as to where we're at today.

So the team and I have the privilege of overseeing TMX's trading and post-trade activities. This represents roughly 38% of TMX's top-line revenue with a sustained five-year CAGR of 7.5%. Now, breaking down our franchise, we have derivatives. Our Canadian interest rate derivatives as well as our equity derivatives constitute MX. Our clearing business, which is clearing our derivatives, which is CDCC, and this includes our participation in Boston Option Exchange, or BOX as it's known, which we own a 48% economic interest, is driving 12.1% five-year CAGR for that segment of our activity.

The second component of our business is our cash. And the cash I would define as our Canadian equities trading, which has TSX, Alpha, Alpha-X, and TSX Ventures, as well as fixed income as part of our Shorecan intra-dealer broker, as well as CDS, which is our central securities depository. Now that business over the last five years has generated 3.3% return.

Now for this segment, it's important to note that they face some important headwinds post-pandemic. And with the economic environment, this largely explains this CAGR performance. Now keep in mind we're building the business for the future. This is not something that we're looking at with a short-term lens. We've got a very long-term lens on this business. And you know what? It's not inconsistent with what other marketplaces have experienced globally. And this is not specific to us.

Now the two key asset classes that we cover are equities and fixed income. Now that mix has been consistent over the years. And I'll address that a little bit later on in the presentation. Now a reminder that our product mix and revenue by product metrics also do include BOX.

Now equity market share, despite the increased competition that we've seen in Canada, because we have seen a lot of competition show up in Canada over the last decade, we still stand with 63% market share, which is market share that we've earned in terms of building deep liquidity for our participants.

And in terms of -- speaking of participants, we currently have 109 participants across different legal divisions. Some participants are unique to a single product line, and some have breadth across the entire business. And we continue to strive to grow our participant base. So if you'll allow me to spend a brief amount of time here in order to speak to you about our North Star, our aspiration. So we strive to operate a diversified global and integrated ecosystem to better serve our clients and their needs.

We already have the privilege of overseeing a number of centuries old businesses in TSX and MX, and with that comes great responsibility.

Now these businesses have thrived for so long because they've managed to adapt and to remain relevant and listening to clients. Now long-term perspective is crucial as we elaborate on the things that we want to do for the future. So I'll just invite you to kind of take a quick look in terms of current and future state. So right now I mentioned we have not a ton of diversification in terms of asset classes. We've got equities and fixed income. Where we see the future for us is being multi-asset, which includes funding, commodities, and alternatives.

Our presence, we want to continue to globalize our business and to broaden our remit. In terms of technology, we absolutely need scalability, and these are things that we're actually working on, and I'll come back to that a little bit later on.

Now we also need to shift from being just Canada-centric and solely focused on the sell side to being more globally focused to encompass the ability to connect with buy side and appreciate their needs as well as retail. So let's now spend a few minutes bringing you up to speed with regards to where we are on our strategy.

So from that North Star view came our strategy, and it's been in execution mode over the course of the last five years. We are guided by our purpose, which John mentioned earlier, which is to make markets better and empower bold ideas. Now our growth strategy is anchored around three fundamental pillars. The first, establishing a global footprint. Markets will help grow the overall TMX ecosystem, in some instances by leading into new jurisdictions or alternatively, supporting or anchoring others.

Enhancing the core, to ensure that we continue to meet the demands of our growing client base, providing products and services that meet their needs. Core growth and enablers are a part of the organic revenue growth, and enhancing the core, as John also mentioned earlier, is what allows us to gain this credibility with our investors.

And thirdly, it's about building adjacent businesses, areas where we have a right to play. A good example of this is our post-trade services, and I'll speak to that shortly. So let's look at some of the work that we've done so far.

So success for us is delivered through our initiatives, our products and services, and this work really establishes the team's credibility with our clients. A solid foundation for what we now call TM2X. Now the business model is pretty simple, but sometimes simple business models are not followed, but we really try to stick to the basics, and the basics are listen to your clients and deliver on their needs. Seems very simplistic, but it works.

Our new initiatives clearly demonstrate this, and as seen from the following examples, different products launched over the last five years, these initiatives alone have allowed us to develop 25% incremental revenue growth over that same period. And what that doesn't capture, that 25% incremental growth doesn't capture the ongoing effects to the rest of the ecosystem. So if you have a new product, what does this product have in terms of the impact on other products that we're also trading in the ecosystem?

So growth initiatives have been instrumental in our revenue accretion over the last five years, from revitalizing futures contracts along the curve with MX, to enhancing market structure on Alpha by capturing greater percentage of market share on inverted venues, and our all-important market on close. Our mock modernization to basically really adapt us to these new global standards have helped us capture significant growth in closing auctions.

Just to give you a sense of perspective there, mock auctions back in 2018 were roughly 6% of the ADV, and right now, today, it's 13% of the total Canadian equity volume as of the end of last year.

So let's take a deeper dive into some more concrete examples of how we listen to participants and deliver on what they want.

Successful relaunch of our CGF. CGF is our five-year Government of Canada bond futures contract. The important thing to appreciate here is that we're in direct competition with the over-the-counter market. We're trying to displace over the counter activity onto exchange, and we had to be very strategic about this. Some of the historical stipends that we've paid market makers were absolutely inconsequential in leveraging their participation, so we had to incentivize them accordingly.

Now when you look at the five-year part of the curve, for those of you that have a little bit of a fixed income background will appreciate that it's probably the most liquid part of the Canadian curve. That's where mortgage books are fixing. That's where treasuries are very active. Pension funds, money market goes out to five years. It's the most liquid part of the curve.

Now what we needed to do, we needed to establish some clear KPIs where we were able to successfully relaunch through a revenue sharing with two important market makers. We have market makers in a variety of different products, but in this instance, we partnered with TD Securities and RBC Capital Markets. They helped provide the deep liquidity required to drive this growth.

So we established very clear KPIs for how we define success, average daily volume, open interest in the contract. And once those key success metrics were met, well, there was an earn out for our partners. And basically, we then had the option to buy them out, and that would allow us to continue our market making scheme with other participants, but not necessarily at the same kind of high degree of engagement, simply because the products had that critical velocity to kind of run on their own.

Now, the contract has picked up since then. We're now achieving double digit average daily volume growth every year. The revenue sharing agreement is actually sunsetting next week, and this will allow us to further move the dial on revenue by increasing our capture rate per contract.

Now, this new successful partnership and rev share model was scalable to other points on the yield curve, allowing the successful displacement from this liquidity from the over-the-counter market onto exchange, which we'll cover in this part of the conversation.

So as mentioned with our CGF example, this is scalable. And we said, let's try it on a variety of different points on the yield curve. And that allowed us to revitalize the entire yield curve. We're adding liquidity.

Not that long ago, we essentially had two points of liquidity in our listed interest rate yield curve. We had STIRs, short for short-term interest rate products, formerly our BAX, and CGBs, our 10-year contract. Now we have a vibrant yield curve anchored by multiple points of liquidity, and this has really helped us transform our interest rate derivatives market.

Now, if you'll allow me a second, I'll share an anecdote. A former colleague of mine who left the industry for 18 months, and when he resurfaced almost a year ago now, he said the way that he would look at the market from a fixed income trader's perspective had completely transformed itself. He normally would sit, light up his screen in the morning, would show up on his desk, and he'd basically look at the intra-dealer broker screens to see where bonds were trading in terms of price and depth and liquidity. Fast forward to last year, he said, you basically look at the markets and it's not the same thing. You absolutely have to get all of your pricing through your futures contract because futures is driving cash now.

So we've been able to help transition that industry, and that's gone a long way. And it's really allowed us to globalize our business as well and bring it to the same standards.

So focus is to continue to develop the interest rate derivatives yield curve, specifically revitalizing our two-year and our three-year contracts, which are currently gaining solid momentum.

Last but not least, the most pivotable point on the curve that we had to rebuild was our short end with the launch of CORRA to replace our BAXs. Now, this type of benchmark transition happens once in a generation, and it's critical to our business.

As you heard from Bank of Canada Governor Macklem in the opening video, we worked very closely with industry to bring about a solution for the future. We're currently well ahead of what we originally anticipated the growth and adoption for this new benchmark to be. In essence, we're helping in the electronification of the fixed income market. That's a global phenomenon.

Bringing Canada's derivatives market to the world. So we continue to execute on scaling our long-term global growth strategy, bringing Canada to the world through extended hours. Launched in 2018 through two phases. First, in 2018, we essentially extended our trading hours to align with London's open. Before, we were very much viewed as a regional market, having our hours of operation limited to sort of our own time zone. Very difficult to attract clients to want to trade in your own product, in their own business.

And then second phase happened in 2021, when we aligned our hours of operation to open with Asia. And that resulted in 20 and 1/2 hours of uninterrupted trading to align us with a lot of our other global peers. Now, most of our products are now tradable during extended trading session. Now, taking Canada to the world has helped us grow our business and helped us grow our client base, as more and more participants are looking for global diversification.

The next part of our journey, which we're really excited about, is how do we now deliver more international products to those same international clients. Now, having focused our wins and progress, let's now turn on executing on our strategy. These initiatives will be our key part of our own contribution to TM2X.

So firstly, establishing a global footprint. Riding on the coattails of our successful derivative product global expansion, our globalization efforts now pivot to cash equity markets. The opportunity is not only here in Canada, but globally. But we did start in Canada in our own backyard. So what are the client needs? Well, the institutional buy side is becoming a lot more discerning as it pertains to quality of execution. They can no longer simply delegate the execution of their trades to their favorite dealer. They need to focus on the tools and analytics that are needed to assess the quality of this execution.

Now, what is the solution? Well, the solution about this execution quality, as you know, it's a fiduciary duty. So select marketplaces are responding by offering premium price functionality to help assist in the pursuit of this execution quality. And we're no exception.

So this is not the only limited to buy side, but we've also seen some sell side participants who are also looking to improve their own execution quality. So our recent successful launch of Alpha-X Canada went live in November 2023. We currently have 40 participants sending orders every week with a couple of very large liquidity providers consuming data and working on Alpha-X specific strategies. Now, inverted market is competitive. And yet for 2023, we still lead this market segment, and we're very pleased with it.

Let me now draw your attention to the US. As mentioned moments ago, the same client needs and the same solutions exist for the US as they do for Canada. So we want to be leveraging our existing expertise combined with innovation, which allows us to build this next generation ATS platform for the US market.

Now, why the US? To put things into perspective, and this basically will allow you to truly see the kind of size of prize that we're looking at here, is with roughly 2% market share, and this is a long term aspirational goal, we could potentially replicate the entire Canadian revenue stream of our business with this one single endeavor. That's what you'd call scalability, and that's also a right to play, and I'll address that shortly.

By the way, this segment is also a premium product. By doing so, we've answered the demands and interests of our clients. Where do we currently stand? So to bring everyone sort of up to speed, we've already received FINRA approval on May 30 for our application. Next steps is to obtain the SEC approval, which we expect by the fall, and pending regulatory approval, we envisage being up and running by the end of this year, and we're very excited about that.

Now, what's beyond that? Well, a key enabler is our new in-house technology stack. And what we're thinking about technology is we basically need to have technology that we're going to be deploying in the US, trying it out in our US platform, and then porting everything back in Canada. And that will allow us to move it from one marketplace to the next and then expand it beyond.

A key, as I mentioned, the plan is to launch in the US and import it back into our markets, and the desired state to gain scalability and to empower our future growth. So we're very excited about that.

So supporting our clients across the US. Here's why it makes sense for us. Our large global liquidity providers are all in the US market at the moment. Canadian banks are all looking at growing their businesses south of the border. Many of our larger global buy side clients have businesses in the US. We're also proving to be an interesting solution provider for large Wall Street banks.

These reasons and more are why the US is the most natural opportunity for us, and it happens to be right next door. So to give a clearer picture of the US, this is what the puzzle kind of looks like, as you can see on the screen. We have the following. We have the following assets. We have BOX Options, a dynamic options marketplace. And we've had this in our portfolio for 20 years, and we own 48% of that asset. And it currently stands with about 7% of the equity options market share in the US.

Data, as you've heard, we've recently acquired VettaFi. It accelerates TMX's index and benchmarking and ETF business and provides an opportunity for markets to leverage this business as we scale into our global expansion. Soon, equities with Alpha-X focused on execution quality.

Technology. Well, as I previously mentioned, building for the US with the intention of using that technology, porting it back into Canada, and scaling it globally. As the pieces of the puzzle come together, this allows us to establish what we have in Canada in a new jurisdiction, which is the US. Hopefully, this allows you to better visualize how the ecosystem comes together for us and offers scale and access to clients in the US market.

Now, let's focus on another important growth pillar, building adjacent businesses as it pertains to post-trade as a growth engine.

Now, we've been transitioning post-trade from a utility to a growth driver by answering industry needs around capital scarcity and essentially capital mobility.

Historically, our post-trade entities have been more of a byproduct of trading. You launch a new trading product, there is a post-trade corollary. But now, I'm going to ask you to envision post-trade as a growth engine in the years to come. And this is already well underway.

So firstly, let me focus on Canadian Collateral Management Service, another acronym in our business, CCMS. Now, this is a joint effort with Clearstream, our partners. Now, phase one of CCMS is live with major banks all conducting inaugural tri-party repo trades. This is first time in Canada on this type of stuff. It provides important operational efficiencies, namely time to execute. Doing these types of transactions used to take half an hour, 40 minutes. Now, it's done in a matter of mere seconds. It's very, very functional.

Secure General Collateral, which I will talk to in a few minutes, will serve further innovation to this existing platform. Phase two for CCMS continues to work with and onboard many clients across the industry. And we'll see expansion in service offering to include equities and pledges for securities lending in the second half of 2024.

Other major catalysts that basically serve as a result of this, T+1, BA cessation that's happening this month, and our own post-trade modernization. I think the way to really view what CCMS is, it's the grease to the wheels that makes the markets go round. The plumbing required for the securities industry in Canada. It's not very exciting sometimes to be looking at plumbing and viewing this as an opportunity. But it's a massive needle mover for us. And it's something that needed to be invested in Canada. We're very proud to have done so.

Now let's turn our attention to SGC, Secure General Collateral.

Secure General Collateral is a tangential opportunity that presents itself to us. As mentioned previously, it provides innovation on the back of CCMS and is unique globally. Now, when I do say this, it is truly unique globally. We've not seen this in any other global jurisdictions. Now, what was the problem? Well, BAs have been a key money market instrument for nearly 40 years. And their disappearance leaves a sizable gap in Canada's money markets.

Now, the estimated market size for BA replacement is somewhere in the ballpark of CAD60 billion. Conservatively, a midpoint scenario, we view a CAD30 billion addressable market for ourselves.

Now, the solution, which brings industry value add, are as follows. Efficient asset deployment for funding. Ease of investor access via a single security. Expected superior yield pickup relative to alternatives. Attractive for banks to offer to their institutional clients. And very importantly, a standing liquidity facility eligible with the Bank of Canada.

Let me give you a concrete example of what this would look like. So assume Bank A, with high quality liquid assets, HQLA collateral if you prefer, now has the ability to move these assets around in order to optimize their usage. Using CCMS, they would present a portfolio of such assets to TSX Trust in order to secure a QSIP. With this new QSIP, the security is issued, and the banks now have the ability to basically sell these securities to their institutional clients, hence generating cash.

The opportunity to deliver cross-functional revenue for TMX through the introduction of SGC notes, well, TSX Trust will generate issuance revenue, CDCC repo issuance and clearing revenue, and CDS collateral management revenue. More importantly, this gives our clearing members an opportunity to optimize their balance sheet. And SGC is a superior than most money market instruments in the sense that because of the benefits of an active CDCC risk management framework that brings to that equation.

So closing on post-trade as a growth engine, the innovation presented by the recent launch of CCMS and SGC clearly shows future growth potential for post-trade. But let's not forget all of the key elements that they currently provide, like repo, settlements, corporate actions, buy-ins, et cetera. And the bottom line is that this is not only that. It's just the beginning of what we're looking at doing in post-trade. There's a lot more to come.

So in order to support post-trade as a growth engine and to tap into adjacent businesses, there is no doubt that technology is a critical enabler. And it is as in everything that we do. So let me leave you with a couple of key takeaways. Now, let's summarize and look at a few things here. I started off by providing you a refresh on our ongoing strategy. I spoke to the credibility that we've built in creating innovation that drives incremental revenue opportunities. And I also expanded on how we're executing against these to help TM2X.

So more specifically, as just appeared on screen, enhancing the core. It goes to our credibility. I didn't spend much time on the core, but that's the DNA of who we are. It's being and becoming the trusted advisor, not taking our eye off the ball in terms of what's critical for industry and where industry is going and delivering the needed products and services.

Secondly, globalization. Builds opportunities for us to have a competitive offering. Markets will help grow the overall TMX ecosystem. In some instances, I've said previously, by leading into new jurisdictions and in other cases, supporting and anchoring other parts of our business. And lastly, but not lastly, tapping into adjacent businesses. Post-trade is a growth engine. No longer a utility. It's adjacent opportunities such as CCMS and SGC. We want to continue to be that catalyst that drives the need for further insight and information that our enterprise clients are seeking. All key endeavors I just mentioned certainly play a big role in accomplishing that.

I thank you for your time. Jay will be up after the break, where you will discuss beyond market data. Thank you.

Amin Mousavian: Thank you, Luc. Thanks to all our speakers for engaging sessions. And thanks for all of you for your energy, your attention. We'll pause for a 15-minute break. We'll be back. Some refreshments are on the side. Stay tuned, everyone online. Thank you.

(Break)

Amin Mousavian: Okay, we're back. Leading off our second part of the day is our Chief Operating Officer, Jay Rajarathinam, who will talk about our valuable and expanding data and services to our global clients through longstanding partnerships and newly acquisitions that we've had.

Jay Rajarathinam: Thank you, Amin. Good afternoon, everybody.

My name is Jay Kumar Rajarathinam. I know it's a mouthful even for my kids, so I go by Jay. I'm the Chief Operating Officer at TMX. And if you're wondering, what does a Chief Operating Officer do, I've been with TMX about eight years. And in partnership with some of my colleagues, I manage a few different functions -- enterprise strategy, technology and operations, and two of our exciting business units, TMX Datalinx and TMX VettaFi.

Before TMX, I was with a few global exchanges, ICE Intercontinental Exchange, and I see Euronext. So let's start with an introduction of Datalinx. TMX Datalinx was a traditional market data business. But it's been on a transformational journey to turn into a more global and comprehensive information services business. As of Q1 2024, the TMX Datalinx business has grown to almost 17% of TMX's top line revenue. It's a very healthy business with over 98% recurring revenue and with over 55% of our revenues coming from outside Canada.

As you may have picked up from the slide, we had a spectacular 2023 with almost 11% annual revenue growth, despite challenging equity markets conditions globally that Luc mentioned.

I'll draw your attention to a few metrics that highlight the breadth and scale of our data. Our S&P Composite Index has a market capitalization of about CAD3.5 trillion. This is quite sizable in any context. Datalinx is the owner and distributor of all S&P TSX Equity Index data. We provide reference and pricing data for over 70,000 equity and fixed income securities in Canada, with data from CDS business, a listings business, and other TMX business units.

We provide corporate events data for thousands of global securities. Corporate event data, as you may know, includes dividends, stock splits, buybacks, and earnings calendars. High quality and timely corporate events data tends to be very valuable for our clients. I know this slide shows 9,000 securities, but that was at the end of Q1. We move pretty fast. So now we are at-- two months in, we are at 11,000 global securities coverage. And this includes all the TSX and TSX Venture listed companies.

The breadth of our data combined with the quality of our market data makes it simply the most valuable data for anybody involved in Canadian markets. As you may know, the top of book is the highest bid or lowest asked for any security. Datalinx has top of book 98% of the time or higher for TMX listed securities as you look at the top 60, top 300, top 600 securities by market capitalization.

The top of book metrics are equally strong for TMX listed ETFs. And as Loui mentioned, we are home to more than 96% of Canadian ETFs by AUM. So all this makes our data not just valuable, it's invaluable for our clients involved in Canadian markets.

Based on client feedback, we have been and will continue be adding data beyond a level one, which is top of book, and level two, full depth, market data. These are data elements like our calculated opening price, data from our market on close, derived midpoint, and in the works, a consolidated volume product that will include trading activity of TMX listed securities across all venues in Canada.

We have a broad and truly global client base with over 5,000 institutional clients. 70% of these 5,000 clients are from outside Canada. Our clients are not just traders and market makers, but also include wealth managers, wealth management departments. These are portfolio managers, investment advisors, discount brokers, asset management groups, global vendors, these are folks like Bloomberg and Refinitiv who redistribute our data along with other data sets, and increasingly, we are seeing enterprise data teams also becoming clients of ours, these are often technology teams, back office, operations teams that all require this data.

We are one of the few exchanges globally that manage our clients directly even when redistributing data through other vendors, it's a very important differentiator because it allows us to stay very close to our clients and understand their needs and react very quickly to their needs and it minimizes revenue leakage scenarios.

Datalinx has five major product segments that generated a little bit over CAD225 million revenue in 2023. The business has been growing at 4.9% CAGR in the past five years but I'd like to highlight that the past three years have been even more transformative with a shift from low single digit revenue growth to mid-single revenue growth that John highlighted.

With all our new products, acquisition of Wall Street Horizon, a Boston based company, pricing and packaging changes and expanded sales and marketing, we have delivered almost 6.5% annual revenue growth in the past three years.

Core market data remains our largest product category, 49% of our revenue is driven by subscriptions which are typically professional users and 23% of our revenue is driven by data feeds that are typically systems, client systems consuming our data.

The benchmark and index business is 8% of our revenue and this is primarily our S&P partnership for co-branded Canadian equity indices. Platforms and investment data is at 11%, our clients are no longer just looking for raw market data, but they are increasing number of clients are looking for solutions that convert from raw market data into actionable information.

This suite of products include cloud based data management and analytics solutions, and these solutions are loaded with high quality and comprehensive historic data that our clients use to finetune their trading strategies, develop risk models and compliance reporting. We’ve had growth across all these five product areas and expect continued growth in all these five product areas.

I’d like to unpack our core market data product a bit more. All our clients seem to want more data, faster, and more reliably, but more importantly, nobody wants to be surprised with sporadic price changes. We've been working closely with our clients and other stakeholders and developed a pricing and packaging framework that is predictable for our client and has been a huge win-win.

This framework includes enterprise deals that are typically multi-year deals that offer our clients flexibility to manage usage of our data products within the organizations. These are being very well received by our clients and typically end up with higher renewals with much higher usage levels.

As our market structure evolves and our client needs evolve, we've been evolving our data with buybacks and shot positions and consolidated volume.

Lastly, we have a strong sales and marketing focus for our data products and in partnership with Luc Fortin's team and the markets team, we expand along with the markets team. They expand into Asian hours, we have opportunities to sell data to Asian clients, we expand into European hours, we have opportunities to sell data to European clients.

As we look beyond our core market data products, we've been adding several data sets based on our client needs and often through partnership. A good example that I would like to highlight over here is TMX's ESG data hub, so based on client needs, we have created a hub of ESG data through partnerships with providers of unique ESG data sets. As mentioned earlier for corporate events data, we continue expanding to new geographies, again, driven by specific client needs.

I'd also like to highlight our co-location product; this is a super important access mechanism for the most secure and lowest latency access to trading and other TMX services. All in all, we are very well positioned to continue growing our data products beyond the market data also.

You've already heard from John on how we have embraced cloud at TMX and see more and more of our clients accessing our data through cloud systems. But I think Gen AI could also change how clients use our data in the future.

Right now, all the attention seems to be on these LLMs, right? The Large Language Models, but as the LLM landscape settles, I think the real differentiator with Gen AI solutions is going to come down to the data that is going to be used to train Gen AI.

And unique and high quality data is going to be more valuable than ever before so right now, I know the NVIDIAs and the OpenAI Microsoft are all basking in the limelight but I really think the true winner in the long term is going to be unique data providers.

Last year, we celebrated 25 years partnership between S&P and TMX, in our industry, that is one of the longest and strongest such partnership. Through this partnership, we have delivered co-branded equity index solutions that are widely used by Canadian ETF issuers, and this product area has grown along with the growth of Canadian ETF as Loui highlighted.

Last year, we also partnered with industry players for our fixed income benchmark solution which as you heard from Luc, is critical to Canada's benchmark transition from CDAR to CORRA.

This brings us to 2024, where the acquisition of VettaFi has been truly a game changer and has opened a new chapter of growth both for GSIA and TMX as a whole.

So let's look at VettaFi a little closer. After almost a year of partnership and minority investment, TMX acquired all of VettaFi in Jan this year. As John mentioned earlier, VettaFi is being organized as a third business unit alongside Datalinx and Trayport in our GSIA segment. As of Q1 2024, TMX VettaFi represents 11% of TMX's topline revenue and when combined with Datalinx at 17% and Trayport at 16%, the GSIA segment now represents 44% of TMX's revenue.

VettaFi is a very global business with over 99% of our revenue coming from outside Canada with a significant portion coming from the US, it also has a very healthy amount of recurring revenue products at over 80% and as we get deeper, you will notice that even the other 20% is reoccurring and happens annually.

Some of our key metrics, $36 billion passive assets on the index. These are predominantly passive ETFs that use VettaFi indices and $31 billion active assets linked to VettaFi indices. These are predominantly actively managed mutual funds that use VettaFi for performance benchmarks. We have over 2 million unique visitors every month to our digital properties that includes popular sites like ETFDB.com, ETFTrends.com, advisorperspectives.com, and now that it's part of TMX, TMXmoney.com. We are happy to call 97% of the top 30 ETF issuers in the US our clients, we are working on the last one, and our number of products with this client base has been growing rapidly. Our 2024 revenues with TMX VettaFi are expected to be over $100 million.

What makes VettaFi unique in my opinion is not just the indexing business but it's a comprehensive ETF solution business that provides digital distribution and exchange conference.

As you can imagine, creating an interesting index and launching an ETF is only a part of the challenge. The bigger challenge is to drive inflows and distribution of those ETFs among the crowded landscape of ETFs. Throughout the year, we bring together financial advisers and RAAs, ETF issuers and asset managers, exchange venues, index providers, all through our digital properties, this includes webcast, symposia, interesting articles and so on to address key industry challenges and opportunities.

All this culminates in our annual exchange conference which brings together over 2,000 attendees, global attendees in person from across the world, right? And what our clients say is that this is the top rated industry event for them, the primary draw for most of the attendees is its continuing education credits for the attendees but it often leads to attendees packing in three-month's worth of meetings and collaborations into three days. So this has been a very popular conference and we hope to continue building on this.

To put a finer point on how VettaFi works, you can see in this visual how the three VettaFi product areas play an important role in the entire ETF product life cycle. If you think about product ideation, we are able to use our digital properties and tools to gather behavioral intelligence from those 2 million unique visitors to help product managers and ETF issuers identify client needs, service certain targeted client segments and develop product ideas that are dealing to that segment.

Our index team has been able to come in with the expertise in various sectors and thematics and assist with the index design and prototyping. Our exchange conference is a great venue for getting feedback from RAAs and other stakeholders on new index designs and for improvements to existing indices.

We are then able to support ETF launch itself with trade data analytics, liquidity analytics and so on and launch campaigns through various web properties, webcast and symposia.

Lastly, we are able to help with product growth by providing very unique sales lead lists for sales teams at asset managers using our digital distribution tools, and continued omni-channel digital marketing and continued product awareness and education at our conference. The Index Factory is central to operations at VettaFi. In my view, it's the crown jewel of VettaFi. Our Index Factory is new, it's cloud-based, highly scalable, and probably the most nimble platform globally.

And by the way, it's IOSCO compliant. For those who are close to Index operations, that's a good thing to have, being IOSCO compliant. This platform is designed to ingest global equity data and manage a large number of indices from a single platform across a full range of exposures, across countries, across sectors, and thematics in both real-time and end-of-day fashion.

The same platform also produces all the necessary data related to our indices.

The Index Factory enables us to rapidly acquire and integrate other index businesses. For example, VettaFi acquired EQM. This is a small asset that we purchased last year that includes indices like BLOK for crypto assets, NATO that tracks defense sector, and Drobo Global, another entity that has indices in healthcare technology, robotics, and AI. And we were able to integrate both these businesses, not in several months, but in a couple of short months. And all this was possible because of the way the Index Factory designed and the scalability associated with it.

The Index Factory is also a key differentiator when developing new product ideas with our clients. We can rapidly prototype new ideas, index ideas, and iterate through those with clients faster than anybody else out there.

I would like to share an example of a recent index development, the VettaFi CCIB Index related to companies that are PAR certified. And this is a fun one. It's close to home because the idea actually came from John McKenzie. And as we were going through our own PAR certification that John highlighted earlier, this is the Progressive Aboriginal Relations Certification. John posed an interesting question to the team. He said, "Well, it would be interesting to see if companies that have achieved PAR certifications actually perform better than the broad indices of the broad sector." And this would normally be like a couple months' worth of research project if somebody wanted to go back 20 years and back test these models and so on.

The VettaFi team took this as a challenge. And I think it was over a long weekend or something. Next week we pleasantly surprised John with John's hunch was not just right. We were able to prove it with a -- we developed a prototype index, back tested with 20 years of data, and proved that companies that were in PAR certified, when we created an index, it was not just good corporate citizenry. They actually performed better than the broad equity indices.

Great idea, interesting concept. Now, we have a lot of ETF issuers who are eager to turn it into an investable product. But I wanted to share that example just to highlight the superpower that it's given us in terms of being able to engage with clients and bring new ideas to life faster than anybody else.

We often hear from clients that this is a key differentiator. We are not the lowest cost provider, but we are the most nimble, the most innovative. That's what brings people to us. So as you think about the future, VettaFi is poised to grow based on several secular trends. There's been strong growth in ETFs in Canada, as Loui highlighted, but this is a global phenomenon. We've seen almost 19% CAGR in terms of growth of ETF AUM in the past five years. We see ETFs continuing to outpace mutual funds based on fundamentals of just higher liquidity and lower costs associated with the ETFs.

We see continued demand for ETF education, data and analytics. We see continued demand for targeted marketing and digital distribution. And we see continued growth in financial advices, especially the RIA community. You can expect us to grow across geographies, asset classes, and new analytics use cases.

VettaFi is a game changer not just for GSIA, but across all of TMX. My colleagues, Luc and Loui, touched on this, but I'd like to just draw this out a little bit more clearly. As I mentioned, VettaFi can help with ETF and index design with use of behavior analytics. We have the ability now, as part of the TMX family, to use unique data from every TMX business unit, our trading venues, our clearinghouses, Trayport, and really all our business units to create unique indices. We're able to leverage the deep relations of our listings team with Loui, the relations they have with ETF issuers to sell these products to a broader audience.

We are able to help with index calculation, ETF launches, and digital marketing using VettaFi. In addition, you're also able to offer a listing solution for such ETFs. As Loui said, TSX is home to almost over a thousand ETFs, and we'd love to welcome many, many more ETFs to the Toronto Stock Exchange.

Our trading venue offers deep liquidity for ETFs, and through our Montreal exchange, we are able to offer derivatives, ETF options and futures, index options and futures, all on our venues. All this trading can be cleared and settled through our CDCC and CDS business units in a very seamless fashion for our clients. And lastly, we're able to leverage the deep history and client relations of our Datalinx team to sell the data associated with these indices.

As I said, VettaFi is truly a game changer across TMX.

I'd like to leave you with three takeaways as you think about Datalinx and VettaFi. Number one, we have some of the most valuable core market data products whose growth is driven by innovation and direct client feedback. And remember, more Gen AI is going to make data even more valuable than ever before.

VettaFi is a game changer at the TMX level and lets us service our clients, ETF clients, in a more holistic fashion. The index factory and digital distribution capabilities now allow us to support the entire value chain, ETF value chain. And third, we have a large opportunity to expand both data and index solutions across asset classes and geographies. We're particularly excited about fixed income indices at Europe and expansion into Europe and Asia.

I'll wrap with that. Thank you.

(Video playing)

Amin Mousavian: Now six years ago at our last investor day, we introduced Trayport. We had just bought the business. This business has had phenomenal growth under Peter Conroy, CEO of Trayport's leadership, who will now take the stage.

Peter Conroy: Thanks, Amin. Good afternoon, everyone. I'm Peter Conroy. I'm CEO of TMX Trayport. Really happy to be here. I live in London. It's been about six years now. It's hard to believe.

So Trayport is the fastest growing business inside TMX Group and sits within GSAI alongside Datalinx and VettaFi. Trayport's technology enables the aggregation and distribution of fragmented trade information across its network, which now includes over 370 trading firms, leading to over 9,000 licenses and 26,000 connections. We also connect to over 50 venues.

We have offices in London, Singapore, Vienna, Bremen, Germany, Toronto, and New York. Our clients are in over 40 different countries and represent the biggest names in energy and commodity trading, names such as BP, Shell, Vitol, Mercuria, ICE, CME, TPI Cap, BGC, just to name a few.

Importantly, none of our clients represent more than 2.9% of our revenue, and 98% plus of our revenue is recurring. Trayport is a tech company, and our technology underpins the European energy markets. If you trade European energy, you have a Trayport screen. In fact, you likely have multiple Trayport screens, and you connect to our network.

The way to think about Trayport is that we are an indispensable network of traders, brokers, and exchanges, and we aggregate traders, brokers, and exchanges into one network. When you think about Trayport, think about the words aggregation and network. We make money by, one, licensing access to that network, two, selling additional products into the network, and three, expanding the network to new asset classes and geographies. And translating that into numbers, it's a compelling story. CAGR has increased from 7.2% to 13.2%.

In 2023, Trayport grew by 16.9% in pounds or 22.7% in Canadian dollars. Since the TMX acquisition of Trayport, we have doubled the revenue, doubled the number of staff, while growing the margin. We have 2x Trayport, and we plan on doing it again.

So we are not close to being done. We continue to capitalize on global trends. Markets continue to digitize. Believe it or not, some markets still rely on paper tickets and the telephone, while our hybrid solution is ideal for markets looking to evolve. Oil is one such market that I believe is ripe for our hybrid trading and broking solutions.

For example, we believe the oil market alone is twice as big as Trayport is today in power and gas. Data and analytics, today, represents 11% of our revenue. Five years ago, it was zero. Companies are increasingly demanding data and analytics to support their businesses, and they're willing to pay for it. Our acquisition of Trade Signal and VisoTech advanced our data and analytics strategy. AI, Trayport's been working with AI since our acquisition of VisoTech in 2019. While we purchased VisoTech for its renewables algorithmic trading capabilities, it also has developers dedicated to AI and machine learning. We recently launched a battery storage algorithmic trading solution, really, really cool solution that the market is starting to embrace. And in London, we are working with AI to further streamline and enhance trade workflows, developing AI-driven voice and chat tools.

Trayport is in a unique position to aggregate environmental markets. Power and gas traders are usually the same traders that trade environmental markets. In 2020, Trayport had 200 traders trading environmental markets. Today we have over 500 traders. In 2020, we had 16 brokers brokering in this market. Today we have 21 brokers. And the number of venues we connect to has grown from five to eight in the same time period.

So our strategic plan. Trayport will capitalize on these trends by executing our three-pillar strategic plan. One, enhance our core technology to deliver an unparalleled experience for our core European energy network to deliver the continued financial success in the short term, while at the same time providing the technological backbone to support other markets in growth. As John referenced earlier in his remarks, last fall we launched Project Theseus.

Project Theseus is a multi-year, multi-million pound investment in Dual Direct. Dual Direct is the connectivity layer of our network and it powers our aggregation and is also critical to our clients' execution capabilities. Utilizing the latest in cloud technology and the state-of-the-art architecture, Project Theseus will allow us to go even faster and most importantly, scale more quickly globally. We are six months in to this project. We are on time. We are on budget. And our clients are already seeing the benefits of this work.

Second strategy, data-driven trading, which I've already alluded to. We look to capitalize on traders looking for data, analytics, and advanced execution tools to further their trading strategies. Our data-driven trading strategy increases our stickiness with clients and drives our ARPU. As an example, one of our large clients, multinational oil majors, used to have an in-house data solution for their in-house data. But because TradeSignal, a powerful data and analytics platform that we purchased in 2021, is agnostic to the type of data it ingests, we've now replaced this large multinational with TradeSignal. And we have over 30 positions and we're not even close to being done with this large multinational.

Third strategy, new markets. It's about expanding the Trayport footprint geographically across asset classes. We are currently focused on the climate markets, North American power, and Japanese power. Building these markets takes time, and therefore the work we are doing today we know will pay off in dividends in the long term. Let's have a quick moment on Japan. Japan is a fantastic example of what we're doing in new markets. Japan began deregulating its power sector in 2016, but it took another four years until it launched its first derivatives contracts. And it was another four years before trade volumes warranted businesses starting up full-time desks there.

Japan has the power to be a very large power market, and it is bigger in terms of generation than both Germany and France combined. And together, Germany and France account for about 3,000 screens and 10,000 connections to our network. We believe the opportunity in Japan is well over 3,000 connections and well over 10,000 network connections.

Trayport has been in Japan since 2016, building relationships and laying foundations. We now have five brokers using our technology and one clearinghouse, as well as a number of other promising leads. This is an exciting space, and it will take some time to develop, but we're already seeing dividends starting to pay.

North America. North American revenue has grown from 1.3 million pounds when we acquired Trayport to roughly GBP6.5 million this year. That's a 32% CAGR. Logins in North America have grown 500% since 2017. North America lacks an aggregated network, and our strategy is to position ourselves in nascent markets to be the solution when markets digitize. Also driving North American growth is the globalization of energy and commodity markets. We are seeing clients in North America, in particular hedge funds, trading globally. Markets are changing, and increasingly, they're priced globally versus regionally.

Global prices increasingly matter. That is great for the growth of our network.

Another recent example of a win in North America is TD Securities. TD Securities is working with Trayport and its technology to build out their voluntary carbon strategy, as well as trading in other environmental markets. TD traders will also use Dual to trade the wholesale markets. And so, how do we measure our success? Well, historically, David and the team have reported publicly on two metrics. Total subscribers and total traders. Taking advantage of having the investor community with us today, we'd like to announce how we will report our progress publicly going forward. The first is through the size of our network. We have over 9,100 licenses, the end users and applications that utilize our technology. This number has grown over 23% year over year. And these licenses then connect to the venues. We have over 26,000 of these connections, with that figure rising 8% year-over-year.

So going forward, as you see on the left-hand side of the screen, we will report on the number of licenses and the network connections. Together, these two metrics will illustrate the strength and the growth of our network. This network expansion has been a contributing factor to our revenue growth.

We will also start reporting on net revenue retention. Today, Trayport has 104% net revenue retention. What does that mean? That means our clients are spending more with us. Not only are they adding new licenses, but they're also adding new products, new services, such as those in our data offering. And of course, we will also report on recurring revenue. Trayport's annual recurring revenue as of Q1 grew by 15.3% to over GGBP125 million.

So key takeaways. One, TMX Trayport is investing in the core technology that underpins the existing network to support faster growth and more scalable growth. Two, expand our data-driven trading offering to support the growing needs of our existing and expanding customer base. And lastly, and most importantly, it's the power of the network. And I'd like to illustrate the power of the network by telling you a story. I had lunch with a client last week in London, and he told me this story.

Twelve years ago, two brokers left Marex Spectron, one of our large broker clients, in fact, Trayport's first client back in the '90s. So these two brokers left to start up a new technology-driven brokerage firm. One of its purposes was to challenge Trayport and its screens. And the company was partially funded by a large global exchange.

Well, after two years of trying, they were unsuccessful. They found it extremely difficult to build the technology, garner a network, and get the traction with their platform. With three months of cash left, they decided to pick up the phone and phone Trayport. We successfully installed Trayport's technology, and on July 1st, 2014, almost exactly 10 years ago today, they launched on Trayport. And that first day of trading, this upstart brokerage firm was number one in market share for the TTF front-end contract, which was the largest contract trading on Trayport at the time.

This week, actually not this week, today, this morning in London, this upstart brokerage firm just signed another five-year deal with us worth multi-million dollars. That exchange, that large global exchange that helped fund that upstart brokerage, they're still a client of ours today, paying us millions of dollars a year as well.

This story illustrates the power of the Trayport network and the power of aggregation. And we will continue to grow that network into new asset classes and geographies. Thank you very much.

Amin Mousavian: Thank you. As you all know, I introduce David Arnold, our CFO, regularly at our analyst calls every quarter and our investor meetings. But today, I'm especially excited to introduce him as he will talk about our long-term journey and our strategic financial update for TMX.

David Arnold: Thank you, Amin. So you have heard from the senior leadership team on how we are accelerating growth across TMX. I will dive into what all of that means for TMX's financials going forward. But I first want to spend a few minutes to provide an update on our progress and evolution since our last Investor Day in 2018.

As you may recall, we announced three key transformational measures at the end of 2022. First, we aspire to have over 67% of our revenues derived from recurring sources. In 2018, 50% of our revenues were recurring. This has increased to 55% in the first quarter. Second, we target over 50% of our revenue contribution from our Global Solutions, Insights and Analytics segment, or GSIA for short. In 2018, this was 35%. As of Q1 of 2024, GSIA has grown to 44%. Third, and not last, we target to have over 50% of our revenue from outside of Canada. I am pleased to share that as of Q1 of 2024, we have achieved this target as revenue outside of Canada increased 17% from 33% in 2018 to 50% in the first quarter.

The progress on our transformational objectives was a combination of strong, organic growth from our core, as John mentioned earlier, and was accelerated by our recent acquisition of TMX VettaFi. Over the last five years, since we announced our target payout range, we have grown our dividends by an average of 10% per year. Our dividend payout has doubled from CAD0.09 a share in Q4 of 2016 to CAD0.19 a share in our most recent quarter. We target a dividend payout range between 40% and 50% of our adjusted earnings per share, and we have been at the top end of that range.

Now while we maintain the 40% to 50% payout range, our dividend history has demonstrated that we do not have a systematic approach to increased dividends over a set period of time. We keep everyone guessing. Dividends will continue to expand over time as earnings grow.

Now, in addition to dividends, returning value to shareholders is one of our top priorities, and coupled with our share buyback program, we returned CAD277 million to our shareholders in 2023. This represents more than 2x, or 121% growth in total cash return from 2018.

Now, our ability to deliver or return capital to shareholders is fueled by TMX's ability to generate free cash flow. Over the last five years, our free cash flow has nearly doubled. Our resilient and diverse business model has allowed us to consistently deliver double-digit growth in our free cash flow, despite challenging economic conditions and capital-raising environments.

Now, TMX's powerful free cash flow engine and our disciplined approach to managing our leverage gave us the confidence to revise our target leverage range from 2x to 3x to a lower range of 1.5x to 2.5x back in 2022. We have a proven track record of deleveraging. We have demonstrated our ability to steadily delever following first the Maple transaction in 2012, where we were over 4x levered to 2.7x by the end of 2016. In 2017, we completed the acquisition of Trayport, and we were able to delever to 2.4x one year post-acquisition.

At the end of last year, leverage was around 1.7x, which was increased to 3.6x following the acquisition of TMX VettaFi earlier this year. We committed to our deleveraging plan and expect to return to under 2.5x by the end of 2025. Now, absent larger acquisitions, we continue to target a debt-to-adjusted EBITDA ratio range of 1.5x to 2.5x.

So at our 2018 Investor Day, we introduced long-term, top-line growth targets for all of our businesses, which John touched on earlier today. Now while we are only 6 years into this journey, and hence not at what I would consider the definition of "long-term", we are largely on track to achieve those targets. We target market growth in our equities and fixed income trading and clearing segment. The market growth has slowed in recent years amidst challenging market conditions, and the market overall declined an average of 4% over the past five years.

However, as you can see on the screen, I am pleased to report our equities and fixed income and trading business grew 4% over the same period, surpassing our objective. This is in part helped by positioning post-trade as a growth engine, as Luc touched on earlier.

Now moving to the middle column, we target 5% plus growth in TMX Datalinx and our listings business. TMX Datalinx' growth targets were increased in 2022 from low single digits due to the strength of the business, and Datalinx has delivered on their targets. Our listings business grew 7% from 2018 to 2021. But in the last 18 months, Canada, and to be frank, the rest of the world, has seen one of the most challenging capital-raising markets in our history, which we have not been immune to.

However, we are starting to see some green shoots as the markets make a comeback, and we are very well positioned to meet our target of 5% plus over the long term.

Finally, we target high single to double-digit growth in four businesses -- TSX Trust, TMX port, derivatives trading and clearing, as well as our newly added family member, TMX VettaFi. TSX Trust, including AST, has grown 30% well above target. As Peter just noted, we've accelerated the growth in trade work from a 7% CAGR acquisition to 12% in Canadian dollars or 13% in pound sterling since 2018.

Finally, our derivatives business grew by 12% on a pro forma basis, including 100% of BOX in 2018 and 2023 for comparable purposes, or 16% on a reported basis.

Now, as John mentioned earlier, in 2018 high growth businesses contributed to a third of our total revenues. That number expanded to 43% last year. And as of the first quarter, more than half of our revenues were from high growth businesses, which represents a 17% increase from 2018.

Now, the data here excludes BOX, which as John mentioned earlier, we do not provide long-term financial objectives for. To put a finer point on it, while we have a controlling voting interest in BOX, we do not manage and operate it day to day.

As TSX Trust, TMX Trayport, and TMX Verify, and our derivatives trading and clearing business, excluding BOX, continue to grow at an accelerated rate, the mix of high growth businesses will naturally continue to increase.

Now, on a consolidated basis, top line revenue grew by 7%, surpassing our long-term target of 5% plus. Now, despite challenging market conditions and capital markets activity at what I would refer to as cyclical lows in recent years, we delivered 7% earnings growth.

When capital markets activity returns to more normal levels, our capital markets ecosystem is well positioned to service our clients, both in Canada and across the globe. We remain committed to and confident in our ability to deliver double digit earnings growth over time. In addition, we achieved strong earnings growth of 7% while investing in more long-term growth in recent years than we have historically done. We expect to continue our investments in growth initiatives across our business to build and expand capabilities, and are well positioned for strong, positive operating leverage in the coming years.

So in closing, John began the day with a look back of TMX's journey, where we have been, where we are now, and where we are going. TMX's story is one characterized by its history of growth and innovation, and we embody that spirit as we look to the future and are poised to accelerate that growth.

Our strong core has delivered solid results across various business cycles. The strength of our core business and investment in key initiatives will accelerate growth across the franchise. Now we achieved a milestone of over 1 billion of revenue in 2022. This milestone represented a 2X in our revenue from just over half a million 14 years ago. And as John mentioned, we intend to double that again to over 2 billion at two times the speed.

This growth is supported by a purpose-driven strategy, a resilient and diverse business model, and an experienced team with proven abilities to execute. We're excited about the growth opportunities that you've heard about today, including a robust listings pipeline, the capability to service the full ETF value chain, the transformation of post-trade as a growth engine, and the expansion of Trayport's network in new assets and geographies, just to name a few.

So with the evolution and growth of TMX, our disclosures will evolve in parallel.

Starting in Q2, you will see some enhanced metrics and KPIs. We are committed to executing an effective long-term growth strategy, serving clients across the globe with excellence, and continuing to deliver value to our shareholders.

I'm now going to turn it over to Amin as we set up the stage and open up the floor for Q&A.

QUESTIONS AND ANSWERS

Amin Mousavian: Thank you, David. That was very insightful. I think it puts everything together, brings it all together, shows the combined power of all of our businesses that Luc, Loui, Jay, and Peter talked about today.

Now it's our opportunity to hear from you for your questions. We'll take a minute to reset the stage, and John and David will join on here. If you're in here at the Market Centre, please raise your hand. My amazing colleagues, Melissa and Zoe, will bring a mic to you. Please introduce yourself and ask your question.

If you're online, you can enter your question on the webcast, and we'll be sure to get to as many as we can. If you've got any questions from media, please contact our corporate communications team. And just after a minute, we'll get started here. Thank you.

Okay, just making sure. I think we're all set. - Yes, you should be good to go. - It's on? Okay, great. Yes. Okay, perfect. All right, thank you. Who would like to start off with the first question? Okay, I know Brian has to leave, so we'll start with Brian and then move from there.

Brian Bedell: It's Brian Bedell at Deutsche Bank. Maybe just to start out with the key message of the day, the double the revenue, 2x the speed. Question for both of you. The building blocks of that, first of all, is that all organic? I'm sure there are more acquisitions to do, but is that target purely an organic target, number one?

And then number two, how important is the US, growing in the US, to that goal? Do you need to grow the US at a faster pace than you've grown over the last year on a comparable basis?

John McKenzie: Thank you, Brian, and thank you for the start on that. Am I coming through okay? So what we're going to, just as a set up as we do, what Dave and I are going to do is we're going to start with the questions, answering the best we can, but also given that we have the experts here today, where appropriate, we'll bring our experts and the team up to join in as well. But I really appreciate where you started, because it's actually the right message in terms of what we're trying to lock onto.

The 2x ambition, what we're trying to do, what we're actually showing is what we have in terms of our organic plans to get there. So that whole design around that kind of essentially, you know, kind of up, you know, in the seven-year window is based on what we're building organically, both with the core growth areas, and that's why we set it up that way, because there's a lot of things that we're doing to ensure the core continues to grow, like, you know, new derivative products, new data products, new listing activities, and those four strategies.

Now, as you said, we are continuing to look for investment opportunities to go faster, you know, not just like the large-scale trade boards, VettaFi's, we're looking at a number of also, you know, what I'll call complementary tuck-ins as well, like the Visotex and the Trade Signal, and quite frankly, the VettaFi Index Factory is another thing that facilitates our ability to do that, because we can acquire other index operations, roll it in and scale them up. Those things will help us go faster on the ambition, so organic plant is designed to get there, and the balance sheet capacity to invest helps us to get there faster.

Now, to the second part of your question, and this will be my test to see how well I actually internalized all of it, of the four strategies in terms of how we're growing, the global expansion, and particularly the US expansion, is a really important expansion for us, but it is not the only growth strategy, and even within the US, our trade strategy that we're building, our USATS, is really important, but it's also important as part of building much more of a US ecosystem, and that's why Luc showed the chart around the different pieces that we have in the US, because as we continue to add, it actually allows us to take more of a whole-market approach like we have in Canada, and so even simple things, like bringing our different US operations and US people together, which we are working on doing in New York right now, helps us create more scale efficiency, gives us a platform to build new things on top of, so while the USATS is a really important initiative, it's actually a building block of a larger strategy that helped us grow in the US.

And what Luc indicated in the commentary is, because the US market is so robust, even with targeting kind of the execution quality segment, we don't need to get a large percentage of US market share to start generating revenue that is complementary to what we do in the Canadian market, given that it's so much larger and more liquidity in it.

So really important to the growth, but the growth is not linchpinning on it.

Brian Bedell: And by the way, thank you for the whole investor day here. The detail was fantastic. One add-on to that is just on the private market side. It seems like a very high growth potential, both in the US and other jurisdictions. Can you talk about to what extent you expect that to grow, also be a faster part of your growth over the next seven years versus the prior 14? -

John McKenzie: Yes, and let me start with an intro on that, and then, and we're going to bring Loui up as well to talk a bit more about private markets.

To be fair, we've actually been active in private market activity for a while in a couple of ways. So on a private market side, our trust business has been active in providing services to private companies, and that was intentional, because not only does it allow us to extend services to a broader client base, but it actually brings clients into our pipeline that Loui talked about as well.

But in terms of the new initiative, Loui, do you want to talk a bit more about Markette and what we see as the potential there?

Loui Anastasopoulos: Can you hear me? Yes, sure. As John said, we've been focused on the private markets for quite some time, and we've been looking at ways to create relevance in that space. And the way we've done that is by adding a variety of different services that are relevant to companies beyond just the public markets.

And so, as you heard me speak about earlier today, we have a number of things that we've been selling into the private market. The latest foray into that space is what I talked about earlier, which was this Markette Ventures. And there's only so much I can talk about today cause it's not a live platform yet. But really, what we've been seeing for years is a real stress and pain point in the private placement process. And so, when you look at all the activity that's being done in the markets, both public and private, there's a real opportunity for us to be able to streamline that process.

And so, what we've been building over the last, I guess, 18 months or so is really a digital platform that will allow lawyers, intermediaries, advisors to really participate in this process in a very, very efficient way. So, all your disclosures will be digitized, the connection to different intermediaries, and a larger pool of intermediaries will be facilitated through Markette Ventures. And it'll really take all the heavy lifting and the inefficiencies out of the process as it exists today.

So, as we've been speaking to different stakeholders and potential clients, what we keep hearing over and over again is this is going to be incredibly well-received. And so, we're doing this with our partner, Canaccord. Obviously, the plan is to expand that to all dealers in the space that can connect to this platform. Assets will be held at the dealer. KYC AML will be done at the dealer, but we will be providing the technology and the platform that will facilitate this work that we're talking about.

So, quite excited about it. We're expected to launch later this year, probably in Q3, Q4. And you'll hear more and more of that from John and David as we develop the platform.

John McKenzie: Yes, and the last piece I'll add in is that it's not opportunistic. This is based on a build strategy, long-term engagement with clients and with the partner, as Loui talked about, and also a long-term look at where can we best serve private markets. I mean, a lot of us looked at different private market solutions over the years, and what became clear is a lot of the private market platforms that are really focused on, what I'll say, trade or secondary activity, they're very difficult to make them work in terms of both standardization and liquidity.

So, this is getting right back to what the clients have identified has been the root problem, is actually automating the flow of the private placement in the first place. And Canaccord is a phenomenal partner. They are the largest player in this space in terms of doing this for small companies, private companies, so we couldn't be happier to be working with them.

Aravinda Galappatthige: Thanks very much, Aravinda from Canaccord.

My first question's on operating leverage. I mean, the 2X in seven years gives us a sense of what the base revenue growth expectation is, but when I think of the different, sort of the multitude of growth initiatives that you are working with, they have different sort of investment cycles. How should we think of the shape of profitability growth, however you think of profitability, whether it's EBITDA, free cash, or EPS? What are the puts and takes there?

David Arnold: So I appreciate Aravinda, and one of the things John spoke about early on, and it was touched on in a few of the presentations, is a lot of our growth investment is actually built into our run rate, right? So we will provide disclosure like what we've done for the US ATS expansion, because that's in addition to the run rate, and it was quite noticeable, and depending on whether you were using our reported or adjusted numbers, it's anywhere from 1.5% to 2% of a year-over-year increase. So that was important, but then next year, as we, let's say, move into the run strategy, assuming we get regulatory approval and stuff like that, there might not be any incremental uptick there. It just might be a left pocket, right pocket. So what John and I think Peter touched on as well is the investment we're doing in Theseus, right? Like replatforming the back end of Dual and modernizing it. That's part of our run rate, right?

So I want you to think about many of these growth investments are just, one rolls off and another one replaces it. Where we have something that is additive, that is more incremental, we'll let you know. And the discipline that John and I and the entire management team have is every budget and forecast cycle is revenue has to grow higher than expenses through the medium to long term. There are short-term quarters where we have kind of an inverse relationship, but that's more market driven. And one of the things we don't want to do is be so reactionary on short-term cost measures when there's just a temporary decline in revenue.

John, do you want to add?

John McKenzie: Yes, the piece I want to add is one of the things we've gotten credit for over the number of years, and it goes to that execution, strengthen the organization, is also our discipline around managing spend. That is not changing. And that's something that we all share as a leadership team, that as we look to where we're going to drive growth, we also look to how we're going to fund it. And on a regular basis, we challenge the whole organization in terms of what are the things that we can do differently, where can we stop doing, where can we adjust so we can actually create capacity for growth investments within that run rate. And even just a simple example, we didn't create any fanfare from this, but at the end of last year, we looked at the organization, we looked at where we had roles deployed that weren't necessarily consistent with the growth objectives, and we identified about 40 positions in the firm that weren't part of what we were trying to do going forward, made changes, and freed up capacity to fund what we were doing going forward.

So that allows us to, with confidence, so that we can actually manage the expense base, and we often talk about kind of like up to inflation, with that operating leverage, as David talked about, that with the growth rate we're projecting for the firm, that's how we get the confidence saying we're going to be able to deliver the double-digit EPS growth on the long term, because it comes from that operating leverage.

Aravinda Galappatthige: Quick follow-up on , so the growth drivers, with respect to the geographic expansion, obviously Canada and Europe and Asia, and also the asset class extension, where is VettaFi with respect to those initiatives? Are we in the early stages? What milestones in front of us have been reached? Just quick follow-up on that, thanks.

John McKenzie: Yes, I'm happy to. What I'm going to actually do is I'm going to take the opportunity to introduce Tom Hendrickson, so we'll get him to start walking up to the mic, for a couple of reasons. So Tom is leading VettaFi for us, also in terms of, I believe you're the biggest Oilers fan we have here.

Tom Hendrickson: Yes, that's undeniable.

John McKenzie: And with that, I'm going to give the floor to Tom, and Tom has not been trained in IR yet, so he might give you a lot more than David and I would have anyway.

Tom Hendrickson: No, it's a great question, I really appreciate it, and appreciate the opportunity. So as we think about the VettaFi business and where it plugs in, I think diversification is certainly a core element of the growth driver. Historically, the business has been very much US-focused, but with both organic and inorganic opportunities, including the acquisition of RoboGlobal, we now have a partnership with LGIM in the UK market and have product live there.

That's given us an opportunity to invest in some personnel, also in the European market, while understanding that the European market is very different at the country level, so we're taking a measured approach to deepening the relationships there, but certainly have a toehold.

To date, VettaFi has been exclusively, from an index perspective, focused on the equity market, so have global equity capabilities, but driven by client demand, our clients are certainly multi-asset class in their need, as is our investor network.

Jay talked about the captive audience that we have across ETFDB, ETF Trends Advisor perspectives, and now we moved the TMX money asset under the VettaFi umbrella. Those investors need exposure across their portfolio as well, as do our asset manager and license partners, so fixed income, commodities, different alternative exposures, those are things that we're in exploration in terms of ways that we can do more with current clients.

John McKenzie: We will be making probably more announcements publicly as the year goes on, both on organic and inorganic things we're working on both the asset class and the geography side. I do also want to reiterate, everyone here who is an asset manager or portfolio manager, Tom can sell you things as well. So we now have the capability to build those custom indices for you as well, so I'm hoping that some of the next clients are actually in the room at the same time.

Amin Mousavian: We've got a question from Etienne and then from Graham.

Etienne Ricard: Thank you, Etienne Ricard from BMO.

A question for you, John, and maybe Luc as well.

On the launch of the US equities platform, what's the opportunity to leverage your ownership in BOX in order to build market share and in your own words, also be more multi-asset? And if you could expand on your point about consolidating some of the teams in the US, that would be great.

John McKenzie: I mean, I'll be candid. There are pieces that we can leverage with BOX and there's pieces we can't. Because we don't control BOX, I mean, we do consolidate, but we don't control it. We manage it through a board. There isn't a business integration that we can leverage at this point in time, but we're always looking at what we can do more with BOX and we've got a great team there.

Bring Luc up, but one of the areas that is probably one of the best areas that we get that synergy though is it's all shared clients. So the relationships that we have both with BOX and otherwise are the relationships we're capitalizing on to bring the early clients to the table and for what we're doing on Alpha X US.

I think the other thing that's critical and important to recognize is that the US regulatory regime is very prescriptive in terms of how you can operate some of these things relative to others. And an ATS needs to be really run kind of in a standalone basis. It's not an exchange. So some of the ways that you look at it is not necessarily the same. So you've got to take a true ATS perspective when you look at that asset and how that asset will evolve over time. We will see, we can add different venues. We can do a lot more in the US. That's a start given that we view a unique opportunity with that.

Luc Fortin: And what I'll just add quickly for you Etienne is that the one place where there is opportunity for us is leveraging infrastructure, right? So finance resources, HR resources, and also premises, right? So obviously not so much with BOX, it's in a different city, but TMX, VettaFi and Alpha X US are both based in Manhattan. So there's opportunities there.

John McKenzie: And sometimes in the spirit of being almost better to be lucky than good, when you run a US marketplace, you need to have a finance regime that is actually licensed to do that in terms of the certifications to be licensed as a CFO for an ATS. Our CFO that came to us through VettaFi who now leads our finance practice for the US is already capable of doing that, actually worked for a US marketplace before. So again, it's that complimentary skill set, ability to scale up capabilities you have allows us to do the US ATS faster and lower cost.

Etienne Ricard: A follow up on VettaFi. So we've talked about the growth, some of the growth opportunities. One of the risks I have in mind is fee compression. Given fee pressure we're seeing for many asset managers, how do you think about the resiliency of fee rates, VettaFi? In other words, what you think can prevent fee compression for the services you provide relative to the end clients?

John McKenzie: And Tom's going to answer this better than I am, I'm going to be a bit of flippant, but we're the compressor. I know, I mean, to be fair, if you think about indices and benchmarks in two different ways, there are ones that are very well established, sticky, embedded into products. So some of the key indices that VettaFi has, particularly the MLP, the mid-market energy indices, they're well established, they have strong pricing power in them. And so there's not a risk there or a material risk there.

In the other parts of the franchise, we're actually more of the disruptor on the block. And Tom, you can talk to this. So we're often coming in either on a new index or on a replacement comparable benchmark at a lower cost to incumbents based on the scalability and the capability of what we've got in our index factory.

Tom Hendrickson: Yes, and I would just add to that incrementally to what John mentioned is certainly there's pockets of compression, certainly in pure beta strategies, we see it there. In other areas like thematics or especially multi-asset where you can bring together different asset classes to provide unique exposures or which are somewhat new to the market, we see pricing power there.

And then the other point I'd make would be the model that we brought together by going from ideation, iteration, licensing, launch, but then really importantly through the growth of the fund once it's been launched, tapping into the investor network, that's a very big differentiator. And I think that one that we're in the very early innings of fully utilizing. So those two things are ways in which we can maintain pricing power.

John McKenzie: Yes, and the last piece that we bring collectively in TMX and TMX VettaFi differently than anyone else in the market is the suite of tools that Tom can also bring to the table in terms of ETF analytics, distribution solutions that Jay talked about. No one else brings that full suite to that relationship.

Also with the listing relationships that we've got, the trust and transfer agency relations that we have with ETF providers. Like I said in my comments earlier on, there isn't another marketplace in the world that has invested so much, both in terms of direct investment and capabilities for the ETF sector than TMX has.

Amin Mousavian: Great, Graham for the next question.

Graham Ryding: Thank you. Graham, running from TD. John, I'll ask you, you put up a slide where you showed your move into the cash equities business in the US, you've got BOX, you've got some derivatives exposure, and then you've got market data in the US, and then you had an empty piece to the puzzle.

Is that a suggestion that if we look at your Canadian or global business today, you've got a listings business and you didn't have that in the puzzle? Is this potentially something that could lead to listings down the road and perhaps try to leverage that venture model that's been so successful here?

John McKenzie: We wanted to leave something in there that got you back for investor day 2030, you know, six years from now. But to be fair, that's exactly the right way to think about. Now, I'm not going to put on a particular initiative or program right now, but we definitely are building in the US on the basis that it is a building block to do more.

And so as Luc talked about, building a US ATS, as we build that out successfully, we would have the opportunity to do more with that. And that could be moving it to an exchange model. It could be moving it to more trading capabilities. It would generate new data sets that we could actually build new data product on.

And with the right capacity and capability of connectivity, if we get that growth and distribution and footprint, could you start to do a listing activity on it? Absolutely. Probably one of the likely places where you'd have the most strength is around, again, the ETF area where you're not necessarily competing with a NASDAQ or a NYSE for brand, and we've got great relationships to bring to the table. So those are all parts of the long-term strategic thinking. And that's why, in terms of what we're showing you today, we're not pinpointing what the next initiative is, because in the near term, the really important piece is successful launch, get traction, get clients using the platform, build the network, and then we've got a successful base that we can build the next stage on top of.

Graham Ryding: Okay, I got one more. Just, David, for you, just on the margins. Excuse me.

Back in 2020, '21, you had pretty high margins, 59%, 60% on EBITDA, I think. Then they fell down the last couple of years. Is that because you've consolidated BOX and capital formation has been in arguably a sort of trough level? Or is it more to that?

And then if capital formation does come back, what sort of margin lift could we expect?

David Arnold: Yes, so it's both of those factors, but there are others as well, right? So one is we're growing our trust franchise, and obviously, as you know, it's a lower EBITDA margin business, and it's the data part of the franchise, right?

So those are the factors. In addition, it's what I touched on earlier, it's some of the investments that we've made to add them to the run rate. But as the revenue engine and the capital markets engine comes back, then you'll start to see that margin expansion again.

John McKenzie: We did the analysis that we did at work when David talked about the 7% EPS growth over the period. If we had seen in 2023 capital formation revenues more like 2021, then the numbers would have been looking more like 9% to 10%, and all that would be straight to the bottom line, that incremental revenue, because there's no incremental cost to support it.

Now when we talk about the technology capabilities in the very beginning of the presentation, particularly the ones that Loui and team delivered around TMX LINX and putting the platform on cloud, automating the workflows, that has made the relationship and the file management activity in terms of bringing new listings to market and doing new capital raising transactions much more effective.

So we're not actually adding to add material cost to be able to do the kind of volumes that we did in 2020 and 2021.

Amin Mousavian: Great, thank you. I think we'll now go over to one online question and then after that, Jane.

Unidentified Speaker: Question from the webcast. Can you talk about the organic asset growth of VettaFi's AUM?

John McKenzie: Yes, we're going to bring Tom back up for that one again.

Tom Hendrickson: Happy to talk about organic. I think the question just, if folks didn't hear, organic AUM growth of the index business at VettaFi. So I think what's exciting is that the index business model is perpetual in nature most times. So you know, you build an index, you license it, you launch a fund, the funds have a very long life cycle. So over a period of time we've been successful at diversifying the exposure across the 36 billion dollars in assets under index. So there are certain pockets of the market that we are a little bit overweight, like we have a strong history as John mentioned in energy and energy infrastructure, but also robotics, AI, health technology.

So those are areas that as those stocks that underpin the index go up, you know, that's going to drive some of that organic growth. But even more importantly, I think there's two things to take away. One is that to the point of the differentiated model that we have at VettaFi and how we can talk to asset managers and build products in a rapid pace, in a partnership model, but then help them grow upon launch, our pipeline of new products is accelerating. And so that's the VettaFi business model working.

And then the second point I'd make is that tapping into what we talked about where VettaFi being a game changer across the TMX franchise, we're going to get a lot more at bats and are already getting at bats by tapping into the 5,000 clients, for example, across the Datalinx business.

So accelerating, you know, not only from, you know, the install base of existing products, the VettaFi business model just working in and of itself, but then also plugging into what we now have access to across the franchise in terms of clients. So those three drivers really are what underpins the growth.

Unidentified Speaker: One more from the webcast. It's a kind of a combination question.

What are your strategies to position TSX Trust for greater penetration in corporate services? And can you also remind us of the rate sensitivity to TSX Trust's revenue and what sort of headwinds you're expecting with the recent interest rate cut and additional cuts expected in the near term?

David Arnold: So I'll do the rate sensitivity. It's as per our disclosures. It might be revised in coming quarters, but it's for every 25 basis points on an annual basis. It's two million. So that's the easy answer and I'll draw people back to our public disclosures. But I do think it's a chance now to hear a little bit from Loui and maybe introduce a new president.

Loui Anastasopoulos: Yes, so I think the question was how do we plan to drive further penetration of the trust business. So as I noted earlier, this business started at 13 million when we acquired it. We're now at over 100 million. That's happened both organically and through acquisition. So I would start off by saying our sales strategy and our investment in sales has been the number one driver of that growth. Obviously, we have an incredibly strong operational backbone that allows us to do that. But we've made investments in sales. We continue to make investments in sales.

The area that we focused on in a big way, and our head of sales is here as well, we have built really deep relationships with the legal community. And that's the community that really drives a lot of the business that we see. And so deep relationships with the legal community. We've been able to leverage the broader network within TMX, which is incredibly powerful. So the fact that we can leverage our people in listings, we can leverage our people in business development that have access to a lot of these companies and access to these companies at a very early stage. We are able to leverage those people with the right ethical walls in place to be able to get access to these companies early on before they go public and along their life cycle.

So I think that's really at the core. Continued investment in sales. And obviously we've been doing a lot around branding and extending our network into privates as well.

So it's really an unlimited universe of customers that we have access to because our product offering really does appeal to both publics and privates. And so when we bought Equity Transfer as an example in 2013, we had next to no private companies as clients. Today we have more than 400. And we expect that that number will continue to grow.

So with that, we're fortunate enough to actually have our new CEO of TSX Trust who was recently appointed in the room, Lara Donaldson.

Lara, if you want to say hello to everybody. Lara is a 30-year industry veteran. She knows this business better than anyone. She's been with TSX Trust for three, four years now, four years. And so we're very fortunate to have her in this leadership position. So I look forward for great things to come from Lara.

John McKenzie: I'm going to remind people to look back at the deck as well that Loui walked through earlier when Lara and I were talking about what she was looking to do with the business to drive growth. I'm going to use your words, share of wallet, share of wallet, share of wallet.

So often when we've talked to investors in the past about trust, it's been around, we know we win above our market share. We have our win rates to Loui talked about through our sales network is winning more market share than our actual market share of the business because of that relationship with the issuer.

But the slide that you should go back and look at again is the it's the circular side that talks about all the different issuer services, the non-listing services we provide. And what that helps to show is all the areas and additional services that the trust team can provide where we are not nearly as penetrated as we are even on the transfer agency. And so that's the thing like where we have 50 clients today that are doing employee plans but an addressable market of hundreds. We've got different clients doing registered plans, again larger addressable markets. So it's both continuing to win market share and then that deep share of wallet opportunity that we've got in terms of building the relationships with clients.

Loui Anastasopoulos: I'll just add one more point and this might be obvious to folks but the other thing that this allows us to do is and this is currently part of our client makeup. Many of our clients are actually clients of other exchanges in Canada. So if you look at our total client list for TSX Trust for example, I'd say don't quote me on the number but I'd say roughly 35% of our clients are issuers that are listed on CSE. So again we have the ability to sell well beyond just our platforms, our markets both in Canada and globally.

John McKenzie: We call those future venture listings.

Jaeme Gloyn: Yes thanks, Jaeme Gloyn with National Bank. First question for Peter. It's a couple parts here. First, the oil market opportunity you talked about that is potentially doubling the current I believe revenue base that Trayport generates today in power and gas. So what's the timeline for achieving that type of result?

And then second question on Trayport is these new disclosures that are going to be coming around licensees and connections. What's the more important metric for you? Can you drive connections without licensees growth? Maybe a bit more color on those two metrics.

Peter Conroy: Sure. So on the oil, just to be clear, it's not double Trayport today. It's doubled what Trayport is today. So we think, let's say our ARR is 125. Now we think oil is 250. That's just oil.

Today we do about GBP200,000 a year in oil. So we are in oil, mostly in Singapore. And what we're doing is looking at ways to expedite. So we have screens, we have prices on the screens. It's now how do we work with our existing partners to expand that. We also think the regulatory headwinds in the oil market are coming very, very strongly. And we think that that will drive people to the screen and that need for aggregation.

So that's what I'll say on oil. Hopefully we'll have more to say on that in the coming months and years. These things do take time, but the most important thing in any market that we go into, whether it's metals or oil or environmental, is you lay the railroad track. You get the screens and you get the pipelines in you, and then you build the network on top of that. And that's how we're approaching oil.

We might do a little differently in oil and work with our existing partners and some creative ways to do so. And then on the second question, I would take all four together. The network is the most important. So that left side of the screen, I'd focus on that. But you got to look at the whole net. Net revenue retention is huge because it means our clients are spending more with us, and that's what we want to do.

So how do we make money? Sell into the network, expand the network. So net revenue retention is selling into that network as well. But the total subscribers along with any more recurring revenue, looking at holistically.

Jaeme Gloyn: Thank you. Second question, maybe for Luc on the US ATS opportunity there. What does success look like to you in the first year, maybe two years? I believe you mentioned something about maybe a 2% market share target over time. What kind of runway do you have to achieve that level?

And then in terms of the economics of the business, revenues could be on par with Canada with that level of market share. But what does profit look like at that market share target?

Loui Anastasopoulos: Well, I think for us the objective is to really have sort of a longer term horizon on this. It's not to, you know, the first year target is A, to get approval to get going. Two, we really want to manage the business in terms of, from a scalability perspective, make sure that the costs are under control. It's not just spend, spend, spend. It's really going in, being very thrift about how we're thrift and strategic in terms of how we're hiring folks in the US and how we want to build that platform.

We want to have a high degree of engagement with the street. So far what we're seeing is, you know, a strong desire for folks to kind of connect to the venue. It's always, that's the heavy lift, right? When you first launch a new venue, you got to get people to connect to it. We've got very credible folks who are running that business for us in the US and they have a lot of great contacts. And I think the value proposition that we're bringing is very unique.

So for us, success would be to have, you know, again, I'd love to have Heidi here to be able to, you know, ask her what, you know, how you defined it. A, it's to get launched and a year out, I don't know if we have 40, 50 participants that are actively, you know, sort of connected. I think that that would be a huge win for us.

If I look at competing venues, you know, you've got folks like IntelligentCross, OneChronos, they're fairly complex platforms to deal with. And I think, you know, the value proposition we bring is being very simple. You know, I look at the measure of success that they've had in terms of getting, you know, probably the top 10% of buy side asking to be connected and the lion's share of the bulge bracket firms in the US being connected. Those could be aspirational goals for us as well.

Amin Mousavian: Thank you, Luc. One more question over here.

Unidentified Participant: So, question about, I guess, the listing business. Can you update us on what's your share of volumes that you're listed trading and issuers listed on US exchanges? So, you know, that part is sort of like playing defense or holding share. And then the more aspirational question, I guess, is attracting senior companies for secondary listings here. You know, I'm reminded of the big push to attract the Saudi Aramco listing, for instance. So, how do you get companies like that to think that you've got a list on Toronto?

John McKenzie: Let me get started with that and I'm going to bring Loui up to talk about how we actually do some of the marketing on that.

With respect to actually even just the interlisted trading activity, it largely hasn't materially changed. And so, it's still the same, you know, probably the same number of interlisted companies that we've had over the years. We actually never talk to a company and don't and suggest that they don't interlist because we've actually found that listing in Canada and the US can be additive in terms of the capital a company can raise and additive to the liquidity.

And we've generally, what, 40% to 50% in terms of kind of our share of trading and it hasn't materially moved over that period of time. One of the things that we actually benefit from, and we talk to companies globally about this, is we're the only market in the world that has direct connectivity with the US. We're a company that has listed in Canada, is recognized in the US market under the, you know, mutual jurisdiction system, and we actually have integrated clearing. No other market in the world has integrated clearing with the US as well. So that if a company lists here, people can trade it in the US, the clearing is seamless across the border, whether it's a single listed name in Canada or a dual listed company in both marketplaces.

I mean, the Saudi Aramco is the world, the whale hunting is probably not the best use of resources and that's why our resources have been more focused on looking at specific geographies where our market ecosystem has complementary value. You know, as Loui talked about the fact we put resources in Australia, that was quite deliberate because of the strength of the mining franchise in Canada, the ability to actually then bring both small cap and large cap mining companies that list in Australia to cross list in Canada to raise North American capital.

Do you want to build on that, Loui?

Loui Anastasopoulos: Yes, I think you covered it all, John. There isn't much more to add. I think you're right in where we put our focus on our resources, the whale hunting we do, but we're far more sort of effective in sort of the small to mid-cap space. That's where we, that's our superpower, that's what resonates with people around the world and there's a bigger pool of companies in that sort of space that you can focus on.

Now, having said that, I will say we probably have never had more conversations with the large cap whales than we've had in the last, I'd say, 12 months. And so when you look at what's happening globally, when you look at what's happening at the London market, for example, and an interesting stat that maybe a lot of people don't know is that our total market cap across our two exchanges now surpasses that of the London stock exchange.

And so if someone were to say that to you five years ago, you probably would have laughed at them. But that just speaks to just how well our markets have done against a backdrop that hasn't been that great for public markets.

And so some of the pain that we're seeing in London is playing out well for us because we are having numerous conversations with some of the biggest companies listed on other marketplaces. So we'll continue to do that, but again, the investments we've made in Latin America, Israel, the UK, for example, those are the areas where we see winning conditions for our value proposition and that's where we're seeing the most benefit in terms of being able to attract new companies.

John McKenzie: We can't overstate the value of venture in this either. And so we actually said it right in the beginning, in our ecosystem, our venture exchange, there is no other market in the world that has created the value-added junior listing platform the way you had. We've others have tried it, others have tried rule sets, but you need the whole ecosystem to make it work. And what that's allowed us to do, if you even think about the last year or so, the media loves to talk about there are no IPOs. But how many actual listings did we get last year regardless in a market that had virtually no IPOs?

Loui Anastasopoulos: Yes, we had well over 200 listings last year, again, but if you were to read the headlines in the papers, you would think there wasn't a single transaction done on our markets. But there's a lot of activity happening. There are different ways to go public or different ways to list in Canada.

John McKenzie: And so we can bring a company public through a qualifying transaction, through a capital company, through a direct listing, or as Loui talked about, moving companies over from other junior marketplaces. And with them, the ability for them to grow through their life cycle, so you don't actually have to go out and find the next big unicorn. We actually grow them up and then they graduate up with us to the senior market. And I think our record now on graduation is 770-ish companies that we've brought up through the junior stream and then graduated on the senior market.

So the best place to whale hunt is in your own farm. I've totally mixed metaphors there in terms of farming and aquaculture. I think I got confused by some articles on fishing that I saw. But that's really it. By building that pipeline that Loui showed in this slide, the 2,000 plus companies we're engaged with, we're constantly feeding the junior market ecosystem and putting them in an ecosystem where they can raise money over time.

And when they are ready, we actually help them get ready to graduate. They raise new capital, come on to the senior marketplace.

Loui Anastasopoulos: And one another important stat is we're graduating on average roughly 20 companies a year, which is a big number. And of the 770 or so companies that have graduated, I think over 20% of those are in the Composite Index today. So again, when you think about the power of the two-tier ecosystem, we allow these companies to go public early. They incubate, they use their share currency to do acquisitions, they graduate, and then eventually they're index constituents. And so that's a model that I would argue does not exist anywhere else in the world. There used to be AIM. AIM really doesn't play in the small cap space the way they used to anymore. So it really is TSX Venture, and that's what's truly unique about the Canadian market.

Amin Mousavian: Okay, great. Thank you. I think we've got time for two more questions probably over there. Yes, go ahead.

Nik Priebe: Okay, thanks. Nik Priebe with CIBC. I want to go back to the discussion around waking up post-trade services and transitioning that back into a higher growth engine than it has been historically.

I have to admit I fell a bit behind when some of the acronyms started flying in that discussion, but I just wanted to ask, the one thing that stood out to me was you expect it to be needle moving. So I was wondering, you know, can you help sort of quantify that for us, what it could mean in terms of the incremental top line contribution or the broader growth trajectory? Like, is there an easy way to frame that for us?

John McKenzie: Is there an easy way to frame it for you? I was trying to do enough of the teaser campaign to show that as we start to roll these out, we'll be able to reposition this from kind of the market growth space to something higher. Now, we're not ready to do that yet because we're early in the launch of these initiatives. When we think about the two businesses that are in post-trade, CDS and CDCC, these were both historically utilities. So it's actually not, you know, recreating growth stories in them, it's creating growth stories in them for the very first time.

Even though they're not new platforms, you know, CDS is over a 50-year institution, CDCC has got similar longevity as well. But CDCC, we actually were already driving more growth out of in terms of what it does with the Montreal Exchange. So when the Montreal Exchange is growing volumes at high single, low double digits, that's flowing right through to CDCC as well. Plus, what you don't see as much in the metrics, and we're going to have to find better ways to show some of this, is the growth of the repo platform at the same time. That really was our first, call it post-trade solution, was that in the over-the-counter repo platform, clearing that piece.

And so what Luc's talking about is building on some of those successes and using that infrastructure to bring new services. So the two pieces, I got to reiterate them again because they are new acronyms and we want you to be able to understand what they are. The CCMS, the Canadian Collateral Management, is it solution or service? I keep getting it wrong. You know, it's essentially enabling all those folks that are connected to the marketplace to use collateral more efficiently.

And so what happens otherwise is participants get collateral trapped in different assets, different activities, and by having solutions they can unlock capital and they're willing to do that, they're willing to pay to do that. And so this is a model that's already been proven out in Europe. We're using an actual tested solution with the partner and bringing it to the Canadian marketplace. We originally thought, and Luc and I, we originally thought we wouldn't be able to do this until we did our modernization strategy, but our team found a way to actually go ahead and move it in advance so we can start bringing these products to market. And as you see, it's already connected. We've already got banks on it, already starting to deliver volume.

The SGC is Secure Generalized Collateral Notes. So this is actually now moving even beyond just helping the clearing system and actually helping on the funding side, actually creating a security to help with the liquidity needs of a firm. And so what they show is they're building blocks for potentially even more product going forward. And so we've got longer term initiatives that we've been talking to the team about. We've been talking to the board around adding again more investment in technology in this space.

Don't worry, we're within the run rate. But more investment in technology around our clearing capabilities, our risk management capabilities that will allow us to do even additional products and service on top of this.

So as we start to get it rolling out, and we're not going to be able to give you kind of guidance and directions yet, but the expectation is we're going to be able to take a business that was a market growth business and actually move it up into a higher growth category going forward. And then as a firm standpoint, it allows us to move the whole firm up in terms of expected growth rates because we have this piece that's been much more utility in the past that's going to be an actual growth engine. So that's the whole strategy around it.

Nik Priebe: Okay, thank you.

Amin Mousavian: Thank you. We will take our last question from Chris.

Chris O'Brien: Hey, Chris O'Brien from Barclays. I actually wanted to circle back on Trayport. You had mentioned that Japan's an opportunity with, you know, like a TAM of 3,000 connections as it's a business that has, you know, energy production higher than both, you mentioned Germany and France combined.

You've been there since 2016, so what's changed, I guess, between then and now to make that a big opportunity and how long do you think it would take you to kind of grow to grab a lot of those connections? Thanks.

John McKenzie: A great question. Yes, we've been there since, so the key things that have changed is the launch of two different derivative contracts in it. So when a market deregulates and derivatives are then launched on exchanges, that naturally brings in the traders and the brokers. And in these illiquid early markets, the brokers, which are very, very key to Trayport's success, are very instrumental in broking those contracts.

So you've seen deregulation, then you've seen the launch of these two derivative contracts. We now have five brokers that are actively trading that market. Some are in Japan, some are in Dubai, some are in Singapore. One large broker, I'm not sure if it's probably just opened an office in Japan, so that's a good sign. So the ball starts to roll and it takes time for these markets to develop. And the key is that you're there with the relationships, the technology, the screens ready to go, so when it happens, you've got the right to play in that market. So that's how we approach all markets. Japan is just a great example because they just seem to be right at that tipping point.

Chris O'Brien: Thanks so much. And if I could squeeze in a quick follow-up.

Amin Mousavian: This is it. One final question.

No pressure on making this the best question of the day.

Chris O'Brien: Well, I just wanted to circle back on VettaFi, given how new it is, and just kind of thinking about the growth algorithm going forward and the growth targets. So you touched on, you know, the organic growth of it and the AUM, and how much organic growth expectations or market growth is needed to get to your high growth? And I guess, could you give us any color on the difference between what you need from a market perspective for AUM growth and how much is coming from different new organic inflows?

John McKenzie: Yes, I'm going to take this because there's going to be a chance to talk about a bit more why we're really excited about the franchise as well. I'll take some of the pressure off Tom at the end here.

We've got an objective in terms of what we can do with the business, and we put it in the top box, high single, low double. I think we've actually already given guidance in terms of what we think this year is going to be. We are already on track on delivering it with the team that's leading VettaFi, and it's actually, we're not going to break down the componentry of it, but it is being contributed to by both those components.

So we are getting growth in some of the underlying indices that are already there, but growth from adding new indices, new relationships, new client relationships, and also the additional services around it.

So very much like we've talked about Trayport in the past, it's a whole systemic approach of pushing growth on all those accesses. And the nice thing about the business model, given that it's largely a recurring business model as well, is it actually sets a higher baseline for the next year as well. And so that gives the long-term confidence that this is something that we can repeat year after year in terms of a long-term growth rate for the firm.

The piece that it leaves out, and you know why it continues to be really exciting, is that's actually just the VettaFi growth piece in terms of the TMX VettaFi piece. And what we were trying to highlight through some of the other dialogue today is there are enterprise system lifts as well that come with it.

So as we're working on new client engagements, we're working on potential new ETF listings to come to the Toronto Stock Exchange that are based on new VettaFi indices that don't exist yet.

And so we've got not just the lift of the VettaFi business, but potentially new lifting listings, new things that can trade, new things that we can put options on, new things that we can actually put futures on. You know Jay told the story, and unfortunately we're not at the point where we can announce yet, but we do have ETF manufacturers that are looking to potentially build the PAR index on companies with an indigenous exposure. That actually opens a whole new market up to actually supporting different indigenous trusts, capital users, asset managers that want exposed to something different for which a product doesn't exist in the marketplace.

So that's really the enterprise lift that that makes it even more exciting than the exciting growth potential in VettaFi itself. And I'm glad we got the opportunity to actually to get to see more of it and really get to see more of the team that's doing it. And of course we want to make sure that everyone gets a chance to buy some VettaFi indices before we leave and we can create some custom indices for every asset manager here. And I reinforce that one more time. Sales prospects are actually in the room today as well.

Amin Mousavian: All right well thank you John, thank you everyone for all your great questions. If you've got more questions that we weren't able to answer today, feel free to reach out to myself or our amazing IR team, Amanda Tang and Nina Bai. We'll be happy to get back to you.

I'll now turn it over to John for closing remarks.

John McKenzie: Amin, thank you and thank you to everyone that helped put this on together today. You know very much like everything it does take a village and we really want to appreciate the team here in the Market Centre. One of the things that we wanted to be able to do today by doing it here was to show off the Market Centre.

And so also so many of you are also asset managers, portfolio managers, you're also clients of TSX, TMX. Loui I apologize in advance. I'm offering up the Market Centre to you. If you need to launch a new product here and open and close the market, we are happy to host you to do that. So thank you everyone for the continued interest in the organization as well. Because the insights that we get by engaging with you, not just the questions we have today, but all the engagements we have with it with you throughout the year. Candidly we take from the questions, we take from the ideas and we rebuild that into our strategy going forward.

And so a lot of the dialogues we've had have actually allowed us to think about different things to not just where we're going to build but actually where we're going to focus on. So you've had a hand in crafting where we go and where we get better. And it makes us more capable of serving the broad needs of what is becoming a really vast and growing stakeholder base.

It keeps us on our toes and I recognize especially in the analyst community that follows us, you keep us on our toes. And I always get nervous when some people are asking about when do we deliver, Jaeme, particular results. Because I know in the next quarterly call we're going to be asked about it again. But we're going to keep delivering. And that's the commitment from the organization is we will keep delivering.

And I'm going to quote as we close here a comment that Peter made just in reference to something we were doing in Trayport. But we are not nearly done yet. And that's the exciting thing about the strategy we've got for the organization is we are not nearly done with what we can build, what we can deliver, and how we're going to grow this franchise going forward.

So with that we're going to close the webcast for today. So for all the people that are joining remotely today, thank you so much for joining us. Thank you for sending your questions and any questions you have later we're happy to answer them for you.