

SETL and OFI AM process blockchain transactions on IZNES fund record-keeping platform

Paris, 11 January 2018: IZNES, the pan-European record-keeping platform for funds powered by SETL's blockchain technology, has now started to process live transactions. OFI Asset Management has successfully used the IZNES system in a series of trials with selected clients. Following the development and integration of the IZNES platform with OFI Asset Management. Other asset managers in the IZNES initiative include Groupama AM, La Financière de l'Échiquier, and Arkéa Investment Services and more firms are continuing to join.

The IZNES solution enables investors and distributors to easily subscribe and redeem fund units via a direct connection with the Asset Management Company, thereby removing the need for the transfer agent, which in turn reduces transaction costs. SETL's highly efficient and secure blockchain technology also increases transparency, optimises operational workflow and will in time enable the development of new value-added services.

This production phase demonstrates IZNES' interoperability with the existing fund distribution ecosystem; the units currently used for the transactions already existed, and have not been created specifically for blockchain. Going forward, the IZNES platform will seamlessly support the creation, issue, transfer and redemption of new units designed specifically for blockchain use.

Pierre Davoust, CEO SETL France noted: "The flexibility of IZNES allows it to be deployed with minimal impact on other business processes and logic. This enables investors, distributors and asset managers to operate their usual internal tools to process their orders on the SETL blockchain."

Peter Randall, CEO of SETL Development Ltd, stated: "This is an important step in bringing 21st Century technology to the asset management sector, including reduced costs, better transparency and workflow. When this project is fully operational it will be the largest single instance, by value, of a permissioned blockchain in the world."

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NOTES TO EDITORS

SETL Development Limited

SETL Development Limited launched in July 2015 to deploy a multi-asset, multi-currency institutional payment and settlements infrastructure based on blockchain technology. The SETL system enables market participants to move cash and assets directly between each other, facilitating the immediate and final settlement of market transactions. The SETL system maintains a permissioned distributed ledger of ownership and transaction records, simplifying the process of matching, settlement, custody, registration and transaction reporting.

The initiative is led by Peter Randall, the former CEO and founder of Chi-X, the pan-European equities trading venue. The SETL management team comprises: Peter Randall, CEO; Anthony

Culligan, Product CEO; Nicholas Pennington, CTO; and Francois Barthelemy, Head of Corporate Strategy.

In December 2015, SETL announced Sir David Walker as its chair. Sir David is a former Executive Director of the Bank of England and has served as the chairman of Barclays, Morgan Stanley International, the Securities and Investment Board and as deputy chairman of Lloyds TSB. In July 2016, Rachel Lomax, former Deputy Governor of the Bank of England and Ed Richards, former CEO of Ofcom, joined the SETL board. In November 2016, Martin Clements, recently retired from his role as Director General responsible for Technology and Transformation at the UK Foreign and Commonwealth Office joined the SETL board.

The SETL technology has been designed from the ground up to meet the needs of the finance industry and eliminate some of the concerns raised about the use of blockchain technology for financial markets. These include anonymity, typical for 'permissionless' blockchains such as the bitcoin blockchain, which would present challenges to AML / KYC obligations of financial institutions, and the limited capacity and speed of current blockchains, not designed to handle the required volume of financial transactions. SETL is a real-time, real-world system and as such will offer connectivity and compatibility with existing workflows, systems, standards and regulations.

SETL's distributed ledger system has been designed and engineered to exceed the volume and capacity of existing global financial systems. SETL has successfully deployed multiple environments capable of processing in excess of 80,000 transactions per second, across globally distributed locations, for real-world settlement assets, values, originators and recipients.

Find out more at: www.setl.io

IZNES

IZNES is the pan-European fund record-keeping platform based on blockchain technology. The platform provides investors, asset management firms, distributors and wealth management advisers with easy and rapid access to fund units. The platform enables firms to enter into new relationships with investors, manage KYC processes, handle subscription / redemption instructions, and settle transactions and record positions.

Compatible with all distribution channels, IZNES reduces transaction costs, increases transparency, and optimises operational workflow. It will also enable new value-added services to be developed. IZNES relies on proprietary technology developed by SETL. To ensure the best possible service, the functional specifications were defined in line with user input and contributions.

The initial version was delivered by SETL in July 2017 and validated by OFI AM, Groupama AM, La Financière de l'Échiquier, and Arkéa Investment Services.