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First blockchain system in SA for unit trusts launched

Johannesburg, 17 September 2019 - Local stock exchange ZAR X, in conjunction with technology provider Adhara and nominee administrator Computershare South Africa, have launched the first distributed settlement system in South Africa for unit trusts. Using the blockchain, it enables the public to purchase and settle unit trusts directly from fund managers in a secure environment.

The ZAR X system reinvents the traditional way of administering unit trusts using digital technologies as its foundation. Instead of monthly administration fees, investors pay a once-off transaction fee. Furthermore, they can transact in unit trusts either through their ZAR X broker or on any mobile device using the ZAR X Mobi App.

“Since inception, ZAR X has pioneered technology and introduced innovative products and services to capital markets in the country. We have prioritised cost reduction in both the listing process and for investors. To this end, we are driving even more efficiencies by offering unit trusts on the blockchain which is likely to be the future of financial markets settlement,” says Etienne Nel, CEO of ZAR X.

The system provides regulators and investors with full transparency and transaction history in real-time. As the blockchain serves as a ledger of events that are distributed or shared between different parties, it can only be updated by consensus of the participants in the system. This effectively means the blockchain provides a single version of the truth and eliminates the need for reconciliations.

The Adhara components allow for the unit trusts and cash to be tokenised on the same ledger. This ensures all transactions occur ‘on-chain’, providing real-time Delivery vs Payment (DvP) settlement.

“We are delighted to be part of this production-grade blockchain solution to go live internationally. Adhara has used its Token+ product for this solution that is built on Hyperledger Besu (an open source, enterprise-grade Ethereum client),” says Peter Munnings, COO and co-founder of Adhara.

“This is an exciting initiative, and we are pleased ZAR X has appointed Computershare as the nominee administrator for the first distributed ledger settlement system for unit trusts. We have a proud track record of using robust technology and infrastructure to support the diverse and unique requirements of each of our clients,” adds Bennie van der Westhuizen, CEO of Computershare South Africa.

The project will go live in the last quarter of this year and will be available via the ZAR X Web site (www.zarx.co.za) and the ZAR X Mobi App available in Apple iOS and Android app stores.

About ZAR X

ZAR X is a licensed stock exchange that uses disruptive fintech to create a more efficient market for all. It believes that the right technology can remove barriers to entry, reduce costs, save time, all while creating new opportunities. ZAR X focuses on providing technology that's intuitive, easy-to-use, and visually engaging to replace manual processes that hinder efficiency and performance. ZAR X has pioneered T+0 (real-time) settlement in South Africa. ZAR X has spent significant time and resources implementing a global technology solution to enhance the level of transparency and control for Market Participants and Investors.

For more information, visit www.zarx.co.za

About Adhara

Adhara is a leading software company that provides real time, multi-currency, liquidity management and international payment solutions. Benefiting commercial banks, their corporate clients, central banks or exchanges, Adhara's platform delivers certainty by atomically clearing and settling tokenized fiat payments over a smart contract enabled distributed ledger. Together, these components provide holistic liquidity management for payments and market making solutions that help manage FX risk and leverage liquidity globally on a network in real time.

Adhara has global reach with development hubs in Spain & South Africa, as well as business bases in UK and Singapore. Its diverse team has decades of experience across commercial banking technology, capital markets, blockchain and product design & development – including an Engineering team with excellence in cryptography, enterprise systems and end user app development.

For more information, visit www.adhara.io

About Computershare

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications.

We also specialise in corporate trust, bankruptcy, class action and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers. Computershare is represented in all major financial markets and has over 16 000 employees worldwide.

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