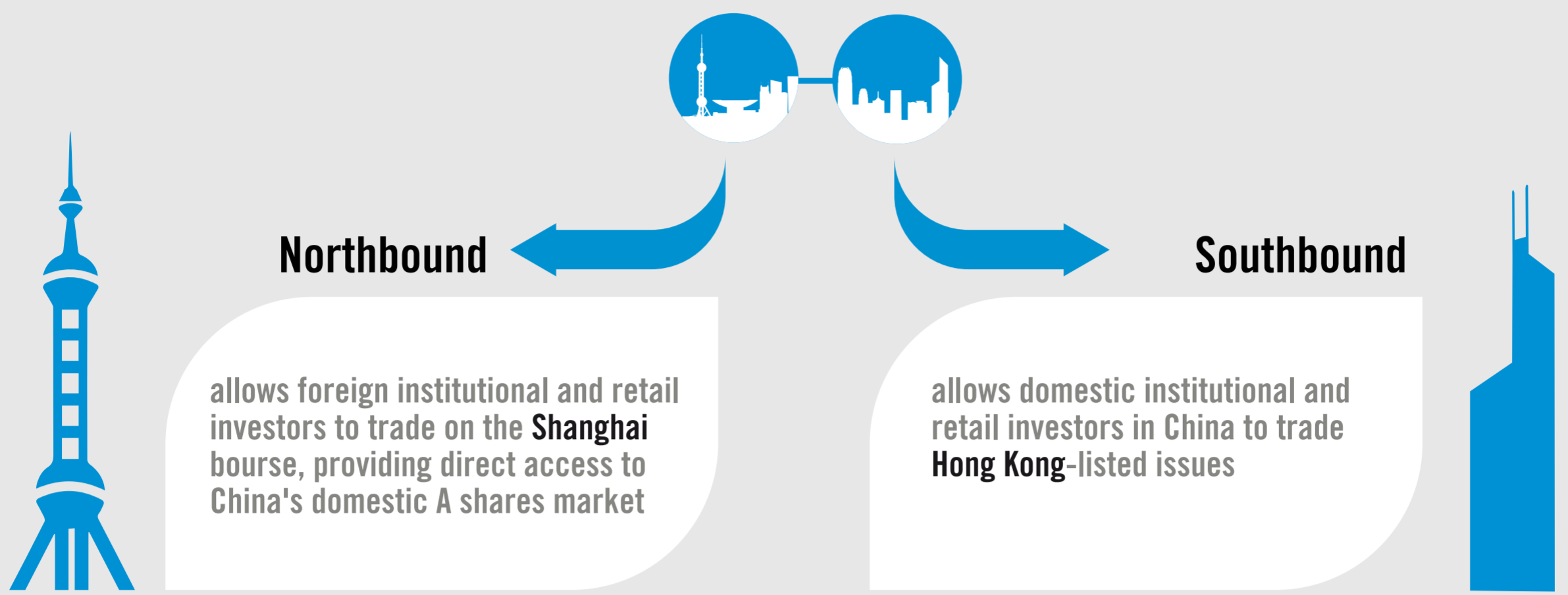


STOCK CONNECT: UNDERSTAND THE OPPORTUNITIES AND OPERATIONAL CHALLENGES

SHANGHAI-HONG KONG STOCK CONNECT TODAY

The Shanghai-Hong Kong Stock Connect enables trading in two directions:



FAST FACTS

US\$90 billion

Aggregate quota* of **US\$90 billion** = US\$49 billion for northbound, US\$41 billion for southbound

US\$49 billion

Aggregate northbound quota of **US\$49 billion** ≈ RQFII quota**

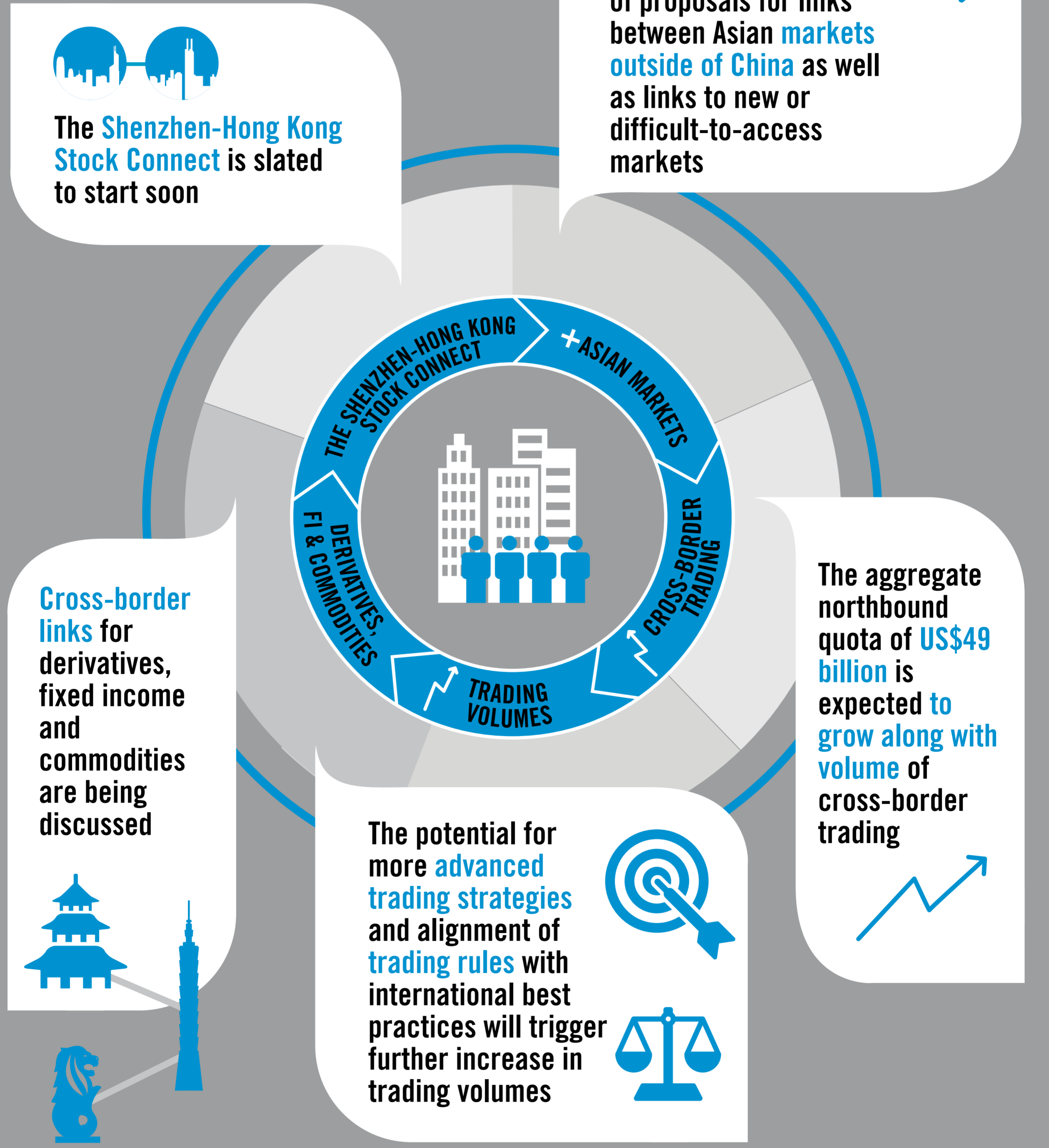
US\$115 billion

Prior to Stock Connect, quotas for QFII and RQFII = **US\$67 billion** and **US\$48 billion** respectively**

* Aggregate quota = total inflow and outflow of funds from China under Stock Connect. The Quota Balance is calculated at the end of each trading day on a net-buy basis.
** Estimates as at 2014

A FUTURE OF OPPORTUNITIES FOR THE INVESTMENT SAVVY

Stock Connect is a path-breaking initiative. What is likely to follow?



TECHNOLOGY AND OPERATIONAL IMPLICATIONS

Market participants will need to enhance their middle and back office systems to meet a tight settlement cycle:

Securities on T

Cash on T+1



To find out how Stock Connect could affect your operations strategy, download the White Paper by Celent, "Shanghai-Hong Kong Stock Connect: It's Just the Beginning" now