



THE CLEAR ADVANTAGE

OTC Markets Group commissioned strategic advisory firm Oxford Metrica to conduct an independent study examining the impact of trading on OTCQX, the top U.S. over-the-counter (“OTC”) market, in terms of share liquidity, bid-ask spreads, broker-dealer coverage, and investor perception.

The study evaluated all securities that traded on OTCQX for at least three months during the three years prior to October 31, 2015, a total of 397 primary securities with \$1 trillion in combined market capitalization. Liquidity was analyzed for the six months prior to joining OTCQX compared with the subsequent six months.

OTCQX Securities Experienced Increased Liquidity

Companies that joined OTCQX had:

53%

Increase in trading volume
by number of shares
on average

57%

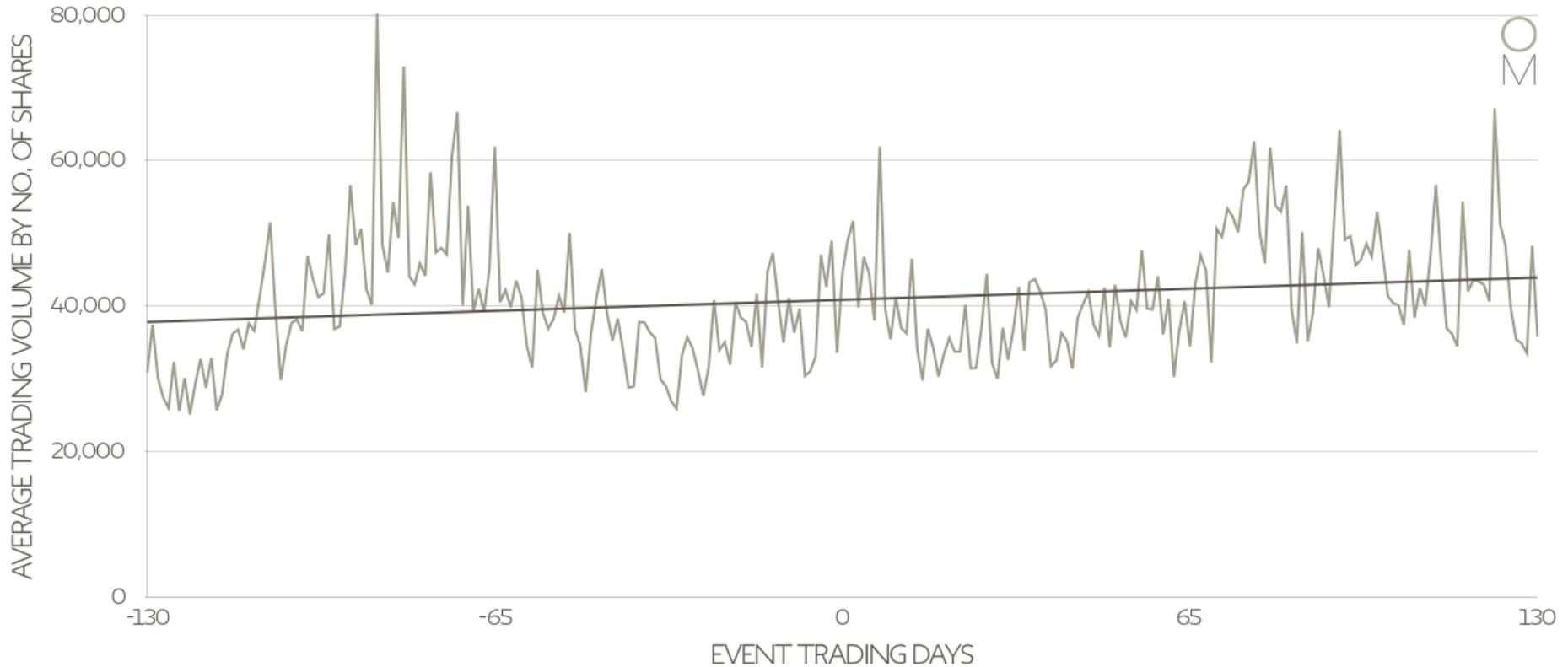
Increase in dollar volume
on average

- *Trading volume activity can reflect how rapidly and efficiently information about a firm is disseminated, absorbed and reacted to by investors.*
- *Increased levels of trading volume for a security may reflect a higher quality of disclosure, improved information flow, operational efficiency in the market and, ultimately, greater shareholder engagement.*

“We have found that OTCQX is a perfect substitute for an NYSE listing for international companies; we receive excellent information without some of the restrictions and costs.” —
Institutional investor, managing over \$10BN in assets

OTCQX Securities Experienced Increased Liquidity

Impact on trading volume by number of shares

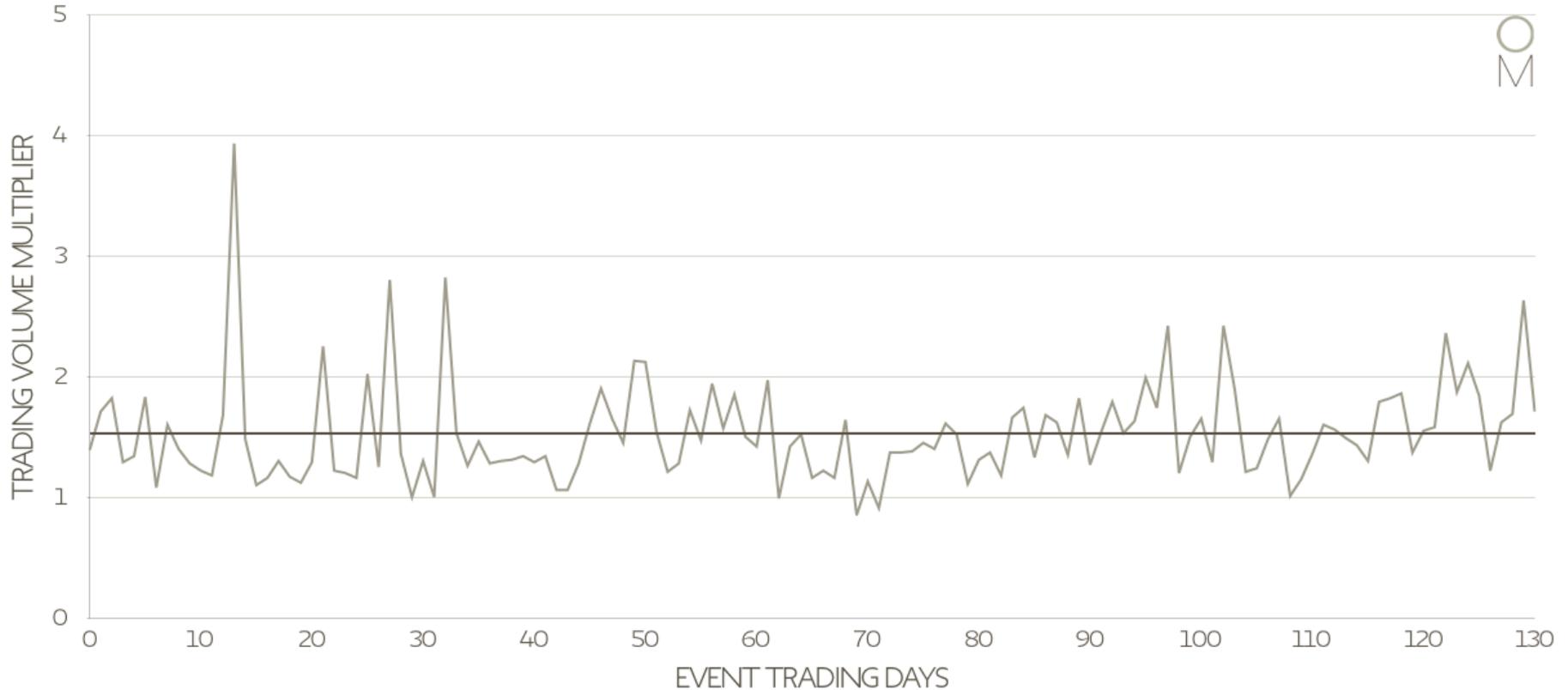


Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Experienced Increased Liquidity

Trading volume multiplier



Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Experienced Increased Liquidity

Impact on dollar trading volumes

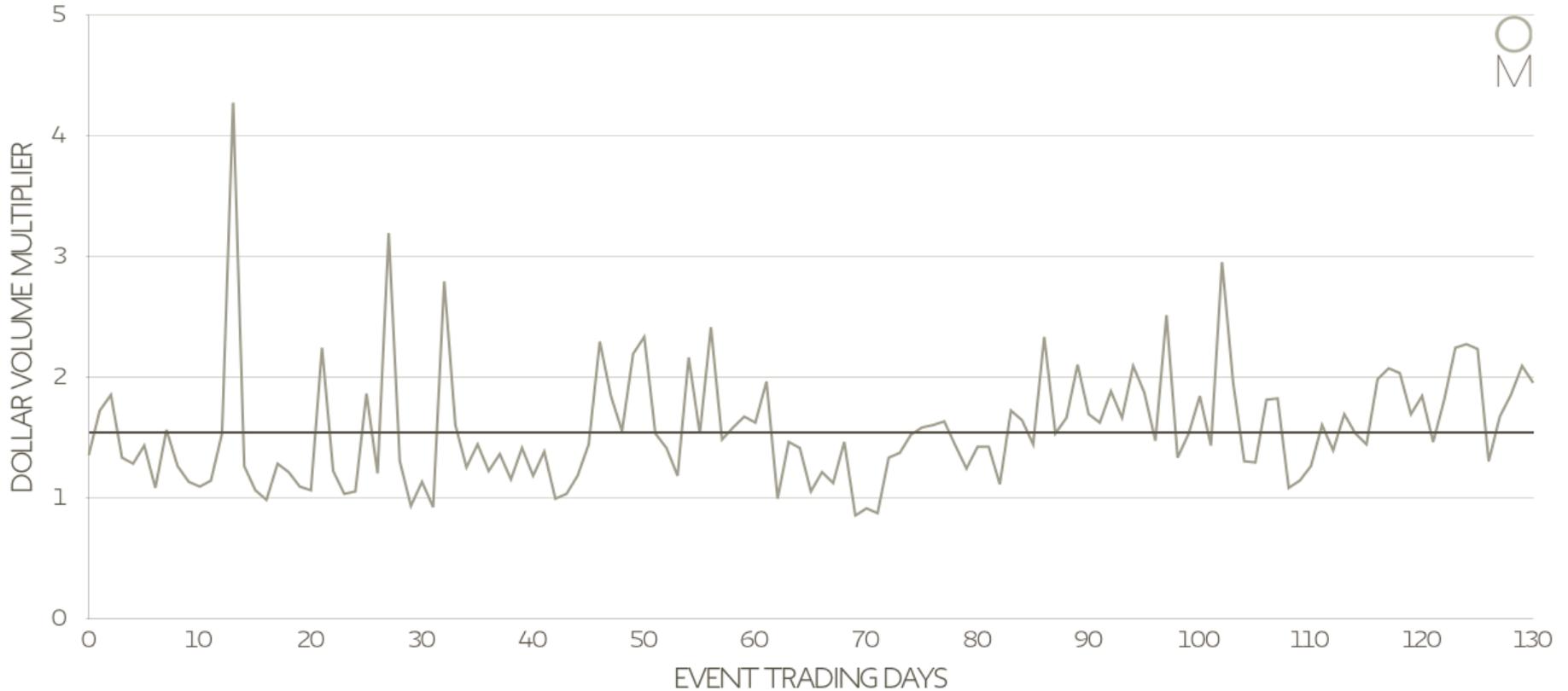


Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Experienced Increased Liquidity

Dollar volume multiplier



Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Enjoyed Narrower Bid-Ask Spreads

Companies that joined OTCQX had:

4%

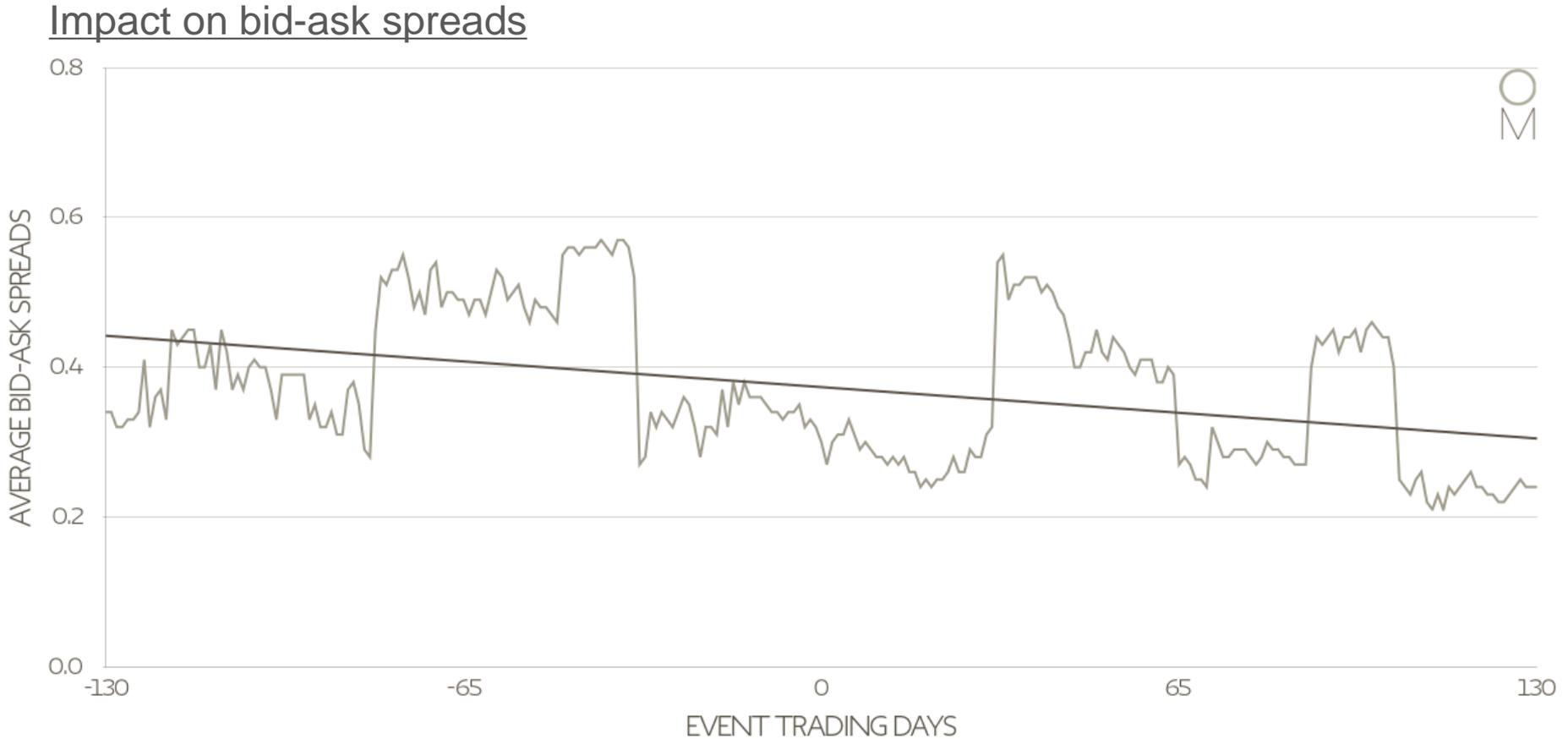
Narrower bid-ask
spreads on average

- *Bid-ask spreads are the difference between the price a broker is willing to buy (or “bid”) a stock and the price at which he/she is willing to sell (or “ask”).*
- *A key factor contributing to bid-ask spreads is liquidity. Securities with greater trading volumes will often have narrower bid-ask spreads than those traded infrequently.*

“Although we have no specific prohibitions on our investing, in practice we tend to invest only in OTCQX as the premium market place in the OTC Markets range.” –

*International asset manager,
managing \$5BN in assets*

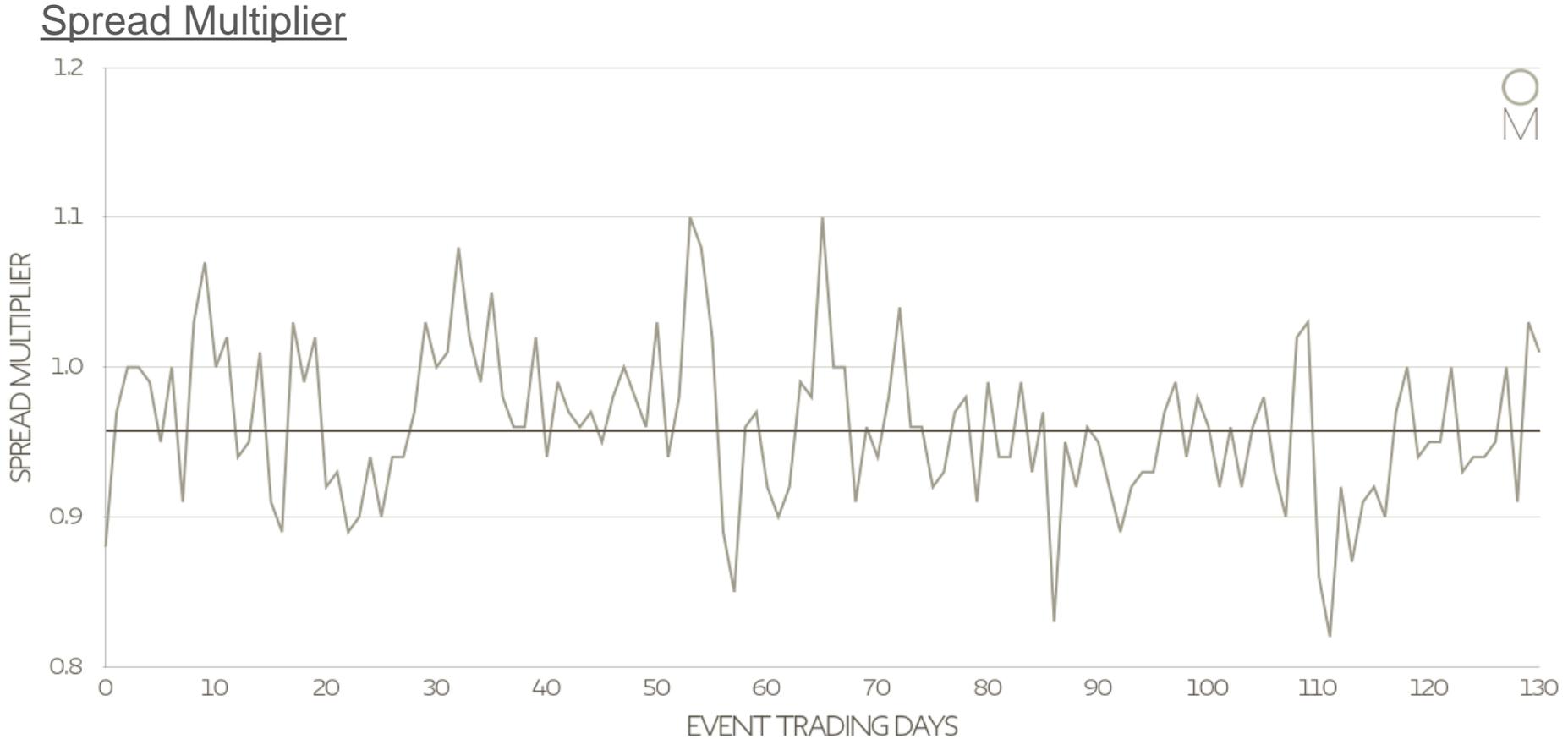
OTCQX Securities Enjoyed Narrower Bid-Ask Spreads



Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Enjoyed Narrower Bid-Ask Spreads



Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCQX Securities Attracted Greater Broker-Dealer Coverage

Companies that joined OTCQX had:

16%

Increase in the number
of broker-dealers per
security on average

The evidence suggests that the information advantages of OTCQX are recognized by broker-dealers and liquidity is enhanced.

“In our view, smaller community banks could do a lot more to help themselves attract interest. More trading data and more timely information is the way forward for them. OTCQX can provide the right discipline and framework to improve.”

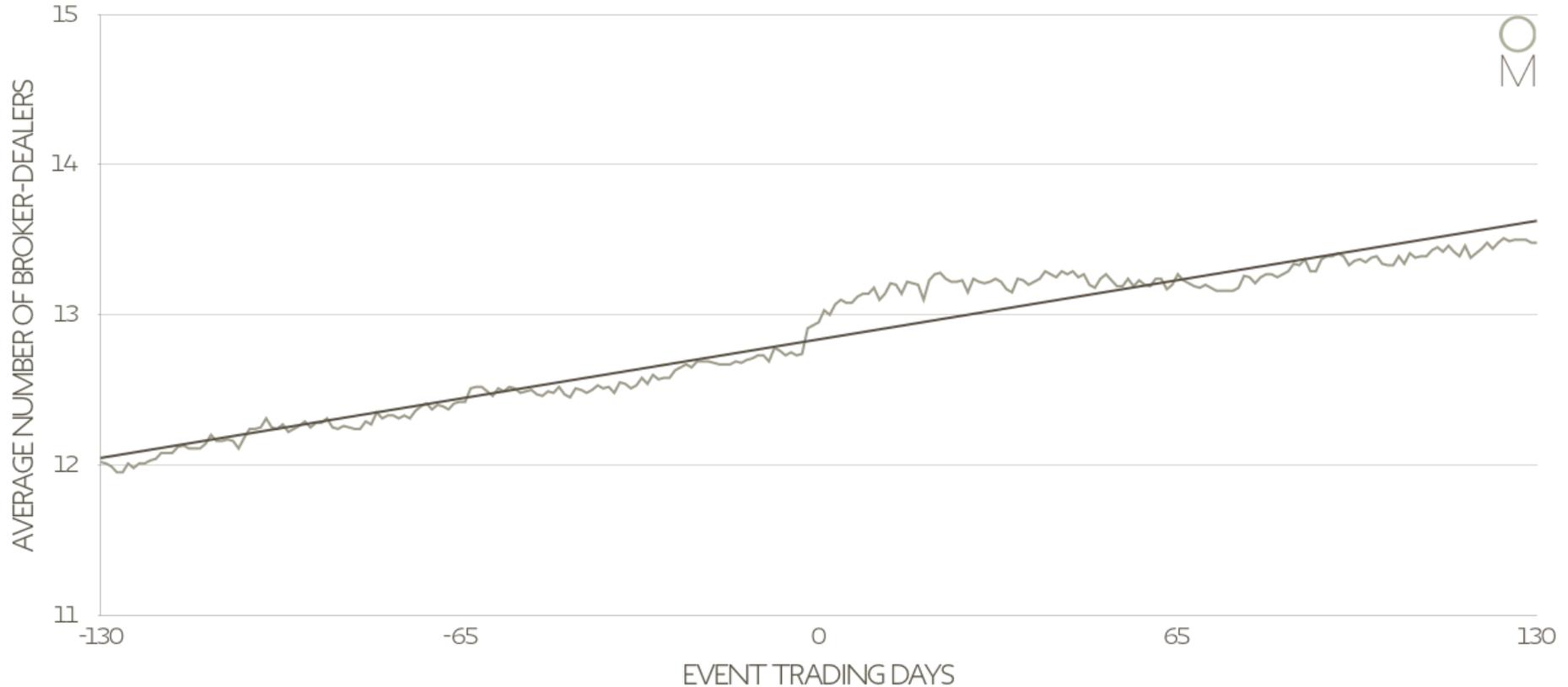
—Institutional investor, managing approximately \$8BN in assets

“Although international company reporting has improved in recent years, we find that OTCQX companies are a self-selection of the better reporters. It signals an attitude of openness to U.S. investors.”

—Hedge fund manager

OTCQX Securities Attracted Greater Broker-Dealer Coverage

Impact on number of broker-dealers



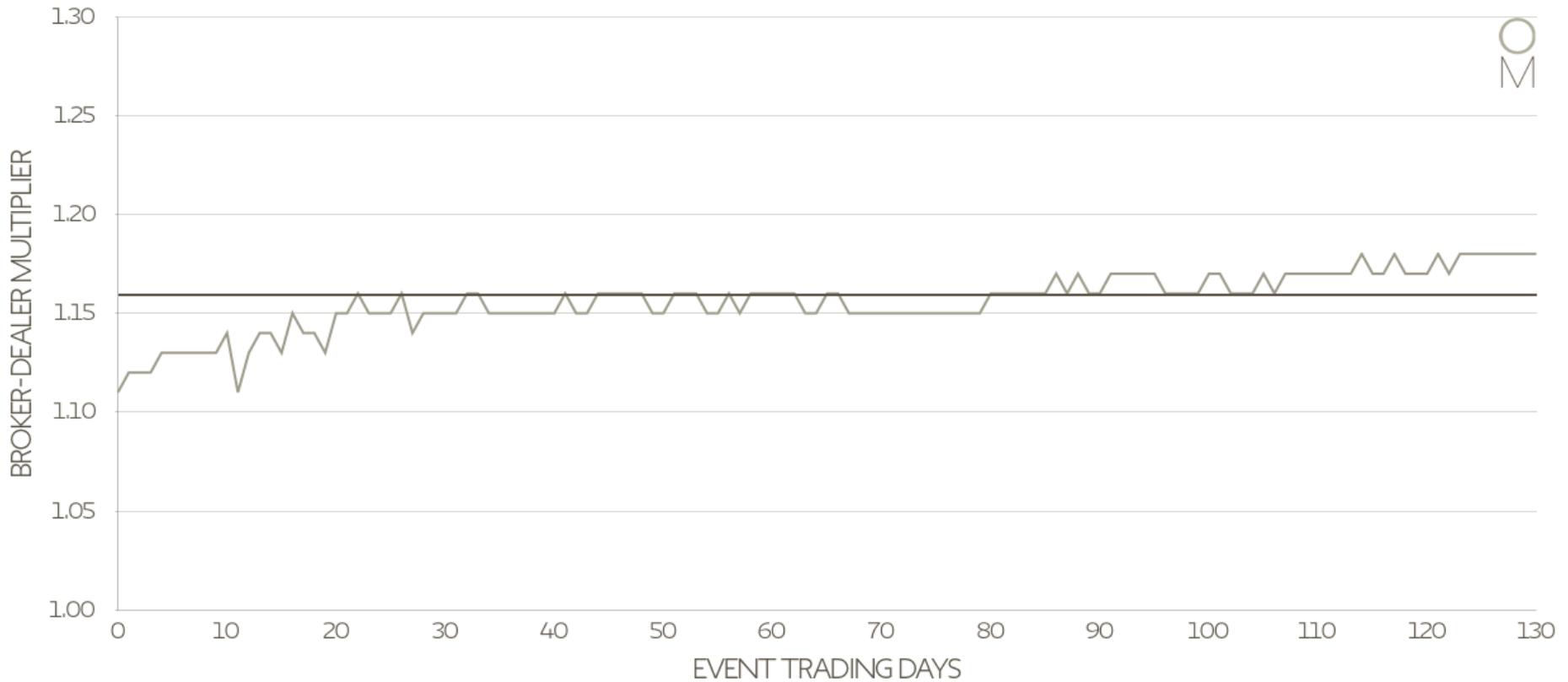
Source: Oxford Metrica

— OTCQX TRADED SECURITIES

OTCMarkets

OTCQX Securities Attracted Greater Broker-Dealer Coverage

Broker-dealer multiplier



Source: Oxford Metrica

— OTCQX TRADED SECURITIES

“Many smaller companies in the US do not embrace the notion of active engagement with investors. We have found that OTCQX companies are the exception and we often encourage firms that we are potentially investing in to consider joining.”

-Mutual fund investor, managing over \$10BN in assets

For more information regarding OTCQX, please
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