

Acquisition of WealthCraft Systems Limited

18 September 2012, Melbourne: Praemium is pleased to announce that it has entered into an agreement with WealthCraft Systems Inc. to acquire its fully-owned subsidiary, WealthCraft Systems Limited (**WealthCraft**).

Consideration for the transaction is \$625,000 in cash (this includes \$400,000 that has already been provided as a secured loan) plus the issue of 2 million fully paid ordinary shares in Praemium Ltd. Subject to satisfactory completion of the conditions specified in the agreement, Praemium expects to complete the transaction by October 2012.

Who is Wealthcraft?

Founded in 2003 and based in Hong Kong, WealthCraft is an information technology company that designs, develops, markets and supports its own technology platform. This platform provides wealth management services for financial institutions including investment advisory firms, securities brokerage firms, retail and private banks, mutual fund companies and insurance companies.

The Company's principal business solution, WealthCraft Advisor 5.0, gives financial professionals the tools and services to develop and expand their wealth management business, greatly improve client service levels and adapt quickly to multi-jurisdictional regulatory changes. Its key modules include customer relationship management (**CRM**), financial planning, commissions management, investment research, portfolio management and unit trust trade automation. WealthCraft's best-in-class cloud-based CRM is built upon the industry-leading Microsoft Dynamics CRM Online and Office 365 systems.

Strategic opportunities

WealthCraft CEO Kelly Tallas stated, "We are delighted to be joining with the Praemium team. Both companies have a common vision for the future of investment advice centred on strategic asset allocation and web-based transparency. We believe that Praemium's model portfolio investment platform is the best of its kind and that with our CRM / Financial planning software system the combined product will be a very exciting proposition. Similarly we see considerable potential for our system to penetrate the Australia and UK markets with a highly flexible planning tool built on a world-class CRM."

Praemium CEO Michael Ohanessian commented, "This is a strategic acquisition for Praemium. WealthCraft's financial planning tools and CRM will complement our market-leading portfolio administration system V-Wrap as well as our SMA investment platform. With regulatory reforms to financial advice just around the corner in Australia and the UK, it will be important for financial planners to demonstrate traceability in their dealings with their investor clients. WealthCraft's CRM tracks all client communications and keeps all records in one place, offering the traceability planners require. Likewise WealthCraft's financial planning tools are easily customisable and hence offer a low-cost, scalable solution for financial advisors looking for a more appropriate solution in a more highly regulated environment.

"Another important factor in our decision to acquire the WealthCraft business is that it provides a distribution channel for our Jersey-based international platform. WealthCraft has a number of important financial advisory clients in the Asia region and they service the same market that our Jersey-based platform targets."