

Quarterly Update – Praemium SMA's Funds on Platform up 70%

20 January 2014, Melbourne: Praemium (ASX: PPS) is pleased to provide an update on its Separately Managed Account (SMA) platform in Australia, since acquiring the business and taking on the role of Responsible Entity from BlackRock 12 months ago. As disclosed throughout last year, Praemium's SMA platform achieved a number of key milestones in 2013:

- Launched a complying investment solution under the Federal Government's Significant Investment Visa (SIV) Scheme (requiring investors to invest a minimum \$5 million) and received the first visa applicants on our SMA platform;
- Continued to add new models across all asset classes from Australia's leading mainstream and boutique investment managers; and
- Experienced renewed interest from existing SMA clients and grew a significant new business pipeline.

These achievements have driven strong growth in funds on the SMA platform, with a 70% increase over the last 12 months to \$1.2 billion at 31 December 2013.

The next phase of the SMA platform's expansion is the launch of Praemium's retail superannuation offering; the Praemium SuperSMA. Praemium's SuperSMA offers all the advantages of the Praemium SMA platform – control, transparency, cost effectiveness and direct share capability – within a retail superannuation environment. The Praemium SuperSMA will be available from February 2014.

CEO Michael Ohanessian commented, "We are delighted with the growth of our Australian SMA platform during our first year as Responsible Entity. The inherent advantages of running model portfolios are generating considerable interest within the wealth management industry and, as SMAs are the ideal vehicle for this purpose, we see considerable upside potential. Further to that, the imminent launch of our new SuperSMA offering is very exciting given the considerable interest from a number of existing and prospective clients."

Appendix 4C

The Company has also released its quarterly cash report today. Operating cashflow was a \$758,000 outflow for the quarter, compared to an \$182,000 cash inflow for the preceding quarter. This change was from continued investment in the business to support medium-term growth, combined with the timing of annual supplier payments and seasonally lower receipts within the December quarter.

The Group's cash balance was \$7.95 million at 31 December 2013.

Key Statistics

Service	Region	Key Performance Indicator	Dec 2013	Dec 2012	YoY %
Portfolio Admin Services	Australia	# V-Wrap Portfolios	44,260	43,997	1%
Separately Managed Account	Australia	FOP	A\$1.20bn	A\$0.70bn	70%
Separately Managed Account	UK	FOP	£0.46bn	£0.43bn	7%

FOP: Funds on Platform

About Praemium: Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 300,000 investor accounts covering approximately \$80 billion in funds globally, and currently provides services to approximately 700 financial institutions and intermediaries, including some of the world's largest financial institutions.

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