

Praemium UK broadens Smartfund distribution channels

4 August 2014, London: Praemium (ASX: PPS) is pleased to announce some important changes to the structure and investment approach of its UK-based Smartfund Advantage fund range.

Smartfund Advantage was originally launched in the UK in late 2008 as unitised model portfolios on the Praemium SMA platform. The Smartfund Advantage fund range includes five risk-weighted sub funds ranging from defensive through to aggressive growth. Over the five plus years since their launch, the Smartfund range has provided investors with a unique solution that combined the benefits of an SMA with the tax advantages of a Collective Investment Scheme (CIS). One drawback of the structure of the Smartfund range, however, was its limited distribution options compared to other managed funds.

Following stakeholder approval in mid-July, we are pleased to advise three major changes to Smartfund Advantage:

- We have restructured Smartfund Advantage from an Authorised Unit Trust structure to an Open Ended Investment Company structure (OEIC). This form of structure is more commonly used by retail funds and hence we believe will increase its appeal to a wider audience.
- We will henceforth utilise our in-house Smart Investment Management team to provide investment management and strategic asset allocation to the Smartfund Advantage funds. With a proven track record in managing multi-asset portfolios, the Smart Investment Management team will enable us to offer a greater level of active management to improve long-term returns while ensuring the funds maintain a consistent level of risk.
- The creation of institutional share classes that enable wider international distribution via other investment platforms and insurance and pension products. Smartfund now has distribution options comparable to other similar managed funds.

As a consequence of these changes, financial advice firms will be able to offer white-labelled share classes tailored to their business models. The first such firm is now actively promoting their white-labelled range of Smartfunds to investors in Asia, Europe and the Middle East.

Praemium CEO Michael Ohanessian stated, "We are constantly looking for ways to enhance our range of investment solutions to meet the needs of investors and advisers. We believe these important changes offer a more attractive structure that will not only increase the funds under management for Smartfund but will also, with scale economies, reduce the overall on-going costs for the benefit of all investors."

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.

For further information contact: Mr Paul Gutteridge, Company Secretary +613 8622 1222