



2016 Annual General Meeting Presentation

22 November 2016, Melbourne: Praemium (ASX:PPS) is pleased to provide a copy of the address to be given by Praemium's Chairman, Mr Bruce Loveday, and the presentation by Praemium's CEO, Mr Michael Ohanessian at the Company's Annual General Meeting (which will commence at 11am this morning).

About Praemium (ASX: PPS): 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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Chairman's Address – 2016 AGM

Ladies and Gentlemen

As shareholders are aware, I will retire from the Chair and the Board of Praemium following the completion of this meeting after approximately 5 years as a director of your Company. Greg Camm, who you will hear from shortly, will succeed me as Chairman – assuming of course he is elected as a Director today – following completion of the meeting. I am certain that Greg will be an excellent Chairman of Praemium and that he will serve the Company and its shareholders well.

Because this is my last meeting, I would like to take the opportunity to review some of the important changes that have taken place at Praemium over the last 5 years and also to look forward to the opportunities facing the Company.

The changes at Praemium are much more comprehensive than can be captured by comparing financial results alone, but can a good indication of the progress made:

- > For the financial year ended 30 June 2016, Praemium generated profit before tax of \$1.6 million, up 300% on the previous year's normalised result. By way of comparison, in the financial year ended 30 June 2011 – 5 years earlier – Praemium generated a loss of \$5.5 million;
- > Revenues for FY2016 were \$30 million, or 29% up on last year and up 132% on FY2011; and
- > Funds on our SMA platforms were \$4.8 billion at 30 June 2016, or 25% more than 12 months earlier. Since year-end, total SMA assets have continued to grow and now exceed \$5 billion. At 30 June 2011, the equivalent figure was \$500 million, all of which was derived from our UK operations.

Although I generally believe that company Boards and management should primarily focus on internal matters such as strategy development and execution, and operational management, the recent improvement in Praemium's share price, which theoretically reflects the value attributed to the Company's performance and prospects by the investment markets, suggests that the improvements in Praemium's performance are being recognised by investors.

The transformation of Praemium has been enormous (and, might I add, necessary).

Praemium is a very different company to what it was 5 years ago. It is now a profitable and cashflow-positive company with no debt, substantial cash on deposit, a solidly growing business base and many opportunities for expansion.

One of the crucially important decisions made by Praemium in the last 5 years was to become the Responsible Entity for what was then the BlackRock Customised Portfolio Service, which is now our Australian SMA. Praemium had been a software provider to this product since its inception and, when the previous operator took the decision not to continue with the product, we saw an opportunity to both protect an important stream of revenue to us and also become a more active participant in what we believed would become a rapidly growing part of the Australian financial services market.

Becoming the Responsible Entity for the SMA also enabled us to earn an asset-based fee for our services, meaning that the growth potential we saw in the SMA would be reflected in our profitability on an ongoing basis.

Today, Praemium's Australian SMA product comprises approximately \$3.3 billion in assets and our client base continues to expand.

We have made considerable improvements to our software development capabilities, both in terms of the number and quality of our people, and also to our development methodologies. Focused IT development is at the core of Praemium's value proposition to the market and our improved structure is serving the Company well.

Praemium's UK business has been the subject of much discussion, both at previous AGMs and more generally. I am delighted with the continuing improvements in that business, reflected by the following key metrics:

- > SMA funds on the UK platform, which were £910 million at 30 June 2016, have now passed the £1 billion Pound mark and, at the end of October stood at £1.06 billion;
- > Our Smart Investment Management business has continued to grow, both in size and contribution. At June 2016, we were managing £288 million in this product, up by 67% from the £172 million under management 12 months earlier;
- > Our Smartfund 80% Protected product, developed jointly between Smart Investment Management and Morgan Stanley, has just completed its first full year. This product, which has raised £80 million already, is designed to protect investors against extreme downside risk while still capturing a good market investment return. In a volatile year, the product performed exactly as it is designed to do, returning 1.9% pa more than the MSCI World index while demonstrating lower volatility than that benchmark;
- > Total revenues in our UK business for the year ended 30 June 2016 were £4.6 million, or 66% higher than at the end of the previous financial year.

While we are still to achieve profitability in the UK, these data strongly indicate that breakeven is looming ever closer.

I would now like to make some comments on some of the more recent developments at Praemium.

In late June, we announced that JB Were had become a client of Praemium, using our V-Wrap portfolio administration and reporting service. Phase 1 of the migration of clients has now been completed, with all clients of the JB Were Multi-Asset Platform with international holdings now receiving their first international capital gains tax reports.

Since June, we have entered into agreements with two additional retail stockbroking and wealth advisory firms – Shaw Stockbroking and Burrells – to enable them to provide managed account services using Praemium’s SMA product to their clients.

We have also made our SMA capabilities available to several “robo-advice” providers.

In February this year, we were delighted to welcome two senior executives into the Praemium team. Anna Itsiopoulos joined us as General Manager of our Australian Operations and Andrew McDonald came on board as Head of Product and Strategy. More recently, we have upgraded our Australian business development and client servicing capabilities with the recruitment of Martin Morris (Head of Business Development), Kylie Paton (Business Development Manager) and Deborah Graham (Head of Implementation and Transition). We are delighted to welcome all of them to our team.

Internationally, we have recently announced the completion – following regulatory approval - of our acquisition of Wensley Mackay, a service provider to the Self Invested Pension Plan (SIPP) market in the UK. This transaction enables Praemium to operate directly in the growing SIPP market in the UK, which to date has been difficult for us to access.

In short, Praemium has been transformed and its performance is now reflecting that transformation. The structure of our business and our successes in the markets in which we operate in the past year provide the Company with substantial organic growth opportunities, and I have no doubt the Board under Greg Camm’s leadership and our strong management will capture value for Praemium shareholders from these opportunities.

I would now like to ask our CEO Michael Ohanessian, who has led the management over the entire period of transformation to which I have referred, to present his report to the meeting.

Bruce Loveday
Chairman – Praemium Limited
22 November 2016

CEO's Report

Michael Ohanessian - CEO

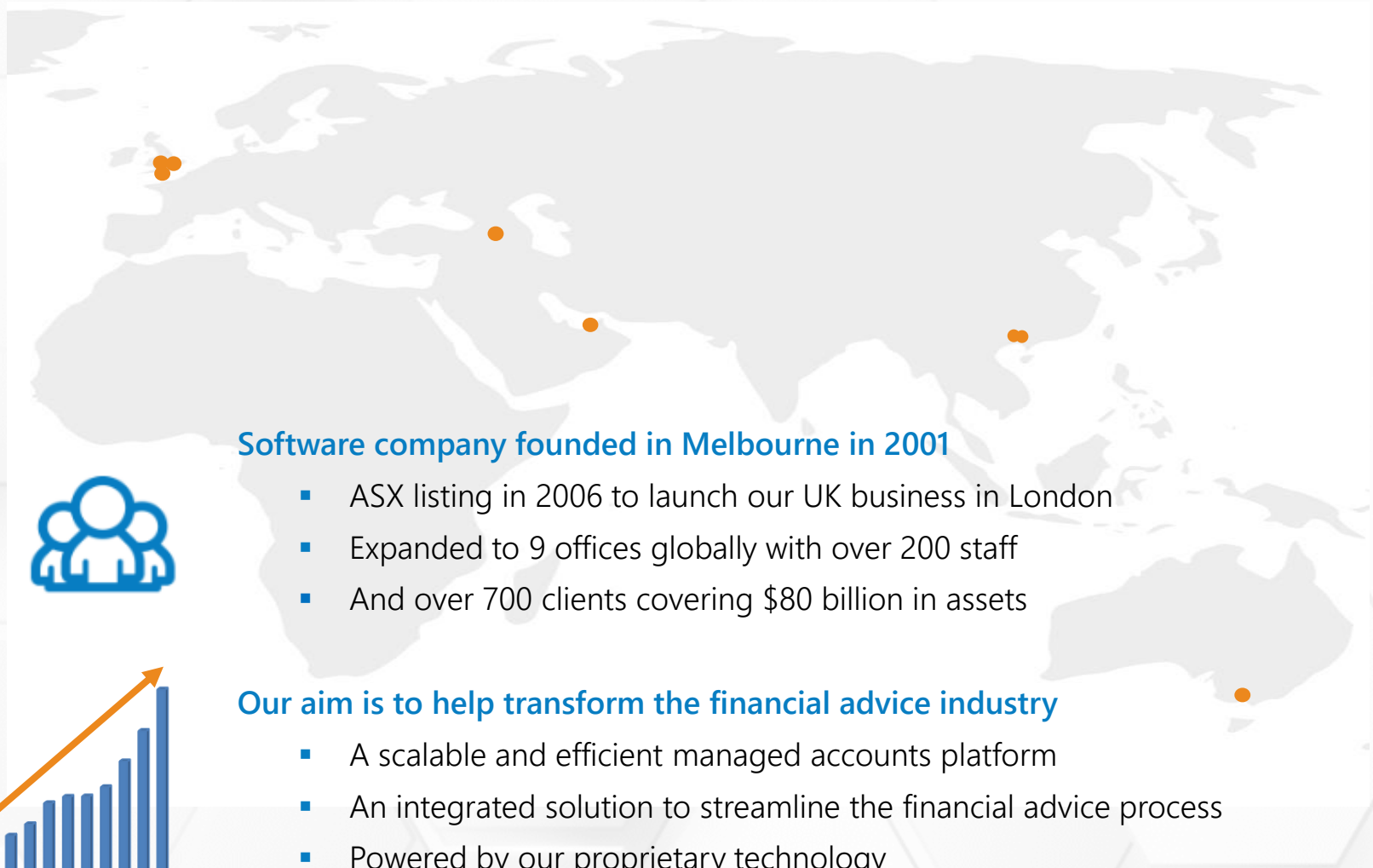
Disclaimer

The material contained in this document is a presentation of general information about the Praemium Group's activities current as at the date of this presentation (22 November 2016) and is supplementary to the Group's financial results released to the ASX on 15 August 2016.

It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Praemium Group or any of its related bodies corporate.

Global reach, global scale



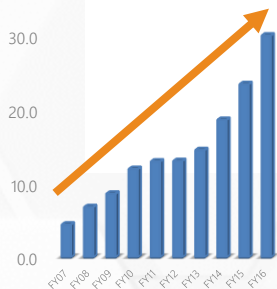
Software company founded in Melbourne in 2001

- ASX listing in 2006 to launch our UK business in London
- Expanded to 9 offices globally with over 200 staff
- And over 700 clients covering \$80 billion in assets



Our aim is to help transform the financial advice industry

- A scalable and efficient managed accounts platform
- An integrated solution to streamline the financial advice process
- Powered by our proprietary technology



Scalable business model

Investment Platform (SMA)

Asset based pricing, based on FUA invested on SMA platforms (now over \$5 billion*)

Recurring revenue streams from:

- Platform administration
- Investment management of models or funds

Highly automated platform with low marginal operating costs

Fast-growing segment, with large addressable market

Software as a Service (SaaS)

Portfolio administration and financial planning software

Subscription based pricing, based on portfolios/seats

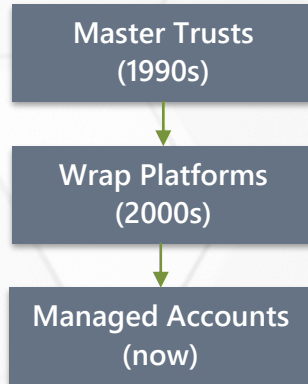
Recurring revenue streams with growing portfolio base

Strong incumbent position of V-Wrap

Servicing fast-growing superannuation & pension markets (UK 2nd largest, Australia 3rd largest globally)



SMA disrupting platform market



Market forces driving disruption

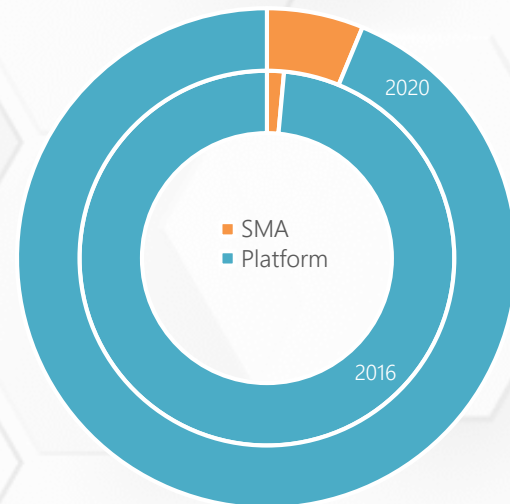
- Customer demand for transparency; in particular, SMSFs seeking professional investment management, beneficial ownership and tax advantages
- Evolution of retail brokers into wealth managers
- SMA cost efficiencies further boost financial practice value
- Regulation: loss of platform rebates under FOFA driving new revenue sources
- New entrants with considerable shift away from institutional platforms

Evolving platform market*


- AUS platform market \$672 billion today, growing to \$900 billion by 2020 (refer graph)
- SMA market forecast to grow from \$18 billion today to \$60 billion by 2020 (35% CAGR)
- Praemium's SMA industry leading with 17% market share

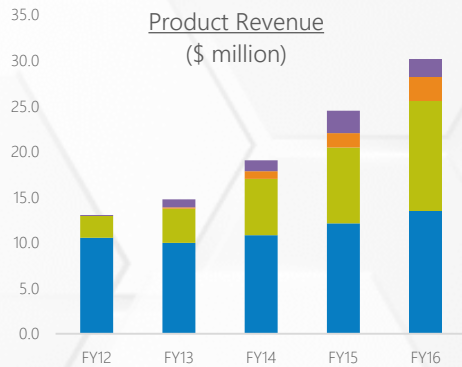
"SMAs could deliver 75% of industry net flows"

AUS Platform market
(2016-2020)

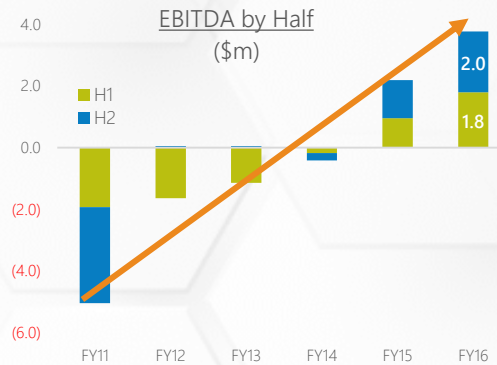



FY2016 highlights

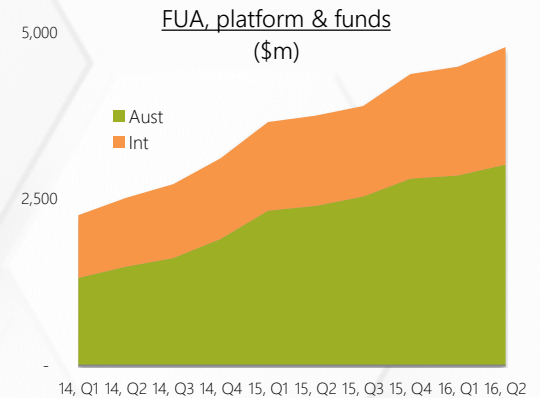
Revenue \$30m  23%



EBITDA \$3.8m  72%

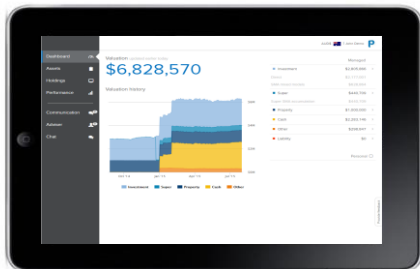


SMA FUA \$4.8b  25%



Products launched

Smartfund 80% Protected
SMSF compliance monitoring
Investor Portal



Awards

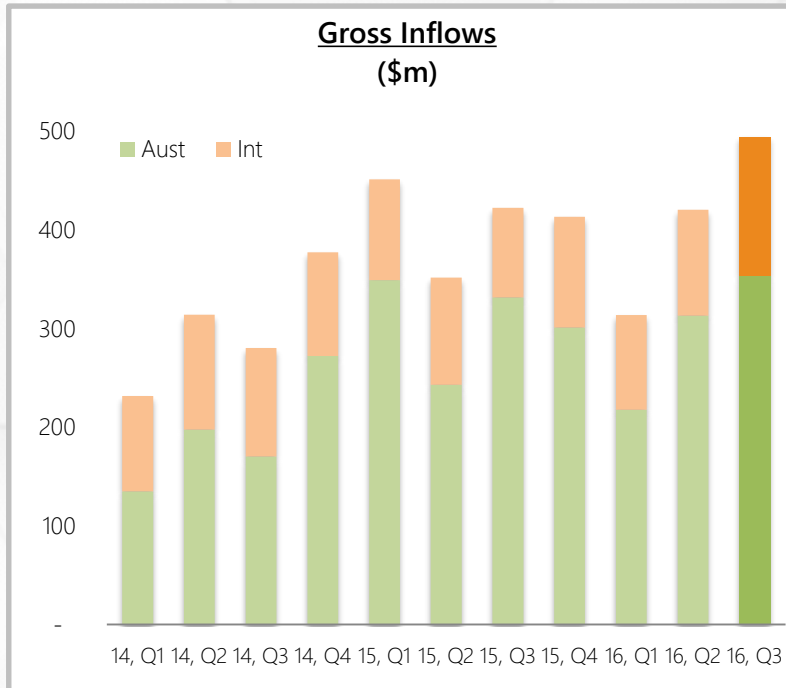
International Platform of the Year
Praemium client again won "Best Adviser Practice using a Platform"



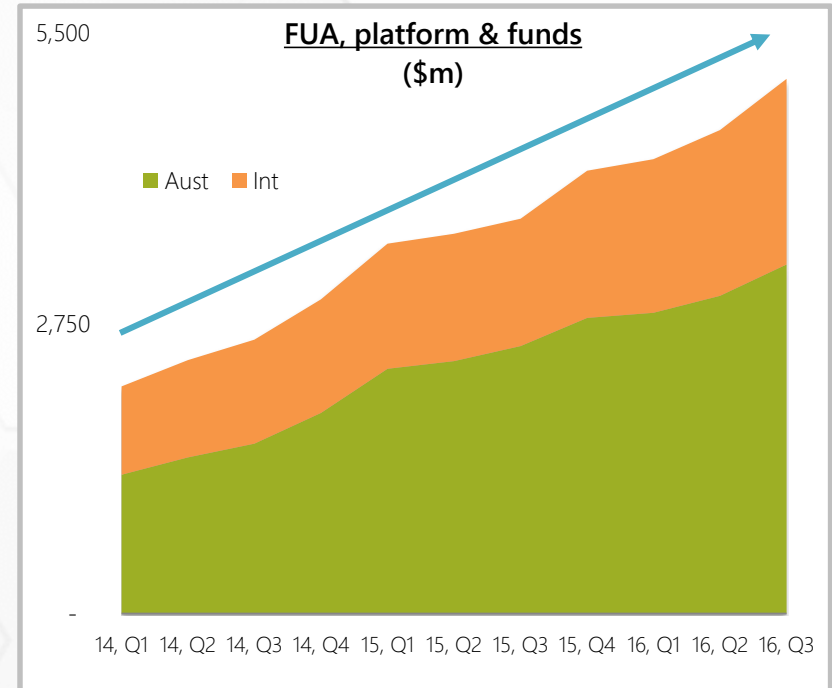
Client wins

New institutional V-Wrap client
Many new SMA wins
Continued Smart^{im} uptake

FUA now over \$5 billion



Record inflows for Sept '16 quarter



FUA up 35% in last 12 months

FY2017 update

An excellent start to the year with record first-quarter asset inflows

- Record for both Australia and International
- Continued trend of transition from wraps to SMA in Australia platform market
- Launch of fully automated SMA interface to robo-advice

The international business continues on its positive trajectory

- Stronger AUD is a positive
- FUA in local currency at end of October was 15% up on 30 June 2016, which includes a 20% increase in assets managed by Smart^{im}
- Asia results expected to improve with completion of a major bank CRM project

Continued investment in key resources to drive growth

- Significant investment in Australia sales and transition management to support the large SMA pipeline
- Expansion of distribution resource internationally in the UK, Channel Islands, Europe and the Middle East
- Yerevan software development centre making a strong contribution to the Company's global technology roadmap, significantly increasing productivity while driving cost efficiencies

Looking forward

Australia

SMA market is expanding quickly now

- SMA is a better mousetrap and is disrupting the advice process and platform market
- Praemium, as the SMA market leader and SMA specialist, is ideally placed to ride the wave
- New SMA account opening front-end to accelerate on-boarding
- Robo-advice clients attracting funds at an increasing rate

Investing in our core reporting system, V-Wrap, is paying dividends

- JBWere transition is on schedule with first batch of accounts now live
- Major new functionality for performance attribution by asset class for goals based advice
- Powerful new tools for consolidated reporting for both SMA and non-custodial holdings
- Planned 2017 launch of a complete SMSF solution that will include admin and accounting

Looking forward

International

Platform and funds management growing strongly

- At £1.06 billion in FUA at end of October
- Strong pipeline of new opportunities across UK and International
- The innovative Smartfund 80% Protected funds at £95 million and growing strongly

UK pensions strategy to drive growth

- Acquired UK-based SIPP company in November 2016
- Provides a UK pension solution and plugs a gap in our platform offering
- Considerable distribution opportunity for clients based in the UK and offshore
- Acquisition will be accretive from the first year

Exciting new developments

New account opening interface

Application / Accounts help | Eric Goldsmith

1 Applicants 2 Account Details 3 Review + Submit Delivery Received Approved Awaiting funds

Choose new account type

Praemium SMA

- Individual account
- Joint account
- SMSF Corporate trustee
- SMSF Individual trustee
- Trust Individual trustee
- Trust Corporate trustee
- Company account

Praemium SuperSMA

- Accumulation account
- Pension (ABP) account
- Pension (TTR) account

cancel < Back Continue >

Exciting new developments

New account opening interface

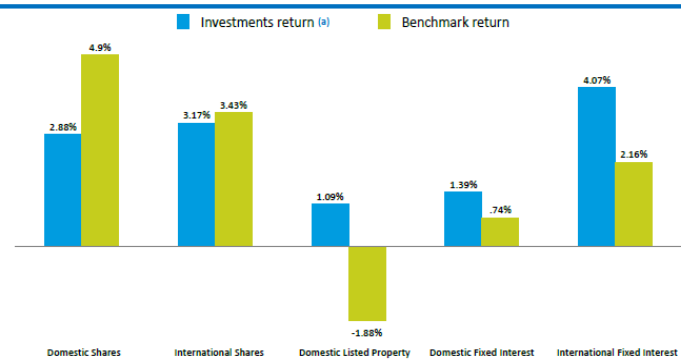
Goal-based asset allocation

Asset allocation

01 Jul 2016 to 30 Sep 2016

Comparison of returns

Asset class	Benchmark	Investments return (a) %	Benchmark return %
Domestic Shares	S&P/ASX 100 ACCUMULATION INDEX	2.88	4.90
International Shares	THOMSON REUTERS US 500 IDX	3.17	3.43
Domestic Listed Property	S&P/ASX 300 A-REIT TR	1.09	-1.88
Domestic Fixed Interest	BLOOMBERG AUSBOND COMPOSITE BOND INDEX	1.39	0.74
International Fixed Interest	MSCI INTERNATIONAL WORLD INDEX GROSS DIV AUD	4.07	2.16
Composite index return (b)		2.88	
Portfolio return before expenses (c)		2.53	



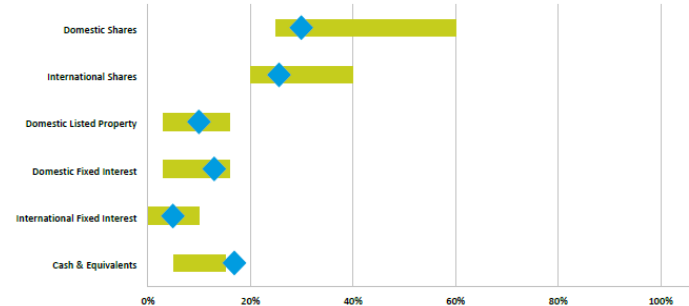
Current versus target allocation

Portfolio allocation 30 Sep 2016



- Domestic Shares 29.9%
- International Shares 25.56%
- Domestic Listed Property 9.92%
- Domestic Fixed Interest 12.93%
- International Fixed Interest 4.85%
- Cash & Equivalents 16.83%

Target allocation for Assertive Growth



- (a) The 'Investments total return' is the time-weighted percentage return from all investments held over the period in the relevant asset class. Refer to the 'Investment movements' report for the return on individual investments.
 (b) The composite index return is the sum of the benchmark returns weighted by the target allocation for the relevant asset class.
 (c) The portfolio return including cash and before expenses has been calculated using the time-weighted return (TWR) method.

Exciting new developments

New account opening interface

Goal-based asset allocation

Mobile-friendly investor portal

præmium

Praemium Portfolio Services AUD\$ | Robert Paulson

Valuation* **\$6,327,194**

Valuation history

Mon Nov 14 2016

Investment:	\$2,066,456
Super:	\$1,749,640
Cash:	\$2,125,504
Other:	\$292,941
Total:	\$6,234,540

Showing in Australia Dollar

Jan '16 Apr '16 Jul '16 Oct '16

Investment Super Cash Other

Managed

Investment	\$2,121,845
Direct	\$1,548,623
SMA mixed models	\$573,222
Managed Account	
Super	\$1,752,281
Super SMA accumulation	\$6,924
Super SMA Pension	\$328,447
Super ABP	
SMSF +	\$1,416,909
SMSF	
Property	\$0
Cash	\$2,157,006
Other	\$296,061
Liability	\$0

Something missing?

Recent activity

Distributions of \$3.74 were received	4 days ago
Cash deposits of \$300.00 were received	5 days ago
Cash withdrawals of (\$1,500.00)	2 weeks ago
Foreign dividends of \$4,415.16 were received	2 weeks ago
Dividends of \$388.29 were received	2 weeks ago