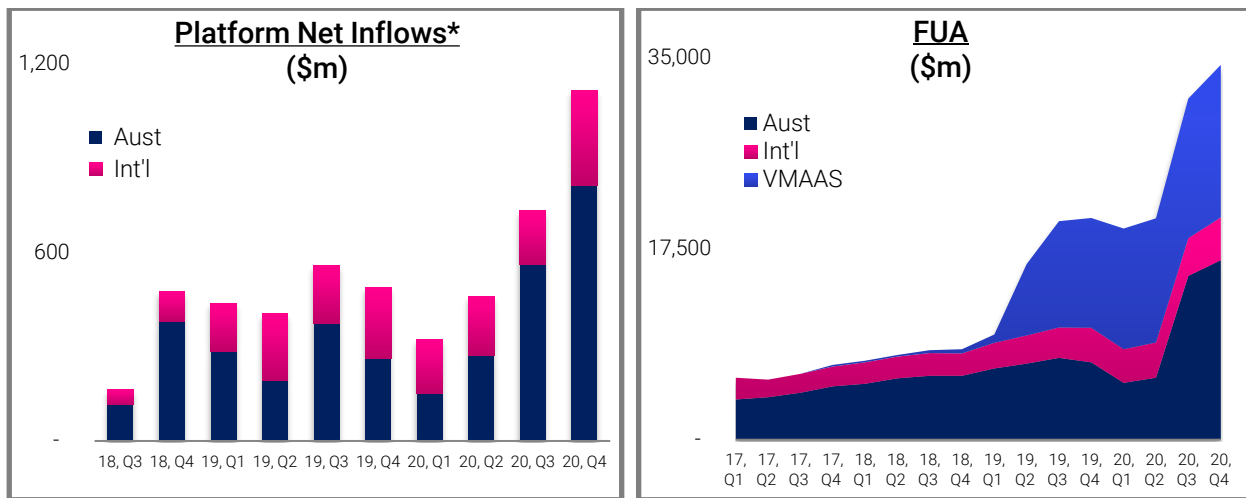


## December 2020 quarterly update

### A record quarter for inflows

13 January 2021, Melbourne: Praemium is pleased to provide its update for the December 2020 quarter, with record platform inflows of \$1.1 billion, up 128% compared to last year's December quarter.

### Key results for the quarter



Refer to the Key Statistics table for further detail (\*Net inflows exclude client transition)

Praemium's global FUA increased 10% during the quarter to \$34.3 billion, with record FUA achieved in all segments compared to the September quarter:

- » Australia platform FUA of \$16.4 billion, up 10%;
- » International platform FUA of \$3.9 billion, up 13%; and
- » FUA for VMAAS of \$14.0 billion, up 9%.

Net inflows set records for both Australian and International segments, with \$813 million and \$303 million respectively. Quarterly platform FUA growth was also aided by a positive \$1.0 billion in market movements.

This quarter also saw Praemium awarded the winner of *Best International Platform* at the International Adviser Awards in London for the 3<sup>rd</sup> consecutive year.

## Development Highlights

Development of our Australian and International platforms, as well as the newly acquired Powerwrap platform, continued at a significant pace during the December quarter. In addition to the integration of the Praemium and Powerwrap businesses, a number of key enhancements are set to deliver adviser efficiencies, including:

- » The launch of an alternative investments platform for Qualis Capital, offering a menu of hedge funds, private equity, real estate and private credit funds for sophisticated investors. Platform functionality includes trade execution facilities for advisers with full transaction and audit trails, together with multi-factor authentication for users of the platform to ensure the strongest security protocols are in place;
- » The launch of margin lending for international SMAs in partnership with Leveraged Equities;
- » New digital capability for model managers, including online compliance attestations, expanded API capability for model managers to access their model data, and the ability to customise buy lists for special securities;
- » Expanded API functionality to support international and offshore robo-advice partners;
- » Continued expansion of our market-leading reporting capability, with a range of new asset allocation benchmark settings for performance, expanded range of asset classes, and a new exclusion report that helps advisers track their clients' managed account substitutions, exclusions and/or ESG restrictions;
- » The rollout of a suite of digital solutions, including on-line forms and a new dealer communication solution that can be customised to specific advice groups;
- » WealthCraft integrated account opening experience (now progressed to beta trial phase); and
- » WealthCraft digital fact find expanded to include universal questionnaire capability, allowing any document to be converted to a Q&A format that is digitally accepted.

## Comments from CEO

Praemium CEO Michael Ohanessian made the following comments about the quarter:

"We have ended 2020 on a high. Record inflows across the business have lifted us to over \$34 billion in FUA, helped along by buoyant market conditions. A 69% year-on-year increase in global FUA is a fantastic result in a year of tremendous disruption.

"For the Australia business, the scale benefits from the acquisition of Powerwrap are evident. Post-merger integration initiatives are driving efficiencies and improving reach to existing clients and prospects alike. Our non-custody solutions continue to attract considerable interest as advice firms seek to outsource administration of their off-platform assets.

"The International business has had a breakout quarter, with record inflows and a 13% increase in FUA. We have expanded client service capacity in Dubai to better support growth in the Middle East, South Africa, Asia and other key markets. Our team worked hard to deliver our busiest year of new client onboarding, and their efforts were reflected in the strong December quarterly inflows.

"The outstanding performance of the business in the December quarter is a testament to the efforts of the Praemium team through a very difficult time. The efforts to strengthen our resilience, improve our efficiencies and enhance client support have placed us in a very strong position going into the new year."

## Key statistics

Platform flows (\$m) <sup>1</sup>	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20
<b>Gross inflows</b>					
Australia	519	393	441	1,483	1,514
International	325	311	280	258	396
<b>Total gross inflows</b>	<b>844</b>	<b>704</b>	<b>721</b>	<b>1,741</b>	<b>1,910</b>
<b>Net inflows</b>					
Australia	261	152	273	561	813
International	228	169	186	172	303
<b>Total net inflows (pre-transition)</b>	<b>489</b>	<b>321</b>	<b>459</b>	<b>733</b>	<b>1,116</b>
Australia (client transition)	(756)	(1,242)	(236)	(269)	(267)
<b>Total net inflows (post-transition)</b>	<b>(267)</b>	<b>(921)</b>	<b>223</b>	<b>464</b>	<b>849</b>

FUA (\$m)	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20
Australia Platform	7,093	5,213	5,684	15,005	16,445
International Platform <sup>2</sup>	3,147	3,074	3,226	3,465	3,905
<b>Total Platform FUA</b>	<b>10,240</b>	<b>8,287</b>	<b>8,910</b>	<b>18,470</b>	<b>20,350</b>
VMAAS <sup>3</sup>	10,065	11,062	11,376	12,771	13,974
<b>TOTAL FUA</b>	<b>20,305</b>	<b>19,349</b>	<b>20,286</b>	<b>31,241</b>	<b>34,324</b>

Investment Mgmt, Smart <sup>im</sup> (\$m)	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20
Managed Funds, FUM	335	298	258	253	255
Model Portfolios, FUA	376	331	342	350	377
<b>TOTAL</b>	<b>711</b>	<b>629</b>	<b>600</b>	<b>603</b>	<b>632</b>

Notes (all figures provided are unaudited):

<sup>1</sup> Current quarter's International flows are translated at the quarter average of 0.5533.

<sup>2</sup> International FUA in GBP is translated at spot rate for quarter end FUA of 0.5657.

<sup>3</sup>VMAAS comprises FUA under the non-custodial VMA Administration Service.

This announcement is authorised by the Board of Praemium Limited

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**About Praemium (ASX: PPS):** Praemium is a global leader in the provision of technology platforms for managed accounts, investment administration and financial planning. Praemium services in excess of 300,000 investor accounts covering over \$140 billion in funds globally for more than 1,000 financial institutions and intermediaries, including some of the world's largest financial institutions.

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