



December 2023 update

**Record Total Australian FUA of \$48.3 billion,
up 14% on prior quarter
Platform FUA up 3% to \$22.9 billion**

ASX Release: 17 January 2024, Melbourne

Key results to 31 December 2023

Praemium reports its funds and flows for the quarter to 31 December 2023. All figures are unaudited:

- » Total funds under administration (FUA) of **\$48.3 billion** (31 December 2022: \$42.7 billion, up 12%)
 - » Platform **\$22.9 billion** (31 December 2022: \$20.9 billion, up 10%)
 - Praemium Separately Managed Accounts (SMA) **\$10.4 billion** (31 December 2022: \$9.0 billion, up 16%)
 - Powerwrap **\$12.5 billion** (31 December 2022 \$12.0 billion, up 5%)
 - » VMAAS non-custodial Portfolio Administration and Reporting Service **\$25.3 billion** (31 December 2022: \$21.8 billion, up 16%)
- » Quarterly net outflows of **\$175 million** (quarter to 30 September 2023: \$206 million net inflow)
 - » Praemium SMA quarterly net inflows **\$159 million** (quarter to 30 September 2023: \$257 million)
 - » Powerwrap quarterly net outflows **\$334 million** (quarter to 30 September 2023: \$51 million)
- » Cash management account holdings
 - » Praemium SMA \$612 million (5.8% of FUA)
 - » Powerwrap \$565 million (4.5% of FUA)

Net platform outflows for the quarter to 31 December 2023 were more than offset by \$819 million in positive market movement. This is broadly in line with \$580 million in positive market movement for the quarter to 31 December 2022.

The market movement for the quarter to 31 December 2023 represents approximately 3.7% of the value of Platform FUA at 30 September 2023.

Quarterly highlights

Key technology and business developments during the past quarter included:

- Commenced a 3 year research partnership with global research provider Core Data to provide industry thought leadership, research driven product development and further improvement in our existing client education capabilities;
- Entered a strategic relationship with Complii (ASX CF1) which will develop a seamless integration pathway between our respective product capabilities and offer new client acquisition opportunities to a wide range of Private Wealth advice firms;
- Completed the implementation and migration onto VMAAS for Mercer mandate (announced 26 Sept 2023);
- Minimum Trade Size enhancement to ensure clients can withdraw funds irrespective of existing account customisations;
- Enhanced EPI integration for Class Super accounts - now includes transaction data for international securities; and
- Added digital signing platforms including OneSpan, Nitro and FuseSign, alongside Docusign, Adobe Sign and Annature.

Comments from CEO

Praemium CEO Anthony Wamsteker made the following comments about the quarter:

“The December quarter witnessed a generally encouraging flows environment when compared to the first half of calendar 2023. The positive quarter for the Praemium scheme was, however, offset by non-systemic outflows from Powerwrap.

The Praemium SMA scheme is our cornerstone product and highest revenue margin service. It achieved quarterly net inflows of \$159 million. On an annualised basis, this represents approximately 6% of the quarter’s opening FUA.

The Powerwrap scheme is specifically targeted to advisers with ultra-high net worth clients. Operating in this market segment can lead to greater volatility as flows can be impacted by relatively small numbers of client movements. The December quarter’s \$334 million net outflow reflects the abnormally large impact of a small number of key adviser exits who have moved from advice groups utilising the Powerwrap platform to non-Powerwrap licensees. Gross outflows from these transitioning advisers exceeded \$500 million over the last half-year.

Absent any further adviser movements, it is currently estimated that the rate of outflow from advisers who have transitioned to a non-Powerwrap licence will continue at a similar rate for a further six to nine months. Whilst unfortunate, over the long term Praemium and Powerwrap clients have typically grown their businesses at strong rates. This should ameliorate the negative impact of the transitions which might arise from the known adviser exits.

The strong growth in FUA on VMAAS highlights the tremendous potential of that service. Our non-custodial capability remains market leading and represents a significant opportunity for Praemium. Inclusive of the core VMA software offering, Praemium provides comprehensive reporting solutions for approximately \$240b in assets over more than 60,000 portfolios. Our non-custodial solutions are essential in providing advisers and their clients with a whole of wealth view across their investment portfolios. In the 1H FY24 Praemium has welcomed 27 new client organisations to the VMA and VMAAS services.”

Key statistics

Quarterly Platform flows (\$m)	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23
Praemium SMA	558	470	547	640	593
Powerwrap	689	679	783	641	520
Gross inflows	1,247	1,149	1,330	1,241	1,113
Praemium SMA	(333)	(355)	(467)	(383)	(434)
Powerwrap	(557)	(571)	(741)	(692)	(854)
Gross outflows	(890)	(926)	(1,208)	(1,075)	(1,289)
Praemium SMA	225	115	80	257	159
Powerwrap	132	108	42	(51)	(334)
Net inflows	357	223	122	206	(175)

FUA (\$m)	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23
Praemium SMA	8,951	9,350	9,621	9,807	10,403
<i>Net Flow % of opening FUA</i>	<i>2.7%</i>	<i>1.3%</i>	<i>0.9%</i>	<i>2.7%</i>	<i>1.6%</i>
Powerwrap	11,967	12,372	12,580	12,476	12,524
<i>Net Flow % of opening FUA</i>	<i>1.1%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>-0.4%</i>	<i>-2.7%</i>
Australia Platform FUA	20,918	21,722	22,201	22,284	22,928
VMAAS	21,803	21,930	21,823	22,305	25,340
TOTAL FUA	42,721	43,652	44,024	44,589	48,268

Platform FUA Movement (\$m)	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23
Opening Platform FUA	19,981	20,918	21,722	22,201	22,284
Praemium SMA	225	115	80	257	159
Powerwrap	132	108	42	(51)	(334)
Net inflows	357	223	122	206	(175)
Market revaluation / other	580	581	357	(123)	819
Closing Platform FUA	20,918	21,722	22,201	22,284	22,928

This announcement is authorised by the Board of Praemium Limited. For further information contact Anthony Wamsteker, CEO, or David Coulter, CFO, Ph: 1800 571 881