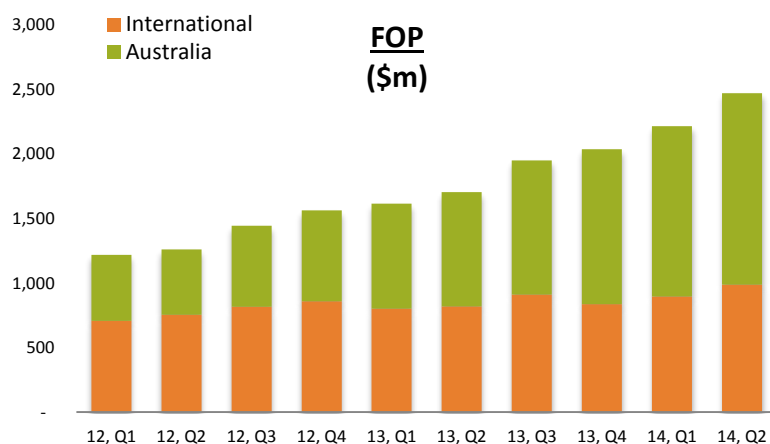
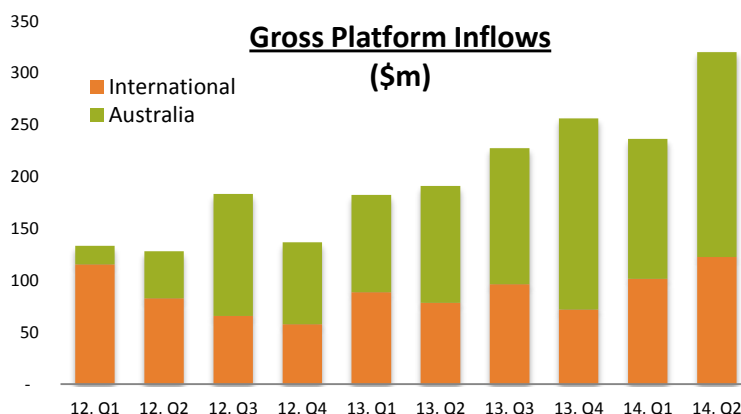


## Quarterly Update – Record inflows into Praemium SMA

**21 July 2014, Melbourne:** Praemium (ASX: PPS) is pleased today to provide an update on the Company's operating performance, including release of its quarterly cash report.

The June quarter saw record fund inflows into Praemium's SMA platforms. Total inflows for the quarter were \$320 million, with Australia's SMA at \$200 million and the London-based International platform at \$120 million.



These record inflows also helped drive Funds on Platform (FOP) to new highs. Funds on the Australia platform rose to \$1.5 billion, up 67% over the last year, and the international platform was up 20% over the year to \$1.0 billion (£0.54 billion).

Commenting on the results, Praemium CEO Michael Ohanessian said, "We are very pleased with the June quarter results, especially with the increasing fund inflows onto our SMA platform. We see this as clear validation of our strategy to focus on SMA in order to maximise our operating leverage."

"In Australia several platform providers are now trying to enter the SMA space, which is a major positive for Praemium. SMAs still make up only a tiny portion of Australia's \$500 billion platform market, but this is growing rapidly as advice firms and platforms turn to SMAs to help deliver more efficient and transparent investment solutions in the post-FoFA\* world. Praemium, with the market leading position and superior, proprietary technology, stands to benefit considerably from this trend."

"Internationally (where we serve both the UK domestic and the global ex-pat market) we have also seen a strong increase in platform inflows. Our investments over the past 3 years in improving platforms operations and the client experience are now starting to bear fruit. Importantly, separately managed account technology is still a relatively new idea in the international market, and we are well positioned as this segment of the platform market continues to evolve. We are also very pleased with the progress we have made with our in-house investment models run by Smart Investment Management. Several UK and international adviser firms have signed up to the service with the first investors coming on board in the June quarter."

“While we are delighted with the progress thus far in 2014, it is worth noting that we see considerable further upside from our pipeline of newly won clients, many of whom are still in the ramp-up stage. We are therefore very confident that we can sustain and accelerate growth going forward. In addition, a raft of new product enhancements to our SMA platform that should further drive growth:

- A relaunch of the retail SuperSMA product in Australia with improved pricing and product design. Now launched and first investments received.
- Simplified applications process to reduce the time required by our clients to create new investor portfolios.
- Our new “investor portal”, a modern mobile interface that gives investors access to their investment information at any time and on any device.
- Integration of the SMA platform with our WealthCraft financial planning and CRM system to provide an “all-in-one” experience for financial advisers.

## **Appendix 4C**

The Company has also released its quarterly cash report today. Operating cash flow was an \$804,000 inflow for the quarter, compared to a \$79,000 inflow for the preceding quarter. Included in this quarter were receipts relating to recent market announcements, namely the settlement of legal proceedings in Hong Kong and milestone payments under the Dah Sing Bank contract. Positive operating cash flow has now been reported in 7 of the last 9 quarters.

The Group’s cash balance was \$8.56 million at 30 June 2014.

**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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