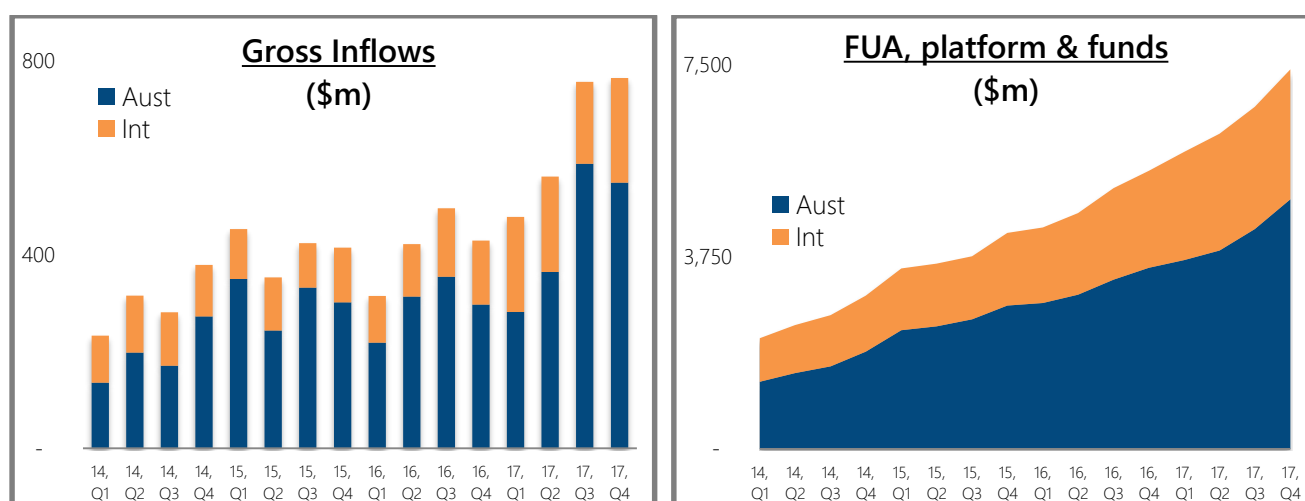


Record inflows for the December 2017 quarter

10 January 2018, Melbourne: Praemium is pleased to report a strong end to the 2017 year, with platform inflows in the December 2017 quarter surpassing the previous quarter's record.

Key milestones for this quarter were:

- **Combined gross inflows of \$764 million, the highest on record;**
 - International gross inflows of \$216 million (£124 million), the highest on record;
 - Australian gross inflows of \$548 million, the second highest on record; and
- **Record levels of funds under administration (FUA), now surpassing \$7.4 billion.**



Refer to table below for quarterly FUA movement

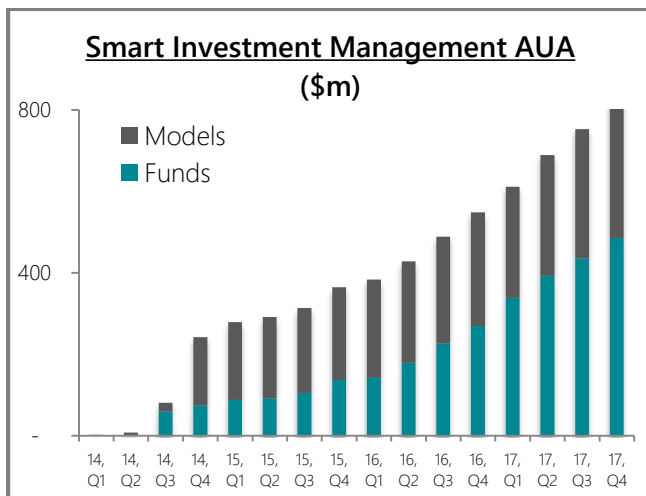
Gross inflows for the full year were up 54% to \$2.55 billion. The half-year to December 2017 was particularly strong, with a step change in inflows of \$1.5 billion, a first in the company's history.

Stock markets continued their positive trend in the December quarter, with the FTSE100 up 4.2% and the ASX200 up 6.7%. Buoyant equity markets combined with record asset inflows led to an increase in FUA of 11% in the quarter, from \$6.7 billion to \$7.4 billion, and an increase of 37% in FUA over the last 12 months.

\$ million	Sep 2017	Inflows	Other^	Dec 2017	Dec 2016	Growth pa
Australia	4,293	548	32	4,873	3,538	38%
International	2,368	216	(46)	2,538	1,864	36%
Total	6,661	764	(14)	7,411	5,402	37%
International (£)	1,384	124	(37)	1,471	1,098	34%

International FUA in GBP is translated at spot rate for quarter end FUA (0.5797) and quarterly average for inflows (0.5748)

^Other includes changes in market value of assets, foreign exchange movements (for International FUA) and fund outflows.



Praemium's in-house investment management proposition of model portfolios and multi-asset funds grew to £477 million (equivalent to \$822 million) as at 31 December 2017, representing a 47% increase in the past 12 months in local currency.

The Smartfund range of multi-asset funds has reached £281 million in FUA, a 77% increase in the past 12 months in local currency.

Business Update

The December quarter included progress on several strategic initiatives:

- The launch of international securities for the Australia SMA platform with a successful pilot in December 2017;
- The addition of 16 new model portfolios to the Praemium SMA from four model managers: Shaw and Partners, Joseph Palmer, State Street, and Evans & Partners;
- Technology development continued apace with the release of new *digital acceptance*, creating a paperless account-opening process; and
- The International platform successfully progressed work to meet the new European regulatory regime, the Markets in Financial Instruments Directive (MiFID II), which comes into effect from January 2018.

Praemium CEO Michael Ohanessian commented, "The December quarter was another standout, in particular surpassing the previous record-breaking September quarter. The momentum in our business continues to build. The imminent full release of international securities for the Australia SMA will be an important accelerator, with several prospective clients already looking to use the service. Our superior reporting capabilities, along with the cost-effectiveness of our platform, will make our international model portfolios highly competitive.

"As previously flagged, we have continued to invest in growth through the second half of 2017. Compared to last year, headcount in R&D and Sales & Marketing is up 20% and 15% respectively. While early days, our excellent new talent have already contributed meaningfully to the organisation. We plan further investments in client-facing people in 2018 as we seek to improve and deepen client engagement.

"I'm also very pleased with the progress of our product development. We now have over 100 technology people across 5 locations collaborating on global initiatives. MiFID II has been a massive undertaking; fortunately, our platform technology is highly adept and well suited to meet the new regulation's requirements for increased transparency and reporting.

"International FUA is up 34% on last year, and pending further investments in the UK pensions market, we believe that 2018 could be a pivotal year for the International business."