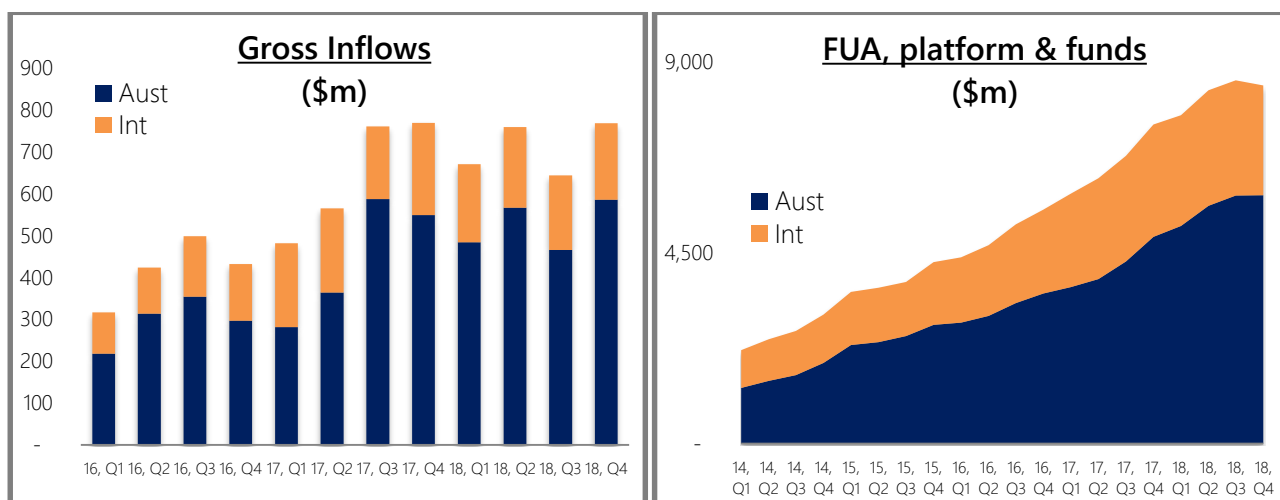


December 2018 quarterly update

15 January 2019, Melbourne: Praemium is pleased to provide its update for the December 2018 quarter, with key achievements of:

Combined quarterly gross inflows of \$768 million, the highest on record;

- Australian gross inflows of \$585 million;
- International gross inflows of \$183 million; and
- Record annual gross inflows of \$2.8 billion, up 10% from the 2017 calendar year.



Praemium CEO Michael Ohanessian commented, "We are very pleased to report record inflow momentum despite significant volatility in global markets, with the ASX300 down 9.2% and FTSE250 down 13.8% this quarter. Despite this funds under administration (FUA) was \$8.4 billion at the end of the year, a 14% increase over the past 12 months."

The December 2018 quarter included several important milestones:

- Asgard's contract extended beyond November 2019, for a further 6 years with a minimum period of 3 years;
- Of the nine previously reported new Australian white-labels, six are now live;
- Growth in UK platform clients in 2018 from 136 to 182, a 34% increase;
- Record UK gross platform inflows of £97 million for the December quarter (offset by lower flows into the Smartfund managed funds); and
- Expansion of WealthCraft CRM and planning software clients internationally from 24 to 36 in 2018, a 50% increase.

Praemium CEO Michael Ohanessian added, "In the new year we will reach a key milestone with the imminent release of our signature development program – a next generation Unified Managed Accounts (UMA) solution, via a modern digital portal.

"Our custodial platform will entail both SMA and IMA (Individually Managed Account) capability in a single structure. Combined with our non-custodial solution, Virtual Managed Account (VMA), this will deliver the ultimate Unified Managed Accounts (UMA) experience.

“Due for release in early February, our new integrated Managed Accounts platform includes simple and consolidated reporting of all investment assets (including custody and non-custody); broad investment choice with ease and flexibility to make changes (both domestic and international); tailored solutions for every kind of investor (including SMA, IMA, VMA and the ultimate UMA); administrative accuracy and efficiency; and the benefit of platform scale in the form of very competitive fees at all levels. By retaining our core managed-account architecture within a simple regulatory structure, we offer considerable benefits to advisers and investors alike.

“There has been a marked shift in adviser intentions with more than two thirds of advisers using or intending to use managed accounts in the near future and a high percentage of asset flows being directed to them. This shift is essentially due to the inherent investment, transparency and cost benefits for investors as well as for the business efficiency gains for advice businesses.

“Praemium’s integrated Managed Accounts platform will enable us to serve a much wider part of the addressable platform market. Clients will be able to choose Praemium as their primary platform, utilising our unique blend of superior reporting and rebalancing capabilities, to provide a unified experience across model portfolios, bespoke portfolios and non-custodial holdings.”

FUA, platform and funds

\$ million	Sep 18	Inflows	Other^	Dec 18	Dec 17	Growth p.a.
Australia	5,842	585	(572)	5,855	4,873	20%
International	2,738	183	(340)	2,581	2,538	2%
Total	8,580	768	(912)	8,436	7,411	14%
International (£)	1,511	103	(178)	1,436	1,471	-2%

International FUA in GBP is translated at spot rate for quarter end FUA (0.5563) and quarterly average for inflows (0.5621)

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

FUA, Smart Investment Management

	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Growth p.a.
Managed Funds (\$m)	435	485	496	465	425	340	-30%
Model Portfolios (\$m)	318	337	327	329	343	313	-7%
Total FUA (\$m)	753	822	823	794	768	653	-21%

Smart IM FUA details funds that earn a separate investment management fee. This FUA is also included in the above total FUA table.

Key statistics, pension and superannuation

	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Growth p.a.
Australia: Retail Super FUA (\$m)	716	796	844	936	1,021	1,046	31%
International: Pension Schemes* (#)	339	357	396	448	666	784	119%

*Pension schemes include Self-Invested Personal Pensions (SIPPs) and Small Self-Administered Schemes (SSASs)