



## **ASX Announcement**

**Thursday 16 August 2007**

# **Praemium receives UK Authorisation**

Australian portfolio administration provider, Praemium Limited, (ASX:PPS), is well on the way to launching its Separately Managed Accounts (SMA) business in one of the world's most significant financial markets.

Praemium was notified overnight by the Financial Services Authority (FSA) in the United Kingdom that its wholly owned subsidiary, SMArt Operator Ltd, will be authorised as a fund manager as soon as certain regulatory capital requirements are met.

Confirmation that authorisation will be granted to Praemium's UK subsidiary as a fund manager is a major milestone and will enable the company to launch its SMA business in the UK, to be known as the SMArtFund.

The SMArtFund will be a retail collective investment scheme authorised and regulated by the FSA in the UK and will utilise Praemium's Australian-developed proprietary separately managed accounts technology.

Group CEO, Mr Arthur Naoumidis, said the achieving authorisation will be pivotal in Praemium's growth and development strategy in the region.

"This is exciting news for Praemium, it brings us much closer to being able to launch our SMA technology in the UK after establishing strong and stable foundations.

"We've completed the significant development exercise to 'anglicise' our technology, we've hired a first class team in the UK who are keenly preparing to launch, and we're working through the testing stage, " Mr Naoumidis said.

"Achieving this authorisation is one of those threads that draws the whole process together and takes us significantly closer to the vision that we took to the market when we listed 15 months ago," he said.

A significant proportion of the capital that Praemium has raised has been earmarked to fund the Group's planned expansion into the UK. £2,000,000 will now be committed as capital to the UK

Group, which will remain a wholly-owned subsidiary of Praemium Ltd, and this will fully satisfy regulatory requirements for the manager authorisation.

Mr Naoumidis said an enormous amount of work and planning has gone into achieving this milestone.

"This work has involved significant consultation with UK lawyers, compliance experts, proposed trustees, custodians and execution brokers as well as the FSA.

"The SMARtFund's novel structure and unique technology, which is proprietary to Praemium, mean that it will be one of a kind when the fund itself is authorised by the FSA and launched."

The UK represents one of the most significant financial markets in the world. A recent report of the UK Investment Managers Association (IMA) indicates that as at December 2006 there was in excess of £3.4tn funds under management in the UK, of which the retail market accounts for approximately 21% of total assets. Praemium continues to hold the view that the potential for success in the UK market is very significant indeed.

#### **About Praemium:**

Praemium is listed on the Australian Stock Exchange and supplies online V-Wrap Portfolio Administration Services and Separately Managed Account (SMA) technology to wrap providers, financial planners, accountants and stockbrokers in Australia and is also expanding to the United Kingdom.

Praemium launched its proprietary online portfolio administration service ("V-Wrap") to the Australian market and secured its first clients early in 2002. V-Wrap is now enjoying considerable success: within 4 years, the value of investments administered by V-Wrap in Australia has grown from AUD\$100m to in excess of AUD\$20b. Praemium's V-Wrap clients include some of Australia's largest financial service providers and global financial organisations.

An innovative approach to product design combined with the strength of the underlying technology has also enabled Praemium to develop its Separately Managed Account offering which is currently used exclusively in Australia by Blackrock Investment Managers (Australia) Limited (previously Merrill Lynch).

Praemium recently launched Praemium Desktop – a blend of market data (with live data streaming options) and advanced portfolio functionality that can be distributed by V-Wrap clients under their own brand.

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