



... as Brits get excited about Praemium's SMA

by Kate Perry

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Portfolio administration provider Praemium has signed its first major deal in the United Kingdom.

Arthur Naoumidis, Praemium's managing director and founder, yesterday revealed a conditional deal to provide separately managed accounts (SMA) and general wrap services in the UK through Synaptic Services.

Naoumidis said the UK is a major potential market and earmarked \$10 million of the \$18 million Praemium raised in its public float earlier this year to push into the UK.

Praemium and Synaptic have signed a non-binding heads of agreement, which gives them 120 days to finalise a contract.

Under the deal Praemium's SMA and wrap services will be offered in the UK under Synaptic's brand.

How fees will be paid is still under negotiation, but Praemium's revenue from the deal will be based on an asset value fee structure.

Synaptic provides software solutions to about 11,000 financial advisers in the UK.

"We are very excited. It's given us access to a very large part of the market, with a well established brand," Naoumidis said.

He said Praemium was in talks with other UK firms, and hoped to have two to three 'foundation partners' within the next few months. He said it was important not to take on too many UK clients initially as Praemium is still converting its products for the UK market.

He said the potential for growth in the UK was huge, as it was only now making the move from insurance sales to managed investment sales.

"That's why there's almost a gold rush of Australian companies heading over there... they see a chance to get in early and be dominant."

Praemium listed on the Australian Stock Exchange in May this year. Naoumidis said the Australian listing had helped the company's credibility in the UK, but gaining local clients was an important step in cementing that credibility.