22 February 2018

Dear Investor/Member,

Thank you for your ongoing investment in the NEO SMA Platform (SMA) and/or SuperSMA.

We would like to take this opportunity to inform you about some important changes to the fee structure for the Product Disclosure Statement (PDS), effective as at 3 April 2018.

Investment administration fees

We are pleased to inform you of the introduction of an ongoing investment administration fee cap at $3 million. The change applies to both existing and new accounts. This means that no ongoing investment administration fees will be charged on the portion of the account in excess of $3 million.

<table>
<thead>
<tr>
<th>Account balance tiers</th>
<th>Investment administration fees p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $250,000</td>
<td>0.37%</td>
</tr>
<tr>
<td>$250,000 to $500,000</td>
<td>0.25%</td>
</tr>
<tr>
<td>$500,000 to $1,000,000</td>
<td>0.15%</td>
</tr>
<tr>
<td>$1,000,000 to $2,000,000</td>
<td>0.10%</td>
</tr>
<tr>
<td>$2,000,000 to $3,000,000</td>
<td>0.05%</td>
</tr>
<tr>
<td>More than $3,000,000</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Investment administration fees are paid to Praemium (as the Responsible Entity of the SMA and Sponsor of SuperSMA) to cover the costs of administering the SMA. The fee is based on your total account balance. The fee is calculated daily and paid monthly in arrears from the cash holding in your account. The investment administration fee is tiered – for example a balance of $500,000 would be charged at 0.37% for the first $250,000 and 0.25% for the next $250,000.

Family Group Account Aggregation

We are also pleased to inform you that we are introducing a Family Group Account Aggregation option.

Family Group Account Aggregation allows you to link up to six of your SMA and/or SuperSMA account(s), which may in some instances reduce the overall investment administration fee payable on each ‘linked’ account by effectively ‘aggregating’ your family’s account balances.

As per the table above, investment administration fees are charged on a tiered basis, therefore higher account balances can achieve lower average fees. Family Group Accounts can include individuals, SMSFs, a trust or company.
The Family Group Account Aggregation is only applicable to the ongoing investment administration fees payable and not other types of fees charged under the PDS nor any member advice fees.

For more information on Family Group Account Aggregation refer to the PDS or speak to your financial adviser.

**Settlement Fees**

Praemium has also reviewed its approach to covering the costs of buying and selling investments in your SMA. The objective of the change is to simplify Praemium’s transaction-based charges and make them consistent across all asset classes.

Currently, a Settlement Fee of $0.33 per security transaction is deducted from the cash holding of each account. For unlisted managed funds trading, a transaction charge of $27.50 is split across all accounts trading in a managed fund that day. If only one account trades a managed fund on a given day, the maximum charge to the account could be $27.50.

To provide a consistent and cost-effective trading experience across these asset classes, the settlement fee on managed funds will change from a variable cost (ie. split between accounts) of up to $27.50 to a fixed cost of $0.95 per trade. The impact of this change will vary depending on the asset holdings within each investor/member account. While we expect in most cases these costs will generally be lower, there may be circumstances where the settlement costs to investors/members will be higher than charged under the previous model.

In addition, there will be a small increase to the settlement fee for Australian securities from $0.33 to $0.39 per securities transaction.

Importantly there is no change to the current SMA brokerage rate of 0.055%.

We remain committed to ensuring that the SMA and SuperSMA delivers the most feature rich and value for money experience to complement your ongoing investment objectives and advice provided by your financial adviser.

Regards,

Anna Itsiopoulos

General Manager Australia

Praemium for and on behalf of the Responsible Entity of Separately Managed Accounts and the Trustee of Praemium SMA Superannuation Fund