

5 March 2019

## CLASS LIMITED (CL1) ASX ANNOUNCEMENT

### \$4m Investment in Managed Account Services with Philo Capital Advisers

Class Limited (ASX:CL1) has made an investment in Philo Capital Advisers (Philo), a leader in the provision of services to the rapidly growing managed discretionary account (MDA) sector.

Philo's service offering enables financial advisory groups to provide MDA services through existing investment and superannuation platforms to create better, more streamlined solutions for their clients. Class will provide software to support Philo's service offerings. Philo has developed MDA services for licensees that will use BT Panorama, with other leading investment platforms to be available in the future.

The investment is via convertible notes (Notes), with an initial tranche of \$1.5m and a further \$2.5m to be invested by 31 March 2020, subject to Philo meeting performance milestones. The Notes are expected to convert into equity based on a valuation related to Philo's growth. Class has an option to increase its equity ownership to 100% in the longer term. The Philo senior management team will remain shareholders in Philo over the medium term and incentivised to grow the business.

The transaction will not have a material impact on Class earnings in FY19 and FY20, with significant accretion expected thereafter.

Glenn Poynton, Strategic Alliances Director at Class noted "The partnership with Philo is an important strategic step for Class into the broader wealth management space. Class and Philo are well aligned, both delivering highly differentiated services that enable client firms to provide better business and investor outcomes."

Brett Sanders, Director Principal at Philo stated "We have significant experience in helping advice practices design and implement managed account services. The investment by, and our collaboration with Class, will significantly accelerate growth to make Philo an even more attractive partner to advice groups, platforms, asset consultants and investment managers."

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### **About Class**

Class was established in 2005 to develop and deliver industry strength software solutions for the Australian self-managed superannuation industry. Class Super is Australia's leading cloud SMSF administration platform. Class Portfolio is a powerful portfolio administration and reporting solution for companies, trusts and individuals.

[www.class.com.au](http://www.class.com.au)

### **About Philo**

Philo Capital Advisers has been providing managed account services to financial services firms since early 2012. Philo's senior management team have been instrumental in some of the largest and most successful managed account programs in Australia, including those offered by Centric Wealth, Snowball, Shadforths, Investment Administration Services (now [managedaccounts.com.au](http://managedaccounts.com.au)) and IOOF. They have also consulted to a range of other leading organisations on design and implementation of managed account services.

[www.philocapital.com.au](http://www.philocapital.com.au)