

10 January 2017

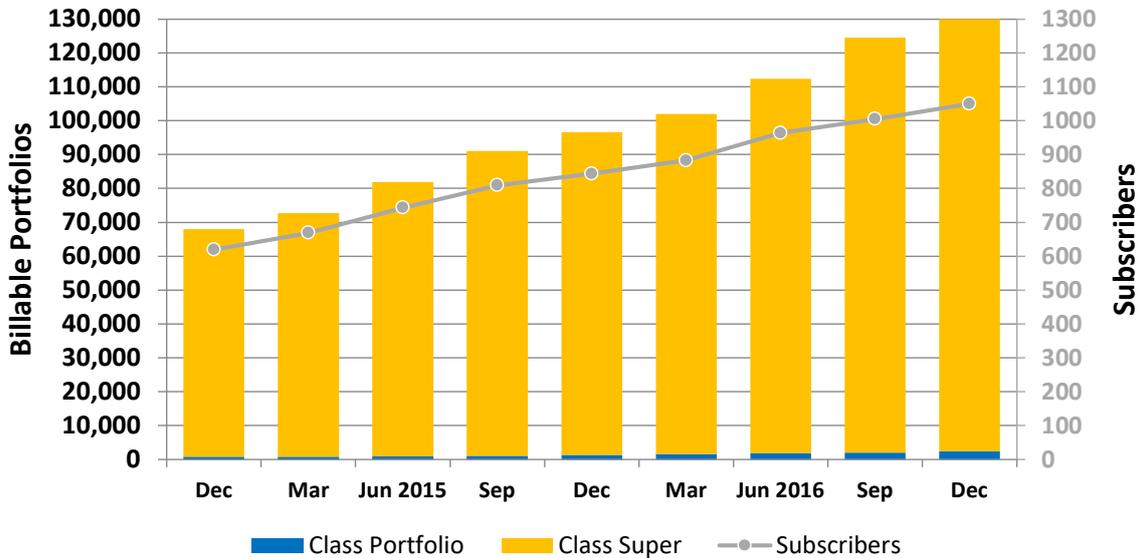
CLASS LIMITED (CL1) ASX ANNOUNCEMENT

SHAREHOLDER UPDATE

Welcome shareholders to our update for the quarter ending 31 December 2016.

- Billable portfolios at the end of the quarter totalled **130,216**.
- Portfolios increased by **5,745**, a record for the December quarter, and this contributed to the record half yearly increase of **17,775** portfolios.
- We added **45** new subscribers in the quarter, another December quarter record. Class now has **1,050** subscribers.
- Super legislation changes are driving renewed interest in system automation with a significant number of new portfolios coming from manual SMSF accountants using Excel and generic general ledgers.

Billable Portfolios on Class - Dec 2014 to Dec 2016

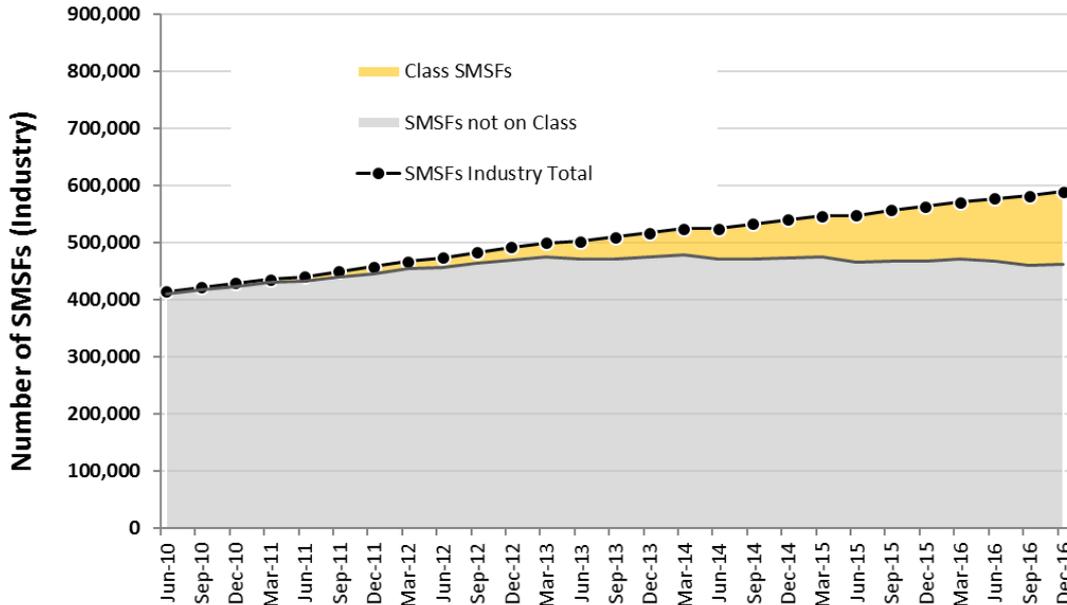


- Our Class Portfolio product saw the strongest quarterly growth on record with **433** new portfolios added, a **22%** increase. During the quarter we launched trust beneficiary accounting and consolidated portfolio functionality that provides investors with a single view of wealth across their SMSF, family trusts and other investments.
- Total billable portfolios at 31 December 2016 were comprised of **127,806** portfolios from the Class Super product and **2,410** from the Class Portfolio product.

Class' SMSF market share

- Over the quarter the number of billable SMSFs on Class Super increased by **5,312** to **127,806** taking our market share to **21.7%** of the estimated **589,000** SMSFs.
- Class enables administrators to win new business much faster than industry growth rates; **36%** of SMSFs added during the quarter are new business won by accountants who have used Class for more than 12 months.
- Continued industry growth and transfers from other providers and obsolete systems, combined with strong underlying organic growth in the current subscriber base, should continue to propel Class' growth for some time.

Class' SMSF market share as a percentage of total SMSF industry



Note: the above chart shows that since March 2013, funds exceeding the total SMSF industry growth have moved to Class, while other providers and systems have collectively stood still in terms of absolute numbers and they continue to lose market share relative to Class.

Class SMSF Benchmark Report

Class will release its December 2016 *SMSF Benchmark Report* in February, the key metrics are:

58

Median number of SMSFs per practice

1,046

Number of Class Super subscriber practices

122

Average number of SMSFs per practice

1.9

Average number of members per fund

\$161^b

Total value of assets administered on Class Super across 127,806 SMSFs

\$1.26^m

Average SMSF balance \$664,000
Average member balance

You can register to receive this report and request previous reports from the class.com.au website.

Quarterly Dividend and Half-Year Results

Half yearly results are expected to be published on 9 February 2017 and Class expects to pay the next quarterly dividend on 6 March 2017.

Thank you for your continued support of Class.



Barry Lambert, Chairman

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