

MEDIA RELEASE**Class Announces Record Annual Growth as Super Reforms Drive Accountants to Embrace Cloud Technology**

Wednesday, 5 July 2017 - Class, provider of leading cloud-based SMSF software Class Super, achieved a record increase in the number of accounts administered on its software last financial year.

Class added a record 31,503 accounts in the 12 months to 30 June 2017, passing a milestone 140,000 SMSFs during the June 2017 quarter.

Class Super's SMSF market share surged to 24% from 19% at the beginning of last financial year.

Class CEO Kevin Bungard said the strong growth highlighted the success of Class in winning new business from accountants moving from legacy desktop software to the cloud.

"The Super Reforms, especially the need for real time reporting, are continuing to drive increased interest in system automation," Mr Bungard said.

He said that Class Super users also continued to win market share from their peers who used less effective systems.

"Accounting practices that have embraced cloud technology are winning share from those stuck in the past," he said.

Accounting practices using Class experienced an average 12% growth in SMSFs in the 12 months to 31 March 2017, compared with ATO data showing the SMSF industry grew just 3.9% in the same period, a five-year low.

Mr Bungard said the lower industry growth rate was partly due to the uncertainty caused by the 6-month delay in legislating the Super Reforms following their announcement in the May 2016 Federal Budget.

"The SMSF industry is swamped with work at the moment but once the changes are implemented we expect to see businesses return to a focus on growth, with RegTech companies like Class playing a key role in driving greater efficiency and effectiveness," Mr Bungard said.

Class Super continues to rate highest among accountants, in May winning the 2017 Investment Trends *Highest Overall Client Satisfaction: SMSF Software* award for the third year in a row.¹

"We are thrilled that this independent survey shows that SMSF accountants rate Class more highly than any other SMSF software provider in terms of features, value and benefits," Mr Bungard said.

In the June 2017 quarter Class added 8,208 accounts. Mr Bungard said this was a particularly pleasing result in light of the ATO's decision to defer the mid-May lodgment date for SMSF Annual Returns to the end of June. This has delayed the loading of some portfolios because practices typically wait until they complete tax lodgments before transitioning to a new software solution.

"That shift in timing, along with a great sales pipeline, positions us well for a strong September quarter," Mr Bungard said.

During the June 2017 quarter, Class introduced additional features to help accountants and SMSF administrators manage the government's Super Reforms, including bulk commutation of pension accounts,

¹ Source: Investment Trends 2017 SMSF Accountant Report
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Capital Gains Tax Relief reports and new data filters on the member console.

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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 software. Class Portfolio is a powerful administration and reporting solution for companies, trusts and individuals.

class.com.au