

ARC FUNDS LTD (ASX:ARC)
INVESTOR PRESENTATION
AGM OCTOBER 2023



Investing in and supporting the
best investment management
talent in Australia and Globally



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This announcement contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the Company. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions.

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ARC FUNDS COMPANY PROFILE

ASX Code	ARC
Shares on Issue	30,076,352
Board Ownership	48%
Market Cap (at 22c shareprice at 16/10/23)	\$6.6m
Net Cash (at 12/10/23)	\$1.6m

Our Vision

To build a listed boutique funds management platform by investing in, supporting and partnering with the best fund managers across a range of asset classes and investment strategies.

Our Mission

Become the Partner of Choice in the Australian boutique funds management industry by prioritising the success of our partners.

Our Strategy

Provide our partners with support services, funding & distribution while allowing them to focus on delivering returns to investors.



WHY PARTNER WITH ARC FUNDS?

- We know and understand the boutique funds management industry and the challenges that exist;
- As an emerging platform ourselves, we have the ability and desire to be flexible and open minded in our approach to success;
- We exist to ensure the success of our Managers – their success creates our own and we structure everything we do with aligned incentives;
- We are completely focused on performance, a natural extension of our boutique origins;
- ASX-listed status grants us greater reach, transparency, access to capital and ability to structure deals with flexibility and equity-aligned incentives;
- Our new M&A strategy allows the acquisition of both investment and wealth management businesses consistent with our core vision, as well as businesses that support the growth and success of our managers, particularly through distribution.



AGM UPDATE

- We are focused on our core strategy of building out a platform of boutique investment management firms, supported and serviced by ARC owned (wholly or partially) businesses;
- We continue to support Merewether through difficult equity market conditions. We recently agreed to increase our stake in Merewether to 45.5%. Merewether will further reduce costs to move closer to breakeven status in the near term;
- We have spent the past 9-12 months on our new M&A strategy which seeks to take controlling stakes in established, currently (or near term) profitable businesses in order to provide internal cash flow to ARC;
- In 1H CY23 we had setbacks with regards to two acquisitions that were commercially agreed but declined by ASX due to change of scale reasons. Since then we have continued to build and refine a list of M&A candidates and have made meaningful progress towards completion, each of which individually can be internally financed based on current assumptions;



AGM UPDATE CONTINUED



- Our strategic focus is on growth businesses that complement ARC's core strategy, particularly those that can assist in providing distribution to existing and new managers under the ARC family of funds, and in attracting quality talent to the ARC board and management team;
- While equity market conditions have been tough and made raising capital at a fund level for equity managers like Merewether more difficult, the benefit to ARC has been that valuation expectations have normalised and deal flow has increased;
- In the meantime, as we work to execute on our M&A strategy, we have an intense focus on cost control and have further reduced annual costs by c.\$75k at the start of FY24, with the intention of providing more capital and runway for acquisitions. Our excess cash is earning market rate interest in term deposits until required;
- The board's primary focus for FY24 is to begin to execute on the M&A strategy and while no guarantees can be made shareholders should be encouraged by the aligned interest of the board, with c.48% ownership of the Company.



THANK YOU

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