



14<sup>th</sup> September 2022

**ARC Emerging Managers to Launch as Unlisted Fund**

ARC Funds Ltd (ASX:ARC) (**ARC** or the **Company**) is pleased to announce that the Company has now made the decision to launch ARC Emerging Managers (**AEM**) as an unlisted unit trust, with the launch scheduled for late 2022 or early 2023.

This decision has been made by the Board:

1. after due consultation with investors and the broader market; and
2. having regard to the separate announcement made by Lanyon Investment Company Limited (ASX:LAN) (**LAN**) to the ASX on 14<sup>th</sup> September 2022, following agreement with ARC, that it will not proceed with the capital raising referred to in its 10 May 2022 and 11 May 2022 announcements, which will result in LAN being de-listed from the ASX on 15<sup>th</sup> October 2022.

On 10<sup>th</sup> May 2022, ARC announced to the ASX that it had entered into an agreement (the **Novation and Implementation Deed**) to acquire the investment management rights in respect of LAN, with the intention being to repurpose LAN as the ARC Emerging Managers LIC.

Since then, following due consultation with investors and the LAN board, ARC has decided that it is in the best interests of our shareholders and the prospective AEM investors, for AEM to be structured as an unlisted trust and not a LIC. ARC Investment Management Pty Ltd, an 85% owned subsidiary of ARC, will continue to hold the investment management rights of the proposed AEM.

ARC believes this new structure will benefit the fund raising process and provide greater flexibility in underlying investments, remove the NTA discount risk prevalent with many LICs and will allow the fund to operate on a substantially reduced cost base.

ARC Managing Director, Harley Grosser, said *"We've spent the last month engaging with advisers, brokers and investors nationally and the overwhelming response to AEM was that it represents a unique product that fills a gap in the portfolios of many advisory groups, family offices and High Net Worth individuals. In listening to investors, we have learnt that the demand for AEM is far greater when structured as an unlisted product rather than as a Listed Investment Company, and we have made this decision accordingly.*

*The market has given us a clear signal that the demand for AEM is significant, and we are responding to this feedback."*

ARC Investment Management Pty Ltd, an 85% owned subsidiary of ARC, also continues to hold the investment management rights in respect of LAN.

ARC will work with the Board of LAN to seek to determine the best options for shareholders of ARC, and next steps for LAN.

**ARC Funds Limited**

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At this stage, no decision has been made by ARC with respect to any action or steps that ARC will take with respect to:

1. the Converting Loan Agreement<sup>1</sup> (which remains binding on the parties); or
2. the Novation and Amendment Deed (which remains binding on the parties), including in relation to the transactions contemplated under that agreement which are subject to shareholder approval at a LAN extraordinary general meeting (**EGM**) (namely, to amend the Investment Management Agreement to extend the term, change LAN's name, amend LAN's constitution accordingly and undertake the capital raising (**Shareholder Resolutions**)).

ARC will update the ASX with further information in accordance with its disclosure obligations.

ENDS.

By order of the Board of Directors.

**For Further Details contact:**

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<sup>1</sup> Disclosed in ARC's 10 May 2022 ASX Announcement.

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