



15<sup>th</sup> December 2022

### ARC Funds Partners with Lanyon Asset Management

ARC Funds Limited (ASX:ARC) (**ARC** or the **Company**) is pleased to announce that it has entered into an agreement with Lanyon Asset Management Pty Ltd (ACN 140 631 714) (**Lanyon Asset Management** or **Lanyon**) which will see the two parties work together on the development of a potential fund to be managed by Lanyon.

Lanyon Asset Management is a value-focused boutique equities investment manager based in Adelaide and Sydney. Founded in 2010 by David Prescott, Lanyon seeks to invest in undervalued equities that offer significant potential for long-term return.

As a first step in the partnership, ARC and Lanyon have signed a Fee Share and Services Agreement, whereby ARC and Lanyon will work to promote the fund and provide support and services to each other (as relevant) in connection with the development, growth and distribution of the fund. Under the agreement, ARC will be compensated by way of a fee share on management and performance fees earned by Lanyon as the Investment Manager of the fund. ARC has agreed to invest an initial amount of \$50,000 to support the growth and development of the fund.

It is the current intention of ARC for Lanyon to represent the value manager in ARC's multi-affiliate platform model, with a focus on global value. The parties will continue to work together on next steps and ARC will keep the market informed as and when necessary, with regards to further details of the partnership.

*ARC Funds Managing Director, Harley Grosser, said "I'm very pleased for ARC to have entered into this agreement with Lanyon Asset Management. ARC has been looking to partner with a global value manager for some time, particularly given the recent correction in global equities and the opportunities that presents, and to work with an established boutique manager with a long track record like Lanyon is a real privilege.*

*Importantly for ARC, the Fee Share and Services agreement represents attractive economics and an opportunity to gain exposure to a well-regarded investment team, an in-demand asset class and a highly scalable investment strategy.*

*ARC and Lanyon have entered into this partnership as a first step toward working together and we expect to be in a position to share further details of our plans with the market sometime in the New Year."*

While timing is uncertain and final details (including in respect of the fund) are yet to be determined, both parties have agreed to collaborate in a timely manner and use best endeavours to achieve the desired mutual outcome as soon as reasonably practicable. If the parties are unable to establish and promote the fund within 12 months of the date of agreement, then the arrangements may be ended by either party.

For clarity, the agreement does not relate to ARC's prior involvement with Lanyon Investment Company Limited (ACN 608 411 347), with ARC Managing Director Harley Grosser having since resigned from the board of that company.



ENDS.

By order of the Board of Directors.

**For Further Details contact:**

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**ARC Funds Limited**

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