



ASX Release

24 March 2023

Market Update on Strategic Initiatives

In the ARC Funds Limited (ASX:ARC) (**ARC** or the **Company**) Half Year Results (released on 22/02/23), ARC stated that:

“ We continue to work hard on converting the opportunities in our pipeline, some of which would be relatively transformative for our company. Our primary focus that drives our decision making is building ARC to a self-sustaining vehicle as quickly, and as accretive to shareholder value, as possible.”

ARC now provides the following update for shareholders on our progress on these initiatives.

The directors have fielded a number of inbound enquiries from vendors of financial services and funds management businesses.

The activities and operations of these businesses are either in line or have the potential to complement our existing multi-affiliate funds management model and our initial review is that they are also consistent with our strategy to develop a self-sustaining company.

Consequently, ARC is now progressing its evaluation and due diligence of these potential opportunities. Shareholders are advised and cautioned that no formal or binding agreement has been entered into, and there is no certainty that a transaction, or transactions, will proceed.

From a funding perspective, ARC notes that the vendors of these businesses are all currently proposing to accept ARC equity as a substantial portion of any proposed consideration.

In considering whether to issue ARC equity as consideration in any proposed transaction, ARC will be seeking to remain consistent with its stated objective of achieving growth in a manner that creates shareholder value and is accretive on a per share basis; and ARC will comply with any applicable laws and ASX Listing Rules which may require shareholder approval.

ARC will update shareholders with more detail at the appropriate time and in accordance with its disclosure obligations.

Approved for release by the board of directors.

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