



7 October 2024

Strategic Investment – ausbiz Capital Pty Ltd

ARC Funds Limited (ASX:ARC or the Company) is pleased to announce that it has executed a binding agreement with ausbiz Group Pty Ltd to acquire a minority 30% equity interest in ausbiz Capital Pty Ltd, currently a 100% subsidiary of ausbiz Group.

About ausbiz Capital

ausbiz Capital, part of ausbiz Group, is a new business established to offer high-quality financial products and services to ausbiz Group's ever-growing subscriber base, which currently exceeds 110,000. This business is led by Simon van Es and plans to launch initial products in November 2024.

The business will initially offer ausbiz Group subscribers direct access, via its proprietary web & mobile platform, to a range of financial products including:

- Term deposits & high-interest savings accounts;
- Capital Raisings;
- Alternative Investments with a core focus on income;
- Model Portfolio and Trading Services;
- Managed Funds; and
- Digital Investor Relations Services and Company Promotion (via ausbiz TV).

The initial agreement between ausbiz Group and ausbiz Capital is an exclusive 3-year term where ausbiz Group will provide ausbiz Capital's marketing & promotion services to ausbiz Group's existing database of over 110,000 subscribers.

The board of ausbiz Capital will comprise of Simon Van Es (Managing Director), Wayne Mo & Scott Beeton. All board members have a proven track record in creating, building and running similar financial services businesses.

Key Financial Terms

ARC will initially invest \$670k for a circa 22.3% interest in ausbiz Capital in the first tranche. ARC will then make a further commitment of \$330k, which will be divided equally across another two investment tranches, with the second tranche scheduled for around January 2025 and the third and final tranche scheduled for around April 2025. On completion of the final investment, ARC will own 30% of ausbiz Capital for \$1 million. This transaction is governed by a subscription agreement and an ongoing shareholders agreement containing standard commercial terms.

ARC Funds Limited (ASX:ARC)

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Strategic Rational

ARC Funds current business model is the provision of Australian Financial Services Licensing, Fund Trustee and Fund Administration services to Investment Managers. Our limitation to date has been the ability to market, promote and distribute funds on a broad scale. With this strategic investment by ARC Funds into ausbiz Capital we now have the opportunity to be a strategic investor in a business that provides true end-to-end solution for Investment Managers.

This investment is the first step of our expanded strategy where we are currently examining new opportunities to expand our overall business with an aim to empower all Australians with access to investment opportunities across a range of asset classes and investment strategies.

Scott Beeton Managing Director said:

“This strategic investment with ausbiz Capital is a very exciting milestone for ARC in its quest to rapidly expand its business. I am also very excited to work again with Simon and to assist him to develop ausbiz Capital into a leading financial services firm for self-directed investors.”

Kylie Merrit Founder & Managing Director ausbiz Group said:

“Through its media business, the ausbiz Group has built a highly engaged subscriber base. We welcome ARC’s investment into the new ausbiz Capital business as we continue to find innovative and effective ways to connect our investor base with quality ideas and opportunities.”

Simon Van Es, Managing director of ausbiz Capital, added:

“After careful evaluation of several strategic partners, we are excited to collaborate with ARC Funds to bring this unique business venture to life through ausbiz Capital. This partnership represents a key milestone in establishing a business designed to bring value and opportunity to self-directed investors”.

Authorised for release by the Board of Directors of ARC Funds Limited.

-ENDS-

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