



ARC SPP OFFER OPENS

22 March 2024: ARC Funds Limited (ASX:ARC) ("**ARC**" or "**the Company**") is pleased to announce the opening of the ARC Share Purchase Plan ("**SPP**") Offer.

ARC announced on 11 March 2024 that it would be undertaking a SPP. The SPP is now open to eligible ARC shareholders in Australia and New Zealand to apply for up to \$30,000 of new fully paid ordinary shares in ARC ("**SPP Shares**") without incurring brokerage or other transaction costs.

The SPP follows the successful completion of approximately \$865,000 (before costs) placement of approximately 7.5 million new fully paid ordinary shares in the Company ("**Shares**") to sophisticated and professional investors on 20 March 2024 ("**Placement**").

Both the Placement and the SPP are being issued at a price of \$0.115 per new Share ("**Offer Price**"). The Offer Price represents a:

- 2% discount to the 5-day VWAP of \$0.1174 per share as at 11 March 2024; and
- 22.8% discount to the 15-day VWAP of \$0.149 per share as at 11 March 2024.

To read the full announcement announced on 11 March 2024, including information on the appointment of a new CEO at the company, follow this link <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02783234-2A1510969>

SPP

The SPP is offered to shareholders who were registered as a holder of Shares as at 7.00pm (Melbourne time) on 8 March 2024 ("**Record Date**") and whose registered address is in Australia or New Zealand ("**Eligible Shareholders**"). Eligible Shareholders are offered the opportunity to subscribe for a maximum of \$30,000 worth of SPP Shares at the Offer Price, and free of any brokerage, commission and transaction costs.

Terms and conditions of the SPP, are set out in the SPP offer booklet. The Offer Booklet will contain instructions on how to participate in the SPP.

The SPP is not underwritten.

Offer Booklet

Participation in the SPP is subject to the terms and conditions set out in the SPP Offer Booklet. Eligible Shareholders are encouraged to read the Offer Booklet.

The Offer Booklet is available today online from today via the ARC SPP Offer at www.investorserve.com.au

Use of Funds

Funds raised from the Placement and SPP will enable ARC to fund working capital and fund growth of the current strategy and to expand our services offering.

ARC Funds Limited

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*Indicative Timetable**

Item	Date
Record date for SPP	7:00pm (Melbourne time) Friday, 8 March 2024
Announcement of Placement result and SPP announcement	Monday, 11 March 2024
Settlement of Placement shares	Wednesday, 20 March 2024
Allotment and trading of Placement shares	Thursday, 21 March 2024
SPP Offer opens and booklet made available	Friday, 22 March 2024
SPP Offer closes	5:00pm (Melbourne time) Friday, 5 April 2024
SPP results announced	Thursday, 11 April 2024
Settlement of SPP shares	Thursday, 11 April 2024
Issue and Allotment of SPP shares	Friday, 12 April 2024
SPP Shares commence trading on normal basis	Monday, 15 April 2024

*The timetable above is indicative only and remains subject to change at ARC Funds discretion, subject to compliance with applicable laws and ASX Listing Rules. Any changes will be advised to ASX.

Further information

Further details of the Placement and SPP are set out in the SPP Offer Booklet attached to this announcement.

This release is approved by the Board of Directors.

ARC Funds Limited

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ARC Funds Limited

Share Purchase Plan Booklet

This is an important document and requires your immediate attention. You should read this Booklet in full.

Eligible Shareholders have the opportunity to participate in the Share Purchase Plan (**SPP**) offer by applying for up to \$30,000 of new Shares without incurring brokerage or other transaction costs. Details of the SPP Offer and how to participate are set out in this Booklet.

Applications for new Shares under the SPP must be received by 5.00pm (Melbourne time) on Friday 5 April 2024 (or such other date and time as ARC determines).

This Booklet is dated Friday 22 March 2024.

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Important information

This document is intended for use only in connection with the SPP Offer to Eligible Shareholders in Australia or New Zealand. No action has been taken to permit an offering of Shares in any jurisdiction outside of Australia and New Zealand. The distribution of this document may be restricted by law and persons (including Custodians and nominees) who come into possession of this document should observe any such restrictions.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States of America

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares in the United States or in any jurisdiction in which such an offer would be illegal. The Shares to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

1 Letter to Shareholders

Dear Shareholder

On behalf of the directors of ARC Funds Limited ACN 060 094 742 (**ARC**), I am pleased to offer you the opportunity to participate in a share purchase plan (**SPP**), which allows each Eligible Shareholder to subscribe for up to \$30,000 of new Shares in ARC (**SPP Shares**) without incurring brokerage or other transaction costs.

The SPP aims to raise up to \$300,000 and is not underwritten. ARC may decide to accept applications (in whole or in part) that result in the SPP raising less than \$300,000, in its absolute discretion. Should any scale back be necessary, any scale back arrangements will be made on a pro rata basis to existing shareholdings as at the Record Date (as defined below) at the discretion of the board. The SPP follows ARC's successful completion of its institutional placement as announced to the ASX on 11 March 2024, which raised \$865,000 (**Placement**) before costs.

The SPP Shares are being offered at the Issue Price of \$0.115 per SPP Share, being the same price paid by investors under the Placement.

The SPP, together with the completed Placement, will provide working capital to support ARC's existing growth strategy in the funds management industry and adjacent service offerings.

Further details about the Placement and SPP are included in ARC's ASX announcement on 11 March 2024, which we encourage you to read.

Participation in the SPP

Participation in the SPP is voluntary and open to all Eligible Shareholders, being registered holders of Shares (**Shareholders**) as at 7.00pm (Melbourne time) on Friday 8 March 2024 (**Record Date**) and whose address on the Register is in Australia or New Zealand. The SPP is also being extended to Eligible Shareholders who are Custodians or nominees to participate in the SPP on behalf of certain Eligible Beneficiaries on the terms and conditions set out in this booklet (**Booklet**).

Shareholders in the United States are not eligible to participate in the SPP. Similarly, Shareholders (including Custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.

Once issued, SPP Shares will rank equally with existing Shares in ARC and have the same voting rights, dividend rights and other entitlements as existing Shares.

The terms and conditions of the SPP are provided in this Booklet. We urge you to read these materials in their entirety and seek your own financial and taxation advice in relation to the SPP, before you decide whether to participate.

How to apply for SPP Shares

The SPP opens on Friday, 22 March 2024 and is expected to close at 5.00pm (Melbourne time) on Friday, 5 April 2024. SPP Shares are expected to be issued on Friday, 12 April 2024 and commence trading on ASX on Monday, 15 April 2024.

To apply for SPP Shares, you must, by **5.00pm (Melbourne time) on Friday April 2024** (or such other date or time as ARC determines), either:

- make a payment directly via BPAY^{®1},
- New Zealand Shareholders without an Australian Bank account will not be able to pay via BPAY and instead will be provided with an additional letter providing the bank account details to make payment by telegraphic transfer.

Questions and further information

This Booklet contains important information about the SPP to assist you in deciding whether to participate in the SPP. You should read this Booklet carefully and in its entirety before deciding whether to apply, and in particular, you should read the 'Key Risks' section of this Booklet (as set out in section 6) before deciding whether to apply.

If you have any questions about how to participate in the SPP, please contact Boardroom Pty Limited, ARC's Share Registry from 8.30am to 5.00pm (Melbourne time) Monday to Friday on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia) or consult your financial or other professional adviser. If you have any questions about whether an investment in ARC through the SPP is appropriate for you, please contact your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Board, I thank you for your continued support of ARC.

Yours sincerely

James Jackson
Chairman
ARC Funds Limited

2 Summary of important dates

EVENT	DATE
Record Date (the date that eligibility to participate in the SPP was determined)	7:00pm (Melbourne time), Friday 8 March 2024
Opening Date for applications	Friday 22 March 2024
Closing Date for applications	5:00pm (Melbourne time), Friday 5 April 2024
Results of SPP announced	Thursday 11 April 2024
Issue and allotment of SPP Shares	Friday 12 April 2024
SPP Shares commence trading on ASX	Monday 15 April 2024
Dispatch of holding statement	Friday 19 April 2024
<i>This timetable is indicative only and subject to change. The commencement and quotation of SPP Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the Listing Rules and other applicable laws and regulations, ARC reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or, in particular cases, without notice. All references to times in this Booklet are to Melbourne time.</i>	

3 Summary of SPP

You should read this section in conjunction with the terms and conditions of the SPP set out in section 4 of this Booklet.

Key SPP Details	Summary
SPP Offer	Each eligible Shareholder of ARC may subscribe for up to \$30,000 of SPP Shares without brokerage or other transaction costs.
Purpose of the SPP	<p>The SPP, together with the completed Placement, will provide working capital to support ARC's existing growth strategy in the funds management industry and adjacent service offerings.</p> <p>Further details about the Placement and SPP are included in ARC's ASX announcement released on 11 March 2024, which we encourage you to read.</p>
Voluntary participation	<p>Participation in the SPP is entirely voluntary.</p> <p>Before you decide whether to participate in the SPP, ARC recommends you seek advice from your stockbroker, solicitor, accountant or other professional adviser.</p> <p>If you do not wish to participate in the SPP, there is no need to take any action.</p>
Issue Price of the SPP Shares	<p>The SPP Shares are being offered at the Issue Price of \$0.115 per SPP Share, being the price paid by institutional investors under the Placement.</p> <p>There is a risk that the market price of Shares may rise or fall between the date of this Booklet and the time of issue of SPP Shares under the SPP. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this Booklet or the time of issue of those SPP Shares.</p> <p>Your application is unconditional, irrevocable and cannot be withdrawn under any circumstances, even if the market price of Shares changes after you lodge your application.</p>
Eligible Shareholders	<p>Eligible Shareholders, being registered holders of Shares in ARC as at 7.00pm (Melbourne time) on Friday 8 March 2024 whose address on the Register is in Australia or New Zealand, are eligible to participate in the SPP.</p> <p>The SPP is also being extended to Eligible Shareholders who are Custodians or nominees to participate in the SPP on behalf of Eligible Beneficiaries on the terms and conditions provided in this Booklet.</p>

Key SPP Details	Summary
Not transferable	The SPP Offer cannot be transferred.
Investment amount	<p>Eligible Shareholders may apply for SPP Shares in parcels valued at multiples of \$1,000, starting at \$1,000 up to a maximum of \$30,000.</p> <p>The number of SPP Shares issued to an applicant will be rounded down to the nearest whole number after dividing the application monies by the Issue Price, subject to any scale back in accordance with this Booklet.</p> <p>Where ARC decides to apply scale back, any scale back arrangements will be made on a pro rata basis to existing shareholdings at the discretion of the board. If this happens you may be issued SPP Shares to a value that is less than the value of SPP Shares you applied for.</p> <p>The balance of any application money that is not applied to acquire SPP Shares (as a result of rounding or scale back) will be refunded to you without interest unless the amount is less than \$5, in which case it will be donated to a charity nominated by ARC and will not be refunded. Applications may be scaled back at the absolute discretion of ARC.</p>
How to apply	<p>If you wish to participate in the SPP, you need to make an online Application at www.investorserve.com.au</p> <p>For Australian Shareholders - Pay via BPAY</p> <p>To pay via BPAY you will need to:</p> <ul style="list-style-type: none"> • be an account holder with an Australian financial institution; • use the personalised reference number shown on your Application Form which is required to identify your shareholding; and • ensure that your payment is received by the Registry before the Closing Date. Shareholders should be aware that their own financial institution may implement an earlier cut-off time for processing BPAY payments. <p>If you are paying via BPAY, there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.</p> <p>For New Zealand Shareholders - Pay via EFT</p> <p>New Zealand Shareholders without an Australian Bank account will not be able to pay via BPAY® and will instead need to make payment by telegraphic transfer. New Zealand Shareholders can make an online Application and access their EFT details provided to them.</p> <p>If you are paying via EFT, there is no need to return the Application Form but you will be taken to have made the</p>

Key SPP Details	Summary
	<p>statements and certifications that are set out in the Application Form.</p> <p>All Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date.</p> <p>Eligible Shareholders may not pay via cheque and must not forward cash by mail. Receipts for payment will not be issued.</p>
<p>Rights attached to SPP Shares</p>	<p>SPP Shares will rank equally with all other Shares on issue and have the same voting rights, dividend rights and other entitlements as existing Shares.</p>
<p>Custodians and nominees</p>	<p>The SPP is being extended to Eligible Shareholders who are Custodians or nominees and who wish to apply for SPP Shares on behalf of Eligible Beneficiaries.</p> <p>The SPP is being offered to Custodians and nominees as the registered Shareholder. Custodians and nominees are not required to participate on behalf of their Eligible Beneficiaries. Custodians and nominees may choose whether or not to extend the SPP to their Eligible Beneficiaries.</p> <p>Notwithstanding the foregoing, Custodians and nominees may not participate in the SPP on behalf of, and may not distribute or release this Booklet or any documents relating to this SPP to, any person in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person.</p> <p>If you wish to apply as a Custodian or nominee under the SPP to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit an additional 'Custodian Certificate' that contains further certifications and details (as required under the terms of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i>) before your application will be accepted. Applications by Custodians or nominees that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.</p> <p>To request a Custodian Certificate or for further information about the custodian application process, please contact the Boardroom Pty Limited Registry from 8.30am to 5.00pm (Melbourne time) Monday to Friday on 1300 737 760 (callers within Australia) or + 61 2 9292 9600 (callers outside Australia).</p> <p>A Custodian will be ineligible to participate in the SPP if their participation would be in breach of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i>.</p>

Key SPP Details	Summary
Issue of SPP Shares	The SPP Shares are expected to be issued on Friday 12 April 2024 and holding statements are expected to be dispatched on or around Friday 19 April 2024.
Oversubscriptions and scale back	<p>The amount that each Eligible Shareholder can apply for under the SPP is capped at \$30,000, even if the Eligible Shareholder has more than one registered holding. The SPP aims to raise up to \$300,000. ARC may decide to accept applications (in whole or in part) that result in the SPP raising less than this amount in its absolute discretion.</p> <p>ARC has absolute discretion to scale back the number of SPP Shares to be issued under the SPP. Any scale back arrangements will be made on a pro rata basis to existing shareholdings as at the Record Date. If scale back occurs you may be issued SPP Shares to a value that is less than the value of SPP Shares you applied for. If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be issued will be rounded down to the nearest whole number of SPP Shares. The balance of any application money that is not applied to acquire SPP Shares will be refunded to you without interest unless the amount is less than \$5, in which case it will be donated to a charity nominated by ARC and will not be refunded.</p>
Refunds	Any application monies refunded by ARC will be paid by cheque or direct credit (the payment method will be determined by ARC in its absolute discretion) in Australian dollars. By applying for SPP Shares, each Shareholder authorises ARC to pay any monies to be refunded by using the payment instructions of the Shareholder recorded in the Registry's records if ARC should elect to pay in this manner.
More information	<p>If you have any questions in relation to how to participate in the SPP, please contact Boardroom Pty Limited from 8.30am to 5.00pm (Melbourne time) Monday to Friday on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia).</p> <p>If you have any questions in relation to whether an investment in ARC through the SPP is appropriate for you, please seek advice from your stockbroker, solicitor, accountant or other professional adviser.</p>

4 Terms and conditions of SPP

Important notice and disclaimer

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of SPP Shares under the SPP Offer is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which grants relief from the requirement for ARC to provide prospectus or product disclosure statement disclosure in relation to the SPP Offer. This Booklet does not constitute a prospectus or product disclosure statement, and has not been lodged with ASIC. The issue of a prospectus or product disclosure statement is not required for the purpose of the SPP Offer. You must rely on your own knowledge of ARC, previous disclosure made by ARC to ASX and it is recommended that you consult with your stockbroker, solicitor, accountant or other professional adviser when deciding whether or not to participate in the SPP Offer.

If you participate in the SPP by completing the Application Form or by making a payment by BPAY or EFT, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you complete the Application Form or make a payment by BPAY or EFT and the Issue Date. This means that, up to and after the Issue Date, you may be able to buy Shares on ASX at a lower price than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Eligible Shareholders accepting the SPP Offer will also be bound by the constitution of ARC.

The previous sections of this Booklet, and the Application Form, form part of these Terms and Conditions.

4.1 Offer

- (a) ARC offers each Eligible Shareholder the opportunity to purchase up to \$30,000 of SPP Shares under the SPP subject to and in accordance with the terms and conditions set out in this section, in the other sections of this Booklet and the Application Form (**SPP Offer**).
- (b) The SPP Offer opens on Friday 22 March 2024 and closes at 5.00pm (Melbourne time) on Friday 5 April 2024 (or such other date and time as ARC determines, in its absolute discretion).
- (c) Participation in the SPP is voluntary. If you choose not to participate in the SPP, your right to participate lapses at the Closing Date, being 5.00pm (Melbourne time) on Friday 5 April 2024 (or such other date and time as ARC determines, in its absolute discretion). ARC reserves the right, but is not obligated, to accept applications for SPP Shares that are received after the Closing Date.
- (d) The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to apply for SPP Shares to a third party.
- (e) The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- (f) All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

4.2 Eligible Shareholders

- (a) You are eligible to participate in the SPP Offer if you:
 - (1) were registered on the Register as a Shareholder as at 7.00pm (Melbourne time) on Friday 8 March 2024 (**Record Date**); and
 - (2) had a registered address on the Register in either Australia or New Zealand at the Record Date.
- (b) The SPP is also extended to Eligible Shareholders who are Custodians or nominees, in accordance with clauses 4.3(b) and 4.4(e) below.
- (c) The SPP Offer is not made to Shareholders with a registered address outside of Australia and New Zealand.

4.3 Joint holders and Custodians and nominees

- (a) If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.
- (b) Subject to these terms and conditions, Eligible Shareholders who are Custodians or nominees may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian or nominee is holding Shares. Due to legal restrictions, Custodians and nominees may not distribute the SPP Booklet to any person in, and may not participate in the SPP on behalf of, any beneficial Shareholder in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in the SPP on behalf of that person.

4.4 Applications for SPP Shares

- (a) Eligible Shareholders may apply for SPP Shares in parcels valued at multiples of \$1,000, starting at \$1,000 up to a maximum of \$30,000.
- (b) No brokerage or other transaction costs will apply to the acquisition of SPP Shares.
- (c) Eligible Shareholders who wish to apply for SPP Shares must either:
 - (1) **make a payment for the appropriate amount via BPAY** in accordance with the instructions on the Application Form so that your payment is received prior to **5.00pm (Melbourne time) on Friday 5 April 2024**. You do not need to return the Application Form if you choose this option; or

- (2) **for New Zealand Shareholders, make a payment for the appropriate amount via EFT** in accordance with the instructions on the Application Form so that your payment is received **prior to 5.00pm (Melbourne time) on Friday 5 April 2024**. You do not need to return this Application Form if you choose this option. ARC reserves the right, but is not obligated, to accept applications for SPP Shares that are received after the Closing Date.
- (d) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with an aggregate value of more than \$30,000 across all shareholdings in those different capacities.
- (e) If you wish to subscribe for SPP Shares as a Custodian or nominee for one or more Eligible Beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) before your application will be accepted. Applications by Custodians or nominees that are not accompanied by a duly completed Custodian Certificate will be rejected. To request a Custodian Certificate or for further information about the custodian application process, please contact Boardroom from 8.30am to 5.00pm (Melbourne time) Monday to Friday on 1300 737 760 (callers within Australia) or + 61 292909600 (callers outside Australia).
- (f) ARC may accept or reject your application for SPP Shares in whole or in part in its discretion including, without limitation, if:
- (1) your application does not comply with these terms and conditions;
 - (2) it appears you are not an Eligible Shareholder (subject to compliance with any applicable ASIC requirements);
 - (3) your Application payment is not received by the Closing Date, being 5.00pm (Melbourne time) on Friday 5 April 2024 (or such other date as ARC determines, in its absolute discretion);
 - (4) it appears that you are applying to purchase more than \$30,000 of SPP Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is not for an amount that is a multiple of \$1,000, starting at \$1,000 up to a maximum of \$30,000;
 - (A) refund in full your application monies and not issue any SPP Shares to you; or
 - (B) treat your application as an application for the number of SPP Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies (without interest) unless the amount is less than \$5, in which case it will be donated to a charity nominated by ARC and will not be refunded.
- (g) If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable:
- (1) by direct credit to your nominated account (as recorded on the Register) or cheque; or
 - (2) by cheque to your registered address (as recorded on the Register).

4.5 Issue Price

- (a) The Issue Price per SPP Share is \$0.115 per SPP Share, being the price paid by sophisticated investors under the Placement.
- (b) The current Share price can be obtained from ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.
- (c) You agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under clause 4.6(a) or, if there is a scale back, the number of SPP Shares calculated under clause 4.11.

4.6 Number of SPP Shares to be issued

- (a) If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your application is accepted, ARC will divide the value of your application monies by the Issue Price (as determined under clause 4.5(a)) in order to determine the number of SPP Shares which, subject to scale back, will be issued to you.
- (b) If this calculation produces a fractional number, the number of SPP Shares issued will be rounded down to the nearest whole SPP Share. The balance of any application money that is not applied to acquire SPP Shares (as a result of rounding or scale back) will be refunded to you without interest unless the amount is less than \$5, in which case it will be donated to a charity nominated by ARC and will not be refunded.

4.7 Allocation of SPP Shares

- (a) The Board of ARC will not issue SPP Shares to an applicant if the issue of those SPP Shares, either alone or in conjunction with the issue of SPP Shares under other applications received by ARC, would contravene the Corporations Act, the Listing Rules, *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* or other applicable laws or rules.
- (b) The Board of ARC reserves the right at its discretion to cancel the SPP at any time up to the time of issue of SPP Shares, or to extend the Closing Date.
- (c) If the SPP is cancelled or ARC issues a lesser number of SPP Shares than a Shareholder applied for, application monies of \$5 or greater received from that Shareholder not applied in subscribing for SPP Shares will be returned to that Shareholder, without interest, by way of direct credit to their nominated account, or cheque sent to their registered address, as shown in ARC Funds Register, and any remaining balance after allotment that is less than \$5 will be donated to a charity nominated by ARC and will not be refunded. Any interest received on application money may be retained by ARC whether or not SPP Shares are issued under the SPP.

4.8 Issue of SPP Shares

- (a) SPP Shares will be issued on the Issue Date.
- (b) SPP Shares will rank equally with existing Shares and have the same voting rights, dividend rights and other entitlements as existing Shares as at the Issue Date.

- (c) ARC will apply to ASX for the quotation of SPP Shares. It is anticipated that SPP Shares will be quoted and commence trading on ASX on or around Monday 15 April 2024.
- (d) The Registry or CHESS will send you a holding statement, confirming the issue of SPP Shares to you, which is anticipated to be sent on or around Friday 19 April 2024.

4.9 Shareholders outside Australia and New Zealand

- (a) The laws of some jurisdictions prohibit or make impracticable participation in the SPP by certain overseas Shareholders. Shareholders who do not have a registered address in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Shares for sale or issue in any other jurisdiction.
- (b) The SPP Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of ARC at the Record Date with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the *Financial Markets Conduct Act 2013 (New Zealand)* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*.
- (c) This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.
- (d) Shareholders in the United States are not eligible to participate in the SPP. Similarly, Shareholders (including Custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.

4.10 Acknowledgements

By completing an Application Form and making a payment via BPAY or EFT, you:

- (a) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP or these SPP terms and conditions;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn by you under any circumstances);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of SPP Shares or subsequently refunded to you for any reason;
- (f) acknowledge that ARC and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;

- (g) agree to pay the Issue Price per SPP Share up to the maximum of:
 - (1) the value you have selected on the Application Form; or
 - (2) the maximum value of your BPAY or EFT payment;
- (h) acknowledge and agree that:
 - (1) you are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person);
 - (2) you have not, and will not, send this Booklet or any materials relating to the SPP to any person outside of Australia or New Zealand, including in the United States;
 - (3) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way for transactions on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
 - (4) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating has a registered address in Australia or New Zealand (and is not in the United States and is not acting for the account or benefit of a person in the United States), and you have not sent this Booklet, or any materials relating to the SPP, to any person outside Australia and New Zealand (including, without limitation, to any person in the United States or to any person acting for the account or benefit of a person in the United States);
- (i) if you are applying on your own behalf (and not as a Custodian or nominee) acknowledge and agree that:
 - (1) you are not applying for SPP Shares of more than \$30,000 in value under the SPP (including by instructing a Custodian or nominee to acquire SPP Shares on your behalf under the SPP); and
 - (2) the total of the application price for the following does not exceed \$30,000:
 - (A) the SPP Shares the subject of the application;
 - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - (C) any other SPP Shares which you have instructed a Custodian or nominee to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian or nominee to apply for Shares on your behalf under an arrangement similar to the SPP;

- (j) if you are a Custodian or nominee and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (1) you are a Custodian (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) or a nominee;
 - (2) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Booklet;
 - (3) you are not applying for SPP Shares on behalf of any Eligible Beneficiary with an aggregated application price of more than \$30,000 under the SPP;
 - (4) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading; and
 - (5) ARC may refuse to accept your application and that ARC may not issue SPP Shares to you unless ARC has received a completed Custodian Certificate (in hard copy and electronic copy in accordance with the instructions in the Custodian Certificate) which is required to be attached to the Application Form and lodged with the Registry;
- (k) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (l) are responsible for any dishonour fees or other costs ARC may incur in presenting a cheque, bank draft or money order for payment that is dishonoured;
- (m) agree to be bound by the constitution of ARC (as amended from time to time) and the SPP terms and conditions;
- (n) acknowledge that none of ARC, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (o) authorise ARC, and its officers and agents, to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions;
- (p) acknowledge that ARC may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (q) authorise ARC, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail;
- (r) agree that your application is only effective when the application money paid via BPAY or EFT is received by ARC, not when it is remitted;
- (s) agree that if there is a rounding down of a fractional number of SPP Shares, or if there is a scale back, amounts of \$5 or greater will be refunded to you and any remaining balance of your payment after your allotment that is less than \$5 will be donated to a charity nominated by ARC and will not be refunded; and
- (t) acknowledge that the SPP does not take into account your individual investment objectives, financial situation or particular needs, and you have

obtained appropriate independent financial and taxation advice in connection with the SPP.

4.11 Scale back

- (a) The amount that each Eligible Shareholder can apply for under the SPP is capped at \$30,000. The SPP aims to raise up to \$300,000.
- (b) ARC may decide to accept applications (in whole or in part) that result in the SPP raising less than \$300,000, in its absolute discretion.
- (c) ARC may scale back the number of SPP Shares in its absolute discretion. Any scale back arrangements will be made on a pro rata basis to existing shareholdings as at the Record Date.
- (d) If there is a scale back you may receive less than the parcel of SPP Shares for which you apply.
- (e) If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be issued will be rounded down to the nearest whole number of SPP Shares.
- (f) If there is a scale back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price will be refunded to you (without interest) unless the amount is less than \$5, in which case it will be donated to a charity nominated by ARC and will not be refunded.

4.12 Dispute resolution

- (a) ARC may settle, in any manner it deems appropriate, any difficulties, anomalies, or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- (b) ARC reserves the right to waive strict compliance with any provision of these terms and conditions.
- (c) The powers of ARC under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

4.13 Variation and termination

- (a) ARC reserves the right at any time to:
 - (1) amend or vary these terms and conditions;
 - (2) waive strict compliance with any provision of these terms and conditions;
 - (3) withdraw the SPP Offer or suspend or terminate the SPP;
 - (4) vary the timetable for the SPP, including the Closing Date and accept late applications, either generally or in particular cases; and
 - (5) not accept an application, not issue SPP Shares or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian or nominee applying on behalf of its Eligible Beneficiaries).

- (b) In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

4.14 ASIC relief

This SPP Offer is made in connection with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which grants relief from the requirement to prepare a disclosure document for the SPP subject to certain terms and conditions.

4.15 Privacy policy

- (a) Chapter 2C of the Corporations Act requires information about a shareholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a shareholder.
- (b) ARC and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to Shareholders, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- (c) Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of ARC and its agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- (d) The Registry's privacy policy is available at www.boardroomlimited.com.au/corp/privacy-policy/

4.16 Underwriting

The SPP is not underwritten.

4.17 Governing law

These terms and conditions are governed by the laws in force in Queensland. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Queensland. By accepting the SPP Offer, you agree to submit to the exclusive jurisdiction of the courts in Queensland.

5 Glossary

The following definitions apply throughout this Booklet unless the context requires otherwise.

TERM	MEANING
\$	Australian dollars.
Application Form	your personalised application form relating to the SPP.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691, or the market operated by it, as the context requires.
Beneficiary	a person on whose behalf a Custodian or nominee is holding Shares at 7.00pm (Melbourne time) on the Record Date.
Board	the board of Directors of ARC.
Booklet	this Share Purchase Plan Booklet issued by ARC.
BPAY	the payment mechanism used to pay application money for the SPP Shares online operated by BPAY Pty Ltd ABN 69 079 137 518.
ARC	ARC Funds Limited ACN 001 746 710.
Closing Date	5.00pm (Melbourne time) on Friday 5 April 2024 (or such other date or time as ARC determines, in its absolute discretion).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Custodian	a custodian as defined in paragraph 4 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Custodian Certificate	a certificate complying with paragraph 8(3) of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Directors	the directors of ARC.
Eligible Beneficiary	a Beneficiary with a registered address in either Australia or New Zealand.
Eligible Shareholder	a Shareholder who is a registered holder of Shares at 7.00pm (Melbourne time) on the Record Date with a registered address in either Australia or New Zealand as shown on the Register. Notwithstanding the foregoing, Shareholders in the United States are not eligible to participate in the SPP, and Shareholders who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.
Issue Date	Friday 12 April 2024 (or such other date as ARC determines, in its absolute discretion).
Issue Price	the price per SPP Share as determined under section 4.5 of this Booklet.
Listing Rules	the official listing rules of the ASX.

TERM	MEANING
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Opening Date	Friday 22 March 2024.
Placement	the placement of Shares to institutional investors, announced to ASX on 11 March 2024.
Record Date	7.00pm (Melbourne time) on Friday 8 March 2024.
Register	the register of Shareholders.
Registry	Boardroom.
Related Party	has the meaning given to 'related party' in Listing Rule 19.12.
Share	a fully paid ordinary share in ARC.
Shareholder	a registered holder of a Share.
SPP	the Share Purchase Plan offer made to Eligible Shareholders under the terms of this Booklet.
SPP Offer	as defined under section 4.1 of this Booklet.
SPP Shares	new Shares offered under the SPP.
VWAP	volume weighted average price.

6 Key Risks

An investment in ARC Shares is subject to investment and other known and unknown risks, including possible loss of income and principal invested.

Set out below are some of the key risks that have been identified as potentially affecting the performance and value of the SPP Shares and the ability of the Company to potentially pay dividends in the future. The past performance of the Company is not necessarily representative of the future performance of the Company or the value of the SPP Shares.

6.1 Risk factors associated with owning ARC Shares

The business activities of ARC are subject to risks. These risks include those which apply generally to investments in equity markets, and those which apply specifically to ARC's business. Some of the specific risks may be mitigated through the use of safeguards and contingency plans. However many risks are outside the control of ARC and its directors and cannot be mitigated.

Shareholders should consider that the investment in ARC is speculative and should consult their professional advisers before deciding whether to apply for the SPP Shares.

The future performance of ARC and the future investment performance of ARC Shares may be influenced by a range of factors, many of which are outside the control of ARC or of any manager of any assets of ARC. The future value of ARC's assets and the price at which ARC Shares trade on the ASX may be influenced by any one or more of these factors. The following matters and summary of material risk factors given below should be carefully considered in evaluating the prospects of ARC.

6.2 Further funding requirements

Although the Directors believe that, on completion of the SPP Offer, ARC will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the existing Shareholders of ARC.

6.3 Long-term investments

Shareholders are strongly advised to regard an investment in ARC as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. ARC cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

6.4 Investment risk

There are several types of investment risk that may affect an investment in ARC, including a decline in the market price of the Shares (the initial capital value may decrease, especially if investing for the short term), the amount received as income may vary over time or the value of an investment may not keep pace with inflation. This includes the possibility that ARC may not be able to achieve the medium to long-term capital growth objectives.

6.5 Economic conditions

The operating and financial performance of ARC is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on ARC's business or financial situation.

6.6 Force majeure events

Events may occur within or outside Australia that could impact upon global, Australian or other local economies relevant to ARC's financial performance or operations. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on ARC. ARC has only a limited ability to insure against some of these risks.

6.7 Specific risk factors

The key issues impacting the success of the business undertaken by ARC are:

- (a) the success and profitability of ARC depends, in part, upon the ability of the directors to invest in well-managed companies which have the ability to increase in value over time. In many cases, the directors and management of ARC will be unlikely to be in a position to influence materially the decisions and strategies made and adopted by the management of those companies;
- (b) ARC may make investments:
 - (1) in companies or other entities with small market capitalisations. In general, trading in securities in such entities has more limited liquidity than larger companies and so has the potential for greater volatility. Accordingly, the returns that may be generated by ARC are likely to also be subject to that greater volatility;
 - (2) in securities which have limited or no voting entitlements. In general, such securities trade at a large discount to intrinsic value, but there is no guarantee that ARC will be able to exert adequate influence to change the voting rights of such securities, which may remain trading at high discounts. In addition, trading in such securities tends to have more limited liquidity than fully voting securities;
 - (3) in securities not listed on an organised stock exchange, where financial performance is heavily uninfluenced by managerial expertise, and where no ready market for the sale or liquidation of such investments exists. Accordingly, these investments carry substantially larger risks of financial loss;

The financial performance of such investments may be heavily governed by overall conditions in financial, commodity and other markets, over which neither ARC nor the investee company has any control. As a consequence, the performance of investments held by ARC may exaggerate movements in overall financial, commodity or other markets in either a positive or negative manner;

- (c) the price of investments that ARC may purchase can fall as well as rise;

- (d) the course of acquiring or selling investments, ARC is required to deal with counterparties who may be incapable of settling transactions due to financial stress. ARC seeks to mitigate this risk by dealing with brokers and counterparties of good standing;
- (e) the operations and activities of ARC and the entities in which its invests may be subject to State and Federal laws and regulations on a country by country basis concerning the environment. Certain projects and operations conducted by entities in which ARC invests may have an impact on the environment, particularly if these relate to development. ARC conducts its activities in compliance with all environmental laws and is not aware of any non-compliance at this point in time;
- (f) any international companies, entities or securities in which ARC invests or international transactions in which ARC or any such investees may engage may be subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exploration licensing, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Without limiting the above matters:

- (g) shareholders are strongly advised to regard any investments in ARC as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over time;
- (h) operating costs for ARC as a proportion of total assets are affected by the level of total assets of ARC.

This list is not exhaustive. Shareholders should read this Booklet in full and, if they require further information on material risks, seek professional advice.

Corporate Directory

ARC Funds Limited
ACN 001 746 710

Registered Office
c/- Acclime Australia
Level 7, 330 Collins Street
Melbourne VIC 3000

Website

www.arcfunds.com.au

Investor Information Line
1300 737 760

Open between 8:30 to 5:00pm (Melbourne Time) Monday to Friday during the
Entitlement Offer Period

Share Register
Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Legal Adviser
Holding Redlich Brisbane
Level 1, 300 Queen Street
Brisbane, QLD 4000