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THE NEW ARC

Investor Presentation
August 2021



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This announcement contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the Company. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions.

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NEW VISION AND STRATEGY

To build a listed boutique funds management platform and investment company by investing in, supporting and partnering with the best fund managers across a range of asset classes and investment strategies.

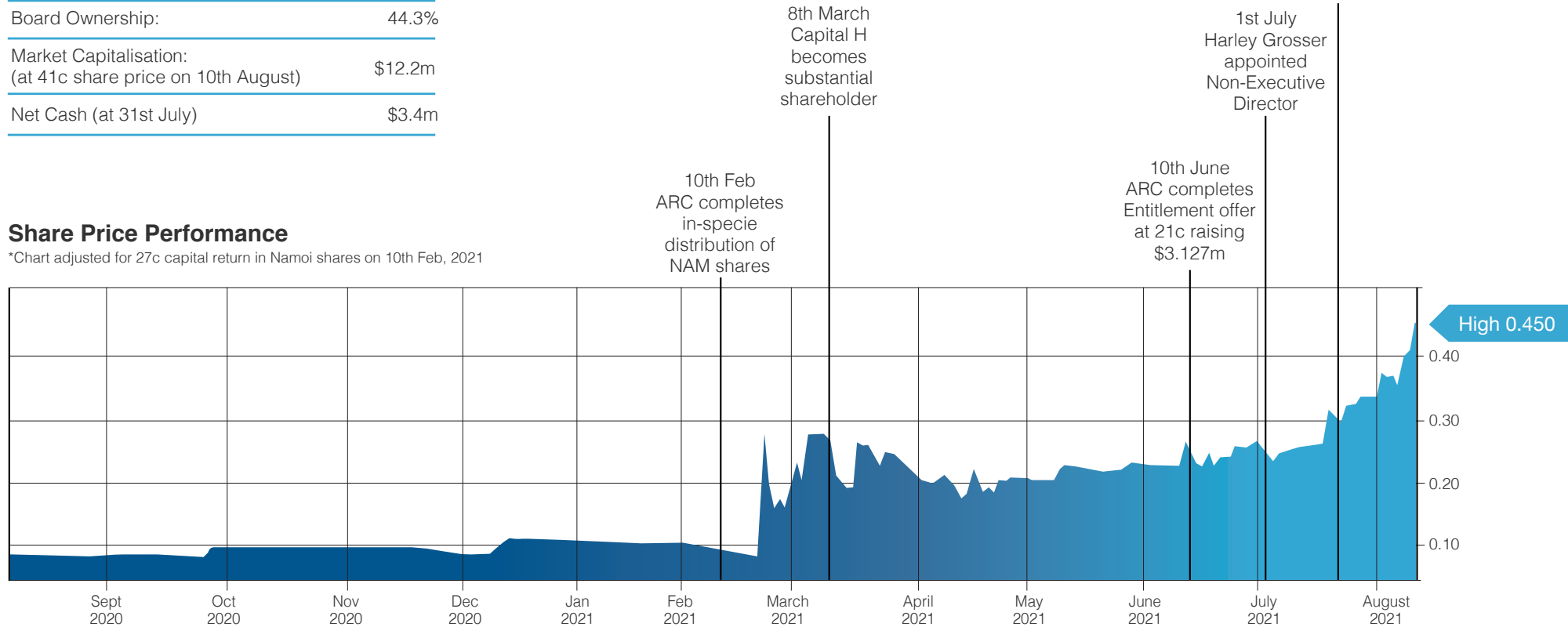


CAPITAL STRUCTURE

ASX Code	ARC
Shares on issue	29,776,352
Options	Nil
Board Ownership:	44.3%
Market Capitalisation: (at 41c share price on 10th August)	\$12.2m
Net Cash (at 31st July)	\$3.4m

Share Price Performance

*Chart adjusted for 27c capital return in Namoi shares on 10th Feb, 2021



Source: ASX

THE NEW ARC

- New strategy to build a listed funds management platform and investment company.
- We will do this by investing in, supporting and partnering with the best fund managers across a range of asset classes and investment strategies.

What we do

- Own 25-40% of the equity in our affiliate boutique funds management businesses.
- Provide support services and nurture our investee funds management businesses via an 'Affiliate Management Agreement' (AMA).
- We will initially rely on 3rd party services (e.g. AFSL, trustee, custodian, legal, tax). These service providers have already been identified. Services provided in-house by ARC will grow as our capabilities grow, increasingly becoming an additional income stream.
- ARC has begun the process of acquiring its own AFSL as the first step in providing in-house services to our managers
- Use balance sheet capital to invest in affiliate businesses and support them through to profitability.
- Make strategic acquisitions that are value accretive to shareholders

The Opportunity

- Boutiques deliver outperformance and are sort out by asset allocators.
- Large pool of talented investors capable of outperforming the market and seeking to launch their own funds management company. ARC has the opportunity to become the 'Partner-of-Choice' for the best boutique funds management talent in Australia.
- Incoming executive team highly immersed in the investment community and in touch with upcoming talent.
- Target in-demand and niche sectors of funds management such as small caps, ESG friendly, global, innovation, etc.
- ARC will seek to build its own distribution platform, leveraging new methods of technology and distribution

THE NEW ARC PLAN



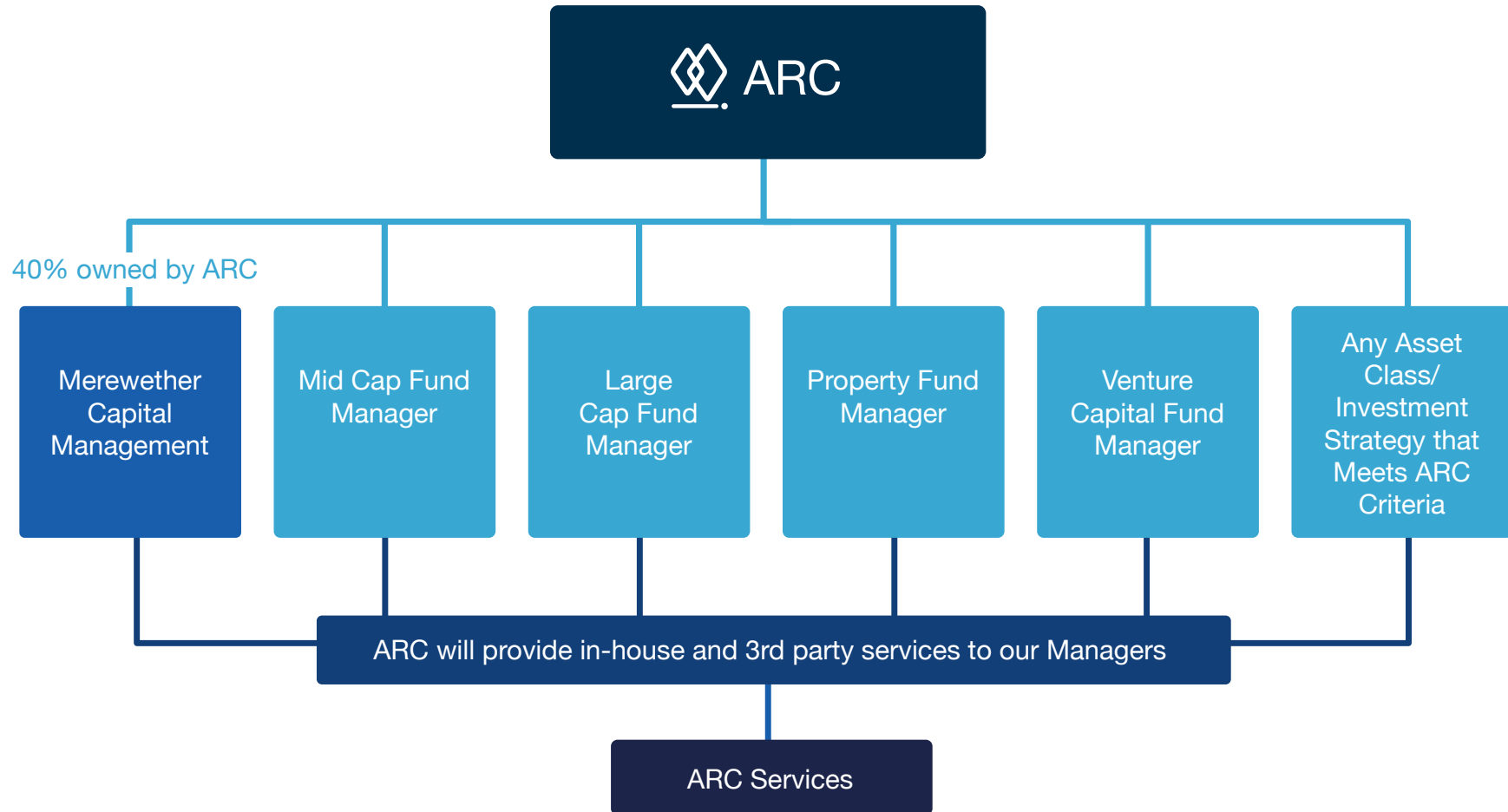
- Find and invest in the best talent in each asset class/investment strategy
- Provide them with access to capital, support, infrastructure and guidance in order to allow them to focus on what they do best – investing
- Be active but patient investors in our management companies, providing a platform for success and support them through the early stages of their journey

- Our managers start to perform, generating larger management fees as FUM grows and strong returns drive performance fees. Defined dividend policies return cash to ARC
- ARC will use this cash flow to 1) invest in other managers and 2) build our in-house service offering to increase our utility to managers and provide an income source to ARC
- Services include AFSL, compliance, operations, sales & distribution (key asset), legal & advisory, tax

- As our managers build a successful 3+ year track records they will become more marketable, driving an increase in FUM growth and size of performance fees
- Their success and positive experience helps build our brand & reputation as a 'Partner Of Choice' making deal origination easier
- Combined with developing our internal sales & distribution team, this will allow a step change in the size & scale of the managers we invest in

- Repeat the process, focusing now on more scalable strategies where FUM size is larger, leveraging our brand, reputation and sales team
- We will always focus on backing managers that can outperform, but at this stage FUM size and capacity becomes more important as we scale
- Highly scalable, capital light model with significant operating leverage capable of delivering strong returns to shareholders

THE NEW ARC STRUCTURE



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APPOINTMENT OF MANAGING DIRECTOR – HARLEY GROSSER

- ARC has appointed Harley Grosser as Managing Director, effective 1st August 2021
- Mr Grosser is the Founder of Capital H Management - the largest shareholder of ARC
- Mr Grosser has built Capital H from scratch in 2018 to now managing \$40m+ of FUM on behalf of wholesale clients (as at 31st July, 2021)
- Capital H Management is a Sydney based funds management company with a strong track record of outperformance. Capital H Inception Fund has delivered 37% per annum net of fees in the 3 years from founding to 30 June, 2021
- Mr Grosser will be tasked with developing and executing on the business plan to grow ARC into a leading Australian funds management platform and investment company



"I'm excited to be leading ARC as Managing Director. After 12 years on the investing side, this is our opportunity to leverage those existing skill sets and networks to build a listed company of substantial value. With significant board ownership at ARC, shareholders can be assured we will run the business with a complete focus on delivering shareholder returns. Our priority now is on identifying, investing in and supporting the very best funds management talent in Australia, and providing them with what they need to succeed."

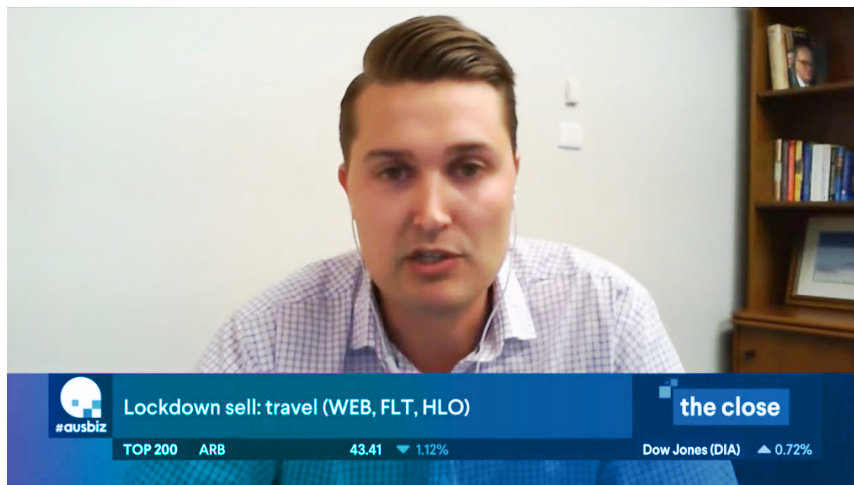
- Harley Grosser, Managing Director

FIRST AFFILIATE MANAGER – MEREWETHER CAPITAL MANAGEMENT

- ARC has entered into binding agreements to acquire 40% of Merewether Capital Management, a newly established boutique micro & small cap funds management company, for \$200,000. ARC will also provide Merewether with a \$150,000 working capital facility;
- Merewether Capital Management will be the Investment Manager of the Merewether Capital Inception Fund, a wholesale managed fund intended to be launched in 2H2021;
- ARC is pleased to be investing in and supporting Merewether Capital Management's Founder, Luke Winchester;
- Mr Winchester is a well-regarded investor and portfolio manager with experience and expertise in the funds management industry with a focus on investments in ASX listed micro and small cap stocks, having most recently worked as the Portfolio Manager of Oracle Investment Emerging Companies Fund;
- ARC & Merewether will now seek to progress the Merewether Capital Inception Fund to Launch Day;
- Internal modelling suggests Merewether can achieve break even with 12 months;
- The deal will be fully funded from existing cash reserves;
- ARC is excited to be backing such a high quality investor and encourages all ARC shareholders to follow Merewether Capital's journey.

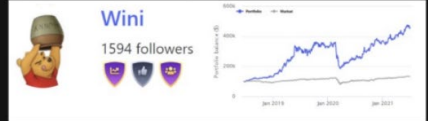
STRONG SOCIAL MEDIA PRESENCE & WELL KNOWN IN THE MARKET

- Luke has spent a number of years building his following including regular appearances on AusBiz TV and sharing of his investment theses online
- Popular online investment community Strawman.com recently highlighted his success (Luke comments as 'Wini' shown to the right)
- ARC & Merewether will seek to leverage Luke's existing network of followers and supporters to seed the Merewether Capital Inception Fund



Source: AusbizTV

There are far too many to list here today, but we wanted to shine a light on some of our favourite contributors. In the coming weeks, we'll be sure to give a shout out to many of the other fantastic investors who have helped make Strawman what it is today.



Having delivered a 65% compound annual return since 2018, and an 80% gain in the last year, [Wini](#) makes investing look easy.

He not only boasts an incredible strike rate, but he's introduced more than a few multi-baggers to the Strawman community.

8common (ASX:8CO), **Laserbond** (ASX:LBL) and **XRF Scientific** (ASX:XRF) deserve special mention, but you'll find lots of other great picks on his Strawman portfolio. Furthermore, Wini always offers a clear rationale and valuation for his investment ideas.

Source: Strawman.com

OVERVIEW & NEXT STEPS

- Merewether Capital Management is the first investee manager under ARC's new strategy of building out a leading funds management investment platform
- ARC will seek to support Merewether through its early growth phase through to becoming a successful funds management operation
- ARC is progressing additional opportunities with other managers in various assets classes & investment strategies and will keep the market informed on an as-needed basis
- Over time, ARC intends to increase its in-house service offering and sales & distribution capability to increase our utility and value to our investee managers
- ARC has begun the process of acquiring its own AFSL
- We recognize that our biggest assets are our people and our reputation, so our actions and strategic decisions will be guided by this in order to build ARC into the 'Partner of Choice' for the best funds management talent in Australia
- ARC will look to change the Company Name and refresh the brand and logo as part of our new strategy
- ARC has sufficient cash reserves to fully fund the continued execution of our new strategy

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Thank you for your time

Any questions please refer to

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