

**Company** Arc Fund Management Holdings PLC  
**TIDM** AFM  
**Headline** Issue of Equity  
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ARC FUND MANAGEMENT HOLDINGS PLC  
Issue of New Ordinary Shares to raise £3 million

Arc Fund Management Holdings plc ("Arc" or "the Company"; AIM: AFM), which specialises in wealth management and structured investment products, has raised additional capital by way of a private placement of shares with Mayfair Limited, a company controlled by Lord Ashcroft, and an additional private placement arranged by its broker, Fiske plc.

Mayfair Limited has acquired 26,250,000 new ordinary shares of 0.5p each at a price of 8p per share, a holding representing 21.23% of the enlarged capital of the Company for a total consideration of £2,100,000. In addition, Fiske plc has completed a placing of 8,181,818 new ordinary shares of 0.5p at a price of 11p per share raising £900,000 before expenses. The funds raised will be used by the Company to provide additional working capital and seek to grow the Company both organically and by acquisition as stated in its Admission Document dated 4 July 2006.

The 34,431,818 new ordinary shares being issued (the "New Shares") will rank pari passu with the existing ordinary shares in issue. Application will be made to the London Stock Exchange for the Shares to be admitted to trading on AIM, and trading is expected to commence on 29 November 2007.

Following admission of the Shares the Enlarged Issued Share Capital of the Company will be 123,636,304 ordinary shares.

Lord Ashcroft expressed his pleasure at investing in a financial services business at this time and said that he looked forward to participating in the growth of Arc's business.

Christopher Rowe, CEO of the Arc Group commented,

"This investment by Lord Ashcroft is an endorsement of Arc's business model which is to target the wealth management market with a range of existing and future services and products.

While the world economies and stockmarkets are currently very volatile by focusing on the high net worth sector Arc will be less susceptible to these effects. It can build strong relationships with advisers and their clients as the Group develops, as well as optimising the situation when conditions are more favourable

Arc has made a number of acquisitions this year which are already proving successful and I believe the Group will become a major force in the wealth management sector in the next few years."

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Notes to Editors

Arc Fund Management Holdings plc

Arc Fund Management Holdings plc is an established fund management group, combining fund management and corporate finance expertise, specialising in funds which invest in early stage private companies.

Arc Fund Management is the principal operating company of the group and has a particular focus on the management of funds including EISs, VCTs including Structured Products and a pan European property OEIC.

Arc was elected a Member of the London Stock Exchange as of the 28th August 2007.

The Company currently has assets of £275m under management and was listed on AIM (Company symbol: AFM) in July 2006.

END