

# DJ AFH Financial Group New £50m Tax Efficient Property Fund Launched

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AFH Financial Group PLC  
("AFH" or the "Company")

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AFH, winner of the PLUS-SX Newcomer of the Year 2012 award and a leading independent financial advisory ("IFA") and wealth management firm, today announces the launch of a first to market open-ended high yield fund to invest up to GBP50 million in industrial, office and retail properties throughout England and Wales.

The St. John's High Yield Property Fund (the "Fund") is believed to be the first Property Authorised Investment Fund ("PAIF") to be available to retail investors in the UK. The FSA authorised Fund will be offered to AFH clients seeking to diversify their investment portfolios and gain exposure to a low volatility asset class with yields of between 6 and 9%. The Fund is geographically non-restrictive within England and Wales and will focus initially on the Midlands region, taking advantage of opportunistic property lots with the potential of a high return on investment. Furthermore, investing in the Midlands again represents an opportunity for AFH to contribute to its local economy.

The Fund has been designed to pursue a core strategy focussing on well-let but higher yielding mainstream industrial, office and retail properties. The Fund will initially look to spend GBP20 million and will invest up to GBP50 million in total, depending on the availability of suitable properties. The Fund will concentrate on properties with individual lot sizes of between GBP2 million and GBP5 million, but will also consider smaller or larger lots if the return on investment is appropriate. The Fund is ungeared and therefore able to move quickly and decisively when suitable opportunities are identified. Sale and leaseback deals will also be considered.

The new Fund marks not only AFH's first property Fund, but is the first of its type in the UK marketplace. The St. John's High Yield Property Fund will be run and managed by AFH. Terry Corns FRICS, a leading

property specialist, will be lead property consultant, reporting to AFH Chairman and CEO, Alan Hudson.

Commenting today, Terry Corns, said: "The launch of the St John's High Yield Property Fund is an exciting new venture. The Fund, which is expected to have up to GBP50 million to invest, involves an initial spend in the Midlands and the wider UK commercial property market.

"The injection of these significant investment funds into the commercial property market will be a welcome boost at a time when there has been a shortage of confidence and willing investors in the sector. Initially, sound pre-let properties in the industrial, office and retail sectors will be sought but, as the fund progresses, development opportunities and sale and leaseback deals will be considered.

"The fund will be free of bank lending restrictions and will be able to move quickly and decisively when suitable opportunities are identified."

Commenting today, Alan Hudson, Chairman and Chief Executive of AFH, said: "We are extremely pleased to have secured FSA authorisation for the fund. The investment landscape is still difficult. With fixed interest yields so low and the return on cash negligible it is difficult to create the level of income and portfolio diversification we would want for our clients. With the Fund, we are aiming for an after charge yield of 7% with low volatility by purchasing properties whose tenants would be acceptable to our client base. As a PAIF, the fund also has significant tax advantages over traditional commercial property funds.

"Not only is this an important milestone in AFH's growth but it also demonstrates our ability to be innovative in our approach to delivering good client outcomes. Our focus in the coming months will be to invest this new Fund; indeed we have already identified potential initial acquisitions."

The directors of AFH Financial Group PLC are responsible for the content of this announcement.

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(END) Dow Jones Newswires

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