

The Directors of Albemarle Alternative Funds Plc (the “**Company**”) whose names appear in the section of the Prospectus entitled “**THE COMPANY**” are the persons responsible for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

WHITE RHINO FUND

(A sub-fund of Albemarle Alternative Funds Plc an open-ended umbrella investment company with segregated liability between sub-funds and variable capital incorporated in Ireland on 5 February 2008 under registration number 452912 and authorised by the Central Bank of Ireland as a designated investment company pursuant to Section 1395 of Part 24 of the Companies Act 2014)

DATED: 20 December 2018

Investment Manager

Albemarle Asset Management Limited

This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 20 December 2018 (the “Prospectus”) in relation to the Company and contains information relating to the White Rhino Fund (the “Fund”) which is a separate portfolio of the Company.

INDEX

Definitions	3
Investment Objective and Policies.....	4
Investment Restrictions	6
Investment Risks	7
Subscriptions	9
Redemptions.....	9
Dividend Policy	10
Fees and Expenses	11

DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

"Base Currency"	for the purposes of this Supplement, the base currency shall be Euro;
"Dealing Deadline for Redemptions"	means 2:30 pm (Irish time) 30 Business Days prior to the relevant Dealing Day or such later time as any Director may from time to time permit provided that redemption request forms will not be accepted after the Valuation Point;
"Dealing Deadline for Subscriptions"	means 2:30 pm (Irish time) 1 Business Day prior to the relevant Dealing Day or such later time as any Director may from time to time permit provided that application forms will not be accepted after the Valuation Point;
"Dealing Day"	means the last Business Day of each week, or such other Business Day or Business Days as the Directors may determine and notify to Shareholders in advance, provided that there shall be at least one Dealing Day per quarter; and
"Valuation Point"	means 11:15 pm (Irish time) on the last Business Day of each week, or such other Business Day as the Directors may determine and notify to Shareholders, using the closing market prices in the relevant markets available on such day, or such other time as the Directors may determine provided that the valuation point is always after the Dealing Deadline.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The primary objective of the Fund is to achieve superior long-term capital appreciation.

Investment Policies

The Fund will seek to achieve its investment objective by investing in a wide variety of equities, equity-related securities, fixed income securities and derivative instruments. Investment strategies will include relative value, arbitrage and directional trades.

While the Fund intends to focus on investment in companies which the Investment Manager deems eligible in the Italian equity market, the Fund is also permitted to invest in a wide range of equities and equity related securities on a global basis. Such equities and equity related securities may include, but are not limited to, common stocks, preferred stocks, convertible debt obligations, and convertible preferred stocks, limited liability companies, stock purchase rights, stock options, rights, renounceable letters of allotment or other securities convertible into equities. Renounceable letters of allotment evidence the right to shares in a company can be renounced to third parties and are short-term liquid instruments. Such issuers may be companies, corporations, partnerships or other such entities and may be from any industry or sector. Such equity securities may or may not be listed or dealt in organized on over-the-counter stock markets or exchanges and may include private placement offerings or offerings pursuant to Regulation S under the United States Securities Act of 1933 (as amended) and private securities.

The Fund may also invest in a wide range of fixed income securities including, but not limited to, bonds, notes and other debt instruments and debt securities, including mortgage and other assets backed securities. The securities may include fixed or floating rate bonds and notes, commercial paper, loan interests, certificates of deposits and may also include convertible securities and other specially structured securities. The debt instruments may be short, medium and long term and may include investment grade, sub-investment grade and non-rated debt investments. No more than 30% of the Net Asset Value of the Fund will be invested in sub-investment grade investments. Issuers will include governments, governmental agencies or instrumentalities, commercial banks, corporations and other non-governmental issuers on a world wide basis including in non-OECD countries and non-OECD currencies. The Fund may also invest in instruments not located in non-OECD countries but the risks of which is linked to these countries.

The instruments and securities may or may not be listed or dealt in on organised or over the counter markets or exchanges. No more than 30% of the Fund's Net Asset Value will be invested in instruments or securities that are not listed or dealt in on organised or over the counter markets or exchanges. Such investments may be purchased in the Euro Markets through Clearstream or Euroclear or equivalent trading systems or purchased directly from issuers, dealers, brokers or any other legitimate holder. Where determined appropriate by the Directors a valuation committee of the Investment Manager, approved for the purpose by the Depositary, will value such unlisted securities.

The Fund is authorised to make short sales of securities where the Fund will sell a security in anticipation that its market price will decline, either for hedging or speculative purposes.

The Fund may also use a wide range of derivative instruments both for efficient portfolio management and investment purposes and such derivatives may include, but are not be limited to, futures, foreign exchange contracts (including spot and forward contracts), options and swaps. The Fund may also enter into sale and repurchase agreements for such purposes.

The following are the primary strategies that will be used to achieve the objectives of the Fund but are not intended to be complete explanations or a list of all possible investment strategies or methods that may be used by Investment Manager:

Equity Relative Value: Investments in long and short global equity securities. The Investment Manager will purchase and sell equities short based upon in-depth fundamental company research and

industry analysis. The Investment Manager will seek to profit from the relative out-performance of its portfolio rather than by predicting the direction of the equity markets.

Event-Driven Arbitrage and Relative Value: Investments in the debt and equity of companies involved in announced mergers, acquisitions and other expected corporate events. Positions will be established to capture the spread between current value and the anticipated value upon consummation of the event. The Investment Manager will also make relative value equity investments, seeking to exploit fundamental valuation discrepancies caused by market dislocations, lack of sell side following or expected corporate events. The Investment Manager will (1) position the portfolio from both the long and the short side; (2) actively trade such positions and related spreads; and (3) utilize leverage and derivatives to optimize returns.

Fixed Income Arbitrage and Convergence Trades: Investments in global fixed income instruments. The Investment Manager will invest in U.S. government securities, securities issued by U.S. government sponsored entities, and interest rate derivatives, including futures, swaps and options. The Investment Manager will also invest in foreign government securities as well as emerging market, fixed income and related interest rate derivatives. The Investment Manager will seek to profit from these positions by capturing interest rate spread and volatility opportunities, by positioning within or across yield curves and by arbitraging expected versus actual mortgage prepayments across mortgage securities, including mortgage derivatives.

Directional Trades: The Investment Manager will invest in securities and call and put options and other derivative instruments that tend to appreciate under certain scenarios when the probability of the occurrence of such scenario, in the opinion of the Investment Manager, appears to be mispriced by the market. The Investment Manager may also short securities when such instruments, in the opinion of the Investment Manager, appear to be overvalued.

The assets of the Fund will be invested in accordance with the restrictions and limits set out in the Prospectus and such additional investment restrictions, if any, as may be adopted by the Directors in relation to the Fund and set out in this Supplement.

As the Company is a qualifying investor scheme for the purpose of the Central Bank's regulations on collective investment schemes, the Central Bank has not imposed any limit on the degree to which the Company may be leveraged and leverage may therefore be unlimited. The maximum level of leverage that the Fund will employ will be 200% of the Net Asset Value of the Fund.

INVESTMENT RESTRICTIONS

The Directors may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located, provided that the general principle of diversification in respect of the Company's assets are adhered to for so long as the Shares are listed on the Irish Stock Exchange (if applicable).

The investment restrictions set out in the Prospectus are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

The Fund may enter into arrangements with other financing counterparties including counterparties to OTC financial derivatives, provided the counterparty has a minimum credit rating of A2/P2. Transactions by the Fund with counterparties which may give rise to counterparty risk exposure will be limited to 40% of the Net Asset Value of the Fund.

Counterparty risk exposure will be measured on an aggregate basis and will include, for example, exposures arising from investments in securities issued by the counterparty, amounts held on deposit and OTC derivative positions.

The maximum level of leverage that the Fund will employ will be 200% of the Net Asset Value of the Fund.

INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Investment Risks**” section of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

Equity and Equity Related Securities

The Fund’s portfolio may include long and short positions in equity securities traded on national securities exchanges and over-the-counter markets. The Fund may also, directly or indirectly, purchase equity-related securities and instruments, such as convertible securities, warrants, stock options and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer’s securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer’s stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which the Fund has sold short may be favorably impacted (to the detriment of the Fund) by the same factors (e.g., decreased competition or costs or a decrease in interest rates). In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the Fund invests and can result in significant losses to the Fund.

Fixed-Income Securities

The Fund may invest in fixed income securities. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer’s or a guarantor’s inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (*i.e.*, market risk). In addition, mortgage-backed securities and asset-backed securities may also be subject to call risk and extension risk. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can either shorten (*i.e.*, call risk) or lengthen (*i.e.*, extension risk). In general, if interest rates on new mortgage loans fall sufficiently below the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to increase. Conversely, if mortgage loan interest rates rise above the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to decrease. In either case, a change in the prepayment rate can result in losses to investors. The same would be true of asset-backed securities, such as securities backed by car loans.

Derivatives

Derivatives are securities and other instruments the value or return of which is based on the performance of an underlying asset, index, interest rate or other investment. Derivatives may be volatile and involve various risks, depending upon the derivative and its function in a portfolio. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, the risk of lack of correlation, liquidity risk, the risk of non-performance by the counterparty, including risks

relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Short Selling

Short selling or the sale of securities not owned by a Fund, necessarily involves certain additional risks. Such transactions expose the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and, in the case of equities, without effective limit. There is the risk that the securities borrowed by a Fund in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein a Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Event-Driven Arbitrage

In general, event driven arbitrage trading is exposed to adverse outcomes of the “event” being positioned. Adverse outcomes or developments might arise from fundamental reasons, regulatory rulings, legal or tax rulings, or even extreme market movements. The financing component of many announced corporate actions could come under pressure and result in a cancellation or change in terms of the proposed transaction. Even where the corporate action or event occurs as expected, but is significantly delayed or advanced in timing of completion, deviations from the expected return or profitability could be high. At times, the amount of announced deals in the market might be inadequate to allow for a diversified portfolio to be constructed, or for returns to be near historic and meaningful levels relative to the risks. There can be no assurance that a Fund’s event-driven arbitrage strategy will result in the Fund achieving its objectives.

Risks of Arbitrage Strategies

The success of the Fund’s trading activities will depend on the Investment Manager’s ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the trading strategies to be pursued by the Fund involves uncertainty. No assurance can be given that the Investment Manager will be able correctly to locate trading opportunities or to exploit price discrepancies in the capital markets. A reduction in the pricing inefficiency of the markets in which the Fund will seek to invest will reduce the scope for the Fund’s investment strategies. In the event that the perceived mispricings underlying the Fund’s arbitrage positions were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager, the Fund may incur a loss. The Fund’s arbitrage strategies may result in greater portfolio turnover and, consequently, greater transactions costs.

SUBSCRIPTIONS

The Fund is offering two Classes of Shares in respect of the Company – Class A Shares and Class B Shares, both denominated in Euro.

The Class A Shares are fully seeded and are not currently available for subscription.

Initial Offer Period

The initial offer period ("**Initial Offer Period**") for the Class B Shares shall be the period from 9:00am (Irish time) on 28 February 2018 and ending at 5:00pm (Irish time) on 27 August 2018 or such shorter or longer period as any one Director may decide in accordance with the Central Bank's requirements.

During the Initial Offer Period, the Class B Shares will be issued at a fixed price of €100 per Share (the "**Initial Offer Price**").

Subsequent Dealing

Class A Shares and (following the close of the Initial Offer Period) Class B Shares, shall be issued at the Net Asset Value per Share on the relevant Dealing Day and adding thereto the amount of the sales charge as further set out in the "Fees and Expenses" section.

In order to purchase Shares as of the relevant Dealing Day, the application form must be received no later than the Dealing Deadline for Subscriptions. Applications received after such time will be held over until the following Dealing Day. Where the applicant is an existing Shareholder a repeat application form may be used. The repeat application form must be received no later than the Dealing Deadline for Subscriptions.

The minimum initial subscription amount for each Share Class is €100,000 or such other amount as may be determined by the Central Bank from time to time. Incremental subscriptions for each Class of Shares must equal or exceed €100,000 or such other amount as may be determined by the Directors.

Settlement for subscriptions must be received by the Depositary no later than two Business Days after the relevant Dealing Day provided that the Directors reserve the right to defer the issue of Shares until receipt of subscription monies by the Fund.

Subscriptions for Shares should be made in Euro by electronic transfer to the Company's bank account, details of which are set out in the application form.

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic transfer to the bank account specified above. If payment in cleared funds in respect of a subscription has not been received in full by the time specified above, the Company may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the applicant interest at the 7 day London Interbank Offer Rate as fixed by the British Banking Association (LIBOR) + 2%, which charge is payable to the Company. The Company may waive either such charge in whole or in part. In addition, the Company will have the right to sell all or part of the applicant's holding of Shares in the Fund or any other Fund of the Company in order to meet those charges. No interest will be paid on monies received early.

REDEMPTIONS

Redemption of Shares

Shareholders may request the Fund to redeem their Shares on and with effect from the relevant Dealing Day at the Net Asset Value per Share in accordance with the redemption procedures specified below.

A redemption request form may be obtained from the Administrator and should be posted or sent by facsimile, so as to arrive at the Administrator's address no later than the Dealing Deadline for Redemptions.

DIVIDEND POLICY

There will be no dividend distributions in respect of the Fund. Accordingly, income and capital gains arising in respect of the Fund will be re-invested in the Fund and reflected in its Net Asset Value per Share.

FEES AND EXPENSES

Sales Charge

A sales charge of up to 5% of the value of the subscription amount may be charged on subscriptions into the Fund. The Company may in its sole discretion waive payment of the sales charge or reduce the amount of the sales charge payable by any Shareholder.

Redemption Fee

There will be no redemption charge imposed.

Investment Management Fee

The Company will pay the Investment Manager an investment management fee, out of the assets of the Fund, of 1% per annum of the Net Asset Value of the Fund for the Class A Shares and the Class B Shares, accruing daily and payable monthly in arrears on the last Business Day of each month. The Company will also reimburse the Investment Manager for its reasonable out-of-pocket expenses.

Performance Fee

The Company will pay the Investment Manager a performance fee equal to 10% with respect to the Class B Shares of the outperformance in value of the Class B Shares, over the amount of the High Watermark (as defined below) for those Shares multiplied by the weighted average number of Class B Shares in issue during the Calculation Period (as defined below) (a "**Performance Fee**").

The manner in which the appreciation in value of the Shares and the High Watermark are calculated for these purposes is described in more detail below.

The "**High Watermark**" shall mean the highest closing Net Asset Value per Share on which a Performance Fee was paid for all the previous periods since inception or the initial offer price in the case of the first Calculation Period.

The Performance Fee is accrued at each Valuation Point and payable quarterly in arrears, calculated by the Administrator and verified by the Depositary as at the last Dealing Day in each calendar quarter (each a "**Calculation Period**"). No Performance Fee is payable until the Fund's Net Asset Value per Share exceeds the previous High Watermark and a Performance Fee will only be payable on the increase over the High Watermark.

In this regard:

- (i) in the event that the Class B suffers a redemption or exchange of Shares on a Dealing Day within a Calculation Period, the Investment Manager shall be entitled to receive the Performance Fee per Share accrued in respect of such redemption or exchange of Shares. Any such entitlement to Performance Fees in respect of redemptions or exchange of Class B Shares will not be repayable although such entitlement will be taken into account in calculating the Performance Fee entitlement, if any, in respect of the Calculation Period as a whole;
- (ii) with respect to the Class B Shares, the Initial Offer Price will be taken as a starting point for the calculation of the Performance Fee for the first performance period and the first performance period with respect to the Class B Shares will commence on the Business Day immediately following the close of the Initial Offer Period and end on the first calendar quarter following such date; and
- (iii) no Performance Fee is payable until the Net Asset Value of the Fund exceeds the High Watermark Class B Share (as applicable) for the Fund on which a Performance Fee was paid.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders or to the Company part of its fees.

No performance fee is payable with respect to the Class A Shares.

Other Fees and Expenses

The other fees and expenses of the Company and the Fund are set out in the Prospectus under the heading "**Fees and Expenses**".