Key Investor Information

This document provides you with the key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

Albemarle Target Italy Fund Hedged (the "Fund")
a sub-fund of the
ALBEMARLE FUNDS PLC (the "Company")

Class I-2 Shares – Denominated in Euros - ISIN: IE00BDHF6338

Objectives and Investment Policy

The investment objective of the Fund is to seek to achieve long term capital appreciation with a fully hedged strategy.

Essential features of the product which a typical investor should know:

- The Fund will have a predominant exposure to the Italian equity sector and may invest up to 100% of its net asset value ("**NAV**") in equities listed on the regulated Italian markets. 10% of its NAV may be invested in other UCITS that at invested in underlying Italian listed equities.
- The Fund will also invest in bonds denominated in a European currency and held with European credit institutions, primarily European banks.
- Investment in bonds may include investment in investment-grade or below investment-grade corporate or government bonds, which have a fixed or floating rate. Investment in below investment-grade bonds will not exceed 30% of NAV.
- The fund will seek to fully hedge its investments in equities against market movements using Mini FTSE MIB Futures Contracts of equal notional value to the long positions in the portfolio.

Other Information:

- Shares in the Fund may be redeemed on demand, subject to certain restrictions, on each Dealing Day.
- The Company will reinvest any income that it earns from its investments.
- The Fund may be leveraged as a result of its use of financial derivative instruments, but such leverage will not exceed 100% of NAV at any time.
- Investment in the Fund is suitable for investors who expect to maintain their investment over the medium to long term horizon.

The Fund is actively managed with no reference to a benchmark.
For more information about the investment policy, see "Investment Objectives and Policies" in the Fund's supplement.

Risk and Reward Profile

Lower Risk ⟷ Higher Risk

Typically lower rewards — Typically higher rewards

1	2	3	4	**5**	6	7

The Fund is categorised as 5 for the purposes of this table. This offers a potential of higher risk than a low risk fund however, with greater long term returns although there is a risk that the value of the fund could fall. It has been so categorised as due to the high volatility of the underlying securities and its benchmark fund.

- Historical data may not be a reliable indication for the future
- The lowest category does not mean 'risk free'.
- Risk category shown is not guaranteed and may shift over time

Investment in the Fund carries with it a degree of risk (which may change over time) which may not adequately be captured by the indicator:

- Market risk - changes in economic conditions can affect adversely the prospects of the Fund;
- FDI Risk – the Fund may trade exchange traded or OTC;
- Counterparty Risk where the Fund trades FDIs;
- FDI use may increase or reduce the risks to underlying assets. As a result of this use, the Fund's NAV is likely to have high volatility;
- Operating risks and the risks relating to the Custodial safekeeping of assets;
- Liquidity and default risk for investment in below investment grade securities.

Further details of risks associated with an investment in the Fund are set out in the "Risk Warnings" Section of the Fund's Prospectus and the "Investment Risks" Section of the Fund's Supplement

Charges for this Fund

The charges you pay are used to pay the costs of operating the Fund, which include the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	Up to 5% of net assets
Exit charge	Up to 3% of net assets
Switching fees	Up to 5% of net assets
The Entry/Exit Charges are the maximum fees that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the Fund for the year	
Ongoing Charges	2.19%
Charges taken from the fund under certain specific conditions	
Performance fee	Performance fee charged is equal to 10% of the aggregate outperformance in value of the Class I-2 over the amount of the high watermark. The high watermark being the highest closing net asset value per share on which a performance fee was paid for all the previous periods since inception.

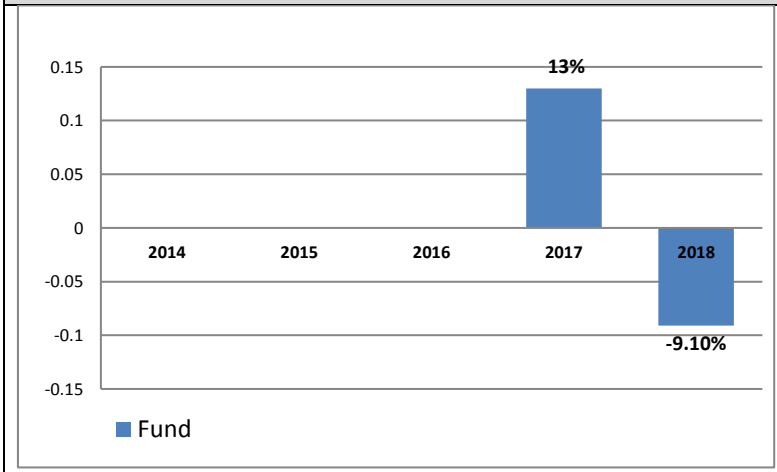
The **entry** and **exit charges** are maximum figures. In some case you might pay less – you can find this out from your financial adviser.

The **ongoing charges** figure is based on annual expenses including investment management fees, administrator fees, director fees, depositary and administration fees, and audit fees for year to December 2018. This figure may vary from year to year. It excludes:

- Performance fees; and
- Portfolio transaction costs.

For more information about charges, please refer to the "Fees & Expenses" section of the Fund's prospectus, which is available at www.albemarleasset.com.

Past Performance



- Past returns have limited value as a guide to future performance.
- The Fund was launched 25/10/2016
- EUR is the Base Currency of the Fund. The returns include all fees and expenses.

Practical Information

- The Company's assets are held with its depositary, Northern Trust Fiduciary Services (Ireland) Limited.
- Further information about the Fund (including the Prospectus and most recent financial statements) are available in English and Italian by downloading free of charge from www.albemarleasset.com.
- The net asset value per share for the Fund is available on www.bloomberg.com.
- Details of the up-to-date remuneration policy of the Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits are available on www.albemarleasset.com and a paper copy will be made available free of charge upon request.
- The Fund is subject to Irish taxation legislation which may have an adverse impact on the personal tax of the investor. Investors should consult their own tax advisors before investing in the Fund.
- The Company may be held liable solely on the basis of any statement contained in this document that may be misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Company.
- The Company is authorised as a UCITS by the Central Bank pursuant to the UCITS Regulations.
- The Fund is a sub-fund within the Company and the prospectus and financial statements are prepared in respect of the Company as a whole.
- The assets and liabilities of each other sub-fund and the Fund are segregated by law.
- Investors have the right to switch between share classes and sub-funds of the Company. Please refer to the "How to switch between funds" Section of the Fund's Prospectus for more information.
- Albemarle Asset Management Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the UCITS.

The Fund is authorised in Ireland and regulated by the Central Bank of Ireland.
The key investor information is accurate as at 25 September 2019.