

The Directors of Albemarle 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.

ALBEMARLE TARGET ITALY FUND

A sub-fund of Albemarle Funds plc an investment company with segregated liability between sub-funds and variable capital incorporated in Ireland on 5 March 2007 under registration number 435796 and established as an umbrella fund pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended

SUPPLEMENT 1

DATED: 4 April 2022

Investment Manager

Albemarle Asset Management Limited

Manager

KBA Consulting Management Limited

This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 4 April 2022 (the “Prospectus”) and contains information relating to the Albemarle Target Italy 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	8
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 Day”** means each Business Day or such other day as the Directors may agree following consultation with the Manager and the Administrator and upon prior notification to Shareholders, provided there shall be at least two Dealing Days every calendar month;
- “Dealing Deadline”** shall mean 13:00 (Irish time) at least 1 Business Day prior to the relevant Dealing Day or such later time as any Director may from time to time permit and notify in advance to Shareholders provided that applications will not be accepted after the Valuation Point;
- “Valuation Day”** means each Business Day, and such other day as the Directors may determine, following consultation with the Manager and the Administrator and prior notification to the Shareholders, provided that there shall be a Valuation Day for every Dealing Day and for the avoidance of doubt, the Valuation Day will precede the relevant Dealing Day by one Business Day; and
- “Valuation Point”** means 11.15 pm (Irish time) on a Valuation Day using the closing market prices in the relevant markets available as at the Valuation Day or such other time on a Valuation Day as the Directors may determine provided that the valuation point is always after the Dealing Deadline.

Investment Objective and Policies

Investment Objective

The investment objective of the Fund is to achieve long term capital appreciation.

Investment Policy

The Fund will seek to achieve its investment objective by directly investing at least 70% of its total net assets in common stocks issued by companies, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy. These companies shall not be limited to any one particular sector.

At least 21% of the Fund's total net assets (corresponding to at least 30% of investment in common stocks referred to above), shall be issued by companies which are not listed in the FTSE MIB index or in any other equivalent indices of other regulated markets, but will be listed on a Regulated Market.

The Fund shall not invest more than 10% of the net asset value of the Fund in financial instruments (including bank deposits or deposit certificates) issued by, or entered into with the same company, or companies belonging to the same group.

The Fund cannot invest more than 10% in bank deposits and cannot invest more than 10% in cash accounts.

In addition, the Fund will not invest in financial instruments issued by companies' resident in countries that do not allow for an adequate exchange of information with Italy.

Financial Derivative Instruments

The Fund may invest up to a maximum of 30% of its net asset value in the following financial derivative instruments: futures (including futures that may be traded on Italian Exchanges such as the FTSE MIB index future), forwards, foreign exchange contracts (including spot and forward contracts) and options ("FDIs") for hedging purposes only. A list of the FDI markets are set out in Appendix IV of the Prospectus.

Futures (including financial future contracts) may be used to hedge against market risk. Specifically, the Fund may invest in the FTSE MIB index future, a derivative instrument listed on the Italian Stock Exchange, for hedging purposes only. Forward contracts may be used to hedge an increase in the value of an asset or deposit. Forward contracts may also be used to hedge against an increase or decrease in the value of a particular currency, for example, in situations where the Fund has invested in non-Euro denominated financial instruments and seeks to hedge against this currency exposure. Options may be used to hedge to a particular market instead of using a physical security.

Securities Financing Transactions

As outlined under the terms of the Prospectus, the Fund may engage in efficient portfolio management techniques including Securities Financing Transactions such as securities lending agreements. The types of assets that may be subject to securities lending will be of a type, which is consistent with the investment policy of the Fund and as listed above under "Investment Policy". Assets subject to Securities Financing Transactions and collateral received are safe-kept by the Depositary.

The maximum exposure of the Fund in respect of Securities Financing Transactions shall be 60% of the net asset value of the Fund. The Investment Manager does not anticipate that the Fund's exposure to securities lending will exceed 30% of the net asset value of the Fund.

A risk management process prepared in accordance with the Central Bank's requirements, which enables the Fund to accurately measure, monitor and manage the various risks associated with FDIs, has been submitted to the Central Bank. The Fund may only utilise FDIs listed in the risk management process once submitted to the Central Bank.

The assets of the Fund will be invested in accordance with the UCITS Regulations and the investment restrictions described under “Investment Restrictions” in the Prospectus. The Fund may also employ investment techniques and instruments, including FDI, subject to the conditions and limits set out in the Central Bank issued guidelines, for efficient portfolio management of its assets for hedging against market movements, currency exchange, interest rate risks or otherwise as detailed under the heading “Efficient Portfolio Management” in the Prospectus.

The securities of the Fund will be listed or traded on a Regulated Market.

The Fund is actively managed in reference to the FTSE Italia All-Share Index (the “**Performance Benchmark**”) as its performance is compared to the Performance Benchmark in marketing materials and the Fund's performance is measured against the Performance Benchmark for the purposes of calculating the performance fee as set out below under the heading “Performance Fees”. The Performance Benchmark is consistent with the Fund's investment policy. However, it should be noted that the Investment Manager may use its discretion to invest in companies or sectors not included in the Performance Benchmark in order to take advantage of specific investment opportunities. Deviation from the Performance Benchmark may be significant.

Investment Selection Process

The Investment Manager follows a balanced top-down and bottom-up approach in respect of the asset classes listed above, with the main aim of looking for value (i.e. share price below intrinsic value) across companies and sectors. The top-down aspect of the investment process consists in selecting the asset allocation based on macro analysis (e.g. GDP growth, inflation, interest rates, unemployment rates, etc) and sector trends (e.g., sector growth rates, competitive landscape, demand and supply balance, technological risks, etc). The bottom-up aspect of the investment selection process consists of pure stock picking activity based on both qualitative and quantitative analysis. On the qualitative side, the focus is placed on understanding the company's products and services, the business model, the competitive landscape, and to evaluate the quality and reliability of the management team. When evaluating the quality and reliability of the management team, the Investment Manager will hold meetings with the relevant management team where the Investment Manager will seek verification as to the historical reliability of financial targets and the management team's consistency in achieving these targets.

On the quantitative side, the focus is placed on an extensive analysis of the company's annual and quarterly reports. The investments are finally selected evaluating their risk/reward profile, resulting in a blended portfolio i.e. a mix of “value” and “growth” stocks issued by small, mid and large cap issuers. “Value” stocks are stocks that tend to trade at a lower price relative to its fundamentals (e.g. earnings, dividends) in comparison to other stocks in similar sectors. “Growth” stocks are stocks whose earnings are expected to grow at an above-average rate in comparison to other stocks in similar sectors. A “growth” stock usually trades at higher prices in comparison to other stocks in similar sectors particularly “value” stocks.

Investment Restrictions

Without prejudice to the above, 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 Directors may, in consultation with the Manager and the Investment Manager, 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.

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.

Financial Derivative Instruments (“FDIs”)

In the event that the Fund uses FDIs for hedging purposes, such use may increase the risk profile of the Fund.

The Fund's global exposure will be calculated using the commitment approach. The Fund may be leveraged as a result of the use of FDIs, however, any such leverage will not exceed 100% of the net assets of the Fund at any time.

For information in relation to the risks associated with the use of FDIs, please refer to the “Investment Risks” section of the Prospectus.

Subscriptions

The Fund is offering two Classes of Shares in respect of the Company – Class A Shares and Class I Shares which are all denominated in Euro. It is currently intended that the Class I Shares will be marketed to institutional investors and accordingly, such Shares will not be generally available to other investors.

As the initial offer period has now closed, all Shares shall be issued at the Net Asset Value per Share on each Dealing Day and adding thereto such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for duties and charges.

In order to receive Shares at the Net Asset Value per Share as of any particular Dealing Day, the signed original application form, together with any anti-money laundering documents, must be received no later than the Dealing Deadline or such later time as any Director may from time to time permit provided that subscription applications will not be accepted after the Valuation Point. Applications received after such time will be held over until the following Dealing Day. Subsequent applications may be made in writing or by facsimile or by electronic means provided, such means are in accordance with the requirements of the Central Bank.

There is a minimum initial subscription amount of €1,000 or its foreign currency equivalent or such other amount as the Directors may from time to time determine, provided it is not less than €1,000 in the case of the Class A Shares and Class I Shares.

Subscriptions for Shares must be in Euro unless the Directors otherwise agree to accept subscriptions in any freely convertible currency approved by the Administrator, in which case such subscriptions will be converted into the relevant currency at the prevailing exchange rate available to the Administrator and the cost (and associated risk) of conversion will be borne by the Shareholder and deducted from the subscription monies.

Settlement for subscriptions for all Classes of Shares must be received by the Company, care of the Administrator, 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 by electronic transfer to the account set out in the Application Form.

Redemptions

Redemption of Shares

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

A redemption request form should be posted or sent by facsimile, so as to arrive at the Administrator's address no later than the Dealing Deadline or such later time as any Director may from time to time permit provided that redemption requests will not be accepted after the Valuation Point.

Redemption requests should be made on a signed redemption request form (available from the Administrator), which should be posted or sent by facsimile to the Company, care of the Administrator. The address for the Administrator is set out in the Prospectus. In the case of redemption requests sent by facsimile, payment of redemption proceeds will only be made to the account of record as provided for in the application form. Alternatively, redemption requests can be sent by electronic means provided such means are in accordance with the requirements of the Central Bank.

Settlement will normally be made by electronic transfer on the second Business Day after the relevant Dealing Day on which the redemption is effective. Payment will be made in the Base Currency unless otherwise agreed with the Administrator to be in another major freely convertible currency. Payment of redemption proceeds will be made to the registered Shareholder to the account of record. Amendments to the registration details and payments instructions will only be effected on receipt of original documentation. The proceeds of the redemption of Shares will only be paid on receipt by the Administrator of the original subscription application form and anti-money laundering documents and only where all anti-money laundering procedures have been completed. A repurchase request will not be capable of withdrawal after submission to the Company, unless such withdrawal is approved by the Company acting in its absolute discretion. If requested, the Company may, in consultation with the Manager and subject to the prior approval of the Depositary, and on prior written notification to the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares.

Switching between Classes of Shares in the Fund

In accordance with the procedure set out in the Prospectus under the heading "How to Switch Between Funds", a Share exchange may be effected by way of a redemption of Shares of one Class in the Fund and a simultaneous subscription at the most recent Net Asset Value per Share for Shares of the other Class in the Fund. No switching fee will apply.

Dividend Policy

The Company does not anticipate distributing dividends from net investment income in respect of the Fund but the Company reserves the right to pay dividends or make other distribution in the future. Initially such amounts will be retained by the Company and will be reflected in the Net Asset Value of the Fund.

Fees and Expenses

Investment Management and Performance Fees

The Investment Manager shall be entitled to the following investment management and performance fees payable out of the assets of the Fund in relation to the relevant Class of Shares:

1. an investment management fee calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at a rate of 1/12th of:
 - (a) 1.80% of the average Net Asset Value of the Class A Shares; and
 - (b) 0.90% of the average Net Asset Value of the Class I Shares.
2. a performance fee payable equal to 25% of the aggregate outperformance in value of the each Class of Share over the amount of the Performance Benchmark return for the relevant Class of Shares multiplied by the average number of Shares in issue during the calculation period (the “**Performance Fee**”). The manner in which the outperformance in the value of the Shares and how the Performance Benchmark return is calculated for these purposes is described in more detail below.

The Performance Fee is verified by the Depositary and not open to the possibility of manipulation. The Performance Fee is calculated and accrued at each Valuation Point and is payable for a 12-month period each starting on 1 January and ending on 31 December (the “**Calculation Period**”).

Where a Shareholder requests the Fund to redeem their Shares prior to the end of the Calculation Period, any accrued, but unpaid Performance Fee in respect of such Shares will be deducted from the redemption proceeds.

For the purposes of calculating the Performance Fee, a performance period shall commence on the Business Day following the immediately preceding Calculation Period and end on the final day of the Calculation Period as at which the Performance Fee is to be calculated. For the purposes of calculating the Performance Fee during the first Calculation Period of a Class of Shares, the initial offer price of the relevant Class of Shares will be taken as the starting point for the calculation of the Performance Fee for the first performance period.

The outperformance in value in respect of Shares in a Class shall crystallise and be calculated on the final Business Day of each Calculation Period based off the closing Net Asset Value of those Shares for that Calculation Period (the “**Calculation Date**”). For the purposes of such calculation, the closing Net Asset Value shall be the Net Asset Value per Share at the Calculation Date as at which the calculation is being made before accrual of the Performance Fee. The initial closing Net Asset Value was the close of the initial offer period.

The Performance Benchmark return shall be the aggregate notional return which would have accrued in that Calculation Period had a sum equal in value to the Net Asset Value per Share at the preceding Calculation Date been invested at the commencement of the Calculation Period for the Performance Benchmark, set on the first Business Day of the Calculation Period and accruing simply (and not compounding) day by day. The Bloomberg ticker for the Performance Benchmark is ITLMS.

The Performance Fee will only be payable for a Calculation Period on the amount by which the Net Asset Value in respect of the relevant Class of Shares exceeds the Performance Benchmark return for the relevant Calculation Period. Furthermore, because the Performance Fee is payable on the performance of the relevant Class of Shares relative to the Performance

Benchmark (outperformance), a Performance Fee may be payable in circumstances where the relevant Class of Shares has out-performed the Performance Benchmark, but, overall the Fund has a negative performance, i.e. the Net Asset Value of the Fund has declined. It should be noted, that any underperformance against the Performance Benchmark in previous periods will be cleared before the Performance Fee becomes due in subsequent periods.

For the avoidance of doubt, the calculation of any Performance Fee shall include all income and net realised and unrealised gains and losses. Investors shall note that Performance Fees may be paid on unrealised gains and losses as at the end of each Calculation Period, and as a result, incentive fees may be paid on unrealised gains, which may subsequently never be realised. The Performance Fee methodology is such that excess performance is calculated net of all costs (for example, all investment management and administration fees), but is calculated without deducting the Performance Fee itself, provided that in doing so, the Investment Manager has determined, it is in the investors' best interest.

Please see example of how the Performance Fee is calculated to provide investors with a better understanding of the Performance Fee model in Appendix I. For past performance against the Performance Benchmark investors should review the latest key investor information document for the relevant Share Class available at www.albemarleasset.com.

Benchmark Regulation

As the Fund uses a benchmark to measure the Performance Fee, the Fund is considered a user of a benchmark in accordance with the Benchmark Regulation. As at the date of this Supplement, the administrator of the Performance Benchmark is included on the register referred to in Article 36 of the Benchmark Regulation. The Manager, acting in accordance with the Benchmark Regulation and applicable laws, has adopted a benchmark contingency plan, which shall apply in the case that the Performance Benchmark materially changes or ceases to be available. The index provider complies with the requirements of the Benchmark Regulation.

Subscription, Switching and Redemption Charges

No subscription, switching or redemption charges will apply in respect of any of the Classes of Shares of the Fund.

Management Fee

The Manager shall be entitled to an annual management fee. Details of this fee, including the maximum management fee chargeable are set out in the Prospectus.

Other Fees and Expenses

The Fund shall also bear a portion of the fees and expenses of the Company as set out under the heading "Fees and Expenses" in the Prospectus.

APPENDIX I – Performance Fee Numerical Example

The table below does not represent the actual NAV of any Class in the Fund. The scenarios assume no subscription / redemption activities during the period. As share equalisation on performance is not operated, accordingly inequities may therefore arise between existing investors and new investors under various circumstances.

Target Italy					
Performance fee:	Year 1	Year 2	Year 3	Year 4	Year 5
25%	Out-performance	Out-performance	Under-performance	Out-performance	Out-performance
Share Class Return	8.00%	-2.00%	2.00%	4.00%	5.00%
Benchmark Return	5.00%	-4.00%	6.00%	1.00%	2.00%
Starting NAV per Share	100.000	107.250	104.569	106.660	110.927
Starting Benchmark	100.000	107.250	104.569	110.843	111.951
Ending NAV per Share before fees	108.000	105.105	106.660	110.927	116.473
Ending Benchmark	105.000	102.960	110.843	111.951	114.190
Outperformance for the period	3.00%	2.00%	-4.00%	3.00%	3.00%
Accumulated underperformance	0.00%	0.00%	-4.00%	-1.00%	0.00%
Fee Paid (%)	0.75%	0.50%	0.00%	0.00%	0.50%
Fee Paid	0.750	0.536	0.000	0.000	0.571
Ending NAV per Share after fees	107.250	104.569	106.660	110.927	115.902