

## **Albert Bridge Capital LLP**

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This Brochure provides information about the qualifications and business practices of Albert Bridge Capital LLP. If you have any questions about the contents of this Brochure, please contact Doriana Pavlicu, the Chief Compliance Officer (“**CCO**”) at +44 3826 0215 or by email at [doriana@albertbridgecapital.com](mailto:doriana@albertbridgecapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Any reference to Albert Bridge Capital LLP as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Additional information about Albert Bridge is also available on the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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Albert Bridge Capital LLP has no material changes to report.

**Item 3: Table of contents**

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**Item 4: Advisory Business**

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Albert Bridge Capital LLP (hereinafter “**Albert Bridge**”, the “**Investment Manager**”, or the “**Firm**”) is a limited liability partnership incorporated in the United Kingdom. The Firm was founded by Andrew Dickson, the principal owner of the Firm, in August 2015.

Albert Bridge runs one strategy (the “Alpha Europe Strategy”) and provides discretionary investment management services to accredited investors through its private pooled investment fund and two Separately Managed Accounts (each a “**Segregated Account**” or “**SMA**”).

The pooled investment fund is organised in a master-feeder structure consisting of the AB Alpha Europe Long Only Master Fund Ltd (the “**Master Fund**”), a Cayman Islands exempted company; the AB Alpha Europe Long Only Ltd. (the “**Cayman Feeder Fund**”) an exempted company incorporated under the laws of the Cayman Islands to operate as a private investment fund primarily for the benefit of non-US Persons and Permitted US Persons; and the AB Alpha Europe Long Only Fund, L.P. (hereinafter the “**Delaware Feeder**” or the “**Partnership**”), a Delaware limited partnership organized to operate as a private investment partnership for the benefit of taxable US Persons. The Cayman and Delaware feeders invest substantially all of their capital into the Master Fund. Further feeder funds may be created in the future.

Unless specified otherwise, from hereinafter the Partnership, Feeder Fund and Master Fund will be referred to collectively as the “**Fund**”; while the Fund and Segregated Accounts will be collectively referred to as the “**Clients**”.

The Fund is managed pursuant to the objectives specified in the materials by which the Fund offers its ownership interests to investors. Albert Bridge does not tailor its services to individual investor needs and the Fund’s investors do not have the right to specify, restrict, or influence the Fund’s investment objectives or any investment or trading decisions.

Albert Bridge has USD \$280.3m of regulatory assets under management (“**RAUM**”) as of December 31, 2017.

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**Item 5: Fees and Compensation**

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The Investment Manager generally receives management fees and performance based compensation for its advisory services. The management fees payable by the Clients start at 1% per annum however they may vary depending upon factors such as, among others, the type of account or the amount of assets being managed, the investment horizon or time period associated with the assets being managed. Management fees may vary and in some cases may be negotiable, and may be payable more or less frequently depending on the Client and the arrangement. With respect to the Fund, the Management Fee Rate is determined as follows:

Relevant Period	Management Fee Rate
For the 24-month period from the date of issuance of such shares / interests	1%
For the 24-month period from the second anniversary of the date of issuance of such shares / interests	0.9%
From the fourth anniversary of the date of issuance of such shares / interests	0.8%

The Management Fee payable by the Clients is calculated monthly and paid monthly or quarterly in arrears.

The amount of the management fee is usually prorated for periods of less than a full billing period or for any redemption by an investor that is effective other than as of the last day of a month. The Management Fee is calculated by reference to the net asset value before deduction for any accrued incentive fee ("**Incentive Fee**") or investor related taxes. The net asset value of the Fund is determined by its Fund Administrator and for the SMAs by the respective custodian.

At the sole discretion of the board of directors of the Fund, the Management Fee may be waived, reduced or calculated differently with respect to certain investors, including, without limitation, investors that are members, shareholders, partners, affiliates or employees of Albert Bridge or its affiliated entities, members of the immediate families of such persons and trusts or other entities for their benefit. Without the consent of the Fund investors, the Management Fee may be charged to and paid by the Master Fund instead of the Cayman Feeder Fund or the Partnership.

Albert Bridge may, in its sole discretion, pay a portion of the Management Fee to intermediaries, placement agents or other third parties.

Albert Bridge and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

#### **Item 6: Performance-Based Fees**

In addition to the management fees, the Investment Manager will typically receive an Incentive Fee equal to 15% of the amount by which the net asset value of Fund / Client's account exceeds the "**Hurdle Amount**" (as described in the Offering Memorandum and or respective Investment Management Agreement) for each series of shares/capital account; provided, however, that the Net Return upon which the calculation of the Incentive Fee is based will be reduced to the extent of any unrecovered balance remaining in the "**Underperformance Recovery Account**" (see Offering Memorandum) corresponding with the relevant series of shares/capital account.

When calculating the Performance Fee, all items of income and expense at the Fund level, as well as the Management Fee will be taken into account.

Performance-based fee arrangements may create an incentive for the Firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. Albert Bridge has designed and implemented procedures to ensure that the Fund and all investors are treated fairly and equally. These areas are monitored by the CCO.

Each Performance Fee "Calculation Period" is typically (although it may vary) the period of

twelve months ending on December 31 in each year, save in respect of a series of shares / capital account first established other than at the start of the year, in which case the initial Calculation Period for such series of shares/ capital account will be the period commencing on the date of establishment of such series of shares/Capital Account and ending on December 31 in that year.

The Investment Manager reserves the right to waive the fees as well as establish different account and or share classes with different level of fees.

#### Expenses

Clients may incur expenses which include but are not limited to brokerage commissions, interest expenses, clearing and settlement charges, custodial fees, wire transfer fees and other taxes and fees on brokerage accounts and investment transactions. The Investment Manager may decide to hire external service providers to assist in certain functions, such as valuation, risk management and proxy voting services, whose expenses may be charged to the relevant Clients or pro rata across (applicable) Clients. Operational expenses may also include taxes and any interest, penalties or expenses relating to any taxes and any tax proceedings; and extraordinary expenses, such as litigation expenses.

Further information on expenses are specified in the Funds offering documents or in the specific agreement entered into with each SMA.

#### **Item 7: Types of Clients**

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The Firm's clients are the Fund and the Segregated Accounts.

Unless otherwise waived by the Fund's Board of Directors, the minimum initial capital contribution to the Fund for each investor is US\$10,000,000. An investor may make additional capital contributions to the Fund in amounts of at least \$1,000,000.

The minimum investment for a segregated account is negotiable.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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The investment objective of the Fund and Segregated Account is to seek excess returns relative to the European equity market through investing in a concentrated portfolio of individual equity and equity linked securities (e.g., common and preferred stocks, options, warrants and financial instruments and derivatives, of companies) across a diversified range of industries. The Clients may also invest in cash and cash equivalents.

#### **Strategy**

The investment strategy employed by the Firm, on behalf of the Clients, focuses on investing primarily in European common stocks with a market capitalization of at least \$1 billion, although the Firm may, from time to time, also invest in other non-European and or in smaller market capitalization stocks. The portfolio is expected to contain typically less than 30 individual positions, although from time to time it may contain more. Determination of position sizing generally takes into account, among other things, the Investment Manager's estimate of each position's potential risk-adjusted expected returns.

The Firm may invest on behalf of the Clients in derivative securities and financial instruments, including options, for investment purposes, and may write options on securities held in the

Clients' portfolio or market indices, thereby allowing the Clients to take advantage of specific market situations. At times, the Fund may maintain higher levels of cash and cash equivalents that are necessary to meet short-term cash needs. When deemed appropriate by the Investment Manager, and typically on a short-term basis, the Firm may also invest in U.S. government securities, futures, forward contracts and derivative instruments, including swaps and currency instruments.

Over time, markets change and the Investment Manager will seek to capitalize on attractive opportunities wherever they might be. Depending on conditions and trends in the securities markets and the economy generally, the Investment Manager will pursue the techniques it considers most appropriate for the Clients.

Albert Bridge believes in identifying opportunities through a rigorous fundamental research process that also takes into account the potential behavioural biases of the consensus investor. The Firm invests on the Clients' behalf across a diverse range of industries including healthcare, consumer, media, technology and industrials. When searching for companies, the Firm conducts research that may include fundamental analysis, gauging of consensus expectations and sentiment, financial modelling and valuation work and an assessment of key investment risks. Through this research, the Firm aims to identify companies where the share price does not accurately reflect the current and/or future fundamentals of the company, and where the expected return of an individual position is more than commensurate with the risks taken. The Firm's additional focus on the biases of the consensus investor is rooted in empirical research in finance which has uncovered broadly two types of mistakes: under- reaction (e.g. anchoring, confirmation bias, loss aversion) and over-reaction (e.g. overconfidence, ambiguity aversion). The Firm attempts to marry fundamental analysis with the tenets of behavioural finance to drive its investment theses and generate a unique source of alpha.

The Firm will maintain an adequate and documented risk management policy that seeks to identify all relevant risks to which the Clients may be exposed. The Firm's risk management policy will include such procedures as are necessary to enable the Firm to assess the Clients exposure to market, liquidity, counterparty and operational risks as well as all other relevant material risks.

The risk profile of the Fund will be disclosed to Shareholders, including, (i) the measures taken to assess the sensitivity of the portfolio to the most relevant risks to which it is or could be exposed, and (ii) a description of the circumstances where the risk limits, if any, set by the Firm have been exceeded (or are likely to be exceeded) and the remedial measures taken. The Fund or the Firm will make this information available to all Shareholders, to the extent not already made through the appropriate Memorandum, through appropriate Investor Disclosure at least annually or sooner if required by applicable law. Similarly, the Firm will disclose the risk profile of the Segregated Accounts to the respective account holder via appropriate means and documentation.

The Fund does not employ leverage but it has the authority to borrow, trade on margin, utilise derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Fund does not but may utilise leverage to the extent deemed appropriate by Albert Bridge, and the amount of leverage utilised by the Clients may be significant. The overall leverage of the Fund will depend on the investment strategies employed by the Firm and specific market opportunities. In addition, the Fund may borrow for cash management purposes, such as to satisfy redemption requests, and to facilitate such borrowings, the Fund may, among other things, enter into a credit facility with one of its service providers or a third-party credit institution.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects

the value of an investment could be magnified to the extent leverage is utilised and may result in a substantial loss to the Clients.

Exposure is strictly monitored by the Firm and in line with the Offering Document or Investment Management Agreements established and although cure periods are in place, the Firm does not employ leverage in the management of the accounts.

The investment program of the Clients is speculative and may entail substantial risks. Market risks are inherent in all securities investments to varying degrees. There can be no assurance that the investment objective will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on the Clients' investment portfolio.

### **Risk Factors**

An investment in the Fund, or a Separately Managed Account (an “**Account**”) implementing the above-mentioned strategy, involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the investment program will be successful, or that its returns will exhibit low correlation with an investor's traditional securities portfolio. Investment techniques may be utilized which can involve substantial volatility and can, in certain circumstances, substantially increase any potential adverse impact to which the investment portfolio may be subject. Prospective investors should consider the following additional factors in determining whether an investment in the Fund or a managed account is a suitable investment.

### **Risks Related to Certain Investment Strategies**

#### Equity Price Risk

The investment portfolios will include long positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect any investments made by the Fund or an SMA.

#### Volatility Risk

The investment program may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such securities, therefore, can adversely affect the value of investments held by the Fund or an SMA.

#### Long-Term Investments

The Fund or a managed account may pursue investment opportunities that seek to maximize asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the Fund or an SMA may forego value in the short term or temporary investments in order to be able to avail it of additional and/or longer-term opportunities in the future. Consequently, the Fund or an SMA may not capture maximum available value in the short term, which may be disadvantageous, for example, for investors who withdraw all or a portion of their Interest before such long-term value may be realized.

#### Uncertain Exit Strategies



Due to the less liquid nature of certain of the positions which the Fund or an SMA is expected to acquire, the Investment Manager may be unable to predict with confidence what the exit strategy will ultimately be for any of such given positions, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to liquidity, economic, legal or other factors, including issuer-specific factors.

#### Hedging Transactions

The Fund or an SMA may utilize financial instruments both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect unrealized appreciation in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or appreciation on any investment in the portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the investments; (vii) protect against any increase in the price of any investments the Fund or Account anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Fund or an SMA will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. While the Fund or an SMA may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged.

#### Exchange Rate Fluctuations; Currency Risks

The Fund or an SMA may invest in financial instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Fund or an SMA, however, values its financial instruments in U.S. Dollars. It may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross- currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Fund or an SMA wishes to use them, or that hedging techniques employed will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of positions in denominated in currencies other than U.S. Dollars will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. Dollar compared to the other currencies in which the Fund or an SMA makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the investments in their local markets and may result in a loss. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect on the Fund or an SMA's non-U.S. Dollar investments.

### **Risks Related to Certain Financial Instruments**

#### Equity Securities Generally

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Fund or an SMA may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction. The Fund or an Account may also be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

#### Micro, Small and Medium Capitalization Companies

Investments in securities of micro and smaller-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

#### Preferred Stock

Investments in preferred stock involve risks related to preferred stocks priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

#### Convertible/Exchangeable Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund or an SMA is called for redemption, the Fund or Account will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund or Account's ability to achieve its investment objective.

#### Investments in Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Fund or Account.

#### Derivative Instruments Generally

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk. In addition, the Fund or an SMA may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which the Fund or Account may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Fund or Account.

The Fund or an SMA may enter into swap agreements and options on swap agreements ("swaptions"). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. The Fund or Account, for instance, may enter into correlation swaps, variance swaps, volatility swaps or other swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease the exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. The Fund or an SMA is not limited to any particular form of swap agreement.

Whether the Fund or an SMA's use of swap agreements or swaptions will be successful will depend on the Investment Manager's ability to select appropriate transactions. Swap transactions may be highly illiquid and may increase or decrease the volatility of the portfolio. Moreover, the Fund or Account bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Fund or Account will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Fund or an SMA's ability to terminate swap transactions or to realize amounts to be received under such transactions.

#### Currencies and Currency-Related Instruments

A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Fund or an SMA are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The Fund or an SMA may invest in undervalued currencies. Identifying investment opportunities in undervalued currencies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. Returns generated from such investments may or may not adequately compensate for the business and financial risks assumed. In addition, the Fund or an SMA may be required to hold such currencies for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund or an SMA's assets would be committed to the currencies purchased, thus possibly preventing it from investing in other opportunities. Further, the Fund or an SMA may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Like the writing of other kinds of options, the writing of an option on a currency constitutes only a partial hedge, up to the amount of the premium received. The Fund or an SMA could be required, with respect to any option it has written, to purchase or sell currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on a currency may constitute an effective hedge against fluctuation in exchange rate, although in the event of rate movements adverse to the Fund or an SMA's position, it could forfeit the entire amount of the premium plus related transaction costs.

#### Futures Contracts

The value of futures depends upon the price of the financial instruments underlying them. The

prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Fund or an SMA's positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund or an SMA from promptly liquidating unfavourable positions and subject it to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

#### Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

#### Stressed and Distressed Obligations

The Fund or an SMA may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund or an SMA's investments in any financial instrument, and a significant portion of the obligations in which it invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets, if any, collateralizing the Fund or Account's investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Fund or an SMA invests, it may lose

its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Occasionally, the Fund or an SMA may need to make a follow-up investment in an existing troubled position only in an attempt to protect the value of its initial investment. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund or an SMA, of the security in respect to which such distribution was made.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in either the Fund or a managed account. Prospective investors should read the entire relevant Memorandum and consult with their own advisers before deciding whether to invest. In addition, as the investment program develops and changes over time, an investment in either the Fund or a managed account may be subject to additional and different risk factors.

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**Item 9: Disciplinary Information**

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The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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**Item 10: Other Financial Industry Activities and Affiliations**

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The management and employees of Albert Bridge plan to dedicate substantially all of their professional efforts to the Firm and its affiliates.

The Firm and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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**Participation or Interest in Client Transactions**

Albert Bridge serves as the investment adviser to the Clients. Employees, affiliates of the employees, and relatives of the employees may make investments in the Fund.

Albert Bridge maintains an employee personal trading policy which is restrictive and aimed at mitigating any potential conflict of interest between the Clients' investments and those of employees. In general, employees are very limited in the extent to which they are permitted to engage in personal trading.

Additionally, the Firm's principals and employees do not purchase any securities for their own accounts from the Fund.

**Code of Ethics and Personal Trading**

The Firm has adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which Albert Bridge employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at Albert Bridge.

All Albert Bridge employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics, which cover the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and quarterly thereafter.

All Albert Bridge employees must direct their brokers to send duplicate copies of personal discretionary brokerage account statements to the CCO. These records are used to monitor compliance with the Firm’s employee personal trading policies.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private investments or receiving an allocation of an Initial Public Offering (“IPO”).

#### **Insider Trading Policies and Procedures**

Albert Bridge maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. Among other things, such policies seek to control and monitor the flow of inside information to and within Albert Bridge, as well as prevent trading based on inside information. On a periodic basis, Albert Bridge employees are required to attest to their compliance with the insider trading policies which are set forth in the Compliance Manual and Code of Ethics.

Albert Bridge’s Code of Ethics is available to investors upon request.

#### **Item 12: Brokerage Practices**

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Albert Bridge is authorized by its Clients to determine the broker or dealer to be used for each securities transaction for the Clients. In selecting brokers or dealers to execute transactions, Albert Bridge does not need to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Where required by regulation, Albert Bridge may negotiate “execution only” commission rates and where appropriate, separate research only commission rates. Thus, the total commission rate over the execution price may include a research rate.

Albert Bridge shall also have the authority to select and appoint custodians of the assets of the Fund. The Firm’s authority is limited by its own internal policies and procedures and the Fund’s investment guidelines. The Firm may suggest a custodian of the assets of a managed account, however it is possible the account holder has a preferred custodian and established relationship.

In selecting an appropriate broker-dealer to affect a client trade, the Firm seeks to obtain “best



execution,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favourable under the circumstances. Accordingly, in seeking best execution, Albert Bridge takes into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to the Firm, brokerage and research services provided to the Firm (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

### **Aggregation**

In general, the Firm aggregates trade orders for the Fund to achieve more efficient execution or to provide for equitable treatment among the Client accounts. The Fund will be allocated securities based on the average price achieved for such trades.

The Firm reserves the right, in its sole discretion, to change brokerage and custodial arrangements for the Fund without further notice to investors.

The Firm does not trade for its own account. All trades are executed as agents on behalf of Clients.

### **Allocation**

The Firm’s policy prohibits any allocation of trades in a manner that results in more favourable treatment for Albert Bridge’s proprietary accounts (should it ever establish such accounts), affiliated accounts, or any fund.

The Firm has adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade, taking into consideration the specifics of each trade and the characteristics of the Clients (such as maximum concentration restrictions agreed in the Investment Management).

### **Soft Dollars**

The Firm may use “soft dollars” generated by the Clients’ trading activities to purchase research services or products that would otherwise have been an expense of Albert Bridge. Albert Bridge intends to keep any such arrangements within the parameters of Section 28(e) of the United States Securities Exchange Act of 1934, as amended.

## **Item 13: Review of Accounts**

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### **Review of Accounts**

The Firm’s portfolio managers and investment professionals continuously monitor and analyse the transactions, positions, and investment levels of the Clients to ensure that they conform with the investment objectives and guidelines that are stated in the investment advisory agreements and the Fund offering documents. In these reviews, the Firm pays attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels. Albert Bridge engages in active management for the Fund and reviews transactions, positions and cash balances on a daily basis.

### **Reporting**

The Firm will distribute annual audited financial statements to the investors in the Fund within 120 days of the Firm's fiscal year-end. In addition, the Firm distributes reports to investors in the Fund, which include monthly investor statements from the fund administrator, monthly performance and risk reports and quarterly/annual investment letters. The Firm distributes a monthly performance and risk report to the Segregated Account holder, in a similar format to the reports for the Fund investors.

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**Item 14: Client Referrals and Other Compensation**

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Albert Bridge does not currently use third parties for client referrals though it may do later in the future, if deemed appropriate. Should an investor then be introduced to the Fund or an SMA through a placement agent, the arrangement with such placement agent will be disclosed to and acknowledged by the investor.

The Firm may compensate employees for investor referrals so long as such arrangements comply with the Advisers Act and its rules, and any applicable state securities laws. Investors will not be charged a higher fee as a result of these arrangements.

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**Item 15: Custody**

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The Firm will comply with the requirements of Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Clients ("**Custody Rule**").

The Fund currently uses Merrill Lynch International, as the prime broker and custodian ("**Prime Broker**"). Through these arrangements, the Prime Broker will provide, among other things, clearing, custodial and record keeping services. The Segregated Accounts maintain custody, clearing and record keeping services with BNYMellon and JPMorgan respectively. BNYMellon and JPMorgan are also responsible for the determination of the monthly net asset value and performance of the account.

Annually, upon completion of the Fund's annual audit, Albert Bridge will distribute the audited financials to investors in the Fund.

The CCO shall ensure that the Fund's audited financials are delivered to all investors within 120 days of the fiscal year end in accordance with the Custody Rule.

The Segregated Account is audited separately by the account holder and as such the Firm is not required to do anything further.

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**Item 16: Investment Discretion**

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Albert Bridge has full discretionary authority over the Clients including authority to make decisions with respect to which securities to be bought and sold as well as the amount and price of those securities. Additionally, Albert Bridge has full discretion over the brokers or dealers to be used for transactions and the commissions to be paid. These terms are established in the offering documents of the Fund and Investment Management agreement for the Segregated Account.



**Item 17: Voting Client Securities**

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The Firm intends to vote proxies on a case-by-case basis. Prior to voting a proxy, the relevant employees of Albert Bridge will make a determination, in their opinion, as to what vote if any, is in the best interest of the Clients. The Firm maintains written records of the proxy vote on each occasion a proxy is voted.

Investors in the Fund or an SMA may not direct the voting of proxies.

If a material conflict of interest between the Firm and the Clients should arise, the Firm will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Clients or take another appropriate action.

Investors may request a copy of the Firm's proxy voting policy, as well as the records of any proxy votes for the respective Fund in which they have an investment.

**Item 18: Financial Information**

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Registered investment advisers are required in this Item to provide certain financial information or disclosures about the Firm's financial condition.

Albert Bridge has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.