

DISCLOSURE IN COMPLIANCE WITH CONSOB'S REGULATION ON "INTERMEDIARIES" N. 16190 OF 29/10/2007 AND THE JOINT BANKIT/CONSOB REGULATION DATED 29/10/2007.

Dear Client,

our SGR wishes to inform you on the following organizational documents which have been adopted by the bank to protect the interest of UCITS and their unit-holders, in particular:

1. the Best execution policy, intended to transmit and execute financial instrument orders at the most favorable conditions for UCITS;
2. Conflicts of interest management policy;
3. Inducement policy;
4. Complaints handling policy;
5. Client categorization for the distribution of UCITS shares at the company's head office;
6. Compensation systems for investors and/or relevant deposit guarantee.

1. Best execution policy.

In compliance with the relevant provisions, under Directive 2004/39/EC (so called MiFid) and Consob's Regulation on Intermediaries issued with resolution n. 16190/07, Aletti Gestielle SGR ("Company") shall take all reasonable and effective steps to achieve the so called "best execution", namely the best possible result both when directly executing investment decisions on behalf of managed UCITS, and when transmitting orders on financial instruments to other Entities in charge of their execution. To this end, the SGR set up a Best execution policy, whose key elements are described below, including factors deemed relevant in order transmission and execution, and the procedure followed to select Entities and their execution venues.

SELECTION FACTORS

When executing investment decisions, or transmitting orders to other Entities, the SGR takes the following factors into consideration in order to obtain the best possible result to the advantage of the managed UCITS: price, cost, speed, likelihood of execution, liquidity supply, size and nature of the order, and any other factor involved in the order execution process.

In order to prioritize the above mentioned factors, the SGR follows the criteria listed below:

- a) objectives, investment policy, the specific risks of managed UCITS, as indicated in the Fund Rules and Regulations;
- b) the characteristics of the financial instruments covered by the order and the envisaged settlement terms;
- c) the characteristics of the execution venues to which the order may be routed.

ORDER TRANSMISSION

The SGR shall take all reasonable steps to obtain the best possible result when transmitting orders to other Entities for their execution on behalf of the managed UCITS. To this end, based on the characteristics of the financial instruments the assets of the managed UCITS (foreign hedge funds) are invested in, in its Policy the SGR identified the Entities to which orders dealing with said instruments shall be transmitted, so that they may see to their routing on behalf of the founders of the hedge funds, or their fund administrators.

Under its Policy, the SGR also defined the criteria used to select the Entities to which orders on financial instruments other than *hedge funds* may be transmitted, which for the time being do not fall within the Company's investment strategies, but are in any case considered eligible, under given market conditions, by the funds' Rules and regulations; in such event, the orders belonging to this type of instruments shall be transmitted to the selected Entities, depending on the execution strategies adopted by the latter, based on the priority classification of the factors illustrated in the above paragraph.

ORDER EXECUTION

The SGR shall take all reasonable steps to obtain the best possible result when directly executing investment decisions on behalf of managed UCITS. To this end, based on the priority classification of the above factors, and again with regard to financial instruments other than *hedge funds*, the SGR defined the criteria followed to select the execution venues and the operational measures that may allow to obtain the best possible result on an ongoing basis to the advantage of the managed UCITS.

The SGR retains the right under given circumstances to execute or transmit orders to other venues or Entities, that although not selected in the Policy, are still deemed appropriate to obtain the best possible results based on the principles of the adopted Policy.

MONITORING AND REVIEWS

La SGR monitors the effectiveness of the Policy and of the adopted order execution and transmission steps, correcting any possible fault when necessary; it also reviews the above steps at least once a year, and in any event whenever any circumstances occur that may affect the ability to obtain the best possible results for the managed UCITS on an ongoing basis.

For more detailed information on the above Policy, please visit the section "MiFID" Area on the SGR's website: www.gestiellehedge.it.

2. Conflicts of interest management policy.

In order to comply with the regulatory provisions governing conflicts of interest under Directive 2004/39/EC and the joint Bankit/Consob Regulation issued on October 29th, 2007, as part of its asset management services the SGR adopted a company "Conflicts of interest management policy", which identifies possible conflicts that may arise between the SGR and the UCITS and their unit-holders, and defines how to handle such conflicts to ensure an equal treatment of UCITS and their unit-holders – taking into due account the SGR's structure and business activity, also within the scope of the Banking Group of belonging (i.e. Gruppo Banco Popolare) - .

From an operational standpoint, the SGR adopted a number of organizational procedures aiming at:

1. identifying circumstances within its investment activities that generate or may generate a conflict of interest – which may also derive from Group relations - between the SGR, the UCITS and their unit-holders, between SGR clients and the UCITS or between the various UCITS;
2. adopting all the necessary organizational steps to manage said conflicts to prevent that the UCITS assets may be burdened by otherwise avoidable charges or barred from the perception of usefulness they are entitled to, or in any case that said conflicts may somehow prove prejudicial to the managed UCITS and their unit-holders.

In particular, the procedures under items 1 and 2 are arranged as follows:

1 – Identification of possible conflicts of interest

In order to identify potential conflicts of interest associated with services provided, the SGR took into consideration:

- a) conflicts of interest between the Company, the Group of belonging, key Managers or Individuals with whom the Company entertains significant business relations, and the interest of managed UCITS and their unit-holders;
- b) conflicts of interest between UCITS, in the event of a potential risk that one or more managed portfolios may be favored to the detriment of one or other portfolios managed by the SGR itself.

2 – Identification of measures to manage conflicts

The SGR shall put in place conflict management or control procedures for each type of identified conflict of interest, whose effectiveness shall be periodically assessed.

As a non-exhaustive example, specifically referred to the management activities performed by the SGR on behalf of UCITS, the adopted document takes into consideration the measures designed to manage conflicts associated with the investment in financial instruments issued or sold by Companies of Gruppo Banco Popolare, with the investment in shares of UCITS promoted by the SGR, and with the use of Broker/Dealers belonging to Gruppo Banco Popolare for the performance of investment services for UCITS.

Finally, the Company shall consider the investment in any other financial instrument as a conflict of interest any time that, based on the information available to the SGR, the Issuer of said instruments entertains proven significant business relations with one of the Companies of the Group.

For more detailed information on the above Policy, please visit the section "MiFID Area" on the SGR's website: www.gestiellehedge.it.

3. Inducements.

Directive 2004/39/EC and Consob's enacting Regulation issued with resolution n. 16190/07 introduced restrictions to the possibility for SGRs to be paid (or pay) by (or to) Third parties, other than Clients, any fee or commission, or to be provided or provide any non-monetary benefit in relation to the provision of asset management services.

To this end, the SGR adopted a company Inducement policy that combines all the inducement-related principles, in relation to the services provided and in compliance with current regulations, that the Company was settled to adopt, in keeping with the guidelines issued by the Parent company.

This Policy covers the principles the SGR takes into account in compliance with the general prohibition under art. 73 of the above mentioned Regulation, the types of inducements that are considered legitimate, the types of inducements that are considered legitimate after prior verification of their eligibility and provided that investors are given prior notification, as well as the types of inducements that are considered illegitimate.

The SGR conforms its UCITS sales policies to the principles set forth in the above document. The SGR pays UCITS distributors a retrocession as a percentage of the management fees periodically accrued on the UCITS assets, on the assumption that this shall enhance the quality of the services they provide to Investors. The SGR pays retrocessions to portfolio managers, either under individual or collective management, on the management fees periodically accrued on the UCITS assets, on the assumption that these sums shall be credited back to the assets they are managing.

The Company makes available to Investors and financial intermediaries more detailed information on the above Policy in the section "MiFID Area" on the SGR's website: www.gestiellehedge.it.

4. Complaints handling

The SGR adopted a company Policy ensuring a prompt handling of complaints. In compliance with said Policy, the Company handles received complaints promptly, and informs the Client of its complaint resolutions as a rule within 90 days of the date of receipt of the complaint. In the event that more time is required due to special circumstances, within the above term the Company shall inform the Client of the time needed to receive an exhaustive reply.

The Company keeps a specific register where all the key elements of the complaints received in writing from Clients are promptly recorded. The Compliance Function keeps the above register up to date, recording the basic elements of each received complaint and the related resolutions met by the Company.

Complaints may be sent by mail at the SGR's address, or by e-mail at: gestiellehedge@gestielle.it

5. Client categorization for the distribution of UCITS shares at the company's head office.

The SGR shall inform its direct Clients of the category they have been assigned to as required by the current regulations ("Retail clients" or "Professional Client"). The SGR shall obtain information from Clients or Potential clients regarding their knowledge and experience of the investment area related to the type of requested instrument or service.

The SGR shall distribute UCITS shares from its head office exclusively to Professional Clients, under paragraph 1, letters from a) to l) of attachment 3 of the above mentioned New Intermediaries Regulation, while to distribute UCITS shares to Retail clients the SGR shall resort to financial intermediaries.

For this reason, Retail clients may directly submit to the SGR exclusively redemption applications relating to owned UCITS shares.

The Client categorization gives rise to major differences as to the applicable service provision and Investor protection rules. Clients may be classified along the following categories:

Retail Client. The classification of a Client in this category implies that the investment service and asset management regulation shall be fully applied, in particular conduct rules, and in general Investor protection regulatory provisions;

Professional Client. A Professional client is assumed to possess the necessary experience, the knowledge and the competence to make informed and knowledgeable investment decisions and to correctly assess the associated risks. This category breaks down into "Professional clients by right" (i.e., those listed in Attachment 3 of the New Intermediaries Regulation, herewith enclosed) and "Professional clients on request" (i.e., classification requested by the Client). The classification of Clients into this category, which is based on parameters and criteria stipulated by MiFID's enacting provisions, influences how they are protected, providing a lower degree of protection as compared with Retail clients; in particular, it allows the Intermediary to assume that the Client possesses the necessary experience and knowledge to be aware of the risks associated with the investment services or the transactions or type of transactions or instruments according to which the Client has been classified under a given category.

The Client has the duty to inform the SGR of any ensuing changes that may affect his or her categorization.

For the same reasons explained above, under its company policy the SGR shall not allow its Professional Clients by right, as listed under letters from a) to l) of attachment 3 of the New Intermediaries Regulation, to be treated as Retail Clients. Should the SGR receive a similar request, it shall invite its Professional Client to refer to a UCITS distributor to obtain the desired level of protection.

For additional information, please visit the section "MiFID Area" on the SGR's website: www.gestiellehedge.it, or on Consob's website: www.consob.it.

6. Compensation systems for investors and/or relevant deposit guarantee.

Legislative Decree 179 dated October 8th, 2007 stipulated the creation of a Guarantee Fund for investors under article 27, paragraph 2 of Law n. 262 of December 28th, 2005, (hereinafter called "Fund"), aimed at granting compensation for any capital damages, subject to the Fund's available liquidity, caused by the infringement of regulations governing the activities covered by section II of legislative decree n. 58 of February 24th, 1998, as evidenced by final court decision or unappealable arbitrator's award.

To this regard, art. 8 of L. Decree 178/2007 establishes that:

- Consob is in charge of managing the Fund;
- authorization to access the Fund is given exclusively to investors other than professional clients under article 6, paragraphs 2-quinquies and 2-sexies, of legislative decree n. 58 of February 24th, 1998, and following amendments;
- the Fund is subrogated to the rights of the damaged claimant, within the limits of the paid indemnity, and may recover against the bank or the intermediary concerned.

- Consob has the right to bring suit on the Fund's behalf to protect the rights and the exercise of the recovery action mentioned in the above bullet point; to this end, Consob is entitled to be represented in court under article 1, paragraph ten, of legislative decree n. 95 of April 8th, 1974, transposed into law n. 216, even by its officers;
- the Fund is exclusively funded by the deposit of half of the administrative fines required to be paid as a penalty for the infringement of the regulations governing the activities under section covered by section II of legislative decree n. 58 of February 24th, 1998.

With regard to the activation of the Fund and the indicated objectives, by way of a regulation to be issued within twelve months of the coming into force of the Legislative Decree 179/2007, Consob shall:

- a) define the criteria used to determine the indemnity, setting also a maximum ceiling; all amounts received by the damaged claimant in relation to the same infringement as a damage compensation are then deducted from the thus determined indemnity, or the indemnity under article 3 of L. Decree 178/2007;
- b) regulate the procedures and terms to access the Fund;
- c) issue additional instructions to implement this article.