

Lehman Brothers Alpha Fund plc



Simplified Prospectus 17 July 2008

In Respect of:

**Lehman Brothers US High Yield Bond Fund
Lehman Brothers Emerging Markets Local Currency
Bond Fund**

This Simplified Prospectus contains key information in relation to Lehman Brothers Alpha Fund plc (the "Company"), which is an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between sub-funds incorporated in Ireland on 11 December 2000 and authorised on 7 February 2001 by the Irish Financial Services Regulatory Authority, under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended and in relation to the Lehman Brothers US High Yield Bond Fund (the "High Yield Fund") and the Lehman Brothers Emerging Markets Local Currency Bond Fund (the "Emerging Markets Fund") (collectively the "Funds"). The other sub-funds of the Company are the Lehman Brothers Global Bond Fund, the Lehman Brothers US Bond Fund, the Lehman Brothers Euro Bond Fund, the Lehman Brothers Global Value Fund, the Lehman Brothers USA Value Fund, the Lehman Brothers European Value Fund, the Lehman Brothers US Real Estate Securities Fund, the Lehman Brothers US Small Cap Growth Fund, the Lehman Brothers Opportunistic Fund, the Lehman Brothers US Large Cap Value Fund, the Lehman Brothers US Large Cap Growth Fund, the Lehman Brothers Socially Responsible Investment Fund, the Lehman Brothers Euro Anti-Benchmark Fund, the Lehman Brothers Global Anti-Benchmark Fund, the Lehman Brothers UK Anti-Benchmark Fund, the Lehman Brothers US Anti-Benchmark Fund, the Lehman Brothers Commodity Plus Fund, the Lehman Brothers Absolute Return Fund, the Lehman Brothers Alpha Select 2 Fund, the Lehman Brothers Alpha Select 4 Fund, the Lehman Brothers Global Real Estate Securities Fund, the Lehman Brothers Global Disciplined Growth Fund, the Lehman Brothers Diversified 80 Fund and the Lehman Brothers Straus US Equity Fund.

Potential investors are advised to read the prospectus dated 17 July 2008 (the "Prospectus") before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are set out in the Prospectus. Words and terms defined in the Prospectus have the same meaning in this Simplified Prospectus.

The base currency of each of the Funds is US Dollars.

Investment Objective:

The investment objective of the Emerging Markets Fund is to generate current income and capital growth consistent with the preservation of capital. The investment objective of the High Yield Fund is to achieve an attractive level of total return.

Investment Policy:

The High Yield Fund seeks to achieve its investment objective by investing Primarily in high yield fixed income securities issued by US and foreign corporations which have their head office or exercise an overriding part of their economic activity in the US, or by governments and agencies that are Primarily denominated in US Dollars and listed, dealt or traded on Recognised Markets.

The Emerging Markets Fund seeks to achieve its objective by investing a majority of its assets in fixed income securities (both fixed rate and floating rate investments) issued by private and governmental issuers. The Emerging Markets Fund may also invest in warrants, zero-coupon securities, payment-in-kind securities, convertible and exchangeable securities, deeply subordinated securities and deferred payment securities. The securities will either be issued by companies which have their registered office in Emerging Market Countries, or be issued or guaranteed by governments, government agencies and supranational bodies of Emerging Market Countries and may be denominated in any currency. In addition, at least 50% of the net assets of the Emerging Markets Fund will be invested in fixed income securities that are rated below investment grade.

The Company may use financial derivative instruments for investment and efficient portfolio management purposes and may also employ certain investment techniques set out in the Prospectus for efficient portfolio management of the assets of the Funds under the conditions and within the limits stipulated by the Financial Regulator under the UCITS Regulations.

Risk Profile:

The following risk factors apply to the Company:

The value of investments in the Funds, and income earned from them, can go down as well as up and an investor may not receive back the amount invested. There can be no assurance that the Funds will be able to achieve their investment objectives.

An investment in the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The investments of the Funds are subject to normal fluctuations and the risks inherent in investing in international securities markets, including, currency risk, investment manager risk, investment style risk, credit risk, settlement risk, liquidity risk, custody risk, legal and regulatory risk and stock market risk. The investment risks described above are not purported to be exhaustive and potential investors should review the Prospectus in its entirety, and consult with their professional advisers, before making an application for Shares.

Profile of a Typical Investor:

Investment in the High Yield Fund may be suitable for investors who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Fund's investments in emerging market securities and/or below investment grade securities.

Investment in the Emerging Markets Fund may be suitable for investors who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Emerging Markets Fund's investments in emerging market securities and/or below investment grade securities.

It is anticipated that the Funds' investors will be predominately European institutional investors, although it should be noted that Shares in the Funds will be available to both retail and non-European investors.

Distribution Policy:

It is the current intention of the Directors to declare and pay as a dividend at least 85% of the net income, subject to any *de minimis* threshold, attributable to each of the Distributing Classes, calculated in such a manner as to obtain "Distributor Fund" status for UK tax purposes. When available, it is intended that dividends will be declared and paid on or before 30 June in each year in relation to the net income of the Distributing Classes for the year ended the previous 31 December. Subject to income being available for distribution, the Directors may also decide to declare and pay interim dividends in relation to any of the Distributing Classes. All Shares in issue in a Distributing Class on any date on which the Directors determine to declare a dividend in respect of such Distributing Class will be eligible for such dividend.

Dividends will be paid by wire transfer in accordance with the bank account details nominated by the Shareholder on the Application Form unless the Shareholder shall have elected that dividends otherwise payable in cash be automatically re-invested in further Shares in the relevant Distributing Class. Dividends paid in cash will be paid in the class currency of the relevant Distributing Class.

Except as described above, the Company does not intend to declare dividends in respect of the Funds.

Fees and Expenses:

Shareholders Expenses

Upfront Sales Charges: Up to 5%

Redemption Charge: Nil

Exchange Charge: Nil

Annual Operating Expenses

Management Fee — High Yield Fund: up to 1.2% per annum of the Net Assets attributable to the US Dollar Adviser Accumulating Class, the Euro Adviser Accumulating Class, the Euro Adviser Unhedged Accumulating Class, the Sterling Adviser Accumulating Class, the US Dollar Adviser Distributing Class, the Sterling Adviser Distributing Class (the "Class "A" Shares") and up to 2.20% per annum* of the Net Assets attributable to the US Dollar Investor Accumulating Class, the Euro Investor Accumulating Class, the Euro Investor Unhedged Accumulating Class, the Sterling Investor Accumulating Class, the US Dollar Investor Distributing Class and the Sterling Investor Distributing Class (the "Class "B" Shares") and up to 0.60% per annum of the Net Assets attributable to the US Dollar Institutional Accumulating Class, the Euro Institutional Accumulating Class, the Euro Institutional Unhedged Accumulating Class, the Sterling Institutional Accumulating Class, the US Dollar Institutional Distributing Class and the Sterling Institutional Distributing Class (the "Class "I" Shares").

Management Fee — Emerging Markets Fund: up to 1.5% per annum of the Net Assets attributable to the Class "A" Shares and the JPY Adviser Accumulating Class Shares, up to 2.5% per annum* of the Net Assets attributable to the Class "B" Shares and the JPY Investor Accumulating Class B Shares and up to 0.75% per annum of the Net Assets attributable to the Class "I" Shares and the JPY Institutional Accumulating Class C Shares.

The Investment Manager will pay any sub-investment manager out of the investment management fee.

***Distribution Fee** — the Management Fee in respect of the Class "B" Shares and the JPY Investor Accumulating Class B Shares in the Emerging Markets Fund includes a Distribution Fee of up to 1% per annum of the Net Assets attributable to Class "B" Shares.

Administration Fee: up to 0.2% of net assets (subject to a minimum annual fee of US\$75,000 for each Fund).

Custody Fee: up to 0.03% (subject to a minimum annual fee of US\$30,000 for each Fund for trustee services).

The Manager, Investment Manager, Administrator, Custodian, Distributor and any sub-investment manager are entitled to recover all out of pocket expenses from the Company.

Total Expense Ratios for the year ended 31 December 2007

Share Class	High Yield Fund
US Dollar Institutional Accumulating Class	0.95%
US Dollar Advisor Accumulating Class	1.45%
US Dollar Investor Accumulating Class	2.45%
US Dollar Institutional Distributing Class	0.95%
Euro Institutional Accumulating Class	0.95%
Euro Advisor Accumulating Class	1.45%
Euro Investor Accumulating Class	2.45%
Sterling Institutional Distributing Class	0.95%

The TER for the High Yield Fund for previous years may be obtained from the Distributors.

Portfolio Turnover for the year ended 31 December 2007

High Yield Fund: 295.03

The portfolio turnover figures above include purchases and sales of Treasury Bills and daily sweeps into and out of money market funds for cash management purposes.

Taxation:

The Company is an investment undertaking within the meaning of Section 739B of the Irish Taxes Consolidation Act 1997 and is not chargeable to Irish tax on its relevant income or relevant gains subject to the exceptions as set out in the section entitled "Taxation" in the Prospectus. No Irish stamp duty is payable on the issue, redemption or transfer of shares in the Company.

Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Company.

Publication of Share Price:

The Net Asset Value per Share of each Fund is published daily in the Financial Times and is available from the office of the Administrator.

How to Buy / Sell Shares:

Investors may, subject to the provisions of the Prospectus, subscribe for Shares, redeem, exchange or transfer Shares on every Business Day directly through:

Lehman Brothers Alpha Fund plc
c/o BNY Fund Services (Ireland) Limited
Guild House
Guild Street
IFSC
Dublin 1
Ireland

Tel: +353-1-642-8111

Fax: +353-1-829-0839

The following minimum initial subscriptions & minimum holding amounts apply to the Funds:

Share Class	Minimum Initial Subscription	Minimum Holding
Class "I" Shares	US\$/€/£2,500,000/¥250,000,000	US\$/€/£10,000/¥1,000,000
Class "A" Shares	US\$/€/£10,000/¥1,000,000	US\$/€/£1,000/¥100,000
Class "B" Shares	US\$/€/£1,000/¥100,000	US\$/€/£100/¥10,000

Additional Important Information:

Directors William McCann, Robert Sargent, Tom Finlay, Bradley Okita

Manager Lehman Brothers Asset Management (Ireland) Limited

Administrator BNY Fund Services (Ireland) Limited

Custodian BNY Trust Company (Ireland) Limited

Investment Managers & Distributors

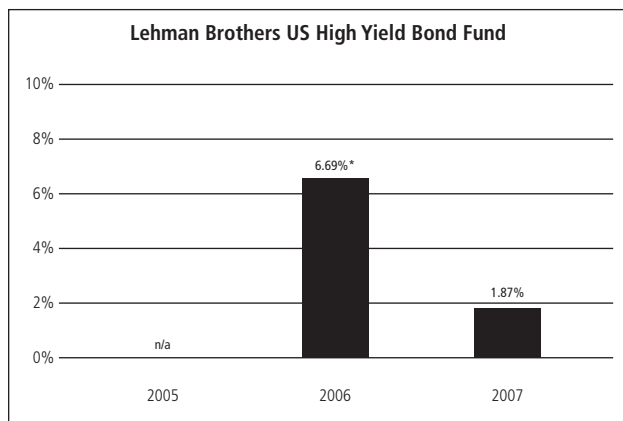
Promoter Lehman Brothers Asset Management (Europe) Limited

Auditor Ernst & Young

Additional information and copies of the Prospectus, the latest annual and half yearly reports may be obtained (free of charge) from the Administrator at the address above.

Appendix 1

Please note that past performance is not necessarily a guide to the future performance of the Company. The data below is exclusive of subscription and redemption fees, taxes and charges.



* Returns are since inception. For further details, please see Note 1.
Past performance may not be a reliable guide to future performance

