

RIVERCREST EUROPEAN EQUITY ALPHA FUND

A SUB-FUND OF FUNDLOGIC ALTERNATIVES PLC, AN IRISH UCITS FUND

FUND OBJECTIVE AND INVESTMENT STRATEGY

The RiverCrest European Investment Strategy is an opportunistic European- focused Long/ Short equity investment strategy.

The objective of the Strategy is to generate net absolute returns, independent of the market environment, principally by taking long and short positions in equities and equity-related securities of companies in the European markets. The balanced conviction long-short European equities focuses on alpha generation, risk management and capital preservation.

The philosophy is to identify, invest and exploit core value creating/destroying stocks across European equity markets in order to maximise intended outcomes and minimise unintended outcomes.

RiverCrest Capital provides an institutional framework and leading edge systems in support of its investment teams and the funds offered by RiverCrest share the common investment philosophy of liquidity, transparency and rigour in risk management to complement the stated goal of delivering high alpha returns to investors.

The sub-fund provides shareholders with a return linked to the performance of the RiverCrest European Investment Strategy through the use of total return swaps.

INVESTMENT MANAGER

RiverCrest Capital LLP was established in 2011 by Rod Barker and Pacific Investments PLC, a highly experienced and successful long term investor in the industry having backed Thames River Capital, Nevsky Capital, River & Mercantile and Liontrust. Rod has 25 years' experience in financial services spanning institutional equities, prime brokerage and investment management, of which over 10 years is directly in hedge fund business management.

The fund is managed by Giles Worthington and Tim Short, formerly Head of Equities and Risk Management at M&G respectively.

HISTORICAL MONTHLY RETURNS

Share B (GBP)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	YTD*
2011	-	-	-	-	-	-	-	-	-	-	-	0.22%	0.22%
2012	0.63%	-1.24%	-0.43%	0.74%									-0.30%

Source: Morgan Stanley / Northern Trust. The above figures refer to the past. Past performance is not a reliable indicator of future results. Performance is quoted net of fees and based on unaudited figures.
*December 2011 performance from 2nd December 2011.

INVESTMENT MANAGER COMMENTARY ²

During April, the Fund returned +0.74% (net) against the European Equity market which fell -4.58% (FTSE World Europe GBP). The Fund achieved a positive performance in a negative European equity market primarily due to the momentum and growth style tilt contributing +1.73%.

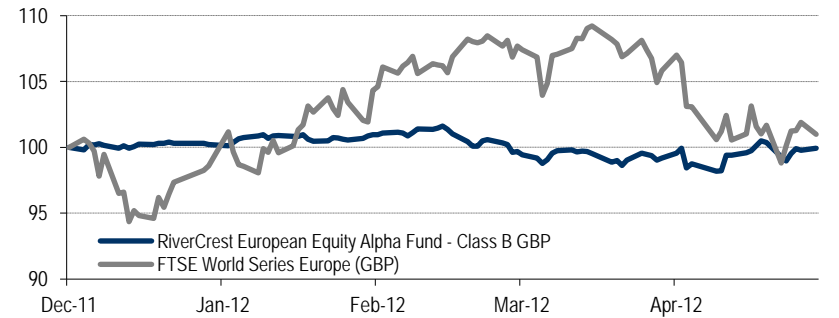
The European market backdrop was, once again, one of sovereign risk and a flight to safety and quality. Country specific volatility remains elevated and this is borne out with Spain being the worst market (-12.5%) and the UK the best (-0.5%). This gyration in the country risk factor is leading to higher stock dispersions across Europe, which is not driven by fundamentals and is particularly prominent in the French and Spanish markets.

The Fund saw a good spread of returns from both longs and shorts, including Remy Cointreau (contributing +0.2%) and BMW (contributing +0.1%) on the long side and shorts in Societe General (contributing +0.3%) and ST Microelectronics (contributing +0.6%). Our position in BT detracted -0.2%, primarily due to profit taking, and Repsol detracted -0.5%, due to concerns over the YPF Argentinian division. Generally stock specific (alpha) returns were mixed but produced a flat outcome in terms of total return to the Fund. The market continues to be ravaged by European sovereign issues, but we have continued to find value destroyers which add to the Fund's performance whilst generating total fund risk benefits, such as Vivendi, ST Microelectronics, Iberdrola and BBVA and also value creators such as BMW, Remy-Cointreau,

FUND CHARACTERISTICS

Inception Date	2nd December, 2011
Total Assets (GBP)	£12 Million
Base Currency	GBP
Domicile	Ireland
Passporting Status (registered in)	UK, Italy, France
Legal Structure	An Open-Ended Investment Company (OEIC)
Dealing Day	Weekly. Every Friday (except legal public holidays in the UK and Ireland and days on which stock markets in London are closed)
Subscription/ Redemption notice	5pm Irish time, 3 business days prior to the relevant dealing day
Settlement	Subscription: Dealing Day +3 Redemption: Dealing Day +5
Currency Classes Available	EUR / USD / GBP
Investment Manager	Pacific Capital Partners Ltd
Investment Adviser	RiverCrest Capital LLP
Promoter & Distributor	Morgan Stanley & Co International plc
Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Auditor	Ernst & Young

PERFORMANCE ¹



Source: Morgan Stanley, Northern Trust, Bloomberg.
The above figures refer to the past. Past performance is not a reliable indicator of future results.

Amadeus and Aggreko.

Correlations in equity markets have risen across the board during the month, due to fears over Spain, elections in France and on-going policy inaction from European leaders. Our Fund volatility continues to remain fairly constant at around 5.5%, despite total market volatility above 24%, and our net beta has remained constant, below 0.2.

We maintain a reasonably high gross exposure of around 160-170% (up from around 83% at inception), as we build on our core positions long and short. We will continue to monitor our volatility, which remains well balanced between the long and short portfolios. We continue to seek opportunities to exploit the polarisation of value destroying and value creating companies in Europe.

We noted last month that style trends in the market had been volatile and had favoured 'value'; in April this returned in favour of the Fund, assisted by our quality and growth tilts. Whilst we do not see any quick resolution to Europe's debt and low growth issues, we would hope that growth and momentum styles continue to perform into the summer and allow stock fundamentals to assert themselves more as macro concerns rise and fall in investors' minds. The Fund's correlation to the market remains very low at -0.09 (measured using discrete weekly returns versus FTSE World Europe in GBP).

¹ Index information is included for illustration purposes only and is not intended to imply that the portfolio was similar to any index either in composition or element of risk.
² Information sourced from Pacific Capital Partners Ltd



FIGURES BELOW REPRESENT EXPOSURE TO THE RIVERCREST INVESTMENT STRATEGY

TOP HOLDINGS ³

TOP 5 LONGS	
COMPANY / SECTOR	% of NAV
BT GROUP PLC	3.43%
FRESENIUS MEDICAL CARE AG UND CO. KGAA	3.36%
VALEO SA	3.27%
BG GROUP PLC	3.21%
SHIRE PLC	3.09%
	16.36%

Source: Morgan Stanley

TOP 5 SHORTS	
COMPANY / SECTOR	% of NAV
TOTAL SA	-3.42%
ROYAL DUTCH SHELL PLC	-3.38%
ASTRAZENECA PLC	-3.07%
HSBC HOLDINGS PLC	-2.96%
BHP BILLITON PLC	-2.73%
	-15.55%

Source: Morgan Stanley

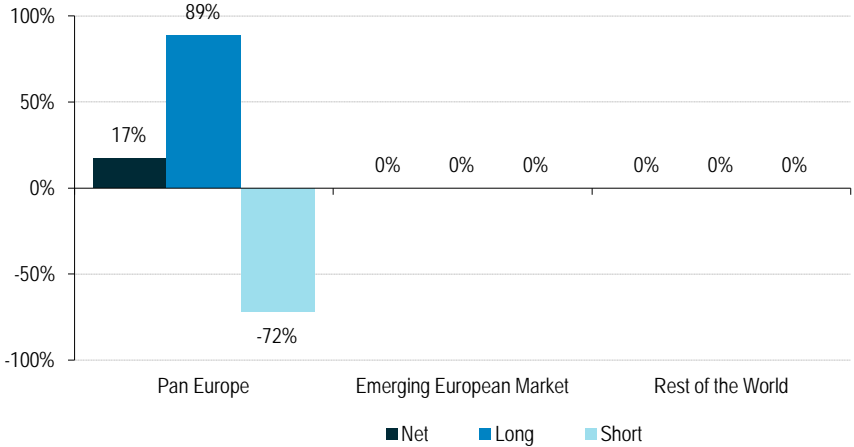
RISK METRICS ⁴

EXPOSURE AND RISK SUMMARY	
	% of NAV
Long Exposure	88.6%
Short Exposure	-71.5%
Gross Exposure	160.1%
Net Exposure	17.1%
Annualised Volatility ⁶	5.81%

Number of Positions	
No. of Longs	45
No. of Shorts	45

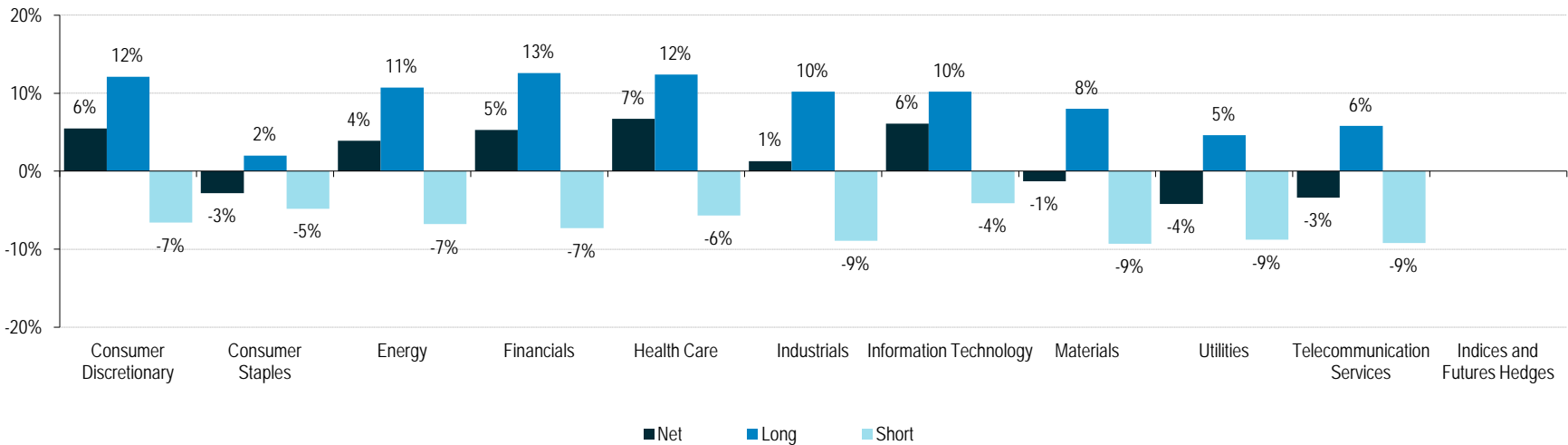
Source: Morgan Stanley / RiverCre

GEOGRAPHIC ANALYSIS ^{4, 5}



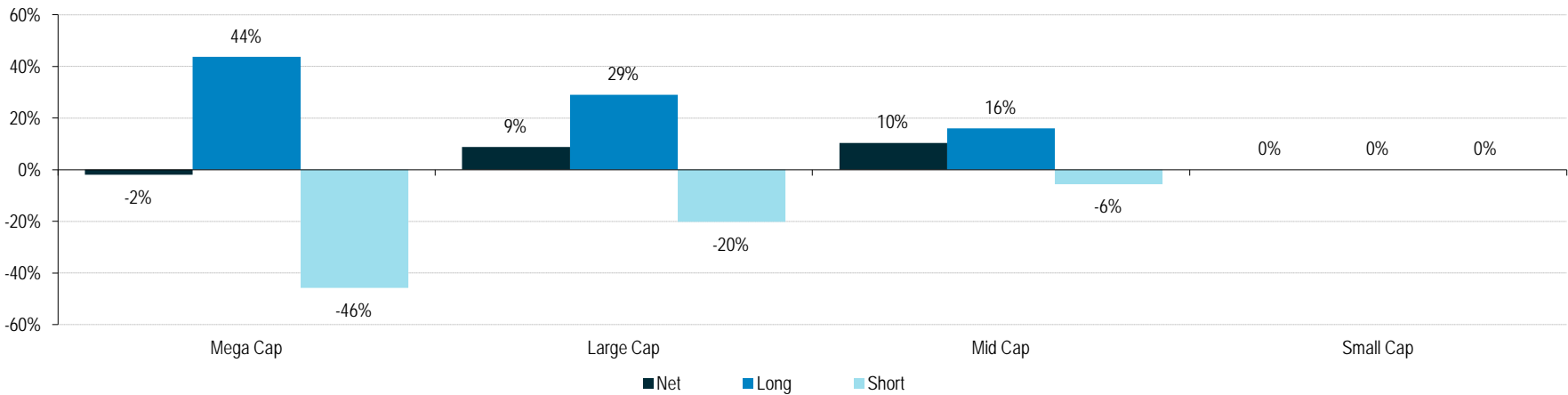
Source: Morgan Stanley

SECTOR ANALYSIS ⁴



Source: Morgan Stanley / RiverCre

MARKET CAPITALISATION ANALYSIS (EQUITIES) ^{3, 7}



Source: Morgan Stanley

³ Delta adjusted, excludes market hedges.

⁴ Delta adjusted, includes market hedges.

⁵ Per country of issue of the underlying.

⁶ Indicative values as insufficient data points for statistical calculations. The volatility is provided by RiverCrest Capital LLP and computed as predicted volatility by Barra.

⁷ Mega Cap (>= 20 billion); Large Cap (>= 5 billion, < 20 billion); Mid Cap (>= 1 billion , < 5 billion); Small Cap (> 0, < 1 billion) .

FUND SHARE CLASS DETAILS

Share Class				Performance				Identifiers			Fees		
	Ccy	Min Inv	Launch Date	NAV	MTD	YTD	LTD	ISIN	BBG	SEDOL	Mgmt	Perf.	TER ⁸
Class B	GBP	100,000	02/12/2011	999.16	0.74%	-0.30%	-0.08%	IE00B6XDR955	FLRCEEU ID	B6XDR95	0.6%	20%	1.0%
Class B	EUR	100,000	02/12/2011	997.34	0.71%	-0.46%	-0.27%	IE00B6XJR598	FLRCEBE ID	B6XJR59	0.6%	20%	1.0%
Class B	USD	100,000	02/12/2011	998.13	0.69%	-0.38%	-0.19%	IE00B76MJB26	FLRCEBU ID	B76MJB2	0.6%	20%	1.0%

⁸ Total Expense Ratio includes Management Fees and Promoter Fees.
Source: Morgan Stanley. NAV are computed by Northern Trust.

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