

**First Norway Alpha
 (the “Fund”)**

LSAM SF 3 plc (the “Company”)

An open-ended umbrella investment company with variable capital authorised under the laws of Ireland established as an umbrella fund with segregated liability between sub-funds

This simplified prospectus contains key information in relation to the Fund which is a sub-fund of LSAM SF 3 plc an open-ended umbrella investment company with variable capital incorporated in Ireland on 11 September 2006 with registered number 426254 and authorised on 9 May 2007 by the Financial Regulator under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. Number 211 of 2003), as amended. The Company is organised in the form of an umbrella fund with segregated liability between sub-funds.

Potential investors are advised to read the full Prospectus dated 9 May 2007 and the Supplement for the Fund dated 14 November 2007 before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the full prospectus.

There are currently six other Funds in the Company, namely:-

- (1) Lantern MSCI World TR Index Tracker Fund;
- (2) Risk Adjusted Dynamic Alpha (RADA) Fund;
- (3) CMCI CHF Tracking Fund;
- (4) CMCI GBP Tracking Fund;
- (5) Global Equity Alpha (ELSA) Fund; and
- (6) First Norway Delta.

The Base Currency of the Fund is Norwegian Krone (NOK).

Investment Objective

The investment objective of the Fund is capital appreciation through exposure principally to equity securities of Norwegian listed companies. The Fund may also be exposed to equity securities of companies listed on other developed market exchanges, including those in Europe and the United States of America. The Fund attempts to generate an absolute return unrelated to the general trend of the Norwegian market. The exposure to equity securities is provided through the Swap Agreement with the Swap Counterparty.

Investment Policy and Strategy

Investment Policy

For the purpose of meeting its investment objective, the Fund will enter into one or more swap agreements negotiated at arm’s length with the Swap Counterparty (collectively the “Swap Agreement”). The Swap Agreement provides that the Swap Counterparty will pay the financial performance of the Strategy described under “Investment Strategy” based on the notional amount of the Swap Agreement i.e. the Swap Agreement delivers the Investment Strategy to the Fund, which Investment Strategy will be implemented in accordance with the investment decisions made from time to time by the Investment Manager. The notional amount of the Swap Agreement will be the proceeds raised at the Closing Date and, in the case of subsequent subscriptions and/or redemptions, the notional amount will be adjusted accordingly. The Swap Agreement may be terminated or otherwise cancelled in accordance with its terms.

The Swap Agreement will be valued on a consistent and daily basis by the Swap Counterparty and verified independently on a daily basis in accordance with the prevailing market parameters. The Fund will obtain verification of the swap valuation from an entity outside the UBS group on not less than a six monthly basis. The Swap Counterparty will provide a trading price at which the Fund can increase or decrease the Swap Agreement notional amount at any time to permit the necessary adjustments upon the issue and redemption of Shares. Under the Swap Agreement, the Swap Counterparty will pay to the Fund an amount which corresponds to the service providers’ fees plus any additional expenses incurred by the Fund.

The Swap Counterparty will provide collateral to the Fund so that the Fund's risk exposure to the Swap Counterparty is reduced to the extent required by the Financial Regulator. Since 100% of the NAV of the Fund is exposed to the Swap Counterparty under the Swap Agreement, the Swap Counterparty will

post collateral with the Custodian for the benefit of the Fund which will have a value of at least 90% of the NAV of the Fund. Collateral means assets delivered pursuant to the Credit Support Annex to the Swap Agreement and which constitute acceptable collateral in accordance with the requirements of the Financial Regulator.

Investment Strategy

The Investment Manager intends to achieve the Fund's objective using a long/short equity strategy delivered through the Swap Agreement. The Investment Manager will seek both long and short exposures to equity securities, principally in Norway, but which may also include equities listed in other developed markets, including those in Europe and the USA. The equity exposure will be diversified by issuer and sector in order to generate absolute returns unrelated to the performance of the general Norwegian equity market. Accordingly, the investment strategy is intended to be market neutral. A "long" exposure to a particular equity provides a positive return to the Fund when the price of such equity rises. A "short" exposure to a particular equity provides a positive return when the price of such equity falls. Such long and short exposure will be defined in the Swap Agreement, and as such will be notionally delivered to the Fund by the Swap Counterparty through same Swap Agreement.

The Fund will normally have an exposure through the Swap Agreement to long positions of approximately 80% of its net assets, and approximately 80% of its net assets to short positions. Accordingly, the absolute amount of the Fund's exposure to Norwegian equities through the Swap Agreement will be approximately 160% of NAV. As such long and short exposures should not involve a significant cash commitment, the Fund will also earn through the Swap Agreement an interest rate return on the notional amount of the Swap Agreement. The Fund may have an exposure to other assets, including fixed and floating rate debt securities, cash and cash equivalents on an ancillary basis. Any such exposure will be defined in the Swap Agreement, and as such will be notionally delivered to the Fund by the Swap Counterparty through same Swap Agreement.

Investment decisions will be made by the Investment Manager based on a robust and disciplined fundamental process which focuses on the analysis of companies' valuations and growth potential. The fundamental analytical process is built on an in-depth understanding and interpretation of relevant key financial ratios and accounting figures. This is then combined with a continuous analysis of the equity's relative pricing to peers and to the market in general. The idea generation is therefore primarily 'bottom-up' driven; however, the Investment Manager will at times seek to take advantage of current sector and/or macro views when allocating risk and constructing the portfolio.

The Investment Manager aims to take advantage of both positive and negative company views through a risk management and portfolio construction process which seeks to maximise the risk-adjusted return.

Positive as well as negative company views will be ranked on a risk adjusted basis. This ranking will be the basis for the sizing of active positions and the entire portfolio construction process. The Investment Manager will seek to maximize intentional stock specific risk and at all time monitor and manage aggregated systematic exposures in the portfolio. All potential changes to the portfolio are subject to 'pre-trade' risk analysis. This is conducted in order to verify that all potential changes have the desired risk and portfolio characteristics before they are implemented.

The absolute amount of the Fund's exposure to Norwegian equities through the Swap Agreement will be approximately 160% of NAV. The Fund will use Value at Risk ("VaR") methodology to measure the Fund's market risk in accordance with the requirements of the Financial Regulator. In order to ensure that the VaR limit is not breached, the Fund may alter its exposure within the boundaries set out under the Investment Strategy above at any time.

Risk profile

Investor's attention is drawn to the risk factors set out in the Prospectus and to the following additional risk factors.

Investors should note that the value of the shares may fall as well as rise and investors may not receive back the amount invested.

Investment risk: the Fund is exposed to the investment risk arising from the reference assets underlying the Swap Agreement. The Fund is therefore exposed to the risks inherent in investments in Norwegian equity securities, and also equities listed on other developed market exchanges including those in Europe and

the USA. The Fund does not have a capital protection feature and as such the full amount subscribed by an investor is at risk.

Short Sales Risk: the Fund may have an exposure through the Swap Agreement equivalent to selling equities short. Such notional short sales involve costs and risk.

If a security sold short increases in price, the Fund may have to cover its short exposure at a higher price than the short sale price, resulting in a loss. The Fund may not be able to close out a short exposure at an acceptable price and may have to notionally sell related long positions before it had intended to do so. Because the Fund's loss on a short exposure arises from increases in the value of the security, such loss is theoretically unlimited. In certain cases, notionally purchasing a security to cover a short position can itself cause the price of the security to rise further, thereby exacerbating the loss.

Short exposures involve certain transaction costs which are different from long exposures e.g. the Fund will normally be charged an amount equal to any dividends or interest that accrues during the short exposure together with a charge for notionally borrowing such securities. Additionally, the Fund must maintain sufficient liquid assets to cover its obligations arising from the short exposure. This may limit the Fund's investment flexibility.

Portfolio Turnover Risk: as part of the investment strategy, the equities underlying the Swap Agreement may be traded frequently. Accordingly, the Fund's transaction costs may be greater than a similar fund following a "buy and hold" investment strategy.

Performance Fees: the performance fee is based on net realised and net 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 is based on the outperformance during a calculation period of the Fund over a benchmark hurdle rate. However, there is no requirement for the performance of the Fund to be positive during that calculation period. Accordingly, performance fees may be paid even when the NAV per unit of the Fund falls from one calculation period to the next.

Counterparty Risk: as a result of the investment by the Fund in the Swap Agreement, the Fund is exposed to the risk that the Swap Counterparty may default on its obligations to perform under this agreement. In assessing this risk, investors should recognise the protection offered by the regulatory requirement that the Swap Counterparty post collateral for the benefit of the Fund when the exposure to the Swap Counterparty under the Swap Agreement exceeds 10% of the NAV of the Fund. The Swap Counterparty will provide collateral to the Fund so that the Fund's risk exposure to the Swap Counterparty is reduced to the extent required by the Financial Regulator.

Use of Derivatives: the Swap Agreement is a structured derivative transaction. While the prudent use of such a derivative can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. Structured derivative transactions are complex and may involve a high degree of loss. The aim of the Swap Agreement is to deliver the Fund's investment objective, and, as such, the use of the Swap Agreement is not speculative in nature.

Profile of a Typical Investor The Fund is suitable for retail investors (NOK/RA class) and institutional investors (NOK/IA class) who consider investment in the Fund as a convenient way of seeking capital appreciation through exposure to Norwegian listed companies.

Distribution policy The Fund will pursue an accumulation policy and will not make any distributions of dividends.

Fees and expenses

Share Class	Maximum Subscription fee	Maximum Switching fee (between funds)	Maximum Redemption fee	Maximum Fund Operating Fee*
NOK/IA	Up to 1%	Up to 0.1%	Up to 0.5%	1%
NOK/RA	Up to 3%	Up to 0.1%	Up to 0.5%	1.5%

*The Fund will pay the Managers fee up to a maximum of 1% per annum of the net asset value for the NOK/IA class and up to a maximum of 1.5% per annum of the net asset value for the NOK/RA class. The Manager will pay any Investment Manager, Administrator and Custodian fees out of the

	<p>management fee.</p> <p>Performance Fee</p> <p>Under the provisions of the Management Agreement, the Fund will pay the Manager a fee of 20% of the performance of the Fund over a benchmark hurdle rate, being the annual performance of the OBX Statebonds 0.25 Index, a Norwegian treasury bill total return index (Bloomberg code ST1X Index). This index is sponsored and calculated by Oslo Bors, the Norwegian stock exchange; it measures the performance of Norwegian short term government securities with a fixed duration of 3 months.</p> <p>The first calculation period begins on the Effective Date and ends on the last Valuation Date of the following calendar year; subsequent calculation periods run for a calendar year and hence finish on the last Valuation Date of each year. The initial offer price is taken as the starting point for the performance fee calculations for the first calculation period. A performance fee is payable only where:</p> <ul style="list-style-type: none"> • the increase in NAV (before performance fees) in respect of any calculation period is higher than the increase in the benchmark in respect of such calculation period; • any underperformance of the NAV versus the benchmark in preceding calculation periods has been clawed back. <p>The calculation of the performance fee will be verified by the Custodian. This performance fee is accrued daily and is payable annually in arrears.</p> <p>Total Expense Ratio Not applicable at the date of this document. Portfolio Turnover Ratio Not applicable at the date of this document.</p>
<p><u>Past Performance Data</u></p>	<p>Not applicable at the date of this document.</p>
<p><u>Taxation</u></p>	<p>The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile and in the light of their particular circumstances.</p>
	<p>The Company: It is intended that the Company will be resident in Ireland for tax purposes. The Company is not subject to Irish tax on its relevant income or gains. No liability in respect of Irish capital duty or stamp duty will arise in respect of the issue, reissue, transfer, repurchase or redemption of shares in the Company. In certain circumstances, the Company may not be able to benefit from a reduction in the rate of withholding taxes by virtue of the double taxation agreements in operation between Ireland and other countries.</p>
	<p>Shareholders: Where exempt Irish resident shareholders and shareholders who are not Irish resident for taxation purposes have a relevant declaration in place, they will not be liable to Irish corporation tax, capital gains tax or withholding tax in respect of disposals or repurchases of shares unless they are held in connection with a trade or business carried on in Ireland through a branch or agency. No tax liability arises on conversion of shares of one Fund into shares of another Fund.</p> <p>Shareholders who are either resident or ordinarily resident in Ireland for taxation purposes will be liable to have withholding tax at the standard rate of income tax (20%) plus an additional levy of 3% applied on the difference between the amount payable to the shareholder less the amount invested by that shareholder. This withholding tax is deducted by the Company in respect of disposal, redemption, cancellation, repurchase or assignment of shares.</p> <p>Please see the Taxation section in the Fund Prospectus for further details.</p>

<u>Publication of share price</u>	The net asset value per share of the Fund is published daily on Bloomberg and also updated daily on the Internet (www.ubs.com/keyinvest). The net asset value per share will also be available from the Administrator.									
<u>How to buy / sell shares</u>	<p>Shares may be subscribed/redeemed on a daily basis for the Fund. Applications for subscriptions must be received by the Administrator no later than 12.00 noon (Dublin time) on the Fund Business Day immediately preceding the relevant Closing Date with cleared funds received by the Administrator no later than close of business (Dublin time) on the Closing Date during the initial offer period. Following the initial offer period applications for subscriptions must be received by the Administrator by 9.00 a.m. (Norwegian time) on the relevant Valuation Date with cleared fund received no later than close of business (Dublin time) on the relevant Valuation Date.</p> <p>Applications for redemptions must be received by the Administrator no later than 9.00 a.m. (Norwegian time) on the relevant Valuation Date. Details of how to subscribe or redeem Shares in the Funds are set out in the Supplement, and for further details, investors should contact UBS Fund Services (Ireland) Ltd at the address indicated below.</p> <p>The price per Share during the initial offer period and the minimum subscription in relation to the Shares are:</p> <table border="1" data-bbox="359 779 1332 880"> <thead> <tr> <th>Share Class</th> <th>Share Price during Initial Offer Period</th> <th>Minimum Subscription</th> </tr> </thead> <tbody> <tr> <td>NOK/IA</td> <td>NOK 1,000</td> <td>NOK 40,000,000</td> </tr> <tr> <td>NOK/RA</td> <td>NOK 1,000</td> <td>NOK 100,000</td> </tr> </tbody> </table>	Share Class	Share Price during Initial Offer Period	Minimum Subscription	NOK/IA	NOK 1,000	NOK 40,000,000	NOK/RA	NOK 1,000	NOK 100,000
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NOK/IA	NOK 1,000	NOK 40,000,000								
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<u>Additional important information</u>	<p>Management Company: Lantern Structured Asset Management Limited 1 George's Quay Plaza George's Quay Dublin 2 Ireland</p> <p>Promoter and Global Distributor: UBS Limited 1 Finsbury Avenue London EC2M 2PP United Kingdom</p> <p>Irish Legal Advisers: McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2 Ireland</p> <p>Investment Manager: First Securities ASA Fjordalleen 16 Aker Brygge Postbox 1441 Vika 0115 Oslo Norway</p> <p>Custodian: UBS (Luxembourg) S.A., Dublin Branch 1 George's Quay Plaza George's Quay Dublin 2 Ireland</p> <p>Administrator: UBS Fund Services (Ireland) Limited 1 George's Quay Plaza George's Quay Dublin 2 Ireland</p>									

	<p>Auditors: KPMG 1 Harbourmaster Place IFSC Dublin 1 Ireland</p> <p>Directors: Henrik de Koning Jeremy Stenham Thomas Stokes Colm Torpey</p> <p>Supervisory Authority: Financial Regulator, Ireland (www.financialregulator.ie)</p> <p>Additional information and copies of the full Prospectus, the latest annual and half yearly reports may be obtained (free of charge) from UBS Fund Services (Ireland) Limited at the above address.</p>
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