



LANTERN ASSET MANAGEMENT, L.P.
LANTERN CAPITAL PARTNERS, L.P.
(“*Lantern*”)

FORM ADV, PART 2A
(the “*Brochure*”)

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This Brochure provides information about the qualifications and business practices of Lantern. If you have any questions about the contents of this brochure, please contact us at (469) 554-7900. 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. Additional information about Lantern also is available on the SEC’s website at www.adviserinfo.sec.gov.

This Brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of applicable offering documents that contain a description of the material terms relating to such investments, products or services.

ITEM 2: MATERIAL CHANGES

This is the initial version of the Brochure, so there are no material changes to report in this item. In connection with the annual updating amending to the Brochure, we will revise this item to include a summary of any such material changes.

The information set forth in this Brochure is qualified in its entirety by the applicable governing and offering documents. In the event of a conflict between the information set forth in this Brochure and the information in the applicable offering or governing documents, such documents will control. We encourage all clients and investors to review this Brochure in its entirety.

ITEM 3: TABLE OF CONTENTS

ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: ADVISORY BUSINESS.....	4
ITEM 5: FEES AND COMPENSATION	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	8
ITEM 7: TYPES OF CLIENTS	9
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS...	9
ITEM 9: DISCIPLINARY INFORMATION	17
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	17
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	19
ITEM 12: BROKERAGE PRACTICES	21
ITEM 13: REVIEW OF ACCOUNTS.....	22
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	22
ITEM 15: CUSTODY	23
ITEM 16: INVESTMENT DISCRETION.....	23
ITEM 17: VOTING CLIENT SECURITIES.....	23
ITEM 18: FINANCIAL INFORMATION.....	24

ITEM 4: ADVISORY BUSINESS

Firm Overview

Lantern Asset Management, L.P., a Delaware limited partnership and asset management firm (“**LAM**”), was formed in 2010 and Lantern Capital Partners, L.P., a Delaware limited partnership and private equity firm (“**LCP**” and, together with LAM, “**Lantern**”), was established in 2014. Lantern provides or will provide investment advisory and supervisory services with respect to private equity funds and other pooled investment vehicles.

LCP and certain other affiliates of Lantern (including the GP, as defined below) (collectively, “**Relying Advisers**”) rely and may rely on Lantern’s registration instead of separately registering as investment advisers with the Securities and Exchange Commission (the “**SEC**”) under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). LCP, LAM and each Relying Adviser are or will be under common control and are subject to a unified compliance program administered by a single Chief Compliance Officer. References throughout this Brochure to Lantern include LAM, LCP and each Relying Adviser, as appropriate. See **Item 10**.

Principal Owners

LAM is ultimately owned and controlled by L. Andy Mitchell. The general partner of LCP is ultimately owned and controlled by Mr. Mitchell and the limited partners of LCP are Mr. Mitchell, Thomas Schmidt, Milos Brajovic and William Srinivasan (collectively, the “**Principals**”). For more information regarding the ownership of Lantern, please see Schedules A and B of Part IA of Form ADV.

Types of Advisory Services

Lantern serves and will serve as investment manager to various affiliated private equity funds, including Lantern Capital Partners Fund I (A), L.P., a Delaware limited partnership (“**LCPF I A**”), Lantern Capital Partners Fund I (E), L.P., a Delaware limited partnership (“**LCPF I E**”), Lantern Capital Partners I (U), L.P., a Delaware limited partnership (“**LCPF I U**”), LCPF I Holdings (A), L.P., a Delaware limited partnership (“**Holdings A**”), and LCPF I Holdings (E), L.P., a Delaware limited partnership (“**Holdings E**” and, together with LCPF I A, LCPF I E, LCPF I U and Holdings A, “**LCPF I**”), and may in the future serve as investment manager to one or more additional affiliated private equity funds (collectively, the “**Lantern Funds**”). LCPF I A, LCPF I E and LCPF I U will invest substantially all of their respective assets, directly or indirectly, in Holdings A and Holdings E and all investments will be made by Holdings A or Holdings E. LCP I GP, LLC, an affiliate of LCP, serves as general partner (“**GP**”) to LCPF I. LCP has entered into a services agreement with LAM, pursuant to which LAM and various professionals associated therewith will provide various services in connection with the diligence, underwriting and monitoring of investments at no additional charge to investors. LAM will provide, among other things, origination, underwriting and asset management services to Portfolio Company (as defined below) investments of LCPF I and other Lantern Funds.

Lantern or an affiliate serves, or may in the future serve, as the general partner or managing member to single-purpose acquisition vehicles established for the purpose of acquiring private equity investments, which are generally referred to as “**Portfolio Companies**”. To the extent there are third party co-investors in such acquisition vehicles, in addition to Lantern, an affiliate thereof, or a Lantern Fund, the vehicle may be deemed a private fund client of Lantern (“**Acquisition Vehicles**”) including, but not limited to, Bluejack Holdings, LLC (“**Bluejack**”).

In addition to the Lantern Funds and Acquisition Vehicles, Lantern also may in the future provide investment advisory services with respect to one or more other advisory clients.

Separate and apart from the advisory services provided in respect of the Lantern Funds and other advisory clients, LAM or an affiliate also serves and may serve as an asset manager with respect to certain other investments or entities (“*legacy investments*”). LAM does not provide any investment advisory services with respect to any of these legacy investments and they are not advisory clients of Lantern.

Assets under Management

As of December 31, 2015, Lantern had approximately \$68 million in non-discretionary regulatory assets under management.

Investment Mandates

The Lantern Funds and other clients generally are and will be managed in accordance with the investment objectives, strategies and guidelines set forth in the applicable confidential offering memorandum, organizational and governing documents and other related documents (collectively, the “***Governing Documents***”). Lantern provides or will provide investment advice to its advisory clients in accordance with the investment objectives, strategies, guidelines, restrictions and limitations described in the applicable Governing Documents, and the information in this Brochure is qualified in its entirety by the information set forth in such documents. Investors generally are not permitted to impose restrictions or limitations on the management of the Lantern Funds or other clients.

Notwithstanding the foregoing, an initial investor in LCPF I will have certain preferential economic and non-economic rights and terms with respect to LCPF I and Lantern (including, without limitation, certain consent, notification, transparency, information and other preferential rights and terms). The initial investor and its affiliates are not sponsors or promoters of LCPF I, do not owe any fiduciary duties or other special duties or obligations to LCPF I or any of the other investors and may have interests that conflict with LCPF I and the other investors. See **Item 10**.

Lantern or an affiliate may also enter into side letters or similar agreements or arrangements with certain investors that alter, change or modify the terms of the interests held by those investors.

Information about each Lantern Fund and other advisory client is set forth in its Governing Documents, which are available to current and eligible prospective investors only through Lantern.

ITEM 5: FEES AND COMPENSATION

Lantern and its affiliates generally receive or may receive various fees and other compensation with respect to the Lantern Funds and other clients as set forth in the applicable Governing Documents. A summary of the fees and compensation is set forth below, which is qualified in its entirety by the applicable Governing Documents of each client.

Management Fees & Carried Interest

With respect to each fiscal quarter commencing prior to the end of the investment period, each Lantern Fund generally will pay Lantern or an affiliate a management fee (“***Management Fee***”) equal to a percentage (typically 2.0% per annum) of the total investor capital commitments. With respect to any fiscal quarter commencing after the end of the investment period, the Management Fee generally is equal to a percentage (typically 2.0% per annum) of aggregate invested capital of investors. Management Fees generally are payable quarterly in advance and may be paid from capital called from investors or other amounts available for distribution. Management Fees with respect to LCPF I and other Lantern Funds generally are subject to reduction with respect to Portfolio Company Fees (as defined below) and any

organizational expenses in excess of the applicable organizational expense cap and as otherwise provided in the applicable Governing Documents.

An affiliate of Lantern generally is entitled to receive a carried interest distribution with respect to each Lantern Fund equal to a percentage of profits derived from the disposition of investments and current income (following a return of aggregate capital contributions and a preferred rate of return to investors) (the “**Carried Interest**”), as described in the applicable Governing Documents for each Lantern Fund. Upon final dissolution of the Lantern Fund, Lantern or an affiliate is generally required to return Carried Interest distributions to the extent that such distributions exceed the amounts that would have been distributed if such Carried Interest distributions were calculated on the aggregate basis covering all of the Lantern Fund’s transactions (subject to terms and limitations set forth in the applicable Governing Documents.) Carried Interest distributions generally are calculated upon the disposition of portfolio investments or the receipt of current income and are distributed to Lantern or affiliate following the return of capital contributions and a preferred return to investors. A portion of the Carried Interest otherwise distributable to an affiliate of Lantern generally will instead be deposited into a segregated escrow account in the name of or for the benefit of a Lantern Fund in order to facilitate the payment of any clawback amounts.

Lantern has entered into an agreement with an initial investor pursuant to which it will have the right to receive a portion of the compensation otherwise payable to Lantern by LCPF I. See **Item 10**.

Subject to the terms of the applicable Governing Documents, Lantern or an affiliate may waive or reduce Management Fees or Carried Interest distributions for certain investors or classes of investors, in its discretion. Additionally, Lantern and its affiliates generally will not be subject to Management Fees or Carried Interest. Management Fees and/or Carried Interest generally are not negotiable for new investors.

Portfolio Company Fees

Lantern and its affiliates generally may from time-to-time receive arrangement, monitoring, directors’ acquisition, break-up and other fees from or with respect to Portfolio Companies or prospective Portfolio Companies (“**Portfolio Company Fees**”). Such Portfolio Company Fees generally will be allocated among LCPF I and any other entities managed or advised by Lantern or its affiliates based on their relative amounts invested in such Portfolio Company or prospective Portfolio Company. Pursuant to terms set forth in applicable Governing Documents, 100% of the Lantern Fund’s allocable share of any Portfolio Company Fees will be applied to reduce future Management Fees otherwise payable by the investors. The pro rata share of Portfolio Company Fees paid to Lantern or an affiliate that are attributable to co-investment activities on behalf of funds or accounts other than LCPF I will not be subject to offset of Management Fees. Moreover, an initial investor in LCPF I will be entitled to receive a portion of the Portfolio Company Fees received by Lantern in connection with LCPF I’s activities that will not result in an offset to the Management Fees.

Fund Expenses

Lantern or an affiliate generally is responsible for payment of its normal operating overhead, including office rental (“**Manager Expenses**”).

Each Lantern Fund generally bears the legal and other expenses incurred by or on behalf of such Lantern Fund, GP or their respective affiliates in connection with the organization and marketing of such Lantern Fund and the offering of interests therein (the “**Organizational Expenses**”) up to a cap on such expenses set forth in the applicable Governing Documents. Organizational Expenses in excess of the applicable cap will be paid by the Lantern Fund but ultimately borne by Lantern through an amortized offset against the Management Fee.

In addition to Management Fees, each Lantern Fund is generally responsible for all costs, expenses and liabilities relating to its operations (“**Fund Expenses**”), which typically include (among other things): (i) internal and external accounting, counsel, consulting and other out-of-pocket fees, costs and expenses relating to the actual or proposed acquisition, holding or disposition of securities (including, without limitation, broken deal expenses of the Lantern Fund, brokerage and custody costs and hedging costs charged to the Lantern Fund); (ii) all expenses of the Lantern Fund relating to investigating, acquiring, monitoring, distributing and disposing of investments (including, without limitation, travel (which may include first, business or coach class commercial travel or private charter travel, lodging, and meals), meals and entertainment expenses and other out-of-pocket expenses); (iii) indemnification amounts payable to persons entitled to indemnification under the Governing Documents; (iv) all taxes imposed on the Lantern Fund and all litigation expenses (and any judgments or settlements paid in connection therewith) and other extraordinary expenses; (v) fees and disbursements of outside auditors relating to any audit of, or accounting services with respect to, the books and records of the Lantern Fund including, without limitation, the preparation of the periodic reports required to be delivered pursuant to the Governing Documents; (vi) fees and disbursements of attorneys, consultants, accountants, third party appraisers, fund administration service providers and valuation experts (to the extent third party appraisal services or valuation services are contemplated by the Governing Documents) and other professionals; (vii) the costs of forming and maintaining any alternative investment vehicle and (at the discretion of Lantern) the costs of maintaining any feeder fund; (viii) insurance costs (including directors and officers liability insurance); (ix) commitment fees and other amounts payable in connection with credit facilities; (x) the reasonable out-of-pocket expenses of the members of the advisory committee in connection with their services; (xi) the costs of the annual meetings of investors; (xii) all Organizational Expenses in an amount not exceeding the applicable amount set forth in the Governing Documents and, subject to the offset against Management Fees set forth in the Governing Documents, all excess Organizational Expenses; (xiii) the cost of maintaining records and books of account in relation to the business of the Lantern Fund; (xiv) all costs and expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the Governing Documents and all reasonable costs and expenses of, and/or incidental to, the preparation of amendments to the Governing Documents; (xv) all costs and expenses incurred as a result of termination of the Lantern Fund and the distribution, realization or disposal of investment entities and other Lantern Fund assets pursuant thereto; and (xvi) all other costs incurred in connection with the administration of the Lantern Fund (including the costs of third party fund administrators retained by Lantern) or that are authorized by the applicable Governing Documents or approved by the GP and a majority in interest of the investors or the advisory committee. Subject to the applicable Governing Documents, the Lantern Funds will generally be responsible for costs of compliance with applicable laws and regulations of governmental and self-regulatory bodies, including costs incurred by Lantern and its affiliates in complying with laws and regulations that apply to any such entities as a result of our services to the Lantern Funds.

In general, LCPF I will bear all out-of-pocket expenses (including, without limitation, legal and accounting costs and travel expenses) associated with any co-investment opportunity that is unconsummated, including any portion thereof that may or would have been allocated to potential investors had such co-investment been consummated. Notwithstanding the foregoing, Lantern will seek to allocate broken deal expenses to investors of the co-investment where it is appropriate and reasonable to do so.

The Lantern Funds and Portfolio Companies may from time-to-time pay or reimburse Lantern, its affiliates and/or related persons for various expenses and costs incurred by them in connection with researching or providing services to such Portfolio Companies. Such expenses may include, among other things, consulting fees or other compensation paid to Lantern or its affiliates, travel costs and expenses, (which may include first, business or coach class commercial travel or private charter travel, lodging, and

meals), meals and entertainment expenses and other expenses associated with management and other services provided to such Portfolio Companies.

Investors generally are charged for Fund Expenses either through a capital call, or other amounts available for distribution. Portfolio Companies may reimburse Lantern or an affiliate for expenses incurred in connection with such investment.

This section provides an overview of the general fees and expenses to which investors generally are subject but is not an exhaustive list of all Fund Expenses. Fund Expenses are described in more detail in the Governing Documents for the applicable Lantern Fund or other client and the information set forth above is qualified in its entirety by the information set forth in the applicable Governing Documents.

Compensation for the Sale of Securities or Other Investment Products

Neither Lantern nor any of its supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted under Item 5 above, Lantern and its affiliates generally are entitled to receive Carried Interest distributions or other incentive-based compensation with respect to advisory clients (subject to the terms and conditions set forth in the applicable Governing Documents). Lantern's receipt of performance-based fees raises certain conflicts of interest, which are described below.

Investment Selection. Carried Interest distributions and other performance-based compensation could motivate Lantern and its affiliates to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the Carried Interest may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions.

Lantern generally attempts to mitigate conflicts of interest associated with Carried Interest distributions through (i) the requirement that invested capital, a preferred return and expenses be returned to investors before an affiliate is entitled to receive any Carried Interest distributions; (ii) the requirement that Lantern and/or its affiliates have a capital commitment to the applicable Lantern Fund or other client; and (iii) the clawback obligation of our affiliate upon liquidation of the applicable Lantern Fund or other client (and related escrow account, if applicable).

Side-by-Side Management. Different Lantern Funds or other advisory clients may have different performance-based fee arrangements. Such differences could incent Lantern to favor one Lantern Fund or client over another in its investment allocations, make investments in subsequent Lantern Funds or other clients that are intended to prop up investments in a prior Lantern Fund or other clients, or manipulate the sequence of dispositions. Lantern believes that these potential conflicts of interest are mitigated to a certain extent by the investment opportunity allocation provisions and restrictions on Competing Funds (as defined in Item 11 below) included in the Governing Documents of LCPF I. In general, until the earlier of (i) the third anniversary of the final closing date of LCPF I, (ii) the date on which both (A) 70% of the total capital commitments have been drawn down and invested in portfolio investments or used for fund expenses and (B) 80% of the total capital commitments have been drawn down and invested in portfolio investments or used for fund expenses, reserved for fund expenses or reserved for or committed to committed investments or follow-on investments, and (iii) the final liquidating distribution of LCPF I, none of Lantern or any of its respective affiliates may receive management fees from a "Competing Fund". Moreover, during the investment period of LCPF I, Lantern and its affiliates generally are required to offer all private equity investment opportunities available to them that are reasonably within

LCPF I's investment focus and consistent with LCPF I's investment return and other objectives, subject to certain sharing arrangements if a Competing Fund has been formed, as described in Item 11 below and subject to the applicable Governing Documents. Moreover, these potential conflicts are also mitigated to a certain extent by the fact that Lantern related persons generally invest alongside LCPF I and other clients and have a shared interest with investors in maximizing LCPF I or other client returns.

Certain of Lantern's employees, agents and affiliates are compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflicts.

In addition, Lantern attempts to address known material conflicts of interest through full and fair disclosure in the applicable Governing Documents and this Brochure.

ITEM 7: TYPES OF CLIENTS

Lantern provides investment advisory services solely with respect to its affiliated pooled investment vehicles, including the Lantern Funds and Acquisition Vehicles, as described in Item 4. Lantern may from time to time provide investment advisory services to other advisory clients or types of advisory clients in the future.

Investors in the Lantern Funds, Acquisition Vehicles and other advisory clients of Lantern primarily consist of institutional investors and high net worth individuals and related investment entities that are "accredited investors," as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and "qualified purchasers" as such term is defined in Section 2(a)(51)(A) of the Investment Company Act (or knowledgeable employees of Lantern).

The Lantern Funds generally have a specified minimum investment amount as set forth in the applicable Governing Documents. This minimum investment is subject to discretion, and Lantern or its affiliates may permit investments of a smaller amount generally or with respect to any investor.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Following is a summary of the investment strategies and material risks that may be involved in Lantern's or one or more of its clients' investment activities. Investors and potential investors are encouraged to review the applicable Governing Documents for the Lantern Fund(s) or other client in which they are considering investing for a more comprehensive discussion of the investment program and material risks that may be associated with investing in that Lantern Fund or other client.

Methods of Analysis and Investment Strategies

Lantern primarily invests in distressed or capital-constrained middle market operating companies or assets in the U.S. and Canada. Lantern defines the middle market as those with total enterprise value between \$50 million and \$500 million. The investment strategy will center on: (i) valuation – evaluate and invest after understanding the full upside potential and downside risk; (ii) liquidity – sustain enough to survive the turnaround with a margin of safety; and (iii) control – maintain proper governance to exert change. Lantern will emphasize downside protection to maintain a margin of safety by identifying tangible real asset value and providing capital and time to optimize value.

Lantern seeks to create a differentiated portfolio of control private equity situations, credit investments, and non-traditional real estate operations. Lantern focuses on the long-term value of the portfolio company or asset rather than short-term trading profits. Lantern may enter investments across the capital structure by investing through equity, debt, or a directly originated capital solution. The target investments will include underperforming operating businesses or assets that need operational

improvements or restructuring to unlock value and facilitate growth.

Lantern generally invests in, but is not limited to, the following types of investments:

- **Private Equity for Control.** Lantern may invest in the debt and equity-related securities of distressed or undervalued companies. Distressed companies typically include: (i) those facing operating difficulties or those that Lantern believes would benefit from operational improvements; (ii) those undergoing or considered likely to undergo reorganization under U.S. bankruptcy law; (iii) those which require debt restructuring, reorganization and liquidation outside of bankruptcy; and (iv) those facing a broad range of liquidity issues.
- **Opportunistic Credit.** Lantern may invest in special situation credit opportunities through secondary market purchases or a directly originated capital solution. Credit opportunities may include: (i) secondary debt purchase in overleveraged operating companies; (ii) distressed debt in restructuring and post restructuring; (iii) stressed high yield; and (iv) debtor-in-possession financing.
- **Real Estate Opportunities.** Lantern may invest in the equity, debt or directly originated capital solution of distressed or undervalued real estate assets with a significant operating component. Investments would primarily be focused on non-traditional real estate assets across leisure, hospitality and time share related business. Distressed real estate opportunities typically include: (i) under-capitalized operating companies; (ii) complex situations where neither a private equity nor real estate buyer is the natural owner; (iii) insolvent development; and (iv) non-performing loans.

The investment strategies summarized above are not intended to be comprehensive. For more information regarding Lantern's investment strategies, please see the applicable Governing Documents of each client.

CERTAIN RISK FACTORS

There can be no assurance that investors in the Lantern Funds or other clients will achieve their investment objectives or that investments in the Lantern Funds or other clients will be profitable. The investment strategies of the Lantern Funds or other clients involve or may involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that the investment strategies of the Lantern Funds or other pooled investment vehicles managed by Lantern are low risk or risk free. These investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the investment strategies and processes of the Lantern Funds and other clients and will not necessarily apply to each investor or client. Any reference to Lantern Fund herein includes any other applicable clients of Lantern, to the extent applicable. Investors are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. The following risks are qualified in their entirety by the risks set forth in the applicable Governing Documents.

Investment Risks

Lantern's investment activities involve a significant degree of risk. The Lantern Funds generally have a set life of six years or longer, or until investments have been liquidated, and withdrawals are not permitted during the life of the fund. There is no public market for interests in the Lantern Funds and transfers of interest are not permitted without consent of the GP. There can be no assurance that the Lantern Fund's investment objectives will be met or that an Investor will receive a return of its capital. Accordingly, an investment in the Lantern Funds should only be considered by persons who can afford a loss of their entire investment. The private equity investments made by Lantern involve a number of material risks including (but not limited to) the following:

General Economic Conditions

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates and the extent and timing of investor participation in the markets for both equity and interest rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation or other events in the U.S. or global markets in which a client may directly or indirectly hold positions could impair a client's ability to carry out its business and could cause such client to incur substantial losses.

Private Equity Investments

Equity investments in general may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Lantern Funds may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer specific events, as well as general market conditions.

Private equity investments involve risks associated with investment in companies in an early stage of development or with little or no operating history, companies operating at a loss or with substantial variation in operating results from period to period, companies with the need for substantial additional capital to support expansion or to maintain a competitive position, or companies with significant financial leverage. These companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and stronger management teams. There is no assurance that the companies in which the Lantern Funds invest will be able to successfully implement any growth plans or hire and retain successful management teams. Also, Portfolio Companies may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

Investing in underperforming companies involve a high degree of business and financial risk that can result in substantial or total losses. These risks include investing in companies operating at a loss and investing in companies with the need for substantial additional capital. Portfolio Companies in which the Lantern Funds invest may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. Use of leverage may increase the exposure to adverse economic factors such as significantly rising interest rates, downturns in the economy or deterioration in the condition of any given Portfolio Company or its industry. In the event a Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its third-party indebtedness, the value of the Lantern Funds' investment in such company could be significantly reduced or even eliminated. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

Following its initial investment in a Portfolio Company, such Portfolio Company may require additional funding, and the Funds may have the opportunity to increase its investment in such Portfolio Company. There can be no assurance that the Lantern Funds will make, or will have the resources to make, follow-on investments. Any decision by the Lantern Funds not to make follow-on investments, or its inability to make them, may have a substantial adverse effect on a Portfolio Company in need of such an investment, may result in a missed opportunity for the Lantern Funds to increase its participation in a successful

enterprise, may result in significant dilution of any existing Portfolio Company investment, or may cause a decrease in the value of the Lantern Funds' portfolio.

Debt Investments

The Lantern Funds may invest in a variety of debt instruments, including bridge loans to Portfolio Companies, corporate debt, including lower-rated and unrated issuers, and high-yield securities, mezzanine loans, bonds or other instruments, as well as loans and loan participations originated by banks and other financial institutions. Following is a summary of risk factors related to debt investments and a description of the types of debt in which the Lantern Funds may invest. The market for bank loans, corporate debt and other credit-related investments have been extremely volatile in the recent past, and this volatility may recur. Prices and spreads for certain instruments moved to historic levels, and many markets saw very limited liquidity. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, political events, interest rate movements, natural disasters and general economic conditions. Markets may, due to any one or a combination of these factors, move rapidly in the same direction.

The market value of debt securities generally tends to decline as interest rates increase and, conversely, increase as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, *i.e.*, credit risk. Because "high yield" bonds and securities are rated in the lower rating categories by the various credit rating agencies, such securities result in greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative. They are also generally considered to be subject to greater risk than securities with higher ratings because the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities and the market for lower-rated securities is thinner and less active.

Many issuers of debt securities and their obligations are not rated by any credit rating agency, and a significant portion of such issuers and obligations would likely fall in the lowest rating category if they were rated. There is greater risk that issuers of lower rated and unrated credit securities will default on their obligations to pay interest or to repay principal than in the case of issuers of higher-rated securities. Such issuers are also at greater risk for insolvency. The prices of lower or unrated credit securities are likely to be more sensitive to adverse economic changes or individual corporate developments than higher-rated securities. During an economic downturn or substantial period of rising interest rates, lower or unrated issuers and, in particular, highly leveraged issuers may experience financial stress that adversely affects their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Lantern Funds will likely incur additional expenses to seek a recovery of its investment in a restructuring or other proceeding. The secondary market for lower and unrated securities will likely be less liquid (or even non-existent) than markets for higher quality securities and, as such, may have an adverse effect on the market prices of certain securities. The illiquidity of the market could make it difficult for the Lantern Funds to sell such securities. There are fewer dealers in the market for lower and unrated securities than investment grade securities. The prices quoted by different dealers may vary significantly and the spread between the bid and asked price is generally much larger than for higher quality instruments. Since investors generally perceive that there are greater risks associated with lower or unrated credit securities, the yields and prices of such securities may tend to fluctuate more than those for higher rated securities. In the lower quality segments of the credit markets, changes in perceptions of issuers' creditworthiness tend to occur more frequently and in a more pronounced manner than do changes in higher quality segments of the credit markets, resulting in greater yield and price volatility.

Of paramount concern in investments in credit instruments is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Lantern Funds to

perfect or effectuate a lien on the collateral securing the instrument. Further, in recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (commonly referred to as “lender liability”).

The Lantern Funds may make loans to Portfolio Companies on a short-term, unsecured basis in anticipation of the closing of a contemplated permanent investment transaction. It is possible, for reasons not always in the Lantern Funds’ control that the subsequent permanent investment transaction never occurs and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured loan.

The Lantern Funds may invest in loans and loan participations originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that Lantern obtains such information and it is material and nonpublic, the Lantern Funds will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information.

The investment portfolio may also include mezzanine loans, bonds or other instruments. A mezzanine instrument is a privately negotiated, unsecured, often subordinated debt obligation of an issuer that is unrated or rated below investment grade, the payments on which obligation may contain a form of equity participation in the issuer. Mezzanine loans have greater credit and liquidity risk than loans and are typically less liquid than high-yield bonds. A mezzanine loan may not have any public rating from a rating agency, nor will it have been registered with any securities regulator.

Mezzanine finance generally comprises an unsecured loan, which is subordinated in terms of priority of repayment and security behind the senior debt and therefore has a higher risk profile than senior debt. Because of the greater risk, mezzanine lenders may be granted share options or warrants in the borrower which can be exercised in certain circumstances, principally being immediately prior to the borrower's shares being sold or floated in an initial public offering. Investments in mezzanine instruments where the underlying assets are non-income producing, real estate properties, including properties under development and undeveloped land, tend to have a higher risk of nonpayment than loans secured by fully-developed real estate assets as a result of the potential failure of any anticipated development project. In the event of any such failure, the loan may go into default, which could result in losses and adversely impact the Lantern Funds’ investment returns.

Issuers of mezzanine instruments are likely to be highly leveraged and typically do not have available to them more traditional methods of financing. The risk associated with acquiring the instruments of such issuers generally is greater than is the case with investment grade instruments.

Distressed or Defaulted Securities

Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. The Lantern Funds may invest in select companies that, in the view of Lantern, have the potential over the long-term for capital growth. There can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Lantern Funds may incur substantial or total losses on its investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the Lantern Fund’s investments may not compensate investors adequately for the risks assumed. 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 can be no assurance that Lantern will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers.

Securities of financially troubled issuers and operationally troubled issuers are more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that most of the Lantern Funds' portfolio investments may not be widely traded and that the Lantern Funds' investment in such securities may be substantial relative to the market for such securities. As a result, the Lantern Funds may experience delays and incur losses and other costs in connection with the sale of its portfolio securities.

The Lantern Funds may invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject the Lantern Funds to litigation risks or prevent the Lantern Funds from disposing of securities. In a bankruptcy or other proceeding, the Lantern Funds as creditor may be unable to enforce their rights in any collateral or may have their security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. While the Lantern Funds will attempt to avoid taking the types of actions that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Lantern Funds will be able to successfully defend against them. Because other investors may purchase the securities of these companies for the purpose of exercising control or management, the Lantern Funds may be at a disadvantage to the extent that the Lantern Funds' interests differ from the interests of these other investors. Bankruptcy proceedings are often lengthy and difficult to predict and could adversely impact a creditor's return on investment. Administrative costs relating to a bankruptcy proceeding will be paid out of the debtor's estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Long-Term Nature and Lack of Liquidity of Investments

The holding period for the Lantern Funds' investments will typically be a number of years. Thus, there may be a number of years when there is limited or no income from the Lantern Funds. Any income is not expected to be significant, and operating expenses may exceed income during certain periods. The Lantern Funds generally will invest in private companies, the shares of which are not publicly traded. Unless such a Portfolio Company subsequently succeeds in obtaining approval from the relevant authorities to list its shares on a recognized exchange, this avenue to liquidity will not be available to the Lantern Funds, which must then rely on other means to achieve liquidity. In addition, the Lantern Funds may be precluded from selling its shares in a public Portfolio Company for some time after such Portfolio Company's initial public offering. Further, other legal, contractual or practical limitations may limit the ability to sell private equity investments. For example, the issuers may be privately held, the Lantern Funds may own a relatively large percentage of the issuer's outstanding securities or may have agreed to contractual restrictions on resale, or other investors, financial institutions or management may be relying on the Lantern Funds' continued investment. Sales also may be limited by financial market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular markets.

These limitations on liquidity of private equity investments could prevent a successful sale or result in the delay of any sale or reduction in the amount of proceeds that might otherwise be realized.

In addition, in some cases, the Lantern Funds may be prohibited or limited by contract from selling certain portfolio investments for a period of time, and as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so. The Lantern Funds may have access to non-public information regarding certain portfolio investments, the possession of which also could limit the Lantern Funds' ability to sell such investments. Investment in the Lantern Funds requires the ability and the willingness to accept such lack of liquidity as well as a high degree of risk. The securities in which the Lantern Funds will invest may be among the most junior in a Portfolio Company's structure, and thus subject to the greatest risk of loss.

Unspecified Portfolio Companies & Availability of Suitable Investments

Lantern Fund Investors rely entirely on Lantern's ability to select appropriate investments for the Lantern Funds. Investors do not have the opportunity to evaluate individually the relevant economic, financial or other information utilized by Lantern to decide whether to make a particular investment. There can be no assurance that attractive investments will continue to be available for the Lantern Funds' investment activities, or that available investments will meet the Lantern Funds' investment criteria. The Lantern Funds will encounter competition from other persons or entities with similar investment objectives. These competitors may include other investment partnerships, corporations, business development companies, leveraged buyout entities, small business investment companies, and individual investors. Certain of the Lantern Funds' competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Whether or not suitable investment opportunities are available to the Lantern Funds, the Funds will bear the Management Fees and other Fund Expenses described under Item 5 above.

Concentration / Minority or Control Investments

The Lantern Funds intends to participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Lantern Funds may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. The Lantern Funds may make minority investments. In these situations, there is the possibility that the company in which the Lantern Funds invests or other investors in such company may have economic or business interests or goals that are inconsistent with those of the Lantern Funds, and the Funds may have a limited ability to protect or influence the value of or exit the Lantern Funds' investment in the entity.

Alternatively, the Lantern Funds may be a lead, control or a significant investor in the companies in which it invests. The Lantern Funds may not, however, have the right to participate in the day-to-day management, control or operations of the companies in which they invests, nor may they have the right to remove the managers thereof. Nonetheless, the Lantern Funds (alone, or together with other investors) may be deemed to have a control position with respect to companies in which the Lantern Funds invests, which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Securities Issued Outside the United States

The Lantern Funds may invest in securities of non-U.S. issuers. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including, without limitation, risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the United States dollar and the various non-U.S. currencies in which the Lantern Funds' portfolio securities will be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the United States and non-U.S. securities markets,

including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on non-U.S. investment and repatriation of capital; and (iv) the application of tax laws applicable outside the United States (e.g., the imposition of withholding taxes on interest payments, income taxes, and excise taxes) or confiscatory taxation may also affect the Lantern Funds' investments.

Investments in non-U.S. securities may be affected by political, social and economic uncertainty affecting a country or region. The legal and regulatory environment may also be different between countries, particularly as to bankruptcy and reorganization. There may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. These risks may be greater for companies in emerging markets.

The Lantern Funds may incur higher expenses with respect to investments made outside the United States compared to investing in U.S. securities because of the costs incurred in connection with conversions between various currencies and the fact that brokerage commissions outside the United States may be higher than commissions in the United States. Non-U.S. markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States.

Other Risks

In addition to these and other risks related to investing in Portfolio Companies, there are other risks related to the regulatory environment in which Lantern operates, as well as potential risks and conflicts related to the structure and terms of the Lantern Funds. These risk factors and potential conflicts of interest are discussed in detail the applicable offering documents and Governing Documents, which should be read carefully before investing in the Lantern Funds.

Cybersecurity Risks

Lantern, the Lantern Funds, other advisory clients and their respective affiliates and service providers depend on information technology systems and, notwithstanding the diligence that Lantern or an affiliate may perform on its or a client's service providers, it may not be in a position to verify the risks or reliability of such information technology systems. Lantern, its clients and their respective affiliates and service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Lantern, its clients and their information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Lantern generally will attempt to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Lantern or an affiliate may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Lantern's, a client's or any of their respective affiliates' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Lantern and its affiliates' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Lantern Funds, Lantern's other

clients or individual investors by interfering with the operations of Lantern and its affiliates (or their service providers). Lantern's clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Lantern Funds, Lantern's other clients, Lantern and its respective affiliates to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Lantern Funds and other clients may be required to indemnify Lantern and its affiliates against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH THE INVESTMENT STRATEGIES OF THE LANTERN FUNDS OR OTHER ADVISORY CLIENTS OR THAT ARE APPLICABLE TO THE LANTERN FUNDS OR OTHER CLIENTS OR THEIR INVESTORS. INVESTORS ARE ENCOURAGED TO CAREFULLY REVIEW THIS BROCHURE AND THE APPLICABLE GOVERNING DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

ITEM 9: DISCIPLINARY INFORMATION

Lantern is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Lantern or the integrity of Lantern's management.

Lantern has no information to disclose in response to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Lantern Affiliated Entities

LCP, an affiliate of LAM, and certain of their respective affiliates are and may be Relying Advisers (as described in Item 4) (including the GP). While Lantern and the Relying Advisers have been and will be organized as separate legal entities, they collectively conduct a single advisory business. Accordingly, each Relying Adviser relies and will rely on Lantern's investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act. To rely on Lantern's registration, (i) the Relying Adviser, its employees and persons acting on its behalf are or will be "persons associated with" and "supervised persons" (as each term is defined in the Advisers Act) of LAM, (ii) any investment advisory services of the Relying Adviser, its employees and persons acting on its behalf are or will be subject to Lantern's supervision and control, (iii) any and all investment advisory functions of the Relying Adviser are or will be subject to the Advisers Act and the rules and regulations thereunder, and (iv) the activities and books and records of the Relying Adviser are or will be subject to inspection and examination by the SEC. LAM, LCP and each Relying Adviser are or will be subject to a unified compliance program and, except as the context otherwise requires, any reference in this brochure to "Lantern" or includes LAM, LCP and any other Relying Advisers. The Miscellaneous Section of Schedule D of Part 1A of Lantern's Form ADV discloses that Lantern and each of the Relying Advisers are together filing a single Form ADV in reliance upon guidance expressed in an SEC no-action letter.

In addition to the Lantern Funds and the other existing clients of Lantern (including as described in Item 4 above), Lantern or an affiliate may establish one or more additional funds or investment vehicles, including parallel funds or feeder funds alongside a Lantern Fund or one or more alternative investment vehicles for the purpose of structuring particular investments. Any such investment vehicles, as well as the general partner or managing member to or of such entity, generally will be an affiliate of Lantern.

Beacon Land Management, LLC

Beacon Land Management, LLC (“**Beacon**”) provides development and real estate management services. Mr. Mitchell has majority control of Beacon. LAM provides asset management services to Beacon with respect to Bluejack. Beacon provides development and real estate management services to Bluejack.

Portfolio Company Activities

Lantern principals or affiliates may serve as directors, officers or committee members of Portfolio Companies. In their capacity as directors of Portfolio Companies, such principals or affiliates will be subject to fiduciary and other duties to the Portfolio Companies on whose boards they serve, which duties may on occasion conflict with the best interests of the Lantern Funds. For example, a Lantern Fund’s ability to sell the publicly traded securities of a Portfolio Company may be limited if a Lantern principal or affiliate is in possession of material nonpublic information relating to such Portfolio Company. Any Portfolio Company Fees received by Lantern and/or its affiliates and related to the investment activities of a Lantern Fund generally will (subject to certain exceptions described in the applicable Governing Documents) offset Management Fees, as described in Item 5 above, but otherwise generally will not be shared with the Lantern Funds.

Resort Finance Holdings, LLC

LAM was formed in 2010 in partnership with a prominent private equity firm as a subsidiary of an investment vehicle named Resort Finance Holdings, LLC (“**RFH**”). LAM’s management team acquired LAM from RFH in 2014. LAM continues to manage assets for (and provide non-advisory services with respect to) RFH and other investment vehicles for that private equity firm, and RFH remains as a special limited partner of LAM.

Personal and Family Investment Activities

Principals of Lantern have established and may in the future establish personal or family investment entities through which they own personal interests in the Lantern Funds or other clients managed or sponsored by Lantern or other investments.

Other Activities

Except as otherwise agreed by Lantern, supervised persons are generally expected to devote their full professional time and efforts to the business of Lantern and its affiliates and use reasonable efforts to avoid activities that could present actual or perceived conflicts of interest. Supervised persons must generally obtain prior approval from the Chief Compliance Officer with respect to outside activities. See Item 11.

Other Registrations

Neither Lantern nor any of its affiliates or related persons is registered, or has an application pending to register as a securities broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

Conflicts in Relation to Initial Investor in LCPF I

In consideration of its initial investment in LCPF I, an initial investor in LCPF I and/or one or more of its affiliates generally will be entitled to receive a portion of the Management Fee and Carried Interest distributions payable or distributable in respect of LCPF I, a portion of the Portfolio Company Fees received by Lantern in respect of LCPF I that will not result in offset to Management Fees, certain financial and other information concerning the performance of LCPF I, certain rights to invest in other pooled investment vehicles managed by Lantern and the right to be indemnified by LCPF I for certain claims suffered by such initial investor. As a result of the foregoing and other agreements between Lantern and the initial investor, the initial investor may have the practical ability to exert influence over

LCPF I and Lantern. The initial investor may have interests that conflict with LCPF I and the other investors. The initial investor does not owe any fiduciary or other duties to LCPF I or any other investors in LCPF I in exercising any of its rights as an investor in LCPF I or as a member of the GP.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Lantern advises or may advise multiple clients (currently pooled investment vehicles) that have different investment objectives, guidelines and strategies, as set forth in the applicable Governing Documents of each such client. In performing its advisory services, Lantern may give advice and take action with respect to any of its clients that may differ from actions taken by Lantern on behalf of other clients. Lantern and its affiliates, along with their respective personnel, may invest or otherwise have an interest, either directly or indirectly, in the Lantern Funds or other advisory clients (or investments made by such clients). One Lantern Fund or other client may invest in the same Portfolio Company investments as another Lantern Fund or client consistent with the terms of the applicable Governing Documents and typically with approval by the applicable advisory committee of the applicable Lantern Funds or other client. Lantern has implemented policies and procedures relating to personal securities transactions and insider trading, which are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur.

Investment & Co-Investment Allocations

Subject to the applicable Governing Documents, during the investment period of LCPF I, Lantern, its affiliates and related persons generally will be required to offer to LCPF I all private equity investment opportunities available to them that are reasonably within LCPF I's investment focus and consistent with LCPF I's investment return and other objectives, subject to the sharing arrangements described below.

Lantern may determine that certain investment opportunities appropriate for LCPF I should not or cannot be allocated in their entirety to LCPF I based on such factors as the size or composition of the overall LCPF I's portfolio, concentration limits or other reasons deemed relevant by Lantern. In such instances, Lantern may (but is not required to) allocate any unallocated portions of such opportunities to one or more investors in LCPF I or other funds or accounts managed by Lantern or its affiliates, or such other parties as are selected by Lantern. Lantern has no obligation to offer any such co-investment opportunity to any investor by virtue of its investment in LCPF I or any other Lantern Fund. Investors participating in such co-investment opportunities may either invest directly in such co-investment opportunities or through vehicles managed by or otherwise affiliated with Lantern or an affiliate ("***Co-Investment Vehicles***"). Further, such investors, including, without limitation any Co-Investment Vehicles, may invest directly in a particular co-investment opportunity alongside LCPF I or another Lantern Fund, or such investors, including, without limitation the Co-Investment Vehicles or LCPF I or another Lantern Fund, may invest together in a vehicle which in turn, invests in the co-investment opportunity. The fees, other compensation and terms of any investment in a Co-Investment Vehicle may differ from the fees, other compensation, or terms of an investment in LCPF I or any other Lantern Fund. Those participating in such a co-investment opportunity, including those participating through a Co-Investment Vehicle, may liquidate a co-investment at a different time or times, and in different amounts than LCPF I or another Lantern Fund, which may have an adverse effect on one or more of LCPF I and other Lantern Funds.

In general, LCPF I will bear all out of pocket expenses (including, without limitation, legal and accounting costs and travel expenses) associated with any co-investment opportunity that is unconsummated, including any portion thereof that may or would have been allocated to potential investors had such co-investment been consummated. Notwithstanding the foregoing, Lantern or an affiliate will seek to allocate broken deal expenses to investors of the co-investment where it is appropriate and reasonable to do so.

If a Competing Fund (as defined below) exists, LCPF I, on the one hand, and such Competing Fund, on the other, generally will co-invest alongside one another in investment opportunities that meet the investment criteria of both funds until, in the case of co-investments with a Competing Fund, the earlier of (i) the end of the investment period of LCPF I or (ii) such time as available unreserved capital of LCPF I has been invested or committed to investment. LCPF I, on the one hand, and a Competing Fund, on the other, generally will co-invest in investments on substantially identical terms and conditions and will share investments on an equitable basis as reasonably determined by Lantern.

A “**Competing Fund**” means a Lantern Fund (other than LCPF I, a parallel vehicle and an alternative investment vehicle to LCPF I and any vehicle formed for the purpose of facilitating one or more co-investments alongside LCPF I permitted by the applicable Governing Documents) formed by Lantern or any of its affiliates, that has investment objectives that are substantially similar to LCPF I’s investment objectives or that primarily targets investment opportunities that would also be suitable for investment by LCPF I.

Principal & Affiliate Transactions

Lantern generally does not expect to engage in any principal transactions with the Lantern Funds or any other clients. In the event that Lantern desires to engage in a principal transaction or other transaction involving material conflicts of interest with an advisory client, Lantern generally will seek the approval of the limited partner advisory committee of the applicable Lantern Fund or a majority in interest of the investors in such client (except as otherwise provided in the applicable Governing Documents). As disclosed in Item 4 above, LAM or another Lantern affiliate will provide and may provide asset management or other services with respect to a Portfolio Company and the Lantern Funds.

Code of Ethics

Lantern has adopted a Code of Ethics, which sets forth standards of business conduct and various other policies and procedures applicable to all or a subset of Lantern’s supervised persons. As such, Lantern’s Code of Ethics generally includes, among other things: (i) standards of business conduct, requiring that supervised persons comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients, and policies designed to identify and address conflicts of interest; (ii) personal securities transaction policies governing the personal investment activities of relevant personnel and requiring the submission by access persons of reports regarding their personal trading accounts and activities; and (iii) an insider trading policy and policies and procedures designed to prevent misuse of material non-public information.

Currently, all employees, officers, directors and principals of Lantern that are involved in investment advisory activities or have access to non-public information regarding such activities are considered to be “Access Persons” for purposes of the Code of Ethics. Personnel who fail to observe the Code of Ethics and related compliance policies risk serious sanctions, including dismissal and personal liability.

Personal Securities Transactions Policy

Lantern’s Code of Ethics includes a personal securities transactions policy, which imposes certain requirements and restrictions with respect to personal trading and investment activity by Access Persons. In particular, Access Persons generally are required to obtain the approval of the Chief Compliance Officer before buying or selling any security that is currently owned by or is being considered for purchase or sale by any client. Access Persons also must obtain approval prior to investing in initial public offerings (“**IPOs**”) or any private placements. Lantern maintains and periodically updates a restricted list, to reflect actual or potential investment activities of advisory clients or potential receipt or possession of

actual or potential material non-public information. Access Persons generally are prohibited from investing in securities listed on Lantern's restricted list without prior approval by the Chief Compliance Officer. In appropriate circumstances and to the extent permitted by applicable law, the Chief Compliance Officer may grant waivers to Code of Ethics restrictions.

Insider Trading Policy

Lantern and its related persons may, from time to time, come into possession of material nonpublic and other confidential information, which, if disclosed, might affect a reasonable investor's decision to buy, sell or hold a security. Under applicable law, Lantern may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether that other person is a client. Accordingly, should Lantern or any of its supervised persons come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited or restricted from communicating that information to any other person or using that information for the benefit of its clients. Accordingly, Lantern's Code of Ethics contains procedures to prevent the misuse of material nonpublic information by Lantern and Lantern's supervised persons.

Reporting Requirements under the Code

To assist Lantern in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code of Ethics, fiduciary duty or applicable law, Access Persons generally must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings in reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted to and reviewed by the Chief Compliance Officer or his designee.

Gifts and Entertainment

Subject to certain restrictions, Lantern's supervised persons may on occasion accept or provide gifts or invitations to entertainment. Lantern's gifts and entertainment policy implements internal controls to monitor such activity, which include reporting or seeking pre-approval before giving or accepting gifts and entertainment of significant value and prohibiting or limiting the provision or receipt of cash gifts, as well as gifts or entertainment to government employees, foreign officials and certain other categories of recipients.

ITEM 12: BROKERAGE PRACTICES

Lantern does not typically use brokers to transact for the Lantern Funds or other clients. On occasion, the Lantern Funds or other clients may hold public securities or receive public security positions from a Portfolio Company as part of a distribution or liquidation of that Portfolio Company. In situations where Lantern chooses the broker-dealer to liquidate these positions, consistent with its duty to seek best execution, Lantern generally will select brokers and dealers based upon their reputation, quality of service, and ability to liquidate the particular security.

When selecting a broker or dealer, Lantern generally will take into account factors such as execution capabilities, commission rates, responsiveness and financial responsibility. In applying these factors, Lantern recognizes that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction. Lantern generally will periodically review executing brokers from both a qualitative and quantitative perspective to assess the quality of executions and value of services provided.

Soft Dollars. As a matter of general policy, Lantern does not participate in soft dollar arrangements. Should Lantern for any reason choose to enter into one or more soft dollar arrangements, it would continue to place primary consideration on the broker's ability to provide best execution. Further, any soft dollar arrangements would endeavor to meet all the conditions of Section 28(e) of the Exchange Act.

Brokerage for Client Referrals. Lantern does not currently have any referral arrangements or use brokerage relationships for client referrals.

ITEM 13: REVIEW OF ACCOUNTS

Reviews. Client investments generally are reviewed by Lantern's Investment Committee, Risk Management Committee and Valuation Committee on at least a quarterly basis. The Investment Committee's review generally is focused upon making investment decisions on a proposed investment or an existing investment. The Risk Management Committee generally is focused upon asset/investment due diligence, operational risk, financing and structuring. The Valuation Committee generally is focused upon making decisions related to valuing assets managed by Lantern. Decisions include methodologies applied for valuations, assumptions used, and other inputs for defining fair value. In addition, certain matters that may present conflicts of interest are reviewed by the applicable advisory committee for the respective client. Advisory committee meetings may be held in person, telephonically or through other communications.

Reports to Limited Partners. Subject to the applicable Governing Documents, investors generally receive (i) annual audited financial statements of each applicable client within 120 days following the end of each fiscal year; (ii) unaudited quarterly (or such other period set forth in the applicable Governing Documents) reports within 60 days after the end of each fiscal quarter, which include a summary of investments made by such client during such quarter and a statements of the investor's consolidated capital accounts; and (iii) annual tax information within 120 days following the end of each fiscal year. In addition, the Lantern Funds generally hold annual meetings to provide Limited Partners with the opportunity to review and discuss investment and Portfolio Company activities. They may review other information as presented by Lantern, consistent with their duties as established in the applicable Governing Documents.

Lantern may provide additional reporting to limited partners pursuant to provisions in side letter agreements. Representatives of Lantern are available for discussions with investors on a periodic or agreed upon basis. Fund books and records generally are available for inspection by investors at reasonable times during business hours.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Lantern has entered into and may enter into agreements or arrangements with placement agents, solicitors or other third parties who refer investors in LCPF I and other Lantern Funds to Lantern. In consideration of these referral services, such persons receive or may receive compensation from Lantern (or its affiliates) which may consist of, among other things, a percentage of the management fee and/or carried interest distribution otherwise payable or distributable to Lantern or its affiliates, a percentage of an investor's commitment and/or a flat fee. Investors generally will not be charged any higher or additional fees as a result of any placement agent arrangements. In every instance, all arrangements and payments of referral or placement agent fees will be disclosed to applicable investors.

Lantern has engaged First Avenue Partners as a placement agent in connection with the offering of interests in LCPF I. Lantern generally pays First Avenue Partners a placement fee equal to a percentage of the capital commitment of each investor in LCPF I. Placement agent fees are paid by LCPF I but ultimately borne by Lantern through an amortized offset against the management fee.

Other than the fees and expense reimbursements as described in Item 5 above, neither Lantern nor any affiliate generally receives any economic benefit from a non-client for providing investment advice or other advisory services to its clients.

ITEM 15: CUSTODY

Lantern is generally deemed to have custody of each of its client's funds and securities for purposes of Rule 206(4)-2 under the Advisers Act. In order to comply with Rule 206(4)-2, Lantern utilizes the services of qualified custodians (as defined under Rule 206(4)-2) to hold client cash and securities, to the extent required by the Rule. Lantern also ensures that each qualified custodian maintains these assets in an account that contains only client assets, under the client's name. Cash is maintained at a bank. Securities are maintained as a broker or other qualified custodian, except with respect to "privately offered securities" as defined in Rule 206(4)-2, which generally are not required or able to be held at a qualified custodian. Qualified custodians for each Lantern Fund are identified on Lantern's Form ADV Part 1A.

In accordance with Rule 206(4)-2, Lantern (i) engages an independent auditor registered with and subject to inspection by the PCAOB to audit each of its clients as of the end of each fiscal year and (ii) distributes the results of the audit in audited financial statements (prepared in accordance with generally accepted accounting principles) to all investors within 120 days after the end of the fiscal year, but there can be no assurance that Lantern will be successful in this regard. Qualified custodians generally are not expected to provide account statements directly to investors.

ITEM 16: INVESTMENT DISCRETION

Lantern provides or will provide investment advisory services to the Lantern Funds on a discretionary basis. The investment objectives and restrictions applicable to the Lantern Funds are set forth in the applicable Governing Documents. Investors in the Lantern Funds do not have authority to impose any restrictions upon Lantern's discretionary authority. However, Lantern may, under certain circumstances, enter agreements or side letters with investors that limit certain fund investments to address specific legal, regulatory, tax or policy restrictions of the investor.

Lantern provides or may provide advisory services to the Acquisition Vehicles and other clients on a discretionary, limited-discretionary or non-discretionary basis, based upon the terms and conditions set forth in the applicable Governing Documents.

Each investor in a Lantern Fund generally grants the general partner thereof a limited power of attorney to enable the general partner to execute the applicable partnership agreement and perform certain other activities in connection therewith on its behalf.

ITEM 17: VOTING CLIENT SECURITIES

Investors generally cannot direct how proxies for securities held in Lantern Funds or other clients are voted and therefore Lantern generally is generally responsible for voting proxies with respect to securities held in the Lantern Funds and other clients. Lantern does not typically invest in or hold publicly-traded securities in the Lantern Funds or other clients and, therefore, historically has not typically voted proxies. However, the Lantern Funds or other clients of Lantern may on occasion hold public securities, which may be subject to proxy votes. Lantern does not vote or review proxies on securities held by underlying Portfolio Companies.

Lantern has adopted Proxy Voting Policies and Procedures (the "*PVPs*") designed to ensure that, in the event that Lantern is in a position to vote proxies and deems it in the clients' best interest to do so, Lantern will vote such proxies based on what it considers to be in the best financial interest of each applicable client, as determined in its discretion.

Lantern will attempt to identify actual or potential conflicts of interest that could compromise the independence of voting decisions when voting a proxy on behalf of a client. Where a material conflict of interest is identified, Lantern generally will attempt to resolve the conflict before voting a proxy. Lantern may determine not to vote proxies in respect of securities of an issuer if it determines that it would be in the applicable client's overall best interest not to vote. Investors generally may not direct or otherwise influence votes with respect to any particular proxy solicitation.

Investors may receive a copy of the PVPs, as well as information on how proxies were voted on behalf of a client, if applicable, upon request.

ITEM 18: FINANCIAL INFORMATION

Lantern is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.