

Form ADV

Part 2A

March 2021

This brochure provides information about the qualifications and business practices of Lucerne Capital Management, L.P. ("Lucerne Capital"). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer, Patrick Moroney, at 203-983-4400. 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.

Lucerne Capital is a registered investment adviser. Registration with the SEC or a state securities authority does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Lucerne Capital also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure, dated March 31, 2021, replaces our previous brochure, dated March 2020. This brochure makes minor changes when compared to the brochure dated March 2020. Lucerne Capital has no material changes to report.

Lucerne Capital will update this brochure no less than annually.

Item 3 -Table of Contents

Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Allocations and Side-By-Side Management.....	5
Item 7 – Types of Clients.....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information.....	15
Item 10 – Other Financial Industry Activities and Affiliations	16
Item 11 – Code of Ethics.....	17
Item 12 – Brokerage Practices.....	18
Item 13 – Review of Accounts	20
Item 14 – Client Referrals and Other Compensation	21
Item 15 – Custody	22
Item 16 – Investment Discretion	23
Item 17 – Voting <i>Client</i> Securities	24
Item 18 – Financial Information	26

Item 4 – Advisory Business

Lucerne Capital an investment adviser registered with the SEC, is a Delaware limited partnership established in 2000. Lucerne Capital provides investment advisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Lucerne Capital provides these services predominantly to investment limited partnerships or “limited” companies. Certain affiliates of Lucerne Capital act as the general partners of Lucerne Capital’s clients that are structured as limited partnerships.

Lucerne Capital lists its principal owners as any person directly owning 25% or more of Lucerne Capital as disclosed on Schedule A of Form ADV, Part 1A as of date of the last update filing. The principal owners of the company are Pieter Taselaar and Matheus (Thijs) Hovers with more than 25% ownership.

Lucerne Capital is not a publicly held company and no part of Lucerne Capital is owned by an individual or company through any subsidiaries or “intermediate subsidiaries.”

Lucerne Capital provides investment advisory services to the below-referenced groups of privately-offered investment funds (each a “Fund”, and collectively, the “Funds”); and separately managed accounts in accordance with the investment objectives, investment guidelines and restrictions set forth in the relevant Client’s (defined below) confidential private placement memorandum, limited partnership agreement, investment management agreement and other formation and operating documents pertaining to the Client (collectively, the “Governing Documents”). Unless otherwise noted, the Funds together with the separately managed accounts are referred to throughout this brochure as the “Clients.”

The following Lucerne Capital Funds are invested in the “Lucerne Capital Strategy” which invests primarily in international equity securities, both long and short, of issuers primarily in the developed European markets:

- The Lucerne Capital Master Fund, L.P. (master fund);
- The Lucerne Capital Fund, L.P. (feeder fund); and
- The Lucerne Capital Offshore Fund, Ltd. (feeder fund).

The following Lucerne Capital Funds are invested in the “Lucerne Nordic Strategy” which invests in listed European equity securities in a broad range of market-capitalization profiles focusing primarily, but not exclusively, on the issuers of the Nordic region:

- The Lucerne Capital Nordic Master Fund, Ltd. (master fund);
- The Lucerne Nordic Fund, L.P. (feeder fund); and
- The Lucerne Nordic Offshore Fund, Ltd. (feeder fund).

Lucerne Capital Funds that are invested in the Lucerne Nordic Strategy and the following Lucerne Capital Funds are invested in the “Lucerne Concentrated Strategy” which is a concentrated and leveraged strategy focused on the value opportunities in small and mid-capitalization companies located or domiciled primarily in the continental Europe. The strategy will invest in mostly long positions but may also engage in derivatives trading and short positions.

- The Lucerne Capital Special Opportunity Fund, Ltd.

The following Lucerne Capital Fund was formed specifically to pursue a high-conviction, long-term investment opportunity in the securities of an identified company (the “Identified Investment”), along with a concentrated group of additional investments, with the goal of maximizing concentration and exposure to the Identified Investment and concentrated group of additional investments in accordance with Focus Fund I’s investment objectives and investment parameters:

- The Lucerne Focus I Fund, L.P. (“Focus Fund I”).

The Funds are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. Lucerne Capital manages the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's Governing Documents.

Lucerne Capital does not participate in wrap fee programs.

As of December 31, 2020, Lucerne Capital managed approximately \$1,181,269,451 in assets on a discretionary basis. Lucerne Capital does not manage Client assets on a non-discretionary basis. No individualized investment advice is provided to any particular limited partner of any Client.

Item 5 – Fees and Compensation

As the investment adviser or manager to a Client, Lucerne Capital typically charges advisory fees as described in the relevant Client's Governing Documents. The fees payable to Lucerne Capital may vary from client to client and may be different from the fees and compensation payable in respect of any prior or successor client. All investors should review the Governing Documents of the relevant Client in conjunction with this brochure for complete information on the fees and compensation payable with respect to that particular Client.

In general, Lucerne Capital and certain of its affiliated entities receive a management fee (the "Management Fee") for its portfolio management services and certain Clients also pay performance-based fees which are calculated and paid in accordance with the relevant Client's Governing Documents. Typically, the Management Fee for the Funds range between 0% and 2.0% on an annualized basis. The Management Fee may be charged in advance or in arrears on a prorated basis and are deducted from investor assets in the relevant Fund. All fees are negotiated and documented within the Governing Documents.

The general partner of each Fund, which is an affiliate of Lucerne Capital, receives performance-based compensation, which is referred to as "Performance Allocations", and is payable only when and if certain threshold amounts are returned to investors in accordance with the applicable Fund's Governing Documents. Performance Allocations are described in more detail below, in Item 6 of this brochure.

The principals and employees of Lucerne Capital and their related entities do not pay the Management Fee or Performance Allocations. Investors of the Focus Fund I do not pay the Management Fee or Performance Allocations. The Focus Fund I is offered to a select group of individuals, including employees of Lucerne Capital, whose participation is generally expected to be beneficial to the Fund or their portfolio securities. For a discussion of potential conflicts of interest, please see "Item 6. Performance-Based Fees and Side-by-Side Management."

Lucerne Capital intends to deliver this brochure only to qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, and therefore, is not required to disclose its Clients' fee schedules.

All expenses attributable to the organization of the Funds and the sale of interests to the investors of each Fund (the "Organizational Expenses") are allocated pro rata according to the assets of the investors of each Fund. At a Fund's initial closing date, the Fund reimburses the general partner for all organizational expenses incurred by the general partner or any of its affiliates (including Lucerne Capital) allocated to the Funds, up to a specified amount, with the general partner of such Fund bearing any Organizational Expenses in excess of such amount.

In addition to the Management Fee and Performance Allocations payable to the general partner, each Fund bears all other costs and expenses of the Fund, including, without limitation, legal, auditing, consulting, financing, accounting, custodian fees and expenses, interest expense,

brokerage commissions, investment banking fees and other costs of executing transactions, expenses relating to short sales, clearing and settlement charges; its allocable share of directors' and officers' insurance covering Lucerne Capital' and its and the Funds' partners, officers and managers; other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any) and any taxes, fees or other governmental charges levied against the Fund. Expenses and liabilities incurred in connection with an investment opportunity or potential investment opportunity, including without limitation due diligence, investment research and indemnity expenses, are allocated among the Funds pro rata according to the amount invested by each Fund in such investment opportunity or, in the case of an unconsummated portfolio security, pro rata according to the amount to be invested by each Fund in such opportunity. Lucerne Capital is responsible for certain of its overhead expenses, including salaries and employee benefits, rent, utilities and general office expenses.

The Funds incur other fees and expenses charged by brokers and other third parties, such as investment banking fees, wire transfer fees, electronic fund fees, fund administration service provider fees, other fees and taxes on brokerage accounts and securities transactions, and costs otherwise authorized by the relevant Fund's Governing Documents or approved by a majority in interest of investors. See "Item 12. Brokerage Practices" below for further discussion of the factors that Lucerne Capital considers in selecting or recommending broker-dealers for Fund transactions and determining the reasonableness of their compensation.

All fees and expenses related to separately managed accounts are governed by and charged in accordance with each separately managed account's Governing Documents.

General Information on Fees

Negotiability of Fees: In certain circumstances, the fees and performance compensation received by Lucerne Capital and its related entities is negotiable. Lucerne Capital and its related entities reserve the right to waive or reduce management fees and performance-based compensation for certain investors in any Client and have waived such fees and compensation for employees and related parties of Lucerne Capital.

Termination of Advisory Relationship: An advisory agreement may be canceled at any time, by either party, for any reason upon receipt of written notice in accordance with the guidelines of the related Client's Governing Documents. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. Investors are requested to refer to the applicable Client's Governing Documents for complete information on withdrawals and applicable investment "lock-up" periods.

Advisory Fees in General: Investors should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Item 6 – Performance-Based Allocations and Side-By-Side Management

In addition to the Management Fee, the Clients (other than Focus Fund I) pay Lucerne Capital and its related entities Performance Allocations. Performance Allocations are calculated based on a percentage of the net profits of the Funds at the end of each fiscal year, and are typically 20% of the allocable share of net profits above the high water mark. To the extent that the balance of the account appreciation is less than the high water mark, there is a 'Loss Carryforward' provision (described in more detail in the relevant Fund's Governing Documents) which must be recouped before Lucerne Capital and its related entities are entitled to a Performance Allocation. This allocation is deducted from investor assets in the relevant Funds.

In measuring an investor's net profits for the calculation of Performance Allocations, Lucerne Capital and its related entities will include both realized and unrealized gains and losses during the relevant period. The calculation and payment of the Performance Allocations applicable to a particular interest in a Fund is described in detail in the applicable Fund's Governing Documents.

The Performance Allocations may create an incentive for Lucerne Capital and its related entities to cause the Clients to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement, or to favor accounts which have a higher allocation arrangement. In addition, for Funds where Lucerne Capital and its related entities are not entitled to receive the Management Fee or Performance Allocations (such as Focus Fund I), the absence thereof may create an incentive for Lucerne Capital and its related entities to make investment decisions for such Clients differently than the manner in which they would have proceeded had Lucerne Capital or its related entities been entitled to receive such Management Fees or Performance Allocations.

Lucerne Capital has adopted and implemented policies and procedures to mitigate the foregoing conflicts.

The Investment Advisers Act of 1940, (the "Advisers Act") as amended, restricts the payment of performance-based compensation, such as the Performance Allocations, to investment advisers registered under such act. However, SEC Rule 205-3 permits the payment of performance-based compensation to registered investment advisers provided that the investors in the clients meet certain financial qualifications.

The offerings of interests in the Clients are structured to comply with this rule and accordingly the Clients will only accept subscriptions from investors who meet the qualifications set forth in Rule 205-3. Investors in the Clients are requested to refer to the applicable Client's Governing Documents for complete information on the services offered, and corresponding allocations and fees charged, by Lucerne Capital and its related entities.

Item 7 – Types of Clients

Lucerne Capital and its related entities provide investment advice to the Funds and separately managed accounts in accordance with the investment objectives, investment guidelines and restrictions set forth in the relevant Client's respective Governing Documents. In general, Lucerne Capital requires that each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 (the "Securities Act") and, in most cases, a "qualified purchaser" or "knowledgeable employee", as defined by the Investment Company Act and the rules thereunder.

Prospective investors in the Funds and separately managed accounts described in more detail under Item 4 should refer to the applicable Client's Governing Documents for information on minimum investment requirements. Information on minimum investment requirements for the Funds is described, as appropriate, in the Form ADV, Part 1A.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Lucerne Capital aims to provide investors with strong, risk-adjusted, long-term returns as its common goal among its diverse range of investment products.

The Lucerne Capital Strategy

The Lucerne Capital Strategy intends to take long and short positions in international securities, including, in some instances, U.S. equity securities, and synthetic & derivative transactions. The Strategy will focus investment opportunities mostly in the equity securities of issuers in Continental Europe. Lucerne Capital believes that non-U.S. issuers represent attractive investment opportunities due to a number of significant inefficiencies in this market segment and that its extensive investment experience in global equity securities, excellent information flow, valuation-driven disciplined investment process, and company specific knowledge provide it with an unrivaled competitive advantage in identifying investment opportunities.

The equity securities in which the Lucerne Capital Strategy may invest include common stocks, synthetic derivatives, preferred stocks, convertible securities, warrants, stock purchase rights, depository receipts, shares of investment companies, and other equity-related interests. While equity securities are the principal focus of the Lucerne Capital Strategy, the Lucerne Capital Strategy may purchase and write options and other derivative contracts on stocks, bonds, currencies or market indices and employ other active portfolio management strategies to act as a hedge against volatility and currency exposures while also seeking to reproduce additional income and capital appreciation.

Lucerne Capital believes that stock selection will be the most important contributor to the performance of the Lucerne Capital Strategy and intends to ensure the consistency of returns and low down-market correlation through the use of rigorous risk management and portfolio construction processes. Fundamental research will be a key element of risk control and through an optimal mix of long and short positions, the Lucerne Capital Strategy intends to shift macroeconomic risks (such as market, country, currency and industry risks) onto specific stock selection risk, or alpha-related risks.

The investments, under normal circumstances, are generally expected to be liquid relative to the position size that the Lucerne Capital Strategy can possibly invest. Additionally, Lucerne Capital intends to utilize leverage to increase the potential for gain from Lucerne Capital's stock selection. Leveraging is expected to occur when Lucerne Capital discovers through fundamental research significant revenues/earnings trends emerging for particular sets of companies or industries and subsequently develops a strong conviction for larger exposures to those companies or industries.

The investments made within this strategy may involve a high degree of business, leverage and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made,

changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks and security operations. At times, a substantial portion of the strategy's assets may be invested in the securities of a limited number of issuers. Investing a significant portion of the strategy's assets in a limited number of issuers or industries makes the strategy significantly more susceptible to risks affecting investments in such issuers or industries.

The Lucerne Nordic Strategy

The Lucerne Nordic Strategy intends to seek special investment opportunities across Europe focusing primarily, but not exclusively, on the equity securities of small and mid-cap issuers in the listed markets of the Nordic region, which includes, but is not limited to, Denmark, Finland, Sweden and Norway, using a bottom-up, long-term approach to investing that enables taking positions in a broad range of market-capitalization profiles, including relatively less liquid small-capitalization companies.

Lucerne Capital believes that Nordic issuers represent attractive investment opportunities due to a number of significant inefficiencies in this market segment. Lucerne Capital believes that its extensive investment experience in global equity securities, excellent information flow, valuation-driven disciplined investment process, and company knowledge provide it with an unrivaled competitive advantage in identifying investment opportunities.

The Lucerne Nordic Strategy intends to take long and short positions in primarily in equity securities of issuers with market capitalizations typically between \$50 million and \$10 billion, resulting in a net exposure typically ranging from -30% to +100%. The equity securities in which the Fund may invest include common stocks, preferred stocks, convertible securities, warrants, stock purchase rights, depository receipts, shares of investment companies, and other equity-related interests.

The Lucerne Nordic Strategy intends to invest in Initial Public Offerings (IPOs) in which Lucerne Capital believes offer attractive investment opportunities. Most IPOs involve a higher degree of risk not normally associated with offerings of more seasoned companies. Companies involved in IPOs generally have limited operating histories, and their prospects for future profitability are more uncertain. Stock prices of IPOs can also be highly unstable, due to the absence of a prior public market, the small number of shares available for trading and limited investor information. IPOs will often be sold within one year of purchase date, and in some instances, immediately after going public. The Lucerne Nordic Strategy may also invest in a large percentage of IPOs which can increase volatility of performance and introduce additional risk of loss to investors of this strategy. During periods where the Nordic region experiences numerous high-quality IPOs, the Nordic Strategy may participate in a large number of IPOs which may have a significant effect on the performance of this strategy.

Lucerne Capital believes that stock selection will be the most important contributor to the performance of the Fund and the additional use of a disciplined risk control process will be instrumental in producing consistent performance. The Fund's and Separately Managed Account

investment returns can be expected to be driven by the absolute performance of both long and short positions.

The investments made within this strategy may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks and security operations.

The Lucerne Concentrated Strategy

Lucerne Capital believes that certain European listed equities in a broad range of market capitalization profiles, including relatively less liquid small-capitalization companies, represent attractive investments. These opportunities are often the result of lack of analyst coverage, emergent companies reaching critical mass, or, for example, companies that have been ignored for reasons that are structurally no longer valid, such as financial distress or poor management. Typical companies that fit the investment profile will have a solid strategy and market position, an asset-rich balance sheet relative to its enterprise value, strong free-cash generation and are well-managed. It is Lucerne Capital's experience that when these attributes are combined with catalysts such as a pick-up in earnings-momentum, an asset sale, or an acquisition that re-leverages the balance sheet, the stocks can generate attractive returns to long-term investors.

The Lucerne Concentrated Strategy is managed based on the assumption that stock selection will be the key contributor to performance. Lucerne Capital will devote a significant amount of time to actively form investment ideas, and especially to analyze these investment ideas to build strong conviction in the investment thesis, which in turn will result in a concentrated portfolio. Different phases in the economic cycle may call for different approaches to stock selection, impacting the size, liquidity, and nature of the portfolio components. The Lucerne Concentrated Strategy intends to take long, and in some instances, short positions in mostly European equity securities of issuers in the small- and mid-capitalization range and also intends to hedge the equity exposure with derivatives and index positions.

The length of an investment's holding period will be determined by Lucerne Capital's assessment of the ongoing merit of that investment relative to all other investment opportunities. The relative risk/reward of each investment at current valuation will be reflected by the net exposure each investment has in the portfolio. In general, Lucerne Capital seeks companies with an investment case that continues to be valid for a longer period of time, typically more than a year. The realized length of time a particular investment is held is primarily the result of a disciplined approach of setting a price target, which will then be used to monitor the relative attractiveness of reaching such target in relation to the health of the original investment case. The relative risk/reward of investment ideas will be translated into the size of a holding and the overall net exposure.

The Lucerne Concentrated Strategy uses a high level of concentration and leverage. The relative size of the position will mainly depend on the conviction, potential upside, timing, liquidity and risk profile of the investment case. All Lucerne Concentrated Strategy investments can be expected to be liquid relative to the liquidity constraints of the Lucerne Concentrated Strategy. In general, Lucerne Capital may invest in illiquid instruments when the investment case and return potential render the instrument an attractive addition to the portfolio. In all cases Lucerne Capital will constantly monitor the overall liquidity level of the portfolio.

Concentrated Portfolio; Lack of Diversification

Certain of Lucerne Capital Clients' portfolios consist of several relatively large securities positions. A loss in any such position could have a material adverse impact. Accordingly, these Clients' portfolios may be subject to more rapid change in value than would be the case if Lucerne Capital were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

Leverage

Performance may be more volatile if the Clients employ leverage. Lucerne Capital utilizes leverage which results in the Clients controlling more assets than they have in equity. Leverage increases the Clients' returns if the Clients earn greater returns on investments purchased with borrowed funds than the Lucerne Capital's cost of borrowing such funds. However, the use of leverage exposes Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had Lucerne Capital not borrowed to make the investments; (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds Lucerne Capital's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of an Client's assets, Lucerne Capital might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

The actual amount of leverage utilized by the Clients, which may be very significant and may vary over time, shall be determined by Lucerne Capital in its discretion (subject to any credit limitations imposed by financial institutions or counterparties) and may be adversely affected or limited by the use of leverage by another Client.

The investments made within this strategy may involve a high degree of business, leverage and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks and security operations. At times, a substantial portion of the strategy's assets may be invested in the securities of a limited number of issuers. Investing a significant portion of the strategy's assets in a limited number of issuers or industries makes the strategy significantly more susceptible to risks affecting investments in such issuers or industries.

The Lucerne Focus Strategy

In addition, Lucerne Capital has formed Focus Fund I to pursue a strategic, long-term investment opportunity in the securities of an identified company (referred to as the “Identified Investment”), along with a concentrated group of additional investments. In the future, Lucerne Capital may form one or more additional investment vehicles for the purpose of making focused investments in European-listed equity and other securities of companies that Lucerne Capital believes represent attractive investment opportunities for investors with a long-term investment horizon. Typical companies that fit the investment profile will have what Lucerne Capital believes to be a solid strategy and market position, an asset-rich balance sheet relative to its enterprise value, strong free-cash generation and are well-managed. It is Lucerne Capital’s experience that when these attributes are combined with catalysts such as a pick-up in earnings momentum, an asset sale, or an acquisition that re-leverages the balance sheet, such investments can generate attractive returns to long-term investors.

The risks associated with investments using the Lucerne Focus Strategy will be highly dependent upon the characteristics of the applicable investments, in each case. As substantially all of the strategy’s assets are expected to be invested in the securities of a few companies, such investments will be subject to a high degree of concentration, leverage, business and financial risk that can result in substantial losses. In addition, the success of the investments will depend in large part on Lucerne Capital’s ability to accurately assess the fundamental value of the investments. No assurance can be given that Lucerne Capital will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of the investments, or that Lucerne Capital will accurately assess the impact of all factors of which it is aware. While Lucerne Capital may believe that the investments represent a compelling investment opportunity, there is no guarantee that these perceived investment opportunities will not dissipate at any time, for example, because of a change in the investments’ business or operations or because of significant price moves of the equity securities.

In addition, certain of the other Funds and Separately Managed Accounts may have invested or will invest in the equity securities of any Identified Investment and the concentrated group of additional investments at different times or at different prices which may be due to, among other factors, differences in investment mandate, horizon, diversification relative to other investments, investment guidelines and risk parameters applicable to such other Funds and clients as well as in the available investment capital at the time of such transactions. In the event that any Identified Investment, or concentrated group of additional investments, is subject to limited trading volume, transactions in the equity securities of such investments by other Funds or clients may negatively affect the value of the investments. In addition, such transactions may cause the investment opportunity in the investments to dissipate more quickly than would otherwise be the case.

Coronavirus and Public Health Emergencies

The global COVID-19 pandemic and the responses thereto have led, and will likely continue to lead, to disruptions in global financial markets, significant increases in unemployment, significant reductions in consumer demand and downturns in the economies of many nations, including the United States, and the global economy in general. While vaccines are being developed and distributed, new variants of COVID-19 have shown to be resistant to vaccines and could exacerbate or prolong the pandemic and its effects. Additionally, the effectiveness of unprecedented financial support and relief measures (such as the Coronavirus Aid, Relief and Economic Security Act) implemented by the United States government and other governments is not yet clear, nor is it known what (if any) new stimulus or relief efforts will be implemented and the effectiveness and impact of these measures cannot be predicted. As a result, the long-term effects of the social, economic and financial disruptions caused by the COVID-19 pandemic remain unknown.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its investments and could adversely affect Lucerne Capital's ability to fulfill a Client's investment objectives. The extent of the impact of any public health emergency on a Client's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Client's investments, Lucerne Capital's ability to source, manage and divest investments on behalf of a Client, and the ability to achieve a Client's investment objectives, all of which could result in significant losses to the Limited Partners. In addition, the operations of a Client, its portfolio companies, and Lucerne Capital could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Special Purpose Acquisition Companies

In addition to the Clients investment strategies described above, the Clients invest in the stock, warrants, and other securities of special purpose acquisition companies ("SPACs"), SPACs are publicly traded companies formed for the purpose of raising capital through initial public offerings to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following

the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a predetermined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired, and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, i) such SPAC may not be able to locate or acquire target companies by the deadline, ii) assets in the trust may be subject to third party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, v) the value of any target company may decrease following its acquisition by such SPAC, vi) the value of the funds invested and held in the trust decline, vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, interests in most SPACs are relatively illiquid and have a concentrated shareholder base that tends to be comprised of institutional investors, including hedge funds (at least at inception). Certain Clients have invested capital in a SPAC that is advised, in part, by the Lucerne Capital's managing member. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Business Continuity and Disaster Recovery

Lucerne Capital's and the Clients' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics, terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although Lucerne Capital has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

Cyber Security Breaches and Identity Theft

As the use of technology has become more prevalent, Lucerne Capital and the Clients Lucerne Capital manage have become potentially more susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events

that may cause Lucerne Capital to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause Lucerne Capital and/or a Client to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity breaches may involve unauthorized access to digital information systems (e.g., through “hacking” or malicious software coding), and may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of third-party service providers (e.g., a Client’s custodian) or issuers of securities in which a Client invests can subject a Client to many of the same risks. Although Lucerne Capital has established risk management systems designed to reduce the risks associated with cybersecurity threats, there is no guarantee that such efforts will succeed, especially since Lucerne Capital does not directly control the cybersecurity systems of issuers or third-party service providers.

Lucerne Capital’s investment programs are speculative and entail substantial risks. There can be no assurance that the investment objectives will be achieved due to volatile markets, lack of complete information, concentration and exchange risk exposure, use of leverage, dependence on principals and illiquidity, among other reasons. Investing in securities involves risk of loss that investors should be prepared to bear. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. The foregoing information regarding the risks relating to an investment of the Clients provides general information based on the Clients’ investment strategies. For specific information regarding the material risks of investing in a particular Client, investors should refer to that Client’s Governing Documents.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Lucerne Capital or the integrity of Lucerne Capital's management. Lucerne Capital has no history of any disciplinary action.

Item 10 – Other Financial Industry Activities and Affiliations

Lucerne Capital is affiliated through ownership and control with Lucerne GenPar Fund, LLC and the Lucerne Focus Fund I GP, LLC which act as the general partner to the Funds. Lucerne Capital General Partner LLC is the general partner of Lucerne Capital and is the sole owner of Lucerne Netherlands B.V., a legal entity established in the Netherlands under Dutch law for the sole purpose of conducting investment research and analysis of European public equities for the benefit of Lucerne Capital and Lucerne Capital's Clients.

Also, some employees & principals of Lucerne Capital are affiliated with the business of sponsoring and managing a SPAC, which is a blank check company incorporated as a Cayman Islands exempted company (the "Affiliated SPAC") and formed for the purpose of effecting a merger, share exchange, asset acquisition, share repurchase, reorganization or similar business combination with one or more businesses. The Affiliated SPAC's sponsor and management include certain of Lucerne Capital's principals and employees that stand to benefit from their direct and/or indirect ownership in the Affiliated SPAC and, accordingly, may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate a business combination. In accordance with any fiduciary and contractual duties to which Lucerne Capital and its principals and employees are subject, presently and in the future, any conflicts of interest that arise between the Affiliated SPAC and a Client, in connection with a business combination proposed to be effectuated by the Affiliated SPAC, will be resolved in favor of the Client(s).

Item 11 – Code of Ethics

Lucerne Capital has adopted a Code of Ethics that sets forth high ethical standards of business conduct that Lucerne Capital requires of its employees to meet its fiduciary obligations. Employees must at all times place the interests of the Funds first. Employees must comply with all applicable laws and regulations, including, without limitation, federal securities laws. All personal securities transactions must be conducted in a manner consistent with the Code of Ethics and any actual or potential conflicts of interest must be avoided.

Lucerne Capital's Code of Ethics places restrictions on personal trading by employees, including that they disclose their personal securities holdings and transactions to Lucerne Capital. Generally, employees are not permitted to buy and sell publicly traded single name securities traded on European Exchanges. Employees may make investments in other private investment funds subject to pre-clearance by Lucerne Capital's Chief Compliance Officer. Lucerne Capital may allow employees to hire outside investment managers to manage, with full discretion, employee accounts with approval from the Chief Compliance Officer.

Lucerne Capital's Code of Ethics also includes policies and procedures that are designed to prevent the misuse of material, non-public information. Lucerne Capital's Insider Trading policies prohibit employees from trading (or recommending trading) on behalf of our Funds, themselves, or any external parties in securities of a company while knowledgeable of material, non-public information about the company.

Lucerne Capital's policy and practice is to not engage in any principal transactions. Lucerne Capital has policies and procedures in place designed to identify and/or avoid conflicts of interest that may arise between or among client accounts and any principal accounts. These policies and procedures include allocation policies for allocating trades among client accounts. If there becomes a need to rebalance positions between accounts, Lucerne Capital's policy and procedure is to execute each trade through a non-affiliated broker at a market price. This policy has been communicated to all relevant employees, traders and portfolio managers.

Investors or prospective investors may obtain a copy of Lucerne Capital's complete Code of Ethics and Personal Securities Transactions Policy by contacting Patrick Moroney, Chief Compliance Officer, at (203 983-4470) or the below address:

Lucerne Capital Management, L.P.
Attn: Chief Compliance Officer
35 Mason Street
Greenwich, Connecticut 06830

Item 12 – Brokerage Practices

In accordance with each Client's Governing Documents, Lucerne Capital is granted the discretionary authority to determine the broker-dealer to be used and the commission rates to be paid. Lucerne Capital will endeavor to select those brokers or dealers which will provide the best execution at competitive commission rates.

Subject to the requirement to seek best execution for Clients brokerage transactions, transactions may be allocated to brokers on the basis of and in consideration of such brokers' provision or payment of the costs of investment research and analysis and other trading services and products (sometimes referred to as "soft dollar" services and products) that are of benefit to the Clients and Lucerne Capital. Accordingly, the commission rates charged by brokers in the foregoing circumstances may be higher than those charged by other brokers who may not offer such services. Lucerne Capital may therefore use a broker who provides soft dollar services and products or who is obligated to pay third parties for such services received by Lucerne Capital, even though a lower commission may be charged by a broker who does not offer the same level of products and services. Research services may be useful in servicing all of the Clients, and not all of such research may be useful for the Client account for which the particular transaction was effected.

Brokers or dealers that Lucerne Capital selects to execute transactions may, from time to time, refer clients or investors to Lucerne Capital. Lucerne Capital will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and Lucerne Capital's interest in receiving future referrals.

In certain instances, Lucerne Capital receives from broker-dealers products or services which are used both for investment research and for administrative, marketing, or other non-research purposes. In such instances, Lucerne Capital makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs of such products or services attributable to research usage may be defrayed by Lucerne Capital through directing brokerage commissions generated by client transactions (soft dollars). This may be done without prior agreement or understanding by the client (and done at Lucerne Capital's discretion). The portion of the costs attributable to non-research usage of such products or services is paid by Lucerne Capital to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, (the "Exchange Act") as amended.

Lucerne Capital currently receives the following services, among others, on a "soft dollar" basis:

1. Discussions with research analysts
2. Meetings with corporate executives to discuss questions on their company and industry
3. Traditional research reports from Brokerage houses analyzing public companies and industries

4. Conferences and seminars as they relate to research of investment opportunities
5. Software and models that provide analysis of Lucerne's portfolios and investment opportunities
6. Market data, trade analytics, research and advice on market views and strategies
7. Brokerage services including connectivity for execution services, order routing, clearing and settling of transactions, etc.

Research or brokerage services provided by brokers, or provided by third parties and obligated to be paid for by brokers, through which portfolio transactions for the Clients are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, and other services providing lawful and appropriate assistance to Lucerne Capital and/or its affiliates in the performance of its or their respective investment decision-making responsibilities on behalf of the Clients which it or such affiliates manage (collectively, "soft dollar items"). Certain soft dollar items may be made available to affiliates of Lucerne Capital solely for the purpose of such affiliates providing assistance to Lucerne Capital or its affiliates in the performance of its or their respective investment decision-making responsibilities on behalf of the Clients which it or such affiliates manage.

Item 13 – Review of Accounts

Clients assets are invested according to defined investment strategies, investment guidelines and restrictions described in more detail in each Client’s Governing Documents. Each Client account is maintained and supervised by the investment principals. Each account is reviewed by the principals continually. Matters reviewed include specific investments held, the percentage of assets in various types of investments and the relative and absolute performance of each account.

Investors in the Funds receive annual audited financial statements of their Fund and unaudited monthly account statements prepared by an independent, third-party administrator. The Funds are subject to annual audits by a nationally-recognized Public Company Accounting Oversight Board (PCAOB)-registered independent auditor.

Separately managed account clients receive reports, including financial statements, in accordance with the related Governing Documents and the terms Lucerne Capital and each client agreed to.

Item 14 – Client Referrals and Other Compensation

Lucerne Capital will generally, from time to time, make payments to third parties in connection with referrals of potential investors for funds managed by the adviser. To the extent any such arrangements relate to client referrals, such arrangements will comply with applicable rules and regulations set forth in the Advisers Act. Currently, Lucerne Capital has an agreement with Citi Private Advisory, LLC and Wijlacker - Advies & Interim Management for the purpose of referring investors to the Funds. Citi Private Advisory, LLC and Wijlacker - Advies & Interim Management receive a percentage of the gross fees and allocations paid to Lucerne Capital on behalf of investors that have been referred to Lucerne Capital's Clients by above entities.

Any fees paid to placement agents for the solicitation of prospective investors will be borne by Lucerne Capital; no deduction will be made from an investor's subscription amount with respect to such fees. Interests of the Funds may also be made available through the distribution platforms of certain financial institutions. While none of the Funds, Lucerne Capital or any of their affiliates pay any fees to make the interests of a Fund available through such distribution platforms, individual investors purchasing interests through a distribution platform may incur fees charged by the applicable financial institution. Such fees will be in addition to any amounts invested in the Fund and will not be shared by the applicable financial institution with the Funds, Lucerne Capital or any of their affiliates.

Item 15 – Custody

Lucerne Capital is deemed to have custody of Clients funds and securities because it has the authority to obtain Clients funds or securities, for example, by deducting the Management Fee from a Client's account.

Each Fund is a pooled investment vehicle, and custody of such Fund's assets is maintained in compliance with applicable rules and regulations set forth in the Advisers Act. Cash and securities are maintained at a financial institution meeting the definition of qualified custodian under the Advisers Act. In addition, the financial statements of each Fund are audited by a nationally-recognized Public Company Accounting Oversight Board (PCAOB)-registered independent auditor and the Governing Documents of each Fund require the financial statements to be distributed to investors within 120 days of the applicable fiscal year-end of the respective Fund.

Lucerne Capital does not have custody or any form of custodial arrangement with respect to its separately managed accounts' funds or securities.

Item 16 – Investment Discretion

Subject to the investment objectives, policies and restrictions of each Client as set forth in the Governing Documents of such Client, Lucerne Capital has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Client, including the selection of, and commissions paid to, broker-dealers. The terms of Lucerne Capital's investment advisory services, including investment discretion, are negotiated with each Client and agreed to in the Clients' Governing Documents. These terms are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

Item 17 – Voting *Client* Securities

Lucerne Capital, as a matter of policy and as a fiduciary to its Clients and investors, has responsibility to vote proxies of portfolio securities consistent with the best economic interests of the Clients. Lucerne Capital maintains written proxy voting policies and procedures describing in detail research, voting and reporting of proxy voting. The following is a summary of our proxy voting policies and procedures:

1. Types of Accounts to which Lucerne Capital Votes Proxies

Lucerne Capital votes proxies for each Client for which we act as adviser with the power to vote proxies.

2. General Guidelines

In voting proxies, Lucerne Capital is guided by general fiduciary principles. Lucerne Capital's goal is to act prudently, solely in the best interest of our Clients, and, in the case of ERISA accounts, for the exclusive purpose of providing economic benefits to such persons. Lucerne Capital attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder values.

3. How Lucerne Votes

Generally, Lucerne Capital divides proxies into routine matters and non-recurring or extraordinary matters. It is Lucerne's general policy, absent a particular reason to the contrary, to vote with management's recommendations on routine matters. For non-recurring extraordinary matters, Lucerne Capital votes on a case-by-case basis, generally following the suggestions for such matters detailed in the adviser's proxy voting policy.

For the Clients that use Morgan Stanley & Co. ("MS") as one of their prime brokers, Lucerne uses ProxyEdge to provide record keeping services on behalf of the Funds. This is a complementary service provided by MS to the Funds.

For the Clients that use Goldman Sachs & Co. as one of their prime brokers, Lucerne has engaged Institutional Shareholder Services, Inc. ("ISS") to provide record keeping services on behalf of the Funds. This cost of this service is prorated to the Funds that use this service.

For the Clients that use Credit Suisse Securities (USA) LLC as one of their prime brokers, Lucerne has engaged ISS to provide record keeping services on behalf of the Funds. This cost of this service is prorated to the Funds that use this service.

For the Clients that use SG Americas Securities LLC as one of their prime brokers, Lucerne provides record keeping services on behalf of the Funds.

4. Conflicts of Interest

In furtherance of Lucerne Capital's goal to vote proxies in the best interests of Clients, Lucerne Capital follows procedures designed to identify and address material conflicts that may arise between Lucerne Capital's interests and those of the Clients before voting proxies on behalf of such Clients.

Investors may obtain a copy of Lucerne Capital's Proxy Voting Policies and Procedures by contacting Patrick Moroney, Chief Compliance Officer, at (203) 983-4400 or the below address:

Lucerne Capital Management, L.P.
Attn: Chief Compliance Officer
35 Mason Street
Greenwich, Connecticut 06830

Item 18 – Financial Information

Lucerne Capital does not require prepayment of Management Fees six months or more in advance. Lucerne Capital is not aware of having any financial condition that is reasonably likely to impair its ability to meet contractual requirements to the Clients. Lucerne Capital has never filed for bankruptcy protection.