

Form ADV

Part 2A

Lucerne Capital Management, L.P.

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March 21, 2023

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

Item 2 discusses only material changes made since an adviser's last Annual Updating Amendment to its brochure. This brochure contains several changes from our previous brochure, dated March 30, 2022, including but not limited to updates to risk factors. In addition, Lucerne Capital routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies and procedures, as well as to respond to evolving industry best practices.

Lucerne Capital will update this brochure no less than annually. We encourage all recipients of this brochure to read it carefully in its entirety.

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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” or a “Client”, and collectively, the “Funds” or the “Clients”) in accordance with the investment objectives, investment guidelines and restrictions set forth in the relevant Client’s confidential private placement memorandum, limited partnership agreement, investment management agreement and other formation and operating documents pertaining to the Client (collectively, the “Governing Documents”).

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, and in some cases, private 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).

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 and other

developed regions, including the U.S. The strategy will invest in mostly long positions but also engages in derivatives trading and short positions.

- The Lucerne Capital Special Opportunity Fund, Ltd.

The following Lucerne Capital Funds are invested in the “Lucerne Long-Only Strategy” which is a moderately concentrated portfolio with typically 25 to 35 long holdings investing in European equity securities.

- The Lucerne European Opportunities (US) Fund, LP

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 has and expects in the future to enter into separate agreements, commonly referred to as “side letters,” with a particular investor in connection with its admission to a Client without the approval of any other investor, which would have the effect of establishing rights under, or supplementing the terms of, the applicable agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors.

Lucerne Capital does not participate in wrap fee programs.

As of December 31, 2022, Lucerne Capital managed approximately \$557,472,000 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 vary from client to client and can 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 is charged in advance or in arrears on a prorated basis and is 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 – Performance-Based Fees and Side-by-Side Management" of this brochure.

The principals and employees of Lucerne Capital and their related entities do not pay the Management Fee or Performance Allocations. 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 to each Fund according to the specific mandate of each expense as it relates to the organization of each Fund in accordance with each Fund's Governing Documents. At each Fund's initial closing date, the Fund typically reimburses the general partner for organizational expenses incurred by the general partner, or any of its affiliates (including Lucerne Capital), on behalf of 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 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, withholding taxes, 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.

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 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 vary between 10% - 25% 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 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.

Lucerne Capital has adopted and implemented policies and procedures to mitigate the foregoing conflicts. Further, Lucerne Capital is committed to fulfilling its fiduciary duty to its Clients to act at all times in their best interest.

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 in accordance with the investment objectives, investment guidelines and restrictions set forth in the relevant Fund'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, described in more detail under "Item 4 – Advisory Business", 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 attractive 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 a competitive advantage in identifying investment opportunities.

The equity securities in which the Lucerne Capital Strategy could invest include common stocks, synthetic derivatives, preferred stocks, convertible securities, warrants, ETFs, 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, ETFs or market indices and employ other active portfolio management strategies, including FX Forwards, 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 particularly the 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.

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 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 investment opportunities across Europe focusing primarily, but not exclusively, on the equity, and equity like securities of small and mid-cap issuers primarily in 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 and private securities in which the Fund could invest include common stocks, preferred stocks, convertible securities, warrants, stock purchase rights, depository receipts, shares of investment companies, and other equity-related interests, including private equity investments.

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 could 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 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 domiciled equities in a broad range of market capitalization profiles, including relatively less liquid small-capitalization companies, including private equity interests, represent attractive investments. These opportunities are often the result of lack of analyst coverage, 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, ETFs, FX Forwards and index positions across the European and U.S. markets.

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. Most of the 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 concentrated security 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 generally is 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 a 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 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 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 Long Only Strategy

In addition, Lucerne Capital has formed The Lucerne European Opportunities (US) Fund, LP to pursue a long only investment vehicle that is moderately concentrated with 25 to 35 holdings. The strategy will focus on 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 a competitive advantage in identifying investment opportunities.

The equity securities in which the Lucerne Long Only Strategy may invest include common stocks, synthetic derivatives, preferred stocks, convertible securities, warrants, ETFs, stock purchase rights, depository receipts, shares of investment companies, and other equity-related interests. While equity securities are the principal focus of the Lucerne Long Only Strategy, the Lucerne Long Only Strategy may purchase and write options and other derivative contracts on stocks, bonds, currencies, ETFs or market indices and employ other active portfolio management strategies, including FX Forwards, 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 Long Only Strategy particularly the portfolio construction processes. Fundamental research will be a key element of risk control.

The investments, under normal circumstances, are generally expected to be liquid relative to the position size that the Lucerne Long Only Strategy can possibly invest. The investments made within this strategy may involve a high degree of 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.

Side Letter Arrangements

Lucerne Capital, the general partners and the Clients will be authorized, without the approval of any investor, to enter into side letters or similar written agreements with investors that have the effect of establishing rights under, or altering or supplementing the terms of, a Client's Governing Documents with respect to the investors who are parties to such side letters or similar written agreements, including, without limitation, rights relating to greater portfolio transparency, fee waivers or reductions, minimum investment amounts, reports and other information and other more favorable investment terms, including redemption rights. In exercising their discretion (including in determining to cause a Client to enter into any side letters), the general partner and Lucerne Capital will act in accordance with such fiduciary duties. This requires them to ensure that their actions (including, without limitation, in entering into side letters) do not result in the unfair treatment of the investors. To the extent that compliance with any of the provisions of any side letters or similar written agreements would cause Lucerne Capital, the general partners, the Clients or any of their respective affiliates to violate their respective fiduciary duties or obligations or to violate any applicable laws, any non-compliance with any such provision will not be deemed to be a breach of such written agreements.

Market Downturn

The success of Lucerne Capital's investment strategy could be significantly impacted by changing external economic conditions in the European and global economies. The stability and sustainability of growth in global economies may be impacted by social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, acts of war, corruption, sanctions, conflicts and social unrest). Changing economic conditions could potentially adversely impact a Client and the value of its investments. There can be no assurances that conditions in the Euro Region and global economy and financial markets will not worsen. A worsening of general economic and market conditions would likely affect the level and volatility of securities or investments prices and the liquidity of the Clients' investments, which could impair the Clients' profitability, result in losses and impact the investors' investment returns. A recession, slowdown or sustained downturn in the European or the global economy would have a pronounced impact on the Clients and the Clients' investments and could adversely affect the Clients' profitability and ability to execute on its business plans, satisfy existing obligations, make and realize investments successfully. Changes in stock prices, interest rates, currency exchange rates, or commodity prices could result in changes in the broader marketplace that adversely affect the value of investments traded on relatively volatile exchanges.

Russian Invasion of Ukraine

Beginning in February 2022, Russia mobilized and commenced military operations in Ukraine resulting in a large-scale conflict within the country and the surrounding border regions. This conflict is still ongoing and appears to be escalating rather than abating. The effects, scale and impact of this conflict on Ukraine, Russia and other countries is highly uncertain and cannot be predicted. Effects on the global economy and trading markets resulting from potentially escalating military operations and continuing economic sanctions connected to the Russia-

Ukraine conflict are uncertain and impossible to predict. Although the Clients have limited exposure to the events in the Ukraine, such events could negatively affect the value and liquidity of the Client's investments due to the interconnected nature of the global economy and capital markets.

Environmental, Social and Governance Matters

While environmental, social and governance ("ESG") is only one of the many factors the Firm will consider in making an investment, there is no guarantee that the Firm will successfully implement and make investments in companies that create positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Firm engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Firm will depend on the Firm's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Firm's view of certain ESG-related and other factors and carries the risk that the Firm may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by the Firm.

Consideration of ESG factors may affect the Firm's exposure to certain investments, sectors, regions, countries or types of investments, which could negatively impact the Firm's performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Firm or any judgment exercised by the Firm will reflect the beliefs or values of any particular investor. In evaluating a company, the Firm is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Firm to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or the Firm's assessment of such practices may change over time.

Climate Change

The Clients may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Clients' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and

extreme and changing temperatures. As a result of these impacts from climate-related events, the Clients may be vulnerable to the following: risks of property damage to the Clients' investments; indirect financial and operational impacts from disruptions to the operations of the Clients' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Clients' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Clients' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Public Health Emergencies

Any public health emergency, including but not limited to any outbreak, re-outbreak or mutation 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 investors. 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.

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

Lucerne Capital and the Clients' information and technology systems are subject to a number of different threats or risks that could adversely affect the Clients and its investors. Although Lucerne Capital has implemented various measures to mitigate these risks and protect the security of its computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Clients and its investors, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Lucerne Capital and/or the Clients could be materially adversely affected. For example, these systems are subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, security threats (including ongoing cyber security threats to and attacks on information technology infrastructure), infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals, the increased threat arising from state sponsorship of cybersecurity attacks, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Third parties could also attempt to fraudulently induce employees, customers, third-party service providers or other users of Lucerne Capital's systems to disclose sensitive information, including non-public personal information related to investors (and their beneficial owners) and material non-public information in order to gain access to Lucerne Capital's data or that of the Clients' investors. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to investors (and their beneficial owners of investors) and material nonpublic information. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Lucerne Capital's, its affiliates' and/or the Clients' 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), material non-public information and the intellectual property and trade secrets and other sensitive information of Lucerne Capital, its affiliates and/or its Clients. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. Any such failure or unauthorized disclosure of data could harm Lucerne Capital's and/or the Clients' reputation and require a significant investment to remedy the effects of any such failures, subject any such entity and their respective affiliates to legal claims, increased costs, financial losses, reputational harm, adverse publicity, regulatory intervention, and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

The service providers of the Clients are subject to the same information security threats. If a service provider fails to adopt or adhere to adequate data security policies, or if the service provider's network is breached, information relating to the transactions of the Clients and personally identifiable information of the investors (and beneficial owners thereof) may be lost or improperly accessed, used, or disclosed.

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 Lucerne European 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.

Certain of Lucerne Capital's Clients have and expect in the future to enter into separate agreements, or "side letters," with certain prospective or existing investors whereby such investors, including in some cases investors that are such persons that may be affiliated with Lucerne Capital or its related persons, are subject to terms and conditions that are more advantageous than those set forth in the Governing Documents for the particular Client and which apply to other investors in the Client. For example, a side letter could provide for rights relating to greater portfolio transparency, fee waivers or reductions, minimum investment amounts, reports and other information, other more favorable investment terms, including redemption rights, and such other rights as may be negotiated by Lucerne Capital, on behalf of the Clients, with an investor. The determination of whether to enter into a side letter is solely at the discretion of Lucerne Capital and could, among other things, be based on the size of the investor's investment in a Client or affiliated investment entity, an agreement by an investor to maintain such investment in a Client for a significant period of time, or other similar commitment by an investor to a Client. In some cases, a side letter that benefits a party to that side letter could work to the detriment of other investors. Absent an agreement to the contrary or as required by applicable law, Lucerne Capital is not obligated to inform other investors of the terms of any side letter or offer equally favorable terms to such other investors.

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 Clients 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 Clients, 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
73 Arch Street, 3rd Floor
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 could be higher than those charged by other brokers who may not offer such services. Lucerne Capital could 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 could 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 could 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.

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 for the purpose of referring investors to the Funds. Citi Private Advisory, LLC 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.

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. Starting in 2022, for the Clients that use MS 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 Goldman Sachs & Co. 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.

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
73 Arch Street, 3rd Floor
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.