



BERN DYNAMIC LLP



The Bern Lucerne Fund

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NOTE: Performance results are described herein are net of fees. The latest month's performance is preliminary and subject to revision.

Bern Lucerne Fund Introduction

Bern Lucerne Fund

The fund is a joint venture between Bern Dynamic LLP and Lucerne Capital, LLC

- The Bern Lucerne Fund is a joint venture between Bern Dynamic (GP) and Lucerne Capital (Sub-Advisor), a collaboration born from a childhood friendship between Thijs Hovers (Lucerne) and Lars Christiaanse (Bern).
- Lucerne Capital is a European long-short equity fund with a track record starting in 2002 and a net annual return of over 13% since inception.
- The Bern Lucerne Fund will run pari passu with the existing Lucerne Capital Fund Strategy.
- As General Partner, Bern will monitor and control the fund's investments and offer transparency to investors, while maintaining client relationships and facilitating dialogue between investors and Lucerne.
- All historical data presented in this document represent Lucerne's existing offshore fund.

Bern Dynamic Overview

Bern Dynamic LLP (“Bern”)

A boutique advisory and brokerage firm since 2011

Partner: Lars A. Christiaanse

- Bern offers clients access to a pool of world-class, senior experts with a global reach, along with the experience and ability to provide advice across the broadest range of issues; geopolitical, security and business.
- In tandem with its advisory role, Bern Dynamic will use its unique international network to benefit its clients; creating, managing and executing the ambitions of investors and entrepreneurs.
- Team of 16 in London, UK

Lucerne Capital Overview

Lucerne Capital Management, LLC (“Lucerne”)

An SEC-Registered Investment Advisor since 2000

Partners: Pieter Taselaar (founder) and Thijs Hovers

European long / short equity management

- Firm assets under management: \$290 million (11.01.2013)
- 10-year track record compounding 14.5% net of fees annually, +314.2% cumulative net since inception (May 2003 through October 2013)
- Team of 6 in Greenwich, CT

Unique management skill attributable to

- Unique expertise in uncovering value in global leaders and local leading-edge companies within Continental Europe
- Four decades experience interacting with a focused list of 250 European management teams
- Evaluate companies in a proven and repeatable private equity investment style, considering dynamics for above-average market growth, free cash flow, hard assets, and valuation
- Tactical trading around positions with defined entry and exits

Lucerne Cumulative Returns vs Indices



Net Annual Returns	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Net Cumulative Return	Net Annualized Return
The Lucerne Capital Offshore Fund, LTD	29.7%	18.7%	27.6%	25.9%	-3.5%	-43.8%	95.9%	24.7%	-19.8%	26.5%	24.6%	314.2%	14.5%
MSCI Europe Net LCL TR	19.8%	12.2%	24.9%	19.1%	6.0%	-38.9%	27.7%	6.8%	-9.3%	15.6%	19.8%	121.8%	7.9%
500 TR	22.8%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	25.3%	137.4%	8.6%

Fund Overview

The Bern Lucerne Fund Strategy – European Long / Short Equity

Opportunity

- Capitalize on the inefficiencies in the Continental Europe that result from:
- Invest in a fund with well-established operational and administrative controls both internally and through service provider partners
- Maintain a highly liquid portfolio allowing for flexible risk management and active management
- Focus on making money on the buy by being more nimble than other European equity investors, of which there are few true competitors

Portfolio Construction

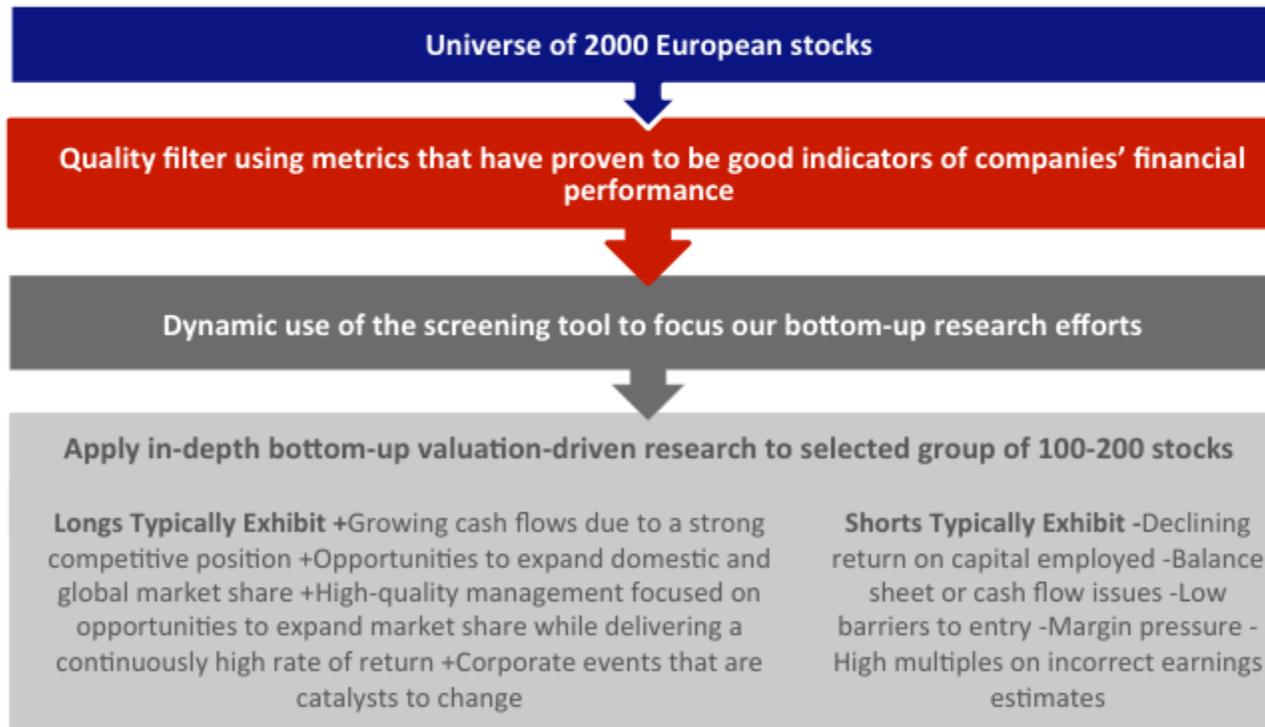
- Universe of Continental European large, mid- and small-cap companies
- Currency exposure is monitored and hedged to the USD
- Opportunistic management of exposures
- 20 to 50 positions with sector and country diversification
- Normal holding period: 3 to 24 months for longs, 1 to 6 months for shorts
- Long positions are usually less than 10% of NAV and short positions less than 3%
- At least 70% of the portfolio can normally be liquidated over 5 to 7 days, measured as no more than 25% of average daily traded volume

- Reporting lags
- Inadequate analyst coverage
- Misunderstood trade and fiscal policies
- Changing industry dynamics among companies in the same value chain
- Changing industry and corporate dynamics
- Perceived-versus-real changes to the competitive landscape
- Lack of deep equity culture

Investment Process

Bottom-up value research

Research requires watching for a private equity style opportunity with a potential 30% return scenario

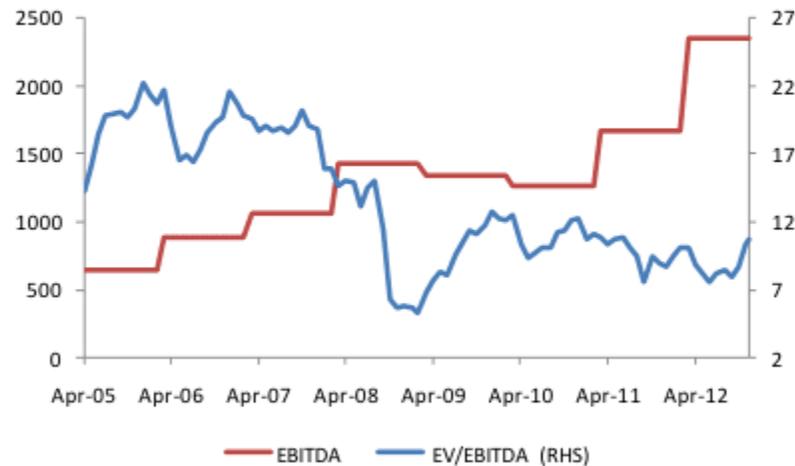


Macroeconomic Overlay

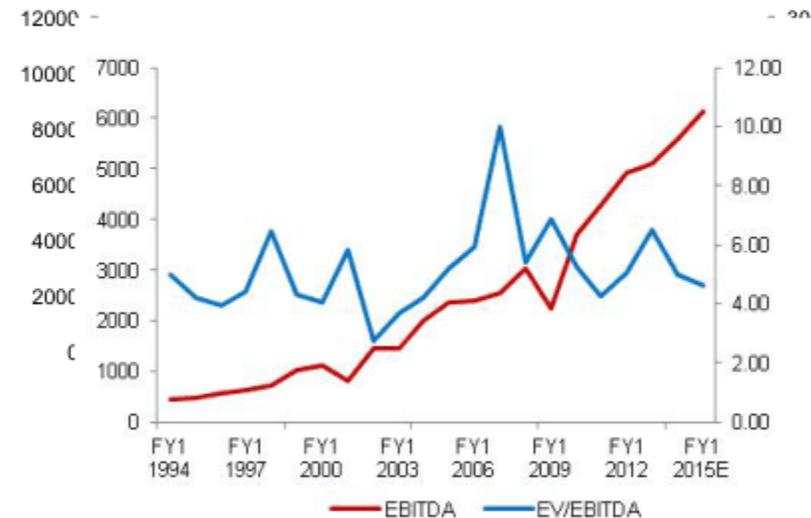
- Alignment of portfolio to macroeconomic environment
- Rotation between sectors and companies with varying sensitivities to discretionary versus non-discretionary spending
- Established database of research on economic cycle sensitivity: durable/non-durable segments, industrial/consumer buyers, competitive landscape

Multiple Contraction, Cheap Global Players

Richemont



Continental



Index	Ticker	Company	EBITDA CAGR 3yr	Gross Margin vs 4 yr avg	ROIC	ROIC ex Goodwill	Working Capital 4 yr trend	FCY %	FCY 4 Yr Avg	DIV %	Balance sheet ND/EBITDA	Shares Out 6 YR CAGR	EV/EBITDA vs History (%)	Valuation upside
SWI	CFR VX	Richemont	31%	2%	18%	18%	-6.5%	4%	7%	2%	(1.4)	-2%	-15%	48%
DAX	CON GY	Continental	11%	4%	15%	20%	4%	6%	7%	3%	1.1	4%	-6%	38%

Europe: Pockets of Excellence



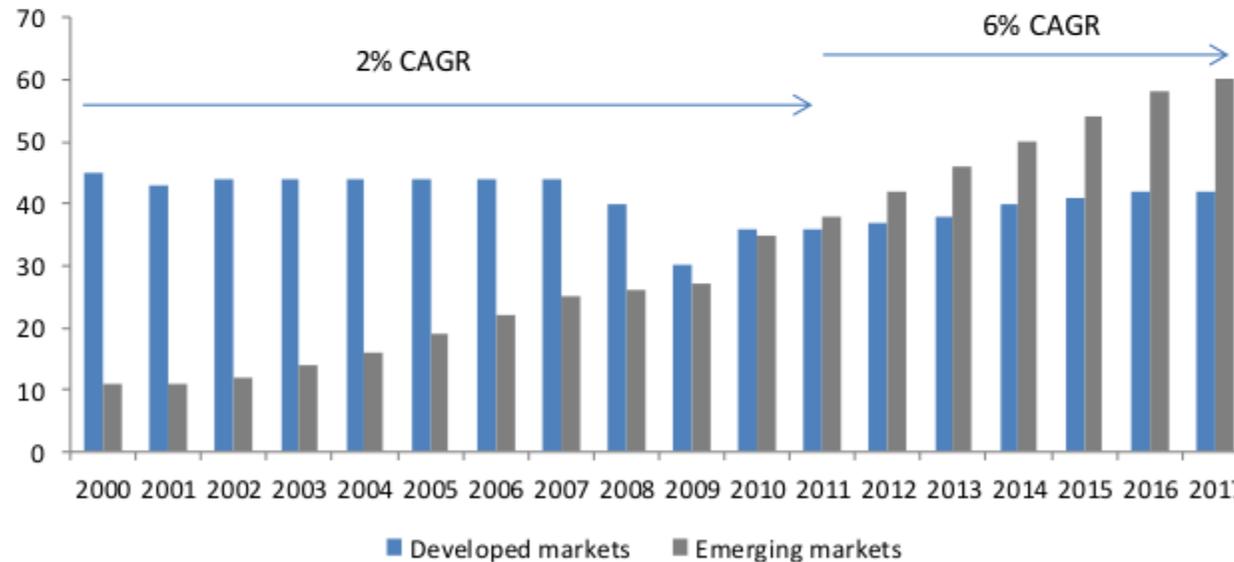
Despite the maturity of the European capital markets, value dislocations and inefficiencies persist

Europe: Global Footprint

Example

Worldwide automotive industry – global unit sales

- Exposure to growth markets is key
- Allows for acceleration in growth despite challenging domestic markets



Yield is Scarce

German 2 yr Government Yield



French 2 yr Government Yield

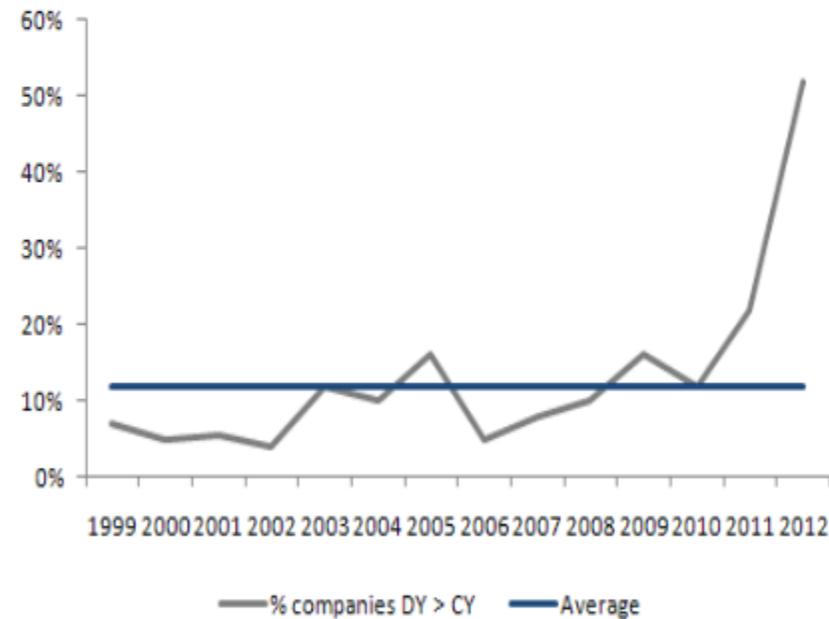


Corporate Bond Yields to All-Time Low

European BBB Corporate Yield



EURO 600 Stock with Div Yield > Credit

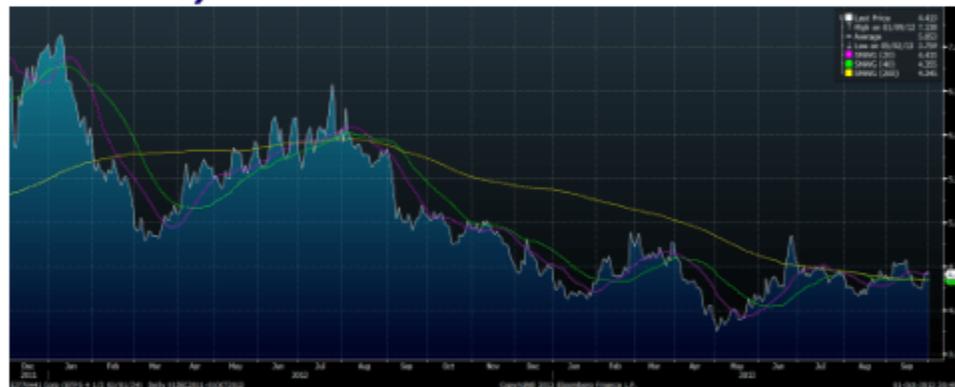


...while dividend yields over credit is at an all time high

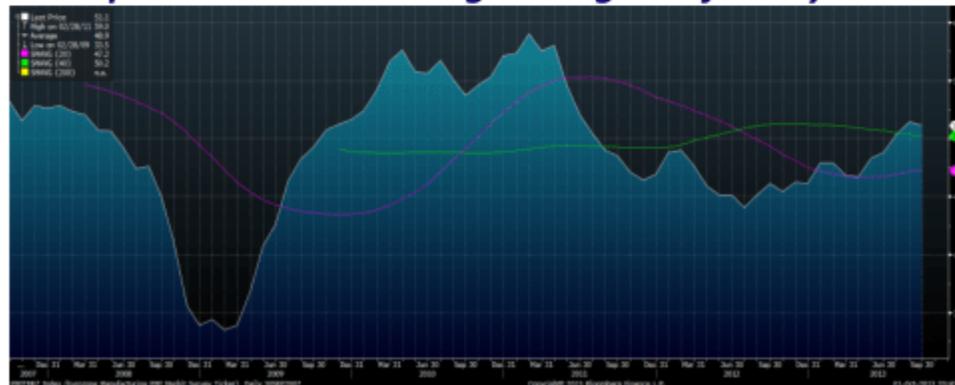
Europe is Investable Again

The Draghi Effect

Italian 10 yr Yields



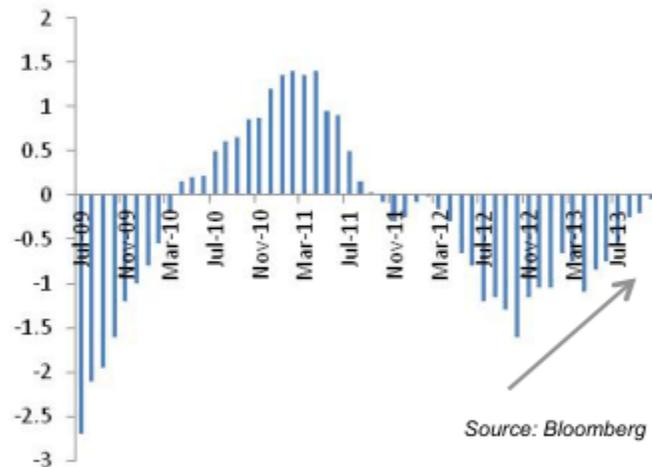
Europe ISM breaks through 50 again after 4 years



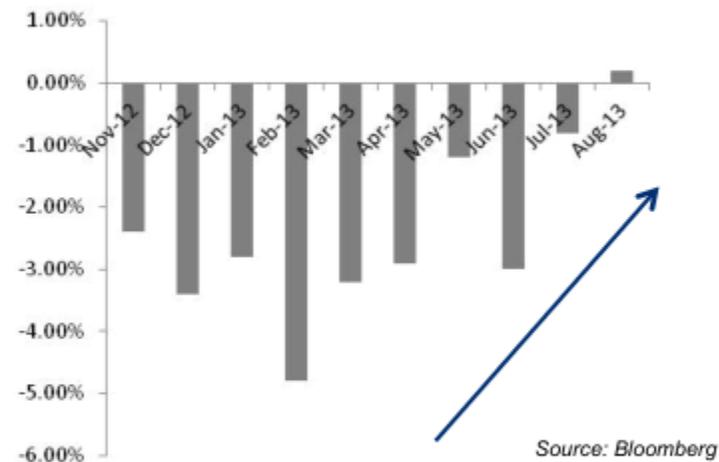
- Credit market takes view European system is well underwritten
- Growth periphery remains subdued
- However, our companies are positioned to benefit from global growth
- Austerity and tax hikes widen gap between winners and losers
- Second derivative in Europe improving
- We have counted over 50 companies that are turning positive on Europe in their earnings reports

Europe in Recovery Mode...

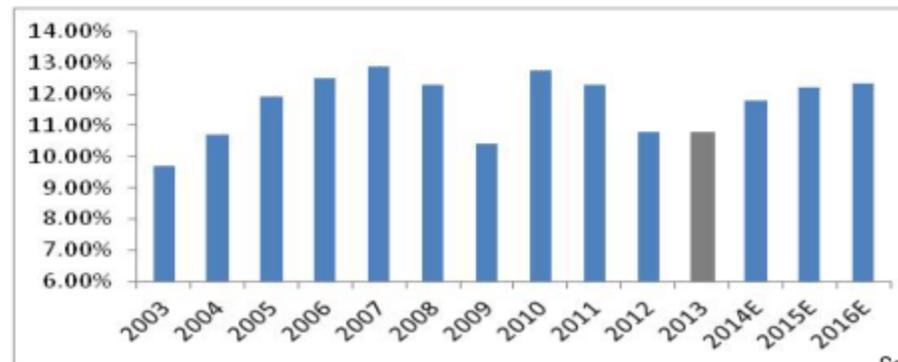
Eurozone Business Climate



Italian Retail Sales



Corporate EBIT Margins (ex Financials) close to 10 year low enables strong profit growth



Example: Duerr

Leading German engineer with global foot print and secular growth trends

- World market leader in paint shops for automotive industry
- Unique footprint after decades of expanding in growth markets
- Unique skillset helps lower cost and energy efficiency at OEMS
- Volkswagen, Daimler and BMW among largest clients
- German OEM Capex plans reveal > 10% growth per annum
- High investments in more energy efficient plants
- As well as expansion in Emerging markets
- Valuation suggest Duerr at peak profitability, while we expect many years of +10% growth

Summary Financials

Sales 2012	1.5bn
EBIT 2012	170m
EBIT CAGR 2012-2015	20%
Market cap	1bn
Net debt/ EBITDA	0.1x
EV/EBIT 2013	5.3x
Dividend Yield 2013	3.80%
ROIC	16%

China Expansion

	2005	...	2011	CAGR %
Orders	146		858	34
Sales	83		575	38
Employees	119		887	40

Source: Duerr

Unique Global Footprint

Country	Founded	Employees
Brazil	48 years	250
Mexico	46 years	210
South Africa	41 years	50
Korea	30 years	115
China	28 years	1550
India	21 years	410
Russia	14 years	30

Source: Duerr

Shorts: Fake Yielders, Contractors & Accounting Irregularities

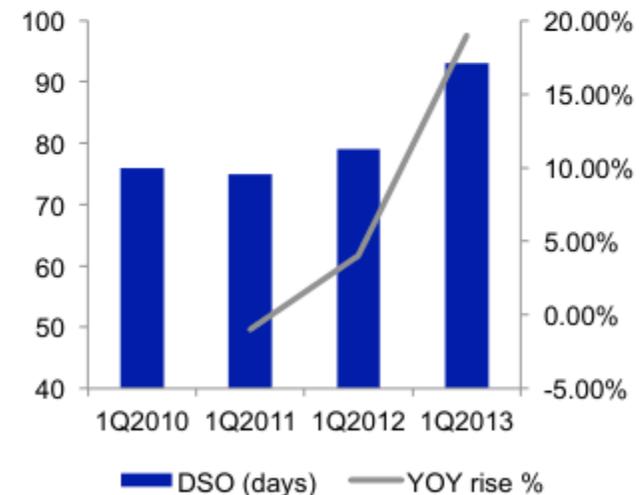
Utilities & telecom incumbents, risk dividend cuts and right issues

- Recent examples are RWE, EON, and KPN

Many contractors took too much risk to 'survive' recession

- Saipem and Imtech: recent examples where aggressive accounting masked cost overruns and loss making contracts.
- Hochtief has a high risk of being next contractor to warn due to:
 - Dramatic rise in working capital driven by (unbilled) receivables signal either:
 - Cost overruns preventing billing their clients
 - Aggressive revenue recognition
 - Trade receivables rose to record 93 days in 1Q13, up from 79 days in 2012 and 75 days in 2011.
 - Hochtief has lent EUR 600m to Dubai subsidiary to cover high amounts of overdue receivables following the property bust. None of the debt has been repaid.

Hochtief receivables rise



Shorts: Fake Yielders, Contractors & Accounting Irregularities

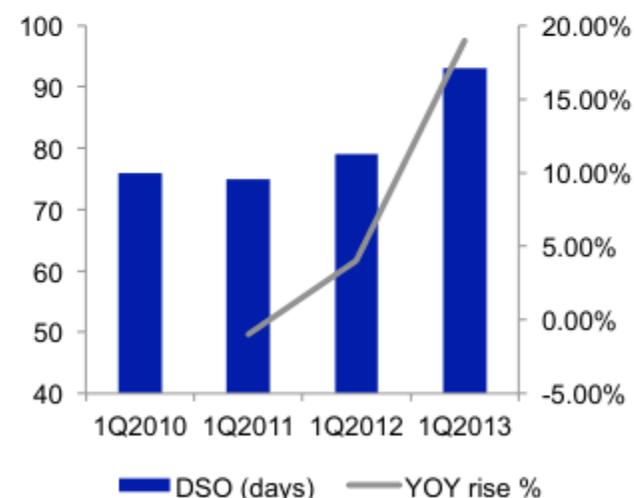
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Appendix

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- ▶ Monthly Returns
- ▶ Terms and Service Providers
- ▶ Bios
- ▶ Valuation Metrics
- ▶ Back Office Processes
- ▶ Top 5 Investment Cases
- ▶ AUM History
- ▶ Investor Base
- ▶ Awards & Press
- ▶ Investor Relations

Net Monthly Returns

The Lucerne Capital Offshore Fund, LTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	MSCI Net Europe LCL TR	
	2013	4.8%	3.5%	-0.6%	0.2%	3.6%	-0.8%	3.5%	-0.5%	4.2%	4.6%			24.6%	19.8%
2012	12.5%	7.0%	-0.7%	-0.4%	-6.1%	-2.1%	0.9%	2.1%	3.1%	2.9%	3.5%	2.2%	26.5%	15.6%	
2011	-2.4%	1.4%	4.2%	1.3%	-3.4%	-0.7%	-9.2%	-11.4%	-5.6%	8.9%	-3.7%	0.5%	-19.8%	-9.3%	
2010	-1.2%	-6.4%	11.8%	-0.1%	-12.4%	-2.6%	4.2%	-5.3%	11.3%	10.1%	6.5%	9.9%	24.7%	6.8%	
2009	-0.8%	-8.6%	1.9%	28.8%	16.4%	1.1%	13.7%	15.5%	10.2%	-9.2%	-1.0%	7.5%	95.9%	27.7%	
2008	-16.0%	3.8%	-3.8%	6.3%	1.7%	-11.2%	-0.2%	13.3%	-17.2%	-15.0%	-2.6%	-10.1%	-43.8%	-38.9%	
2007	3.0%	-1.2%	5.6%	5.8%	3.7%	-0.4%	-2.5%	-6.7%	-0.2%	3.2%	-10.4%	-2.1%	-3.5%	6.0%	
2006	7.5%	3.7%	2.9%	2.0%	-5.1%	-0.9%	0.3%	2.1%	0.2%	2.7%	1.9%	6.5%	25.9%	19.1%	
2005	1.8%	4.5%	0.8%	-2.0%	2.5%	3.8%	4.5%	2.1%	4.7%	-4.6%	3.6%	3.5%	27.6%	24.9%	
2004	6.1%	3.0%	-3.4%	-0.3%	-1.4%	1.5%	-0.3%	0.1%	2.4%	1.0%	4.5%	4.5%	18.7%	12.2%	
2003					4.2%	3.9%	5.4%	2.5%	1.0%	6.0%	2.1%	1.6%	29.7%	19.8%	
													Cumulative since inception	314.2%	121.8%
													Net annualized return	14.5%	7.9%

Terms and Service Providers

<i>The Bern Lucerne Fund</i>	
Fees	Management fee: 1.5% Incentive fee: 20%
Liquidity	Monthly, with 60 days notice
Minimum Investment	\$500,000
Early Redemption Fee	First year, 2%
Administrator	Citco Fund Services (Bermuda) Ltd
Prime Brokers	Morgan Stanley Goldman Sachs
Auditor	PricewaterhouseCoopers
Legal	Paul, Weiss, Rifkind, Wharton & Garrison Walkers

Bios Lucerne Capital Team

PIETER TASELAAR

Founding Partner & Portfolio Manager since 2002

- Previously, Senior Managing Director, ABN AMRO New York, Head of European Equities
- Corporate Finance and Capital Markets, ABN AMRO Amsterdam
- MBA, Columbia University
- Law Degree, Leiden University, the Netherlands

THIJS HOVERS

Partner & Portfolio Manager

- Joined Lucerne Capital Management in 2007
- Previously, Head of Pan European Small and Mid-cap Equity Research, ABN AMRO
- Head of Benelux Equity Research, ABN AMRO
- Senior Equity Analyst, ABN AMRO
- Equity Analyst, Rabobank
- MA, International Finance
- BA, Economics, University of Amsterdam, the Netherlands
- II Ranked Analyst #2, 2006
- Thomson Extel - #1 Benelux: Small Caps Research, 2006
- Brendan Woods Top Gun, 2010 and 2011
- Brendan Woods Best Minds in Consumer Products, 2011

CASEY NUNEZ, *Chief Compliance Officer / Chief Financial Officer*

- Joined Lucerne Capital Management in 2010
- Previously, Senior Associate, BDO Seidman
- BS, Georgetown University

ERNEST J. VERRICO, JR., *Controller / Investor Relations*

- Joined Lucerne Capital Management in 2013
- Previously, Associate, Deloitte & Touche
- MBA, Fairfield University Dolan School of Business
- BBA, Loyola College in Maryland

BRIAN JOHNSON, *Head of Trading*

- Joined Lucerne Capital Management in 2008
- Previously, Senior Account Officer, Citi Private Bank
- BS, University of Florida

YOHANES WAHYUDI, *Trader*

- Joined Lucerne Capital Management in 2011
- Previously, Trading Assistant and Research Analyst Intern, Matrix Capital Group
- BS, Syracuse University

Valuation Metrics

Absolute fair value metrics (rather than relative value analysis) enhances the selling discipline

Strict valuation multiples at entry to invest in pricing inefficiencies with limited downside

- Identify attractive entry points with a potential 30% return scenario
- Typically 10x EV/EBIT for strong global franchises, generating high returns and have a low capital intensity to support growth
- Typically 6x EBIT for more capital intensive cyclical stocks
- Key variables are cash conversion, capex/EBITDA, ROIC, fair equity risk premium, cost of debt
- Assess risk (beta) by the volatility of a company's cash flow and earnings growth

Cash flow based valuation model

Focuses on key drivers to generate cash under a variety of market circumstances:

- Top line and gross margin resilience
- Cost, working capital and capex flexibility
- Potential risks in tax, interest charges and hedging policies

Ongoing testing of assumptions

- Models incorporate revenue line input from external macro advisors
- Sell if growth is priced in or if investment case fundamentally changes

Outperformance is due to our ability to identify and value companies focused on reinvesting or distributing strong and growing cash flows

Back Office Processes

Committed to protecting client capital

while providing the team enough support to effectively manage the Fund

Operational Control Features

- Internal features – Clear roles, redundancies and ability to adapt
- External features – Service providers, NAV confirmation, and third-party custody

Process Documentation

- Trade processes – Daily reconciliation. Multi-layered system both in-house and at administrator
- Research mosaic – Documentation to record our multi-level research process
- Valuation policy – Month-end formal review including external input away from investment professionals
- Risk management policy – Daily review of position sizes
- Cash control policy – Dual signatures and maintaining cash away from brokerage account
- Registered investment advisor best practices – Documented policies / procedures and compliance oversight
- Privacy policy for investor information

Counterparty Agreements

- Extensively negotiated term and facilities with all counterparties

Disaster Recovery & Backup Procedures

- Daily backup, off-site data storage, and remote access ready

Please refer to the Due Diligence Questionnaire for detail

Top 5 Investment Cases

*As of October 2013 (in alphabetical order)**

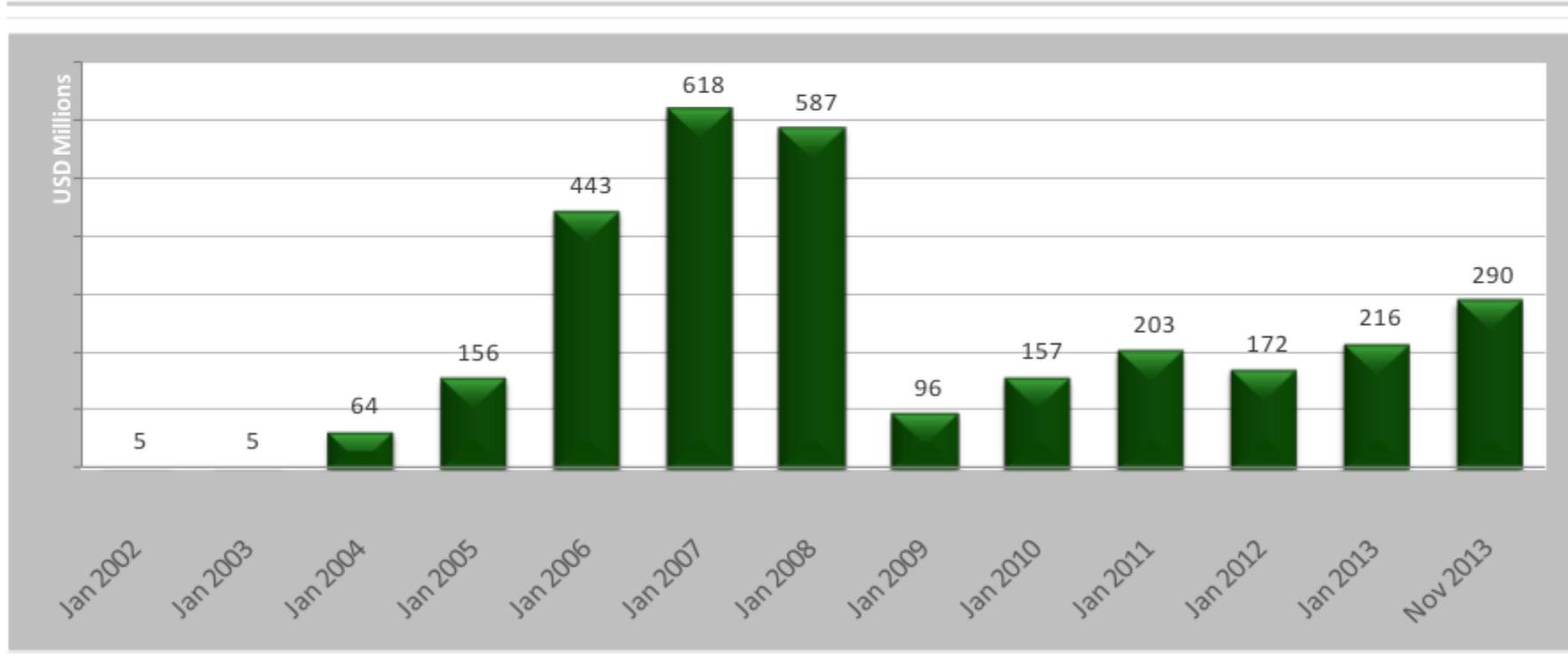
Company (Country)	Description	Recent Dynamics	2014 Valuation Summary **	Market Cap (Million €)
Adecco SA (Switzerland)	Largest European temporary employment company, with 60% of revs in Europe, 20% in US and 20% in the UK (Ticker: ADEN VX)	Early cyclical recovery play on Europe; significant operating leverage; signals double-digit growth in periphery with core Europe expected to follow	13.8x FCY 6% Div 3.3%	€ 10,285
Arcadis NV (Netherlands)	Leading engineering and consultancy firm, with strong leading positions in the US, Europe and the UK (Ticker: ARCAD NA)	Recovering end markets (U.S. architect index & early European recovery indicated by permits & planning); high ROIC; large accretive acquisition expected	PE 12.8x FCY 7.9% Div 2.9%	€ 1,730
Continental AG (Germany)	German automotive component and tire producer. Key supplier to German OEMs (Ticker: CON GY)	Superior growth prospects on geo diversification, new products in safety, and recovery of tire markets; one of cheapest high quality cyclicals in our universe	PE 10.1x FCY 7.2% Div 2.6%	€ 26,991
Rexel SA (France)	Distributor of electrical equipment, including wires, cables, ducts, security & telecom products & household appliances (Ticker: RXL FP)	Strong growth in the US; European growth is not yet priced in; when it is, operating leverage would kick in and push multiples down from already low levels	PE 11x FCY 9% Div 4.7%	€ 5,189
TKH Group NV (Netherlands)	Designer & manufacturer of innovative systems for IT, telecom, electrotechnical engineering & industrial production (Ticker: TWEKA NA)	Among highest ROIC in Dutch market; clean balance sheet to propel growth; participating in strong healthcare and security growth trends	P/E 9.4x FCY 10% Div 4.6%	€ 888

**Excludes index hedges. **These are Lucerne Capital Management, LLC's projections for 2014 as of April 2013 and are subject to change. Source for Market Capitalization: Bloomberg, March 31, 2013*

AUM History

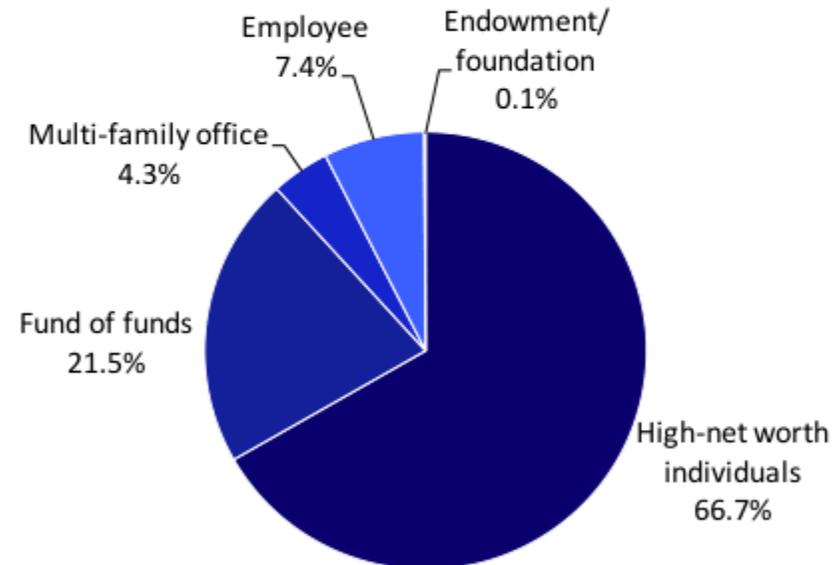
AUM History - Lucerne Capital Management

Current Funds



Investor Base

Firm Investor Base as of November 1, 2013



Awards & Press

2010 & 2011	2012	2013
<p>Brendan Wood International's Top Gun Award <i>Thijs Hovers, among the 75 most influential buy-side specialists in Europe</i></p>	<p>Bloomberg Brief: Hedge Funds June 19, 2012 <i>Lucerne Bets on European Multinationals while Shorting Builders</i></p>	<p>Bloomberg Brief: Hedge Funds March 12, 2013 <i>Returns in Brief</i></p>
<p>BarclayHedge Award Recognition Award <i>Annual Top 10</i> <i>The Lucerne Capital Fund, LP</i> <i>Sector: Equity Long/Short – Europe</i></p>	<p>Barclay Managed Funds Report 3rd Quarter 2012 <i>Barclay Roundtable: No Optimal Solution is at Hand to Resolve Europe's Credit Crisis</i></p>	<p>Het Financieele Dagblad June 3, 2013 (Dutch article) <i>Hedgefonds Lucerne speculeert op verdere koersimplosie Imtech (Hedge Fund Lucerne Speculates on Imtech)</i></p>
<p>Brendan Wood International's Top Gun Award <i>Thijs Hovers, among top 11 buy-side investment minds in the Dutch Market</i></p>	<p>Effect Aug 2012 (Dutch article) <i>De korte lijntjes van een Nederlands-Amerikaan hedgefonds (The Short Lines of a Dutch-American Hedge Fund)</i></p>	<p>Het Financieele Dagblad June 14, 2013 (Dutch article) <i>Nederlands hedgefonds in de Verenigde Staten belegt vooral in Europese aandelen (Dutch Hedge Fund in the US Invests Primarily in European Equities)</i></p>
<p>Brendan Wood International's Best Investment Minds <i>Thijs Hovers, Worldwide Consumer Products</i></p>	<p>BarclayHedge Award Recognition Award <i>Annual Top 10</i> <i>The Lucerne Capital Fund, LP</i> <i>Sector: Equity Long/Short – Europe</i></p>	<p>HFMWeek Awards Nominee October 2013 <i>Long/Short equity (Global) under \$1bn & Long/short equity long term performance (5 years)</i></p>
<p>Institutional Investor Feb 2011 (Online Article) <i>How Hedge Funds Generate Returns in Europe</i></p>		<p>Business in Canada October 29, 2013 <i>Star Hedge Fund Managers See Opportunity In European Equities</i></p>

Investor Relations



BERN DYNAMIC LLP

CONTACT

Lars A Christiaanse



Routine Reporting

Monthly: Day 1 Estimate, Newsletter, Statement

Annual: Audited Financial Statements and K1s, both mid-April