

Form ADV Part 2A: Firm Brochure

Long Pond Capital, LP

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Principal Office

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This brochure (“Brochure”) provides information about the qualifications and business practices of Long Pond Capital, LP (“Long Pond”) and its affiliates. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (212) 351-1953 or dkarp@longpond.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Long Pond is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Long Pond is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

We last filed an annual update to this Brochure on March 29, 2019 and have not updated this Brochure since that annual update. This Brochure contains clarifying changes and routine updates to certain information and we do not believe that these revisions constitute material changes or updates since we last filed an annual update.

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Item 4: Advisory Business

Long Pond is an investment advisory firm organized as a limited partnership under the laws of the State of Delaware. Long Pond was formed in 2010 and has been a registered investment adviser since February 2012. Long Pond is owned by John Khoury, who serves as Managing Partner and Portfolio Manager (the “Principal”).

Long Pond serves as an investment manager and provides discretionary investment advisory services to several affiliated pooled investment vehicles, including Long Pond Capital QP Fund, LP and Long Pond Offshore, Ltd. (the “Feeder Funds”) and Long Pond U.S. Master, LP and Long Pond Offshore Master, L.P. (the “Master Funds” and, collectively with the Feeder Funds, the “Funds” and each, a “Fund”). The Feeder Funds invest substantially all of their assets through a “master-feeder” structure in the respective Master Fund, conducting their investment and trading activities indirectly through their investment in the respective Master Fund. The purpose of the Master Funds is to achieve trading and administrative efficiencies. Thus, an investment in the Feeder Funds is the functional and economic equivalent of an investment in the Master Funds. References herein to the Funds’ investment and portfolio include investments by the Feeder Funds through the Master Funds. The investment objective of the Funds is to generate superior risk-adjusted returns by identifying asymmetry, defined as a disconnect between stock price and intrinsic value, primarily in securities of companies in the real estate and real estate related sectors.

Long Pond’s registration on Form ADV also covers Long Pond GP, LLC (the “Fund General Partner”), a limited liability company organized under the laws of the State of Delaware. The Fund General Partner is an affiliate of Long Pond and it serves as the general partner of those Funds that are U.S. or offshore partnerships. The Fund General Partner’s facilities and personnel are provided by Long Pond.

Long Pond manages the assets of the Funds in accordance with the investment strategy set forth in each Fund’s respective confidential private placement memorandum or other applicable governing document, but does not otherwise tailor its investment advice to the individual needs of investors in the Funds. Neither the Funds nor their underlying investors may impose restrictions on investing in certain securities or types of securities.

Long Pond does not participate in “wrap fee” programs.

As of December 31, 2019,¹ Long Pond had approximately \$3.0 billion of client net assets under management. Long Pond manages all client assets on a discretionary basis.

¹ As of December 31, 2019, Long Pond also advised Long Pond Opportunity, LP (“Long Pond Opportunity”), which was formed in 2017 for the purpose of making a single investment; however, Long Pond Opportunity was liquidated prior to the date of this filing. Accordingly, information about Long Pond Opportunity, such as its net assets under management as of December 31, 2019, is not included in this Form ADV Part 2A.

Item 5: Fees and Compensation

General

Long Pond and the Fund General Partner (or another affiliate) typically receive compensation from the Funds in the form of fees based on a percentage of assets under management and performance-based profit allocations. The fees applicable to each Fund are set forth in detail in the respective Fund's confidential private placement memorandum or other applicable governing document. A brief summary of such fees is set forth as follows:

Management Fee

The Feeder Funds pay Long Pond a management fee, which is calculated and payable quarterly in advance at an annual rate of 1.5% of each limited partner's capital account balance or the net asset value of each shareholder's shares, as applicable. Long Pond and its affiliates reserve the right to waive or reduce, and have waived or reduced, management fees for certain investors in the Feeder Funds, including employees, family members, strategic partners, advisors, consultants and others, as may be determined in Long Pond's sole discretion. In the limited circumstances when an investor in one of the Feeder Funds makes a redemption/withdrawal as of a date other than the end of a calendar quarter, the management fee will be appropriately prorated and the excess returned to the relevant investor. All management fees received by Long Pond are deducted directly from each Feeder Fund's account.

Performance Allocation

Generally, at the end of each fiscal year, the Fund General Partner is entitled to a performance-based profits allocation in an amount equal to up to 20% of the net realized and unrealized profits of the applicable Fund, subject to a "high-water mark". A "high-water mark" ensures that the Fund General Partner receives performance compensation only when an investor's account value for the year has recovered any losses from prior years. The performance allocation with respect to certain investors may be reduced or waived by the Fund General Partner, which may agree to such reductions or waivers in its sole discretion.

The Fund General Partner deducts its performance-based compensation described above from the applicable Fund's account at the end of each year, or whenever an investor in a Feeder Fund is making a withdrawal or redemption, as applicable, but only on the withdrawn or redeemed amount.

Other Expenses Charged to the Funds

Each Fund bears all costs and expenses arising in connection with the operation of such Fund, and (in case of each Feeder Fund), indirectly, its *pro rata* share of costs and expenses arising in connection with the operations of the respective Master Fund, including, without limitation, (i) all costs and expenses directly related to portfolio investments or prospective investments of such Fund, including brokerage commissions and other transaction costs, expenses related to proxies, underwriting and private placements, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees and fees of professional advisors and consultants relating to investments or prospective investments; (ii) any withholding or

transfer taxes imposed on such Fund or any of its investors; (iii) any governmental, regulatory, licensing, filing or registration fees and expenses incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws in connection with such Fund or the respective Master Fund and their investment portfolio; (iv) any interest due to investors in connection with withdrawals/redemptions; (v) any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against such Fund or Long Pond in its capacity as such; (vi) the cost of the audit of such Fund's financial statements and the preparation of its tax returns; (vii) the fees and expenses of such Fund's accountants in connection with accounting advice relating to such Fund's day-to-day affairs and all costs related to the keeping of the books and records of such Fund; (viii) the fees and expenses of such Fund administrator; (ix) the fees and expenses of such Fund's counsel in connection with advice directly relating to such Fund's legal affairs; (x) the costs of any outside appraisers, accountants, attorneys or other experts engaged by Long Pond as well as other expenses directly related to such Fund's investment program; (xi) specific expenses incurred in obtaining systems, research and other information utilized for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software; (xii) all costs and expenses associated with the organization of such Fund and the offering of interests, including legal and accounting fees, printing costs, and out-of-pocket expenses and compliance with any applicable federal and state laws; (xiii) the costs and expenses of holding any meetings of investors which are required to be held under the terms of the partnership agreement or articles of association or bylaws, as applicable; (xiv) the expenses of an advisory committee, if any, and the members thereof; (xv) the costs of any liability insurance obtained on behalf of such Fund and Long Pond and (xvi) all costs and expenses associated with reporting and providing information to existing and prospective investors. Long Pond is entitled to reimbursement from such Fund for any of the above expenses paid by it on behalf of such Fund. However, Long Pond may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund.

Long Pond has policies and procedures that seek to ensure (i) that each Fund only bears expenses that are permissible under the relevant limited partnership agreement or other applicable governing documents, and (ii) that shared expenses are allocated in a manner that is fair to all Funds. As a general matter, any expenses shared by more than one Fund are allocated pro-rata based on each Fund's capital.

For additional information regarding brokerage practices, please refer to Item 12 of this Brochure.

Neither Long Pond nor any of its supervised persons receives any compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

The Fund General Partner receives performance-based compensation in the form of "performance allocations," as described in Item 5 above. Other than Long Pond Employees and the Fund General Partner and its affiliated entities, Long Pond does not have any investors in any Funds that are not charged performance-based compensation, and therefore does not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients. The fact that a significant portion of Long Pond's compensation (and its

affiliates' and investment professionals' compensation) is directly computed on the basis of profits generated by the trading activities of the Funds creates an incentive for Long Pond to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

Item 7: Types of Clients

All of Long Pond's investment advisory clients are private investment funds. Investors in the Funds may include, but are not limited to, high-net-worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds of funds), trusts, estates or charitable organizations, and corporate or business entities.

Each of the Feeder Funds generally requires a minimum investment of \$5 million; however, Long Pond maintains discretion to accept less than the minimum investment threshold.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be "accredited investors" as defined in Regulation D, "qualified purchasers" as defined in the Investment Company Act, as amended, or non-"U.S. Persons" as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

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

The Funds pursue a strategy of long/short fundamental value investing by implementing a rigorous, bottom-up research process to identify asymmetry in downside-protected securities that Long Pond believes to be misunderstood by the public markets. Long Pond's disciplined investment approach seeks to be repeatable and scalable by tracking investment theses, fundamental valuations and risk/reward metrics. Long Pond believes that in the short term, stock prices differ from intrinsic values for several reasons, including negative news flow, earnings surprises, sentiment shifts, complexity, corporate actions and restructurings. However, Long Pond believes that over the long term, securities reflect the intrinsic value of a company's underlying assets and cash flows. Long Pond generally takes an opportunistic approach to investing, including, but not limited to, the following types of investments: (i) companies with assets trading at a discount to their underlying value; (ii) companies undergoing a change in their capital structure, business plan, management or any other "overhang" that creates dislocation; (iii) well-capitalized companies that could profit from a distressed cycle and/or have the ability to make accretive acquisitions; (iv) attractively priced, high return on invested capital opportunities where growth is driven by improving fundamentals; (v) relative value opportunities, including real estate investment trusts ("REITs") where a static asset base, combined with market volatility, provides for low-risk trading between similar companies when market prices diverge; and (vi) catalyst-driven short opportunities, including dividend cuts and projected earnings misses as well as overvalued companies with the potential to miss targets and/or where management has publicized unrealistic expectations for future events. Finally, Long Pond employs an intense focus on liquidity, leverage and capital structure in order to

maximize downside protection in volatile markets.

The Funds' investment strategy considers investments in the securities of companies representing every aspect of the real estate and real estate-related industries, including, but not limited to: industrial, apartment, retail, office, mortgage, triple net lease, self-storage, healthcare, lodging, timber, data centers, homebuilders, building products, developers, service providers, land owners, towers, gaming, retailers, financials, prisons, restaurants, infrastructure companies and any service providers and suppliers to the foregoing. The amount of the Funds' assets allocated among each of these categories varies over time and could, at times during the life of the Funds, be zero based upon Long Pond's assessment of the prospective risk and reward from making investments in these industries.

The Funds have broad and flexible investment authority with respect to the geography, market capitalization and security type of their portfolios. Long Pond may use equities, options, swaps, ETFs, credit and other market hedges to implement its investment strategy.

Long Pond places an emphasis on capital preservation; therefore, risk management plays an integral role in the construction of the portfolio. Long Pond believes that risk management, discipline and intellectual honesty combine for effective preservation of capital. Long Pond believes that risk of loss is a critical investment criterion in terms of stock selection and therefore maintains a focus on liquidity, leverage and asset/liability mismatches in an effort to identify positions with embedded downside protection.

As part of its risk management, Long Pond seeks to systematically monitor portfolio positions, establish alerts for when price targets change, incorporate new information into research, rigorously re-evaluate investments and maintain intellectual honesty and a willingness to recognize deviations from investment theses. Long Pond has sole discretion over all investment and trading decisions, including weightings in the portfolio. The amount of leverage employed by the Funds will fluctuate as a function of, among other things, the risk parameters of portfolio positions, investment opportunities and the Funds' investment guidelines.

Any risk guidelines or parameters noted in this Brochure or elsewhere are internal soft limits only. Long Pond in its discretion may modify or exceed such limits at any time and from time to time. An investor should not rely on the imposition of these guidelines when considering or making an investment in a Fund. Rather, investors and prospective investors should review, in detail, the investment objectives of a Fund in the relevant governing documents. Although Long Pond may monitor a Fund's compliance with these internal soft guidelines, Long Pond is under no obligation to notify investors or prospective investors in the event that such guidelines are amended or exceeded.

Long Pond attempts to reduce the tax burden of the Funds to U.S. taxable investors over the long-term. However, Long Pond will not overlook short-term trading opportunities. Therefore, investors should not expect that Long Pond will make tax efficiency a priority.

Risk of Loss

All investments risk the loss of capital. No guarantee or representation is made that Long Pond's long/short fundamental value investment program will be successful, and investment results may vary substantially over time. Careful consideration should be given to, among others, the risk factors described in this section.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks we believe to be material, significant or unusual and that relate to particular, significant investment strategies or methods of analysis employed by us. For additional risk factors, including risk factors relating to the terms and structure of the Funds, investors should refer to each of the relevant Feeder Fund's confidential private placement memorandums.

Past Performance. The Funds' investment program is speculative and may entail substantial risk, and there can be no assurance that such Fund will achieve its investment objective. The past investment performance of such Fund or the Principal may not be indicative of the future results of an investment in such Fund.

Investment Judgment. The profitability of a significant portion of the Funds' investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Long Pond will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Funds, there is always some, and occasionally a significant, degree of market risk.

Reliance on Key Persons. The Funds are substantially dependent on the services of the Principal. In the event of the death, disability, departure or insolvency of the Principal, or the complete transfer of his interest in Long Pond, the business of the Funds may be adversely affected. The Principal devotes such time and effort as he deems necessary for the management and administration of the Funds' business. However, the Principal may engage in various other business activities in addition to managing the Funds, and consequently, he may not devote his complete time to Fund business.

Retention and Motivation of Employees. The success of the Funds is dependent upon the talents and efforts of highly skilled individuals employed by Long Pond and the ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that Long Pond's investment professionals will continue to be associated with Long Pond throughout the life of the Funds, and the failure to attract or retain such investment professionals could have a material adverse effect on the Funds and the investors' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of Long Pond's investment professionals could be replaced.

Formation of New Funds. Long Pond may, under certain conditions, establish additional investment vehicles which may be competitive with the Funds, and there can be no assurance that the creation of such additional funds will not give rise to conflicts of interest between the investors in the respective Funds.

Leverage. Subject to applicable margin and other limitations, Long Pond may cause the Funds to borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Funds' portfolios would be amplified. Interest on borrowings is a portfolio expense for the Funds and affects the operating results of the Funds. Also, the Funds could potentially create leverage via the use of instruments such as options and other derivative instruments. The Funds may, under some circumstances, be required to liquidate assets to service their interest and principal obligations. If loans to the Funds are collateralized with assets that decrease in value, the Funds may be obligated to pledge additional collateral to a lender in the form of cash or securities to avoid liquidation of the existing collateral. Moreover, if the assets under management are insufficient to pay the principal of, and interest on, the debt when due, the Funds could sustain a total loss of their investments. The rights of lenders to the Funds to receive payments of interest on and repayments of principal of their loans, and their rights in and to the Funds' assets, are senior to the rights of the investors in the Funds.

Diversification. Since the Funds' portfolios will not necessarily be widely diversified, the investment portfolios of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, securities and types of securities. This limited diversification may result in the concentration of risk, which, in turn, could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Trading Errors. Pursuant to the exculpation provision in the respective constituent document, such Fund (not Long Pond or the Fund General Partner or any of their indemnitees or covered persons) will be responsible for any losses resulting from trading errors and similar human errors, absent willful misconduct, recklessness, or gross negligence of Long Pond, the Fund General Partner or any of their indemnitees or covered persons, or the inability to waive or limit such losses under applicable law. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume of transactions executed by Long Pond and its affiliates on behalf of such Fund, investors should assume that trading errors (and similar errors) will occur and that such Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Long Pond or its affiliates.

Nature of Investments. Long Pond has broad discretion in making investments for the Funds. Investments generally consist of securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Long Pond will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the Funds' portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objective will be achieved.

Risks of Investments in Securities Generally. All investments made by the Funds risk the loss of capital. No guarantee or representation is made that the Funds' long/short fundamental value investment program will be successful, that the Funds will achieve their targeted returns, or that

there will be any return of capital invested, and investment results may vary substantially over time. The investment program involves, without limitation, risks associated with limited diversification, leverage, margin transactions, volatility, tracking risks in hedged positions, credit deterioration or default risks, systems risks and other risks inherent in the Funds' activities. Certain investment techniques of the Funds can, in certain circumstances, magnify the impact of adverse market moves to which a Fund may be subject. In addition, the Funds' investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Funds may invest their assets.

Risks of Investing in REIT Securities and Real Estate Securities. The Funds invest primarily in real estate and real estate-related securities. While Long Pond believes such companies often provide significant potential for income and price appreciation, investing in one sector of the overall securities market among relatively few issuers may involve higher risks than investing in a diversified portfolio across multiple sectors. Although the Funds do not invest directly in real estate, they may be subject to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, vacancies in rental properties and increased competition as well as other risks related to local or general economic conditions, including changes in interest rates, cyclical changes in the economy, vacancies of rental properties, changes in local laws, changes in property taxes and changes in the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). In addition, risks due to dependence on cash flow, illiquidity of real estate assets, risks and operating problems arising out of the absence of certain construction materials, increases in operating costs, changes in zoning laws, the financial condition of tenants, buyers and sellers of properties, changes in availability of debt financing, energy and supply shortages, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income, various uninsured or uninsurable risks, natural disasters and the ability of third-party borrowers to manage the real properties could have adverse consequences to companies in the Funds' portfolios.

The real estate securities in which the Funds invest are potentially subject to the impact of leverage at both the property and entity levels. For example, REITs generally invest in real estate operating properties which can be highly leveraged (through both on and off balance sheet financing) and many real estate companies have outstanding indebtedness at the corporate or entity level, such as secured and/or unsecured notes and bonds, preferred stocks, etc. These various types of leverage may serve to amplify gain or loss. Thus, there are several different types of leverage, which could amplify changes in the value of the securities that the Fund invests (including REITs) and adversely impact each Fund's portfolio.

REITs in which the Funds invest may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Funds invest may concentrate investments in particular geographic regions or property types. Additionally, rising interest rates may cause investors in REITs to demand a higher annual yield from future distributions, which may in turn decrease market prices for equity securities issued by REITs. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of the Funds' investments to decline. During periods of declining interest rates, certain mortgage REITs may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by such mortgage REITs. In addition, mortgage REITs may be affected by the ability of borrowers to repay when due the debt extended by the REIT and equity REITs may be affected by the ability of tenants to pay rent.

Certain REITs have relatively small market capitalizations, which may tend to increase the volatility of the market price of securities issued by such REITs. REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to investors. Moreover, the equity of REITs often trades at a discount to the net asset value of their underlying assets. REITs are often difficult to value and thus could increase the risk of loss to the Funds. Additionally, there is a regulatory risk that certain REITs may fail to qualify for pass-through of income under the Internal Revenue Code or otherwise fail to qualify as a REIT. Finally, REITs are subject to restrictions on ownership (which prohibit ownership of more than 9.9% of a REIT's shares by one investor), which are designed to ensure that the REIT does not violate certain share accumulation restrictions imposed by the federal tax laws on REITs and which may also deter possible acquisitions of, or changes in control of, a REIT.

Market Conditions. The Funds, their prime broker(s) and other financial institutions' financial condition may be adversely affected by market conditions and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Funds' business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on the Funds' ability to achieve their investment objective with respect to any particular investment and/or the Funds' entire portfolio, which could have a material adverse effect on the Funds' overall return objectives.

Equity Securities Generally. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from Long Pond's expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Illiquid Securities. Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and the Funds may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Funds may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period. As a result, the Funds may be required to hold such securities despite adverse price movements. Even those markets that Long Pond expects to be liquid can experience periods (possibly extended periods) of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies making initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and thus for the value of such Funds' interests.

Short Sales. The Funds may enter into transactions, known as "short sales," in which they sell a security they do not own in anticipation of a decline in the market value of the security. Short sales by the Funds that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Long Pond may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, Long Pond might have difficulty purchasing securities to meet short-sale delivery obligations, and might have to sell portfolio securities of the Funds to raise the capital necessary to meet short sale obligations at a time when fundamental investment considerations would not favor such sales.

Derivatives. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities, and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts and to counterparty risk.

Regulation in the Derivatives Industry. There are many rules related to derivatives that may negatively impact the Funds, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter ("OTC") instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional "know your counterparty" obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of Long Pond and the Funds, and increase the amount of time Long Pond spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Funds.

These regulations may also result in the Funds forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“FCMs”)), as the use of other parties may be more efficient for the Funds from a regulatory perspective. However, this could limit the Funds’ trading activities, create losses, preclude the Funds from engaging in certain transactions or prevent the Funds from trading at optimal rates and terms.

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”) and similar regulations globally. Though many rules and regulations have been finalized, others, particularly SEC regulations with respect to security-based swaps and EMIR regulations, are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on the Funds:

Reporting. Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by the Funds will become visible to the market in ways that may impair the Funds’ ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate the Funds’ strategies.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through central clearinghouses.

While such clearing requirements may be beneficial for the Funds in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Funds would be exposed under non-cleared derivatives), the Funds could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the Funds may not be able to hedge their risks or express an investment view as well as they would have been able to had they used customizable derivatives available in the over-the-counter markets. In addition, the Funds may have to split their derivatives portfolios between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Another risk is that the Funds may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the Funds’ FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject

the Funds to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Funds. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Funds to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Funds. In addition, clearinghouses may not allow the Funds to portfolio-margin their positions, which may increase the Funds' costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Funds would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and the Funds' FCM, subjecting the Funds to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment obligations, leading to a payment default. If a clearinghouse or FCM were to sustain large losses or fail, there could be a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities. In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms such as swap execution facilities ("SEFs"), which require the Funds to subject themselves to regulation by these venues and subject the Funds to the jurisdiction of the CFTC.

The EU regulatory framework governing derivatives is set by not only EMIR but also a legislative package known as a recast of the Markets in Financial Instruments Directive ("MiFID II"). Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues. The SEC has yet to finalize rules related to security-based swap execution facilities.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges, as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for the Funds to obtain tailored swap products to hedge particular risks in their portfolios due to higher collateral requirements on bilateral transactions because of these regulations.

Margin Requirements for Non-Cleared Swaps. Rules issued by U.S., EU and other regulators globally (the "Margin Rules") impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that the Funds will be required to post to swap counterparties may increase by a material amount, and as a result, the Funds may not be able to deploy capital as effectively. Additionally, to the extent the

Funds are required to segregate initial margin with a third party custodian, additional costs will be incurred by the Funds.

Credit Default Swaps. Credit default swaps can be used to implement Long Pond's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the Funds may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of the Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Funds may also buy credit default protection with respect to a referenced entity if, in Long Pond's judgment, there is a high likelihood of credit deterioration. In such instance, the Funds will pay a premium regardless of whether there is a credit event.

Commercial Mortgage-Backed Securities. Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Most commercial mortgage loans underlying mortgage-backed securities ("MBS") are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Futures Contracts. The value of futures contracts depends upon the price of the securities (e.g., such as commodities) underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Funds' positions trade or of their clearinghouses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract

can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent them from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Non-U.S. Futures Transactions. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally “linked” to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Funds may not be afforded certain of the protections that apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time that the order is placed and the time that the foreign futures contract is liquidated or the time that the foreign option contract is liquidated or exercised.

Counterparty Risk. The counterparty risk lies with each party with whom the respective Fund contracts for making derivative investments (a “Counterparty”). In the event of a Counterparty’s default, such Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive. In addition, there can be no assurance that such Fund will be able to establish or maintain any relationships with a particular Counterparty. An inability to establish or maintain such relationships could limit such Fund’s trading activities, create losses, preclude such Fund from engaging in certain transactions or prevent such Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on such Fund’s business due to such Fund’s reliance on such Counterparties.

Counterparty Creditworthiness. In addition to the exchange-traded and exchange-cleared options contracts, the Funds may also invest in the OTC market in contracts that involve dealing with Counterparties and their ability to meet the terms of the contracts. In particular, the Funds may enter into repurchase agreements, forward contracts and swap arrangements, each of which expose the Funds to credit risk to the extent that the Counterparty defaults on its obligations to perform under the relevant contract. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the respective Fund enters into a contract directly with dealer Counterparties, which may expose such Fund to the risk that a Counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the Counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, such Fund may have

a concentrated risk in a particular Counterparty, which may mean that if such Counterparty were to become insolvent or have a liquidity problem, losses would be greater than if such Fund had entered into contracts with multiple Counterparties. Certain OTC derivative contracts require that such Fund post collateral.

If there is a default by a Counterparty, the respective Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs that could result in the net asset value of such Fund being less than if such Fund had not entered into the transaction. Furthermore, there is a risk that any of such Counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of such Fund's securities from such Counterparty or the payment of claims therefor may be significantly delayed and such Fund may recover substantially less than the full value of the securities entrusted to such Counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceedings and may impact whether such Fund may terminate its agreement with an insolvent Counterparty.

Collateral that such Fund posts to its Counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a Counterparty were to become insolvent, the respective Master Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, the respective Fund may use Counterparties located in jurisdictions outside the United States. Such local Counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to such Fund's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a Counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on such Fund and its assets. Investors should assume that the insolvency of any such Counterparty would result in significant delays in recovering such Fund's securities from or the payment of claims therefor by such Counterparty and a loss to such Fund, which could be material.

Options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. See also "Put and Call Options on Specific Investments" below.

Put and Call Options on Specific Investments. The Funds may purchase exchange-listed and OTC put and call options on specific investments. In addition, the Funds may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investment at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investment at a stated exercise price at any time prior to the expiration of the option. Options written by the Funds may be wholly or partially covered (meaning that the Funds hold an offsetting position) or uncovered. Options on specific investments may be used by the Funds to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes. For example, they may be used to protect against a future adverse change in the market price of particular portfolio investments held by the Funds without requiring a sale of the investments.

Use of put and call options may result in losses to the Funds, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Funds can realize on their investments or cause the Funds to hold an investment they might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by the Funds to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to the Funds than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in the Funds realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent that the call option position was uncovered.

Special Situations. The Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such companies.

Arbitrage Strategies Risk. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed-income or interest rate arbitrage, statistical arbitrage, debt-spread arbitrage and index arbitrage. Long Pond may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Funds are employing leverage. Moreover, arbitrage strategies often depend upon identifying

favorable “spreads,” which can also be identified, reduced or eliminated by other market participants.

Portfolio Turnover. The investment strategy of the Funds may require Long Pond to actively trade the Funds’ portfolio based on short-term market considerations and, as a result, turnover and brokerage commission expenses of the Funds may significantly exceed those of other investment entities of comparable size.

Small- to Medium-Capitalization Companies. The Funds may invest a portion of their assets in the stocks of companies with small-to-medium-sized market capitalizations. While Long Pond believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger-capitalization stocks. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies.

Value of the Funds’ Assets. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions, the quality and policies of management, competition, the ability of the Funds to provide adequate maintenance and insurance, and variable operating costs. Real estate values are also affected by such factors as governmental regulations, interest rate levels, the availability of financing and potential liability under, and changes in, environmental, zoning, tax and other laws. As a result of the above, or other factors, including the cyclical nature of real estate markets, the value of the Funds’ portfolios could decrease.

Discontinuation of LIBOR. It is expected that the London Interbank Offered Rate (“LIBOR”), which is commonly used as a reference rate within various financial contracts (any such rate, a “Reference Rate”), will not be published after the year 2021. In anticipation of the end of LIBOR, the United States and other countries are currently working to replace LIBOR with alternative Reference Rates. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which one or more of the Funds is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including a Fund and its counterparties. With respect to any financial contracts to which one or more of the Funds is a party, any such contract that has a maturity that extends beyond 2021 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or other curative mechanisms) may need to be renegotiated, the process of which will consume resources of the Funds and may result in disputes among counterparties, the result of which may be adverse to the Funds. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which one or more of the Funds is a party may adversely affect the performance of the Funds.

Suspensions of Trading. Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension involving securities owned by the Funds would render it impossible for the Funds to liquidate positions and, accordingly, could expose the Funds to losses.

Non-U.S. Securities. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Funds are maintained) and the various foreign currencies in which the Funds' portfolio securities may be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of non-U.S. income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt. It may also be difficult to enforce the Funds' rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Funds under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. Counterparties.

Currency Risk. The Funds invest their capital in, among other things, securities denominated in currencies other than the U.S. dollar and in other financial instruments, the prices of which are determined with reference to currencies other than the U.S. dollar. The Funds value their securities and other capital in U.S. dollars and may or may not hedge its currency exposure. There can also be no guarantee that securities suitable for hedging currency or market shifts may be available at the time when the Funds wish to use them, or that hedging techniques employed by the Funds will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent that currency risk is unhedged, the value of the Funds' capital will fluctuate with the U.S. dollar exchange rate, as well as with price changes of the Funds' investments in various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds make their investments will reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the Funds' securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Funds' non-U.S. dollar securities. The Funds also may utilize forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Investment in Distressed Companies. The fact that certain of the companies in whose securities the Funds may invest are in transition, out of favor, financially leveraged or troubled or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the risk that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also

be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Funds' investment in any instrument, and some of the obligations and preferred stock in which the Funds invest may be below investment-grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets collateralizing the Funds' investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Funds invest, the Funds may lose their entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Funds' investments may not compensate the investors adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

High-Yield/High-Risk Securities. The Funds may invest in securities which are rated below investment-grade (hereinafter referred to as "lower-rated securities"), or which are unrated, but deemed equivalent by Long Pond to those rated below investment-grade. These instruments generally offer a higher yield to maturity than that available from higher-grade issues, but typically involve greater risk. Lower-rated and unrated securities are especially subject to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of these instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of these securities, especially in a market characterized by only a small amount of trading. Perceived credit quality in this market can change suddenly and unexpectedly, and may not fully reflect the actual risk posed by a particular lower-rated or unrated security. High-yield securities are also generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may further not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, the Funds may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

The Funds may invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer's obligations. Such investments

may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Complexity of Legal and Financial Analysis. The companies in which the Funds may invest, by the nature of their leveraged capital structures, may involve a high degree of financial risk, and there can be no assurance that the Funds' rate of return objectives will be realized or that there will be full recovery of the investors' subscription amount. Moreover, there may be no centralized source for pricing information regarding securities of companies in which Long Pond intends to invest. Reliable pricing information may at times not be available from any source and, to the extent available, prices quoted by different sources are subject to material variation. Accordingly, it may be difficult to accurately determine an appropriate purchase price for the Funds' investments.

Unsecured and Subordinated Investments. Although the Funds emphasize secured and senior obligations, distressed securities purchased by the Funds are subject to certain additional risks to the extent that such securities may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such securities may not be protected by financial covenants or limitations upon additional indebtedness.

Reportable Positions. The Funds may obtain a position in any public company that requires them to make filings concerning their holdings with the SEC and may become subject to other regulatory restrictions that could limit the ability of the Funds to dispose of their holdings at the times and in the manner the Funds would prefer. Violations of these regulatory requirements could subject the Funds to significant liabilities.

Participation on Committees. In some situations, Long Pond may conclude that the Funds' interests would be best served by joining committees made up of holders of securities. If Long Pond does join such a committee, Long Pond may be deemed to have duties to other investors represented by the committee and may, by its actions on the committee, expose the Funds to liability from such other investors who disagree with the Funds' actions. Also, participation by Long Pond on such committees may cause the respective Fund to be considered an "insider" for purposes of the federal securities laws and may restrict the Funds' ability to trade in certain securities.

Custodial Risks of Brokers. Various brokers trade with the relevant exchange as a principal on behalf of any of the Funds, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of any of such Funds (for example, the transactions which the broker has entered into on behalf of any of the Funds as principal, as well as the margin payments which any of the Funds provide). In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and the relevant Fund's assets could become part of the insolvent broker's estate, to the detriment of such Fund.

Risk of Litigation. The Funds may accumulate substantial positions in the securities of a specific company. Sometimes the Funds may become involved in a proxy fight, litigation or other security holders' attempts to gain control of a company. Under such circumstances, the relevant Fund may be named as a defendant in a lawsuit or regulatory action and be subject to the costs involved.

Risks of Joint Ventures. The Funds may invest in an investment through a joint venture with an unaffiliated or affiliated third party, whether at the time of the initial investment or subsequently through the contribution of additional funds. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Funds or is in a position to take (or block) action in a manner contrary to the Funds' investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

Defaulted Securities. The Funds may invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings, and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject the Funds to litigation risks or prevent the Funds from disposing of securities. In a bankruptcy or other proceeding, any of the Funds, as a creditor, may be unable to enforce their rights in any collateral or may have its security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. While the Funds will attempt to avoid taking the types of actions that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Funds will be able to successfully defend against them.

Post-reorganization Securities. Post-reorganization securities typically entail a higher degree of risk than investments in securities of companies which have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If Long Pond's evaluation of the anticipated outcome of an investment situation should prove incorrect, the Funds could experience a loss.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. While believed to be unlikely, because of the nature of certain of the Funds' investments, the Funds could be subject to allegations of lender liability. In addition, under U.S. common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of

the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Because of the nature of certain of the Funds’ investments, the Funds could be subject to claims from creditors or shareholders of an obligor that the Funds’ investments issued by such obligor that are held by the Funds should be equitably subordinated. A number of the Funds’ investments may involve investments in which the Funds would not be the lead creditor. Accordingly, it is possible that lender liability or equitable subordination claims affecting the Funds’ investments could arise without the direct involvement of the Funds.

Investments in Undervalued Assets. The Funds may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds’ investments may not adequately compensate investors for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in the Funds. The Funds may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, the Funds may be required to hold such assets for a substantial period before realizing their anticipated value. During this period, a portion of the Funds’ assets would be committed to the investments purchased, possibly preventing the Funds from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and, thus, will have to pay interest on such funds during such waiting period.

Convertible Instruments. The Funds may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period at a specified price or formula. Convertible debt instruments have characteristics of both fixed-income and equity investments. The Funds may invest in convertible instruments that have varying conversion values. If a convertible instrument held by any of the Funds is called for redemption, such Fund will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent that Long Pond determines that such equity investment is consistent with the investment objective of such Fund.

Exchange-Traded Funds. ETFs are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a *pro rata* portion of the ETF’s expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Funds’ expenses (e.g., management fees and operating expenses), investors may also indirectly bear similar expenses of an ETF.

Turnover. The Funds may invest based on short-term market considerations. The portfolio turnover rate of these investments may be significant, potentially involving substantial brokerage

commissions and fees. Neither Long Pond nor the Principal will receive a portion of such commissions and fees.

Competitive Markets. The investments industry in general, and the markets in which Long Pond trades, are extremely competitive. In pursuing its trading methods and strategies, Long Pond will compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. In relative terms, the Funds have little capital and may have difficulty in competing in markets in which their competitors have substantially greater financial resources, larger research staffs and more trading professionals than Long Pond has or expects to have in the future. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which an investment may be purchased by such Fund and the price it expects to receive upon the consummation of the transaction.

Hedging Transactions. The Funds may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Funds' investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Funds' unrealized gains in the value of their investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Funds' portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of such Fund's securities; (vii) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (viii) act for any other reason that Long Pond deems appropriate. The Funds are not required to hedge any particular risk in connection with a particular transaction or its portfolio generally. Long Pond may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Funds interact, as well as the Funds, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Funds and on the markets for the securities in which the Funds seek to invest.

Assumption of Business, Terrorism and Catastrophe Risks. The Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Funds participate (or has a material effect on locations in which Long Pond operates), the risks of loss can be substantial and could have a material adverse effect on the Funds and the investors' investments therein.

Coronavirus Risks. In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China and South Korea, among other affected

countries. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. As of March 2020, COVID-19 has spread across the world, which may result in additional market disruptions. The extent to which COVID-19 may negatively affect the operations of Long Pond and the performance of the Funds is difficult to predict. Any potential impact on such operations and performance will depend largely on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds.

Brexit. The United Kingdom formally withdrew from the European Union on January 31, 2020. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on the Funds or Long Pond from an economic, financial or regulatory perspective but any such impact could have material consequences for the Funds.

MiFID II. The package of European Union market infrastructure reforms known as “MiFID II”, in effect from January 3, 2018, is expected to have a significant impact on the European capital markets.

MiFID II increases regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and position management powers could similarly lead to liquidity reduction and/or an increase in costs and spreads in the European commodities markets.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of Long Pond to execute the investment program.

Cyber Security Breaches and Identity Theft. As part of its business, Long Pond processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers of Long Pond, the Funds, and especially the administrator, may process, store and transmit such information. Long Pond’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power

outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Long Pond has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Long Pond and/or the Funds may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Long Pond's and/or the Funds' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Long Pond's and/or the Funds' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

In addition, the techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to Long Pond may be susceptible to compromise, leading to a breach of Long Pond's network. Long Pond's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by Long Pond to the investors may also be susceptible to compromise. Breach of Long Pond's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed. The service providers of Long Pond and the Funds are subject to the same electronic information security threats as Long Pond. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of Long Pond's or the Funds' proprietary information may cause Long Pond or the Funds to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

Investment and Due Diligence Process. Before making investments, Long Pond conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Long Pond may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, Long Pond relies on the resources reasonably available to it, which in some circumstances, whether or not known to Long Pond at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

Increased Regulatory Oversight. Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on Long Pond, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert Long Pond's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may

involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Systems and Operational Risks Generally. The Funds depend on Long Pond to develop and implement appropriate systems for the Funds' activities. The Funds rely heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor their portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, the Funds rely on information systems to store sensitive information about the Funds, Long Pond, their affiliates and the investors. Certain of the Funds' and Long Pond's activities are dependent upon systems operated by third parties, including prime brokers, the administrator, market counterparties and other service providers, and Long Pond may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by Long Pond, prime brokers, the administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors' investments therein.

Side Letters and Other Agreements with Investors. The Feeder Funds have entered into, and expect to continue to enter into, side letters or other agreements with certain investors, including, but not limited to, those affiliated with Long Pond or those deemed to involve a significant or strategic relationship, to waive certain terms or allow such investors to invest on different and more favorable terms, including special rights to make future investments in the Funds or other investment vehicles or managed accounts managed by Long Pond or any of its affiliates; special withdrawal/redemption rights, including those relating to frequency or notice; a waiver, rebate or reduction in fees or performance allocations or withdrawal/redemption penalties to be paid by the investor and/or other terms; rights to receive reports from the Funds on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by such Fund and such investor. The modifications are solely at the discretion of the respective Fund and may, among other things, be based on the size of the investor's investment in such Fund or affiliated investment entity, an agreement by an investor to maintain such investment in such Fund for an extended period of time, or other similar commitment by an investor to such Fund.

Other Risks. The securities purchased by the Funds and the ability of the companies which issued such securities to pay their debt on schedule could be adversely affected by interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. The investments of the Funds are also subject to inflation risks associated with all investments.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read this entire Form ADV Part 2A and consult with their own advisers before deciding to invest in the Funds. In addition, as the investment program of the Funds develop and change over time, an investment in

the Funds may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in interests is suitable only for investors who are capable of bearing the relevant investment risks.

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 a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither Long Pond nor any of its officers, directors, employees or other management persons have been involved in any legal or disciplinary events that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Neither Long Pond nor any of its directors, officers or principals is registered as a broker-dealer or a representative of a broker-dealer or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Long Pond nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of the foregoing entities.

Affiliations with Pooled Investment Vehicles

Long Pond sponsored the formation of its clients, which are all private investment funds. An affiliate of Long Pond (the Fund General Partner) serves as the general partner to certain of Long Pond's clients. Long Pond's clients do not have independent management and Long Pond selected the directors for the offshore Feeder Fund that is structured as a corporation. Although this arrangement gives Long Pond heightened control and discretion over its clients, Long Pond seeks to manage any conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each Feeder Fund's private offering memoranda.

Long Pond does not recommend or select other investment advisers for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 under the Advisers Act, Long Pond has adopted a written Code of Ethics (the "Code") predicated on the principle that Long Pond owes a fiduciary duty to its clients. The Code is designed to identify and properly disclose, mitigate and/or eliminate applicable conflicts of interest and is applicable to all officers, directors, members, partners or employees of Long Pond (the "Employees"). Long Pond requires its Employees to act in the clients' best interests, abide by

all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper. The Code, among other things, provides for the following:

- all Employees are subject to pre-clearance procedures for certain personal securities transactions;
- reportable securities purchased may not be sold at a profit until at least 60 days from the purchase trade date, and securities sold may not be purchased at a lower price until at least 60 days from the sale trade date;
- all Employees are prohibited from trading, either personally or on behalf of others, in securities except in situations where Long Pond believes such personal investments will not create a conflict of interest between Long Pond, its Employees and its clients;
- all Employees are required to submit regular reports of certain holdings and security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest;
- Employees are required to certify annually that they will follow Long Pond's Code, including its insider trading policies and procedures; and
- independence in the investment decision-making process must be maintained at all times.

A copy of Long Pond's Code is available upon request.

Long Pond and its affiliates and Employees do not buy or sell for client accounts securities in which they have a material financial interest.

Generally, Employees are not permitted to invest in securities that would be an appropriate investment for Long Pond's clients because of investment parameters, guidelines or restrictions (e.g., market capitalization, trading volume or other liquidity measures) that may be applicable to such clients. However, in limited circumstances, the Chief Compliance Officer may permit Employees to invest in the same securities that they recommend to clients provided that all such trades are executed in a manner consistent with Long Pond's fiduciary obligations to its clients. Additionally, Long Pond's Chief Compliance Officer must review and pre-approve most types of personal securities trades made by Employees and may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

Co-Investment Opportunities

Long Pond and/or its affiliates has, from time to time, offered one or more investors in the Funds and/or other third-party investors the opportunity to co-invest with a client account in particular investments. Long Pond and its affiliates are not obligated to arrange co-investment opportunities, no investor will be obligated to participate in such an opportunity, and Long Pond may offer and has offered co-investment opportunities only to certain of the persons referenced above in its sole discretion. Long Pond and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular investor and may allocate co-investment

opportunities to investors in any of the Funds or to third parties. If Long Pond determines that an investment opportunity is too large for a client account, Long Pond and its affiliates may, but will not be obligated to, make proprietary investments therein. Long Pond or its affiliates may receive and has received fees and/or allocations from co-investors, which may differ and have differed as among co-investors and may differ from the fees and/or allocations borne by investors in a Fund. Other terms and rights applicable to such co-investors (including without limitation, withdrawal rights, information rights and the terms related to the particular structure of any co-investment vehicle) may also differ and have differed from the terms and rights applicable to investors in a Fund as well as among co-investors.

Item 12: Brokerage Practices

Securities transactions are executed by brokers selected by Long Pond in its sole discretion. In placing portfolio transactions, Long Pond seeks to obtain the best execution for the Funds, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying Long Pond's other selection criteria. In addition, subject to Long Pond's obligations to seek best execution, Long Pond considers referrals of investors in selecting brokers.

Long Pond Utilizes Research and Other "Soft Dollar" Benefits

Long Pond is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information, or to pay higher commissions to such firms if Long Pond determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. Information so received is in addition to and not in lieu of services required to be performed by Long Pond, and the management fee is not reduced because of the receipt of such supplemental research information.

Long Pond uses these research services and products in connection with its advisory services for any of its accounts, not necessarily for only the account that "paid" for them. For example, it might utilize research services that a broker-dealer provides for one of the Funds in connection with its advisory services for another Fund or account and vice versa. Long Pond aims to allocate soft dollar benefits in a fair and equitable manner, but does not necessarily allocate soft dollar benefits to each client's account in proportion to the soft dollar credits that each client generates.

Long Pond may from time to time engage brokerage firms with associated persons that invest in the Funds. However, Long Pond does not consider this as a factor in selecting brokers.

Long Pond Intends for its Use of Soft Dollar Benefits to Fall within the Safe Harbor

Long Pond has the option to use soft dollars generated by the Funds to pay for the research and research-related services described above. The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for private investment fund clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a safe harbor to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision-making responsibilities. Long Pond intends to limit use of soft dollars to services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act or to be otherwise reasonably related to the investment decision-making process.

Certain brokerage and research products and services utilized by Long Pond are categorized as mixed-use items that are partially paid for with soft dollars. Long Pond partially pays for mixed-use items (e.g., portfolio management and trading systems) with soft dollars after reasonably allocating between eligible and ineligible uses and making a good faith determination that the commissions being paid are reasonable in light of each of the brokerage and research services that are provided. Long Pond maintains adequate books and records regarding the mixed-use allocations.

The Use of Soft Dollars Can Create a Conflict of Interest

Although Long Pond’s policies require it to always obtain the best execution for its clients by taking into account all applicable factors, using client transactions to obtain research and other benefits creates incentives that result in conflicts of interest between advisers and their clients. When Long Pond uses client markups or markdowns to obtain research products and services, Long Pond receives a benefit because it does not have to produce or pay for the research products and services. The availability of these benefits may influence Long Pond to select one broker-dealer rather than another to perform services for clients, based on its interest in receiving the products and services instead of on its clients’ interest in receiving the best execution prices. Obtaining these benefits generally causes its clients to pay higher fees than those charged by other broker-dealers.

The use of soft dollars to obtain research services creates a conflict of interest between Long Pond and its clients because its clients pay for products and services that are not exclusively for their benefit and that may be primarily or exclusively for the benefit of Long Pond or other clients. To the extent that Long Pond is able to acquire these products and services without expending its own resources, Long Pond’s use of soft dollar benefits tends to increase its profitability.

Long Pond Uses Particular Procedures to Direct Transactions in Return for Soft Dollars

Long Pond directs its clients' transactions to broker-dealers based on overall best execution, as explained above. Long Pond's Best Execution Committee periodically reviews its brokerage practices and procedures to seek to ensure that it is achieving best execution for its clients.

Clients Do Not Direct Brokerage

As all of Long Pond's clients are private investment funds, Long Pond selects all broker-dealers for its clients.

Trade Aggregation and Allocation

Long Pond clients generally participate in the same investment opportunity on a *pro rata* basis in accordance with available capital at the time of investment, unless, in Long Pond's judgment, tax, regulatory, legal or other considerations warrant allocating opportunities in a different manner. When Long Pond determines that it would be appropriate for more than one of its clients to participate in an investment opportunity, it seeks to execute orders for all of the participating investment accounts on an equitable basis. If Long Pond has determined to invest at the same time for more than one of the clients, Long Pond generally places combined orders for all such accounts simultaneously, and if all such orders are not filled at the same price, will generally average the prices paid. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, Long Pond will allocate the trade among the different accounts on a basis that it considers equitable. Ultimately, clients benefit when Long Pond aggregates trades because they receive volume discounts on execution costs.

Item 13: Review of Accounts

Long Pond's personnel regularly review the Funds' current investments and discuss potential investment opportunities. Long Pond has systems that allow its personnel to monitor portfolio investments by various metrics, which may include security concentration, geographic exposure, sector exposure, liquidity, beta, value at risk and leverage.

Investors generally will be provided with (1) semi-monthly performance estimates, (2) monthly reports including details on fund performance, exposure and key risk statistics, (3) monthly performance statements from the administrator, (4) quarterly disclosure reports from the administrator, (5) quarterly update letters and (6) audited annual financial statements prepared in accordance with GAAP. In addition, at the request of certain shareholders or limited partners, due to legal and regulatory constraints that must be followed and/or the specific needs of and requests by such shareholders and/or limited partners, Long Pond may, at its discretion, agree to provide such shareholders and/or limited partners with updates or reports other than those described above.

Item 14: Client Referrals and Other Compensation

As stated in Item 12, Long Pond typically allocates a portion of its portfolio transactions to brokers or dealers who provide capital introduction, research and/or related services. For a more detailed discussion of such practices, refer to Item 12.

Long Pond does not currently pay any person for client referrals. In the event of a referral arrangement agreed upon by Long Pond and a third-party solicitor for referral of an investor or separately managed account, Long Pond would require the third-party solicitor to provide a written disclosure document to the referred client or investor. Referred clients and investors should ensure that they receive and read the disclosure document from the third-party solicitor.

Item 15: Custody

While it is Long Pond's practice not to accept or maintain physical possession of any of its clients' assets, Long Pond is deemed to have custody of their assets under Rule 206(4)-2 of the Investment Advisers Act, because it has the authority to access clients' funds, to withdraw, transfer and otherwise control clients' funds and securities, and deduct fees and expenses from clients' accounts.

In order to comply with Rule 206(4)-2, Long Pond utilizes the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all of its clients' assets. Long Pond also ensures that the qualified custodian maintains these funds in accounts that contain only clients' funds and securities. In accordance with Rule 206(4)-2, Long Pond also (1) engages an outside auditor to audit the clients' accounts at the end of each fiscal year and (2) distributes the results of the audit in audited financial statements that are prepared in accordance with United States generally accepted accounting principles to all investors in the Funds within 120 days after the end of the fiscal year.

Item 16: Investment Discretion

Long Pond maintains the authority to manage the Funds' assets on a discretionary basis in accordance with the terms set forth in the Funds' governing documents. Long Pond entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which Long Pond or an affiliate of Long Pond was granted discretionary trading authority. As further described in Item 4, Fund investors may not impose any limits on Long Pond's discretionary authority.

Long Pond from time to time effects cross transactions between discretionary client accounts, except where prohibited under applicable law. Cross transactions enable Long Pond to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of the Funds remain substantially similar. Long Pond has a conflicting division of loyalties and responsibilities regarding both parties to cross transactions.

To the extent that cross transactions are viewed as principal transactions due to Long Pond, or Long Pond's Employees', ownership interest in a client or a client account, Long Pond will comply with the requirements of Section 206(3) of the Advisers Act. Section 206(3) requires that an investment adviser provide written disclosure and obtain client consent prior to the settlement of a principal transaction.

Item 17: Voting Client Securities

Long Pond has the authority to vote client securities and has implemented proxy-voting policies and procedures in accordance with securities laws and its fiduciary obligations to its clients.

It is Long Pond's policy to exercise voting rights on behalf of its clients in the interest of maximizing the value of the clients' assets. To that end, Long Pond will vote in a way that it believes consistent with its fiduciary duty. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. Long Pond has in place voting procedures designed to enable Long Pond to resolve material conflicts of interest that may arise between Long Pond and its clients before exercising voting rights.

Long Pond is not required to vote every client proxy and may abstain from voting client proxies in accordance with its fiduciary obligations. Long Pond shall at no time ignore or neglect its proxy voting responsibilities. However, there may be and have been times when refraining from voting is in the client's best interest, such as when Long Pond's analysis of a particular client proxy reveals that the cost of voting the proxy may exceed the expected benefit to the client (e.g., casting a vote on a foreign security may require that Long Pond engage a translator or travel to a foreign country to vote in person or on a security no longer held by any Funds).

Long Pond's Chief Compliance Officer will reasonably try to assess any material conflicts between Long Pond's interests and those of its clients with respect to proxy voting. So long as there are no material conflicts of interest identified, Long Pond will vote proxies according to the policy set forth above. Long Pond may also elect to abstain from voting if it deems such abstinence in its clients' best interests.

If the Chief Compliance Officer detects a conflict of interest, Long Pond will, at its expense and after appropriate due diligence, engage the services of an outside proxy-voting service or outside counsel who will provide an independent recommendation and / or advice on the direction in which Long Pond should vote on the proposal.

Clients generally cannot direct Long Pond's proxy votes.

The Funds and investors may obtain information about how Long Pond has exercised voting rights with respect to assets held by the Funds by request to Long Pond. In addition, the Funds and investors may obtain a copy of Long Pond's proxy-voting policies and procedures upon request to Long Pond.

Class Actions

As a fiduciary, Long Pond always seeks to act in the Funds' best interests with good faith, loyalty, and due care. Long Pond's standard advisory contract authorizes it to direct Fund participation in class actions. Long Pond will determine whether the Funds will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. Any third party engaged in connection with obtaining settlements of class actions will be compensated by the Funds based on a percentage of the proceeds recovered. Any class action

settlements received for a Fund will be credited to the Fund's account at the time such proceeds are received.

Long Pond has not served as the lead plaintiff in any class action.

Item 18: Financial Information

A registered investment advisor is required to provide clients with certain financial information or disclosures about its financial condition in certain instances. Long Pond does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.