

PART 2A OF FORM ADV:
FIRM BROCHURE

GREENLIGHT MASTERS, L.L.C.

140 East 45th Street, 24th Floor
New York, New York 10017
(212) 973-1900
info@greenlightcapital.com
www.greenlightcapital.com

March 31, 2023

This brochure provides information about the qualifications and business practices of Greenlight Masters, L.L.C. If you have any questions about the contents of this brochure, please contact us at (212) 973-1900 and/or info@greenlightcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Greenlight Masters, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

Being a "registered investment adviser" or describing ourselves as being "registered" does not imply a certain level of skill or training.

This brochure is not an offering or solicitation of interests in funds managed by Greenlight Masters, L.L.C. or its affiliates.

Item 2. Material Changes

This brochure includes no material changes since the brochure dated March 31, 2022.

Item 3. Table of Contents

ITEM 1.	COVER PAGE.....	1
ITEM 2.	MATERIAL CHANGES.....	2
ITEM 3.	TABLE OF CONTENTS	2
ITEM 4.	ADVISORY BUSINESS.....	3
ITEM 5.	FEES AND COMPENSATION.....	4
ITEM 6.	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7.	TYPES OF CLIENTS	7
ITEM 8.	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
ITEM 9.	DISCIPLINARY INFORMATION.....	22
ITEM 10.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	22
ITEM 11.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	24
ITEM 12.	BROKERAGE PRACTICES	26
ITEM 13.	REVIEW OF ACCOUNTS.....	29
ITEM 14.	CLIENT REFERRALS AND OTHER COMPENSATION	30
ITEM 15.	CUSTODY.....	30
ITEM 16.	INVESTMENT DISCRETION	30
ITEM 17.	VOTING CLIENT SECURITIES.....	30
ITEM 18.	FINANCIAL INFORMATION	31
ITEM 19.	REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	31

Item 4. Advisory Business

Greenlight Masters, L.L.C. is a Delaware limited liability company that commenced operations in 2002. We are an investment management firm that allocates capital to value-oriented managers who primarily invest in long/short equities and debt securities. David Einhorn is our Senior Manager and principal owner. Vinit Sethi is our portfolio manager.

We provide investment advisory services to: (i) Greenlight Masters Partners, a Delaware partnership; (ii) Greenlight Masters, L.P., a Delaware limited partnership, which is a feeder fund for Greenlight Masters Partners and also makes some investments directly in hedge funds; (iii) Greenlight Masters Qualified, L.P., a Delaware limited partnership, which is also a feeder fund for Greenlight Masters Partners and also makes some investments directly in hedge funds; (iv) Greenlight Masters Offshore Partners, a British Virgin Islands partnership, which is also a feeder fund for Greenlight Masters Partners and also makes some investments directly in hedge funds; (v) Greenlight Masters Offshore, Ltd., a British Virgin Islands business company, which is a feeder fund for Greenlight Masters Offshore Partners; and (vi) Greenlight Masters Offshore I, Ltd., a British Virgin Islands business company, which is also a feeder fund for Greenlight Masters Offshore Partners (collectively, the “**Masters Funds**”).

We make all investment decisions on behalf of the Masters Funds. Our, and our affiliate’s, Greenlight Masters GP, L.L.C. (a general partner of certain Masters Funds) (“**GMGP**”), primary responsibilities for the Masters Funds are to identify, interview, and select hedge fund managers that, as a group, can achieve the Masters Funds’ investment objectives. We are also responsible for allocating the capital of the Masters Funds to the managers selected. We also provide certain administrative and management services to the Masters Funds by overseeing and tracking the investment managers with whom the Masters Funds have invested.

The primary investment objective of the Masters Funds is to achieve high absolute rates of return while minimizing the risk of capital loss by investing with managers that focus on fundamental, valuation-driven securities analysis. The Fund makes investments in private investment funds or managed accounts that are (a) managed by managers that are not affiliated with us (the “**Unaffiliated Funds**”), and (b) managed by Greenlight Capital, Inc. or its affiliates (the “**Greenlight Capital Funds**” and, together with the Unaffiliated Funds, the “**Underlying Funds**”). There can be no assurance that the Masters Funds’ investment objective will be achieved and investment results may vary substantially.

The Masters Funds also invest directly in equity, debt or other securities and assets and cash (such investments being “**Direct Investments**”).

We currently do not provide investment advisory services to clients apart from our management of the Masters Funds and do not participate in wrap fee programs, although our affiliates do provide advice to other persons and/or entities (including other privately-offered pooled alternative investment vehicles) and we and/or one or more affiliates may do so in the future. Investment advice is provided directly to each of the Masters Funds and not to the individual investors in the Masters Funds.

As of December 31, 2022, the regulatory assets under management by Greenlight Masters, L.L.C. were approximately \$664,493,931. All assets are managed on a discretionary basis.

For a further discussion of these and related items, see **Item 7** (Types of Clients), **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss) and **Item 10** (Other Financial Industry Activities and Affiliations).

Item 5. Fees and Compensation

Management Fee and Performance Allocation

We receive from the Masters Funds quarterly investment management fees (the “**Management Fee**”) at an annual rate equal to:

- (a) 1% (0.25% per quarter) of the net value of each investor’s capital attributable to investments in Unaffiliated Funds; and
- (b) 1.5% (0.375% per quarter) of each investor’s capital attributable to the net asset value of Direct Investments.

There is no Management Fee for investments in the Greenlight Capital Funds. However, the Masters Funds do bear the standard management fees payable by investors in the Greenlight Capital Funds (an annual rate of 1.5% of net asset value).

The Management Fee is valued and payable as of the beginning of each quarter. The Management Fee for capital contributions made, or shares purchased, during a calendar quarter will be charged pro rata for the number of days remaining in such quarter. The Management Fee is also adjusted for withdrawals or redemptions within a calendar quarter, if permitted by the Masters Funds.

In consideration for the Management Fee, we provide certain administrative services to the Masters Funds, including, but not limited to, office space, furniture and utilities, computer equipment and services, and secretarial, clerical and other personnel. The Management Fee may exceed or may be less than the expenses borne by us on behalf of the Masters Funds.

GMGP receives from the Masters Funds an annual performance allocation (the “**Performance Allocation**”) generally equal to:

- (a) 10% of the increase in the value of each investor’s investment attributable to investments in Unaffiliated Funds (such increase in value being the “**Outside Profits**”); and
- (b) 20% of the increase in the value of each investor’s investment attributable to Direct Investments (such increase in value being the “**Direct Profits**”);

subject to a “High Water Mark” and the “Adjustment” as described below.

GMGP does not receive any Performance Allocation from the Masters Funds with respect to profits from investments by the Masters Funds in the Greenlight Capital Funds (such profits being the “**Greenlight Profits**”). The Masters Funds will be subject to the standard performance allocation allocated by the Greenlight Capital Funds (generally 20% or 10% if the Masters Funds are recovering their modified high water mark in the Greenlight Capital Funds).

The Performance Allocation generally will be allocated at the end of each fiscal year and immediately prior to withdrawals occurring prior to the end of any fiscal year.

For the purpose of calculating the Performance Allocation, with respect to an investor’s investment for a fiscal period, if the Masters Funds experience losses with respect to their investments for such period, such losses will be subtracted, first from the Direct Profits and, to the extent such deficit exceeds the Direct Profits, second from the Outside Profits (any such subtraction being the “**Adjustment**”).

If at any time a loss occurs that results in the value of an investor’s capital being less than the highest value of such investor’s capital at the commencement of any fiscal year since such investor’s admission to the Masters Funds, or the initial amount of capital contributed by such investor to the Masters Funds (the “**High Water Mark**”), then no Performance Allocation shall be allocated with respect to such investor’s capital until such time as the value of such investor’s capital (gross of the Performance Allocation but net of all fees) is equal to the High Water Mark.

After such investor’s capital reaches the High Water Mark, the Performance Allocation will once again apply to Outside Profits and Direct Profits allocated to such investor’s capital; provided, however, that in the fiscal period in which the High Water Mark for such investor’s capital is reached, the portion of the Outside Profits and Direct Profits allocated to such investor’s capital that cause it to reach the High Water Mark will not be subject to a Performance Allocation (the “**Excluded Profits**”). For purposes of determining the Performance Allocation, the Excluded Profits will first be deducted from the Direct Profits, and to the extent the Excluded Profits exceed the Direct Profits, the remaining Excluded Profits will be deducted from the Outside Profits. For example, assume that an investor’s capital has a value of \$100,000, a High Water Mark of \$150,000, and has \$30,000 of Direct Profits and \$40,000 of Outside Profits allocated to it. In such a case, the Excluded Profits would be \$50,000 (\$150,000 minus \$100,000), the entire \$30,000 of Direct Profits, and \$20,000 of Outside Profits, would not be subject to the Performance Allocation and the remaining \$20,000 of Outside Profits would be subject to the Performance Allocation.

The Management Fee and the Performance Allocation may be waived, reduced or rebated for any investor, including, without limitation, for investments we or our affiliates make and/or for investments made by our employees and their family members.

Expenses

The Masters Funds pay, whether directly or through reimbursement of us and our affiliates, all costs and expenses related to its investments and operations, including each Masters Fund’s pro rata share of such costs and expenses incurred, which costs and expenses include, without limitation, brokerage and other transaction costs, data fees, clearing and settlement

charges, outsourced trading service expenses, trade break fees, research (including research-related travel expenses incurred with respect to specific potential or existing investments) and brokerage products and services (including market data terminals, risk management services and order management systems) that fall within Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), legal fees and other expenses in connection with conducting due diligence and negotiating the terms of investments (including investment-related travel expenses incurred with respect to specific potential or existing investments), regardless of whether such investments are consummated, custodial fees, administrator fees and expenses, third party valuation services, expenses and costs of expert networks, expenses and costs of obtaining surveys, analysis or other data sets from third parties related to prospective investments or sectors in which the Funds may invest, initial and variation margin, interest and commitment fees on debit balances or borrowings, stock borrowing fees and proxy solicitation expenses, legal costs and expenses, audit and tax preparation expenses, accounting fees, insurance expenses including costs of any liability insurance and fidelity bonds obtained on behalf of the Masters Funds or officers’ and directors’ insurance, directors’ fees and expenses, indemnification expenses, government and regulatory costs and expenses (including filing and license fees and preparation and submission of filings and licenses, including without limitation, Form PF preparation and filing fees) in connection with specific investments or offering interests in the Masters Funds, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes and fees, costs of reporting and providing information to investors (including updates to offering documents), costs of maintaining recognition as a professional fund, costs of maintaining registered agents and registered offices, costs of litigation or investigation involving the Masters Funds’ activities and fees of the administrator. A portion of these operating expenses may be shared with other investment entities or accounts we and our affiliates manage on an equitable basis as determined in our and our affiliates’ sole discretion.

Neither our principals, members, managers, directors, officers and employees (collectively, “*supervised persons*”) nor we accept any compensation for the sale of securities or other investment products, including interests in the Masters Funds.

For a further discussion of these and related items, see **Item 12** (Brokerage Practices).

Item 6. Performance-Based Fees and Side-By-Side Management

We manage only the Masters Funds, which are subject to the Performance Allocation. We may provide investment advisory services to additional clients in the future that may have similar or different performance-based fees and/or allocations than the performance-based fees and/or allocations of the Masters Funds (including other privately-offered pooled alternative investment vehicles, some of which may have an investment strategy substantially similar to the Masters Funds).

The Performance Allocation may create an incentive for us to make direct investments, or to select Underlying Advisors (as defined below) that pursue strategies, that are riskier or more speculative than would be the case in the absence of the Performance Allocation. Differences in the formulas used to calculate the performance-based profit allocations received from our and our affiliates’ clients may create an incentive to prefer one or more clients over the others.

We are required to act in a manner that we consider fair, reasonable and equitable in allocating investment opportunities to the Masters Funds, but we and our affiliates are not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the Masters Funds. We are not required to accord exclusivity or priority to the Masters Funds in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

For a further discussion of these and related items, see **Item 5** (Fees and Compensation).

Item 7. Types of Clients

We provide investment advisory services to the Masters Funds. We may in the future provide investment advisory services to additional clients including, but not limited to, other pooled investment vehicles, corporations, trusts, institutions, high net worth individuals, investment companies, pension plans, sovereign wealth funds, family offices, foundations and endowments.

For a further discussion of these and related items, see **Item 4** (Advisory Business) and **Item 10** (Other Financial Industry Activities and Affiliations).

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

Investment Objective

The investment objective of the Masters Funds is to achieve high absolute rates of return while minimizing the risk of capital loss by investing with managers that focus on fundamental, valuation-driven securities analysis. Our managers primarily focus on buying securities with trading values materially lower than their intrinsic values and selling short securities with trading values materially higher than their intrinsic values. We also invest in the Greenlight Capital Funds and invest directly in equity, debt or other securities and assets and cash.

Manager Sourcing and Due Diligence

Sourcing and Evaluation. Manager ideas come from multiple sources and industry contacts, including reverse inquiry from managers, introductions from Greenlight Capital employees, Greenlight Capital investors, asset allocators, other hedge fund managers (including our existing managers), service providers and capital introduction groups. Given Greenlight Capital's position in the hedge fund industry, we receive many inbound leads and are also proactive about expanding and cultivating a network of high-quality referral sources. From these manager prospects, we generally prioritize further review with managers who operate a fundamental, bottom-up, valuation-driven investment program. To maximize the chances for success, the following criteria are generally used to evaluate each prospective hedge fund manager:

- The manager should, in our view, possess a high level of skill in security selection and portfolio management.

- The manager should have a superior performance record. However, the Masters Funds may invest with new or relatively new funds, which may not have long, independent track records. In this case, as in all cases, the investment will be made on the basis of the prospective performance potential of the fund, as evaluated by us.
- Total assets under management by the manager should not exceed an amount that would significantly curtail the manager's ability to perform well.
- The manager should be well organized, employ highly competent individuals in all key positions and have the proper infrastructure to support the fund.

It is possible that some of the managers will not meet all of the above criteria, and that some or all of the funds selected by us will not perform as anticipated.

Due Diligence. We typically assess promising managers through review of their written materials, phone conversations, in-person meetings and reference checks with a general focus on three primary areas: (1) the quality and fit of the investment program with our objectives; (2) the quality of the organization's operations and controls and the extent to which these may facilitate or impede successful implementation of their investment program; and (3) the character, experience and judgment of key personnel, as well as those in primary supporting roles.

Portfolio Construction

Our goal is to deploy the most capital to the managers we believe have the most attractive risk-adjusted return profile. Within a detailed model and analytical framework, we specify assumptions about our managers' exposure levels, security selection ability, systematic risk, and organizational or operational risk. Our conviction level in a manager takes into account many factors, including the length of a manager's track record, information received about individual positions, performance attribution, portfolio management, organizational developments, and overall impressions from extensive interaction. Our risk-adjusted return forecasts and conviction levels, taken together, form the primary basis for the target weightings for each manager.

We also consider how managers might affect the overall risk/reward profile of the program. For example, a manager with low or negative net exposure may have low expected correlation with other managers in the program and may decrease Masters' overall market exposure. The Masters Funds do not invest more than 35% of their assets in any one fund (based on the cost basis of the applicable investment at the time when the investment is made).

Generally, the Masters Funds are reviewed on a regular basis by our investment professionals. These reviews are designed to monitor and analyze transactions, positions and investment levels. We regularly update our assessment of risk in our managers' portfolios through review of specific positions as well as portfolio construction (including factors such as concentration, leverage, assets under management, liquidity and exposure). On a portfolio level, we monitor aggregate exposures, position sizes, overlap and correlation amongst managers, and the Masters Funds' liquidity and leverage.

In addition to Underlying Funds, we have the flexibility to directly invest in securities (both long and short) and will opportunistically add direct exposure to some of Greenlight Capital's highest conviction investments. We also take into account the Masters Funds' look-through aggregate net positioning when considering whether to add long or short positions. We may also use direct investments to hedge look-through exposure or to add macro exposure. In addition, we are permitted to leverage the Masters Funds' investments, whether on capital invested with hedge fund managers or invested in equity, debt or other securities.

The investment objectives and methods summarized above represent our current intentions. Depending on conditions and trends in the securities markets and the economy in general, we may pursue any objectives, employ any investment techniques or purchase any type of security, commodity or currency, including derivatives with respect thereto, that we consider appropriate and in the best interests of the Masters Funds whether or not described in this section. The discussion above includes and is based upon numerous assumptions and opinions concerning global financial markets and other matters. These assumptions and opinions may not be accurate. **There can be no assurance that the Masters Funds' investment strategy will achieve profitable results.**

Risk Factors

Investment and Trading Risks Generally. No guarantee or representation is made that the Masters Funds' investment program, including, without limitation, the Masters Funds' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the investments otherwise made by our investment professionals or our affiliates are not necessarily indicative of the Masters Funds' or our future performance.

We may choose to allocate substantial portions of the Masters Funds' assets to a particular Underlying Fund or to a particular Direct Investment. The profitability of the Masters Funds' or an Underlying Fund's (collectively with the Masters Funds, the "***Relevant Funds***") investment program depends to a great extent upon correctly assessing the future price movements of securities and other investments. There can be no assurance that we or the underlying investment advisor of an Underlying Fund (an "***Underlying Advisor***," and collectively with us, the "***Relevant Advisor***") will be able to accurately predict these price movements. With respect to the investment strategy utilized by the Relevant Funds, there is always a significant degree of market risk, including the risk of a complete loss of capital.

The performance of any investment is subject to numerous factors which are not predictable by us or within our control. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. In recent years, the securities markets have become increasingly volatile, which may adversely affect the ability of the Masters Funds to realize profits. As a result of the nature of the Masters Funds' investing activities, investors may incur substantial losses on their investments in the Masters Funds, and it is possible that the Masters Funds' financial performance may fluctuate substantially from period to period.

Broad Discretionary Power to Choose Investments and Strategies. We have broad discretionary power to decide what investments the Masters Funds will make, what strategies they will use, and whether they will invest in Underlying Funds or Direct Investments. Each of the Underlying Advisors also has broad discretionary power to decide what investments the Underlying Funds will make and what strategies they will use. We may choose any investments and strategies that we believe are advisable and consistent with the Masters Funds' investment objective.

Potential Concentration of Investments. It is our intention to allocate the capital of the Masters Funds in a manner that provides for diversification among investment strategies, managers and securities. There can be no assurance, however, that Relevant Advisors will not take substantial positions in the same security at the same time. Such an occurrence may tend to result in more rapid changes in the Masters Funds' portfolios, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Masters Funds' capital. Relevant Advisors may also make similar market timing decisions and asset allocation decisions between equity securities and cash equivalents or some combination of these and other strategies.

Material, Nonpublic Information. From time to time, certain personnel of the Relevant Advisors may come into possession of material, nonpublic information that would limit their ability to buy and sell investments. The Relevant Funds may experience losses if they are unable to establish an initial position, take a larger position, sell an investment, or cover a short position that they hold or pursue any other investment opportunities related to an investment because the Relevant Advisors have obtained material, nonpublic information about such investment.

Short Sales. The Relevant Funds may sell securities short, which involves borrowing a security that the Relevant Fund does not own, selling the security, and then purchasing the security at a later time to replace the borrowed security. A short sale results in a gain if the price of the security sold short declines between the date of the short sale and the date on which the security is purchased to replace the borrowed security. A short sale results in a loss if the price of the security sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the Relevant Fund must pay for the borrowed security. A short sale involves a finite opportunity for gain, but unless the Relevant Fund has otherwise hedged its exposure, a theoretically unlimited risk of loss.

If the price of a security sold short increases, the Relevant Fund may have to provide additional collateral to maintain the short position. This could require the Relevant Fund to increase the amount of the Relevant Fund's leverage or sell other portfolio investments to provide such additional collateral. Such sales might not be at favorable prices. Also, the lender of the securities sold short can request their return. Under adverse market conditions, or in illiquid markets, the Relevant Fund might not be able to purchase securities to meet the delivery requirement or may not be able to borrow securities from other lenders. In such an event, the Relevant Fund may be subject to a mandatory close-out of the short position, which could result in unintended costs and losses.

It may not be possible to borrow securities when the Relevant Advisor wishes to make a short sale, particularly in illiquid markets. Traditional lenders of securities might be less likely to

lend securities under certain market conditions. As a result, the Relevant Fund may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing.

In addition, regulatory authorities may from time to time impose restrictions and prohibitions on short selling activities that could adversely affect the Relevant Fund's ability to engage in short sales or borrow certain securities in connection with short sales. For example, the U.S. Securities and Exchange Commission ("**SEC**") adopted a short sale price test by amending Rule 201 of Regulation SHO which limits short sales in a security if the price of that security has declined by a certain amount. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice. Restrictions on the short selling of securities could limit the Relevant Fund's ability to execute certain aspects of its investment strategies, including its ability to hedge certain exposures and execute transactions to implement its risk management measures, and any such limitations may adversely affect the performance of the Relevant Fund. See the risks described under "*Enhanced Regulation of Short Sales in the EU*" below.

Derivative Investments. The Relevant Funds may use derivative instruments, or "derivatives," which 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 result not only in the loss of the entire investment, but may also expose the Relevant 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.

Options. The Relevant Funds may invest in 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.

Swap Transactions. The Relevant Funds may enter into swap transactions with respect to equity and debt securities, interest rates, commodities, currencies, options, indices or baskets

of the foregoing and other assets and liabilities, including credit default swaps. In a standard “swap” transaction, the counterparties agree to exchange payments based on the values (or the differential in values) of the particular underlying assets. Traditionally, such transactions were privately-negotiated bilateral contracts entered into between two counterparties under which each swap counterparty was subject to the risk of non-performance by the other swap counterparty, including risks relating to the creditworthiness of such swap counterparty. Depending on the type of swap transaction, the nature of the counterparty and the market in which a swap transaction is executed, swap transactions may present a variety of risks, including counterparty credit risk and illiquidity. See the risks described under “*Credit Risk*” and “*Counterparty Risk*” below. In addition, the full effect of current and future swaps regulations remains unclear, and it is possible that these regulations may make swaps less desirable. As a result, the Relevant Funds’ investments in swaps may be reduced and the Relevant Funds’ returns may be negatively impacted. See the risks described in “*Regulation of Over-the-Counter Derivatives*” below.

Hedging. The Relevant Funds may, in the Relevant Advisors’, sole discretion, utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, the Relevant Advisors’ ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Relevant Funds’ hedging strategies may also be subject to the Relevant Advisors’ ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation will change over time, rendering the hedge ineffective. While the Relevant Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance for the Relevant Funds than if they had not engaged in any such hedging transaction. The Relevant Funds’ portfolios will not be completely hedged and at times the Relevant Advisors may elect to have minimal, if any, hedging in place. Accordingly, the Relevant Funds’ assets may not be protected from market volatility and other conditions.

Securities Lending. Some of the securities held by the Relevant Funds may be pledged as collateral in the Relevant Funds’ margin accounts, which will subject the Relevant Funds to the risks associated with such pledging arrangements. The Relevant Funds may also engage in additional programs of securities lending. To the extent the Relevant Funds engage in securities lending, there may be risks of delay and costs involved in the recovery of securities or even losses should the borrower of the securities have financial difficulty or otherwise fail to meet its obligations under the securities lending arrangement.

While the Relevant Funds expect to receive collateral in connection with the lending of securities, there is the risk that the price of the securities could increase while they are on loan and that the collateral will be inadequate to cover their value. In general, it is expected that the Relevant Funds will seek to consider all relevant facts and circumstances, including the creditworthiness of the broker, dealer or other borrower, in making decisions with respect to the lending of securities, although this cannot be assured.

Leverage. Subject to applicable margin and other limitations, the Relevant Funds may 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 Relevant Funds' portfolios would be amplified. Interest on borrowings will be a portfolio expense of the Relevant Funds and will affect the operating results of the Relevant Funds. Also, the Relevant Funds could potentially create leverage via the use of instruments such as options and other derivative instruments. The Masters Funds may also borrow from time to time for investment or liquidity purposes or otherwise as we deem appropriate.

Investments in Fixed-Income Securities. The Relevant Funds may invest in bonds or other fixed-income securities, including, without limitation, notes and debentures issued by corporations, debt securities issued or guaranteed by governments or agencies or instrumentalities thereof, commercial paper and higher yielding debt securities of such issuers. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. It is likely that a major economic recession or other event could disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default on such securities.

Distressed Securities. The Relevant Funds may invest in securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganizations and liquidation proceedings. Although such investments may produce significant returns to the Relevant Funds, they involve a high degree of risk over a potentially lengthy period of time, as well as less liquidity than many other investments. Investment in these types of securities requires sophisticated analysis, and there can be no assurance that the Relevant Advisors will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these investments ordinarily remain stagnant until the company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.

Credit Risk. Although the Relevant Funds intend to enter into transactions only with counterparties that the Relevant Advisors believe to be creditworthy, there can be no assurance that a counterparty will not default and that the Relevant Funds will not sustain a loss on a transaction as a result. If an obligor (such as the issuer or a party offering credit enhancement) for a security held by a Relevant Fund, a counterparty to a financial contract with the Relevant Fund, a prime broker or other service provider to the Relevant Fund, or the grantor of a participation interest in an investment (such as bank debt) to the Relevant Fund, fails to pay, otherwise defaults or is perceived to be less creditworthy, a security's credit rating is downgraded or the credit quality or value of any underlying assets declines, the value of such investment could decline. In addition, the Relevant Funds may incur expenses to protect the Relevant Funds' interests in securities experiencing these events.

Counterparty Risk. The Relevant Funds have relationships that provide prime brokerage, derivative intermediation and financing services that permit the Relevant Funds to trade in a variety of markets and asset classes over time as well as custody its cash and

investments. However, there can be no assurance that the Relevant Funds will be able to maintain such relationships. An inability to maintain such relationships could limit the Relevant Funds' trading activities, create losses, preclude the Relevant Funds from engaging in certain transactions or prevent the Relevant Funds from trading at optimal rates and terms. Moreover, a disruption in the prime brokerage, derivative intermediation and financing services provided by such counterparties could have a negative impact on the Relevant Funds' businesses and operations.

The assets of the Relevant Funds will generally be held in accounts maintained for them by their prime brokers or in accounts with other market participants, including non-U.S. sub-custodians. The accounts generally will not be segregated, bankruptcy-remote accounts titled in the Relevant Funds' names and, therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Relevant Fund. In addition, because the Relevant Funds' securities generally will be held in margin accounts, and the prime brokers will have the ability to lend those securities to other market participants, the Relevant Funds' ability to recover all of its assets in the context of a bankruptcy or other failure of a prime broker may be further limited.

Many of the markets in which the Relevant Funds will effect transactions are not "exchange-based," such as "over-the-counter" or "interdealer" markets. The stability and liquidity of over-the-counter transactions depends in large part on the creditworthiness of the parties to the transactions. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets could expose the Relevant Funds to the risk that a counterparty will not settle a transaction in accordance with its terms or because of a credit or liquidity problem, causing the Relevant Funds to suffer a loss. Such "counterparty risk" is accentuated where the Relevant Fund has concentrated its transactions with a single or small group of counterparties. Generally, the Relevant Funds will not be restricted from dealing with any particular counterparty. The Relevant Advisors' evaluation of the creditworthiness of counterparties may not prove sufficient, which, combined with the absence of a regulated market to facilitate settlement, may increase the potential for losses by the Relevant Funds.

If a counterparty defaults, under normal circumstances the Relevant Funds will have contractual remedies against the counterparty. However, exercising such contractual rights may involve delays or costs. Furthermore, there is a risk that a counterparty could become insolvent. In such an event, the Relevant Funds' ability to recover securities from such counterparty or receive payment of claims therefor may be significantly delayed and the Relevant Funds may recover less than the full value of their securities. This is particularly true with respect to counterparties located in jurisdictions outside the United States where the application of non-U.S. insolvency laws may be subject to substantial limitations and uncertainties.

Lack of Valuation Data; Limited Liquidity of Investments. The Relevant Funds may invest in securities and other assets which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices for such investments tend to be volatile and may not be readily ascertainable, and the Relevant Funds may not be able to sell such investments when the Relevant Funds desire to do so or to realize what the Relevant Funds

perceive to be the fair value of such investments in the event of a sale. The sale of restricted and illiquid securities often requires more time and typically 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 Relevant 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 of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

In addition, for all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible to liquidate positions and thereby expose the Relevant Funds to losses.

Turnover. The Masters Funds' activities include the allocation of their assets to Underlying Funds, which may invest on the basis of short-term market considerations. The portfolio turnover rate of those Underlying Funds may be significant, potentially involving substantial brokerage commissions and fees.

Compensation of the Underlying Advisors. Each Underlying Advisor or its affiliate normally will be entitled to two forms of compensation: (a) a management fee based on net assets under management (typically ranging from 1% to 2% annually) and (b) performance compensation based on the appreciation (including unrealized appreciation) in the value of the Masters Funds' investment in the Underlying Fund (typically ranging from 10% to 20% of net profits). These performance compensation arrangements may create an incentive for those Underlying Advisors to effect transactions for the Masters Funds' accounts that are particularly risky or speculative. In addition, with respect to investments in Unaffiliated Funds, investors will be subject to a Management Fee and Incentive Allocation at the Fund level (as discussed herein) as well as at the Underlying Fund level.

The Underlying Advisors' Trading Strategies May Not Be Successful. There can be no assurance that the trading strategies employed by the Underlying Advisors will be successful. For example, the proprietary models used by an Underlying Advisor may not function as anticipated during unusual market conditions. While many of the Underlying Advisors have a performance record reflecting their prior experience in using the strategies that will be applied to trading for the Masters Funds, this performance cannot be used to predict future profitability.

Use of Multiple Underlying Advisors is No Assurance of Success. No assurance is given that the Relevant Advisors' collective performance will result in profitable returns for the Masters Funds under all or any conditions. The possibility exists that good performance achieved by one or more Relevant Advisors may be neutralized by poor performance experienced by other Relevant Advisors.

Conflicts of Interest Involving Underlying Advisors. Certain of the Underlying Advisors may engage in other forms of related and unrelated activities in addition to advising an Underlying Fund. They may also make investments in securities for their own account. Activities such as these could detract from the time an Underlying Advisor devotes to the affairs of an Underlying Fund. In addition, certain of the Underlying Advisors have engaged affiliated

entities to furnish brokerage services to the Underlying Fund and others may themselves provide market-making services, including those of counterparty in stock and over the counter transactions. As a result, in such instances the choice of broker, market-maker or counterparty and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

Valuations. Allocations of profits and losses to investors and the determination of the Management Fee and Performance Allocation are based on the value of the Masters Funds' assets from time to time. To the extent that the Masters Funds' assets are invested in Underlying Funds, we will generally rely on the valuations provided by such Underlying Funds. We might not be able to obtain timely or complete information about the values of assets invested with Underlying Funds and may be required to estimate such values for certain purposes. It is anticipated that each Underlying Fund will provide audited information within a reasonable period of time after the end of each calendar year. However, there can be no assurance that such audited information will be provided to the Masters Funds on a timely basis, which could result in delays in the Masters Funds providing audited information to investors.

Suspension of Redemptions/Withdrawals by the Underlying Funds; Gates Imposed by Underlying Funds. The Masters Funds' investments in Underlying Funds are subject to various terms regarding redemptions/withdrawals. Such Underlying Funds may have the ability pursuant to their constituent documents to suspend or limit redemptions/withdrawals from the Underlying Funds under certain circumstances or at the sole discretion of the governing body of such Underlying Fund. Suspension or limitation of redemptions/withdrawals by the Underlying Funds will limit or eliminate liquidity for investors in the Masters Funds, which may have an adverse impact on the Masters Funds' ability to satisfy their own withdrawal requests. In addition, during any such suspension or limitation, the Underlying Advisors may still be entitled to management fees and any performance compensation attributed to the shares or capital that have not yet been redeemed or withdrawn from such Underlying Fund.

In-Kind Distributions. The governing documents of some Underlying Funds may also allow for in-kind redemptions/withdrawals of securities, in which a shareholder or partner (such as a Masters Fund) would receive securities held by the applicable Underlying Fund in lieu of cash. If a Masters Fund receives in-kind assets in respect of a redemption/withdrawal from an Underlying Fund, such Masters Fund may not have sufficient cash to satisfy its own withdrawals and may have to satisfy such withdrawal request in kind as well.

Dependence on the Investment Advisor and the Principals. The Masters Funds rely exclusively on us and, more specifically, on David Einhorn and the other principals, for the management of their investment portfolios. There could be adverse consequences to the Masters Funds in the event that the principals cease to be available to devote their services to the Masters Funds. The success of the Masters Funds is therefore expected to be significantly dependent upon our expertise and, more particularly, of our principals.

No Assurance of Investment Return. The task of identifying and evaluating investment opportunities, managing such investments and realizing a return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make,

manage and realize such investments successfully. There is no assurance that capital will be invested on attractive terms or that returns for investors will be generated.

Performance Allocation. The Performance Allocation allocated to GMGP may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of such Performance Allocation. Further, because the Performance Allocation is calculated on a basis which includes unrealized appreciation of the Masters Funds' assets, the Performance Allocation may be greater than if it were based solely on realized gains. Differences in the formulas used to calculate the performance-based profit allocations received from our and our affiliates' clients may create an incentive to prefer one or more clients over the others.

Investment Expenses, Management Fees and Other Fees. The investment expenses (e.g., expenses related to the investment and custody of the Masters Funds' assets, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other fees (e.g., the Management Fee and operating expenses) may, in the aggregate, constitute a high percentage relative to expenses incurred by other investment entities. The Masters Funds, and in turn the investors, will bear these costs regardless of the Masters Funds' profitability.

Trade Errors. The Masters Funds may on occasion experience errors with respect to trades made on their behalf. Trade errors may result in losses or gains. We generally will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. Our affiliates, we, and the personnel of both will generally not be liable to the Masters Funds for any act or omission, absent gross negligence (as determined under New York law), willful misconduct or reckless disregard of our obligations under the investment advisory agreements and the Masters Funds will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Masters Funds, absent gross negligence (as determined under New York law), willful misconduct or reckless disregard of our obligations under the investment advisory agreements. As a result of these provisions, the Masters Funds (and not us) will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent gross negligence (as determined under New York law), willful misconduct or reckless disregard of our obligations under the investment advisory agreements.

Electronic Delivery of Information. The Masters Funds' information and information with respect to an investor's investment in the Masters Funds may be delivered to such investor electronically. There are risks associated with such electronic delivery including, but not limited to, that e-mail messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with or without the knowledge of the sender or the intended recipient.

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, the Relevant Funds and the Relevant Advisors are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining

unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Relevant Funds, the Relevant Advisors or service providers and counterparties (including, but not limited to, lawyers, accountants, prime brokers and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Relevant Funds’ ability to value their securities or other investments, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Relevant Funds invest, counterparties with which the Relevant Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for investors) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Relevant Funds’ and the Relevant Advisors’ service providers have generally established business continuity plans in the event of, and systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Relevant Funds and the Relevant Advisors cannot control the cyber security plans and systems put in place by their service providers or any other third parties whose operations may affect the Relevant Funds and the Relevant Advisors. The Relevant Funds and their investors could be negatively impacted as a result.

Regulation (EU) 2016/679 (“**GDPR**”) took effect on May 25, 2018. To the extent the Relevant Funds are subject to the requirements of the GDPR, if the Relevant Funds breach their obligations under the GDPR to adequately safeguard personal data, they could be subject to substantial fines.

Exchange Rate Risks; Currency Risk. It is expected that the Relevant Funds’ portfolios will be comprised of U.S. Dollar denominated investments and investments denominated in other currencies. However, all monies returned to investors, the valuation of the Masters Funds’ securities and other capital and the reported net asset value will be denominated in U.S. Dollars. Changes in the value of other currencies against the value of the U.S. Dollar could have an adverse impact on the performance of the Relevant Funds and to the extent that an investor does not value the investment in the Masters Funds in dollars, the value of such investor’s investment will fluctuate with the U.S. Dollar exchange rate as well as with price changes of the Masters Funds’ investments. The Relevant Funds may enter into currency hedging transactions, but are not required or expected to do so, and such transactions have an associated cost that could reduce investment returns. Spot and forward currency prices are highly volatile and price movements for spot and forward currency contracts may be influenced by, among other things, the foregoing risks. In addition, governments from time to time intervene directly and by regulation in certain markets. Such intervention is often intended to influence prices directly.

Investments in Foreign Securities. Investments in foreign securities involve certain risks not typically associated with investing in U.S. securities, such as risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. Dollar (the currency in which the books of the Masters Funds are maintained) and the various foreign currencies in which the Relevant Funds' portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and greater or lesser government supervision and regulation, (c) political, social or economic instability, (d) the extension of credit, especially in the case of sovereign debt, and (e) certain tax-related risks including, without limitation, uncertainties in the application of tax laws by non-U.S. jurisdictions, the imposition of withholding and other taxes on dividends, interest, capital gains or other income, the possibility of expropriation, confiscatory taxation and limitations on the removal of funds or other assets of the Relevant Funds from such non-US jurisdictions.

Furthermore, changes or modifications in existing judicial decisions or in the current positions of the U.S. Internal Revenue Service, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), or the passage of new legislation, could lead to unfavorable treatment of certain non-U.S. investments, which could adversely impact the Relevant Funds' portfolios.

Enhanced Scrutiny and Evolving Regulation of Private Investment Funds and their Advisers. There continues to be discussion regarding enhanced governmental scrutiny and/or increased regulation of the private investment fund industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Relevant Funds' activities, including the ability of the Relevant Funds or Relevant Advisors to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

The combination of such scrutiny of private investment funds, their advisers (including Relevant Advisors) and their investments by various politicians, regulators and market commentators may place increased burdens from the time and resources of the Relevant Advisors' personnel on compliance, counterparty and investor relation matters that moves time and resources away from the day-to-day portfolio management of the Relevant Funds. Moreover, other legal, tax and regulatory changes could occur that may adversely affect the companies in which the Relevant Funds invest, which in turn would adversely impact the value of the Relevant Funds' investments in such companies. The Relevant Funds may also invest in companies that operate in highly regulated environments and that are subject to extensive legal and regulatory restrictions and limitations, and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, companies that are subject to regulation, with a corresponding impact on the value of the Relevant Funds' investments in such companies.

Regulation of Over-the-Counter Derivatives. Transactions in certain derivatives are required to be centrally cleared and are subject to regulatory oversight, while other derivatives

are subject to risks of trading in the “over-the-counter” markets or on non-U.S. exchanges. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act requires clearing and exchange trading of those products mandated by the CFTC and the SEC. The European Market Infrastructure Regulation (“**EMIR**”) has similar requirements applicable to derivatives traded in Europe. Such requirements may make it more difficult and costly for the Relevant Funds to enter into tailored or customized transactions, and may also render certain strategies in which the Relevant Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. The CFTC currently requires the clearing of certain interest rate and credit index derivatives. Additional products are expected to be required to be cleared in the future. EMIR clearing obligations are being implemented on a rolling basis with respect to similar products. However, other swaps will not necessarily be cleared through registered clearinghouses, and therefore may not be subject to the protections afforded to participants in cleared swaps (for example, centralized counterparty, guaranteed funds, customer asset segregation and mandatory margin requirements).

U.S. and European regulators also have broad discretion to impose margin requirements on non-cleared derivatives and new requirements on the holding of customer collateral by derivatives dealers. Many market participants in the U.S. and the European Union are required to post and collect variation margin. These requirements may increase the amount of collateral that the Relevant Funds are required to provide and the costs associated with providing it.

There remains uncertainty regarding global regulation of derivatives and, consequently, the full impact that such regulation ultimately will have on the Relevant Funds’ derivatives instruments is not fully known to date. For all the foregoing reasons, while the Relevant Funds may benefit from the use of derivatives and other hedging mechanisms, the use of derivatives and related techniques can expose the Relevant Funds and their investments to significant risk of loss and may result in a poorer overall performance for the Relevant Funds than if they had not entered into such transactions.

Absence of Regulation by the CFTC. We and our affiliates are not currently registered with the CFTC as a Commodity Pool Operator (“**CPO**”) or a Commodity Trading Advisor (“**CTA**”). We have claimed an exemption from registration as a CPO with respect to the Masters Funds pursuant to CFTC Rule 4.13(a)(3) of the U.S. Commodity Exchange Act, as amended (the “**CEA**”). We have claimed an exemption from registration with the CFTC as a CTA pursuant to Section 4.14(a)(8) of the CEA. Among other things, these exemptions require us to file notices of exemption from registration with the National Futures Association. Unlike a registered CPO or CTA, we are not required to deliver a disclosure document or a certified annual report to the investors in the Masters Funds.

Absence of Regulation Concerning the Relevant Funds. The Relevant Funds and the Relevant Advisors are subject to varying levels of regulation. Hedge funds typically are not registered as investment companies under the 1940 Act. In addition, some hedge fund managers are not registered under the Advisers Act. As a consequence, many of the protections afforded to investors by those laws are not applicable. Similarly, certain investments in funds and accounts formed and operated outside the United States may not be subject to comprehensive government regulation. A Relevant Advisor may not be covered by insurance or by fidelity bonding. Moreover, the Masters Funds generally have no control over the selection of the custodians of

the assets of the Underlying Funds, which also may be subject to a lesser degree of government supervision or regulation than commercial banks, trust companies or securities dealers conducting business within the United States.

Enhanced Regulation of Short Sales in the EU. Certain EU-related short sales and credit default swaps are subject to the provisions of Regulation (EU) No 236/2012 (the “***EU Short Selling Regulation***”). The EU Short Selling Regulation imposes restrictions, including a ban on uncovered short selling, and disclosure requirements for persons taking short positions in the shares of certain EU companies and sovereign bonds issued by EU states, and prohibits entry into uncovered credit default swaps in relation to EU sovereign debt (i.e., where the investor is not seeking to hedge its exposure to either the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the EU Short Selling Regulation permits the competent authorities of EU member states to prohibit or restrict short sales, limit sovereign credit default swaps and impose emergency disclosure requirements, among other things, during times of stressed markets, which may preclude the Relevant Funds from implementing their investing strategies. Competent authorities may also restrict short sales of individual financial instruments which have suffered a significant fall in price in a single day.

MiFID II. The revision of the Markets in Financial Instruments Directive and the introduction of Regulation (EU) 600/2014 (together, “***MiFID II***”) which took effect in January 2018, has introduced additional rules and requirements applicable to the trading of financial instruments in the EU. The application of MiFID II to the Relevant Funds may be subject to different interpretations in the different EU member states on the markets of which, or in the instruments of companies established in which, the Relevant Funds may trade. As the rules have not yet been fully tested, the Relevant Funds, our affiliates and/or the Relevant Advisors may be subject to requirements that could restrict their ability to trade, or impose additional and unforeseen operating costs.

EU Market Abuse Regulation. Regulation (EU) 596/2014 on market abuse (“***EU MAR***”) sets out the regulatory framework in the EU regarding insider dealing and market manipulation. However, some provisions of the EU MAR appear to be ambiguous and contradictory, and the interpretation and enforcement of the EU MAR by local regulators and courts in the different member states of the EU may differ substantially. Given such uncertainties, the EU MAR may limit our affiliates’, the Relevant Advisors’, and the Relevant Funds’ ability to successfully make investments in issuers subject to the EU MAR, or share information about such issuers with investors, other investment professionals or the markets in general.

Evolving Privacy Laws. In the ordinary course of business, the Relevant Advisors collect, process, receive, share and maintain personal information, including data relating to personnel. As a result, the Relevant Advisors are subject to various U.S. federal and state privacy and information security laws regulating personal information that create potential liability for the mishandling, misuse or compromise of that personal information. These laws are evolving, and new legislation may be enacted over time. New privacy laws add additional complexity to compliance programs and alternative data use that may require additional investment in resources, and could impact trading strategies. Additionally, the full impact to the investment management and investment research industries of new laws broadly regulating the

collection, disclosure and sale of personal information, such as the new California Consumer Privacy Act, is not yet known. Moreover, such new laws may contract the market of available investment research and data sources, thus limiting the utility of alternative data-informed investment strategies utilized by the Relevant Advisors.

For a further discussion of these and related items, see **Item 10** (Other Financial Industry Activities and Affiliations), **Item 11** (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and **Item 12** (Brokerage Practices).

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

We are affiliated with a group of entities (identified below) that provide investment advisory and other services to third parties.

- Greenlight Capital, Inc. and DME Management GP, LLC, which provide discretionary investment advisory and other services to pooled investment vehicles (the “**Capital Funds**”);
- DME Capital Management, LP and DME Management GP, LLC, which provide discretionary investment advisory and other services to pooled investment vehicles that have an investment strategy that is substantially the same as the Capital Funds (the “**DMEM Funds**”); and
- DME Advisors, LP, DME Advisors, LLC, and DME Advisors II, LLC, which provide discretionary investment advisory and other services to a pooled investment vehicle that has an investment strategy that is substantially the same as the Capital Funds (“**Solasglas**”). The investors in Solasglas are certain subsidiaries of Greenlight Capital Re, Ltd. (“**Greenlight Re**”), a Cayman Island publicly-traded reinsurance company. Mr. Einhorn is Chairman of the Board of Directors of Greenlight Re and a significant investor.

Greenlight Capital, Inc., DME Capital Management, LP and DME Advisors, LP are separately registered with the SEC as investment advisers.

No management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Potential Conflicts of Interest

As discussed in **Item 11** below, subject to the provisions of our code of ethics, including pre-clearance requirements for purchases and sales of certain investments, supervised persons may engage in investment trading activities for their own accounts.

In addition to managing the Masters Funds, we and our affiliates may engage in investment and trading activities for our own accounts and/or for the accounts of third parties. We and our affiliates are not obligated to devote any specific amount of time to the affairs of the Masters Funds. Our affiliates manage and expect to continue to manage other client accounts, some of which have objectives similar to those of the Masters Funds, including other collective investment vehicles that may be managed by us or our affiliates and in which we or any of our affiliates may have an equity interest. In managing other clients or our own accounts, we and our affiliates may take positions that are opposite, or ahead of, positions taken by the Masters Funds or the Underlying Funds in which the capital of the Masters Funds is invested. Investors in a Masters Fund will not be entitled to inspect any of our or our affiliates', or any Masters Fund's, trading records.

When we and our affiliates determine that it would be appropriate for the Masters Funds and one or more other investment accounts to participate in an investment opportunity, we will seek to execute orders for all of the participating investment accounts on an equitable basis. If we have determined to invest at the same time for more than one of the investment accounts, we and our affiliates will in most instances place combined orders for all such accounts simultaneously and if all such orders are not filled at the same price, we 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, we and our affiliates will allocate the trade among the different accounts on a basis that it considers equitable. Situations may occur where the Masters Funds could be disadvantaged because of the investment activities conducted by affiliates or us for other investment accounts.

We and our affiliates may launch other funds or provide services to other accounts that compete with the Masters Funds or have a similar investment strategy.

The Masters Funds generally make investments on a pro rata basis in accordance with each Masters Fund's assets under management at the time of the investment unless (1) in the judgment of us and our affiliates, tax, regulatory, legal, accounting or other considerations make such investments inappropriate or impractical or require an alternate investment structure, or (2) we and our affiliates determine to allocate trades on a non-pro rata basis in order to rebalance the Masters Funds' portfolios. As it may prove impossible to manage the Masters Funds on a parallel basis at all times, there may be material performance disparities among the Masters Funds.

We may cause the Masters Funds to enter into trades in the ordinary course of business transferring portions of investments in the Underlying Funds and securities among all of the Masters Funds' accounts in order to reflect changes in the size of the Masters Funds relative to the size of the other Masters Funds accounts as determined in our discretion. Any such trades will be effected at prevailing market prices, if available.

In addition, we and our affiliates have adopted a trade allocation policy. This trade allocation policy seeks to allocate trades in a manner that treats the Masters Funds fairly. From time to time, we and our affiliates may allocate trades and securities on a non-pro rata basis in order to rebalance the Masters Funds' portfolios and for other legal, regulatory, tax, accounting and other reasons.

The Masters Funds intend to invest a portion of their assets in the Greenlight Capital Funds, which are investment funds managed by our affiliates. The Masters Funds will not be subject to a management fee or performance allocation in respect of capital invested by the Masters Funds in such affiliated funds, but the Masters Funds will be subject to the customary management fee and performance allocation as set forth above.

In addition, the Masters Funds may compete with the Capital Funds, the DMEM Funds, and Solasglas (collectively, the "***Greenlight Funds***") with respect to Direct Investments. In such an event, such investment opportunity will be allocated first to the Greenlight Funds in the amount that the Greenlight Funds desire to invest, and then the remaining portion of such investment will be allocated among the Masters Funds.

Our authority to use "soft dollar" credits generated by the Masters Funds' securities transactions to pay for expenses that might otherwise have been borne by us may give us an incentive to select brokers or dealers for transactions of the Masters Funds, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by us rather than giving exclusive consideration to the interests of the Masters Funds.

Please see **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss), **Item 11** (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and **Item 12** (Brokerage Practices).

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

Code of Ethics and Personal Trading

We have adopted a code of ethics pursuant to Advisers Act Rule 204A-1. Our code of ethics requires full compliance with all applicable laws and regulations governing the provision of investment management services to our clients. In addition, our code of ethics highlights the fiduciary duty that we owe to our clients, including the affirmative duty to act in the best interests of our clients and to make full and fair disclosure of material facts. We expect each supervised person to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, the Masters Funds, investors and prospective investors in the Masters Funds, service providers and fellow supervised persons. We also expect supervised persons to adhere to the highest standards with respect to any potential conflict of interest with clients.

Our code of ethics contains guidelines relating to personal trading by supervised persons (and certain of their immediate family members). In addition to being prohibited (with limited exceptions) from trading in certain types of investments, including, but not limited to, individual publicly-traded equity and corporate debt securities, our supervised persons are not permitted to

purchase or sell other securities without the advance approval of the Chief Compliance Officer or the General Counsel. Supervised persons are permitted to make personal investments without the prior approval of the Chief Compliance Officer or the General Counsel, in the following investments (a) shares issued by open-end funds, (b) shares issued by certain unit investment trusts, (c) broad-based ETFs, (d) gold and precious metals, or ETFs thereof, (e) obligations of investment grade United States municipalities, (f) certain life insurance policies, (g) personal residences (excluding real estate investments made for the primary purpose of investment or rental), (h) direct obligations of the Government of the United States, (i) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements, and (j) shares issued by money market funds.

Our code of ethics also requires supervised persons to provide us with certain securities holdings and periodic transaction reports, as required by Advisers Act Rule 204A-1.

Our code of ethics has specific provisions relating to identifying potential conflicts of interest. The provisions prohibit a supervised person from entering into any activity that could create a conflict of interest without prior written approval from the Chief Compliance Officer or the General Counsel. For example, they prohibit a supervised person from, among other activities, obtaining outside employment or serving as an officer or board member of a public or private entity without such approval. They also generally prohibit financial gain, or avoidance of financial loss, at the expense of a client without prior approval. We have also adopted provisions relating to exchanging business gifts or business entertainment with third parties.

All violations of the code of ethics must be immediately reported to our Chief Compliance Officer, who is primarily responsible for administering our code of ethics, or the General Counsel. A violation of the code of ethics may result in the imposition of remedial action, including censure, fine, restriction on activities, suspension or termination of employment.

Clients may obtain, free of charge, a full copy of our code of ethics by contacting us at the following address:

Greenlight Masters, L.L.C.
140 East 45th Street, 24th Floor
New York, New York 10017
Attention: Chief Compliance Officer
Telephone: 212-973-1900
Facsimile: 212-973-9219
Email: info@greenlightcapital.com

Participation in Client Transactions

Other than investments in the Greenlight Capital Funds, we and our related persons do not recommend to the Masters Funds, or buy or sell for the Masters Funds, securities in which we or our related persons have a material financial interest. Although our supervised persons may buy and sell securities for their own account or the account of others, they may not buy securities from or sell securities to the Masters Funds.

For a further discussion of these and related items, see **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss), **Item 10** (Other Financial Industry Activities and Affiliations) and **Item 12** (Brokerage Practices).

Item 12. Brokerage Practices

General

The Masters Funds have appointed several prime brokers. The prime brokers maintain on deposit the Masters Funds' cash, securities, and other investments in brokerage accounts.

Purchases and sales of securities through brokers involve a commission to the broker. Purchases and sales of securities from dealers serving as market makers include the spread between the bid and the asked price.

In placing securities transactions, we seek to obtain best execution, which requires us to take into account the circumstances of each specific transaction. In selecting a broker for each specific transaction, we will use our best judgment to choose the broker most capable of providing "best execution." Brokers are selected on the basis of our evaluation of the overall value and quality of the services provided by such brokers. No one factor controls our decision. In seeking the best price and execution quality, we consider not only the commission rate, spread or other compensation paid, but also the price at which the transaction is expected to be executed, bearing in mind that it may be in our clients' best interest to pay a higher commission, spread or other compensation in order to receive better execution.

Examples of some of the specific factors we generally consider when deciding which brokers to utilize when entering into security transactions include, but are not limited to:

- 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 the 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 brokerage or research services considered to be of value;
- the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria;
- the ability of the broker to appropriately handle our transactions and the ability to maintain confidentiality;

- a broker's willingness to enter into difficult transactions, including transactions in which the broker's capital is put at risk;
- the broker's expertise in effecting difficult trades in less liquid, smaller capitalized, and more closely held issues;
- the speed of execution on competing markets;
- access to underwritten offerings and secondary market trades;
- the broker's demonstrated ability to achieve the best net results on transactions in a particular sector or of a particular size; and
- the broker's ability to complete the transaction satisfactorily through to clearance, confirmation and delivery.

Our application and the importance of the specific criteria will vary depending upon the nature of the transaction, the asset class, the market in which it is effected, and the extent to which it is possible to select from among multiple brokers or dealers capable of effecting the transaction. When we use direct market access, we assess whether the execution venues included in our order execution policy provide for best execution. Where appropriate, we must also consider any regulatory requirements in the jurisdiction in which a transaction is to be conducted.

Subject to the foregoing, we are not prohibited from selecting a broker that has other business relationships with us; our affiliates; or the Masters Funds, the Capital Funds, the DMEM Funds, Solasglas, and the other funds or accounts managed by us or our affiliates (collectively referred to as the "***Greenlight Entities***"); such as, but not limited to, prime brokerage arrangements, access to research services, referrals to prospective investors, underwriting commitments, investments in the broker, or access to lending facilities, provided that the broker also provides best execution.

We evaluate the execution arrangements of broker-dealers and other intermediaries through which we place trades. Further, we monitor our compliance with our internal policies on trading and the use of soft dollars on at least a semi-annual basis. Our periodic reviews consider, among other things:

- the execution and research quality of broker-dealers or other intermediaries;
- the reasonableness of brokerage commissions and mark-ups and mark-downs in light of the brokerage and research services received;
- the relative benefit to clients of research paid for by soft dollars and the allocation of the cost of any "mixed use" research products;
- the nature of research products paid for by soft dollars and their qualification for protection under Section 28(e) of the Exchange Act;

- the appropriateness of mitigating controls and disclosures with respect to conflicts of interest that potentially arise from trading and trade-related activities;
- the adequacy and effectiveness of our procedures with respect to trading and trade-related activities; and
- the details surrounding any trade errors, including the cause of such errors and the resolution.

In reviewing the selection or use of brokers, we consider any potential conflicts of interest, such as the occurrence of referrals or other business dealings between the broker-dealer and us or our principals.

Soft Dollars

The Masters Funds are authorized to pay higher commissions to brokers than the minimum rates obtainable in the marketplace, or to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities. The Masters Funds will make these payments to brokerage firms that provide us with investment and research information (even though the research services may not be for the exclusive benefit of the Masters Funds) if we determine such commissions or prices 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 or other information or services. We are not required to weigh these factors equally. Information so received is in addition to and not in lieu of services required to be performed by us, and our fee is not reduced as a consequence of the receipt of any supplemental research information. Research services provided by broker-dealers used by the Masters Funds may be utilized by us and our affiliates in connection with providing investment services for clients other than the Masters Funds. Also, research services provided by broker-dealers used for other clients may be utilized by us in performing services for the Masters Funds.

We have the option to use soft dollars generated by the Masters Funds to pay for the research-related services described above or to have these services paid directly by the Masters Funds. 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 Exchange Act provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to such managers in the performance of investment decision-making responsibilities. The agreements we have with the Masters Funds permit us to use soft dollars for expenses that do not fall within the safe harbor of Section 28(e) of the Exchange Act. However, we will not use soft dollars generated by the Masters Funds to pay for any goods or services outside of this safe harbor.

Section 28(e) of the Exchange Act allows us to use soft dollar credits generated by the securities transactions conducted on behalf of the Masters Funds and the Greenlight Entities to pay for expenses that we might otherwise have to pay ourselves. As a result, we will not have to pay these expenses directly. This may give us an incentive to select brokers or dealers for transactions of the Masters Funds, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by us rather than giving exclusive consideration to the interests of the Masters Funds. However, we only use soft dollars to pay for expenses that would otherwise be borne by the Masters Funds and the Greenlight Entities.

Any use of soft dollars requires approval of the Chief Compliance Officer. We generally seek to allocate soft dollar benefits pro rata among the Masters Funds and the Greenlight Entities.

Although we are authorized to allocate transactions to brokers who assist in the distribution of the Masters Funds' interests, it is our policy not to do so. However, we are not prohibited from using the services of a broker-dealer that has made a referral of potential investors or with which we or our principals have other business dealings provided that the dealings are disclosed to the Chief Compliance Officer and the broker-dealer provides best execution. Subject to the foregoing, we may have an incentive to select or recommend a broker based on investor referrals, rather than just best execution.

We do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer, and we do not permit clients to direct brokerage.

Aggregation of Transactions

We generally aggregate trades of our clients when consistent with the clients' investment objectives and restrictions. If an aggregated order is not completely filled, shares purchased or sold will generally be allocated pro rata based on assets under management by clients participating in the aggregated transaction.

Our trade allocation policy seeks to allocate trades in a manner that treats clients fairly. From time to time, we may allocate trades and securities on a non-pro rata basis in order to rebalance portfolios and for other legal, regulatory, tax, accounting and other reasons.

For a further discussion of these and related items, see **Item 8** (Methods of Analysis, Investment Strategies and Risk of Loss), **Item 10** (Other Financial Industry Activities and Affiliations) and **Item 11** (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

Item 13. Review of Accounts

Generally, the Masters Funds are reviewed on a regular basis by our investment professionals, the Chief Financial Officer, the Chief Operating Officer, and the Chief Compliance Officer. These reviews are designed to monitor and analyze transactions, positions and investment levels.

Investors in the Masters Funds are furnished with annual reports containing financial statements examined by the Masters Funds' independent auditors within 180 days after the end of each taxable year. Investors are also furnished with monthly reports reviewing the Masters Funds' performance for such quarter, a semi-annual investor letter and quarterly attribution information.

Item 14. Client Referrals and Other Compensation

For a discussion of these and related items, see **Item 10** (Other Financial Industry Activities and Affiliations) and **Item 12** (Brokerage Practices).

Item 15. Custody

We and our affiliates have custody of the assets of the Masters Funds. We do not use a qualified custodian to send quarterly account statements directly to the investors in the Masters Funds. The Masters Funds will distribute their annual audited financial statements to their investors within 180 days of their fiscal year-end.

We urge investors to carefully review the audited financial statements of the Masters Funds in which they are invested.

Item 16. Investment Discretion

We and our affiliates have discretionary authority with respect to the investment decisions on behalf of the Masters Funds pursuant to the investment advisory agreements with the Masters Funds, or otherwise through the formation documents of the Masters Funds, as applicable. Investment decisions for the Masters Funds are made in accordance with the Masters Funds' investment objectives and guidelines.

For a further discussion of these and related items, see **Item 4** (Advisory Business) and **Item 10** (Other Financial Industry Activities and Affiliations).

Item 17. Voting Client Securities

We have been delegated the authority and right to vote proxies received by the Masters Funds. We and our affiliates have adopted a proxy voting policy to ensure that we vote proxies to further the best interests of each client. We determine how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. We vote in a manner that we believe reasonably furthers the best interests of the Masters Funds and is consistent with our investment philosophy.

The major proxy-related issues generally fall within five categories: corporate governance, takeover defenses, compensation plans, capital structure and social responsibility. We will cast votes for these matters on a case-by-case basis. We will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices.

If a proxy vote creates a material conflict between our interests and the interests of the Masters Funds, we will resolve the conflict before voting the proxies. In the event that the conflict cannot be reasonably resolved prior to voting, we will either disclose the conflict to the Masters Funds or take other steps designed to ensure that a decision to vote the proxy was based on our determination of the Masters Funds' best interest and was not the product of the conflict.

The Masters Funds cannot generally direct how we vote in a particular situation.

Clients may obtain, free of charge, a full copy of our proxy voting policies and procedures and/or a record of proxy votes by contacting us at the following address:

Greenlight Masters, L.L.C.
140 East 45th Street, 24th Floor
New York, New York 10017
Attention: Chief Compliance Officer
Telephone: 212-973-1900
Facsimile: 212-973-9219
Email: info@greenlightcapital.com

Item 18. Financial Information

We do not require or solicit prepayment of fees six months or more in advance.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

We are not registered with any State as an investment adviser.