FINAL FORM

MASON HAYES & CURRAN

ETPCAP DESIGNATED ACTIVITY COMPANY

SERIES MEMORANDUM

PARTICIPANT CAPITAL GROWTH FUND (SERIES 202) NOTES DUE 2117
ISSUED UNDER ITS ETPCAP PROGRAMME

DATED 3 AUGUST 2018

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1 GENERAL

This Series Memorandum (as used herein, this "**Series Memorandum**") is prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the "**ETPCAP Programme**") of ETPCAP Designated Activity Company (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 4 April 2018 relating to the ETPCAP Programme (the "**Programme Memorandum**").

Neither this Series Memorandum nor the Programme Memorandum constitutes a prospectus for the purposes of the Prospectus Directive.

This document should be read in conjunction with the Programme Memorandum and the Master Conditions (2018 Edition). Save where the context otherwise requires, terms defined in the Programme Memorandum have the same meaning when used in this Series Memorandum.

Subject as set out below the Issuer accepts responsibility for the information contained in this Series Memorandum other than the information in sections:

1. Information relating to the Arranger, Charged Assets Realisation Agent and Calculation Agent;

2. Information relating to the Placing Agent;

3. Information relating to the Charged Assets; and

4. The Private Placement Memorandum.

To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information for which it accepts responsibility contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that the information in the sections referred to in 1 to 4 above has been accurately reproduced from information provided by (a) the Arranger, Charged Assets Realisation Agent and Calculation Agent (in respect of 1.), (b) the Placing Agent (in respect of 2.) and (c) the Partnership (in respect of 3. and 4.), and as far as the Issuer is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Series Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person has been authorised to give any information or to make representations other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger, the Trustee or any of them or any other person. Neither the delivery of this Series Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Trustee has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no

responsibility or liability is accepted by the Trustee as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the Private Placement Memorandum or with respect to the legality of investment in the Notes by any prospective investor or purchaser under applicable legal investment or similar laws or regulations.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this Series Memorandum and the Programme Memorandum.

For as long as the Notes remain outstanding, copies of the following documents will be available to Noteholders for inspection in physical form during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

1. This Series Memorandum and the Programme Memorandum;

2. The Master Documents;

3. The Constituting Instrument dated the Issue Date; and

4. The Certificate of Incorporation and the Constitution of the Issuer.

The Notes, which are described in this Series Memorandum, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the States of the United States. Accordingly, the Notes are being offered and sold only in bearer form pursuant to the exemption afforded by Regulation S promulgated under the Securities Act solely outside of the United States and solely to non-US persons and in specific reliance upon the representations by each Noteholder that (1) at the time of the offer and sale of the Notes to the Noteholder, the Noteholder was not a US Person as defined in Regulation S promulgated under the Securities Act, and (2) at the time of the offer and sale of the Notes to the Noteholder and, as of the date of the execution and delivery of the purchasing or subscription agreement by the Noteholder, the Noteholder was outside of the United States. The Notes may not be offered or sold in the United States or to US Persons (as defined in Regulation S) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Notes are subject to certain United States tax law requirements.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

The Notes are illiquid investments, the purchase of which involves substantial risks. Any investor investing in the Notes should fully consider, understand and appreciate those risks.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the Private Placement Memorandum and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes, as the Notes described in this Series Memorandum may not be suitable for all purchasers of Notes. Purchasers of Notes should have sufficient knowledge and experience in financial, taxation, accounting, capital treatment and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Series Memorandum and the merits and risks of investing in the Notes in the context of their financial and regulatory position

and circumstances. This Series Memorandum does not describe all of the risks and investment considerations applicable to an investment in the Notes. The risks and investment considerations identified in this Series Memorandum are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or as they may from time to time alter.

PARTICULAR ATTENTION IS DRAWN TO THE SECTION OF THIS SERIES MEMORANDUM HEADED "RISK FACTORS".

2 DOCUMENTS INCORPORATED BY REFERENCE

The Programme Memorandum is incorporated in, and shall be taken to form part of this Series Memorandum. This Series Memorandum must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

3 RISK FACTORS

3.1 General

The purchase of the Notes involves substantial risks. Each prospective purchaser of the Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the Private Placement Memorandum, the Notes and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. As part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in this Series Memorandum and in the Programme Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Series Memorandum and in the Programme Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

1. are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for a period up to and until the redemption of the Notes;

2. are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and

3. recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

Each of the Issuer and the Arranger may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the Conditions in the Master Conditions (2018 Edition) entitled 'Security' and 'Enforcement and Limited Recourse' and the sections in this Series Memorandum entitled 'Information relating to the Charged Assets'.

3.2 Risks relating to the Issuer and Transaction Parties

Special purpose company

The Issuer is a special purpose company and has been established for the purpose of issuing multiple Series of secured Notes under the ETPCAP Programme. The Issuer has issued share capital only in the amount of EUR 1 (one euro). Should any unforeseen expenses or liabilities (which have not been provided for) arise, the Issuer may be unable to meet them, leading to an Event of Default under the Notes.

There is no certainty that Noteholders will recover any amounts payable under the Notes. Due to the limited recourse nature of the Notes (see 'Limited recourse' below), claims in respect of the Notes are limited to the proceeds of enforcement of the Mortgaged Property after the deduction of any applicable expenses. In addition, if a claim is brought against the Issuer (whether under statute, common law or otherwise) which is not subject to such contractual limited recourse provisions, the only assets available to meet such claim would be the proceeds of the issuance of the Issuer's ordinary shares and any transaction fees (see 'Fees' below), to the extent any remain as at the date of such claim and are available to meet such claim. The only other assets of the Issuer will be the assets on which each Series is secured, which will be subject to the prior security interests of the relevant Noteholders, any other secured parties under that Series.

Limited recourse

The Notes will be limited recourse obligations of the Issuer secured on the Charged Assets and are not or will not (as the case may be) be obligations or responsibilities of, or guaranteed by, any other person or entity. **For the avoidance of doubt, none of the Trustee, the Arranger, any other Agent appointed by the Issuer or any other person has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes. There is no person that guarantees to Noteholders that they will recover any amounts payable under the Notes.**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of moneys due to it under the Charged Assets. The Noteholders shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Charged Assets. To the extent that investment by the Issuer in the Charged Assets held by the Issuer results in such investment being less than the obligations of the Issuer under the Notes, the Issuer will have insufficient funds available to meet its obligations in respect of the Notes. In such event, any shortfall would be borne by the Noteholders in accordance with the priorities specified in the Conditions. See 'Nature of the investment' below.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in the Charged Assets nor do they confer on the Noteholder any right (whether in respect of voting,

dividend or other distribution) which a holder of any Charged Assets may have had. The Issuer is not an agent of the Noteholder for any purpose.

Liability for the obligations of other Series

The Issuer has undertaken not to incur any obligations with respect to any other Series of Notes unless recourse in respect of such obligations is limited to the proceeds of enforcement of the Security over the assets of the Issuer on which such obligations are secured (which assets shall exclude the Mortgaged Property securing any other Series of Notes). Nevertheless, to the extent there are any creditors with respect to a Series of Notes whose recourse is not so limited Noteholders may be exposed to risks incurred for the account of other Series.

3.3 Risks relating to the Notes

Nature of the investment

These Notes are not principal protected and are a high-risk investment in the form of a debt instrument. The Noteholders are neither assured of repayment of the capital invested nor are they assured of payment of a stated rate of interest or of any interest at all. The Notes give Noteholders exposure to the Series Assets, see "*Information relating to the Charged Assets*" below.

Any payments to be made on the Notes depend on the value of the Charged Assets held by the Issuer, which is the value of the amounts received by the Issuer in respect of the Charged Assets. Should the Charged Assets decrease in value, Noteholders will incur a partial or total loss of their investment. Even if the Charged Assets increase in value, Noteholders may incur a partial or total loss of their investment to the extent that the appreciation of the Charged Assets is not sufficient to account for fees, costs and expenses of the Issuer.

In certain circumstances, described in the Conditions of the Notes, the Notes will be redeemed early pursuant to a Mandatory Redemption Event, or an Additional Mandatory Redemption Event or Optional Redemption and Noteholders shall be entitled to receive only such amount as is available following the sale, redemption or other means of realisation of the Charged Assets, subject to the provisions of the Notes described under 'Limited recourse' above.

In general, redemption payments to be made on the Notes are calculated with reference to the value of the Charged Assets. However, if and to the extent that the amount payable by the Issuer in accordance with the Notes to the Noteholders is greater than the amount received by the Issuer in respect of the redemption of the Charged Assets, the Noteholder shall be entitled to receive only its pro rata share of such amount as is received by the Issuer under the Charged Assets after deduction of any applicable costs and expenses.

Change of law, tax and administrative practice

The structure of the transaction and, *inter alia*, the issue of the Notes are based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Fees

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, the amounts payable under the Notes are based on the performance of the Charged Assets after deduction of certain fees, which is further described in Special Condition 5.8 of the Notes. The fees may be applied in calculating the value of the Portfolio and therefore may result in a reduction in the value of the Notes.

In connection with the offer and sale of the Notes, the Arranger or any of its associated companies may, directly or indirectly, pay fees in varying amounts to third parties or, as the case may be, receive fees (including but not limited to distribution fees and retrocessions) in varying amounts, including, from third parties (which may include any Transaction Participants as defined below). Each Noteholder acknowledges that the Arranger or any of its associated companies may retain all or part of such fees.

Foreign exchange risk

The Notes are denominated in USD. The Charged Assets may be denominated in US dollars, euros, or any other currencies. The Issuer will effect foreign exchange transactions to convert amounts received in respect of the Charged Assets into USD in order to meet its payment obligations under the Notes. In order to mitigate the foreign exchange risk the Issuer may enter into foreign exchange hedging transactions with such banks and other providers of treasury products ("**Derivatives Counterparties**") as may in the sole discretion of the Issuer be appropriate given the Charged Assets and the obligations of the Issuer under the Notes. Accordingly, the Issuer and the Noteholders may be exposed to credit risk of such Derivatives Counterparties providing foreign exchange hedging to the Issuer.

Optional Redemption by the Issuer

Investors in the Notes should be aware that the Issuer has the option to, and shall if given notice by the Arranger, redeem any amount of the Notes at their Early Redemption Amount on the Optional Redemption Payment Date, subject to the notice requirements set out in the Conditions. Such notice may only be revoked by the Issuer at any time prior to the Optional Redemption Date with the consent of the Trustee in accordance with the Conditions.

Restrictions on Transfer

The Notes are subject to restrictions on transfer, as described in the 'Subscription and Sale" section of the Programme Memorandum and 'Selling Restrictions" section of this Series Memorandum. In particular, the Notes have not been registered under the Securities Act, under any US state securities or 'Blue Sky' laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Note may be sold, assigned, participated, pledged or transferred unless such sale, assignment, participation, pledge or transfer (a) is exempt from the registration requirements of the Securities Act (for example, the exemption provided by Rule 144A under the Securities Act or the exemption provided by Regulation S under the Securities Act and applicable state securities laws) and (b) is in compliance with the transfer restrictions and certification requirements described in the "Subscription and Sale" section of the Programme Memorandum and the "Selling Restrictions" section of this Series Memorandum.

Arranger default

The Notes will be redeemed if the Arranger is dissolved or becomes unable to perform its obligations in relation to the Notes unless a substitute arranger (the "**Substitute Arranger**") is appointed by the Issuer within 90 days of such event.

Payments

Payments under the Notes will only be made after receipt of the Realisable Value by the Issuer. The date of payment of the redemption amount under the Notes is therefore not fixed. Payment of redemption amounts under the Notes depends on the realisation of or the liquidation of the Charged Assets. It may take a considerable period of time to redeem the Charged Assets, in particular in the case of a redemption pursuant to an Early Redemption. Noteholders may only receive payment of the relevant redemption amount under the Notes significantly later than the specified redemption date of the Notes.

Liquidity

No secondary market for the Notes currently exists. Prospective purchasers of the Notes should therefore recognise that they may not be able to liquidate their investment in the Notes. Investment in the Notes is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time and are not acquiring the Notes with a view to a potential resale, distribution or other disposition at some future date.

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted. Even if the Notes are listed, there is no assurance that a secondary trading market or liquidity will develop.

Extended Maturity Date

The term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders not less than one (1) calendar month prior to the Maturity Date or the Extended Maturity Date if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

Market and legal risk

The Notes will constitute secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Mortgaged Property (which principally comprises the Charged Assets) relating to the Notes and no other assets of the Issuer will be available to satisfy claims of Noteholders. The Issuer's obligations to the Noteholders are solely funded by, and primarily secured on, the Charged Assets. Therefore, to the extent that the value of the Charged Assets falls, payment under the Charged Assets is not made, the Charged Assets cannot be sold or if the relevant security arrangements would not be enforceable, a loss of principal or interest or both under the Notes will result. Noteholders therefore assume the market and legal risk of the Charged Assets.

None of the Transaction Participants (as defined below) nor any affiliate of any of them or other person on their behalf has made any investigation of, or makes any representation or

warranty, express or implied, as to the standing or suitability of the financial or other condition of the Charged Assets.

None of the Issuer, the Arranger, the Trustee, the Principal Paying Agent, the Administration Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Placing Agent or any other Agent (together, the "**Transaction Participants**") nor any affiliate of any of them (or any person on their behalf) assume any responsibility vis-à-vis the Noteholders for the economic success or lack of success of an investment in the Notes, or the performance, the value or terms of the Charged Assets. No Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Noteholders, or prospective purchasers of the Notes, with any information in relation to such matters or to advise as to the attendant risks.

Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review and such legal, financial and tax advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, authorisations and restrictions (including as to its capacity) applicable to it, (iii) has been duly approved in accordance with all applicable laws and procedures and (iv) is a fit, proper and suitable investment for it, undertaken for a proper purpose.

Legality of purchase

None of the Transaction Participants or any affiliate of any of them or other person on their behalf has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

No reliance

The Transaction Participants and all affiliates of any of them disclaim any responsibility to advise purchasers of the Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time hereafter.

No restrictions on activities

Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may have existing or future business relationships (including depository, lending, advisory or any other kind of commercial or investment banking activities or other business) with any of the other Transaction Participants and any affiliate of any of them or other person on their behalf and may purchase, sell or otherwise deal in any assets or obligations of, or relating to, any such party. Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may act with respect to any such business, assets or obligations without regard to any possible consequences for the Issuer, the Notes or any Noteholder (or the impact of any such dealing on the interests of any Noteholder) or otherwise.

Provision of information

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may at the date hereof or at any time hereafter be in possession of information in relation to the other Transaction Participants or any affiliate of any of them or

any other person acting on their behalf or on behalf of the Charged Assets (which may or may not be publicly available or confidential). None of such persons shall be under any obligation to make any such information available to Noteholders or any other party other than as provided in the Conditions of the Notes.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. Neither the Issuer nor any other person will pay any additional amounts to the Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or by the Principal Paying Agent (or any other Paying Agent).

Legal opinions

No legal opinions will be obtained with respect to any applicable laws, including the laws governing the Charged Assets or as to the validity, enforceability or binding nature of the Charged Assets.

Conflict of interests

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities (including shares in a Transaction Participant), currencies, financial instruments or other assets owned by a Transaction Participant. Any trading and / or hedging activities of Transaction Participants or any affiliate of any of them or any other person acting on their behalf related to this transaction may have an impact on the price of the underlying assets.

Clearing systems

The Notes will be represented by one or more Temporary Global Notes and Permanent Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments through the Principal Paying Agent to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Limitations of the ability to grant security over Notes while in global form

Because transactions in the Notes will be effected only through Euroclear or Clearstream, Luxembourg, direct or indirect participants in their respective book-entry-systems and certain banks, the ability of a Noteholder to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise to take actions in respect of such interests, may be limited due to the lack of physical security representing such interest.

3.4 Risks relating to the Charged Assets

3.4.1 Investment in the Series Assets

The Issuer intends to use the proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in Class Y units of limited partner interests (the "**LP Interests**") in Participant Capital Growth Fund, LP (the "**Partnership**"), an exempted limited partnership organized under the laws of the Cayman Islands on 6 April 2018, having its registered office at the offices of Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Gran Cayman KY1-1002, Cayman Islands. The general partner of the Partnership is Participant Capital Partner INTL, LLC (the "**General Partner**"), a Delaware limited liability company registered in the Cayman Islands as a foreign company, and is responsible for the management of the Partnership's affairs as more particularly set out in the Private Placement Memorandum.

Participant Capital Advisors, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company, shall serve as the investment manager of the Partnership (the "**Investment Manager**").

Potential investors should note that investing in the Notes does not provide any assurance as to the nature of the Partnership or the LP Interests. For example, no assurance is provided as to (i) the constitutional documentation of the Partnership, (ii) any shareholders agreement or subscription agreement in place as of the Issue Date or thereafter, (iii) any ability of the Partnership to issue further units (in either the same or a different class to that of the LP Interests); (iv) the transferability of the LP Interests, (v) any right to refuse registration of the LP Interests or (vii) any pre-emption rights in respect of the LP Interests. Such issues may affect the ability of the Trustee to enforce the Security and realise the Series Assets and Related Rights. Potential investors should carry out their own due diligence in this regard.

3.4.2 No Operating History of the Partnership

The Partnership has limited performance history. Noteholders may not have sufficient historical information to serve as a basis for making a more informed investment decision.

3.4.3 Redemption and Transfer of the Charged Assets

Realisation or transfer of the Charged Assets may in certain circumstances be deferred in accordance with their relevant terms. The period of deferral may be significant. Therefore in certain circumstances, including where the Security for the Notes becomes enforceable, there may be a significant delay in payments under the Notes and/or it may be impossible to transfer the Charged Assets, whether as a means of realising their value or otherwise.

Potential investors should note that the General Partner's consent will be required to register a transfer of the LP Interests. Such consent requirements may affect the

ability of the Trustee to enforce the Security and realise the Series Assets and Related Rights. Potential investors should carry out their own due diligence in this regard.

3.4.4 Security may be declared invalid

The Issuer will grant security interests in favour of the Trustee for itself and for the benefit of the Noteholders in the Mortgaged Property pursuant to the Trust Deed and the Charging Instrument (as defined below). However, if the security interest of the Trustee in the Mortgaged Property was determined to be invalid or unperfected, Noteholders would be unsecured creditors and would rank on a pari passu basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.

3.4.5 Not a bank deposit

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Notes.

3.4.6 Lack of diversification

The Issuer may only invest in one asset, being the LP Interests. To the extent all the assets relating to the Notes are represented by one type or class of asset, such asset or class of asset may be more susceptible to a single adverse economic or regulatory occurrence, and lead to greater fluctuations in the value of Notes than may have been the case when investing in a diversified pool of assets.

3.4.7 Partial Interest in the Partnership

Please note that the Series Assets do not comprise 100% of the issued share capital of the Partnership nor is the Partnership prohibited from issuing further limited partner interests.

3.4.8 Security for the Notes

The Issuer has granted security over the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee, as security for itself and the Secured Parties, pursuant to the Programme Accounts Security Agreement in respect of the Issuer's obligations to the Trustee in respect of all Series under the ETPCAP Programme. Pursuant to a deed of confirmation, the Issuer will confirm to the Trustee that the Programme Accounts Security Agreement charges the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee in respect of the Issuer's obligations under the Series.

Monies may be held by The Bank of New York Mellon, London Branch, pursuant to the Account Bank Agreement or Unwind Account Custody Agreement to facilitate the transfer of the proceeds of the issuance of Notes to the Partnership for the purchase of LP Interests and / or payment of any Interest Amount or Redemption Amount to Noteholders. It is intended that such transfers will happen promptly however this may not always be possible and there may be a delay in respect of such transfers. Such monies may be temporarily commingled with

monies attributable to other Series. While the Issuer has granted security over such monies pursuant to both the Constituting Instrument and the Programme Accounts Security Agreement in favour of the Trustee (for itself and the other Secured Parties), Noteholders should note that the commingling of such monies may have a negative effect on the Trustee's ability to enforce security over such monies.

As the Series Assets held in respect of the Notes are held in, and governed by the laws of the Cayman Islands, the Issuer will grant security interests over the Charged Assets pursuant to the Charging Instrument or if later, the date of acquisition of the Charged Assets.

Certain of the charges in respect of the Notes are stated to be fixed charges in nature. The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer or any other party any such charge may operate as a floating, rather than a fixed, charge.

3.5 Summary of Principal Underlying Investment Risks

As with any investment, you could lose all or part of your investment in the Notes, and the Notes' performance could trail that of other investments. The Notes are subject to one or more of the principal risks noted below (either directly or through its investments in Series Assets), any of which may adversely affect the Notes' Net Asset Value, trading price, yield, total return and ability to meet its investment objective.

3.5.1 Counterparty Risk

The Issuer bears the risk that the Partnership may default on its obligations (if any) or otherwise fail to honour its obligations to holders of LP Interests or under the Private Placement Memorandum. In such case the Issuer will lose money and the value of an investment in the Notes may decrease.

3.5.2 Credit Risk

The financial condition of an issuer of securities may cause it to default or become unable to pay interest or principal due or otherwise fail to perform. The Issuer cannot collect interest and principal payments on securities if the issuer defaults. While the Issuer attempts to limit credit exposure in a manner consistent with its investment objective, the value of an investment in the Notes may change quickly and without warning in response to issuer defaults and changes in the credit ratings of the Issuer's portfolio investments.

3.5.3 Emerging Markets Risk

Investing in emerging market assets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Issuer's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and

control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of portfolio securities and cash with non-U.S. subcustodians and securities depositories; and (xv) overall greater volatility.

3.5.4 Investment Risk

As with all investments, an investment in the Notes is subject to investment risk. Noteholders could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.

3.5.5 Liquidity Risk

The LP Interests are an illiquid investment. In the event that the Issuer defaults or the Notes are subject to redemption there is no assurance that the LP Interests can be sold such that value can be realised for investors.

3.5.6 871(m)

The Notes will not be treated as subject to 871(m) of the US Internal Revenue Code of 1986 as amended.

3.5.7 Market Trading Risk

The Issuer faces numerous market trading risks, including the potential lack of an active market for the Notes, losses from trading in secondary markets and periods of high volatility. ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE NOTES TRADING AT A PREMIUM OR DISCOUNT TO NET ASSET VALUE.

AS WITH ANY INVESTMENT YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT IN THE NOTES AND THE NOTES' PERFORMANCE COULD TRAIL THAT OF OTHER INVESTMENTS. YOUR ATTENTION IS DRAWN TO THE PRIVATE PLACEMENT MEMORANDUM AS DEFINED BELOW AND ATTACHED AS APPENDIX OR APPENDIXES TO THIS SERIES MEMORANDUM. IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE PRIVATE PLACEMENT MEMORANDUM ENTITLED "RISKS FACTORS AND CONFLICTS OF INTEREST". PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED 'RISK FACTORS' IN THE PROGRAMME MEMORANDUM.

4 CONDITIONS OF THE NOTES

The Noteholders should note that words and expressions not otherwise defined below shall have the meanings respectively ascribed to them by Special Condition 5.1 (Definitions). The Master Definitions (2018 Edition) will apply for the purposes of interpretation of these terms and conditions and the Conditions except as expressly provided therein or the context otherwise requires.

The Notes shall have the following terms and conditions which shall complete, modify and amend the Master Conditions (2018 Edition), which shall apply to the Notes as so completed, modified and amended. References to "**Conditions**" or "**Condition**" shall mean references to the Conditions of the Notes as modified herein.

The Issuer intends that any Further Notes (as defined herein) shall (save in respect of the relevant issue date) have the same Conditions as, and form a single Series with, the Notes of this Series.

Programme:	ETPCAP Programme
Series:	Participant Capital Growth Fund (Series 202) Notes due 2117
Series Number:	202
Tranche Number:	1
ISIN Code:	XS1862377733
Common Code:	186237773
Delivery:	Issue Agent shall deliver notes to the Issuer in free of payment form prior to the subscription by Noteholders.

Issue Date:	3 August 2018
Maturity Date:	2 August 2117
Extended Maturity Date:	See Special Condition 5.10 (Extended Maturity Date)
Principal Amount:	USD 50,000,000
Currency:	USD
Authorised Denomination:	USD 1,000
Initial Subscription Price:	100%
Subscription Price:	NAV per Note or such other price as may be determined by the Calculation Agent

Issuer:	ETPCAP Designated Activity Company
Arranger:	FlexFunds LTD
Placing Agents:	GWM Group, Inc. and GWM LTD
Issuer:	ETPCAP Designated Activity Company
Trustee:	Intertrust Trustees Limited

Calculation Agent:	FlexFunds ETP, LLC
Charged Assets Realisation Agent:	FlexFunds LTD
Issue Agent:	The Bank of New York Mellon, London branch
Principal Paying Agent:	The Bank of New York Mellon, London branch

Status of the Notes:	Secured and limited recourse obligations of the Issuer ranking pari passu without any preferences amongst themselves secured as set out under "Security" below and subject to the priority set out under "Priority" below.
Priority:	Counterparty Priority applies.
Type of Note:	Variable Coupon Note
Interest Period:	As regards the first interest period, the period from and including the Issue Date to and excluding the first Interest Determination Date and as regards all subsequent interest periods the period from and including an Interest Determination Date to and excluding the next Interest Determination Date or to and including, as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date, as applicable.
Interest Determination Date:	Any Business Day at the discretion of the Calculation Agent following receipt of a dividend, distribution or similar payment in respect of the Series Assets.
Interest Rate:	The Notes shall receive a total return based on the performance of the Portfolio during the Interest Period.
Interest Amount:	The amount determined by the Calculation Agent being: 1. the Distribution Proceeds; less 2. any costs, expenses, taxes and duties incurred in connection with the receipt of such revenue; and 3. subject to deduction of any outstanding fees pursuant to Special Condition 5.8 (Fees).
Interest Payment Dates:	Any Business Day not less than 5 but no later than 10 Business Days following an Interest Determination Date. At least 2 Business Days prior to such Interest Payment Date, the Calculation Agent shall provide to the Principal Paying Agent a notice setting out the Interest Payment Date and Interest Amount payable. For the avoidance of doubt the "Interest Payment Date" shall be deemed to be the date on which the Interest Amount is wired by the Issuer to the Principal Paying Agent.
Listing:	An application has been made for admission of the Notes to the official list of the Third Market of the Vienna Stock Exchange. Such listing is expected to take place on or about the Issue Date however no assurance is given that approval

	of such application will be granted.
Selling Restrictions:	The Notes will not be offered to the public in any jurisdiction. See *'Selling Restrictions'* below and in the Programme Memorandum.
Form of Notes:	Bearer Notes
The Notes will initially be represented by:	Temporary Global Note.
Applicable TEFRA exemption:	D Rules
Exchange of Temporary Global Note or Permanent Global Note:	The Temporary Global Note or, as the case may be, Permanent Global Note will be exchangeable, in whole but not in part, for a definitive Bearer Note if: 1. Euroclear or Clearstream, Luxembourg or any other clearing system in which the Permanent Global Note or, as the case may be, Temporary Global Note is for the time being deposited terminates its business and no alternative clearing system, satisfactory to the Trustee and the Principal Paying Agent is available; or 2. the Notes become due and payable in accordance with Condition 4 (Events of Default) and payment is not made on due presentation of the Temporary Global Note or, as the case may be, Permanent Global Note for payment.
Business Day Convention:	Following Business Day Convention applies.
Redemption Amount:	Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD equal to the Redemption Amount. The Final Maturity Payment Date may be significantly later than the Maturity Date or Extended Maturity Date. See Special Condition 5.3 (Redemption Amount)
Early Redemption Amount:	See Special Condition 5.4 (Early Redemption Amount)
Optional Redemption and Purchase:	See Special Condition 5.5 (Optional Redemption and Purchase)
Mandatory Redemption:	See Special Condition 5.6 (Mandatory Redemption)
Reports, calculations, determinations and notifications:	The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange. See Special Condition 5.7 (Reports, calculations, determinations and notifications)

Fees:	The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of fees due to the Trustee, the Arranger and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes. All fees are payable prior to any amounts being payable in respect of the Notes to any Noteholders. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes (unless otherwise satisfied). See Special Condition 5.8 (Fees)
Further Issues:	See Special Condition 5.9 (Further Issues)
Governing Law:	The Notes and any dispute or claim arising out of or in connection with them (including non-contractual obligations, disputes or claims) shall be governed by and construed in accordance with Irish law. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Supplemental Cayman Islands Security is governed by Cayman Islands law and the Cayman Islands Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.

Portfolio Management	
Portfolio Manager:	Not applicable.
Portfolio Management Agreement:	Not applicable.
Investment Objective:	Not applicable.
Management Criteria:	Not applicable.

Series Assets:	
Series Assets:	(i) The LP Interests and (ii) any and all investments, agreements, contracts, shareholder and/or partnership interests acquired by the Issuer in relation to the Notes and any and all related investments, monies, credit balances, assets or related contracts, trading positions, any sums standing to the credit of a deposit account (if any) or beneficial interests in any assets, to the extent any of the foregoing is: (i) held, carried and / or maintained by the Issuer, the Trustee and / or any of the Agents, in relation to the Notes; or (ii) established, agreed or obtained by the Issuer in relation to the Notes.

Security	
Charged Assets:	The Charged Assets shall be (i) the Series Assets and (ii) the Related Rights.
Related Rights:	All rights of the Issuer derived from or connected to the Series Assets including, without limitation, any rights to receive additional shares or other securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, interest, dividend, distribution, income or otherwise) in respect of the Series Assets.
Charging Instrument:	Pursuant to a deed in respect of the Series Assets entered into between the Issuer and the Trustee dated on or about the date of the purchase of the relevant Charged Assets the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the laws of the Cayman Islands over the Issuer's interest in the Charged Assets from time to time (such security, the "**Supplemental Cayman Islands Security**" or the "**Charging Instrument**").

5 SPECIAL CONDITIONS OF THE NOTES

5.1 Definitions

Words set out in italics in these Conditions do not form part of the definitions for the purpose of the Constituting Instrument and the documents constituted thereby. In the event of a conflict between the Conditions and the Special Conditions, the Special Conditions shall prevail.

"**Account Bank Agreement**" means the account bank agreement dated 4 April 2018 between the Issuer, the Trustee and The Bank of New York Mellon, London branch as the same may be amended, restated, amended and restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time;

"**Arranger Default**" means if any of the following events occur (in the sole discretion of the Issuer) in respect of the Arranger and a substitute arranger is not appointed (such appointment to be approved in writing by the Trustee provided that the approval shall not be unreasonably withheld or delayed) is not made within 90 days of the occurrence of the relevant event. If the Arranger:

1. is dissolved (other than pursuant to a consolidation, amalgamation or merger);

2. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

3. makes a general assignment, arrangement or composition with or for the benefit of its creditors;

4. (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

5. has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

6. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

7. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;

8. causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) above (inclusive);

9. takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

10. becomes unable to, or fails to within 10 days of receiving notice form the Trustee or the Issuer, perform its duties under the Notes;

"**Distribution Proceeds**" means the proceeds of a dividend, interest payment or other distribution in respect of the Charged Assets or the proceeds from a winding up, redemption, buy-back or liquidation of less than all of the LP Interests provided that, for the avoidance of doubt any amount realised from liquidation of the Charged Assets pursuant to an optional redemption shall not form part of the Distribution Proceeds;

"**Early Redemption Date**" means, as applicable, the Optional Redemption Date or the date specified in the notice given pursuant to a Mandatory Redemption Event, Additional Mandatory Redemption Event or Event of Default;

"**Early Redemption Payment Date**" means five (5) Business Days following the day that the Issuer receives the aggregate Realisable Value pursuant to Special Condition 5.4 (Early Redemption Amount). The Early Redemption Payment Date

may be significantly later than the Early Redemption Date. See "*Risk Factors – Payments*".

"**ETPCAP Programme**" means the EUR 5,000,000,000 Secured Note Programme of the Issuer;

"**Final Maturity Payment Date**" means five (5) Business Days following the day that the Issuer receives the aggregate Realisable Value pursuant to Special Condition 5.3 (Redemption Amount). The Final Maturity Payment Date may be significantly later than the Maturity Date or the Extended Maturity Date, as applicable. *See* '*Risk Factors – Payments*';

"**Letter Agreement**" means the agreement entered into on or about the Issue Date between the Issuer and Participant Capital Partner INTL, LLC that supplements the Private Placement Memorandum, appended to this Series Memorandum;

"**NAV per Note**" means the aggregate Net Asset Value of the Portfolio divided by the total number of Notes subscribed for;

"**NAV Report**" means a report provided to the Issuer and the Arranger by the Calculation Agent setting out the calculation of the Net Asset Value of the Portfolio (net of any fees as described under Special Condition 5.8 (Fees);

"**NAV Calculation Date**" means the last Business Day of each calendar month;

"**NAV Report Date**" means two Business Days after each NAV Calculation Date;

"**Net Asset Value**" means, in respect of the Notes, the value for each component of the Series Assets (net of any fees as described under Special Condition 5.8 (Fees)), as provided by the Calculation Agent to the Issuer and the Arranger, as the case may be, on or before the NAV Report Date;

"**Net Proceeds**" means an amount determined by the Calculation Agent being the pro rata share of the Realisable Value of the Charged Assets in respect of one Note; less the pro rata share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the pro rata share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the pro rata share in respect of one Note of any fees payable to the Arranger pursuant to the Conditions of the Notes and any other outstanding fees costs or expenses pursuant to the Conditions of the Notes;

"**Optional Redemption**" means a redemption of the Notes pursuant to Condition 2.5 as amended by Special Condition 5.5;

"**Partnership**" means Participant Capital Growth Fund, LP.

"**Portfolio**" means the Series Assets;

"**Private Placement Memorandum**" means the Confidential Private Placement Memorandum of the Partnership, dated 19 July 2018, appended to this Series Memorandum.

"**Programme Accounts Security Agreement**" means the security assignment of contractual rights and charge over bank accounts dated 4 April 2018 as amended

and restated on 13 July 2018 between the Issuer and the Trustee as the same may be amended, restated, amended and restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time;

"**Realisable Value**" means an amount determined by the Calculation Agent being the proceeds of sale or other means of realisation of the Charged Assets less any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Charged Assets Realisation Agent;

"**Redemption Amount**" means an amount equal to the greater of (i) zero and (ii) the Net Proceeds;

"**Security**" means (i) the security constituted by the Trust Deed entered into by the execution of the Constituting Instrument, (ii) the Charging Instrument and (iii) the Programme Accounts Security Agreement; and

"**Unwind Account Custody Agreement**" means the unwind account custody agreement dated 4 April 2018 (as novated on 13 July 2018) between the Issuer, the Trustee and The Bank of New York Mellon, London branch as the same may be amended, restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time.

5.2 Interest

5.2.1 Condition 1 (Interest) shall apply to the Notes read with this Special Condition 5.2 (Interest).

5.2.2 The Calculation Agent will, on or as soon as practical after each Interest Determination Date, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. The Calculation Agent shall inform the Trustee, the Issuer, the Principal Paying Agent and each of the Paying Agents of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

5.3 Redemption Amount

5.3.1 The Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (Redemption Amount of Notes) read with this Special Condition 5.3 (Redemption Amount).

5.3.2 Unless previously redeemed or purchased, each Note will be redeemed by a payment in respect of each Note of the Redemption Amount on the Final Maturity Payment Date save where Notes are redeemed pursuant to Condition 2.4.6.

5.3.3 No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Maturity Date or, as applicable, the Extended Maturity Date, to and including the Final Maturity Payment Date.

5.4 Early Redemption Amount

5.4.1 The Early Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (Redemption Amount of Notes) read with this Special Condition 5.4 (Early Redemption Amount).

5.4.2 In the event of:

(A) the Notes becoming due and payable pursuant to Condition 2.2 (Mandatory Redemption) the Charged Assets Realisation Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the Charged Assets and the applicable amount payable in respect of each Note will be the pro rata share of the Net Proceeds of such sale or other means of realisation; or

(B) any Notes becoming due and payable pursuant to an Optional Redemption, the Charged Assets Realisation Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the applicable amount of Charged Assets and the applicable amount payable in respect of each Note will be the pro rata share of the Net Proceeds of such sale or other means of realisation; or

(C) redemption of the Notes pursuant to Condition 4 (Events of Default) the applicable amount payable in respect of each Note shall be the amount available by applying the portion available to the Noteholders pursuant to Condition 3.3 (Application) of the Net Proceeds of enforcement of the security in accordance with Condition 3 (Security) pari passu and rateably between the Notes,

(such amount being the "**Early Redemption Amount**" and the term "**Redemption Amount**" includes the Early Redemption Amount).

5.4.3 Redemption of the Notes at their Early Redemption Amount shall not constitute an Event of Default.

5.4.4 The Early Redemption Amount will be paid on the Early Redemption Payment Date.

5.4.5 No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Early Redemption Date to and including the Early Redemption Payment Date.

5.5 Optional Redemption and Purchase

5.5.1 Optional Redemption by the Issuer

Condition 2.5.2 (Optional Redemption by the Issuer) shall apply to the Notes read with this Special Condition 5.5.1 (Optional Redemption by the Issuer). The Issuer subject to compliance with all relevant laws, regulations and directives:

(A) may, on giving not more than 60 nor less than 15 Business Days' notice to the Trustee and the Noteholders in accordance with Condition 7; or

(B) shall, at any time after receipt of a notice from the Arranger,

(such notice an "**Optional Redemption Notice**") redeem any amount of the Notes at their Early Redemption Amount on the date specified in such notice (the "**Optional Redemption Date**") provided that the Early Redemption Amount shall be payable on the Optional Redemption Payment Date.

Notice given by the Issuer to redeem Note(s) pursuant to this Special Condition may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Special Condition and the Constituting Instrument.

In the case of a partial redemption of Notes, when the Notes are represented by a Global Note, if a partial redemption is to be effected by selection of whole Notes, the Notes to be redeemed will be selected in accordance with the rules of the Clearing System or in accordance with the rules and procedures established from time-to-time by such person or, if a partial redemption of Notes is to be effected by pro rata payment a portion of each Note shall be redeemed in an amount equal to the amount of funds or value of Charged Assets for redemption, as applicable, then available divided by the number of Notes then outstanding which are represented by such Global Note.

5.5.2 Optional Redemption by the Noteholder

Condition 2.5.1 (Optional Redemption by the Noteholder) shall apply to the Notes read with this Special Condition 5.5.2 (Optional Redemption by the Noteholder).

The Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any Note, redeem such Note on the date or dates specified below at its Early Redemption Amount together with interest accrued to the date fixed for redemption.

Any optional redemption shall be subject to sufficient liquidity in the Charged Assets to fund such redemption, as determined by the Investment Manager. In particular and without limitation to the foregoing, any Optional Redemption by the Noteholder shall be subject to the gating requirements as set out in "Limitations on Redemptions" of the

Private Placement Memorandum and may be reduced in accordance with such provisions.

To exercise such option the holder must deposit the relevant Note with any Paying Agent at their respective specified offices, together with a duly completed notice of Redemption ("**Redemption Notice**" which shall specify the Optional Redemption Date) in the form obtainable from any Principal Paying Agent not more than 360 nor less than 270 days prior to the Noteholder Redemption Date and provided that, in the case of any Note represented by a Global Note registered in the name of a nominee for a Clearing System, the Noteholder must deliver such Redemption Notice together with an authority to the Clearing System (in each case, as appropriate) to debit such Noteholder's account accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

For the purposes of this Special Condition 5.5.2:

"**Noteholder Redemption Date**" means a date falling on the last Business Day of each calendar year that the Notes remain outstanding, [commencing from the fourth anniversary of the Issue Date].

5.5.3 **Optional Purchase**

Condition 2.5.4 (Optional Purchase) shall apply to the Notes read with this Special Condition 5.5.2 (Optional Purchase). The Issuer at any time after receipt of a notice from the Arranger specifying the number of Notes to be purchased and details of the Noteholder(s) from whom the relevant Notes are to be purchased (such notice an "**Optional Purchase Notice**"), subject to compliance will all relevant laws, regulations and directives shall purchase such Notes in accordance with Condition 2.6 (Purchase).

In determining what proportion of Charged Assets corresponds to the proportion of Notes to be purchased, the Issuer shall be entitled to rely on advice given to it by the Calculation Agent. The Issuer has absolute discretion to designate which Series Assets to select in order to fulfil its obligations pursuant to Condition 2.5.4 (Optional Purchase) as hereby amended.

5.6 Mandatory Redemption

5.6.1 Condition 2.2. (Mandatory Redemption) shall apply to the Notes read with this Special Condition 5.6 (Mandatory Redemption). Each of the following shall be Additional Mandatory Redemption Events for the purposes of Condition 2.2.2:

(A) the Issuer (in its sole discretion) determines that an Arranger Default has occurred; or

(B) (i) a compulsory redemption (howsoever described) of the Charged Assets; or (ii) a distribution or return of capital and / or assets to holders of the Charged Assets following the winding up, redemption, buy-back or liquidation of all of the LP Interests; or

(C) the Partnership or the Investment Manager fail to comply in any material respect with the Private Placement Memorandum and/or the Letter Agreement, including but not limited to the failure to provide when due any financial statement, impairment assessment report or independent audit confirmation**.**

5.7 Reports, calculations, determinations and notifications

5.7.1 Following receipt by the Arranger and the Issuer of the NAV Report from the Calculation Agent on the NAV Report Date, the Arranger will publish a summary of the NAV Report on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

5.7.2 The NAV Report and the summary thereof will be an estimated valuation of the Series Assets and shall not be interpreted as an indication of expected redemption values of the Notes. The NAV Report and the summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendments and / or corrections at any time without giving notice to any person.

5.7.3 Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its sole and absolute discretion. The Calculation Agent has agreed in the Constituting Instrument to comply with its obligations set out in these Conditions.

5.7.4 Each Transaction Participant (other than the Calculation Agent) shall be entitled to rely on any certification, notification, calculation or determination of the Calculation Agent given or copied to it as being true and accurate for all purposes and none of them shall be obliged to make any investigation or enquiry into any such certification, notification, calculation or determination or into the basis on which such certification, notification, calculation or determination was prepared, given or made.

5.7.5 The Calculation Agent shall consider the value of Series Assets which do not have a valuation provided to remain either (i) at cost or (ii) at zero, in its sole discretion and shall not be required to modify the recorded value of such Series Assets until provided with supported valuation by the Investment Manager and / or any agent of the Partnership or the the Investment Manager. The Calculation Agent is entitled to rely on any

certification, notification, calculation, determination or announcement made by or on behalf of the Investment Manager and / or any agent of the Partnership or the Investment Manager in connection with the Series Assets and shall not be obliged to make any investigation or enquiry into, and shall incur no liability to any person for relying on, any such certification, notification, calculation, determination or announcement reasonably believed by it to be genuine and made by or on behalf of the Investment Manager, the Partnership and/or any agent of Participant Capital Growth Fund, LP.

5.8 Fees

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, as determined by the Calculation Agent, the Issuer has agreed to pay certain fees to the Arranger. In the event that the Investment Manager or the Partnership fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount and may also be deducted from any Interest payments made to Noteholders (if any). This may result in a decrease of (i) the Interest Amount and/or (ii) the Net Asset Value of the Portfolio.

The following fees shall be determined by the Calculation Agent as at the NAV Calculation Date and as at the date expected to be two Business Days immediately prior to the following: (i) the Final Maturity Payment Date, (ii) any Optional Redemption Payment Date or Early Redemption Payment Date or (iii) any other date on which Notes are to be redeemed (any such date, a "**Fees Determination Date**"):

(a) fees payable to the Arranger in the amount of 0.45% per annum of the first USD 50,000,000 of the Net Asset Value of the Portfolio and 0.40% of any sum thereafter, as applicable, as at the most recent NAV Report Date, payable within ten Business Days of the end of each calendar quarter (the "**Arranger Fee**");

The Arranger Fee is subject to a minimum payment of EUR 2,000 per month.

From the Issue Date to the first anniversary thereof, an amount equal to 0.50% of any subscription proceeds (the "**Maintenance Fee Deducted Amount**") received by the Issuer shall be deducted from such subscription proceeds. The Arranger Fee Percentage of the relevant subscription proceeds shall be immediately paid by the Issuer to the Arranger towards satisfaction of present and future Arranger Fees. The Retained Percentage shall be retained by the Issuer in order to pay the maintenance fees detailed in this Special Condition 5.8 as and when such fees become due and payable. The Maintenance Fee Deducted Amount shall be non-refundable, even if the Notes in respect of which the Maintenance Fee Deducted Amount has been applied are subsequently redeemed prior to maturity. For the avoidance of doubt the amount invested in Series Assets will be net of the Maintenance Fee Deducted Amount.

To the extent that the Arranger Fee Percentage and the Retained Percentage are insufficient to discharge the Arranger Fee (including the applicable minimum) and maintenance fees specified in this Special Condition 5.8 in full and are not otherwise satisfied, the balance may be deducted from interest payments and/or

the Redemption Amount and/or liquidation of the Charged Assets as the Calculation Agent may determine in its sole discretion.

For the purposes of the above:

"**Arranger Fee Percentage**" and "**Retained Percentage**" each mean an amount to be determined by the Calculation Agent.

The Issuer will incur fees in relation to the issuance of the Notes, which shall be r met by the Partnership. In the event that the Partnership fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount. Such fees will include, but shall not be limited to:

(A) any fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including:

(aa) costs incurred in connection with the issuance, listing, clearing of the Notes and / or the performance of obligations in relation thereto;

(bb) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Constituting Instrument and the Series Documents as defined therein;

(cc) any fees, costs and expenses of the administrator of the Issuer payable by the Issuer or the Arranger in respect of the Notes; and

(dd) any legal fees and disbursements payable by the Issuer, the Arranger or the Trustee to Mason Hayes and Curran, A&L Goodbody or any other legal advisers to the Issuer, the Arranger or the Trustee in respect of the issuance of the Notes; and

(B) a total of USD 1,000 per annum shall be retained by the Issuer (the "**Annual Retained Amount**") in respect of all Series in issuance. A portion of the Annual Retained Amount will be attributed to this Series of Notes in an amount to be determined by the Calculation Agent acting in its sole and absolute discretion; and

(C) in relation to any realisation of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the sale or other realisation of any such Charged Assets) incurred or payable by the Sale Agent in respect of such sale or other realisation, as certified by the Sale Agent to the Issuer and the Trustee.

Any amounts payable under the Notes are based on the performance of the Charged Assets net of the fees described above. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in value of the Notes.

Estimated fees include a set-up fee of €20,000 (euro).

(c) Fees payable in respect of the underlying investment

Investors in the Notes should take note of the fees payable to the Investment Manager (or its designee) and any other fees payable in respect of the underlying

investment. Details of the fees payable to the Investment Manager are set out in the Private Placement Memorandum (a copy (or copies) of which is appended hereto).

On the Interest Determination Date, the Calculation Agent shall calculate the amount of Interest owing on the Notes and shall inform the Trustee, Principal Paying Agent and Issuer of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

5.9 Further Issues

Pursuant to Master Condition 15 (Further Issues) as amended and supplemented by this Special Condition 5.9 (Further Issues), the Issuer shall be at liberty to issue Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued) provided that the net proceeds of issue of such Further Notes shall be invested in the Series Assets and such proceeds shall form part of the Portfolio on or about the same date as the date on which the Further Notes are issued.

5.10 Extended Maturity Date

The term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders one (1) calendar month prior to the Maturity Date or any Extended Maturity Date, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

5.11 Events of Default

An Event of Default under Condition 4.1.1 shall occur if (i) the Early Redemption Payment Date does not occur within 90 days of the relevant Early Redemption Date or (ii) the Final Maturity Payment Date does not occur within 90 days of the Maturity Date or Extended Maturity Date, as applicable.

5.12 Distribution Agent

The Issuer has, pursuant to a distribution agreement (the "**Distribution Agreement**") appointed Participant Capital Partner INTL, LLC as a "**Distribution Agent**" pursuant to which Participant Capital Partner INTL, LLC may procure subscribers for the Notes or enter into agreements with third parties whereby such third parties will procure subscribers for the Notes. No fees will be payable by the Issuer to Participant Capital Partner INTL, LLC or any third party appointed by Participant Capital Partner INTL, LLC.

5.13 Noteholder Direction

The Arranger may, in its absolute discretion, request direction to the Issuer and Trustee from the Noteholders by way of Noteholder Direction.

5.14 Usage Rights related to the LP Interests

As the holder of LP Interests, the Issuer has certain Usage Rights (as defined and described in the Private Placement Memorandum). The Issuer intends to pass these Usage Rights through to Noteholders. If a Noteholder provides to Participant Capital Advisors, LLC a brokerage statement or other evidence acceptable to Participant Capital Advisors, LLC in its sole discretion, such Noteholder may be entitled to the same or similar Usage Rights as the Issuer is entitled to (which such Usage Rights will depend on the principal amount of Notes held by the relevant Noteholder). For the avoidance of doubt the Issuer shall have no liability to any Noteholder in respect of any Usage Rights, shall not be accountable to Noteholders in respect of Usage Rights (including but not limited to Usage Rights not being extended to the Noteholder) and shall have no involvement whatsoever in the administration or exercise of the Usage Rights.

6 USE OF PROCEEDS

The entire net proceeds from the issue of the Notes and any Further Notes, will be invested by the Issuer in the LP Interests on or as soon as practical following the date on which Notes or Further Notes are subscribed for, subject to the Maintenance Fee Deducted Amount. For the avoidance of doubt, the amount invested in the Series Assets from the Issue Date to the first anniversary thereof will be net of the Maintenance Fee Deducted Amount.

Notwithstanding the above, potential investors should have regard to the section entitled 'Placement Agent and Broker Fees' in the Private Placement Memorandum which provides, amongst other things, that prior to investment in LP Interests certain Selling Fees (as defined in the Private Placement Memorandum) shall reduce the number of LP Interests purchased by the Issuer with the subscription proceeds to the Notes.

7 INFORMATION RELATING TO THE CHARGED ASSETS

7.1.1 General

The Issuer intends to use the proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in Class Y units of limited partner interests (the "**LP Interests**") in Participant Capital Growth Fund, LP (the "**Partnership**"), an exempted limited partnership organized under the laws of the Cayman Islands on 6 April 2018, having its registered office at the offices of Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Gran Cayman KY1-1002, Cayman Islands. The general partner of the Partnership is Participant Capital Partner INTL, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company, and is responsible for the management of the Partnership's affairs as more particularly set out in the Private Placement Memorandum.

On the Issue Date, the Original Charged Assets will consist of the interests of the Series Assets, and the Related Rights.

The Issuer may invest in new LP Interests from time to time from the proceeds of the Notes.

7.1.2 The Series Assets

For a detailed description of the Series Assets see the Private Placement Memorandum.

8 DESCRIPTION OF THE SECURITY ARRANGEMENTS IN RESPECT OF THE NOTES

8.1.1 Introduction

The Notes will be secured, limited recourse obligations of the Issuer. The purpose of this section is to provide further information in respect of these important features of the Notes, which are included in the Conditions. However, the following description is a summary only of certain aspects of the security arrangements and is subject in all respects to the terms of the Trust Deed and the Conditions of the Notes, of which Noteholders are deemed to have notice and by which they are bound.

The Issuer will, pursuant to the provisions of the Trust Deed, grant the security described below to the Trustee as continuing security for the payment of all sums due under the Trust Deed and the Notes. The Trustee shall hold such Security on behalf of itself, the Agents and the Noteholders.

8.1.2 Security arrangements

The Notes will be secured by a charge over the Series Assets and the Related Rights obtained with the entire net proceeds of the issue of the Notes in favour of the Trustee for itself and as trustee for the Secured Parties (which includes the Noteholders).

Under the Trust Deed, as amended by the terms of the Constituting Instrument, the Issuer, in favour of the Trustee for itself and as trustee for the Secured Parties, and as continuing Security, will:

(A) charge by way of fixed charge in favour of the Trustee for itself and as trustee for the Secured Parties the Charged Assets, and in respect of the Charged Assets all debts represented thereby, all rights and thereof and the right to payment of all interest and other moneys in respect thereof and all rights to the delivery thereof or to an equal number or nominal amount thereof as against any clearing system or its operator or any depository thereof;

(B) assign by way of fixed security in favour of the Trustee for itself and as trustee for the Secured Parties all its rights, title and interest in and to all rights in respect of the Charged Assets;

(C) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Account Bank Agreement and the Unwind Account Custody Agreement, any accounts held pursuant thereto and

all sums derived therefrom to the extent that the same relate to the Notes (and no other Series);

(D) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all funds and any other assets now or hereafter standing to the credit of the account of the Principal Paying Agent in respect of the Notes and the debts represented by such moneys;

(E) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Agency Agreement, the Placing Agreement and the Arrangement Agreement and all sums derived therefrom; and

(F) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Distribution Agreement,

in each case on terms that the Trustee shall hold the proceeds of such security for itself and on trust for the Secured Parties.

As continuing security for the due payment, performance and discharge of the Secured Obligations the Issuer as legal and beneficial owner will charge by way of floating charge in favour of the Trustee for itself and on trust for the Secured Parties all of the Mortgaged Property which are not effectually charged or assigned pursuant to sub-clauses 8.1.2(A) to (F) above.

8.1.3 **Charging Instrument and Programme Accounts Security Agreement**

Pursuant to the Supplemental Cayman Islands Security, the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the law of the Cayman Islands over the Issuer's interest in the Series Assets.

Pursuant to the Charging Instrument, the Partnership represents, amongst other things that:

1. the LP Interests are duly authorised, validly issued and fully paid;

2. there are no agreements in place which provide for the issue or allotment of, or grant to any person the right to call for the issue or allotment of, any share or loan capital of Participant Capital Growth Fund, LP (including any option or right of pre-emption or conversion);

3. no calls have been made in respect of the LP Interests and remain unpaid and no calls can be made in respect of such Class Y units of limited partner interests in Participant Capital Growth Fund, LP in the future; and

4. the Class Y units of limited partner interests in Participant Capital Growth Fund, LP constitute all of the LP Interests.

Potential investors should note that the Issuer makes no representation as to the accuracy of the states at (1) to (4) above.

The Issuer has granted security over the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee, as security for itself and the Secured Parties, pursuant to the Programme Accounts Security Agreement in respect of the Issuer's obligations to the Trustee in respect of all Series under the ETPCAP Programme. Pursuant to a deed of confirmation, the Issuer will confirm to the Trustee that the Programme Accounts Security Agreement charges the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee in respect of the Issuer's obligations under the Series.

8.1.4 **Enforcement**

The Mortgaged Property may become enforceable if the Notes or any of them have become due and repayable (for example, due to acceleration following the occurrence of an Event of Default) and have not been repaid.

In such circumstances the Trustee may at its discretion, and upon being indemnified, secured and/or prefunded to its satisfaction, and if so requested or directed by the relevant parties, realise the Charged Assets. In realising the Charged Assets the Trustee may, but shall not be obliged to, procure the sale of the Charged Assets or may request the redemption of the Charged Assets if the Charged Assets allow for such request.

8.1.5 **Priority of claims and potential for insufficient security on sale of Charged Assets and / or on enforcement**

In the event that any Charged Assets are required to be sold pursuant to the Conditions or the security constituted by the Trust Deed, the Constituting Instrument and / or the Charging Instrument becomes enforceable in accordance with the Conditions, the net sums realised could be insufficient to pay all the amounts due to the Noteholders under the Notes. The sums realised from any such sale of the Charged Assets will be subject to deduction of the costs and expenses associated with such sale. In addition, all costs and expenses incurred by the Trustee in enforcing the Security (including any costs of a receiver or similar official) and amounts due to the Agents, the Arranger and any fees and expenses will be deducted from the proceeds of such enforcement before such proceeds are paid to the Noteholders. After taking action to enforce the security as provided in the Conditions, the Trustee shall not be entitled to take any further steps against the Issuer to recover any sum still unpaid and no debt shall be owed by the Issuer in respect of such sum. In particular, no Agent, Noteholder or other Transaction Participant may petition or take any other step for the winding-up of the Issuer nor shall any of them have any claim in respect of any sum over or in respect of any assets of the Issuer which are security for any other liability of the Issuer.

8.1.6 **Limited recourse provisions**

The Trustee, the Agents and the Noteholders (in each case to the extent that their claims are secured) shall have recourse only to the Charged Assets. If, the Trustee having realised the Charged Assets, the proceeds thereof are insufficient for the Issuer to make all payments then due to all such parties, the obligations of the Issuer will be limited to such proceeds of realisation of the Charged Assets and no other assets of the Issuer will be available to meet such shortfall; the Trustee, the Agents, the Arranger, the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum and no debt shall be owed to any such persons by the Issuer. The Trustee (including any costs of a receiver or similar official), the Arranger and the Agents shall rank prior to the Noteholders in the application of all moneys received in connection with the realisation or enforcement of the security. In particular, none of the Trustee, the Arranger and the Agents or any holder of the Notes may petition or take any other step for the winding-up of the Issuer, and none of them shall have any claim in respect of any sum arising in respect of the Charged Assets for any other Series.

9 INFORMATION RELATING TO THE ARRANGER, CHARGED ASSETS REALISATION AGENT AND CALCULATION AGENT

FlexFunds Ltd is the Arranger in respect of the Notes, and as such is responsible for certain management and administrative functions in relation to the Notes.

FlexFunds ETP, LLC is the Calculation Agent in respect of the Notes, and as such is responsible for certain management and administrative functions in relation to the Notes.

As Charged Assets Realisation Agent, FlexFunds Ltd is responsible to the Issuer for taking any steps in order to realise the Charged Assets as required for the purposes of the Notes. The Charged Assets Realisation Agent shall, on behalf of the Issuer, sell or procure the sale or other means of realisation of the Charged Assets and shall be entitled to deduct any costs, expenses, taxes and duties incurred in connection with any disposal, realisation or transfer of such Charged Assets.

The Charged Assets Realisation Agent may sell or procure the sale or other means of realisation of the Charged Assets in such manner and to and / or involving such person as it thinks fit and shall be entitled to sell and procure the sale or other means of realisation of the Charged Assets at such price in its sole discretion. The Charged Assets Realisation Agent shall not be responsible or liable for any failure to sell or realise the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of their sale or other means of realisation.

FlexFunds Ltd is an exempted company incorporated in the Cayman Islands with limited liability. The company administers the ETPCAP Programme with all participants and prepares the notes for issuance. FlexFunds Ltd. has a presence in the Cayman Islands.

FlexFunds ETP LLC is a Miami based investment services company, coordinating the relations and activities between the ETPCAP Programme participants and managers of the Charged Assets. FlexFunds ETP LLC has a presence in Miami.

The Calculation Agent may at any time resign and the Issuer may at any time terminate its appointment, subject to giving 60 days' prior written notice subject to and in accordance with the terms of the Agency Agreement. In such case the Issuer would, with the prior written consent of the Trustee, appoint a successor.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

The fees payable to FlexFunds Ltd. as the Arranger are described in Special Condition 5.8 (Fees) of the Notes.

10 INFORMATION RELATING TO THE PLACING AGENT

GWM Group, Inc. and GWM LTD have been appointed as Placing Agent, and as such are responsible for certain management and administrative functions in relation to the Notes.

GWM Group, Inc. is a full service broker dealer based in Greenwich, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Its clients' accounts are introduced on a fully disclosed basis to Interactive Brokers LLC.

GWM Group, Inc. offers execution services to clients ranging from retail clients to institutional investment firms, and services ranging from wealth management services to custody and clearing services. The company also offers investment solutions, such as fee-based programs, retirement products and programs, asset management accounts, margin borrowing, mutual fund solutions, and wealth management.

GWM Group, Inc. has a presence in Connecticut.

GWM LTD was incorporated in Bermuda in December 2014 and is licensed to conduct investment business by the Bermuda Monetary Authority.

The Bermuda Monetary Authority granted approval to GWM LTD for a license under section 16 of the Investment Business Act 2003.

As Placing Agent, GWM Group, Inc. and GWM LTD have agreed to comply with all duties and responsibilities set out in the Conditions of the Notes, and to strictly adhere to the Selling Restrictions.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Placing Agent.

11 INFORMATION RELATING TO THE ISSUER

11.1.1 General

The Issuer was incorporated in Ireland as a designated activity company on 24 April 2017, with registration number 602926 under the name

ETPCAP Designated Activity Company, under the Companies Acts 2014 as amended.

The registered office of the Issuer is at 1-2 Victoria Buildings, Haddington Road, Dublin 4. The e-mail address of the Issuer is crm-ie@intertrustgroup.com / Ireland.Directors@intertrustgroup.com . The authorised share capital of the Issuer is EUR 1,000 divided into 1,000 Ordinary Shares of EUR 1 (the "**Shares**"). The Issuer has issued 1 Share, which is fully paid. The issued Share is held by Intertrust Corporate Services 2 (Ireland) Limited (the "**Share Trustee**"). The Share Trustee owns the Issued Share under the terms of a declaration of trust (the "**Declaration of Trust**") dated 25 May 2017 as amended and restated on 13 July 2018, under which the Share Trustee holds the issued Share respectively of the Issuer on trust for charitable purposes.

The Issuer has been established as a special purpose vehicle. The principal objects of the Issuer are to raise finance through the issuance of debt securities or loan facilities and use the proceeds to enter into financial transactions including, without limitation, acquiring, holdings, selling and disposing of personal property and all related activities.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of the issue of the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

11.1.2 **Directors and company secretary**

The Directors of the Issuer are as follows:

- Robert Browne
- Gustavo Nicolosi

The Company Secretary is Intertrust Finance Management (Ireland) Limited.

Intertrust Finance Management (Ireland) Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between the Issuer and the administrator, or if the administrator is unable to pay its debts as they fall due or if the administrator becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 1-2 Victoria Buildings, Haddington Road, Dublin 4.

The auditors of the Issuer are PricewaterhouseCoopers who are chartered accountants qualified to practice in Ireland.

11.1.3 **Financial statements**

At the date of this Series Memorandum, the Issuer has not published any financial statements. The Issuer's financial year-end is June 30th. Annual financial statements of the Issuer will be prepared within 28 days of the annual return date of the Issuer and will be filed with the Irish Companies Registration Office.

11.1.4 **Authorisation**

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed prior to the Issue Date.

11.1.5 **Litigation**

There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's financial position.

12 INFORMATION RELATING TO THE TRUSTEE

The Trustee shall not be responsible for, or be obliged to monitor or verify or investigate:

(A) the performance, operation or calculation of the Portfolio or other element of the calculation thereof but shall be entitled to rely absolutely on any calculation thereof by the Calculation Agent;

(B) the performance, operations or financial condition of the Portfolio or the terms of the Charged Assets or the calculation of amounts payable in respect thereof;

(C) the performance by the Issuer of any agreement relating to, or in connection with, the Portfolio and shall be entitled to assume that each of them is in compliance with the terms thereof unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent;

(D) whether or not any Additional Mandatory Redemption Event or any Event of Default has occurred and shall be entitled to assume that no such event has occurred unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent; or

(E) save to the extent caused by its own negligence or wilful default the Trustee shall not be responsible or liable for any failure to sell, realise or redeem the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of the Net Proceeds, the Realisable Value or any other proceeds of sale, realisation or redemption of the Charged Assets being insufficient to discharge any Redemption Amount or Early Redemption Amount in full.

13 SELLING RESTRICTIONS

In addition to the Selling Restrictions set out in the Programme Memorandum the restrictions set out below shall apply.

The Notes have not been and will not be registered under the U.S Securities Act of 1933, as amended, and may not be directly or indirectly offered or sold in the United States or to or for the benefit of any U.S person (as defined in Regulation S) unless the securities are registered under the Securities Act of 1933, or an exemption from the registration requirements of the Securities Act of 1933 is available.

Where:

"**U.S person**" means a "*US person*", as the term is defined in Regulation S under the Securities Act of 1933 (as amended from time to time) and more particularly are references to: (i) any natural person that resides in the U.S; (ii) any entity organised or incorporated under the laws of the U.S; (iii) any entity organised or incorporated outside the U.S that was formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933, unless it is organised or incorporated, and owned, by accredited investors (as defined in Section 501 of Regulation D promulgated under the Securities Act of 1933) who are not natural persons, estates or trusts; (iv) any estate of which any executor or administrator is a US person ; (v) any trust of which any trustee is a U.S person; (vi) any agency or branch of a foreign entity located in the U.S; or (vii) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; and (viii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or resident in the U.S.. For the purposes hereof, the term "**U.S person**" shall not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-U.S person by a dealer or other professional fiduciary organised or incorporated in the US. The term "**U.S person**" includes entities that are subject to the U.S Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by U.S persons.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum, this Series Memorandum or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

NO OFFER, SALE OR DELIVERY OF THE NOTES, OR DISTRIBUTION OR PUBLICATION OF ANY OFFERING MATERIAL RELATING TO THE NOTES, MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. ANY OFFER OR SALE OF THE NOTES SHALL COMPLY WITH THE SELLING RESTRICTIONS AS SET OUT IN THE ISSUER'S OFFERING DOCUMENTS AND ALL APPLICABLE LAWS AND REGULATIONS.

14 GENERAL INFORMATION

For so long as the Notes remain outstanding, the following documents will be available in physical form from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the issuer and the specified office of the Principal Paying Agent in London:

(a) the Master Documents which are incorporated by reference by the Constituting Instrument so as to constitute the Trust Deed, Agency Agreement, Arrangement Agreement and the Placing Agreement with respect to the Notes (to the extent not otherwise amended, modified and / or supplemented by the Constituting Instrument);

(b) any deed or agreement supplemental to the Master Documents;

(c) the Programme Memorandum;

(d) the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer;

(e) the Constituting Instrument; and

(f) the Charging Instrument.

ISSUER

ETPCAP Designated Activity Company
1-2 Victoria Buildings,
Haddington Road,
Dublin 4

PLACING AGENT

GWM Group, Inc.
34 East Putnam Avenue
Suites 112 & 113
Greenwich, CT 06830
USA

PLACING AGENT

GWM LTD
Cumberland House, 7th Floor
1 Victoria Street, Hamilton HM 11
Bermuda

ARRANGER AND CHARGED ASSETS REALISATION AGENT

FlexFunds LTD
4th Floor, Harbour Place, 103 South Church Street
P.O. Box 10240, Grand Cayman

CALCULATION AGENT

FlexFunds ETP, LLC
1221 Brickell Ave, Ste 1500
Miami, FL 33131
USA

TRUSTEE

Intertrust Trustees Limited

35 Great St. Helen's
London EC3A 6AP
United Kingdom

ISSUE AGENT AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square, London E14 5AL, United Kingdom

AUDITORS OF THE ISSUER

PricewaterhouseCoopers
1 Spencer Dock
North Wall Quay, Dublin 1
Ireland

LEGAL ADVISERS

To the Issuer as to Irish law:

Mason Hayes & Curran
South Bank House
Barrow Street, Dublin 4
Ireland

To the Trustee as to Irish law:

A&L Goodbody
IFSC
North Wall Quay, Dublin 1
Ireland

APPENDIX 1

PRIVATE PLACEMENT MEMORANDUM

FOR THE EXCLUSIVE USE OF:	

COPY NO.	

Participant Capital Growth Fund, LP

A CAYMAN ISLANDS EXEMPTED LIMITED PARTNERSHIP

GENERAL PARTNER:
PARTICIPANT CAPITAL PARTNER INTL, LLC

INVESTMENT MANAGER:
PARTICIPANT CAPITAL ADVISORS, LLC

July 19, 2018

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THIS IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS DESCRIBED HEREIN IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

DIRECTORY

REGISTERED OFFICE OF THE PARTNERSHIP

PARTICIPANT CAPITAL GROWTH FUND, LP
C/O HARNEYS FIDUCIARY (CAYMAN) LIMITED
4TH FLOOR, HARBOUR PLACE
103 SOUTH CHURCH STREET
P.O. BOX 10240
GRAND CAYMAN KY1-1002
CAYMAN ISLANDS

GENERAL PARTNER

PARTICIPANT CAPITAL PARTNER INTL, LLC
1010 NE 2ND AVENUE
MIAMI, FL 33132
ATTN: SERGIO MOISES
TELEPHONE: 786-580-4200
EMAIL: SERGIO@PARAMOUNTRESIDENCES.COM

MASTER FUND

PARTICIPANT CAPITAL GROWTH MASTER FUND, LP
1010 NE 2ND AVENUE
MIAMI, FL 33132
ATTN: SERGIO MOISES
TELEPHONE: 786-580-4200
EMAIL: SERGIO@PARAMOUNTRESIDENCES.COM

INVESTMENT MANAGER

PARTICIPANT CAPITAL ADVISORS, LLC
1010 NE 2ND AVENUE
MIAMI, FL 33132
ATTN: SERGIO MOISES
TELEPHONE: 786-580-4200
EMAIL: SERGIO@PARAMOUNTRESIDENCES.COM

ADMINISTRATOR

TRIDENT TRUST COMPANY (CAYMAN) LTD.
ONE CAPITAL PLACE
P.O. BOX 847
GRAND CAYMAN KY1-1103
CAYMAN ISLANDS
ATTENTION: SHAREHOLDER SERVICES
TELEPHONE: +1 345-949-0880
EMAIL: CAYMANFUNDS@TRIDENTTRUST.COM

AUDITOR

EISNERAMPER CAYMAN LTD.
CENTURY YARD, CRICKET SQUARE
171 ELGIN AVENUE, GEORGE TOWN CI
PO BOX 1782, GRAND CAYMAN, KY-1109
ATTENTION: EDWARD OPALL
TELEPHONE: 212-881-8806
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CAYMAN ISLANDS LEGAL COUNSEL

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THE PARTNERSHIP

Participant Capital Growth Fund, LP (the "**Partnership**"), an exempted limited partnership organized under the laws of the Cayman Islands, is offering ("**Offering**") units of limited partner interests in the Partnership ("**Units**") to non-U.S. Persons (as defined in Annex 1 hereto) outside of the United States in accordance with applicable non-U.S. laws. Generally, only persons and entities outside of the United States may purchase Units.

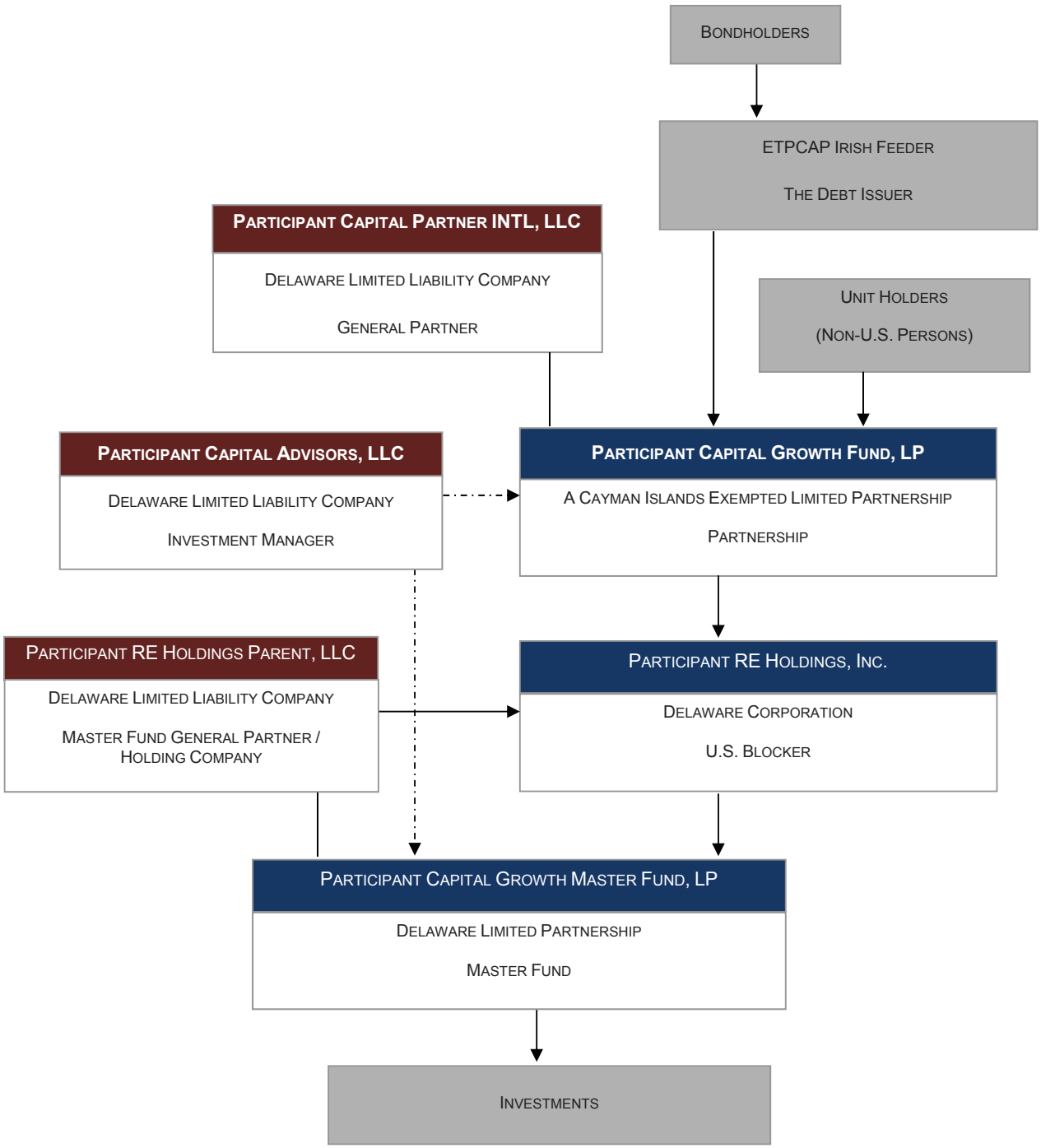
The Partnership was formed to pool investment funds of its investors (each, a "**Limited Partner**" and, collectively, "**Limited Partners**"; and, together with the General Partner (as defined below), "**Partners**") for the purpose of investing in real estate and real-estate related assets. The Partnership will make the foregoing real estate investments indirectly, by investing substantially all of its assets in Participant Capital Growth Master Fund, LP, a Delaware limited partnership ("**Master Fund**"), through a "master-feeder" fund structure. The Partnership will invest in the Master Fund indirectly through Participant RE Holdings, Inc., a Delaware corporation ("**Participant Holdings**"), by holding all of the non-voting equity shares and all of the debt issued by Participant Holdings.

Participant Capital Partner INTL, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company ("**General Partner**"), is the general partner of the Partnership and is responsible for the management of the Partnership's affairs. Participant RE Holdings Parent, LLC, a Delaware limited liability company (the "**Master GP**"), acts as the general partner of the Master Fund and will also own all of the voting equity shares of Participant Holdings. Participant Capital Advisors, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company ("**Investment Manager**"), is the investment manager of the Partnership and has discretionary investment authority over the Partnership's assets.

As the managing member of the General Partner, the managing member of the Master GP and the Chief Executive Officer and manager of the Investment Manager, Daniel Kodsi controls the management and operations of the General Partner and the Investment Manager. Daniel Kodsi is referred to herein as the "**Principal**". In addition, Sergio Moises serves as the Chief Investment Officer of the Investment Manager and is responsible for managing the Partnership's portfolio. See "MANAGEMENT AND ADMINISTRATION" for further details.

Prospective investors may purchase Units on the first day of each calendar month, and redemptions of Units may be made upon 180 days prior written notice as of the end of each calendar year, subject to a Lock-Up Period (as defined below) during the first 48 months after the relevant Units were purchased and certain other restrictions as described herein (unless the General Partner, in its sole discretion, permits subscriptions or redemptions at another time). The minimum initial investment that will be accepted from a prospective Limited Partner is $50,000 for Class A and Class Y Units, and $5,000,000 for Class I Units, subject in each case to the discretion of the General Partner to accept a lower amount.

The following chart summarizes the relationship among the foregoing entities:



UNIT CLASSES

The General Partner may issue Units in different classes (including sub-classes) ("**Classes**") and series ("**Series**"). New Classes of Units may be established (without notice to or consent of existing Unitholders) to accommodate different rights, privileges and terms associated with one or more Unitholders (including, but not limited to, redemption rights and fees). Units of each Class that are issued on a different date will constitute a separate Series of Units of such Class.

The Partnership is currently offering both distributing and accumulating Units in the following Classes: **Class A**, **Class I**, and **Class Y**. Class A Units are offered to all types of potential eligible investors; Class I Units are offered solely to certain types of institutional investors; and Class Y Units are offered solely to an affiliated investment vehicle formed under the laws of Ireland (the "**ETPCAP Irish Feeder**") that will issue participating notes which are expected to be initially listed for trading on the Vienna Stock Exchange (the "**Notes**").

All Class A, Class I and Class Y accumulating Classes are referred to collectively herein as the "**Accumulating Classes**" and will accumulate Partnership net income and generally will not pay out distributions; all Class A, Class I and Class Y distributing Classes are referred to collectively herein as the "**Distributing Classes**" and will generally pay out distributions attributable to income on the underlying investments on a quarterly basis. Unless the context otherwise requires, "**Units**" shall collectively refer to all Units of every Class, and "**Limited Partners**" shall collectively refer collectively to all Limited Partners holding any Class of Units.

Limited Partners which invest in Class A Units and in Class Y Units (indirectly via an investment in the ETPCAP Irish Feeder) are eligible for participation in the Partnership's vacation residence and resort program (such participation, "**Usage Rights**"). In order to qualify for Usage Rights, prospective investors must make a minimum net investment in Units of at least $250,000, corresponding to approximately one week of Usage Rights, or at least $500,000, corresponding to approximately two weeks of Usage Rights, as further described in "SUMMARY OF OFFERING—Usage Rights". Investors in the Class I Units are not eligible for Usage Rights.

For further information about the terms of each Class of Units, see "SUMMARY OF OFFERING—Unit Classes".

INVESTMENT OBJECTIVE AND STRATEGY

The Partnership's investment objective is to achieve income and absolute return by investing primarily in mixed-use ground-up real estate development projects consisting of multifamily-for-lease, residential-for-sale and hotel properties. The Partnership will pursue its objective by investing (indirectly through the Master Fund) primarily in the development of multifamily, residential and hotel mixed-use real estate projects through one or more affiliated or unaffiliated development companies (each a, "**DEVCO**"), and by utilizing an option to acquire ownership of cash-flowing multifamily, residential and hotel Properties (as defined below) in residential and vacation property developments. In addition, the Partnership may invest in real estate and real estate development projects through direct acquisition, or direct or indirect participation in a development project or in the properties themselves. Return is expected to be generated through (i) income from the rental of Properties held directly or indirectly by the Partnership; (ii) income received on the DEVCO Preferred Shares (as defined in "INVESTMENT PROGRAM—The Development Companies") and other income from the participation in development projects; (iii) the appreciation in the value of Properties and other real estate assets acquired by the Partnership; and (iv) the sale of Properties and other real estate assets acquired by the Partnership.

The Partnership aims to make quarterly cash distributions to the Distributing Classes at a rate of 7% on an annualized basis based on the Net Asset Value (as defined below) of the relevant Class of Units. However, there is no guarantee that such periodic distributions will be made. The Partnership is targeting a gross rate of return on investments of 18% to 20% annually (prior to deduction of fees and expenses and the allocation of the Performance Allocation (as defined herein)), which corresponds to a target net rate of return on Units of 14% to 16% after deduction of such fees, expenses and allocations. All allocations of the Performance Allocation

to the General Partner will be subject to Limited Partners' first achieving a 7% preferred return (on an annual, non-cumulative basis), as further set forth herein. Prospective investors should note that actual returns experienced on a Limited Partner's Units will depend on a number of factors, including the duration for which a Limited Partner holds its Units. In addition, depending on whether real estate market conditions during the Partnership's term are favorable or unfavorable, actual gross and net returns experienced by the Partnership and Limited Partners may exceed the above targeted returns, or fall below them.

No assurances can be given that the Investment Manager will achieve the Partnership's investment objectives, and investment results may vary substantially over time and from period to period. See "INVESTMENT PROGRAM".

IMPORTANT GENERAL CONSIDERATIONS

This Confidential Private Placement Memorandum (this "Memorandum") is furnished on a confidential basis to a limited number of sophisticated investors for the purpose of providing certain information about an investment in Units in the Partnership.

The Units have not been approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or by the securities regulatory authority of any U.S. state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

This Memorandum is to be used by the offeree solely in connection with the consideration of the purchase of the Units described herein. This Offering of Units is made only by delivery of a copy of this Memorandum to the person whose name appears on the front page of this Memorandum. The information contained herein must be treated in a confidential manner and may not be reproduced or used in whole or in part for any other purpose, nor may it be disclosed without the prior written consent of the General Partner. The intended recipient of this Memorandum should treat the information herein as confidential and should make use of this information only within the immediate organization of the recipient. Broad distribution of this information could become harmful to the investment objectives of this venture. Each investor accepting this Memorandum agrees to return it promptly (and to destroy any paper or electronic version in its records), upon request, to the General Partner or the Partnership's administrator, Trident Trust Company (Cayman) Ltd. ("Administrator").

As a Limited Partner, you may redeem your Units in the Partnership and receive payment for your Units subject to a 48-month lock-up period ("Lock-Up Period") and certain other restrictions, as specified in the Amended and Restated Exempted Limited Partnership Agreement of the Partnership (as amended, restated and/or otherwise modified from time to time, the "Partnership Agreement"), a copy of which is attached hereto as Exhibit A.

Notwithstanding anything in this Memorandum to the contrary, to comply with Treas. Reg. Section 1.6011-4(b)(3)(i), each recipient of the Memorandum (and any employee, representative, or other agent thereof) may disclose to any and all persons, without limitation of any kind, the United States federal income tax treatment and tax structure of the Partnership or any transactions undertaken by the Partnership, it being understood and agreed, for this purpose, that: (i) the name of, or any other identifying information regarding, the Partnership or any existing or future investor (or any affiliate thereof) in the Partnership, or any investment or transaction entered into by the Partnership, (ii) any performance information relating to the Partnership or its investments, or (iii) any performance or other information relating to other funds or investments sponsored by the General Partner and/or the Investment Manager do not constitute such tax treatment or tax structure information.

The Units have not been registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), the securities laws of any U.S. state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Units will be offered and sold to non-U.S. Persons outside of the United States in an offshore transaction, as such term is defined under the Securities Act. The Partnership will not be registered as an investment company under the Investment Company Act of 1940, as amended, pursuant to an exemption thereunder.

Pursuant to Section 203(m) of the Investment Advisers Act of 1940, as amended ("Advisers Act"), the Investment Manager is exempt from registration with the SEC and will file with the SEC as an Exempt Reporting Adviser ("ERA"), if required to do so in the future. Section 203(m) of the Advisers Act provides an exemption from registration to any investment adviser that solely advises private funds if the Investment Manager has less than $150 million of assets under management in the United States ("Private Fund Adviser Exemption"). Section 203(m) of the Advisers Act mandates that, in

certain circumstances, an adviser file as an ERA to qualify for the Private Fund Adviser Exemption.

The Units are offered subject to the right of the General Partner to reject any subscriptions in whole or in part. The General Partner reserves the right to withdraw this Offering, modify any of the terms of this Offering and the Units described herein and to revise and reissue this Memorandum at any time.

Investment in the Units will involve significant risks due, among other things, to the nature of the Partnership's investments. Potential investors should pay particular attention to the information under "RISK FACTORS AND CONFLICTS OF INTEREST" in this Memorandum. Investment in the Partnership is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Partnership. Investors in the Partnership must be prepared to bear such risks for an extended period of time. An investment in the Partnership would be suitable for you only if you have adequate means of providing for your current and future needs, have no need for liquidity in such investment and can afford to lose the entire amount of your investment. No assurances can be given, however, that the Partnership will achieve any of its investment objectives and targets or that investors will receive the return of their capital.

There is no public market for the Units nor is any expected to develop. Even if such a market develops, no distribution, resale or transfer of a Unit will be permitted except in accordance with the provisions of any applicable non-U.S. and U.S. securities laws and the terms and conditions of the Partnership Agreement. Any transfer of a Unit by a Limited Partner, public or private, will require the written consent of the General Partner. Accordingly, if you purchase Units, you will be required to represent and warrant that you have read this Memorandum and the Partnership Agreement and are aware of and can afford the risks of an investment in the Partnership for an extended period of time, including the Lock-Up Period. You will also be required to represent that you are acquiring the Units for your own account, for investment purposes only, and not with any intention to resell or transfer all or any part of the Units.

In making an investment decision, prospective investors must rely on their own examination of the Partnership and the terms of this Offering, including the merits and risks involved. Prospective investors should not construe the contents of this Memorandum as legal, tax, investment or accounting advice and each prospective investor is urged to consult with its own legal, tax, financial and accounting advisors with respect to legal, tax, regulatory, financial and accounting consequences of its investment in the Partnership.

This Memorandum contains a summary of the Partnership Agreement and certain other documents referred to herein. However, the summaries set forth in this Memorandum do not purport to be complete and are subject to and qualified in their entirety by reference to the Partnership Agreement, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges, and obligations of investors in the Partnership. In the event that the descriptions in or terms of this Memorandum are inconsistent with or contrary to the terms of the Partnership Agreement or any other documents, the terms of the Partnership Agreement shall prevail and control.

Certain information contained in this Memorandum constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology, such as "may", "will", "seek", "should", "expect", "anticipate", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under "RISK FACTORS AND CONFLICTS OF INTEREST", actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

No rulings have been sought from the Internal Revenue Service ("IRS") with respect to

any tax matters discussed in this Memorandum. You are cautioned that the views contained herein are subject to material qualifications and subject to possible changes in regulations by the IRS or by the U.S. Congress in existing tax statutes or in the interpretation of existing statutes and regulations.

The information contained herein is current only as of the date hereof and you should not, under any circumstances, assume that there has not been any change in the matters discussed herein since the date hereof. None of the Partnership, the General Partner, the Investment Manager or any of their respective affiliates has any obligation to update or otherwise revise any forward-looking statements, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events. Statements contained herein are not made in any person's (including the General Partner's and the Investment Manager's) individual capacity, but rather on behalf of the Partnership.

Each prospective investor is invited to meet with representatives of the Partnership and to discuss with, ask questions of and receive answers from such representatives concerning the terms and conditions of this Offering, and to obtain any additional information, to the extent that such representatives possess such information or can acquire it without unreasonable effort or expense. No persons other than the General Partner, the Investment Manager and their respective affiliates have been authorized in connection with this Offering to give any information or make any representations other than as contained in this Memorandum. Any representation or information not contained herein (even if given by representatives of the Partnership) must not be relied upon in making a decision to acquire Units hereunder.

The distribution of this Memorandum and the offer and sale of the Units in certain jurisdictions may be restricted by law. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction. Persons holding Units they are not entitled to hold will be compelled to redeem their Units and withdraw from the Partnership, subject to the terms set forth in the Partnership Agreement. All references to "$" shall refer to United States dollars unless otherwise indicated.

The Partnership is a "regulated mutual fund" for the purposes of the Cayman Islands Mutual Funds Law, as amended ("Mutual Funds Law"), and is registered with the Cayman Islands Monetary Authority ("CIMA") pursuant to section 4(1)(b) of the Mutual Funds Law. This Memorandum has been filed with CIMA. Such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Units.

The Partnership is prohibited from making any invitation to the public of the Cayman Islands to subscribe for Units. The term "public in the Cayman Islands" excludes any exempted or ordinary non-resident company registered under the Cayman Islands Companies Law (the "Companies Law"), a foreign company registered pursuant to Part IX of the Companies Law, any such Company acting as General Partner of a Partnership registered under section 9(1) of the Cayman Islands Exempted Limited Partnership Law or any director or officer of the same acting in such capacity or the trustee of any trust registered or capable of registration under Section 74 of the Cayman Islands Trusts Law acting in such capacity. The Partnership will not undertake business with any person in the Cayman Islands except for the furtherance of the business of the Partnership carried on exterior to the Cayman Islands.

It is the responsibility of any persons wishing to subscribe for the Units to inform themselves of and to observe all applicable laws and regulations of their relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Units, and any foreign exchange restrictions that may be relevant thereto.

I. SUMMARY OF OFFERING

The following summary is qualified in its entirety by other information contained elsewhere in this Confidential Private Placement Memorandum (this "**Memorandum**"), by the Amended and Restated Exempted Limited Partnership Agreement of the Partnership (as amended, restated and/or otherwise modified from time to time, the "**Partnership Agreement**"), a copy of which is attached to this Memorandum as **Exhibit A**, and by the Master Fund's Limited Partnership Agreement (the "**Master Partnership Agreement**") attached to this Memorandum as **Exhibit B**. You should read this entire Memorandum, the Partnership Agreement and the Master Partnership Agreement carefully before making any investment decision regarding the Partnership and should pay particular attention to the information under the heading "RISK FACTORS AND CONFLICTS OF INTEREST". In addition, you should consult your own advisors in order to understand fully the consequences of an investment in the Partnership.

The Partnership; Structure

Participant Capital Growth Fund, LP ("**Partnership**"), an exempted limited partnership organized under the laws of the Cayman Islands, is offering ("**Offering**") units of limited partner interests ("**Units**") to non-U.S. Persons outside of the United States under applicable non-U.S. laws.

The Partnership was formed to pool investment funds of its investors (each, a "**Limited Partner**" and, collectively, "**Limited Partners**"; and, together with the General Partner (as defined below), "**Partners**") for the purpose of investing in real estate and real-estate related assets. The Partnership will make the foregoing real estate investments indirectly, by investing substantially all of its assets in Participant Capital Growth Master Fund, LP, a Delaware limited partnership ("**Master Fund**"), through a "master-feeder" fund structure. The Partnership will invest in the Master Fund indirectly through Participant RE Holdings, Inc., a Delaware corporation ("**Participant Holdings**"), by holding all of the non-voting equity shares and all of the debt issued by Participant Holdings. As a result, the Investment Manager anticipates that a substantial portion of the Partnership's net income will be derived from interest payments on the Participant Holdings' debt. Unless the context otherwise requires, the Partnership, Participant Holdings and the Master Fund shall be collectively referred to throughout this Memorandum as the "**Partnership**".

The Partnership may issue Units in different classes (including sub-classes) ("**Classes**") and series ("**Series**"). New Classes of Units may be established (without notice to or consent of existing Unitholders) to accommodate different rights, privileges and terms associated with one or more Unitholders (including, but not limited to, redemption rights and fees). Units of each Class that are issued on a different date will constitute a separate Series of Units of such Class. See "—Unit Classes" below.

Management

Participant Capital Partner INTL, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company ("**General Partner**"), is the general partner of the Partnership and is responsible for the management of the Partnership's affairs. Participant RE Holdings Parent, LLC, a Delaware limited liability company (the "**Master GP**"), acts as the general partner of the Master Fund and will also own all of the voting equity shares of Participant Holdings. Participant Capital Advisors, LLC, a Delaware limited liability company registered in the Cayman Islands as a foreign company ("**Investment Manager**"), is the investment manager of the Partnership and has discretionary investment authority over the Partnership's assets.

As the managing member of the General Partner, the managing member of the Master GP and the Chief Executive Officer and manager of the Investment Manager, Daniel Kodsi controls the management and operations of the General Partner and the Investment Manager. Daniel Kodsi is referred to herein as the "**Principal**". In addition, Sergio Moises serves as the Chief Investment Officer of the Investment Manager and is responsible for managing the Partnership's portfolio. See "MANAGEMENT AND ADMINISTRATION" for further details.

Investment Objective and Strategy

The Partnership's investment objective is to achieve income and absolute return by investing primarily in mixed-use ground-up real estate development projects consisting of multifamily-for-lease, residential-for-sale and hotel properties. The Partnership will pursue its objective by investing (indirectly through the Master Fund) primarily in the development of multifamily,

residential and hotel mixed-use real estate projects through one or more affiliated or unaffiliated development companies (each a, "**DEVCO**"), and by utilizing an option to acquire ownership of cash-flowing multifamily, residential and hotel Properties (as defined herein) in residential and vacation property developments. (See "INVESTMENT PROGRAM—The Development Companies.") In addition, the Partnership may invest in real estate and real estate development projects through direct acquisition, or direct or indirect participation in a development project or in the properties themselves. Return is expected to be generated through (i) income from the rental of Properties held directly or indirectly by the Partnership; (ii) income received on the DEVCO Preferred Shares (as defined below) and other income from the participation in development projects; (iii) the appreciation in the value of Properties and other real estate assets acquired by the Partnership; and (iv) the sale of Properties and other real estate assets acquired by the Partnership. The Partnership aims to make quarterly Distributions (as defined below) to Limited Partners holding Distributing Classes (as defined below), as set forth in "—Distributions" below. However, there is no guarantee that such periodic Distributions will be made.

No assurances can be given that the Investment Manager will achieve the Partnership's investment objectives, and investment results may vary substantially over time and from period to period. See "INVESTMENT PROGRAM".

The Offering; Eligibility Requirements

Units may generally be purchased on the first Business Day of each calendar month or at such other times as the General Partner, in its absolute discretion, may allow (each such date, a "**Closing Date**") at the applicable Net Asset Value (as defined below) of the relevant Class of such Units, as adjusted for any Selling Fees. The term "**Business Day**" means any day on which banks are open for business in the Cayman Islands and New York, or such other day classified as a Business Day according to such criteria as the General Partner may adopt from time to time.

Generally, this Offering is being made only to non-U.S. Persons (as defined in Annex 1 hereto) outside of the United States in accordance with applicable non-U.S. laws. The General Partner may reject any prospective investor's subscription for any reason or for no reason.

Minimum Investment Amounts

The minimum initial investment amounts and minimum additional investment amounts required to subscribe for a Class of Units are as set forth below under "—Unit Classes"; provided, however, that in each case, lesser initial investment amounts and lesser additional investment amounts may be accepted by the General Partner in its sole discretion.

How to Subscribe

Attached as **Exhibit C** to this Memorandum are the subscription documents and instructions for subscribing ("**Subscription Documents**"). In order to subscribe for Units in the Partnership, you must complete the Subscription Documents and return them to the General Partner or to the Partnership's administrator, Trident Trust Company (Cayman) Ltd. ("**Administrator**"). You must pay 100% of your investment at the time you subscribe. Payment must be made by wire transfer of immediately available funds to the Partnership not later than 5:00 p.m., New York time, three Business Days prior to the Closing Date established by the Partnership for the subscription, unless waived by the Partnership. To ensure compliance with applicable laws, regulations and other requirements relating to money laundering, the General Partner or any dealer manager and/or the transfer agent appointed by the Partnership may require additional information to verify the identity of any person who subscribes for Units in the Partnership.

Placement Agent and Broker Fees

The General Partner and/or the Investment Manager may sell Units through broker-dealers, placement agents and other persons and pay such persons fees or commissions in connection with such activities, as set forth below. The General Partner and the Partnership's duly appointed agents (including any dealer manager, transfer agent and the Investment Manager) may deduct any Selling Fees (as defined below) from the gross subscription amount paid by a Limited Partner for Units, including placement agent fees, broker-dealer fees and/or commissions paid to such a broker-dealer, placement agent or other person with respect to a Limited Partner introduced to the Partnership. Any Selling Fees will thereby reduce the number of Units purchased by a Limited Partner and the amount actually invested by such Limited Partner in the Partnership. The arrangement with any such broker-dealer, placement

agent or other person which has introduced a Limited Partner to the Partnership will be disclosed to, and acknowledged by, such Limited Partner. See "PLACEMENT AGENT FEES AND ALLOCATION POLICIES—Placement Agent and Broker-Dealer Fees".

The Selling Fees that may be assessed in connection with the placement of a Class of Units through a placement agent or broker-dealer include a Sales Commission and Other Selling Fees (each as defined below), which may be charged in such amounts with respect to such Class of Units as set forth in "—Unit Classes" below. Selling Fees relating to the Class Y Units may be assessed at the level of the ETPCAP Irish Feeder (as defined below). Neither the Partnership, the General Partner, the Principal nor their respective affiliates shall bear any liability with respect to any such Selling Fees or other fees and commissions paid to any placement agent, broker, dealer or other third-party firm; provided, however, that the General Partner and/or the Investment Manager may, in their sole discretion, sell Units through broker-dealers and pay a marketing fee or commission in connection with such activities, including ongoing payments, at the General Partner's and/or the Investment Manager's own expense. See "PLACEMENT AGENT FEES AND ALLOCATION POLICIES" and "RISK FACTORS AND CONFLICTS OF INTEREST—Partnership Risks".

Unit Classes

The Partnership is currently offering both distributing and accumulating Units in the following Classes: **Class A**, **Class I**, **Class Y**. All Class A, Class I and Class Y accumulating Classes are referred to collectively herein as the "**Accumulating Classes**" and will accumulate Partnership net income and generally will not pay out Distributions (as defined below); all Class A, Class I and Class Y distributing Classes are referred to collectively herein as the "**Distributing Classes**" and will generally pay out Distributions attributable to income on the underlying Investments (as defined below) on a quarterly basis. Unless the context otherwise requires, "**Units**" shall collectively refer to all Units of every Class, and "**Limited Partners**" shall collectively refer collectively to all Limited Partners holding any Class of Units.

Class A Units are offered to all types of potential eligible investors; Class I Units are offered solely to certain types of institutional investors; and Class Y Units are offered solely to an affiliated investment vehicle formed under the laws of Ireland (the "**ETPCAP Irish Feeder**") that will issue participating notes which are expected to be initially listed for trading on the Vienna Stock Exchange (the "**Notes**"). The Notes are not part of this Offering and are offered separately. The Class Y Units held by the ETPCAP Irish Feeder will be pledged as a security interest to its bond holders and held in custody by a trustee on behalf of such bond holders.

The terms of the currently offered Classes of Units are as follows:

Class	Minimum Initial Investment	Minimum Additional Investment	Minimum Redemption	Sales Commission	Other Selling Fees
A	$50,000	$50,000	$50,000	Up to 6.0%	Up to 3.0%
I	$5,000,000	$500,000	$500,000	Up to 2.0%	Up to 3.0%
Y*	$50,000	$50,000	$50,000	Up to 6.0%	Up to 3.0%

*Only offered to the ETPCAP Irish Feeder. Sales Commissions and Other Selling Fees relating to Class Y Units may be assessed at the level of the ETPCAP Irish Feeder.

Class	Management Fee	Performance Allocation	Annual Preferred Return	Lock-Up Period	Usage Rights
A	2.0%	20%	7%	48 months	Eligible**
I	1.5%	15%	7%	48 months	Not Eligible
Y*	2.0%	20%	7%	48 months	Eligible**

*Only offered to the ETPCAP Irish Feeder.
**Requires at least $250,000 minimum investment. See "—Usage Rights" below.

The Partnership may establish and offer such separate Series and/or Classes of Units (including those with different investment programs and asset pools) from time to time and at any time, as determined by the General Partner, in its sole discretion, with such rights and privileges as the General Partner may determine and without notice to and without obtaining any approval of the Limited Partners.

Usage Rights

Limited Partners which invest in Class A Units and in Class Y Units (indirectly via an investment in the ETPCAP Irish Feeder) are eligible for participation in the Partnership's vacation residence and resort program (such participation, "**Usage Rights**"). In order to qualify for Usage Rights, prospective investors must make a minimum net investment in Units of at least $250,000, corresponding to approximately one week of Usage Rights, or at least $500,000, corresponding to approximately two weeks of Usage Rights, as further described below. Investors in the Class I Units are not eligible for Usage Rights.

Investors which purchase Units with a value of at least $250,000 (net of any applicable Selling Fees) will be awarded an annual credit equal to approximately a one-week stay in a vacation residence or other resort or vacation property owned by the Partnership. Investors which purchase Units with a value of at least $500,000 (net of any applicable Selling Fees) will be awarded an annual credit equal to approximately a two-week stay in a vacation residence or other resort of vacation property owned by the Partnership. In addition, the Partnership expects to maintain an affiliation with one or more vacation property trading platforms, through which Limited Partners may be eligible to exchange Usage Rights and apply them towards a stay at other properties offered through such platform's network. Prospective investors and Limited Partners should note that the annual credit of Usage Rights may afford more or less than a one-week or two-weeks stay (as applicable) depending on the choice of vacation property selected by the Limited Partner. In addition Limited Partners should note that they may incur certain out-of-pocket costs in connection with the exercise of Usage Rights, including booking costs, cleaning costs and other transaction costs which are not included in the Usage Rights or otherwise borne by the Partnership. Usage Rights are non-cumulative and will expire on a bi-annual basis (every 24 months) if not used.

The Partnership will incur certain expenses in connection with the Usage Rights, including foregone revenue associated with Partnership Properties which are made available for use by Limited Partners, as well as the costs of participating in one or more vacation property trading platforms. As a result, such expenses will be borne indirectly by all Partners, irrespective of whether such Limited Partners are eligible for participation in Usage Rights.

Management Fee

The Partnership, Participant Holdings and the Master Fund have entered into an investment management agreement (as the same may be amended and/or restated from time to time, "**Investment Management Agreement**") with the Investment Manager to manage the Partnership's portfolio. In consideration for services provided pursuant to the Investment Management Agreement, the Investment Manager shall receive a management fee ("**Management Fee**"), payable monthly, in advance. The Management Fee for the Class A Units and the Class Y Units will be an amount equal to 0.1667% per month (2.0% annually) of the Net Asset Value (as defined below) of such Units as of the beginning of the calendar month. The Management Fee for the Class I Units will be an amount equal to 0.125% per month (1.5% annually) of the Net Asset Value of such Units as of the beginning of the calendar month. The Investment Manager will receive the Management Fee at the Master Fund level, and so no Management Fee will be paid at the Partnership level. The Investment Manager and the Partnership may change such arrangement, without the consent of the Limited Partners, and pay the Management Fee at the level of the Partnership or Participant Holdings in the future (but without duplication).

The Investment Manager may, in its sole discretion, reduce, waive or rebate all or a portion of the Management Fee with respect to one or more Limited Partners (including the Investment Manager Affiliates (as defined below)) for any period of time, or agree to apply a different Management Fee for any Limited Partner. In addition, the Investment Manager may pay (or otherwise transfer) a portion of the Management Fee to a broker-dealer (including a dealer manager). If the Investment Manager waives the Management Fee, it may effectuate such waiver by directly rebating amounts to certain Limited Partners, by appropriate accounting adjustments, or by such other methods, as it deems reasonable and fair. In addition, the Investment Manager Affiliates will receive certain Special Fees, as set forth below.

Distributions

The Partnership expects to make quarterly distributions to the Distributing Classes of interest received on its holdings in Participant Holdings, which derive from income on the underlying

Investments, including the DEVCO Preferred Shares and/or Properties held by the Master Fund ("**Distributions**"). Distributions are targeted to be at a rate of 7% on an annualized basis based on the Net Asset Value of the relevant Class of Units. However, there is no guarantee that such periodic Distributions will be declared or made, and the General Partner may, in its sole discretion, determine to reduce quarterly Distributions in part or in their entirety for any period of time.

For purposes of making Distributions, any interest received by the Partnership may be allocated (or reallocated) between the Distributing Classes and the Accumulating Classes as determined by the General Partner in its sole discretion. Limited Partners holding the Distributing Classes will receive Distributions based on the Net Asset Value of their respective Units, but after taking into account any Partnership Expenses (as defined below) or other items (if any) specifically allocable to a Limited Partner's Units. The Distributing Classes will generally make payments of such Distributions to the Limited Partners within 30 days of the end of the relevant fiscal quarter. The Accumulating Classes generally will not make Distributions, even if interest is allocated to the Accumulating Class Units during a fiscal quarter.

The Partnership may satisfy any Distributions or redemption payments to Limited Partners in cash, in-kind or any combination thereof. Additionally, the General Partner may create a liquidating fund entity (e.g., a liquidating trust or similar vehicle) and may transfer all or a portion of the Partnership's assets to such entity for any reason, including an orderly liquidation of any illiquid Partnership assets, and may distribute ownership interests in such entity to Limited Partners.

Performance Allocation

The General Partner (or the Master GP, as set forth below) will receive a performance allocation ("**Performance Allocation**") at the close of each fiscal year (or other date referred to below, as the case may be) equal to, in respect of the Class A and Class Y Units, 20%, and in respect of the Class I Units, 15%, of the Partnership's net income (including realized and unrealized gains and losses, irrespective of whether such net income has been paid to the relevant Partner as a Distribution, and net of the Management Fee) attributable to each Limited Partner's Units for such fiscal year (or other relevant period), subject to a Preferred Return and a Loss Carryforward (sometimes referred to as a "high water mark"), as defined and further described below. The Performance Allocation will be allocated at the Master Fund level to the Master GP, and accordingly, no Performance Allocation will be allocated at the Partnership level, and references to the General Partner in this section and in "—High Water Mark" below shall refer to the Master GP, as appropriate. The General Partner and the Partnership may change such arrangement, without the consent of the Limited Partners, and allocate the Performance Allocation at the level of the Partnership, or pay it as a fee from Participant Holdings, in the future (but without duplication).

The "**Preferred Return**" means, in respect of a Limited Partner's Units for each fiscal year, a rate of return equal to 7.0% *per annum* during such fiscal year on the Net Asset Value of such Limited Partner's Units as of the beginning of such fiscal year (or date of purchase, as applicable), as adjusted for any Loss Carryforward attributable to such Limited Partner's Units. In the event that the net income attributable to a Limited Partner's Units does not exceed the Preferred Return in any fiscal year (or other period), such deficit will not be carried forward as to such Units to future fiscal years (or other periods)(except to the extent of any Loss Carryforward, as discussed below).

Once the Preferred Return has been exceeded for a given fiscal year (or other period, as applicable), the General Partner will be allocated the Performance Allocation based on the cumulative net profits attributable to such Limited Partner's Units (and not solely the amount in excess of the Preferred Return). As a result, the Performance Allocation will involve a General Partner catch-up provision, whereby, after a Limited Partner has received its Preferred Return in respect of the relevant Units, the General Partner will receive 100% of the allocations in respect of such Limited Partner's Units above the Preferred Return until the General Partner has received the Performance Allocation percentage on all net profits allocated in respect of such Units for the relevant fiscal year (or other applicable period). Thereafter, allocations of net profits to such Units for such fiscal year will be split between the Limited Partner's Units and the General Partner based on the Performance Allocation percentage applicable to such

Units.

Upon any redemption of Units by a Limited Partner, whether voluntary or involuntary, the General Partner will also be allocated the Performance Allocation with respect to the Units redeemed. The Performance Allocation will also be allocated upon the winding up of the Partnership. The Performance Allocation will be allocated in addition to, and separately from, the proportionate allocations of income and profits, or losses, to the General Partner and/or its affiliates based upon their Units.

The General Partner, in its sole discretion, may waive or reduce the Performance Allocation with respect to one or more Limited Partners (including with respect to the Investment Manager Affiliates) for any period of time. If the General Partner waives the Performance Allocation, it may effectuate such waiver by directly rebating amounts to certain Limited Partners, by appropriate accounting adjustments, or by such other methods, as it deems reasonable and fair.

The General Partner may, in its sole discretion, reallocate all or any portion of the Performance Allocation to certain Limited Partners and/or the Investment Manager Affiliates. In addition, the General Partner (or the Master GP) may pay (or otherwise transfer) a portion of its Performance Allocation to a broker-dealer (including a dealer manager), which amount such broker-dealer may re-allow to selling representatives of the Partnership, including persons employed by or affiliated with the Investment Manager.

High Water Mark

The Performance Allocation to the General Partner is subject to what is commonly known as a "high water mark" provision. That is, if a Limited Partner's Units realize a net loss at the end of any fiscal year, this loss will be recorded and carried forward as to such Units to future fiscal years (or other applicable periods) (such amount is referred to as the "**Loss Carryforward**"). The General Partner will not receive the Performance Allocation with respect to a Limited Partner's Units in any subsequent fiscal period until the Loss Carryforward amount for such Units has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative profits allocable to such Units for the relevant fiscal period). Once the Loss Carryforward has been recovered, the Performance Allocation will be made based on the amount by which the net income allocable to a Limited Partner's Units exceed the Preferred Return applicable to such Limited Partner's Units for the relevant fiscal year. When a Limited Partner redeems Units from the Partnership, any Loss Carryforward with respect to such Limited Partner's Units will be adjusted downward in proportion to the redemption. The General Partner may agree with any Limited Partner to apply a different Loss Carryforward provision for such Limited Partner.

Affiliated Transactions and Other Fees

In addition to the Management Fee, the Master Fund will pay the Investment Manager Affiliates, directly or indirectly through a DEVCO, fees and other compensation in connection with various services, including, without limitation, the following: promotion compensation, development fees, branding fees, acquisition fees and disposition fees (collectively, "**Special Fees**"). In particular, the Master Fund will invest in the development of Properties through a DEVCO which will identify a primary developer and may appoint a secondary developer, either of which may be Affiliates of the Investment Manager and receive Special Fees. See "INVESTMENT PROGRAM—The Development Companies." The Special Fees for the foregoing services are as further set forth herein, in the Partnership Agreement and/or the Investment Management Agreement.

Promotion Compensation. In connection with the investment by the Partnership in the DEVCOs, the Investment Manager Affiliates may receive promotion compensation equal to a percentage of the return on the Investments funded by such DEVCO. Promotion compensation may create a conflict of interest in the negotiation of investment terms in a DEVCO by the Investment Manager on behalf of the Partnership, and may reduce overall projected returns of the DEVCO, thereby indirectly reducing the return experienced by the Partnership. Such promotion compensation will be junior in priority to any interest the Partnership maintains in such DEVCO.

Development Fees. The Partnership will pay a fee, indirectly through a DEVCO, to the Investment Manager Affiliates in connection with the development, re-development and

renovation of an Investment equal to up to 4% of the total costs for development and/or re-development of each Investment (as defined in "INVESTMENT PROGRAM").

Branding Fee. The Partnership may pay a fee, indirectly through a DEVCO, to the Investment Manager Affiliates for services related to the branding and marketing of Investments in an amount equal to 2% of the gross sale price of each Investment.

Acquisition Fee. The Partnership may pay a fee to the Investment Manager Affiliates for services related to the acquisition or purchase of Investments in an amount equal to 1-2% of the land cost of each Investment.

Disposition Fee. The Partnership may pay a fee to the Investment Manager Affiliates for services related to the sale, transfer, or other disposition of Investments in an amount equal to 1-2% of the gross sale price of each Investment.

See "RISK FACTORS AND CONFLICTS OF INTERESTS—Conflicts of Interests—Certain Conflicts Related to the Special Fees" for conflicts between the Partnership, on the one hand, and the Investment Manager Affiliates, on the other hand, with respect to the Special Fees.

Expenses

Investment Manager Expenses. The General Partner and the Investment Manager will be responsible for their general overhead expenses associated with providing their respective services to the Partnership, including any compensation and employee benefit expenses of personnel, rent and other office charges; provided, however, that the Investment Manager will be entitled to receive reimbursement for expenses incurred by the Investment Manager Affiliates in connection with the organization of the Partnership and the offering of Units, including, without limitation, consulting fees, the salaries of marketing and distribution personnel or consultants employed or retained by the Investment Manager Affiliates, and travel and other out-of-pocket expenses, as contemplated in "Organizational and Offering Expenses" below.

Organizational and Offering Expenses. The Partnership will be responsible for, and the General Partner and the Investment Manager Affiliates will be entitled to be reimbursed for, the costs and expenses of organizing the Partnership and all offering expenses of the Partnership, including, but not limited to, legal and accounting fees, entity formation expenses, printing costs, mailing expenses, escrow fees, government filing fees (including "blue sky" filing fees), due diligence expenses, consulting fees, employee salary expense incurred by the Investment Manager Affiliates which is attributable to the organization of the Partnership and the offering of Units, including, without limitation, consulting fees, the salaries of marketing and distribution personnel or consultants employed or retained by the Investment Manager Affiliates, and travel and other out-of-pocket expenses (collectively, "**Organizational and Offering Expenses**").

Partnership Expenses. The Partnership will be responsible for and pay all expenses incurred in connection with the operation of the Partnership (collectively, "**Partnership Expenses**"), (including, without limitation, reimbursements to the General Partner and/or its affiliates and the Investment Manager of all costs and expenses advanced upon behalf of and for the benefit of the Partnership), and the following:

(i) all Organizational and Offering Expenses;

(ii) all Management Fees (as contemplated above under "—Management Fee");

(iii) all Special Fees, whether paid directly by the Partnership or indirectly through a DEVCO;

(iv) all expenses incurred in connection with the ongoing offer and sale of Units, including, but not limited to, any and all transfer agency costs, printing of this Memorandum and any updates, amendments, supplements, and documentation of performance and the admission of Limited Partners;

(v) all costs of the administration of the Partnership, including, without limitation: (A)

accounting, audit, legal, banking and custodial, escrow, administrative, transfer agency and consulting fees and expenses; (B) costs of holding any meetings of Limited Partners; (C) costs of any litigation, director and officer liability or other insurance obtained with respect to any Indemnified Party (as defined in the Partnership Agreement) and indemnification or extraordinary expense or liability relating to the affairs of the Partnership; (D) expenses associated with reporting and providing information to existing and prospective Limited Partners; and (E) expenses associated with the maintenance of books and records of the Partnership and the preparation and dispatch to the Limited Partners of distributions, financial and tax reports, valuations of properties in the Partnership's portfolio, tax returns and notices required pursuant to the Partnership Agreement;

(vi) all general operating expenses of the Partnership, such as: (A) expenses and fees incurred in connection with the registration, qualification or exemption of the Partnership under any applicable laws and expenses related to the maintenance thereof; (B) all expenses incurred in connection with the preparation of, and alterations and amendments to, the Partnership Agreement or the certificate of limited partnership of the Partnership; (C) all taxes, fees or other governmental charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership or its activities; (D) all principal, interest, fees, expenses and other amounts payable in respect of or in connection with any borrowings or other financings by the Partnership, to the extent applicable; (E) all expenses incurred in connection with the collection of amounts due to the Partnership from any person; (F) all expenses incurred in connection with any litigation involving the Partnership or its real estate assets (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; and (G) all liabilities for indemnity or contribution to any person, whether payable under the Partnership Agreement, the Investment Management Agreement or otherwise and whether payable in connection with any litigation involving the Partnership or otherwise (including, without limitation, those incurred by the General Partner and/or the Investment Manager);

(vii) all costs and expenses related to the Investments or proposed investments that are not consummated (including any such costs and expenses incurred prior to the initial Closing Date), including, without limitation: (A) legal, accounting, consultant and other professional costs and expenses, as well as all title expenses and all closing costs; (B) travel costs; (C) brokerage commissions and other finders' fees and transaction costs; (D) custodial fees and costs of other third-party services; (E) legal, environmental and other due diligence reports; (F) research costs and expenses; (G) costs and expenses associated with monitoring and administration of the Investments, and with preparing such Investments for sale or lease/rent, including marketing expenses related to such Investments; (H) expenses associated with financing, refinancing or pledging or selling of, or proposed financing, refinancing or pledging or selling of, all or any portion of a Partnership investment and the expenses of any other debt or financing incurred by the Partnership; (I) expenses related to structuring investment vehicles; and (J) any withholding, transfer or other taxes imposed on the Partnership; *provided* that the Partnership's responsibility for expenses under this clause (J) shall in no way limit the liability of any Partner for any obligation to reimburse the Partnership for such expenses;

(viii) compliance costs and expenses, including, but not limited, to all fees and expenses incurred by the General Partner, the Investment Manager and/or their affiliates directly in connection with examinations by regulatory agencies, such as the U.S. Securities and Exchange Commission ("**SEC**"), that relate to the General Partner's and/or the Investment Manager's activities with respect to the Partnership, as well as fees and expenses associated with regulatory filings that are attributable to the Partnership;

(ix) any costs incurred by and in connection with Participant Holdings and the Master Fund;

(x) expenses associated with the provision of Usage Rights, including foregone revenue

associated with Partnership Properties which are made available for use by Limited Partners, as well as any costs of participating in one or more vacation property trading platforms;

(xi) costs of or associated with the LP Advisory Committee (as defined below) (including the costs of any independent third persons appointed by the General Partner from a fiduciary services (or similar) organization to serve as a member of the LP Advisory Committee); and

(xii) all expenses incurred in connection with converting the Partnership from its current structure or otherwise restructuring the Partnership, and/or the dissolution, winding-up and liquidation of the Partnership.

Redemptions

Limited Partner Redemptions. Subject to the Lock-Up Period and certain other restrictions described herein, each Limited Partner may redeem all or a portion of its Units in a minimum redemption amount for the Class A Units and Class Y Units of $50,000 and for the Class I Units of $500,000 as of the last day of each calendar year and at such other times as the General Partner may determine in its sole discretion (each such date, a "**Redemption Date**"), upon at least 180 days' prior written notice to the Administrator. Unless the General Partner consents, partial redemptions may not be made if they would reduce the value of a Limited Partner's Units to below $50,000 for the Class A Units and Class Y Units and $5,000,000 for the Class I Units. All redemptions will be deemed made prior to the commencement of the following calendar year (or other relevant period).

If the General Partner, in its sole discretion, permits a Limited Partner to redeem Units other than on a regularly scheduled Redemption Date, the General Partner may impose an administrative fee to cover the actual legal, accounting, administrative, brokerage, and any other costs and expenses associated with such redemption. Such fee shall be payable to the Partnership and deducted from the redemption proceeds of the redeeming Limited Partner as of such Redemption Date.

Redemption Price. Units will be redeemed at the Net Asset Value of the Units of the relevant Series being redeemed as of the Redemption Date (as further reduced by any Performance Allocation allocable on such Units).

Payments. A Limited Partner who requests a redemption of Units that constitutes, together with prior redemptions within any fiscal year, less than 90% of such Limited Partner's Units (based on the Net Asset Value of such Units) will be paid within 30 days after the applicable Redemption Date. In the event that a Limited Partner requests a redemption of Units that constitutes, together with prior redemptions within any fiscal year, 90% or more of such Limited Partner's Units (based on the Net Asset Value of such Units), the Partnership may reduce the amounts paid after any Redemption Date so that they constitute, in the aggregate during such fiscal year, 90% of an amount estimated by the General Partner to be the amount to which the redeeming Limited Partner is entitled in the aggregate (calculated on the basis of unaudited data); such amount will be paid within 30 days after the applicable Redemption Date. The balance of the amount payable upon such redemption will be paid, without interest, within 30 days after completion of the audited financial statements for the fiscal year in which the redemption occurs. Notwithstanding the foregoing, the General Partner may agree to pay up to the full value of a Limited Partner's Units (calculated on the basis of unaudited data) to a redeeming Limited Partner within 30 days after the applicable Redemption Date, subject to adjustment based on audited financial statements. To the extent that the sum previously paid to the redeeming Limited Partner is calculated to have exceeded the amount to which it is entitled, that Limited Partner will be required to repay to the Partnership the balance. By executing the Partnership's subscription agreement, the Limited Partner agrees that its obligation to make the repayment in the event of an overpayment as described above will endure notwithstanding the performance by it of all other obligations under the subscription agreement.

The Partnership has the right to pay redemption proceeds in cash or in kind, or a combination of both, to a Limited Partner that redeems Units.

Required Redemptions. The General Partner may, in its sole discretion, require a Limited Partner to redeem any or all of such Limited Partner's Units on at least five days' notice for any reason or no reason.

Waiver. The General Partner, in its sole discretion, may waive or modify any of the terms relating to redemptions, including, without limitation, the Lock-Up Period, minimum amounts and notice periods, for all or any of the Limited Partners without notice to the other Limited Partners.

Limitations on Redemptions

Lock-Up Period. Each purchase of Units by a Limited Partner will be subject to a 48-month lock-up period ("**Lock-Up Period**") during which such Units may not be redeemed, unless the Lock-Up Period is waived or reduced by the General Partner. The Lock-Up Period does not expire until the end of business on the day that is four years following the date of the acceptance of the related capital contribution. If a Limited Partner purchases Units on multiple dates, each group of Units purchased will be tracked separately for purposes of the Lock-Up Period, and redemptions will be deemed made as to the Units purchased on the earliest date.

Reserves. All redemptions shall be subject to the General Partner's power to establish such reserves for the Partnership as the General Partner shall, in its reasonable discretion, deem appropriate to pay current and future, definite, contingent and possible obligations of the Partnership (even if such reserves are not in accordance with United States generally accepted accounting principles ("**GAAP**")), including estimated expenses in connection therewith, which could reduce the amount of a distribution upon redemption.

Gate. In the event that Limited Partners, in the aggregate, request redemptions of Units representing more than 15% of the Partnership's Net Asset Value as of any Redemption Date, the requested amounts may, in the General Partner's sole discretion, be reduced to Units representing 15% of the Partnership's Net Asset Value as of such Redemption Date, and satisfied on a *pro rata* basis, based on the respective amounts of requested redemptions by each redeeming Limited Partner. Redemption requests that are deferred due to such limitation may be revoked by the redeeming Limited Partner, and if not revoked, may be given priority at subsequent Redemption Dates (again subject to the above 15% limitation). In the interim, all of such Limited Partner's remaining Units (including the Units subject to such deferred redemption request) will remain subject to the performance of the Partnership.

Suspension of Redemptions. The Partnership may suspend (or postpone) redemptions, subscriptions, calculations of Net Asset Value and/or redemption payments: (i) during the existence of any state of affairs which, in the opinion of the General Partner, makes the disposition of the Partnership's investments impractical or prejudicial to the Partners, or where such state of affairs, in the opinion of the General Partner, makes the determination of the price or value of the Partnership's investments impractical or prejudicial to the Partners; (ii) where any such redemptions, subscriptions, calculations and/or payments, in the opinion of the General Partner, would result in the violation of any applicable law or regulation; (iii) if the General Partner determines, in its sole discretion, that such suspension or postponement is prudent in order to prevent the Partnership from being subject to adverse tax or regulatory implications; (iv) if any of the above occurs in relation to Participant Holdings or the Master Fund; or (v) for such other reasons or for such other periods as the General Partner may in good faith determine. All Limited Partners will be notified in writing of any such suspension or postponement and the termination thereof. Following any such suspension or postponement, a redemption request made by a Limited Partner prior to such suspension or postponement will be effected as of the first Redemption Date following the recommencement of redemptions (subject to the other limitations on redemptions set forth herein).

Liquidity Requirement; Other Limitations on Redemptions. Notwithstanding anything set forth herein, the General Partner cannot guarantee that the assets of the Partnership will be invested in a manner which would allow the General Partner to satisfy periodic redemption requests. The Partnership expects to pay amounts due to a redeeming Partner solely from cash proceeds it shall receive (indirectly through the Master Fund and Participant Holdings) that correspond to the principal of a realized investment. Investments in real estate developments may often involve a time horizon of many years, and real estate investments may be illiquid in the short-term and thus result in significant losses if sold prior to maturity. In

order to manage the Partnership in the best interests of all Limited Partners, the General Partner may, in its sole discretion, defer redemption requests until the Partnership's real estate Investments mature or are liquidated in due course, or such other time as may be advisable, in the General Partner's sole discretion, to manage the Partnership's portfolio and liquidity.

Transfer of Units

A Limited Partner may not sell, assign or transfer any of the Units (or any interest therein) without the prior written consent of the General Partner, which consent may be given or withheld in the General Partner's sole and absolute discretion, as further set forth in the Partnership Agreement. All expenses, including attorneys' fees and expenses, incurred by the Partnership, the General Partner or the Investment Manager Affiliates in connection with any transfer will be borne by the transferring Limited Partner or such Limited Partner's transferee, as further set forth in the Partnership Agreement. Transfers of Units are subject to other restrictions set forth in the Partnership Agreement, including compliance with federal and state securities laws.

Determination of Net Asset Value

The net asset value ("**Net Asset Value**" or "**NAV**") of the Partnership will be determined in accordance with the Partnership Agreement and is generally equal to the amount by which the value of the Partnership's assets exceeds the amount of its liabilities. Following the calculation of the aggregate Partnership Net Asset Value, the Net Asset Value for each Class and Series of Units will be determined based on the proportionate Net Asset Value for such Class or Series during the prior accounting period, as adjusted for the allocation of any liabilities attributable to such Class (including any allocation of fees, expenses or the Performance Allocation). The Net Asset Value of a Unit will be calculated by dividing the Net Asset Value of the relevant Class and Series by the number of Units of such Class and Series then in issue. The Net Asset Value of the Partnership and of each Class of Units will be calculated as of the end of each calendar month and at such other times as the General Partner determines (each such date, a "**Valuation Date**").

Net Asset Value calculations are made by the Administrator (based on the information provided by the Investment Manager and, to the extent set forth below, with respect to Properties, an independent valuation agent) on each Valuation Date in accordance with GAAP, consistently applied (except that (x) Organizational and Offering Expenses of the Partnership may be capitalized and amortized over a period of up to 60 months from the date the Partnership commenced operations, and (y) reserves may be taken that are inconsistent with GAAP), this Memorandum and the Partnership Agreement.

Following the initial acquisition by the Partnership of any one or more Properties, Net Asset Value determinations will thereafter require valuations of the Properties, in accordance with the terms set forth below and in the Partnership Agreement. Except as set forth below, Properties will be valued on each Valuation Date. Property valuations for each Valuation Date at the end of each fiscal quarter (including fiscal year end dates) ("**Quarterly Valuation Dates**") will be determined based on an appraisal ("**Appraisal**") conducted by an independent valuation agent ("**Valuation Agent**"). On each Valuation Date other than a Quarterly Valuation Date, Property valuations will be made by the Investment Manager with or without third party input, as determined by the Investment Manager in its discretion ("**Interim Valuations**"). In the event that the Investment Manager's proposed Interim Valuation of any Property is in excess of 10% above or below the value attributed to such Property under the most recent Appraisal, then such Interim Valuation must be validated by a third-party Valuation Agent. See "DETERMINATION OF NET ASSET VALUE—Property Valuation" for further details. Determinations of Net Asset Value of the Master Fund shall be made by the Administrator in a manner consistent with the foregoing provisions applicable to the Partnership.

Capital Accounts; Allocation of Profit and Loss

There shall be established and maintained for each Class and Series of Units on the books and records of the Partnership a separate capital account kept in accordance with the terms of the Partnership Agreement. To determine how the economic gains and losses of the Partnership will be shared, the Partnership Agreement allocates net income or loss (increases and decreases in Net Asset Value) to each capital account corresponding to a Partner's Class and Series Units. Net income or loss includes all portfolio gains and losses, whether realized or unrealized, plus all other Partnership items of income (such as interest) and less all Partnership expenses. Generally, net income and net loss for each calendar month (or other

period, as the case may be) will be allocated to the Partners in proportion to the Net Asset Value of their Units as of the start of such calendar month (or other period). Net income and net losses in any memorandum accounts will be allocated to those Partners participating in such accounts in proportion to the Net Asset Value of their Units in such accounts. All matters concerning the allocation of profits, gains and losses among the parties (including the taxes thereon) and accounting procedures not expressly provided for by the terms of the Partnership Agreement will be determined by the General Partner in its sole discretion. Unit capital account balances will reflect capital contributions made for such Units, previous allocations of increases and decreases in Net Asset Value, redemptions, Distributions and the Performance Allocation.

Allocation of Taxable Income and Loss

For income tax purposes, all items of taxable income, gain, loss, deduction and credit will be allocated among the Partners at the end of each fiscal year in a manner consistent with their economic interests in the Partnership. Specific provisions for allocating income and loss are provided in the Partnership Agreement, and income and loss may be allocated for book purposes at different times than for tax purposes.

Distributions Upon Termination of the Partnership

Upon the termination of the Partnership (as further described in the Partnership Agreement), the assets of the Partnership will be liquidated (or distributed) and the proceeds of liquidation will be used to pay off known liabilities, establish reserves for contingent liabilities and expenses of liquidation (even if such reserves are not in accordance with GAAP), and any remaining balance will be applied and distributed in proportion to the respective capital accounts of the Partners. The Partnership may satisfy any distributions to Limited Partners in cash, in-kind or any combination thereof. Additionally, the General Partner may create a liquidating fund entity (e.g., a liquidating trust or similar vehicle) and may transfer all or a portion of the Partnership's assets to such entity for any reason, including an orderly liquidation of any illiquid Partnership assets, and may distribute ownership interests in such entity to Limited Partners.

Memorandum Accounts

To the extent that certain Limited Partners are restricted from participating in any transactions of the Partnership by applicable laws or regulations, or for any other reason determined by the General Partner in good faith, the General Partner may, in its discretion, establish one or more separate memorandum accounts to hold such investments and isolate ownership away from such restricted Limited Partners. Only those Limited Partners who the General Partner determines are eligible shall participate in such accounts.

Side Letters

The Partnership, the General Partner and/or the Investment Manager, without any further act, approval or vote of any Partner, may enter into side letters or other similar agreements (each, a "**Side Letter**") with one or more Limited Partners (including, without limitation, those affiliated with the General Partner or the Investment Manager) which have the effect of establishing rights under, or altering, or waiving, or supplementing, the terms of the Partnership Agreement (including, without limitation, with respect to redemptions and the Lock-Up Period, the Management Fee, the Special Fees, the Preferred Return, the Performance Allocation, access to information and minimum investment amounts). Any rights established, or any terms of the Partnership Agreement altered, waived or supplemented in a Side Letter with a Limited Partner will govern with respect to such Limited Partner notwithstanding any other provision of the Partnership Agreement. None of the Partnership, the General Partner or the Investment Manager will be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the General Partner or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners.

Borrowings

The Partnership may, to the extent deemed appropriate in the sole and absolute discretion of the General Partner, enter into one or more credit facilities, obtain leveraged financing through any DEVCO in which the Partnership invests, enter into secured lending arrangements related to any Properties held by the Partnership, or enter other similar arrangements to provide funding for Investments, Partnership Expenses or for other cash management purposes. To the extent applicable, borrowings may be secured by the Partnership's assets, including its Investments. There are risks associated with the incurrence of leverage as part of an investment program. See "INVESTMENT PROGRAM" and "RISK FACTORS AND CONFLICTS OF INTEREST".

Reporting

The Partnership will use commercially reasonable efforts to provide each Limited Partner: (i) as soon as reasonably practicable after the end of each fiscal year (subject to timely receipt of necessary information from the underlying Investments), annual audited financial statements of the Partnership prepared in accordance with GAAP; and (ii) as soon as reasonably practicable after the end of each fiscal quarter, unaudited quarterly account statements. The Partnership will bear all fees incurred in providing such financial statements and reports.

The General Partner and/or the Investment Manager may agree to provide certain Limited Partners with additional information on the underlying Investments of the Partnership, as well as heightened access to the General Partner, the Investment Manager and their respective employees for relevant information.

Other Activities of the Investment Manager Affiliates

None of the General Partner, the Investment Manager, the Principal and any of their respective partners, managers, members, directors, officers, employees, agents and affiliates (all of the foregoing, collectively, the "**Investment Manager Affiliates**") is required to manage the Partnership (including the Master Fund) as its sole and exclusive function.

Further, except as expressly prohibited in the Partnership Agreement, in addition to managing the Partnership (including the Master Fund) and its Investments, each of the General Partner, the Investment Manager, the Principal and the Investment Manager Affiliates may provide investment management and other services to other parties and may manage other accounts and/or establish other private investment funds in the future (both domestic and offshore), including, without limitation, funds that may employ an investment program and strategy similar to that of the Partnership. As of the date hereof, the Investment Manager also provides investment advisory services to Participant Capital Fund I, LP (the "**U.S. Fund**"), a Delaware limited partnership which pursues an objective and strategy similar to that of the Partnership in a closed-end structure. See "RISK FACTORS AND CONFLICTS OF INTEREST—Conflicts of Interest—Services to Affiliated Funds; Allocation of Investment Opportunities" herein.

Allocation of Investment Opportunities

The Investment Manager may, at times, determine that certain investment opportunities would be suitable for acquisition by the Partnership and by other accounts and/or other private investment funds (both domestic and offshore) managed by the Investment Manager (such accounts and funds, collectively, "**Affiliated Funds**"), the Investment Manager's own accounts or the accounts of an affiliate. If that occurs, and the Investment Manager is not able to procure the desired aggregate amount of such investment opportunities for the benefit of the Partnership and such other accounts on terms and conditions which the Investment Manager deems advisable, the Investment Manager will endeavor to allocate in good faith the limited amount of such investment opportunities among the various accounts for which the Investment Manager considers such opportunities to be suitable. The Investment Manager may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the opportunity presented, diversification considerations, and the extent to which such opportunity is consistent with the investment policies and strategies of the various accounts involved. The Investment Manager is not obligated to grant priority to the Partnership with respect to any investment opportunities. See "RISK FACTORS AND CONFLICTS OF INTEREST—Conflicts of Interest—Services to Affiliated Funds; Allocation of Investment Opportunities" herein.

Exculpation and Indemnification

The Partnership Agreement provides that none of the General Partner, the Investment Manager or any of the Investment Manager Affiliates will be liable to the Partnership (including the Master Fund) or the Limited Partners for any action or inaction in connection with the business and affairs of the Partnership unless such action or inaction is determined by a final, non-appealable decision of a court of competent jurisdiction to constitute gross negligence or willful misconduct. The Partnership (but not the Limited Partners individually) is obligated to indemnify the General Partner, the Investment Manager and the Investment Manager Affiliates (which, for purposes of this indemnity, includes fund counsel (except for legal malpractice)) from and against any and all claims, liabilities, obligations, judgments, suits, proceedings, actions, demands, losses, costs, expenses (including attorneys' fees and other expenses of litigation), damages, penalties or interest, as a result of any claim or legal proceeding (made or threatened) related to any action or inaction by any of them in connection with the business

and affairs of the Partnership (including the settlement or appeal of any such claim or legal proceeding); *provided* that such indemnity will not extend to conduct determined by a final, non-appealable decision of a court of competent jurisdiction to constitute gross negligence or willful misconduct. The Investment Management Agreement also provides similar protections to the Investment Manager.

The General Partner may, in its sole and absolute discretion, cause the Partnership to purchase, at the Partnership's expense, insurance to insure the General Partner and the Investment Manager Affiliates against liability for any breach or alleged breach of their responsibilities under the Partnership Agreement or the Investment Management Agreement, or otherwise in connection with the affairs of the Partnership (including in respect of a breach or alleged breach of a fiduciary or similar duty).

Resignation and Transfers by General Partner and its Affiliates

The General Partner may resign as the general partner of the Partnership upon 30 days' prior written notice to the Limited Partners. Upon such resignation of the General Partner, or upon its bankruptcy or dissolution, the remaining Limited Partners have the right to appoint a substitute general partner; otherwise, the Partnership will be dissolved pursuant to the procedures set forth in the Partnership Agreement. The Partnership Agreement permits the General Partner to appoint additional general partners and to transfer its general partner interest to an affiliate of the General Partner without the consent of Limited Partners.

Voting Rights and Amendments

The voting rights of Limited Partners are very limited. Other than as explicitly set forth in the Partnership Agreement, Limited Partners have no voting rights as to the Partnership or its management. Generally, the Partnership Agreement may be amended only with the consent of the General Partner and Limited Partners owning Units valued at more than 50% of the Net Asset Value of the Partnership, except that the General Partner may amend the Partnership Agreement without the consent of or notice to any of the Limited Partners if, in the opinion of the General Partner, the amendment does not have a material adverse effect on any Limited Partner.

Liability of Limited Partners

No Limited Partner will be personally liable or bound for the expenses, liabilities or obligations of the Partnership beyond the amount, from time to time, of the capital account corresponding to such Limited Partner's Units, including any amounts thereof attributable to capital contributions, except that such Limited Partner may be obligated to return all or a portion of any payments (including payments of Distributions and redemption proceeds) received from the Partnership in an amount up to its aggregate capital contributions for Units (including any income or gains thereon) to the Partnership in order to pay such Limited Partner's *pro rata* share of any Partnership liabilities that arose while such Limited Partner held Units. Subject to the foregoing, no Limited Partner will be obligated to provide any contributions to the Partnership, other than its initial capital contribution. No Limited Partner will be obligated to make any loan to the Partnership.

Under the Cayman Islands Exempted Partnership Law, 2014 ("**Cayman Law**"), assuming that a Limited Partner does not take part in the "conduct of the business" of the Partnership (as set out in the Cayman Law), a Limited Partner in its capacity as such is only liable: (i) for debts or obligations of the Partnership assumed by it contractually; and (ii) to repay to the Partnership amounts distributed to it within six months of the insolvency of the Partnership (with interest thereon) if, at the time that the payment was made, (a) the Partnership was insolvent and (b) the Limited Partner had actual knowledge of the insolvency of the Partnership.

Term

The term of the Partnership will continue indefinitely until terminated in accordance with the Partnership Agreement. Under the Partnership Agreement, the Partnership may be terminated at the election of the General Partner.

Fiscal Year

The fiscal year-end of the Partnership will be December 31. However, the fiscal year-end may be changed at any time by the General Partner, in its sole discretion.

Tax Status

The Partnership will file an election with the U.S. Internal Revenue Service to be treated as a corporation for U.S. federal income tax purposes. Each prospective investor should carefully review the tax matters discussed under "TAXATION", and is advised to consult its own tax advisor as to the tax consequences of an investment in the Partnership.

Dealer Manager The Partnership may appoint one or more broker-dealers in the future to act as dealer manager for the Partnership.

Transfer Agent Trident Trust Company (Cayman) Ltd. serves as the Partnership's initial transfer agent.

Administrator Trident Trust Company (Cayman) Ltd. acts as the Partnership's Administrator.

Auditor EisnerAmper Cayman Ltd. acts as the Partnership's auditor.

Legal Counsel Sadis & Goldberg LLP acts as U.S. legal counsel to the General Partner, the Investment Manager, the Partnership, the Master Fund and certain of their respective affiliates in connection with the offering of Units and other ongoing matters. Sadis & Goldberg LLP has been retained to prepare offering documentation in connection with the offering but not to conduct any due diligence on the Principals, the General Partner, the Investment Manager or any of the information in this Memorandum. Harney Westwood & Riegels ("**Harneys**") acts as Cayman Islands legal counsel to the General Partner, the Investment Manager and the Partnership in connection with the offering of shares and other ongoing matters. Neither Sadis & Goldberg LLP nor Harneys represents the Limited Partners, and each Limited Partner is urged to consult with its own counsel.

There may exist other matters that could have a bearing on the Partnership as to which Sadis & Goldberg LLP and Harneys have not been consulted. In addition, Sadis & Goldberg LLP and Harneys do not undertake to monitor compliance by the Investment Manager, the General Partner, the Principals and their respective affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor do Sadis & Goldberg LLP or Harneys monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Sadis & Goldberg LLP's responsibility is limited to matters of U.S. securities and federal tax law, and Harneys' responsibility is limited to matters of Cayman Islands laws, and neither accepts responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Partnership, there are times when the interests of Limited Partners may differ from those of the Partnership. Sadis & Goldberg LLP and Harneys do not represent the Limited Partners' interests in resolving these issues. Sadis & Goldberg LLP is a party to certain offering related documents to the limited extent that it can benefit from and enforce certain provisions thereof. In preparing this Memorandum, Sadis & Goldberg LLP and Harneys have relied upon information furnished to them by the Investment Manager, the General Partner, the Partnership, and their respective affiliates and are not obligated to investigate or verify the accuracy and completeness of information set forth herein concerning the Partnership.

Furthermore, if a conflict of interest or dispute arises between the General Partner and/or the Investment Manager, on the one hand, and the Partnership or any Limited Partner, on the other hand, by investing in the Partnership, the Limited Partners acknowledge that Sadis & Goldberg LLP and Harneys may act as counsel to the General Partner and/or the Investment Manager and not counsel to the Partnership or the Limited Partners, notwithstanding the fact that, in certain cases, the fees paid to Sadis & Goldberg LLP and Harneys are paid through or by the Partnership.

Address for Inquiries You are invited to, and it is highly recommended that you do, contact the General Partner for a further explanation of the terms and conditions of this Offering and to obtain any additional information necessary to verify the information contained in this Memorandum, to the extent the General Partner possesses such information or can acquire it without unreasonable effort or expense.

Requests for such information should be directed to the General Partner at:

Participant Capital Partner INTL, LLC
1010 NE 2nd. Avenue
Miami, Florida 33132
Attention: Sergio Moises
Telephone: (786) 580-4200

II. INVESTMENT PROGRAM

The following is a general description of the investment criteria that the Investment Manager may apply and the guidelines that the Investment Manager has initially established. The following description is merely a summary, and you should not assume that any descriptions of the specific activities in which the Investment Manager may engage on behalf of the Partnership are intended in any way to limit the types of investment activities which the Investment Manager may undertake. The Investment Manager reserves the right to initiate and proceed with any investment program or strategy as deemed appropriate from time to time, in its discretion, without seeking or obtaining consent from the Limited Partners.

References in this section to investments by the Partnership shall include Participant Holdings and the Master Fund, as appropriate, as the Partnership will invest substantially all of its assets in Participant Holdings and the Master Fund, and investments will be made at the Master Fund level (or through entities controlled by the Master Fund).

MARKET OPPORTUNITY

The Partnership was formed largely to take advantage of the increasing demand for mixed-use real estate properties, including residential properties, multifamily housing, second homes and serviced residences, vacation residences, and hotels in suburban, urban, vacation and resort destinations. Such ground-up real estate development opportunities have, in the Investment Manager's view, typically only been made available in the past to a small group of institutional investors, as large capital requirements, tight lending constraints and lack of a development track record, have generally restricted many investors from participating in real estate development opportunities that would otherwise provide them with the potential for diversification and high absolute returns.

As cities in the US continue to experience population growth, local governments are turning to more sustainable and pedestrian friendly solutions by redeveloping downtowns and adding mixed-used developments in suburban locations. The Investment Manager believes that a focus on adding mixed-use components to residential and vacation rental developments may drive additional value at the asset level. Mixed-use components such as ground floor retail may create value on two levels: (i) retail components benefit from increased sales from residents and guests which justifies higher rents, and (ii) residents benefit from the ability to access ground floor retailers and may pay a premium for the convenience and benefits of living in a mixed-use environment.

The Investment Manager has identified a continued demand for multifamily development in predominately low- to mid-rise configurations. The Investment Manager believes this market is supported by a growing shift in demographics and the propensity of Millennials and Generation Z to choose renting over buying. Market analyses have shown that younger generations may perceive home ownership as a burden to mobility in today's technologically driven world, while rentals typically provide more flexibility in lifestyle and access to better amenities. Besides providing an attractive lifestyle option, many people are choosing to rent predominantly for economic reasons. Real estate home prices have in the past and may continue to appreciate faster than earnings in many metro areas, and a rising interest-rate environment may increase the cost of mortgages, making home ownership more difficult for the average person. Demographic trends such as continued growth in the U.S. population and the general migration of people from high income-tax states to low income-tax states may create an opportunity to build new multifamily developments to accommodate the growing housing demand in target markets.

In addition, the Investment Manager has experienced an increased demand in residential property for sale, specifically in the sale of luxury and high-end residences and condominiums in locations with strong market fundamentals. This segment of the market appears to be driven by upper-income households and a desire to own quality real estate in urban mixed-use environments. The Investment Manager believes that domestic and certain international markets are undergoing the largest generational transfer of wealth in history, which may escalate demand for luxury real estate. The successful development of luxury residences, especially in high-rise configurations, requires an extensive development track record,

condominium expertise, operational ability, and significant capital relationships, all of which reduce the number of potential competitors from executing high-rise luxury real estate projects. The Investment Manager's team has a development track record spanning over 40 years, delivering large residential and mixed-use developments in urban and suburban locations, and thereby providing the Partnership with what the Investment Manager believes to be a distinct advantage in this space.

Lastly while the real estate market currently offers a wide range of hotel brand offerings, the Investment Manager believes there is a gap in the market for consolidated branded vacation rentals and serviced residences offering the consistency and quality of preeminent hospitality brands in mixed-use environments. Internet rental companies have demonstrated a significant growing demand for the ease of staying in a vacation rental, apartment or private residence. The Investment Manager views this industry as currently in its infancy stage, and believes it remains fragmented, lacks in professionalized services, and provides offerings that often do not meet consumer expectations. By offering luxury, branded developments with a high degree of professionalism and a consistent experience, the Investment Manager believes that serviced residences, vacation rentals and other residential properties will be made even more desirable and marketable than is currently the case today.

The Partnership seeks to capitalize on this potential growth and obtain high rates of absolute return by investing in the development of multifamily, mixed-use residential properties, hotel and vacation properties. In order to develop properties which, offer an enhanced owner, tenant and guest experience, the Partnership expects that its target investments will typically be situated in a mixed-use environment that may be developed in conjunction with major hotel brands, commercial and retail offerings, restaurants, food markets and other foot-traffic generating attractions.

INVESTMENT OBJECTIVE

The Partnership's investment objective is to achieve income and absolute return by investing primarily in mixed-use ground-up real estate development projects consisting of multifamily-for-lease, residential-for-sale and hotel properties.

No assurances can be given that the Investment Manager will achieve the Partnership's investment objectives, and investment results may vary substantially over time.

INVESTMENT STRATEGY

The Partnership will pursue its objective by investing (through the Master Fund) primarily in the development of multifamily, residential and hotel mixed-use real estate projects through one or more affiliated or unaffiliated DEVCOs, and by utilizing an option to acquire ownership of cash-flowing multifamily, residential and hotel Properties (as defined below) in residential and vacation property developments. In addition, the Partnership may invest in real estate and real estate development projects through direct acquisition, or direct or indirect participation in a development project or in the properties themselves, including through loans, debt, equity and/or other investments in and/or secured by real estate, as determined in the sole discretion of the Investment Manager. Return is expected to be generated through (i) income from the rental of Properties held directly or indirectly by the Partnership; (ii) income received on the DEVCO Preferred Shares (as defined below) and other income from the participation in development projects; (iii) the appreciation in the value of Properties and other real estate assets acquired by the Partnership; and (iv) the sale of Properties and other real estate assets acquired by the Partnership.

Real estate development projects in which the Partnership (including the Master Fund) may invest include: (i) multifamily-for-lease and residential-for-sale developments which may consist of garden apartments, condominiums, mid- and or high-rise towers, townhomes, coach homes, detached homes, and independent living facilities, primarily in a mixed-use configuration ("**Residential Properties**"); (ii) mixed-use multifamily-for-lease and residential-for-sale vacation residences, hotels and other vacation type properties, which may consist of condominiums, condo hotels, coach homes, townhouses, vacation homes, and other types of properties or units which may or may not be affiliated (or developed in conjunction) with one or

more hotels (collectively, "**Vacation Properties**"); and (iii) other properties developed in conjunction with the Residential Properties and Vacation Properties in (i) and (ii) above, offices, marinas, retail properties, joint ventures, special purpose vehicles, undeveloped land, urban and suburban properties, foreclosures of land or non-completed developments, and leaseholds (whether incorporated in a mixed-use development or otherwise), including without limitation, any equity, debt, loan, partnership interest, company interest or other interest (all such assets described in items (i) – (iii), collectively, "**Properties**" or "**Investments**"); provided, however, that the Investment Manager may make investments in other types of assets as it deems to be in the Partnership's best interest; provided, further, that, any investment involving a conflict of interest will be submitted for review by the LP Advisory Committee (as defined under "MANAGEMENT AND ADMINISTRATION—Limited Partner Advisory Committee").

Investment Criteria. In selecting development projects for investment by the Partnership, the Investment Manager generally will seek "ground-up" development project transactions which offer the possibility of a material increase in the property's value and/or net income. The Partnership will identify development projects based upon the eventual planned disposition, operations and liquidity of the underlying assets, among other factors. The Investment Manager will determine development projects in which to invest based upon pro forma projections, market analysis and evaluation of the current real estate/hospitality market cycle in locations in which the project will be executed. While it is currently expected that many of the Investments will initially be located in Florida, Investments may be made outside of Florida in other U.S. states, as well as outside the United States, including in emerging markets.

In identifying Properties for acquisition by the Partnership (including the Master Fund), the Investment Manager will seek to assemble a diversified, stable portfolio of real estate assets located primarily in the U.S. that are expected to produce income and/or a superior investment return on a risk-adjusted basis. All acquisitions of Properties will be evaluated for the reliability and stability of their future income, as well as for their potential for capital appreciation, as these are material drivers of market value. In addition, the Investment Manager will consider multiple other factors which drive the value of the a particular acquisition, including the risk profile, asset quality, target tenant base, lease terms, the timeline for stabilization of such properties, liquidity of the underlying units and potential disposition thereof, the value of such properties, the location of such properties and the diversity of the portfolio of Investments held by the Partnership as a whole. The Investment Manager intends to manage the portfolio with the goal of achieving the Partnership's investment objective, while limiting risk exposure and maintaining a favorable risk-adjusted return.

Individual unit acquisitions will in most cases be leveraged (without recourse to the Limited Partners). Generally, the indebtedness incurred by the Partnership and its subsidiaries in respect of individual units will not exceed seventy-five percent (75%) of the current market value of the relevant unit (including budgeted capital improvement expenditures at the time of financing), as determined at the time such unit is acquired.

The Partnership expects to make quarterly Distributions to the Distributing Classes at a rate of 7% on an annualized basis based on the Net Asset Value of the relevant Class of Units. However, there is no guarantee that such periodic Distributions will be made. The Partnership is targeting a gross rate of return on investments of 18% to 20% annually (prior to deduction of fees and expenses and the allocation of the Performance Allocation (as defined herein)), which corresponds to a target net rate of return on Units of 14% to 16% after deduction of such fees, expenses and allocations. All allocations of the Performance Allocation to the General Partner will be subject to Limited Partners' first achieving a 7% Preferred Return (on an annual, non-cumulative basis). Prospective investors should note that actual returns experienced on a Limited Partner's Units will depend on a number of factors, including the duration for which a Limited Partner holds its Units. In addition, depending on whether real estate market conditions during the Partnership's term are favorable or unfavorable, actual gross and net returns experienced by the Partnership and Limited Partners may exceed the above targeted returns, or fall below them.

The Partnership may invest in the development of real estate Properties through one or more joint venture development companies, which may be an affiliate of, or unaffiliated with, the Investment Manager (each, a "**DEVCO**"). Each DEVCO is expected be a real estate development company that identifies real estate in target locations for development (including multifamily, mixed-use and other development), arranges financing for the construction of such projects, and manages the construction and development process (collectively with respect to each DEVCO, the "**Development Phase**"). The Partnership will invest in DEVCOs primarily through the coupon-paying equity securities ("**DEVCO Preferred Shares**") of each DEVCO. The DEVCO Preferred Shares will be entitled to quarterly distributions during the Development Phase, generally, with a target in excess of 7% return on an annualized basis. The Partnership expects to make Distributions to the Distributing Classes which is attributable to such income received by the Master Fund on the DEVCO Preferred Shares. DEVCO Preferred Shares will be redeemable in-kind for certain of the underlying Properties developed by the DEVCO, as described below. Each DEVCO may additionally issue equity interests to institutional investors alongside the Partnership, as well as affiliates and other clients of the Investment Manager, provided, that investment by such affiliates and other clients of the Investment Manager does not subordinate or otherwise prejudice the rights of the Partnership.

A. Development Phase. During the Development Phase, each DEVCO will identify a primary developer for the development of multifamily, mixed-use (or other) projects, which will typically be responsible for coordinating and directing the day-to-day management, development, leasing and operation of the property on behalf of the DEVCO, and may appoint a "secondary developer" for the project as well. Such primary or secondary developers may be affiliates of the Investment Manager which receive Special Fees. In addition to obtaining financing through the issuance of DEVCO Preferred Shares (as defined below) to the Partnership, the DEVCO will issue equity interests to other investors and engage in borrowing in order to finance the Development Phase. Such equity may be senior to or junior to the DEVCO Preferred Shares. In the event that any such equity issued to other investors by the DEVCO is senior to the DEVCO Preferred Shares (such equity, "**Senior Equity**"), the Partnership's right to a return of capital will be subordinate to and may be negatively affected by such Senior Equity holders.

In addition, the amount of any bank loans and other debt incurred by the DEVCO will be secured against the underlying property held by the DEVCO. Limited Partners should note that, as a holder of DEVCO Preferred Shares, the Partnership will be an equity holder of the DEVCO, and therefore its rights will be unsecured and subordinate to those of any lenders to the DEVCO, including the holders of any debt. Lenders to the DEVCO generally secure their debt with a lien on the underlying assets of the DEVCO. As a result, the Partnership's economic interest in the underlying Properties developed by the DEVCO may be negatively affected by such subordination, as further described below. In addition, the lenders to the DEVCO may require that a guarantor provide a completion guarantee to the project, including by a third party guarantor. Such a third party guarantor may have a right to invest in Senior Equity in the DEVCO as a condition to providing such guarantee, which may dilute the value of the Partnership's investment. In addition, the Partnership may provide such a completion guarantee or other recourse to lenders as determined by the Investment Manager in its sole discretion. In the event the Partnership provides a completion guarantee and such guarantee is enforced, the Partnership may be required to pay additional amounts to the DEVCO and/or its lenders, which would reduce the overall return on the Partnership's investment.

Once financing has been obtained for the development project, the DEVCO will allocate certain Properties among the various investors in the DEVCO and committed purchasers of such Properties, including the Partnership as a holder of the DEVCO Preferred Shares, based on the dollar value of the committed capital and the expected cost of developing the relevant Properties (the "**Allocated Units**"). The Partnership will therefore be allocated Properties based on the level of capital it invests in the DEVCO Preferred Shares relative to the level of capital committed by other equity holders in the DEVCO (and subject to the rights of any lenders to the DEVCO).

Although the DEVCOs will generally develop mixed-use Properties, the Partnership expects to primarily target income-producing multifamily Properties as its Allocated Units. Allocations of

Properties will be made in accordance with industry-standard allocation criteria and are subject to validation by a third-party. The criteria used to allocate units to the Partnership and other committed purchasers of Properties include the unit type, quality, location, size and other factors. Allocations are made "in bulk" among the various committed purchasers in the DEVCO and are designed to provide each purchaser with a cross-section of the allocation criteria representing a diversified portfolio of units in the development project. The DEVCO Preferred Shares will be exchangeable for the Allocated Units which have been allocated to the Partnership, though such units are subject to valuation upon completion of such transaction. Allocations validated by the third-party validator are final, provided, however, that such allocations are subject to the senior rights of any lenders to the DEVCO. As a result, the Allocated Units allocated to the Partnership may be subject to reallocation in the event there is insufficient cash to compensate lenders to the DEVCO, as further described below.

Limited Partners should note that any right or claim of the Partnership in the Allocated Units will be an unsecured equity interest, and therefore will be subordinate to the rights of any Senior Equity holders in and all creditors to the DEVCO. The exchange of DEVCO Preferred Shares for the Allocated Units will therefore be subject to repayment of principal to such Senior Equity holders and lenders of the DEVCO. Lenders are generally expected to secure the amount of their loan against the underlying assets of the DEVCO, and so will have senior rights in the DEVCO's Properties as a secured creditor. In the event such lenders do not secure their interests, they will nonetheless retain an interest in the Properties as a general unsecured creditor that is senior to the Partnership's equity interest. As a result, lenders to the DEVCO, including any holders of senior, junior or mezzanine debt, will have a prior right to satisfaction on repayment of their principal before the Partnership and other holders of DEVCO equity may realize a return on their investment in such Properties (whether via acquisition of the Allocated Units, payment of cash proceeds or otherwise). In the event there is insufficient cash to satisfy lenders to the DEVCO, such lenders will have prior claim to the Properties of the DEVCO, which may impair the rights of the equity holders in the DEVCO, including the Partnership, as a holder of the DEVCO Preferred Shares. In order to generate cash sufficient to repay the lenders, the DEVCO may therefore take a number of actions which may impair the value of the DEVCO Preferred Shares and other DEVCO equity, including by (x) issuing Senior Equity to additional equity investors (thereby subordinating the Partnership's interest in DEVCO Preferred Shares), and (y) selling certain Properties of the DEVCO and reallocating the Allocated Units. In such scenarios, the value of the Partnership's Allocated Units may be reduced, resulting in a lower return on the Partnership's investment in the DEVCO. Such issuance of Senior Equity and/or reallocation of Allocated Units may be made by the DEVCO and its managers together with the lenders, and may be agreed by the Investment Manager, in its sole discretion, on behalf of the Partnership. In addition, in the event the Partnership has agreed to act as a guarantor in respect of a DEVCO, it may be required to make cash payments in order to settle the debts owed by the DEVCO to its lenders. The Partnership Agreement provides that the General Partner (and the Investment Manager as its delegate) will have the authority to negotiate on behalf of the Partnership with a DEVCO, its lenders and any other interested party in the DEVCO, in respect of any DEVCO property in which the Partnership may have an interest, including by reallocating the Allocated Units and/or acting as a guarantor in respect of the DEVCO.

B. Operations Phase. Upon completion of the construction of the Properties by the DEVCO, the Allocated Units will generally be transferred to the Partnership; however, with respect to multifamily, residential for-lease developments, the Partnership may, in the Investment Manager's sole discretion, elect to retain ownership of its proportionate percentage interest of the overall development project. Allocated Units which are to be transferred to the Partnership will be valued by an independent third-party valuation agent to determine the actual cost of developing such units during the Development Phase (the "**Development Cost**"). After satisfaction of any debts due to creditors of the DEVCO and the release of any liens on the Properties, the DEVCO will then compensate its equity holders by, (i) in the case of the Partnership (where applicable), transferring the Allocated Units to the Partnership at their Development Cost in exchange for the DEVCO Preferred Shares and, (ii) in the case of other equity investors, making cash payments of proceeds from the realization of return on the Properties (the "**Operations Phase**"). The Partnership will acquire its Allocated Units from the DEVCO in kind with its corresponding DEVCO Preferred Shares (subject to the review of the LP Advisory Committee). If such transaction would result in fractional Allocated Units being

issued to the Partnership, the Partnership may settle such fractional Allocated Units with the DEVCO in cash.

The value of Vacation Properties and/or Residential Properties purchased from a DEVCO by the Partnership will be reviewed by an independent third-party valuation agent to ensure that the price paid by the Partnership to the DEVCO for any such Properties accurately reflects the Development Cost of such Properties. Limited Partners should note that, while the Development Cost reflects the actual cost of developing a unit during the Development Phase, such costs include fees paid to third parties during the development of the project, "soft costs," such as all cost of capital in the DEVCO (including debt and other preferred equity), as well as the payment of any fees and expenses to affiliates of the Investment Manager, if applicable. In addition, any proposed purchases of Vacation Properties and/or Residential Properties from a DEVCO will be submitted for review by the LP Advisory Committee. Upon receipt of information relating to such Properties, the LP Advisory Committee will have the authority to delay or cancel the purchase of any such Vacation Properties and/or Residential Properties by notifying the Investment Manager of its decision and rationale within 14 days. If the LP Advisory Committee does not act (or indicates that it will not act) to delay or cancel a purchase of Vacation Properties and/or Residential Properties from a DEVCO within 14 days, the Investment Manager may complete the purchase of such Properties from the DEVCO on behalf of the Partnership.

In the event the Partnership does not acquire its Allocated Units, the Partnership will retain a general equity right in the DEVCO, pursuant to which it may receive cash distributions from the DEVCO of proceeds from the realization of return on the Properties (alongside other equity holders), provided, however, that such right will have the character of common equity and so will be *pari-passu* with rights of other junior equity holders in the DEVCO. As a result, in the event the Partnership does not acquire the Vacation Properties or Residential Properties developed by the DEVCO in exchange for its DEVCO Preferred Shares, the Partnership will be exposed to the market risk on the value of all of the DEVCO's Properties as a whole (as opposed to its Allocated Units), and its rejection of the Allocated Units may result in an increase in the number of DEVCO units for sale on the market at a given point in time, resulting in decreased returns and loss of capital.

C. Realization of Investments. After acquiring Vacation Properties and/or Residential Properties from a DEVCO, the Partnership expects (i) to operate such units for income; and/or (ii) to sell any such Property at its market value to a buyer, which may be a third-party investor or another client of the Investment Manager that acquires such property in an agency cross transaction. Any Property that is proposed to be sold in an agency cross transaction will be valued by a third party valuation agent to determine its fair market value and will be subject to the review of the LP Advisory Committee. Upon receipt of information relating to such Properties, the LP Advisory Committee will have the authority to delay or cancel the sale of any such Properties by notifying the Investment Manager of such decision and its rationale within 14 days. If the LP Advisory Committee does not act (or indicates that it will not act) to delay or cancel a sale of Properties from the Partnership to such client of the Investment Manager within 14 days, the Investment Manager may complete the transaction, and the Properties held by the Partnership will be sold in such agency cross transaction at their fair market value.

Investors should note that the Partnership may invest in multiple DEVCOs at a given point in time, and such DEVCOs may operate on different construction timelines. As a result, the Development Phase, Operations Phase and ultimate realization of returns on the Vacation Properties and Residential Properties in which the Partnership invests may vary among DEVCOs, resulting in a variable investment horizon among the Partnership's Investments, with the potential for overlapping and disparate periods of investment, acquisition, realization, reinvestment and distribution.

OTHER INVESTMENT ACTIVITIES

The Properties in which the Partnership invests may be managed by the Investment Manager or its affiliates, including, but not limited to, Royal Palm Companies, LLC, which may receive fees in connection with its activities.

In addition, the Investment Manager may elect to co-invest in a project with other investors with different liquidity profiles in order to take advantage of a liquidity event and optimize returns. For example, the Partnership may invest in a given development project for hospitality and resort residences in order to capitalize on expected real estate appreciation by liquidating the fund holding in assets in the project where the timing is consistent with the terms of the Partnership. In addition, the Investment Manager, in consultation with the General Partner, may establish special purpose entities and subsidiaries, including corporations, limited liability companies, limited partnerships, parallel entities, joint ventures, real estate investment trusts and other entities to make and hold investments.

Notwithstanding the foregoing, the Investment Manager retains broad investment discretion and may pursue practices and policies other than and in addition to the foregoing practices and policies, and may seek investments in real estate based on expectations and intentions other than and in addition to those set forth above, at any time in its sole discretion. In addition, the Investment Manager may selectively pursue opportunities and investment strategies, including some or all of the foregoing when selecting Investments.

RISKS OF THE PARTNERSHIP'S INVESTMENT STRATEGY

The development of an investment strategy is a continuous process, and the Partnership's investment strategy and methods may therefore be modified from time to time without notice to the Limited Partners. The Investment Manager's investment methods are confidential and the descriptions of them in this Memorandum are not exhaustive. The Investment Manager's investment strategies may differ from those used by the Investment Manager and its affiliates with respect to other accounts, projects or entities that they may manage, now or in the future. The Investment Manager may also formulate new approaches to carry out the overall investment objectives of the Partnership. In addition, the parameters described in this Memorandum may change over time and from time-to-time in response to factors such as the size of the Partnership, the size of the Investment Manager's management team, the level of attractive investment opportunities and the overall market and economic environment, among others. Investment decisions require the exercise of judgment by the Investment Manager. Limited Partners cannot be assured that the strategies or methods utilized by the Investment Manager will result in profitable investments for the Partnership. **The Partnership's investment program entails substantial risks, and there can be no assurances or guarantees that: (i) the Partnership's investment strategy will prove successful, or (ii) investors will not lose all or a portion of their investment in the Partnership. See "RISK FACTORS AND CONFLICTS OF INTEREST".**

III. MANAGEMENT AND ADMINISTRATION

THE GENERAL PARTNER AND INVESTMENT MANAGER

The General Partner of the Partnership is Participant Capital Partner INTL, LLC, a Delaware limited liability company formed on January 19, 2018 and registered in the Cayman Islands as a foreign company. The General Partner is responsible for the management of the Partnership's affairs. Participant RE Holdings Parent, LLC, a Delaware limited liability company, acts as the general partner of the Master Fund and will also own all of the voting equity shares of Participant Holdings. The Investment Manager of the Partnership is Participant Capital Advisors, LLC, a Delaware limited liability company formed on January 19, 2018. The Investment Manager has discretionary investment authority over the Partnership's assets.

As the managing member of the General Partner, the managing member of the Master GP and the Chief Executive Officer and manager of the Investment Manager, Daniel Kodsi controls the management and operations of the General Partner and the Investment Manager. Daniel Kodsi is referred to herein as the "**Principal**". In addition, Sergio Moises serves as the Chief Investment Officer of the Investment Manager and is responsible for managing the Partnership's portfolio.

Pursuant to Section 203(m) of the Investment Advisers Act of 1940, as amended ("**Advisers Act**"), the Investment Manager is exempt from registration with the SEC and will file with the SEC as an Exempt Reporting Adviser ("**ERA**"), if required to do so in the future. Section 203(m) of the Advisers Act provides an exemption from registration to any investment adviser that solely advises private funds if the Investment Manager has less than $150 million of assets under management in the United States ("**Private Fund Adviser Exemption**"). Section 203(m) of the Advisers Act mandates that, in certain circumstances, an adviser file as an ERA to qualify for the Private Fund Adviser Exemption. See "RISK FACTORS AND CONFLICTS OF INTEREST—Regulatory and Tax Risks—Changes in Strategy".

Limited Partners do not have any right to participate in the management of the Partnership and have very limited voting rights.

OTHER ACTIVITIES OF THE GENERAL PARTNER, THE INVESTMENT MANAGER, THE PRINCIPAL AND AFFILIATES

None of the General Partner, the Investment Manager, the Principal or any of their respective managers, members, officers, employees, agents and affiliates (all of the foregoing, collectively, the "**Investment Manager Affiliates**") is required to manage the Partnership as their sole and exclusive function. Each of the General Partner, the Investment Manager, the Principal and the Investment Manager Affiliates may engage in other business activities, including competing ventures and are only required to devote such time to the Partnership as the General Partner and the Investment Manager deem necessary to accomplish the purposes of the Partnership.

In addition to managing the Partnership and its Investments, each of the General Partner, the Investment Manager, the Principal and the Investment Manager Affiliates may provide investment management and other services to other parties and may manage other accounts and/or establish other private investment funds in the future (both domestic and offshore) (such accounts and funds, collectively, "**Affiliated Funds**"), including, without limitation, those that may employ an investment program and strategy similar to that of the Partnership. As of the date hereof, the Investment Manager also provides investment advisory services to Participant Capital Fund I, LP (the "**U.S. Fund**"), a Delaware limited partnership which pursues an objective and strategy similar to that of the Partnership in a closed-end structure. Additionally, the Investment Manager Affiliates have provided similar or related services to investment vehicles focused on real estate projects designated in advance, and expect to continue to do so. The Investment Manager and its affiliates may provide investment advisory services in the future to other investment funds with an objective and strategy similar to that of the Partnership. See "RISK FACTORS AND CONFLICTS OF INTEREST—Conflicts of Interest—Services to Affiliated Funds; Allocation of Investment Opportunities" herein.

BACKGROUND OF MANAGEMENT

Daniel Kodsi – Principal and Chief Executive Officer of the Investment Manager, Managing Member of the General Partner

Mr. Kodsi is a real estate veteran who has successfully developed or repositioned over 6,000 units across mixed-use developments, including multifamily, residential communities and hospitality assets. Mr. Kodsi is the CEO of Royal Palm Companies, LLC, a Miami based development firm established in the 1970s, and the visionary behind Paramount Branded Developments, one of the leading luxury real estate brands in Florida. With $2 billion in completed projects, he brings an established track record of identifying underserved market opportunities, executing complex large-scale projects, and generating value for private and institutional investors.

Mr. Kodsi has consistently been credited with defining new neighborhoods and development trends and is regarded as an industry leader. Some of his most notable projects include the signature Paramount Miami Worldcenter, West Palm Beach's Esplanade Grande, and Paramount Bay in Miami's Edgewater neighborhood. Mr. Kodsi's projects have attracted buyers from more than 50 different countries, at times with record re-sales in price per foot.

Mr. Kodsi has appeared as a guest speaker and panel member for The Urban Land Institute (ULI), Real Deal, Biz Now, National Multifamily Housing Council (NMHC) and the EB-5 Council. Mr. Kodsi has also appeared as a guest on national television newscasts on major networks and is a member of the Haute 100 list of most influential people in Miami. Active in the community, Mr. Kodsi is regularly called upon to share his knowledge with industry colleagues and leaders, and has previously served as Vice President and Executive Board Member for the Urban Land Institute (ULI), as well as on the boards of the Developer Business Alliance (DBA) and the Builders Association of South Florida (BASF). Mr. Kodsi earned a bachelor's degree in Real Estate Finance with a concentration in Urban Planning from the University of Miami, and has been a licensed general contractor since 1992.

Sergio Moises – Chief Investment Officer of the Investment Manager

Mr. Moises is Chief Financial Officer of Royal Palm Companies, LLC and brings 15 years of experience in real estate, which includes the acquisition, development, management and repositioning of more than 7,000 units across the U.S. Mr. Moises has extensive expertise in due diligence, financial modeling, cash flow forecasting, asset management and financial reporting. From 2003 to 2011 Mr. Moises worked as an associate at J.I. Kislak Mortgage Corporation and managed a portfolio of 3,500 multifamily units and participated on the acquisition of 800 distressed multifamily units. In addition, he purchased $63M (12,000+) in tax lien certificates for the state of Florida. In 2012, Mr. Moises joined Royal Palm Companies, LLC in the repositioning of more than 800 non-performing mortgages and 1,200 single family rentals across Florida and North Carolina. Mr. Moises is currently working on the development of hundreds of millions in real estate assets and several hundred units. Mr. Moises holds an M.S. in Finance from Florida International University and a B.B.A. in Business Administration from Universidad del Norte in Barranquilla, Colombia.

LIMITED PARTNER ADVISORY COMMITTEE

The General Partner will form an advisory committee ("**LP Advisory Committee**") consisting of at least three and up to five members that are not affiliated with the General Partner. The Partnership will seek members appointed by the Limited Partners, and expects to select such members as follows: one member will be appointed by each of the three (and up to five) largest Limited Partners (measured by the aggregate Net Asset Value of the Units held by a Limited Partner) that is willing to appoint a member to the committee (with any tie being resolved by the General Partner in its sole discretion). In the event that a Limited Partner does not wish to appoint a member to the LP Advisory Committee, lacks the requisite experience or is otherwise unable to serve as a member of the LP Advisory Committee, the General Partner may appoint, at the Partnership's expense, an independent third person from a reputable fiduciary services (or similar) organization to serve as a member of the LP Advisory

Committee. In the provision of its duties, the LP Advisory Committee may consult with such outside experts and external consultants as it reasonably deems necessary.

The LP Advisory Committee will be responsible for reviewing and approving transactions involving a conflict of interest (including transactions subject to the provisions of Section 206(3) of the Advisers Act). In particular, the LP Advisory Committee will review any proposed acquisition of Residential Properties by the Master Fund from any DEVCO, and may delay or cancel such proposed purchase of Residential Properties if it determines that such purchase is not in the best interests of the Partnership or is not proposed at the Development Cost. The LP Advisory Committee will likewise be responsible for reviewing any proposed sale of any Properties by the Master Fund to another client of the Investment Manager in an agency cross transaction, and may delay or cancel such proposed sale of Properties if it determines that such sale is not in the best interests of the Partnership or is not proposed at its fair market value. In addition, the LP Advisory Committee may be asked by the General Partner to resolve certain other potential conflicts of interest and other matters.

No member of the LP Advisory Committee will (in such capacity): (i) have power or authority to bind the Partnership or otherwise deal with third parties, or (ii) be deemed to be an affiliate of the Partnership, the Master Fund or the General Partner solely by reason of such membership. To the fullest extent permitted by law, members of the LP Advisory Committee will not be deemed to be acting in a fiduciary capacity with respect to the Partnership or any Partner. The Partnership may provide members of the LP Advisory Committee with directors and officers insurance coverage, with limits and under such terms and conditions as may be deemed appropriate by the General Partner, in its sole discretion.

ADMINISTRATOR

Pursuant to an administration agreement entered into by and among the Partnership and the Administrator ("**Administration Agreement**"), the Administrator is responsible for, among other things: (i) maintaining the books and records pertaining to the Partnership's affairs, including all of its assets and liabilities, receipts and disbursements, realized and unrealized income, gains and losses, and all transactions entered into by Client; (ii) calculating the Net Asset Value of the Partnership and each Limited Partner's Units based on information provided by the Investment Manager and any valuation agent; (iii) assisting with the completion of the annual audit of the Partnership; (iv) investor services, including processing of all subscriptions, distributions, redemptions and transfers of Units; (v) maintain anti-money laundering procedures on behalf of the Partnership; (vi) furnishing annual financial statements, as well as quarterly statements to the Limited Partners; (vii) performing certain other administrative and clerical services in connection with the administration of the Partnership as agreed between the Fund and the Administrator; and (viii) carrying out on behalf of the Partnership under the supervision of the General Partner certain of the Partnership's tax reporting obligations. The Partnership's principal office is provided by the Administrator, a licensed mutual fund administrator under the Cayman Islands Mutual Funds Law, as amended ("**Mutual Funds Law**"). The Administrator will perform its role in accordance with section 4(1)(b) of the Mutual Funds Law.

The Administrator shall be paid fees out of the Partnership's assets, in accordance with the Administrator's standard schedule for providing similar services.

The Administration Agreement may be terminated by other party by providing not less than ninety (90) days' notice in writing. If either party commits any breach of its obligations and fails within thirty (30) days of receipt of notice served by the other party to make good such breach, the non-breaching party may terminate the Administration Agreement by giving not less than thirty (30) days' notice in writing. The Administration Agreement may be terminated without notice upon the occurrence of certain events as set forth in the Administration Agreement.

The Administration Agreement provides that the Administrator and its directors, officers and employees, and any agent, sub-contractor or delegate appointed by the Administrator, will not in the absence of dishonesty, fraud, willful neglect, willful misconduct or bad faith be responsible for any loss or damage which the Partnership may sustain or suffer as the result of or in the course of the discharge of the Administrator's duties under the Administration

Agreement. The Administration Agreement further provides that the Partnership will indemnify and hold harmless the Administrator against all claims and demands (including legal fees, costs and expenses incurred by the Administrator therefrom or incidental thereto) which may be made against the Administrator in connection with the carrying out of the Administrator's duties under the Administration Agreement in respect of any loss or damage sustained or suffered by any third party, otherwise than by reason of dishonesty, fraud, willful neglect, willful misconduct or bad faith of the Administrator.

The Administrator is a service provider to the Partnership and is not responsible for the preparation of this Memorandum or the activities of the Partnership, and therefore accepts no responsibility for any information contained in this Memorandum. The Administrator will not participate in the Partnership's investment decision making process.

TRANSFER AGENT

Trident Trust Company (Cayman) Ltd. serves as the Partnership's initial transfer agent.

SPECIAL FUND LEGAL COUNSEL

Sadis & Goldberg LLP acts as U.S. legal counsel to the General Partner, the Investment Manager, the Partnership, the Master Fund and certain of their respective affiliates in connection with the offering of Units and other ongoing matters. Sadis & Goldberg LLP has been retained to prepare offering documentation in connection with the offering but not to conduct any due diligence on the Principals, the General Partner, the Investment Manager or any of the information in this Memorandum. Harneys acts as Cayman Islands legal counsel to the General Partner, the Investment Manager and the Partnership in connection with the offering of shares and other ongoing matters. Neither Sadis & Goldberg LLP nor Harneys represents the Limited Partners, and each Limited Partner is urged to consult with its own counsel.

There may exist other matters that could have a bearing on the Partnership as to which Sadis & Goldberg LLP and Harneys have not been consulted. In addition, Sadis & Goldberg LLP and Harneys do not undertake to monitor compliance by the Investment Manager, the General Partner, the Principals and their respective affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor do Sadis & Goldberg LLP or Harneys monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Sadis & Goldberg LLP's responsibility is limited to matters of U.S. securities and federal tax law, and Harneys' responsibility is limited to matters of Cayman Islands laws, and neither accepts responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Partnership, there are times when the interests of Limited Partners may differ from those of the Partnership. Sadis & Goldberg LLP and Harneys do not represent the Limited Partners' interests in resolving these issues. Sadis & Goldberg LLP is a party to certain offering related documents to the limited extent that it can benefit from and enforce certain provisions thereof. In preparing this Memorandum, Sadis & Goldberg LLP and Harneys have relied upon information furnished to them by the Investment Manager, the General Partner, the Partnership, and their respective affiliates and are not obligated to investigate or verify the accuracy and completeness of information set forth herein concerning the Partnership.

Furthermore, if a conflict of interest or dispute arises between the General Partner and/or the Investment Manager, on the one hand, and the Partnership or any Limited Partner, on the other hand, by investing in the Partnership, the Limited Partners acknowledge that Sadis & Goldberg LLP and Harneys may act as counsel to the General Partner and/or the Investment Manager and not counsel to the Partnership or the Limited Partners, notwithstanding the fact that, in certain cases, the fees paid to Sadis & Goldberg LLP and Harneys are paid through or by the Partnership.

AUDITOR

EisnerAmper Cayman Ltd. acts as the Partnership's auditor.

IV. DETERMINATION OF NET ASSET VALUE

NET ASSET VALUE

The net asset value ("**Net Asset Value**" or "**NAV**") of the Partnership will be determined in accordance with the Partnership Agreement and is generally equal to the amount by which the value of the Partnership's assets exceeds the amount of its liabilities. Following the calculation of the aggregate Partnership Net Asset Value, the Net Asset Value for each Class and Series of Units will be determined based on the proportionate Net Asset Value for such Class or Series during the prior accounting period, as adjusted for the allocation of any liabilities attributable to such Class (including any allocation of fees, expenses or the Performance Allocation). The Net Asset Value of a Unit will be calculated by dividing the Net Asset Value of the relevant Class and Series by the number of Units of such Class and Series then in issue. The Net Asset Value of the Partnership and of each Class of Units will be calculated as of the end of each calendar month and at such other times as the General Partner determines (each such date, a "**Valuation Date**").

Net Asset Value calculations are made by the Administrator (based on the information provided by the Investment Manager and, to the extent set forth in the Partnership Agreement, with respect to Properties, an independent valuation agent) on each Valuation Date in accordance with GAAP, consistently applied (except that (x) Organizational and Offering Expenses of the Partnership may be capitalized and amortized over a period of up to 60 months from the date the Partnership commenced operations, and (y) reserves may be taken that are inconsistent with GAAP), this Memorandum and the Partnership Agreement.

Following the initial acquisition by the Partnership of any one or more Properties, Net Asset Value determinations will thereafter require valuations of the Properties, in accordance with the terms set forth below and in the Partnership Agreement.

PROPERTY VALUATION

Periodicity of and Parties Responsible for Property Valuation. Except as set forth below, Properties will be valued on each Valuation Date. Property valuations for each Valuation Date at the end of each fiscal quarter (including fiscal year end dates) ("**Quarterly Valuation Dates**") will be determined based on an appraisal ("**Appraisal**") conducted by an independent valuation agent ("**Valuation Agent**"). On each Valuation Date other than a Quarterly Valuation Date, Property valuations will be made by the Investment Manager with or without third party input, as determined by the Investment Manager in its discretion ("**Interim Valuations**"). In the event that the Investment Manager's proposed Interim Valuation of any Property is in excess of 10% above or below the value attributed to such Property under the most recent Appraisal, then such Interim Valuation must be validated by a third-party Valuation Agent.

Property Valuation Policies. Properties held by the Partnership are valued at their fair market values. In determining the fair market value of a Property, the Partnership will use the valuation methodology which the Partnership and its agents, including the Investment Manager, believe to be most accurate, as further described below. As a general matter, the Partnership expects that the fair market value of a Property, during the initial period of its development, will be approximately equal to the cost of acquiring and developing such Property, until such time as the Property achieves various milestones during its development. Valuations for more mature Properties are expected to be based on the sales comparison approach or the income approach, as described below.

The Partnership expects to use the income approach as the primary methodology to value completed properties, pursuant to which a property's value is calculated by discounting the estimated cash flows and the anticipated terminal value of the subject property by an assumed new buyer's normalized weighted average cost of capital for the subject property. Consistent with industry practices, the income approach also incorporates subjective judgments regarding comparable rental and operating expense data, capitalization or discount rate, and projections of future rent and expenses based on appropriate evidence as well as the residual value of the asset as components in determining value. In reaching a valuation, the income approach

assesses property-level information, including (i) historical and projected operating revenues and expenses of the property or comparable properties; (ii) lease agreements on the property; (iii) the revenues and expenses of the property; (iv) information regarding recent or planned capital expenditures; and (v) any other information relevant to valuing the real estate property, as well as a review of market and other events affecting the property.

The Partnership may also pursue other valuation methodologies, such as the sales comparison approach, among others, as deemed appropriate by the Investment Manager. Under the sales comparison approach, the appraiser/evaluator develops an estimate of the value of a property by comparing the subject property to similar, recently sold properties in the surrounding area or a comparable area.

Risks Associated With Property Valuations. Real estate property valuations involve significant professional judgment in the application of both observable and unobservable attributes, and, as a result, the calculated valuation of Properties may differ from such Properties' actual realizable value or future appraised value. In performing its analyses, the Investment Manager will make various assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond its control, as well as certain factual matters. In addition, valuations may be based upon certain market, economic, financial and other circumstances and conditions existing prior to the valuation, and any material change in such circumstances and conditions may affect such valuation. Accurate valuations are often more difficult to obtain in times of market stress or low transaction volume, because there are fewer market transactions that can be considered in the context of the valuation, and such valuations may not accurately reflect transaction costs associated with property dispositions. As such, the carrying values of Properties held by the Partnership may not reflect the price at which such Properties could be sold in the market, and the difference between such carrying values and the ultimate sales prices could be material.

V. PLACEMENT AGENT FEES AND ALLOCATION POLICIES

PLACEMENT AGENT AND BROKER-DEALER FEES

The General Partner and/or the Investment Manager may sell Units through broker-dealers, placement agents and other persons and pay such persons fees or commissions in connection with such activities, as set forth below. The General Partner and the Partnership's duly appointed agents (including any dealer manager, transfer agent and the Investment Manager) may deduct any Selling Fees (as defined below) from the gross subscription amount paid by a Limited Partner for Units, including placement agent fees, broker-dealer fees and/or commissions paid to such a broker-dealer, placement agent or other person with respect to a Limited Partner introduced to the Partnership. Any Selling Fees will thereby reduce the number of Units purchased by a Limited Partner and the amount actually invested by such Limited Partner in the Partnership. The arrangement with any such broker-dealer, placement agent or other person which has introduced a Limited Partner to the Partnership will be disclosed to, and acknowledged by, such Limited Partner.

The Selling Fees that may be assessed in connection with the placement of a Class of Units through a placement agent or broker-dealer include a sales commission ("**Sales Commission**") and other transaction fees, including marketing and due diligence fees, wholesaler fees, dealer manager fees (if applicable) and other charges (collectively, "**Other Selling Fees**" and, together with the Sales Commission, "**Selling Fees**"). Sales Commissions in an amount of up to 6% of the transaction price paid in respect of a subscription for Class A Units or Class Y Units, and up to 2% of the transaction price paid in respect of a subscription for Class I Units, will be paid to the relevant selling broker-dealer (or if a dealer manager has been appointed, to such dealer manager and then reallowed to the relevant selling broker-dealer). Other Selling Fees in an amount up to 3% of the transaction price paid in respect of a subscription for Units will be paid to selling broker-dealers (or if a dealer manager has been appointed, to such dealer manager and then reallowed to the selling-broker dealers and other third-party selling agents) as compensation for services provided in connection with the offering of Units. Selling Fees relating to the Class Y Units may be assessed at the level of the ETPCAP Irish Feeder.

Neither the Partnership, the General Partner, the Principal nor their respective affiliates shall bear any liability with respect to any such Selling Fees or other fees and commissions paid to any placement agent, broker, dealer or other third-party firm; provided, however, that the General Partner and/or the Investment Manager may, in their sole discretion, sell Units through broker-dealers and pay a marketing fee or commission in connection with such activities, including ongoing payments, at the General Partner's and/or the Investment Manager's own expense.

ALLOCATION OF INVESTMENT OPPORTUNITIES

The Investment Manager may, at times, determine that certain investment opportunities would be suitable for acquisition by the Partnership and by other accounts managed by the Investment Manager, including Affiliated Funds, the Investment Manager's own accounts or accounts of an affiliate. If that occurs, and the Investment Manager is not able to procure the desired aggregate amount of such investment opportunities for the benefit of the Partnership and such other accounts on terms and conditions which the Investment Manager deems advisable, the Investment Manager will endeavor to allocate in good faith the limited amount of such investment opportunities among the various accounts for which the Investment Manager considers such opportunities to be suitable. The Investment Manager may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the opportunity presented, diversification considerations, and the extent to which such opportunity is consistent with the investment policies and strategies of the various accounts involved.

VI. RISK FACTORS AND CONFLICTS OF INTEREST

Investing in the Partnership involves significant risks not associated with other investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity. There can be no assurances or guarantees that: (i) the Partnership's investment strategy will prove successful, or (ii) investors will not lose all or a portion of their investment in the Partnership.

References in this section to investments by the Partnership shall include Participant Holdings and the Master Fund, as appropriate, as the Partnership will invest substantially all of its assets in Participant Holdings and the Master Fund, and investments will be made at the Master Fund level (or through entities controlled by the Master Fund).

You should consider the Partnership as a supplement to an overall investment program and should only invest if you are willing to undertake the risks involved. In addition, investors who are subject to income tax should be aware that an investment in the Partnership is likely (if the Partnership is successful) to create taxable income or tax liabilities in excess of cash distributions to pay such liabilities. You should therefore bear in mind the risk factors and conflicts of interest that follow before purchasing Units.

PARTNERSHIP RISKS

Dependence Upon the General Partner, the Investment Manager and the Principal. The Partnership's success will depend on the management of the General Partner and the Investment Manager. If the Principal should cease to participate in the Partnership's business, the Partnership's ability to select attractive Investments and manage its portfolio could be severely impaired.

As a Limited Partner, you should be aware that you will have no right to participate in the management of the Partnership, and you will have no opportunity to select or evaluate any of the Partnership's Investments or strategies. Accordingly, you should not invest in the Partnership unless you are willing to entrust all aspects of the management of the Partnership and its Investments to the discretion of the General Partner and the Investment Manager.

Limited or No Operating History. Although the Principal and certain of his respective affiliates have been operating in the real estate industry for a number of years (including through participation in various real estate projects), each of the Partnership, the Master Fund, the Investment Manager, the General Partner and the Master GP is a recently-formed entity and does not have an operating history upon which prospective investors may evaluate the Partnership's future performance. Any prior performance of the Principal, or any Investment Manager Affiliates is not indicative of the results that may be achieved for the Partnership.

Limited Liquidity of Units. An investment in the Partnership involves substantial restrictions on liquidity. The Partnership's Units are not freely transferable, there is no market for the Units in the Partnership, and no market is expected to develop. Additionally, transfers are subject to the consent of the General Partner, which consent may be granted or withheld in the General Partner's sole discretion. Consequently, Limited Partners will be unable to liquidate their Units except by redeeming from the Partnership in accordance with the Partnership Agreement. The Partnership provides that an investment by Limited Partners in Units will be subject to a Lock-Up Period of 48 months, during which time such Units may not be redeemed. As a result, Limited Partners may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although a Limited Partner may attempt to increase its liquidity by borrowing from a bank or other institution, Units may not readily be accepted as collateral for a loan. In addition, the transfer of Units as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

The Partnership's assets will be invested in real estate investments which are restricted as to their transferability and liquidity. Such restrictions may impede the Partnership's ability to liquidate these positions in order to satisfy redemption requests.

Lack of Registration. The Units have neither been registered under the U.S. Securities Act of

1933, as amended ("**Securities Act**"), nor under the securities laws of any state and, therefore, are subject to transfer restrictions. In connection with your purchase of a Unit, you must represent that you are purchasing the Unit for investment purposes only and not with a view toward resale or distribution. Neither the Partnership nor the General Partner has any plans or has assumed any obligation to register the Units. Accordingly, the Units may not be transferred without documentation acceptable to the General Partner, which may include an opinion of counsel to the Partnership that the transfer will not involve a violation of the registration requirements of the Securities Act. These restrictions on transfer are in addition to those found in the Partnership Agreement. Ordinarily, this means that transfers will be restricted to instances of death, gift or passage by operation of law.

Master-Feeder Structure; Concentration of Investors. The Partnership will invest all of its assets through the Master Fund. From time to time, other persons or entities also may invest in the Master Fund. The "master-feeder" fund structure presents certain risks to investors in the Partnership. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund makes a withdrawal from the Master Fund, the remaining feeder funds may experience higher *pro rata* operating expenses, thereby producing lower returns. The Master Fund will be a single entity and creditors of the Master Fund may enforce claims against all assets of the Master Fund.

Impact of Side Letters. The Partnership, the General Partner and/or the Investment Manager, without any further act, approval or vote of any Partner, may enter into Side Letters with one or more Limited Partners (including, without limitation, those affiliated with the General Partner and/or the Investment Manager) which have the effect of establishing rights under, or altering, or waiving, or supplementing, the terms of the Partnership Agreement (including, without limitation, with respect to redemptions and the Lock-Up Period, the Management Fee, the Special Fees, the Preferred Return, the Performance Allocation, access to information and minimum investment amounts). Any rights established, or any terms of the Partnership Agreement altered, waived or supplemented, in a Side Letter with a Limited Partner will govern with respect to such Limited Partner, notwithstanding any other provision of the Partnership Agreement. None of the Partnership, the General Partner or the Investment Manager will be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the General Partner or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners. In addition, the Investment Manager may face potential conflicts of interest if it manages the assets of the Partnership in accordance with certain specific risk parameters in order to preserve the investments of such Limited Partners. Finally, the other Limited Partners will have no recourse against the Partnership, the General Partner, the Investment Manager and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters.

Operating Deficits. The expenses of operating the Partnership (including the Management Fee and the Special Fees) may exceed its income, thereby requiring that the difference be paid out of the Partnership's capital, reducing the Partnership's Investments and potential for profitability.

Timing of Distributions. Although the Partnership aims to make quarterly cash distributions to the Distributing Classes at a rate of 7% on an annualized basis based on the Net Asset Value of the relevant Class of Units, there is no guarantee that such periodic distributions of income will be made. Additionally, subject to the terms hereof and the Partnership Agreement, cash that might otherwise have been distributable may be reinvested into other Investments or reduced by payment of Partnership obligations, payment of Partnership expenses (including fees payable and expense reimbursements to the General Partner and/or the Investment Manager) and establishment of appropriate reserves.

Broad Discretionary Power to Choose Investments and Strategies. The Investment Management Agreement gives the Investment Manager broad discretionary power to decide what Investments the Partnership will make and what strategies it will use. While the Investment Manager currently intends to use the strategies described in the "INVESTMENT PROGRAM," they are not obligated to do so, and they may choose any other investment

strategies that they believe are advisable.

Investment Expenses. The investment expenses associated with the Partnership's contemplated investment program, as well as other Partnership fees, may, in the aggregate, constitute a high percentage relative to other investment entities. Investment costs associated with investments in the real estate industry may be particularly high, since each separate transaction is likely to require individual and negotiated transaction documentation. Additionally, real property investments often require costly due diligence investigations (legal, environmental and other) prior to making the related investment. The Partnership may also incur significant interest expense in connection with any financing that it arranges in connection with the acquisition of any property. The Partnership will bear these costs regardless of its profitability.

Placement Agent and Broker-Dealer Fees. The amount of any Selling Fees, including any Sales Commissions or Other Selling Fees, will reduce the number of Units purchased by a Limited Partner and the amount actually invested in the Partnership by any such Limited Partner whose investment required payment to a placement agent or broker-dealer. All of the terms relating to allocations and distributions to a Limited Partner will be calculated based on the Net Asset Value of the Units of the Partnership held by a Limited Partner, and so the use of a placement agent and/or broker-dealer may result in a lower level of investment and returns than anticipated by a Limited Partner.

Limitation of Liability and Indemnification of the General Partner, the Investment Manager and Affiliates. The Partnership Agreement provides that none of the General Partner, the Investment Manager, the Principals or any of the Investment Manager Affiliates will be liable to the Partnership (including the Master Fund) or the Limited Partners for any action or inaction in connection with the business and affairs of the Partnership unless such action or inaction is determined by a final, non-appealable decision of a court of competent jurisdiction to constitute gross negligence or willful misconduct. The Partnership (but not the Limited Partners individually) is obligated to indemnify the General Partner, the Investment Manager, the Principals and the Investment Manager Affiliates (which, for purposes of this indemnity, will include fund counsel (except for legal malpractice)) from and against any and all claims, liabilities, obligations, judgments, suits, proceedings, actions, demands, losses, costs, expenses (including attorneys' fees and other expenses of litigation), damages, penalties or interest, as a result of any claim or legal proceeding (made or threatened) related to any action or inaction by any of them in connection with the business and affairs of the Partnership (including the settlement or appeal of any such claim or legal proceeding); provided that such indemnity will not extend to conduct determined by a final, non-appealable decision of a court of competent jurisdiction to constitute gross negligence or willful misconduct. The Investment Management Agreement also provides similar protections to the Investment Manager. Therefore, a Limited Partner may have a more limited right of action against the General Partner, the Investment Manager, the Principals and the Investment Manager Affiliates than a Limited Partner would have had absent these provisions in the Partnership Agreement and the Investment Management Agreement**. It is the policy of the SEC that indemnification for violations of securities laws is against public policy and therefore unenforceable.**

Liability of a Limited Partner for the Return of Capital Contributions. If the Partnership should become insolvent, Limited Partner may be obligated to return all or a portion of any distributions (including Distributions and redemption proceeds) received from the Partnership in an amount up to its aggregate capital contributions (including any income or gains thereon) to the Partnership in order to pay such Limited Partner's *pro rata* share of any Partnership liabilities that arose while such Limited Partner held Units.

Diverse Limited Partner Group. The Limited Partners are expected to include taxable and tax exempt entities and may include persons or entities organized in various jurisdictions. As a result, decisions made by the General Partner may be more beneficial for one type of Limited Partner than for another type of Limited Partner. In selecting investments, the General Partner may consider the investment objectives of the Partnership as a whole, not the investment objectives of any Limited Partner individually.

Lack of Insurance. The assets of the Partnership are not insured by any government or

private insurer, except to the extent limited portions of its portfolio may be deposited in bank accounts insured by the United States Federal Deposit Insurance Corporation and such deposits are subject to such insurance coverage (which, in any event, may be limited in amount). Therefore, in the event of the insolvency of a depository, the Partnership may be unable to recover all of its funds. In addition to the foregoing, the Partnership may maintain balances in financial institutions in excess of the federally insured limit and may invest cash balances in temporary vehicles that are not insured.

Tax Risks Arising from the Partnership's Structure. The Partnership invests substantially all of its assets in the debt and equity securities of Participant Holdings, which in turn invests in the Master Fund and, through the Master Fund, the underlying Partnership investments. In the event the Partnership is required to sell any of its holdings in Participant Holdings in order to satisfy periodic redemption requests, such sale may generate tax liabilities which are ultimately borne by the Partnership. The Partnership Agreement provides that the General Partner may allocate such tax liabilities to the redeeming Units to which such tax liabilities relate. As a result, the Net Asset Value of the Units of a redeeming Limited Partner may be reduced due to such tax allocations.

Other Tax Risks. Tax consequences to Limited Partners from an investment in the Partnership are complex. Prospective investors are strongly urged to review the discussion below under "TAXATION" and to consult their own professional advisors in this regard.

Forward-Looking Statements; Opinions. Statements contained in this Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Partnership. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this Memorandum constitutes "forward-looking" statements, which can be identified by the use of forward-looking terminology, such as "may", "will", "seek", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

Projections. Projected cash flows and values of an asset in which the Partnership invests normally will be based primarily on financial projections. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

INVESTMENT RISKS

General Risks Associated with the Real Estate Industry. Investments in real estate assets are subject to varying degrees of risk with respect to the underlying real estate, real estate development projects and related cash flow. All real estate investments may be subject to, among others, the following risks: (i) possible declines in the value of real estate; (ii) risks related to general and/or local economic conditions; (iii) possible lack of availability of funds; (iv) overbuilding; (v) extended vacancies of properties; (vi) increases in competition, property taxes and operating expenses; (vii) changes in environmental and/or zoning laws; (viii) costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems and/or problems arising out of the presence of certain construction materials; (ix) casualty or condemnation losses; (x) inadequate insurance coverage, or the failure of an insurer to pay on a claim or the insolvency of an insurer; (xi) risks from floods, hurricanes, earthquakes or other natural disasters, including uninsured damages and re-designation of previously designated "non-flood" areas; (xii) risks of future terrorist attacks; (xiii) limitations on and variations in leases/rents; (xiv) changes in interest rates; (xv) changes in construction costs; (xvi) changes in energy prices.

There can be no assurance of profitable operations because the cost of owning the

Partnership's properties may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. The Partnership's investments may also be adversely affected if the property managers employed by the Partnership perform inadequately or are not adequately supervised by the Partnership. Further, inflation may also directly affect the Partnership's investments by raising operating costs and, if rents at a particular project are fixed, reducing the returns on the Partnership's investments.

Real Estate Development. The Partnership's investment program contemplates that it may invest in real estate development projects. Real estate development is a highly competitive business involving significant risks. These include the risks normally associated with changes in general or local market conditions (which can result from political, regulatory, economic or other factors), competition for purchasers and tenants and the cyclical nature of property markets. In particular, because of the long lead time between the inception of a project and its completion, a well-conceived project may, as a result of changes in real estate market, economic and other conditions prior to its completion, become an economically unattractive investment. In addition, real estate development involves the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications or other factors. Any delay in completing a project may result in increased interest and construction costs, the potential loss of purchasers or tenants and the possibility of defaults under financings. There is also the risk that inadequate oversight over local contractors, architects or engineers may result in poor quality construction or the diversion of funds intended for construction, and the quality of construction generally may not be commensurate with appropriate standards.

Real estate development projects may require the approval of certain governmental authorities and may, in some cases, require consents of third parties. There can be no assurance that any such approvals and consents will be obtained on a timely basis, if at all. The need to obtain such approvals and consents and otherwise to comply with regulatory requirements may cause significant delays in the development process, exacerbating the risk that changes in the local market will render a project economically unattractive. In addition, regulatory enactments, including various permitting or licensing requirements, or changes in their interpretation by the competent authorities, may limit the ability of the Partnership to develop, manage or dispose of its properties in the manner that would be most advantageous to the Partnership. The Partnership may fail to comply with all applicable regulations, which could result in the impositions of fines by governmental authorities or awards of damages to private litigants, or may incur significant costs in complying with such regulations. Further, there can be no assurance that existing requirements will not change or compliance with future requirements will not require significant unanticipated expenditures that will affect the Partnership's results of operations.

Reliance on Joint Venture Partners; Joint Venture Risks. The Partnership may form joint ventures with local property owners, developers, designers, real estate professionals, other real estate funds or other financial entities and strategic partners, or other persons providing funding, deal flow or services in connection with the Partnership's Investments. Relationships with JV Partners may involve special risks associated with the possibility that a JV Partner may: (i) have economic or business interests or goals that are inconsistent with those of the Partnership, (ii) take actions contrary to the instructions or requests of the Partnership or contrary to the Partnership's policies or objectives, (iii) be unable or unwilling to fulfill its obligations under the joint venture's organizational/governing documents, and/or (iv) experience financial difficulties. The occurrence of such problems could have a material adverse effect on the business and prospects of the Partnership and may affect joint venture management decisions and exit strategies in a manner adverse to the Partnership's interests. In addition, although the Partnership may seek to obtain the right to control or exercise material influence on all material business decisions affecting such joint ventures, there can be no assurance that the Partnership is likely to succeed in obtaining such rights. Consequently, the Partnership may be unable to control the timing or occurrence of the disposition or leasing/renting of a property. The Partnership's ability to seek redress against a JV Partner that acts in a manner contrary to the interests of the Partnership may be limited by the

absence or ineffectiveness of laws regarding fiduciary responsibilities and the protection of investors.

Subordination Risk in the DEVCOs. The Partnership's investment in the DEVCO Preferred Shares will be subordinate to and rank below the interests in such DEVCO held by other obligors, including junior, mezzanine and senior lenders and other debt holders. Subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. As a result, the rights of Limited Partners in such development project, including the right to receive the Allocated Units, may be impaired by such holders of senior rights.

In particular, Limited Partners should note that any right or claim of the Partnership in the Allocated Units will be an unsecured equity interest, and therefore will be subordinate to the rights of any Senior Equity holders in and all creditors to the DEVCO. The exchange of DEVCO Preferred Shares for the Allocated Units will therefore be subject to repayment of principal to such Senior Equity holders and lenders of the DEVCO. Lenders are generally expected to secure the amount of their loan against the underlying assets of the DEVCO, and so will have senior rights in the DEVCO's Properties as a secured creditor. In the event such lenders do not secure their interests, they will nonetheless retain an interest in the Properties as a general unsecured creditor that is senior to the Partnership's equity interest. As a result, lenders to the DEVCO, including any holders of senior, junior or mezzanine debt, will have a prior right to satisfaction on repayment of their principal before the Partnership and other holders of DEVCO equity may realize a return on their investment in such Properties (whether via acquisition of the Allocated Units, payment of cash proceeds or otherwise). In the event there is insufficient cash to satisfy lenders to the DEVCO, such lenders will have prior claim to the Properties of the DEVCO, which may impair the rights of the equity holders in the DEVCO, including the Partnership, as a holder of the DEVCO Preferred Shares. In order to generate cash sufficient to repay the lenders, the DEVCO may therefore take a number of actions which may impair the value of the DEVCO Preferred Shares and other DEVCO equity, including by (x) issuing Senior Equity to additional equity investors (thereby subordinating the Partnership's interest in DEVCO Preferred Shares), and (y) selling certain Properties of the DEVCO and reallocating the Allocated Units. In such scenarios, the value of the Partnership's Allocated Units may be reduced, resulting in a lower return on the Partnership's investment in the DEVCO. Such issuance of Senior Equity and/or reallocation of Allocated Units may be made by the DEVCO and its managers together with the lenders, and may be agreed by the Investment Manager, in its sole discretion, on behalf of the Partnership. In addition, in the event the Partnership has agreed to act as a guarantor in respect of a DEVCO, it may be required to make cash payments in order to settle the debts owed by the DEVCO to its lenders. The Partnership Agreement provides that the General Partner (and the Investment Manager as its delegate) will have the authority to negotiate on behalf of the Partnership with a DEVCO, its lenders and any other interested party in the DEVCO, in respect of any DEVCO property in which the Partnership may have an interest, including by reallocating the Allocated Units and/or acting as a guarantor in respect of the DEVCO.

In the event the Partnership does not acquire its Allocated Units, the Partnership will retain a general equity right in the DEVCO, pursuant to which it may receive cash distributions from the DEVCO of proceeds from the realization of return on the Properties (alongside other equity holders), provided, however, that such right will have the character of common equity and so will be *pari-passu* with rights of other junior equity holders in the DEVCO. As a result, in the event the Partnership does not acquire the Vacation Properties or Residential Properties developed by the DEVCO in exchange for its DEVCO Preferred Shares, the Partnership will be exposed to the market risk on the value of all of the DEVCO's Properties as a whole (as opposed to its Allocated Units), and its rejection of the Allocated Units may result in an increase in the number of DEVCO units for sale on the market at a given point in time, resulting in decreased returns and loss of capital.

Borrowing by the Partnership; Use of Leverage. When deemed appropriate by the Investment Manager and subject to applicable regulations, the Partnership may incur leverage in its portfolio by borrowing money from banks or other institutions, obtain leveraged financing through any DEVCO in which the Partnership invests, enter into secured lending arrangements related to any Properties held by the Partnership, or enter other similar arrangements to

provide funding. The use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. The Partnership may be required to provide collateral to the entity from which it borrows by registering or pledging the interests or assets of the Partnership in the names of such entities or their nominees. This exposes the Partnership to the risk of loss of such assets. The Partnership's failure or inability to reacquire such assets from the banks in whose name the assets are registered in support of financing could entangle the Partnership in protracted litigation and, potentially, result in the complete loss of such assets. While the Partnership may elect to borrow money only from banks or other institutions the Investment Manager believes to be creditworthy, there can be no absolute certainty that such institutions will return such assets to the Partnership upon the repayment of loans.

Leveraged Companies Risk. The Partnership will invest in the preferred equity securities of development companies which may be highly leveraged. Investment in leveraged companies involves a number of significant risks. Leveraged companies may have limited financial resources and may be unable to meet their debt obligations, and a relatively high debt-to-equity ratio may create increased risks that the DEVCO's operations might not generate sufficient cash flow to service all of its debt obligations. Such developments may be accompanied by a deterioration in the value of any Properties or the underlying real estate under development by the DEVCO and a reduction in the likelihood of the Partnership's receiving its Allocated Units.

Inability to Sell Properties in a Timely Manner; Reduced Income From Investments. Real estate investments are illiquid, and the Partnership may not be able to sell its properties as planned or in response to changes in economic or other conditions. In addition, significant expenditures associated with each property, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investment. If income from a property declines while the related expenses do not decline, the Partnership's income and cash available for distribution to Limited Partners would be adversely affected. Many or all of the properties within the Partnership's portfolio may be mortgaged to secure payment of indebtedness, and if the Partnership were unable to meet its mortgage payments, lenders could foreclose on their mortgages, resulting in a loss of the Partnership's property and investment. The foreclosure of a mortgage on a property or inability to sell a property would adversely affect the level of cash available for distribution to Limited Partners.

Bankruptcy of Tenants May Decrease the Partnership's Revenues and Available Cash. Tenants of the Partnership's rental properties may declare bankruptcy or become insolvent. If a tenant files for bankruptcy, the Partnership may not be able to evict the tenant solely because of such bankruptcy. Instead, a court may authorize the tenant to reject and terminate its lease with the Partnership. In such a case, the Partnership's claim against the tenant for unpaid future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease and it is unlikely that a bankrupt tenant would pay in full amounts it owes to the Partnership under a lease. The bankruptcy of tenants could result in a lower level of net income and funds available for the payment of the Partnership's indebtedness, leading to mortgage defaults and related loss of one or more investment properties, which could materially adversely affect the Partnership's financial condition and results of operations as well as the amount of cash available for distribution to Limited Partners.

Competition. The real estate industry and the varied strategies and techniques to be engaged in by the Investment Manager are extremely competitive, and each involves a degree of risk. The Partnership will compete with firms, including many of the larger real estate investment firms, which may have substantially greater financial resources and research staffs. There are numerous real estate companies and other owners of real estate that the Partnership competes with in seeking real estate investments.

Market Volatility. The profitability of the Partnership substantially depends upon the Investment Manager correctly assessing the present and future values of various real estate assets, as well as the movements of interest rates and their impact on the real estate industry. The Partnership cannot guarantee that the Investment Manager will be successful in

accurately predicting such values and interest rate movements. In addition, the real estate market can be relatively illiquid at times, which may limit the ability of the Partnership to sell of an asset.

Partnership's Investment Activities. The Partnership's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Investment Manager. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism or war). The financial and real estate markets may be volatile, which may adversely affect the ability of the Partnership to realize profits. Additionally, specific investments under the Investment Manager's investment strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Partnership to reinvestment risk. As a result of the nature of the Partnership's investing activities, it is possible that the Partnership's financial performance may fluctuate substantially over time and from period to period.

Partnership's Business Could Be Hurt by Economic Downturns. The Partnership's business is affected by a number of economic factors, including the level of economic activity in the markets in which it operates. A decline in economic activity in the United States or internationally could materially affect the Partnership's financial condition and results of operations. The real estate industry is influenced by factors such as interest rates, inflation, employment rates and other macroeconomic factors over which the Partnership has no control. Any decline in economic activity as a result of these factors typically results in a decrease in the profitability of transactions in which the Partnership intends to participate.

Concentration of Investments; Lack of Diversification. While the Investment Manager generally intends to invest in a diversified portfolio of real estate Investments, the Partnership may concentrate its assets in particular Properties or other Investments. The concentration of the Partnership's portfolio in any manner would subject the Partnership to a greater degree of risk with respect to the failure of just one or a few Investments, or with respect to economic downturns in relation to an individual sector or industry. Because the Partnership may participate in a limited number of Investments, the aggregate Partnership returns may be adversely affected by the unfavorable performance of even a single Investment. In addition, the diversification of the Partnership's Investments could be even further limited to the extent the Partnership invests a significant portion of its capital in a transaction and is unsuccessful in selling of that Investment.

Lack of Suitable Investments. Although affiliates of the Investment Manager have, on an ongoing basis, identified certain real estate investment opportunities over many years, there can no assurance that the Investment Manager and its affiliates will be able to continue to identify enough suitable Investments upon satisfactory terms. There also can be no assurance that the Partnership will be able to identify and complete Investments that meet its investment objectives. A lack of quality opportunities coming to market or a highly competitive buyer's market may result in the inability to deploy the Partnership's assets. Additionally, Limited Partners will not have the opportunity to evaluate prospective Investments of the Partnership. The Investment Manager's selection of Investments will not be subject to the approval of the Limited Partners and will not entitle Limited Partners to redeem their Units from the Partnership.

Inability to Implement Investment Strategy. The Partnership's success is dependent upon a number of factors, including its ability to identify acceptable Investments. There can be no assurance that the Investment Manager will be successful in implementing the Partnership's investment strategy. The failure to locate, invest in and exit from Investments in an effective manner could have a material adverse effect on the Partnership and its ability to make cash distributions to Limited Partners and to pay amounts due on the Partnership's debt, if any, or it could result in the loss of a Limited Partner's entire investment.

Investment in Troubled or Distressed Assets. The Partnership's investment program contemplates the possibility that it may invest in "**Distressed Assets**." For the purpose of this paragraph, Distressed Assets shall mean assets and private claims in connection with real estate properties which are experiencing significant financial difficulties. Distressed Assets

may result in significant returns to the Partnership, but also involve a substantial degree of risk. The Partnership may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or other assets with a value less than the Partnership's investment. Among the risks inherent in investments in properties experiencing significant financial difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such properties. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility. The level of analytical sophistication, both financial and legal, necessary for successful purchasing of properties experiencing significant business and financial difficulties is unusually high. There is no assurance that the Partnership will correctly evaluate the value of the assets or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an Investment that the Partnership acquires, the Partnership may lose all or part of the amounts advanced to the seller. Investing in Distressed Assets sometimes gives rise to litigation. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Risk of Investing in Emerging Markets. While it is currently expected that many of the Investments will initially be located in Florida, Investments may be made outside of Florida in other U.S. states, as well as outside the United States, including in emerging markets. Investments in emerging markets are subject to a greater risk of loss than investments in more developed markets. This is due to, among other things, the potential for greater market volatility, less liquidity in the market, inflation, political and economic instability, greater legal and operational risk, and more governmental limitations on foreign investments than typically found in more developed markets. In addition, emerging markets often have less uniformity in accounting and reporting requirements, legal uncertainty as to the enforcement of contractual obligations, unreliable valuation and greater risk of capital controls through such measures as taxes or interest rate control. Certain emerging market countries may also lack the infrastructure necessary to attract large amounts of foreign trade and investment.

In addition, such investments in non-U.S. countries may be subject to the following risks:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or sale of assets may materially adversely affect the value of investments.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Non-U.S. assets often are valued in currencies other than the U.S. dollar, and the Partnership may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the dollar value of income from the Partnership's investments, as well as gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the performance of the Partnership's non-U.S. Investments to decline.

Environmental Hazards. Under environmental laws enacted by federal and state governments, owners of property may be liable for the clean-up and removal of hazardous substances even where the present owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. If any property acquired by the Partnership is found to have an environmental problem, the Partnership could incur substantial costs and suffer a complete loss of its investment in such property as well as other Partnership assets.

State and Local Regulation. The Partnership will be subject to the separate regulations pertaining to specific property types in each particular state, county or municipality. The Partnership may fail to comply with all of such regulations, which could result in the impositions of fines by governmental authorities or awards of damages to private litigants, or may incur

significant costs in complying with such regulations. Further, there can be no assurance that existing requirements will not change or compliance with future requirements will not require significant unanticipated expenditures that will affect the Partnership's cash flow and results of operations.

Increase in Real Estate-Related Taxes. Some local real property tax assessors reassess properties as a result of the acquisition of such property. From time to time, property taxes also increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. The Partnership may not be able to pass through such tax increases to tenants and lessees. Increases not passed through to tenants or lessees may adversely affect the Partnership's net income and cash available for distribution.

Certain Litigation Risks. The activities of the Investment Manager may subject the Partnership, the General Partner, the Investment Manager and their respective affiliates to the risk of being sued by third parties. As discussed herein, the Partnership, the General Partner, the Investment Manager and/or their respective affiliates may engage in certain activities relating to Partnership investments. Absent gross negligence or willful misconduct by the Investment Manager or other covered persons, the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Partnership and would reduce the Partnership's net assets and/or could require investors to return to the Partnership previously distributed amounts, including redemption proceeds and Distributions.

Fraud. Of concern in investing in real estate assets is the possibility of material misrepresentation or omission on the part of a seller or third-party service provider. Such inaccuracy or incompleteness may adversely affect the valuation of the asset. The Partnership relies to some extent upon the accuracy and completeness of representations made by sellers and third-party service providers (as applicable), but cannot guarantee that such representations are accurate or complete.

Potential Liabilities Upon Disposition. In connection with the disposition of an Investment, the Partnership may be required to make representations about the business and financial affairs of such Investment. It may also be required to indemnify the purchasers of such Investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities of the Partnership.

Recourse to Partnership Assets. Although the Partnership intends to hold each real estate asset in a separate holding entity, all of the Partnership's assets, including any individual Investments and funds held by the Partnership, are generally available to satisfy all liabilities and other obligations of the Partnership. If the Partnership becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Partnership's other assets generally, and not be limited to any particular asset.

Uninsured Losses. The Partnership will attempt to maintain insurance coverage against liability to third parties and for property damage, as is customary for similarly situated businesses. There can be no assurance, however, that such insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as terrorist acts, earthquakes or floods, may be: unavailable, too costly relative to the benefit (as determined by the Investment Manager), or available in amounts that may be less than the full market value or the full replacement cost of the Partnership's properties, and/or subject to a large deductible. In addition, there can be no assurance that certain risks, which are currently insurable, will continue to be insurable on an ongoing basis. Because the Partnership is a pooled investment vehicle, all Partnership assets may be at risk in the event of an uninsured liability to third parties. The lack of available insurance, limitations on certain coverages, and the pricing of certain coverages (as has been the case, at times, in the recent market as to terrorist acts, mold, and earthquake coverage) may adversely impact the Partnership's ability to finance its Investments and more generally on the value of the Partnership's Investments.

General Regulatory Risks. Statutes, regulations and policies are continually under review by the U.S. Congress and state legislatures and federal and state regulatory agencies. The introduction of new legislation or amendments to existing legislation and regulations (including changes in how they are interpreted or implemented) by governments, the decisions of courts and tribunals and the rulings and decisions of regulatory authorities, can adversely impact the Partnership's returns. The regulatory environment for private investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of Investments held by the Partnership, the cost of compliance with applicable regulations, and the ability of the Partnership to pursue its trading strategies.

Limited Regulatory Oversight. While the Partnership is a "regulated mutual fund" for the purposes of the Mutual Funds Law and is registered with the Cayman Islands Monetary Authority ("**CIMA**") pursuant to section 4(1)(b) of the Mutual Funds Law, such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Units. The Partnership is not registered as an "investment company" under the Investment Company Act of 1940, as amended. In addition, neither the General Partner nor the Investment Manager is registered as an investment adviser with the SEC under the Advisers Act, or under any analogous state laws. Consequently, Limited Partners will not benefit from some of the protections afforded by these statutes, including SEC oversight. Accordingly, neither the SEC nor any federal or state regulatory authority monitors or oversees the Partnership's investment activities.

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Partnership may engage. Such institutions should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Partnership is appropriate.

State and Local Real Estate Regulation. The Partnership will be subject to the regulations pertaining to specific property types. The Partnership may fail to comply with some or all of such regulations, or may incur significant costs in complying with such regulations.

Americans with Disabilities Act. To the extent applicable, if any of the Partnership's Investments are not in compliance with the Americans with Disabilities Act of 1990, as amended ("**ADA**"), the Partnership may be required to pay for any required improvements. Under the ADA, public accommodations must meet certain federal requirements related to access and use by disabled persons. The ADA requirements could require significant expenditures and could result in the imposition of fines or an award of damages to private litigants. The Partnership cannot assure that ADA violations do not or will not exist at any of the properties.

Tax Risk. The tax aspects of an investment in the Partnership are complicated and each investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. You should review the section entitled "TAXATION" for a more complete discussion of certain of the tax risks inherent in the acquisition of Units.

Implications of Tax on Redemption Proceeds. Determinations of Net Asset Value require the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the relevant Valuation Date, and the reported amounts of revenues and expenses during the relevant period. Significant estimates used in preparing these Net Asset Value determinations include those used in determining the fair value of real estate investments and deferred income taxes. Actual results could differ from those estimates. For example, the Net Asset Value of the Partnership may at times reflect deferred tax liabilities based on estimates that may turn out to be too high. Limited Partners who redeem their Units during such a period may receive lower redemption proceeds due to a lower Net Asset Value as of the relevant Redemption Date. Conversely, if the Partnership determines to accrue deferred tax assets that subsequently turn out to be too low, or insufficient deferred tax liabilities, redeeming Limited Partners may receive a higher amount of redemption proceeds than that they would have received if the Partnership's

ultimate tax assets and liabilities were known with greater precision at the time of redemption.

CONFLICTS OF INTEREST

No Obligation of Full-Time Service. None of the General Partner, the Investment Manager, the Principal or any of the Investment Manager Affiliates is required to manage the Partnership as its sole and exclusive function. Except as expressly prohibited in the Partnership Agreement, each of the General Partner, the Investment Manager, the Principal and the Investment Manager Affiliates may engage in other business activities, including competing ventures and/or other unrelated employment, and is only required to devote such time to the Partnership as the General Partner and the Investment Manager deem necessary to accomplish the purposes of the Partnership. As a result of the foregoing, conflicts of interests may arise, including in allocating management time, services and functions between the Partnership and such other activities.

Services to Affiliated Funds; Allocation of Investment Opportunities. Except as expressly prohibited in the Partnership Agreement, in addition to managing the Partnership and its investments, each of the General Partner, the Investment Manager, the Principal and the Investment Manager Affiliates may provide investment management and other services to other parties and may manage and/or establish Affiliated Funds in the future (both domestic and offshore), including, without limitation, those that may employ an investment program and strategy similar to that of the Partnership. As of the date hereof, the Investment Manager provides investment advisory services to the U.S. Fund, an investment fund with an objective and strategy similar to that of the Partnership in a closed-end structure. Additionally, the Investment Manager Affiliates have provided similar or related services to investment vehicles focused on real estate projects designated in advance, and expect to continue to do so. The Investment Manager and its affiliates may provide investment advisory services in the future to other investment funds with an objective and strategy similar to that of the Partnership.

In addition, the investments made by Affiliated Funds that may be managed by the General Partner, the Investment Manager, the Principal or the Investment Manager Affiliates in the future may compete with investments for the Partnership's account, and the General Partner, the Investment Manager, the Principal or the Investment Manager Affiliates may decide to invest the funds of these Affiliated Funds rather than the assets of the Partnership in a particular investment or strategy. The Investment Manager and/or such other persons will determine the allocation of funds by and among the Partnership and the Affiliated Funds to investment strategies and techniques in good faith and in any manner that it considers to be fair under the circumstances. The records of these Affiliated Funds will not be made available to Limited Partners. Finally, the Investment Manager is not obligated to grant priority to the Partnership with respect to any investment opportunities.

Certain Conflicts Related to the Special Fees. As set forth herein, the Partnership will invest in development entities that will pay the Investment Manager Affiliates Special Fees in connection with various services, including, without limitation, the following: promotion compensation, development fees, branding fees, acquisition fees and disposition fees. Although certain of the Special Fees will initially be set at a fixed percentage, and others may be based on prevailing market rates with respect to similar transactions, when determining the amount of any Special Fee and the terms of the related contract or agreement with the Partnership, each of the Investment Manager Affiliates will be in conflict, and may favor itself to the detriment of the Partnership. As a result, the Special Fees paid to the Investment Manager Affiliates by the Partnership and the other terms of any contract or agreement between the Partnership, on the one hand, and the Investment Manager Affiliates, on the other hand, may be less favorable to the Partnership than the fees paid by the Partnership and the terms that the Partnership could obtain if it contracted with independent third parties to provide similar services. See "SUMMARY OF OFFERING—Affiliated Transaction and Other Fees."

Fee-Sharing Relationship. The General Partner and/or the Investment Manager may enter into fee-sharing arrangements with third-party placement agents who refer investors to the Partnership. Such placement agents may have a conflict of interest in advising prospective investors whether to purchase Units.

Performance Allocation. The existence of the Performance Allocation could be viewed as an incentive for the Investment Manager, an affiliate of the General Partner, to make or recommend riskier or more speculative investments for the Partnership than would be the case in the absence of such incentive compensation.

Personal Investments by the General Partner, the Investment Manager and Affiliates. The General Partner, the Investment Manager, the Principal and their respective affiliates may make investments for their own accounts. In these accounts, any such person may use investment methods that are similar to, or substantially different from, the methods used by them to direct the Partnership's account. The records of these personal accounts will not be made available to Limited Partners.

Joint Venture Compensation. In addition, it is currently contemplated that the Partnership may enter into joint venture arrangements with one or more JV Partner(s). The General Partner may allocate a percentage of the Performance Allocation and/or the Special Fees to such JV Partners.

LP Advisory Committee. The General Partner will form an LP advisory committee comprised of at least three and up to five members, some or all of which may be appointed by the Limited Partners, to resolve issues brought before it by the General Partner, including, but not limited to, any conflicts of interest, as described in "MANAGEMENT AND ADMINISTRATION—Limited Partner Advisory Committee").

Lack of Separate Representation. None of the Partnership Agreement, the Investment Management Agreement or any other agreement, contract or arrangement between the Partnership, on the one hand, and the General Partner or the Investment Manager, on the other hand, was or will be the result of arm's-length negotiations. The attorneys, accountants and others who have performed services for the Partnership in connection with this Offering, and who will perform services for the Partnership in the future, have been and will be selected by the General Partner. No independent counsel has been retained to represent the interests of prospective investors or Limited Partners, and neither the Partnership Agreement nor the Investment Management Agreement has been reviewed by any attorney on their behalf. You are therefore urged to consult your own counsel as to the terms and provisions of the Partnership Agreement and all other related documents, including the Subscription Documents.

The foregoing list of risk factors and conflicts of interest does not purport to be a complete enumeration or explanation of the risks and conflicts of interest involved in an investment in the Partnership. Offerees should read this entire Memorandum and the Partnership Agreement and consult with their own advisors before deciding to purchase Units.

VII. TAXATION

INTRODUCTION

The following is a summary of certain aspects of the taxation of the Partnership and its Partners which should be considered by a potential purchaser of Units in the Partnership. A complete discussion of all tax aspects of an investment in the Partnership is beyond the scope of this Memorandum. The following summary is only intended to identify and discuss certain salient issues.

This summary of certain tax considerations applicable to the Partnership is considered to be a correct interpretation of existing laws and regulations in force on the date of this Memorandum. No assurances can be given that changes in existing laws or regulations or their interpretation will not occur after the date of this Memorandum or that any such future guidance or interpretation will not be applied retroactively.

The following summary is not intended as a substitute for careful tax planning. The tax matters relating to the Partnership are complex and are subject to varying interpretations. Moreover, the effect of existing income tax laws and of proposed changes in income tax laws on Partners will vary with the particular circumstances of each Partner. The U.S. Internal Revenue Code ("Code") has been extensively revised by the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Reform Act"), and portions thereof will require regulatory interpretation and possibly technical corrections by the U.S. Congress. Accordingly, each prospective investor must consult with and rely solely on his or its legal, tax, financial and accounting advisors with respect to the tax results of such investor's investment in the Partnership. In no event will the General Partner, the Investment Manager or their respective officers, directors, employees, affiliates, counsel or other professional advisors be liable to any Limited Partner for any U.S. federal, state, local or other tax consequences of an investment in the Partnership, whether or not such consequences are as described below.

The taxation of the Partnership and its Partners under the tax laws of Cayman Islands and the United States is summarized below. The summary is based on the assumption that the Partnership is owned, managed and operated as contemplated including that the Partnership's sole activities in the United States are limited to investing in the debt and stock of Participant Holdings. The summary considers laws existing as applied at the date of this Confidential Memorandum, but no representation is made or intended by the Partnership (i) that changes in such laws or their application or interpretation will not be made in the future or (ii) that the U.S. Internal Revenue Service ("**IRS**") will agree with the interpretation described below as applied to the method of operation of the Partnership. The summary does not discuss taxation of any country other than the United States and the Cayman Islands, and does not discuss state and/or local taxation within the United States. Persons interested in subscribing for Units should consult with their own tax advisors with respect to the tax consequences, including the income tax consequences, if any, to them of the purchase, holding, redemption, sale or transfer of the Units.

CAYMAN ISLANDS

Certain Cayman Islands Tax Considerations. It is the responsibility of all persons interested in purchasing Units to inform themselves as to any tax consequences from their investing in the Partnership and the Partnership's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Units. Investors should therefore seek their own separate tax advice in relation to their holding of Units, and, accordingly, neither the Partnership nor the General Partner accepts any responsibility for the taxation consequences of any investment into the Partnership by an investor.

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Partnership will be received free of all Cayman Islands taxes. The Partnership is registered as an "exempted limited partnership" pursuant to the Exempted Limited

Partnership Law, 2014 (as amended). The Partnership may apply for an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of twenty years from the date of the undertaking, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Partnership, or to the Partners, in respect of any such property or income.

FATCA. For the purposes of this section, "**FATCA**" means one or more of the following, as the context requires (i) sections 1471 to 1474 of the Code and any associated legislation, regulations or guidance, commonly referred to as the U.S. Foreign Account Tax Compliance Act; (ii) any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and the United States government bodies entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in paragraph (i); and (iii) any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.

FATCA requires certain "Foreign Financial Institutions", including the Partnership, to report on assets held by US Persons. Failure to do so could result in the Foreign Financial Institution being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments which may be subject to withholding under FATCA are discussed below under "—United States—FATCA Withholding and Compliance".

The Cayman Islands Government has entered into a Model 1 intergovernmental agreement with the United States (the "**US IGA**") and implemented domestic regulations (the "**Cayman US FATCA Regulations**") to facilitate compliance with FATCA. The US IGA provides that Cayman Islands Financial Institutions, including the Partnership, which comply with the Cayman US FATCA Regulations (and through them the "**US IGA**") will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be "deemed compliant" with the requirements of FATCA. To comply with its obligations under the Cayman US FATCA Regulations, the Partnership will be required to identify whether Units are held directly or indirectly by "Specified US Persons" (as defined in the "**US IGA**") and report information on such Specified US Persons to the Cayman Islands Tax Information Authority (the "**Cayman TIA**"). The Cayman TIA will in turn report relevant information to the IRS. If the Partnership is not able to comply with its reporting requirements under the US IGA (whether due to a failure of one or more Limited Partners to provide adequate information or otherwise), the Partnership could be deemed to be a "Non-participating Financial Institution" as a result of "significant non-compliance". In such a situation the withholding tax under FATCA could be imposed on US-sourced amounts paid to the Partnership.

OECD Common Reporting Standard. The "Common Reporting Standard" ("**CRS**") was developed by the Organization for Economic Cooperation and Development ("**OECD**") to be an international standard for the automatic exchange of financial account information between relevant jurisdictions. Jurisdictions committed to the CRS (each a "**Participating Jurisdiction**") will either be a signatory to the multi-lateral competent authority agreement ("**MCAA**") or will sign bilateral competent authority agreements with certain other Participating Jurisdictions.

Under the MCAA, Participating Jurisdictions will become Reportable Jurisdictions once they have implemented appropriate domestic legislation, put in place the necessary administrative and IT infrastructure (both to collect and exchange information and to protect confidentiality and safeguard data) and provided the necessary notifications for exchange. Reportable Jurisdictions will have to collect and exchange relevant information with other relevant Reportable Jurisdictions.

The Cayman Islands Government is a signatory to the MCAA and has implemented CRS through the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations 2015 (the "**CRS Regulations**"). Under the CRS Regulations, the Company will be required to make an annual filing to the Cayman TIA in respect of Limited Partners who are tax resident in a Reportable Jurisdiction and/or whose "Controlling Persons" are tax resident in a Reportable Jurisdiction (unless one or more of the limited exemptions in the CRS Regulations apply).

The list of Reportable Jurisdictions for the Cayman Islands is available on the Cayman TIA website at http://www.tia.gov.ky/pdf/CRS_Legislation.pdf

FATCA and CRS Implications for Limited Partners. In order to comply with the US IGA, the MCAA and the relevant domestic legislation (collectively "**AEOI Legislation**"), the Partnership may be required to disclose certain confidential information provided by Limited Partners to the Cayman TIA, which in turn will report the information to the relevant foreign fiscal authority. In addition, the Partnership may at any time require a Limited Partner to provide additional information and/or documentation which the Partnership may be required to disclose to the Cayman TIA.

If a Limited Partner does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Partnership, or a risk of the Partnership being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Limited Partner, the Partnership may take any action and/or pursue any remedy at its disposal. Such action or remedy may include the compulsory redemption of some or all of the Units held by the Limited Partner concerned.

To the extent the Partnership incurs any costs or suffers any withholding as a result of a Shareholder's failure, or is required by law to apply a withholding against the Shareholder, it may set off such amount against any payment otherwise due from the Partnership to the Shareholder or may allocate such amount to the Participating Shares held by such Shareholder. No Shareholder affected by any such action or remedy shall have any claim against the Partnership for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with the AEOI Legislation.

Limited Partners are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same, on any their investment in any Portfolio.

UNITED STATES

Prospective investors are advised that: (i) any U.S. federal tax advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding U.S. federal tax penalties that may be imposed on the taxpayer; (ii) any such advice is written to support the promotion or marketing of the transactions and matters described herein; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Tax Treatment of the Partnership. The Partnership will file an election with the U.S. Internal Revenue Service to be treated as a non-U.S. corporation for U.S. federal income tax purposes, and Participant Holdings will be treated as a U.S. corporation for U.S. tax purposes. The Partnership will be subject to U.S. withholding taxes on some of its U.S.-source investment income, including fixed or determinable annual or periodical income, such as dividend income, (including substitute dividends and other "dividend-equivalent payments"), and certain types of interest. Generally, interest on U.S. bank deposits and portfolio interest (as defined in Section 871(h) of the Code), should not be subject to the U.S. withholding tax. The U.S. withholding tax is generally imposed at a rate of 30%. However, if any of the Partnership's activities constitute a U.S. trade or business (other than as a commodities or securities trader), the Partnership would be subject to U.S. corporate income and branch profits tax on the income and gain derived from those activities.

Even if the Partnership's activities do not constitute a U.S. trade or business, gains realized by the Partnership from the sale or disposition of stock or securities (other than debt instruments with no equity component) of a "U.S. real property holding corporation" (as defined in Section 897 of the Code) ("**USRPHC**"), will be generally subject to U.S. corporate income tax and branch profits tax. The Partnership anticipates that Participant Holdings will be classified as a USRPHC as a result of its direct and indirect holdings of "United States real property interests".

Therefore, any gains realized by the Partnership on redemption or other disposition of all or a portion of the stock in Participant Holdings could be subject to U.S. corporate income tax and (if applicable) branch profits tax. It is anticipated that the debt instruments issued by Participant Holdings to the Partnership will not be treated as "U.S. real property interests" within the meaning of Code section 897.

Tax Treatment of Participant Holdings. As a U.S. corporation, Participant Holdings will be subject to federal income tax on its worldwide net income, and state and local income taxation in those states and localities in which it is engaged in business activities. It is anticipated that the interest expense incurred on the debt held by the Partnership will be deductible in calculating the net taxable income of Participant Holdings, subject to applicable limitations under the Code or state tax laws. Under the 2017 Tax Reform Act, the net income of Participant Holdings would be subject to federal income tax at a flat 21% tax rate.

Anticipated Activities and Sources of Partnership Income. The Partnership intends to limit its activities in the United States to owning the non-voting stock of Participant Holdings, a U.S. corporation, and loans made to Participant Holdings. The Partnership anticipates that, for U.S. federal income tax purposes, it will not be engaged in a U.S. trade or business or a trade or business conducted outside the United States. Thus, the Partnership expects that, for U.S. federal income tax purposes, its income will be derived in the form of U.S.-source interest income, U.S.-source dividends, and possibly capital gains realized on sale or redemption of all or a portion of its stock or debt instruments of Participant Holdings. It is anticipated that the interest payments received by the Partnership from Participant Holdings will be exempt from the 30% U.S. withholding tax under the statutory "portfolio interest" exemption in the U.S. tax law. As discussed above, any gains realized by the Partnership on redemption or other sale of stock of Participant Holdings is expected to be subject to U.S. corporate income tax and (if applicable) branch profits tax. Any other capital gains realized by the Partnership are expected to be exempt from U.S. federal income tax or withholding tax. Any dividends received from the Participant Holdings are expected to be subject to the 30% U.S. withholding tax.

Tax Treatment of Non-U.S. Limited Partners. Non-U.S. Limited Partners that (i) are not and have never been citizens or residents of the United States, are not corporations organized under U.S. law, and are not trusts or estates treated as "U.S. Persons" as defined in the Code, and (ii) are not engaged in trade or business in the United States, should not be subject to any U.S. federal income, withholding or capital gains taxes with respect to gains realized upon sale or disposition of Units owned by them or any distributions received from the Partnership with respect to such Units. However, in the case of a non-U.S. Limited Partner (i) that has an office or fixed place of business in the United States or is otherwise carrying on a U.S. trade or business, (ii) who is an individual present in the United States for 183 days or more in a taxable year or has a "tax home" in the United States for U.S. federal income tax purposes, or (iii) who is a former citizen or former long-term resident of the United States, rules different from those described above will apply and such non-U.S. Partner may be subject to U.S. federal income taxation on Partnership distributions or on gain realized on the sale, exchange or redemption of Units.

FATCA Withholding and Compliance. Under US FATCA, the Partnership will be subject to U.S. withholding taxes at a 30% rate on payments of certain amounts made to the Partnership ("**withholdable payments**"), unless it complies with specified due diligence, reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed and determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, and also, beginning in 2019, gross proceeds from disposition of securities that could produce U.S. source interest or dividends. Income which is effectively connected with a U.S. trade or business is not, however, included in this definition.

To avoid this withholding tax, the Partnership will be required to register with the IRS and agree to identify and disclose identifying and financial information about each U.S. person (or foreign entity with substantial U.S. ownership) that invests in the Partnership, and to comply with the provisions of the US IGA (previously discussed above under "—Cayman Islands—The Cayman Islands, FATCA"). Certain categories of investors, generally including, but not limited to, U.S. tax-exempt investors, publicly traded corporations, banks, regulated investment

companies, real estate investment trusts, common trust funds, and state and federal governmental entities, will be exempt from such reporting. Limited Partners will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Partnership may from time to time request. Failure to provide such information may subject a Limited Partner to withholding taxes or mandatory redemption of its entire interest in the Partnership. Limited Partners are encouraged to consult with their own tax advisors regarding the possible impact of the FATCA legislation on their investment in the Partnership.

OTHER TAXES

Limited Partners in the Partnership may be resident for tax purposes in many different countries and, accordingly, no attempt is made in this Confidential Memorandum to summarize the tax consequences for every investor who might become a Partner in the Partnership. Prospective investors should therefore consult their professional advisors on the possible tax consequences of subscribing for, acquiring, holding, transferring or redeeming Units under the laws of their country of citizenship, residence, domicile or incorporation.

VIII. CAYMAN ISLANDS REGULATORY AND AML CONSIDERATIONS

CAYMAN ISLANDS REGULATORY CONSIDERATIONS

The Partnership is constituted as a Cayman Islands exempted limited partnership under the ELP Law. A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of the exempted limited partnership, including choses in action and any right to make capital calls and receive the proceeds thereof that is conveyed to or vested in or held on behalf of any one or more of the general partners, or which is conveyed to or vested in the name of the exempted limited partnership, shall be held, or deemed to be held, by its general partner, and, if more than one, then by its general partners jointly, upon trust as an asset of the partnership in accordance with the terms of the Partnership Agreement. Similarly, any debts or obligations incurred by the General Partner in the conduct of the Partnership's business are the debts and obligations of the exempted limited partnership. Registration under the ELP Law entails that the exempted limited partnership becomes subject to, and the limited partners therein are afforded, the limited liability (subject to the Partnership Agreement) and other benefits of the ELP Law.

The business of the Partnership, as an exempted limited partnership, will be conducted by the General Partner who will be liable for all debts and obligations of the Partnership, as an exempted limited partnership, to the extent the Partnership has insufficient assets. As a general matter, a limited partner of the Partnership will not be liable for the debts and obligations of the Partnership, as an the exempted limited partnership, other than: (i) as expressed in the Partnership Agreement or as otherwise agreed; (ii) if such limited partner becomes involved in the conduct of the Partnership's business and holds itself out as a general partner to third parties; or (iii) if such limited partner is obliged pursuant to the ELP Law to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner had actual knowledge of such insolvency at that time.

MUTUAL FUNDS LAW

The Partnership is registered as a mutual fund under section 4(1)(b) of the Mutual Funds Law and is therefore regulated under that law. In connection with its initial registration under the Mutual Funds Law, the Partnership has filed with CIMA a copy of this Memorandum and certain details of this Memorandum, as required by the Mutual Funds Law. The Partnership has also paid the prescribed initial registration fee as required by the Mutual Funds Law.

The Partnership's continuing obligations under the Mutual Funds Law are (i) to file with CIMA prescribed details of any changes to this Memorandum, (ii) to file annually with CIMA accounts audited by an approved auditor and an annual return containing certain key statistical data, and (iii) to pay the relevant prescribed annual fee.

As a regulated mutual fund, the Partnership is subject to the supervision of CIMA. At any time, CIMA may instruct the Partnership to have its accounts audited and to submit them to CIMA within a specified time. Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, CIMA has wide powers to take action if it believes that a regulated mutual fund (i) is or is likely to become unable to meet its obligations as they fall due, or (ii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors.

The powers of CIMA include (i) the power to require the General Partner to be replaced, (ii) the power to appoint a person, at the expense of the Partnership to advise the Partnership on the proper conduct of its affairs, and (iii) the power to appoint a person, at the expense of the Partnership, to assume control of the affairs of the Partnership, including for the purpose of terminating the business of the Partnership. CIMA also has other remedies available to it,

including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Partnership to re-organise its affairs in a manner specified by CIMA.

ANTI-MONEY LAUNDERING CONSIDERATIONS

Cayman Islands. As part of the Partnership's responsibility for the prevention of money laundering, the Partnership and the Administrator (including its affiliates, subsidiaries or associates) will require a detailed verification of the applicant's identity and the source of payment. Depending on the circumstances of each application, a detailed verification might not be required.

The Partnership and the Administrator reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator will refuse to accept the application and the subscription monies relating thereto.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law (as amended) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police constable not below the rank of inspector, or the Financial Reporting Authority, pursuant to the Terrorism Law (as amended) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.By subscribing, applicants consent to the disclosure by the Partnership and the Administrator of any information about them to regulators and others upon request in connection with anti- money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

Requests for Information. The Partnership and/or any of its agents domiciled in the Cayman Islands may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law (e.g. by the Cayman TIA, under the Tax Information Authority Law (as amended) and associated regulations, agreements, arrangements and memoranda of understanding). Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Partnership and/or its agents may be prohibited from disclosing that the request has been made.

Other Jurisdictions. In addition to the foregoing requirements, potential investors will be required to comply with the additional verification requirements set forth in the Subscription Documents, as required by the USA PATRIOT Act and applicable regulations thereunder. The Partnership, the Administrator, the General Partner and the Investment Manager may in the future request additional information and/or representations to comply with such Act and regulations.

Many other jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively, "**Requirements**"), and the Partnership could be requested or required to obtain certain assurances from applicants subscribing for Units, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Partnership's policy to comply with Requirements to which it is or may become subject to and to interpret them broadly in favour of disclosure. Each applicant by executing the Partnership's subscription agreement agrees, and by owning Units is deemed to have agreed, to provide additional information or take such other actions as may be necessary or advisable for the Partnership (in the sole judgment of the

Partnership and/or the Administrator) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each applicant, by executing the Partnership's subscription agreement consents, and by owning Units is deemed to have consented, to disclosure by the Partnership and its agents to relevant third parties of information pertaining to it in respect of Requirements or information requests related thereto. Failure to honor any such request may result in redemption by the Partnership or a forced sale to another investor of such applicant's Units.

The term "**U.S. Person**" means, with respect to individuals, any U.S. citizen (and certain former U.S. citizens) or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under U.S. income tax laws to generally include any individual who (i) holds a U.S. Permanent Resident Card (a "green card") issued by the U.S. Citizenship and Immigration Services, or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (x) the individual was present in the U.S. on at least 31 days during such year, and (y) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days. With respect to persons other than individuals, the term "U.S. Person" means (1) a corporation, partnership, or other entity organized under the laws of the United States, any state, or the District of Columbia, other than a partnership that is not treated as a U.S. Person under the Regulations, (2) an estate whose income is subject to United States income tax, regardless of its source, or (3) a trust if a court within the United states is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust or, to the extent provided in the Regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that have elected to be treated as U.S. Persons. "U.S. Person" shall also include a "U.S. person", as defined by Rule 902 of Regulation S under the Securities Act, and shall not include any "Non-United States person" as used in Rule 4.7 promulgated under the U.S. Commodity Exchange Act, as amended.