

21 June 2021

Premium Alternative S.A. (SICAV-SIF) Commercial Finance Opportunities Fund

GENERAL UPDATE ON SIDE POCKET

Dear Investor,

Further to previous communications in the form of the Investor letter distributed on 06 November 2020 from the Board of Directors of Premium Alternative S.A. SICAV- SIF Commercial Finance Opportunities (“the “AIF” or the “Fund”), concerning the creation of the X Share Classes to side pocket the investment of TCA credit fund (the “TCA Investment” or “TCA”) we, as the Board of Directors of “the Fund”, would like to update you on the current situation.

Since our last communication, we have received no more up-to-date information about the quantum of liquidation valuation, recoverability, or timescales, however, have held an update call with EY Cayman in their capacity as official receiver on 12 May 2021. Following on from this, on 03 June 2021 we received an updated status report from the receiver dated 27 May 2021. We wish to update you with the highlights and pertinent points raised across both the call as well as the officially issued report.

1. Updates specific to the update call held with the Cayman Liquidator: EY Cayman (12 May 2021)

- As an introduction, a receivership was appointed by the SEC in the US with domain over the TCA Master Fund to organise the liquidation where the United States as a jurisdiction is concerned. Following that, the Cayman Island Liquidators tried to build a collaborative working relationship with that group. They have approached them twice to enter into protocols that would effectively allow the two parties to work together and ensure the efficient operation of our efforts. Unfortunately, they were unable to achieve protocols with the receiver and opted to obtain Chapter 15 recognition, which will ensure the US court appointing the Master Fund receiver recognises the appointment of the Cayman Liquidators on the receivership. It is crucial to achieve an efficient administration date and to ensure that investors and stakeholders interests are recognised and taken into account. Nonetheless, they have received funding to accomplish those objectives and the SEC proceeded to file Chapter 15 recognition which will enable both parties to set protocols and procedures to engage further in the receivership process. 92% of the Master Fund is funded by the Feeder Fund (Cayman) so, a huge interest is in this fund.
- In terms of money distribution and the status of adjudication, even though it was discussed in the first meeting a year ago, they are not in a position to distribute to creditors and contributories, nor in a position to adjudicate claims until they reach a final determination on an investor or creditor standing. They still rely on the books and records of the fund made available to them at the beginning of the process. No work has been undertaken so far to adjudicate and classify investors in either the US Master Fund, or the Cayman Feeder Fund, as creditors or contributories.
- During the first meeting and again in the second report of the Joint Official Liquidators to all known creditors and contributories, the JOL made reference to the fact that they determined the Cayman

Feeder Fund, through which CFO is exposed, is of doubtful solvency and filed a certificate of doubtful solvency with the Cayman Court. During the Q&A process, our team raised a number of questions on this point, in particular to understand the impact on the recoverable value this may have and any indicative haircuts in the interests of potential loan loss provisions to ensure the carrying value reflects fair value. The JOL stated that the asset realisation process is still being undertaken by the Receiver at the Master Fund level, and although the JOL consider that the doubtful solvency determination remains appropriate, the JOL may revise their solvency determination from time to time in light of changes of any relevant circumstances and/or their assessment of the Ltd Fund's financial position. At this point, they do not have full visibility over the value of the assets that can be realised by the Master Fund, and subsequently the Cayman Feeder Fund through which Prestige Funds are invested.

- Our team also queried the carrying value of the investment. In their capacity as Liquidator over the Feeder Fund, they are not in a position to provide an opinion. The likely recoverable value, or recoverability estimate, will ultimately flow to the feeder funds and then be distributed to stakeholders in accordance with the filed claims and Cayman liquidation protocols. In that regard, the receiver has issued its fourth report at the beginning of June.
- The US receivership is going to present a liquidation plan, separate to the report mentioned above, at some point in June that will show some visibility on the values and proposed distribution methodology that the Master Fund is looking to adopt. This connects with the Chapter 15 decision explained before. The Liquidators insisted that they have not processed any payments thus far but indicated that the entities with a redemption order will rank ahead of the ones without. The distribution methodology, waterfall and dates are not known yet. The Liquidator will not divulge nor opine on any potential write down until they have a clear picture of potentially available funds to distribute. This is dependent on the outcome of various court cases in the US which remain ongoing. We have had clarity on the fact that the SEC in the United States is particularly adamant that there is no compromise in favour of the Cayman law system in the United States, which is crafted from purely domestic US considerations and does not take into account cross border criteria.

2. Updates specific to the Status report issued by the US Receiver: Jonathan E. Perlman, Esq.

- The US Receiver filed its First Quarterly Status Report on 04 August 2020. The First and Second Reports provide background information on the events that led up to the appointment of the Receiver and a detailed explanation of the Receivership Entities and the Receiver's professionals. This Report covers the period since the filing of the Third Report, 03 February 2021, to the date of this filing (the "Fourth Reporting Period").
- The US Receiver also continued to identify additional financial accounts and to serve individuals and financial institutions with subpoenas for documents and information. The Receiver's forensic accountant, Yip Associates, continued to utilise bank records as the records were received to construct and add to a database of all financial transactions, thereby allowing the Receiver and his team to identify all transferees, as well as to analyse claims for avoidance and recovery of same. During the Fourth Reporting Period, Yip Associates analysed an additional 28 bank accounts.

- The US Receiver and his professionals used this bank reconstruction data to reconcile investor investments and redemption activity against the fund administrator’s records, and to begin developing an equitable claims and distribution plan, which the Receiver will submit as soon as possible, however no details around this are yet able to be divulged as noted in the Cayman Liquidator update call. In furtherance of development of a distribution plan, the Court entered an order requiring investors to provide certain information. Since then, the Receiver and his team have been in daily contact with record financial institution investors (nominees) and unidentified beneficial owner investors in the Funds, who have been providing information and documents as necessary for analysis to develop an equitable distribution plan. The team at Prestige is able to confirm that all requested documentation pertaining to this request has been submitted to the Custodian banks, which has been filed with the Cayman Liquidator for collection and aggregation up to the US Receiver.
- During the Fourth Reporting Period, the US Receiver’s financial advisor continued to assist the Receiver with preserving and maximizing value from the Receivership Entities’ special purpose vehicle assets (“SPVs”). The Receiver and GJB continued to make progress with the Receivership litigation portfolio, moving several local and foreign matters toward resolution through favourable settlement negotiations, retaining local counsel, and pursuing final judgments in multiple cases. The Receiver also continued to investigate third party claims and issued over 30 subpoenas and document requests to further those investigations. The Receiver expects to file a number of lawsuits during the next quarter and is working with counsel to handle matters on a contingency basis, subject to Court approval, in order to minimise risk of loss to the Receivership and best align the Receivership’s and litigation counsel’s interests. The Receiver and his professionals also continued to respond to enquiries from the Cayman Islands Monetary Authority and from the Cayman Islands Joint Official Liquidators for Receivership Entity TCA Global Credit Fund, Ltd. The Receiver, with the assistance of the Funds’ registered agent in London, paid the registration fees for Master Fund, Feeder LP, and GP.
- Specific to the underlying loan portfolio, The Fund prospectuses, annual financial audits, and monthly and other reports suggested that one of the Receivership’s most substantial and valuable assets are performing loans. This, however, has not been substantiated, as the US Receiver and his professionals discovered that there were only two performing loans, and three others that were paying regularly, but far less than the monthly amount due under their loan agreements. The Receiver foresees little or no recovery for several loans. Many of the debtors who were pursued legally struck settlement agreements with TCA, yet failed to respond and were turned over for legal action.

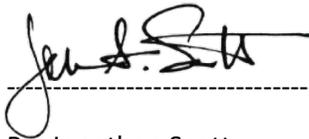
As elaborated above, the Liquidators continue to undertake a significant amount of preparatory work to ascertain the creditor or contributory status of all investors and will do so in accordance with the precedents set by the Cayman Court with respect to distribution priorities in a liquidation. Additionally, as before, the COVID-19 pandemic continues to impact legal enforcements, court proceedings and has caused a slowdown in the processes necessary to arrive at a realisation of assets and has thus impacted the timescales for arriving at a fair value of these assets.

We remain in contact with EY Cayman, as Joint Official Liquidator in the Cayman Islands across a number of fronts. We continue to monitor this situation closely and we expect a further update before the end of 2021 and will contact you again when we have any material updates to share with you.

You may wish to note that there is a website set up by the US Receiver, Jonathan E. Perlman which contains documentation related to the recovery efforts of the TCA Group, including the full report we have referenced and summarised above: <https://www.tcafundreceivership.com/index.html>

Where CFO as overall portfolio is concerned, we would like to highlight the strong performance of the fund notwithstanding the issues related to this side pocket.

As a final remark, please be aware that any information provided is correct at the time of communication and may be subject to change without notice.



By: Jonathan Scott

Director

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Number B 162681

INTERNATIONAL FUND REFERENCE CODES:

Accumulation Share Classes

CURRENCY	ISIN code	SEDOL code	BLOOMBERG code	VALOR code	MORNING STAR code	CUSIP code	MEXID code	CITICODE
USD	LU0960650512	BCRYBR2	COMFOUS LX	22043791	F00000QIAU	L8176P 102	0AAAUG	MX4F
EUR	LU0960650439	BCRYBQ1	COMFOEU LX	22043761	F00000QHSD	L8176P 110	0AAAUH	MX4D
GBP	LU0960650603	BCRYBS3	COMFOBP LX	22043792	F00000QIAV	L8176P 128	0AAAUI	MX4E
CHF	LU0960650785	BCRYBT4	COMFOCH LX	22043799	F00000QICS	L8176P 136	0AAAUJ	MX4G
SEK	LU0960650868	BCRYBV6	COMFOSK LX	22043801	F00000QICR	L8176P 169	0AAAUK	MX4H

Distribution Share Classes

CURRENCY	ISIN code	SEDOL code	BLOOMBERG code	VALOR code	MORNING STAR code	CUSIP code	MEXID code	CITICODE
USD	LU1808945783							
EUR	LU2050438295							
GBP	LU2152321662							
CHF	LU2152321746							
SEK	LU2152321829							

Accumulation Institutional Share Classes

CURRENCY	ISIN code	SEDOL code	BLOOMBERG code	VALOR code	MORNING STAR code	CUSIP code	MEXID code	CITICODE
USD	LU1350417850	BZ4BY34	COMFOIB LX	30561374	F00000X15Z	L8176P 201	0AYXF	N6QR
EUR	LU1350417777	BZ4BY23	COMFOIA LX	30561373	F00000X15Y	L8176P 300	0AYXB	N6QS
GBP	LU1350417934	BZ4BY45	COMFOIC LX	30561375	F00000X160	L8176P 409	0AYXC	N6QT
CHF	LU1350418072	BZ4BY56	COMFOID LX	30562680	F00000X161	L8176P 508	0AYXD	N6QU
SEK	LU1350418239	BZ4BY67	COMFOIE LX	30562681	F00000X162	L8176P 607	0AYXE	N6QV

Institutional Distribution Share Classes

CURRENCY	ISIN code	SEDOL code	BLOOMBERG code	VALOR code	MORNING STAR code	CUSIP code	MEXID code	CITICODE
USD	LU1974409705							
EUR	LU2050440606							
GBP	LU2152322041							
CHF	LU2152322124							
SEK	LU2152322397							

X Share Classes

CURRENCY	ISIN code	SEDOL code	BLOOMBERG code	VALOR code	MORNING STAR code	CUSIP code	MEXID code	CITICODE
USD	LU2228214107		PCMFOXU LX					
EUR	LU2228214016		PCMFOX E LX					
GBP	LU2228214289		PCMFOXG LX					
CHF	LU2228214446		PCMFOX C LX					
SEK	LU2228214529		PCMFOX S LX					

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