

July 2023

GENERAL UPDATE - X Shares (Dedicated Liquidation Side Pocket)

Dear Valued Investor,

Further to previous communications in the form of the Investor letter distributed in January 2023 from the Board of Directors of Premium Alternative S.A. SICAV- SIF Commercial Finance Opportunities (“the “AIF” or the “Fund”), concerning the updates on the X Share Classes as a side pocket of the investment holdings in TCA Global Credit Fund, L.P. (the “TCA Investment” or “TCA”) we, as the Board of Directors of “the Fund”, would like to update you on the current situation.

A link to the January 2023 updated letter is appended here for ease of reference: [2023-01-Premium-Alternative-S.A.-SICAV-SIF-CFO-Investor-Letter-Side-Pockets](#)

These developments over the preceding months are from both the Joint Official Liquidators (“JOL”) at EY Cayman and US Receiver: Jonathan E. Perlman, Esq raised across the various calls, discussions and officially issued reports.

Since our last letter to Investors in January 2023, the US Receiver has filed an Eleventh Quarterly Status Report covering the period to February 2023. In addition, the JOLs circulated the Court filing of his request to reverse the decision of the District Court allowing the ‘Rising Tide Method’ of distribution, in March 2023. This follows the updates provided in January’s letter specific to the section titled: “Receiver’s Order and Reply in Support of his Motion of Approval of the Distribution Plan”. In addition to this, in May 2023, the Cayman JOL held the Annual General Meeting (AGM) of Creditors and Contributors.

Summary of the Eleventh Status Report of the US Receivers – February 2023

On 13 February 2023 the US Receiver issued its Eleventh Status Report. Specific mention was made to the updates on litigation and specific dates: The Eleventh Circuit Court of Appeals ordered the parties to participate in a mediation to attempt to resolve the appeal noted in September 2022. Accordingly, mediation was held before an Eleventh Circuit mediator, along with the JOLs and counsel for the Securities and Exchange Commission (SEC), which ended in an impasse.

The US Receiver has sent further demand letters to all Net Winners who received USD 10,000 or more. Of note, the Receiver has so far recovered USD 1,400,000 from these clawbacks, an increase of USD 350,000 from the last reporting period. Combined bank accounts are maintained at Axos Bank with a total balance of USD 68,713,563, a marginal increase of the balance of USD 68,500,000 reported in the previous quarters update.

No further receipts have been received from TCA Founder, Mr. Robert Press personally as per terms of his settlement. To date, the Receiver has recovered USD 76,400,000 for the Receivership Estate and the TCA Master Fund is still seeking recoveries.

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Mr Luc Sunnen (Luxembourg), Mr Christophe Fender (Luxembourg), Mr Jonathan Scott (UK) and Mr Craig Reeves (UK)

Luxembourg Trade and Companies Register Number:

B 162681

Summary of the Request to reverse the decision of the District Court allowing the Rising Tide Method of distribution – March 2023

On 28 February 2022, the Receiver filed a Motion for Approval of Distribution Plan and First Interim Distribution which proposed that a single distribution from the assets of the Master Fund directly to the stakeholders of the Feeder Funds, rather than from the Master Fund to the Feeder Funds for further distribution to each investor, thus bypassing the Cayman Feeder, and opening the door for the Rising Tide method of distribution.

The Appellants objected to the Distribution Plan, contending that the equitable “rising tide” methodology conflicts with the statutory requirements of Cayman Islands law. The District Court also cast aside considerations of foreign law, and superseded both the sovereign laws of the Cayman Islands and the reasonable expectations of investors that their rights would be governed by Cayman law. The Appellants have said that the District Court has abused its discretion and for every decision made by the District Court, the Appellants have quoted various rulings from 10’s of cases disproving all the District Court decisions. One such case was SEC v. Direct Lending Investments where the Rising Tide methodology was approved but carved out the offshore feeder fund in liquidation in the Cayman Islands to permit the distribution to its investor in accordance with Cayman law.

Summary of the annual AGM of Creditors and Contributors – May 2023

The JOL’s spoke of their request to reverse the District Court’s ruling which allowed the Rising Tide method of distribution, which was filed on 10 May 2023. A Recap was given of confirmations and decisions to-date, previously communicated in writing by the US Receivers. It was further noted that the legal costs are being covered by a 3rd party funder, the details of which the JOLs were unwilling and unable to divulge.

The most salient point was that resolution of Court findings and appeals can take anywhere between 12 and 18 months. Should the JOL’s win their appeal, they will still need to adjudicate the claims of investors. Unfortunately, this essentially means the liquidation estate of TCA will take approximately another 2 years. The following points were raised by us directly to the AGM forum on behalf of Investors in the Fund:

- Possibilities of future recoveries and a quantitative indicator of impairment, being 3 years into the liquidation, and that there is so far no proposed Distribution methodology from the JOL from a legally valid Cayman perspective. The JOL were unable to conclude or advise because of the dependency on the Feeder fund(s) (there are two) on the US Master Fund.
- The ability to obtain a NAV or statement of Net Assets of the Liquidation estate to arrive at a valuation of holdings given the time lag. The JOL were unable to advise because of the same dependency on the Master Fund and its control over recoveries.
- There are so far no contingency plans if the USA Receiver simply sends net recovery proceeds to Cayman Fund investors, which so far we understand are approximately 90% of recoveries. The JOL would not be drawn on this until the conclusion of the Appeal filed in US Courts.

Frustration was voiced by Prestige by the lack of developments and the control given to a Cayman liquidation estate to a US Receivership, when the express purpose of investing through a Cayman feeder fund is to avoid a US nexus.

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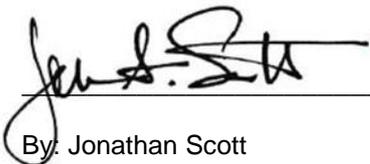
As to the position on the Fund on these matters, we still must await the outcome of the appeal process in the US Courts in relation to these legal challenges between the US Receiver and Cayman JOL.

We remain in contact with EY Cayman, as Joint Official Liquidator of TCA in the Cayman Islands across a number of fronts. There are no more material updates in this regard, i.e., from the Cayman JOL, since our last communication. We continue to monitor this situation closely and we won't expect further updates before Q4 2023. We will of course contact you again ahead of this should we have any material updates to share with you.

As before, 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 reports we have referenced and summarised above:

<https://www.tcafundreceivership.com/index.html>

As a final remark, please be aware that any information provided is without prejudice, is correct at the time of communication and may be subject to change without notice. We thank Registered Shareholders for their patience and understanding around this challenging situation.

A handwritten signature in black ink, appearing to read "Jonathan Scott", written over a horizontal line.

By: Jonathan Scott
Member, Board of Directors

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INTERNATIONAL FUND REFERENCE CODES:

X Share Classes

| CURRENCY | ISIN Code | BLOOMBERG Code |
|----------|--------------|----------------|
| 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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