

Company name ETPCAP2 DAC
Headline Notice to Noteholders of Series 202

12 September 2024

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

ETPCAP2 DAC
(the “**Issuer**”)

Participant Capital Growth Fund (Series 202) Notes due 2117
ISIN: XS1862377733 COMMON CODE: 186237773
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Capitalised terms used but not otherwise defined in this Notice shall have the meanings ascribed to them in the Series Memorandum dated 3 August 2018, as amended and restated on 1 December 2018 and as most recently amended and restated on 17 July 2019 and supplemented on 24 November 2020.

BACKGROUND

The Charged Assets consist principally of Class Y accumulating units of limited partner interests (the “**LP Interests**”) in Participant Capital Growth Fund, LP, an exempted limited partnership organized under the laws of the Cayman Islands (the “**Partnership**”). The LP Interests are described in a Confidential Private Placement Memorandum of the Partnership, dated 6 November 2018, as supplemented by the supplement no. 3, dated 24 November 2020, and by the supplement

no. 2 thereto, dated 11 May 2020 (the “**Private Placement Memorandum**”). Participant Capital Advisors, LLC, a Delaware limited liability company registered in the Cayman Islands serves as the investment manager of the Partnership (the “**Investment Manager**”).

FOURTH QUARTER 2023 AND FIRST QUARTER 2024 DISTRIBUTIONS INFORMATION

This notice is to inform Noteholders of the appended letter from the Partnership that provides relevant information regarding the fourth quarter of 2023 and the first quarter of 2024 distributions.

According to the Private Placement Memorandum, 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 (as defined in the Private Placement Memorandum) (the “Expected Distribution”). 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. The payment of Distribution Proceeds by the Issuer to Noteholders are reliant on the Issuer receiving distributed amounts from the Partnership.

The Partnership has informed the Arranger and Calculation Agent that these distributions are contingent upon the successful completion and sale of specific projects described in the appended letter. Additionally, over 50% of the Partnership’s assets are expected to be sold within the next 18 months, with the remaining assets projected to be sold within a 3-year horizon.

The Partnership also announced that the Distributing Share Classes will be converted to Accumulating Share Classes and that this conversion will result in future distributions being treated as returns of capital and is subject to approval from the Partnership’s administrator. The Partnership stated that the change will not impact the total return or overall performance for current Noteholders of Distributing Share Classes.

The Issuer is considering the next steps, if any, in light of the events and circumstances described above and may issue a further Notice to the Noteholders.

PROPOSED ACTION

This notice is for informational purposes only and Noteholders are not required to take any action at this time.

Further Information

For further information please contact the Placing Agent at

operations@flexfunds.com

ANNEX I

PARTICIPANT CAPITAL DISTRIBUTION PAYMENT LETTER



August 28, 2024

Daniel Kodosi, CEO
Participant Capital Advisors
333 SE 2nd Avenue, 30th Floor
Miami, FL 33131

REF: Participant Capital Growth Fund Update August 2024

Dear Valued Investor,

We hope this message finds you well. As part of our ongoing commitment to keeping you informed about the Fund's strategy, we would like to provide an update on the underlying real estate projects, the Fund's liquidity, quarterly distributions and performance.

The Fund's primary investment objective is to achieve a combination of income and absolute returns by indirectly investing in ground-up real estate development projects. These projects encompass a variety of property types, including multifamily-for-lease, residential-for-sale, and hotel properties. From its inception, the Fund has consistently maintained a capital reserve to facilitate quarterly distributions to shareholders while the underlying projects were in development and eventually sold. These quarterly distributions form a component of the Fund's overall return profile.

However, as highlighted in previous communications, recent market challenges have caused delays in the completion and sale of several of the Fund's projects. These delays have, in turn, impacted the Fund's income component and its ability to make quarterly distributions as planned. Despite these delays, the Fund's overall performance remains on track with expectations. Real estate prices have continued to rise, which aligns with the Fund's primary investment objective of capital appreciation.

Looking ahead and contingent upon the completion and sale of specific projects detailed below, the Fund intends to proceed with the remaining distributions for the fourth quarter of 2023 and the first quarter of 2024. Many of the Fund's investments are nearing completion, with over 50% of the Fund's assets expected to be finalized and sold within the next 18 months and all other remaining assets within a 3-year horizon. In addition, the General Partner will be converting all share classes to accumulation share classes so that all future distributions will be considered return of capital, pending approval from the Fund's administrator.

Impact on Current Shareholders:

For shareholders in the distribution share classes, this change will not have any material impact



on their total return or overall performance. For all the investors in the accumulation share classes, this change does not have any effect.

This will allow the Fund's management to more effectively manage resources, ensuring the protection and preservation of Fund assets and, ultimately, safeguarding shareholder interests.

We want to emphasize that the value of the underlying real estate projects remains robust, as evidenced by the Fund's historical performance and current monthly returns.

See below the expected schedule for asset disposition:

Hyatt Regency Puerto Rico – Negotiations with previous buyer did not take place. The Hotel will be re-listed in the market at a higher price given its year-over-year increase in the Hotel's net operating income.

Elevate Dania Beach, FL: Multifamily project expected to stabilize by the first or second quarter of 2025, contingent on market conditions with plans to place it for sale once this process is complete. Tenants will be moving in later this summer.

Nautilus 220, Palm Beach, FL: Construction is expected to be completed by 2nd quarter-end 2025 with the process of transferring ownership of the apartments beginning thereafter and pending payment of the senior lender. The project is 85% sold.

Legacy Hotel and Residences at Miami Worldcenter: Additional construction changes are expected to add value to the for-sale condo components of the development project, reducing exposure and increasing profitability. Refinancing is expected to be complete in 3rd quarter 2024.

Aventura Master Plan: This long-term project is currently under evaluation for zoning and permitting options based on market conditions in the coming years. An assessment is being conducted to determine whether to maintain and develop the site or sell the entitled property.

We understand the change in the Fund's quarterly distributions may be a cause of concern but want to reassure you that the value of the underlying projects and their markets remain strong, as expressed in the Fund's Net Asset Value (NAV).

We will continue to provide further notices on the Fund's liquidity events as they approach.

Thank you for your attention and continued support. Should you have any questions or concerns, please feel free to reach out to our investor relations team.

Sincerely,


Dan Kodosi
Principal on behalf of the General Partner Participant Capital INTL, LLC