MASON HAYES & CURRAN

HFMX DESIGNATED ACTIVITY COMPANY

SERIES MEMORANDUM

PENINSULA ALTERNATIVE REAL ESTATE LP (SERIES 227) NOTES DUE 2028
ISSUED UNDER ITS HFMX PROGRAMME

DATED 9 OCTOBER 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 "**HFMX Programme**") of HFMX Designated Activity Company (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 15 August 2018 relating to the HFMX 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 Offering 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 Company (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 Offering 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 Offering 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 Offering 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 HFMX 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 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 A, non-voting participating shares (the "**Shares**") of Peninsula Alternative RE Cayman Ltd. (the "**Company**"), a Cayman Islands exempted company limited by shares incorporated on 24 August 2018 with registered office at the offices of Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

PARE Management LLC, a Delaware limited liability company formed on 11 May 2017, shall serve as the investment manager of the Company (the "**Investment Manager**").

Potential investors should note that investing in the Notes does not provide any assurance as to the nature of the Company or the Shares. For example, no assurance is provided as to (i) the constitutional documentation of the Company, (ii) any shareholders agreement or subscription agreement in place as of the Issue Date or thereafter, (iii) any ability of the Company to issue further shares (in either the same or a different class to that of the Shares; (iv) the transferability of the Shares, (v) any right to refuse registration of the Shares or (vii) any pre-emption rights in respect of the Shares. 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.

Potential investors should note that there are no other restrictions on the transferability of the Shares, save for (1) the prior written consent of the directors of the Company, which is irrevocably waived by the Company pursuant to the terms of the Supplemental Cayman Islands Security, provided that such transfer of the Shares by the Trustee or its nominee to any other person is made pursuant to the exercise of the Trustee's rights under the Supplemental Cayman Islands Security and (2) the following: the Shares may only be offered, resold, pledged or otherwise transferred (i) pursuant to an exemption from the registration requirements of the Securities Act, (ii) in each case in accordance with any applicable securities laws of any state of the United States and (iii) if required by the Company, the transferor (as defined in the Supplemental Cayman Islands Security) delivers to the Company an opinion of counsel, satisfactory to the Company in its sole discretion, evidencing that such transfer complies or will comply with sub-clauses (i) and (ii) above. Save to that extent, no consents or approvals are required in order to register a transfer of the Shares.

It should be noted that the Noteholders are reliant on the Issuer and the Arranger to take all necessary steps to ensure that the Supplemental Cayman Islands Security is perfected and enforceable. If (i) one or more steps necessary to effect perfection of the Supplemental Cayman Islands Security are not taken, (ii) there are any issues with Issuer's title to the assets the subject of the Supplemental Cayman Islands Security, or (iii) there is any restriction on the ability to charge the assets the subject of the Supplemental Cayman Islands Security, then the Supplemental Cayman Islands Security may not be enforceable in whole or in part. Noteholders should be aware that the Trustee has not investigated any of the above matters and is solely reliant on the Issuer, the Arranger and the Company to take all necessary steps to ensure that the Supplemental Cayman Islands Security is valid and enforceable in the manner envisaged over the relevant assets.

Prospective purchasers of the Notes should conduct their own independent investigation and analysis regarding the Issuer, the Company, the Investment Manager and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes.

3.4.2 No Operating History of the Company

The Company 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 Company's directors' consent may be required to register a transfer of the Shares. 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 Shares. 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 Company

Please note that the Series Assets do not comprise 100% of the issued share capital of the Company nor is the Company prohibited from issuing further shares.

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 HFMX 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 Series 227 Peninsula Alternative Real Estate LP.

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 Company for the purchase of Shares 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.

3.4.9 Risks Related to the Company and its operations

The performance and realisation of the Series Assets, and thereby, of the Notes, is dependent on the overall performance, operations and financial condition of the Fund.

NEITHER THE ISSUER, THE TRUSTEE NOR ANY OF THE AGENTS HAVE REVIEWED THE OVERALL PERFORMANCE, OPERATIONS AND FINANCIAL CONDITION OF THE COMPANY OR ANY OTHER CONDITIONS OF THE COMPANY AT THE TIME OF THE ISSUE DATE AND DO NOT GUARANTEE OR MAKE ANY RECOMMENDATIONS OR WARRANTIES, IN ANY FORM, AS TO THE SUITABILITY OF ANY INVESTMENT, INCLUDING THROUGH PURCHASE OF THE NOTES, THE PERFORMANCE OF WHICH IS DEPENDENT ON THE FUND OR ANY OF THEIR OPERATIONS.

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 Company may default on its obligations (if any) or otherwise fail to honour its obligations to holders of Shares or under the Private Offering 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 Shares are an illiquid investment. In the event that the Issuer defaults or the Notes are subject to redemption there is no assurance that the Shares 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 OFFERING 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 OFFERING MEMORANDUM ENTITLED "RISK FACTORS". 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 Series 227 Peninsula Alternative Real Estate LP.

Programme:	HFMX Programme
Series:	Peninsula Alternative Real Estate LP (Series 227) Notes due 2028
Series Number:	227
Tranche Number:	1
ISIN Code:	XS1887320627
Common Code:	188732062
Delivery:	Issue Agent shall deliver notes to the Issuer in free of payment form prior to the subscription by Noteholders.

Issue Date:	9 October 2018
Maturity Date:	6 October 2028
Extended Maturity Date:	See Special Condition 5.10 (Extended Maturity Date)
Principal Amount:	USD 10,000,000
Currency:	USD
Authorised Denomination:	USD 1,000, provided that the minimum principal amount of Notes which an investor may subscribe for is USD 50,000
Initial Subscription Price:	100%
Subscription Price:	NAV per Note or such other price as may be determined by the Calculation Agent

Issuer:	HFMX Designated Activity Company
Arranger:	FlexFunds LTD
Placing Agents:	GWM Group, Inc. and GWM LTD
Issuer:	HFMX 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 Shares 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.
Shares:	The Class A, non-voting participating shares of Peninsula

	Alternative RE Ltd. (the "**Company**"), a Cayman Islands exempted company, invested in by the Issuer with the proceeds of the issuance of 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 security 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 15 August 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 consent to, 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;

"**Charged Assets Default**" means the Charged Assets or amounts outstanding thereunder become due and repayable, or become capable of being declared due and repayable, prior to their stated date of maturity or other date or dates for their repayment or payment or (b) there is a payment default in respect of the Charged Assets;

"**Company**" means Peninsula Alternative RE Cayman Ltd.

"**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 Shares 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*".

"**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*';

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

"**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;

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

"**Private Offering Memorandum**" means the Private Offering Memorandum of Peninsula Alternative RE Cayman Ltd., dated 9 October 2018, appended to this Series Memorandum.

"**Programme Accounts Security Agreement**" means the security assignment of contractual rights and charge over bank accounts dated 15 August 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;

"**Secured Obligations**" means a fixed charge and an assignment by way of fixed security of, or other security interest over, the Charged Assets and all rights and sums derived therefrom in favour of the Trustee for itself as trustee for the Secured Parties provided under Series 227 Peninsula Alternative Real Estate LP;

"**Series 227 Peninsula Alternative Real Estate LP**" means the Series constituted pursuant to the Constituting Instrument;

"**Unwind Account Custody Agreement**" means the unwind account custody agreement dated 15 August 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; and

"**Unwind Programme**" means a EUR 5,000,000,000 secured note programme of a special purpose vehicle incorporated in Ireland.

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 not apply to the Notes.

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 Shares; or

(C) the Company or the Investment Manager fail to comply in any material respect with the Private Offering Memorandum, 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 Company or 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 Company 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 Company and/or any agent of the Company.

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 Company or the Investment Manager 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 0.35% per annum of the first USD 50,000,000 of the Net Asset Value of the Portfolio, 0.30% of any further amount up to USD 75,000,000 and 0.25% 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 1,500 per month.

From the Issue Date to the first anniversary thereof, an amount equal to 0.35% 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 the 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 met by the Company. In the event that the Company 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 Offering 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 Noteholder Direction

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

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 Shares 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.

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 A non-voting participating shares (the "**Shares**") Peninsula Alternative RE Cayman Ltd. (the "**Company**"), a Cayman Islands exempted company limited by shares incorporated on 24 August 2018 with registered office at the offices of Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

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 Shares 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 Offering 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; and

(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;

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 (E) 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, Peninsula Alternative RE Cayman Ltd. represents, amongst other things that:

1. the Shares charged pursuant to the Charging Instrument are, or will be when mortgaged and charged, duly authorised, validly issued, fully paid, non-assessable, and constitute shares in the capital of a Cayman Islands exempted company. To the extent they are in existence there are no moneys or liabilities outstanding or payable in respect of any such shares nor will there be any and they have not been redeemed nor cancelled in any way nor will they be;

2. no person has or is entitled to any conditional or unconditional option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares, in the capital of Peninsula Alternative RE Cayman Ltd.;

3. there are no other restrictions on the transferability of the Shares, save the prior written consent of the board of directors, which is thereby irrevocably waived by Peninsula Alternative RE Cayman Ltd., provided that such transfer of the Shares by the Trustee or its nominee to any other person is made pursuant to the exercise of the Trustee's rights under the Charging Instrument;

4. there are no covenants, agreements, conditions, interest, rights or other matters whatsoever which adversely affect the Shares; and

5. it has not received any notice of an adverse claim by any person in respect of the ownership of the Shares or any interest in the Shares.

Potential investors should note that the Issuer makes no representation as to the accuracy of the statements at (1) to (5) 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 HFMX 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 Series 227 Peninsula Alternative Real Estate LP.

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 at its discretion may, and if so directed by the relevant parties shall, upon being indemnified, secured and / or prefunded to its satisfaction, 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.

8.1.7 **Fees**

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

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 HFMX 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 HFMX 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 15 August 2018, with registration number 630060 under the name

HFMX 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 "**Trust 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 Trust 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 Trust 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:

- Gustavo Nicolosi
- Robert Browne

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.

Auditors of the Issuer, being chartered accountants qualified to practice in Ireland, shall be appointed prior to the Issuer's financial year end.

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 gross 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

HFMX 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

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 OFFERING MEMORANDUM

Peninsula Alternative RE Cayman Ltd.

a Cayman Islands exempted company limited by shares

Offering of Participating Shares

9 October, 2018

MHC-18767354-2

Peninsula Alternative RE Cayman Ltd.
PRIVATE OFFERING MEMORANDUM

9 October, 2018

Introduction. Peninsula Alternative RE Cayman Ltd., a Cayman Islands exempted company limited by shares (the "**Company**") is offering (the "**Offering**") prospective investors (the "**Purchasers**") an opportunity to purchase Participating Shares of the Company (the "**Shares**"), for an aggregate Offering amount of US$10,000,000 (the "**Maximum Offering Amount**"). The Company intends to offer the Shares until August 15, 2019 (the "**Offering Expiration Date**"), subject to extension without further notice to or consent of prospective investors at the discretion of the Company.

The Company seeks to provide income and capital appreciation to its investors through equity investments in and, in certain circumstances (and for the benefit of the Purchasers), debt to Peninsula Alternative Real Estate L.P., an Ontario limited partnership that invests in mezzanine debt and equity in student and senior housing in the U.S. (the "**Fund**"). The Company will make the investment in the Fund through a wholly owned Delaware limited liability company (the "**Delaware LLC**"), which will invest exclusively, as a limited partner, in the Fund. The Company, at its sole discretion, will have the authority to create different intermediate feeders in order to create the most beneficial tax and legal structure for the Purchaser.

The Offering is being made without registration of the Shares under the Securities Act of 1933, as amended (the "**Securities Act**"), or any securities law of any state of the United States or of any other jurisdiction, and is being made only to prospective investors that are not U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act. Each Purchaser (as defined below) will be required to pay the entire subscription price for the Shares subscribed for at the time of the execution and delivery of the Subscription Agreement (the "**Agreement**") to the Company. The Company will accept subscriptions only from investors who are not U.S. persons and who have no intention of becoming a U.S. person during the period in which they will own the Shares. Further, the Shares may not be resold within the United States or to U.S. Persons. There is no public market for the Shares, and no public market will develop.

The Shares offered in this Offering are speculative in nature and involve a high degree of risk and are suitable only for persons of substantial means who have no need for liquidity in this investment and who are able to bear the economic risks of this investment. In addition to the other information contained in this Private Offering Memorandum (the "**Offering Memo**"), each Purchaser should carefully consider the risk factors disclosed in this Offering Memo, including those set forth under "Risk Factors", in evaluating an investment in the Shares. The Company reserves the right to withdraw or amend this Offering for any reason and reject any subscription for any reason.

IMPORTANT NOTICES

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. FURTHERMORE, THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OF ANY OTHER JURISDICTION, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFERING MEMO IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY THE COMPANY FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SHARES, AND IT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISORS OF SUCH RECIPIENT).

NO ACTION HAS BEEN TAKEN BY THE COMPANY WHICH WOULD PERMIT AN OFFERING OF OR DISTRIBUTION OF THIS OFFERING MEMO OR ANY OFFERING MATERIAL IN RELATION TO THE COMPANY OR THE SHARES IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, EACH PROSPECTIVE PURCHASER OF THE SHARES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE SHARES OR DISTRIBUTES THIS OFFERING MEMO AND MUST OBTAIN ANY APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE OF SALE BY IT OF THE SHARES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFER OR SALES, AND THE COMPANY SHALL HAVE NO RESPONSIBILITY THEREFOR.

THE COMPANY RESERVES THE RIGHT TO REJECT ANY COMMITMENT TO SUBSCRIBE FOR THE SHARES IN WHOLE OR IN PART AND TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAT THE FULL AMOUNT OF SHARES SOUGHT BY SUCH INVESTOR.

THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE SECURITIES LAWS OF ALL OTHER APPLICABLE JURISDICTIONS. INVESTORS SHOULD BE AWARE THAT THEY

MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS OFFERING MEMO DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SHARES OFFERED HEREBY IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

THE INFORMATION CONTAINED IN THIS OFFERING MEMO WAS PREPARED OR PROVIDED BY THE COMPANY AND NO OTHER PARTY HAS MADE ANY INDEPENDENT INVESTIGATION OF SUCH INFORMATION AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF SUCH INFORMATION. THE INFORMATION CONTAINED HEREIN IS PRESENTED AS OF THE DATE OF THIS OFFERING MEMO SET FORTH ABOVE AND IS SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS OFFERING MEMO AT ANY TIME NOR ANY SALE OF THE SHARES OFFERED HEREBY SHALL IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS OFFERING MEMO SET FORTH ABOVE.

PROSPECTIVE INVESTORS ARE URGED TO CAREFULLY READ THIS OFFERING MEMO AND ALL DOCUMENTS AND EXHIBIT HERETO. THIS OFFERING MEMO DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE COMPANY OR EVALUATING AN INVESTMENT IN THE SHARES OFFERED HEREBY. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING, WITHOUT LIMITATION, THE MERITS AND RISKS INVOLVED.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMO AS LEGAL, INVESTMENT OR TAX ADVICE. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THIS OFFERING MEMO AND SHOULD CONSULT THEIR OWN ATTORNEYS, INVESTMENT ADVISORS AND TAX ADVISORS AS TO LEGAL, INVESTMENT AND TAX RELATED MATTERS CONCERNING THIS OFFERING.

THIS OFFERING MEMO WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE, OR LOCAL TAX PENALTIES. THIS OFFERING MEMO WAS PREPARED TO SUPPORT THE PROMOTION OR MARKETING OF THE SHARES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Section 1. Closings.

(a) The initial closing of the Offering will occur when the Company has received US$5,000,000; however, the Company, in its sole discretion, may decide to have an initial closing for a lesser amount (the "**Minimum Offering Amount**"). The Company shall be entitled to deploy any and all proceeds of the Offering once the Minimum Offering Amount is achieved.

(b) The Company may have additional closings of the Offering (the "**Additional Closings**") at such times as the Company shall determine. All proceeds received by the Company in connection with any Additional Closings, shall be immediately available for deployment by the Company.

(c) The final closing of the Offering shall occur upon the earlier of: (i) the Offering Expiration Date; or (ii) the date the Maximum Offering Amount is achieved.

Section 2. Use of Proceeds. The Company is seeking to raise up to US$10,000,000 from the sale of the Shares in accordance with the terms of this Offering; however, the Company shall have the discretion to proceed with the closing of this Offering or return all funds received from the Purchasers if less than the Maximum Offering Amount is raised. The Purchaser understands that the proceeds of this Offering are to be used by the Company to (i) invest in the Fund through the Delaware LLC, (ii) in certaim circumstances, for the benefit of the Purchaser, give loans to the Fund, (iii) reimburse the Company or its affiliates for out-of-pocket expenses incurred or other amounts advanced with respect to the organization of the Company, the Delaware LLC, any intermediate feeder and the Fund (in its pro rata share), (iv) pay PARE Management LLC (the "**Manager**") a fee pursuant to the terms of the Management Agreement (as defined below) and (v) pay certain structuring and maintainance expenses relating to this Offering, the investment in the Company and the Fund (including, without limitation, the management fee to be paid by the Fund to its investment manager (in its pro rata share)). The Company may change the amount and timing of the expenditure of uncommitted funds depending on numerous factors. The Company's management will have a broad discretion as to the allocation of the net proceeds of this Offering.

Section 3. The Company.

(a) The Company is authorized to issue up to 4,999,900 Participating Shares. The board of directors (the "**Board of Directors**") are responsible for the overall management and control of the Company. The initial member of the Board of Directors of the Company will be the Manager.

(b) **Management; Fees**. The Company will be managed pursuant to a management agreement between the Company and the Manager (the "**Management Agreement**") pursuant to which will provide certain management services, and receive certain fees for such services. The Company shall pay an annual management fee as compensation for its management services in an amount equal to one percent (1%) of the proceeds from the sale of

Shares in accordance with the terms of this Offering. Such annual management fee shall be payable by the Company to the Manager on the effective date of the Management Agreement and on each anniversary of the effective date of the Management Agreement thereafter.

For the avoidance of doubt, the management fee above mentioned will be in addition to the management fee paid to the Manager at the Fund level of 2% of committed capital during the Fund's investment period and 2% annually of net invested capital thereafter..

No other management fees will be charged except as specified above.

(c) **Distributions**. The Company intends to declare and distribute periodic dividends to its shareholders ("**Shareholders**") in the amount of distributions it receives from the Fund through the Delaware LLC, less a reasonable reserve for anticipated expenses. The amount and timing of dividends will be at the discretion of the Board of Directors until such time as the Company is liquidated.

(d) **Term and Redemptions.** The Company shall continue until the termination of the Fund. Holders of Participating Shares have no right to redeem their Shares from the Company. The Board of Directors have the power to effect a compulsory redemption of Shares in accordance with the provisions of the Articles.

(e) **Reports**. The Company will furnish to the Purchasers hereunder copies (in the English language) of any reports and financial statements (in addition to any reports and financial statements provided by the Delaware LLC and the Fund) provided by the Manager to the Company from time to time including:

i. by no later than October 1 in each year a copy of the Independent Audit Confirmation (as defined below); and
ii. by no later than February 15, May 15, August 15 and November 15 in each year the Quarterly Update (as defined below).

For the purposes of the above:

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in Miami, Florida, Montevideo, Uruguay or Cayman Islands are authorized or required by law to close.

"**Independent Audit Confirmation**" means upon request by the auditor of the issuer, within 10 Business Days, the Manager will provide to the auditor of the issuer confirmation of the net asset value of the Company in accordance with this Offering Memo. The net asset value of the Company will be calculated by a third party independent valuation entity, previously approved by FlexFunds Ltd, Intertrust Trustees Limited and the Programme auditor (or such auditor as FlexFunds Ltd may advise). Notwithstanding the foregoing FlexFunds Ltd, Intertrust Trustees Limited and/or the Programme Auditor may reject a third party valuation agent or its calculation if there is evidence of wrongdoing or miscalculation of the true value of the Shares. Posadas &

Vecino Consultores Internacionales S.A. has been approved by the aforementioned parties as the third party independent valuation entity.

"**Quarterly Updates**" means a document in English containing the following information:
1) Description of underlying company;
2) Latest financial information of the Company (interim financials accepted); and
3) The Manager's conclusions on whether there has been a material change in the net asset value of the Peninsula Alternative Real Estate LP (Series 227) Notes due 2028.

(f) **Regulation**. The Company is not registered with the Cayman Islands Monetary Authority ("**CIMA**"). Accordingly, the Company is not subject to regulatory supervision by CIMA.

(g) **Purpose**. The purpose of the Company is to make equity investments in and, in certain circmustances (and for the benefit of the Purchasers), provide debt to the Fund. The equity investments will be made through the Delaware LLC and any other intermediate feeder created by the Company for the benefit of the Purchasers. The Fund invests equity and provides mezzanine debt in student and senior housing in the U.S. and, therefore, owns and will own certain real property located in the U.S.

For additional information regarding the business of the Company, please refer to the Investment Summary attached as Exhibit A hereto.

Section 4. Representations and Warranties of the Company. Representations and Warranties of the Company.

(a) Organizational Status; Authorization. The Company is an exempted company limited by shares, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands. The Company has all requisite corporate power and authority to own its assets and to carry on its business as presently conducted. The Company has full power and authority to enter into the Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of the Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action. Neither the execution and delivery of the Agreement nor the consummation of the transactions contemplated in this Offering Memo requires the approval or consent of any third party.

(b) No Conflict. The delivery and performance of this Offering Memo and the transactions contemplated by this Offering Memo will not conflict with, or constitute or result in a breach, default or violation of (i) the organizational documents of the Company; (ii) any law, ordinance, regulation or rule applicable to the Company; or (iii) any order, judgment, injunction or other decree by which the Company is bound.

(c) Litigation. There is no claim, action, demand, suit, lawsuit, proceeding, arbitration, grievance, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory, or otherwise, in law or in equity, pending or threatened against the Company in any court or before any governmental or regulatory authority and the Company does not know or has reason to be aware of any basis for the same.

(d) Compliance with Applicable Law. The Company has complied with all laws, statutes, rules, regulations, judgments, decrees and orders applicable to its business, and the Company has not received any written notice alleging any such conflict, violation, breach or default.

Section 5. Information Regarding Forward-Looking Statements. This Offering Memo and other information, if any, provided to the Purchaser by the Company, contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors (including those related to the Fund) which may cause actual results, performance or achievements to be materially different from any future results, performances or achievements express or implied by the forward-looking statement. Forward-looking statements relate to matters which include, but are not limited to:

- the ability of the Company and the Fund to implement their business strategies;
- the ability of the Company and the Fund to operate and expand their businesses;
- the capabilities of the Company and the Fund; and
- the impact of competitors, the current circumstances in the industry in which the Company and the Fund operate and general economic factors.

All statements other than statements of historical fact are "forward-looking statements," including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements regarding future economic conditions or performance and any statement of assumptions underlying any of the foregoing. Some forward-looking statements may be identified by the use of such terms as "expects," "will," "anticipates," "estimates," "believes," "plans" and words of similar meaning. These forward-looking statements relate to business plans, programs, trends, results of future operations, satisfaction of future cash requirements, funding of future growth, acquisition plans and other matters. In light of the risks and uncertainties inherent in all such projected matters, the inclusion of forward-looking statements in this Offering Memo should not be regarded as a representation by the Company or any other person that the Company's objectives or plans will be achieved or that the Company's operating expectations will be realized. Actual results could differ from those projected in any forward-looking statements. Furthermore, the achievement of the Company´s objectives or plans is directly related to the result of the Fund.

These forward-looking statements reflect the Company's current views with respect to future events and are based on assumptions and subject to risks and uncertainties, not all of which may be specifically delineated or recognized. Although management believes that the expectations reflected in any forward-looking statements are reasonable, the Company does not guarantee future results, events, levels of activity, results of operations, or achievements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. For a discussion of these factors and others, please see "Risk Factors" below. All forward-looking statements attributable to the Company are expressly qualified in their entirety by such language, and the Company is not obligated, and does not intend, to update any forward-looking statements at any time unless an update is required by applicable securities laws. Also, these forward-looking statements represent the Company's (and/or the Fund´s) estimates and assumptions only as of the date of this Offering Memo and should not be relied upon in making an investment in the Company.

The projections included in Exhibit A to this Offering Memo were prepared by the Company's management based upon their knowledge and analysis of the Company's business and the Fund. Projected financial information set forth in the exhibit to this Offering Memo necessarily reflects numerous assumptions with respect to general business and economic conditions and other matters, some of which are set forth in this Offering Memo, and many of which are inherently uncertain or beyond the control of the Company. It is not possible to predict whether the assumptions made in preparing the projected financial information will be valid, and actual results may prove to be materially higher or lower than those contained in the projections. The inclusion of this information should not be regarded as an indication that the Company, the Fund or anyone else who prepared this information considered it a reliable predictor of future events, and this information should not be relied on as such. The projections are subject to considerable risks and uncertainties that can cause future results to vary from expectations. Projections are based on current information and assumptions, and are subject to change as conditions develop. None of the Company or any of its representatives makes any representations regarding any projections.

Section 6. **U.S. Federal Income Tax Considerations. This Offering Memo does not discuss any material U.S. federal, state, local or foreign income tax considerations relevant to the purchase, ownership and disposition of the Shares by U.S. and non-U.S. investors. Prospective non-U.S. investors should be aware that they may be subject to complex U.S. income tax, withholding tax, and compliance rules. Prospective Purchasers are strongly urged to consult their own tax advisors as to the particular tax consequences to that Purchaser of acquiring, holding and disposing of the Shares, including the applicability and effect of any U.S., state, local or foreign tax laws and recent changes in applicable tax laws.**

Section 7. Risk Factors. *An investment in the Shares is speculative and involves a high degree of risk and should only be considered by prospective investors who have no need for liquidity in their investment. The risk factors set forth in this Offering Memo are not intended to be an exhaustive list of the general or specific risks involved, but to identify certain risks that the Company currently foresees. The Purchaser should carefully consider all information contained herein and should give particular consideration to such risk factors before deciding to purchase*

the Shares offered hereby. Additional risks and uncertainties that are not yet identified or that the Company currently considers to be immaterial may also materially adversely affect the Company's business and financial condition in the future. Any of the risks described herein could materially adversely affect the Company and could result in a complete loss of an investment in the Shares. This Offering Memo is qualified in its entirety by these risk factors.

Risks Related to the Company's Business

We cannot predict our success.

We believe that the rapidly changing market in which the Company and the Fund operate makes it impossible to predict the extent of our overall success. The Fund may never be able to achieve favorable operating results or profitability or generate sufficient cash flow to support its business internally and to make distributions to the Company.

Our financial condition and results of operations will significantly rely on the Board of Directors and the Fund.

Purchasers hereunder will have limited control over or influence in the management of the Company, which will be under the substantial control of the Board of Directors. The initial member of the Board of Directors shall be the Manager. The Manager also holds the non-participating voting Management Shares in the capital of the Company. Successful operations and investments of the Company's business will be dependent in major part upon the operating and management skills of the Board of Directors and the investment manager of the Fund. The loss of the services of the Manager and/or the investment manager of the Fund, would have a material adverse impact on the Company's ability to realize its objectives which may adversely affect the Company's financial condition and results of operations.

The Company and/or the Fund may not be able to raise capital as needed to maintain its operations.

The Company and/or the Fund may need to raise additional funds to support all of its strategies. Additional financing may not be available to the Company on favorable terms, if at all. If the Company or the Fund cannot raise needed funds on acceptable terms, it may not be able to develop its business, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements, which could seriously harm its business, financial condition and results of operations and, as a result, adversely affect our investment in the Fund.

The pro forma assumptions made in the Investment Summary are subject to numerous risks and uncertainties and are inherently speculative and subject to change.

Each prospective Purchaser has been provided financial forecasts that are based on the Company's (and the Fund´s) estimates of future financial performance. The financial forecasts were prepared by the Company's management and are based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, many of which are beyond our control and the control of the Fund, and are based upon assumptions with respect to future business decisions which are subject to change. Many of the factors affecting the financial forecasts are impossible to predict with certainty and, as such, are outside our ability to control. We make no representation or warranty as to the accuracy of the financial forecasts.

The financial forecasts constitute "forward looking statements", all of which are subject to risk and uncertainties. You must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward-looking statements. Factors that might cause such a difference include, without limitation, decline in demand for real estate in general, or in the location of the Properties (as defined below), in particular, the effect of general economic conditions generally, factors affecting real estate sales and other risks and uncertainties referred to in this document. These factors also could include inaccurate assumptions and a broad variety of other risk and uncertainties, including some that are known and some that are not. No forward looking statement can be guaranteed and actual future results may vary materially.

Our performance and the value of our investment in the Fund are subject to risks incident to ownership of real estate and with the real estate industry.

We are subject to all the risks incident to ownership of interests in real estate, many of which relate to the general illiquidity of real estate investments. The illiquidity of real estate investments generally may impair the ability of the Fund to respond promptly to changing circumstances. Our management believes that such risks are heightened because of the property type of the properties in which the Fund holds a direct interest (the "**Properties**"). Our economic performance and the value of our investment in the Fund are subject to the risk that if the operating income and proceeds from the sale of the Properties do not generate sufficient funds to meet operating expenses, debt service and capital expenditures, Fund´s cash flow and ability to make distributions to the Company will be adversely affected.

The following factors, among others, may adversely affect the cash flow generated from the Properties:

- downturns in the international, national, regional and local economic climate;
- consumer confidence, unemployment rates, and consumer tastes and preferences;
- competition from similar asset type properties;
- local real estate market conditions, such as oversupply or reduction in demand;
- changes in interest rates and availability of permanent mortgage financing that may render the sale or refinancing of the Properties difficult or unattractive and that may make debt service more burdensome;
- increased operating costs, including insurance premiums, utilities and real estate taxes;
- changes in real estate and zoning laws, increases in real estate taxes and inflation;
- civil disturbances, earthquakes and other natural disasters, terrorist acts or acts of war; and

- decreases in the underlying value of our real estate.

The Properties faces significant competition.

Competition in the real estate industry is currently intense and could intensify further in the future due to the general effects of a weak economy. The Properties face or may face significant competition from developers, owners and operators of real estate, many of which have greater financial resources and a substantial presence in the markets where the Properties are or will be located and offer properties similar to the Properties. The Properties face or may face competition from similar properties in the same market. Significant price competition would reduce the returns realized by the Company's investment in the Fund. Many competitors have greater financial resources to devote to marketing their properties and may be able to respond more quickly to changes in buyers' requirements. There can be no assurance that the Properties will be able to compete successfully in this environment. If the managers of the Properties do not adapt to effectively compete in such a highly competitive environment, such competitive factors could have an adverse effect on the Fund´s business which, as a result, may adversely affect our financial condition or results of operations.

Changes in general economic and business conditions, internationally, nationally and in the markets in which the Properties are located, could have an adverse effect on our business, financial condition or results of operations.

Our operating results may be subject to factors which are outside of our control, including changes in general economic and business conditions, internationally, nationally and in the market in which the Properties are or will be located. Such factors could have a material adverse effect on our business, financial condition or results of operations.

In addition, disruptions in the credit and financial markets, declines in consumer confidence, increases in unemployment, declines in economic growth and uncertainty about corporate earnings could have a significant negative impact on the U.S. and global financial and credit markets and the overall economy. Such events could have an adverse impact on financial institutions resulting in limited access to capital and credit for many companies. Furthermore, economic uncertainties make it very difficult to accurately forecast and plan future business activities. Changes in economic conditions, changes in financial markets, deterioration in the capital markets or other factors could have an adverse effect on the financial position, revenues, results of operations and cash flows of the Fund and, as a result, the Company.

Risks Related to an Investment in the Shares

There is no public market for our securities.

We cannot assure you that a public offering will occur in the future or that a public market for our securities will develop. We have not registered the sale of the Shares under the Securities Act or the securities laws of any state or other jurisdiction. The Shares are highly illiquid, have no current or anticipated future public market and are not transferable without the express consent of the Board of Directors. You may be required to retain the investment in our

securities indefinitely. Each Purchaser of the Shares is required to represent that the Shares are being acquired for their own account, for investment purposes only, and not with a view to resale. Consequently, the Shares may not be resold or otherwise transferred unless they are subsequently registered under applicable securities laws or an exemption therefrom is available. In view of these and other limitations to the transfer of the Shares as described herein, the Shares should be considered an illiquid investment which may need to be held indefinitely.

Furthermore, because of the adverse tax implications that my result from the ownership of the Shares by a U.S. Person, investors may not sell, assign, convey, pledge, encumber, transfer or otherwise dispose of the Shares to any U.S. Person or to any person who may or intends to become a U.S. Person during the period in which they will own the Shares. Accordingly, any Purchaser may not be able to liquidate his, her or its investment in the Company in the event of an emergency or for any other reasons, and the Shares may not be acceptable as collateral for loans. Limitations on the transfer of the Shares may also adversely affect the price that a Purchaser might be able to obtain for the Shares in a private sale.

Section 8. Miscellaneous. The headings in this Offering Memo are for the purpose of reference only and shall not limit or otherwise affect the meaning hereof. All pronouns and any variation thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require.

Section 9. Cayman Islands Tax Considerations.

The Company is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Shareholders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to their Participating Shares and dividends received on those Participating Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands. There are no exchange controls in the Cayman Islands.

US Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the US Internal Revenue Code (referred to as "**FATCA**") will impose a withholding tax of 30 per cent on certain US-sourced gross amounts paid to certain "Foreign Financial Institutions", including the Company, unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by "Participating Foreign Financial Institutions" to "recalcitrant account holders" (so called "foreign pass thru payments").

The Cayman Islands Government has entered into a Model 1 intergovernmental agreement with the United States (the "**US IGA**") and implemented domestic regulations to facilitate compliance with FATCA. To comply with its obligations under applicable legislation, the Company will be required to report FATCA information to the Cayman Islands Tax Information Authority (the "**Cayman TIA**") which in turn will report relevant information to the

United States Internal Revenue Service ("**IRS**"). To avoid withholding under FATCA, the Company may request additional information from any Shareholders and its beneficial owners (that may be disclosed to the Cayman TIA and the IRS) to identify whether Interests are held directly or indirectly by "Specified US Persons" (as defined in the US IGA). If the Company is not able to comply with reporting requirements under the US IGA (whether due to a failure of one or more Shareholders to provide adequate information or otherwise), the 30 per cent withholding tax under FATCA could apply to the Company.

OECD Common Reporting Standard Requirements Regarding Tax Reporting

The OECD has adopted a "Common Reporting Standard" ("**CRS**"), which is intended to become an international standard for financial account reporting. The Cayman Islands Government is a signatory to the multi-lateral competent authority agreement ("**MCAA**") that will be adopted by all jurisdictions committing to the CRS (each a "**Reporting Jurisdiction**"). Other governments that have signed up to the CRS and the MCAA will implement local legislation and the first exchanges of information under this regime began in 2017. Under the Cayman Islands implementing regulations (the "**CRS Regulations**") the Company will be required to make an annual filing in respect of Shareholders who are resident in a Reportable Jurisdiction and who are not covered by one of the exemptions in the CRS Regulations.

Lists of Participating and Reportable jurisdictions are available on the Cayman TIA website (www.tia.gov.ky)

Implications for Shareholders

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

If a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Shareholder, the Copmany 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 Participating Shares held by the Shareholder concerned or the conversion of such Participating Shares into another class of Participating Shares.

To the extent the Company 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 Company to the Shareholder or may allocate such amount to such Shareholder's Participating Shares. No Shareholder affected by any such action or remedy shall have any claim against the Company for

any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the AEOI Legislation.
Shareholders 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 the Company.

Section 10. Anti-Money Laundering

To ensure compliance with applicable requirements relating to anti-money laundering and anti-terrorism initiatives, the Company will require such information and documentation as it considers necessary to verify the identity and/or source of wealth of each Purchaser. In the event of delay or failure by the Purchaser to produce any information required for verification purposes, the application may be refused or there may be a delay in processing the application. None of the Company, the Manager, any administrator or their respective delegates, agents and affiliates will be liable for any loss suffered by a Purchaser arising as a result of any such refusal or a delay.

By subscribing for Participating Shares, a Purchaser consents to the disclosure of any information provided by the Purchaser to government agencies, regulatory bodies and other relevant persons in connection with anti-money laundering requirements and similar matters. Such disclosure may be made by the Company, the Manager or their delegates, agents or affiliates.

Each Purchaser will be required to make such representations as may be required by the Company in connection with its anti-money laundering programmes. Such representations will include representations that the Purchaser is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control (OFAC) website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each Purchaser will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene relevant laws and regulations, including anti-money laundering laws and regulations.

If, as a result of any information or other matter which comes to his or her attention during the course of his or her business, trade, profession or employment, any person resident in the Cayman Islands (including the Company) knows or suspects that a payment to the Company (by way of subscription or otherwise) constitutes or is derived from the proceeds of crime, such person is required to report such knowledge or suspicion pursuant to the Proceeds of Crime Law (2018 Revision) of the Cayman Islands. Such a report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

In accordance with the requirements under the Anti-Money Laundering Regulations (2018 Revision) and the Guidance Notes on the Prevention and Detection of Money Laundering in the Cayman Islands, the Company has appointed a Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer. For more information on the officers please contact the Manager.

Section 11. Company Structure

The Company

The Company is a Cayman Islands exempted limited liability company incorporated for the purpose of investing its assets in the Fund. The Company was registered under the Companies Law of the Cayman Islands on 14 August 2018.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the memorandum of association and articles of association of the Company (the "**Articles**"). The liability of a Shareholder is limited to the amount, if any, unpaid on its Participating Shares. As Participating Shares may only be issued if they are fully paid, a Shareholder will not be liable for any debt, obligation or default of the Company beyond its investment in the Company.

Share Capital of the Company

The Company has an authorised share capital of US$50,000 which is made up of 100 management shares of US$0.01 par value each ("**Management Shares**") and 4,999,900 participating shares of US$0.01 par value each which may be issued in different classes ("**Participating Shares**").

The Directors are authorised under the Articles to resolve from time to time the class to which participating shares are to be designated.

Subject to the provisions of the Articles and the Companies Law, the Company may increase or reduce its authorised share capital, divide all or any of its share capital into participating shares of a smaller amount or combine all or any of its share capital into participating shares of a larger amount.

The Articles provide that unissued participating shares are at the disposal of the Board of Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board of Directors may determine.

There are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on the holders of participating shares or Management Shares. No capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

Rights of the Management Shares

The Management Shares are held by the Manager. The Management Shares do not participate in the profits and losses of the Company and carry no right to dividends. On the

winding up of the Company, the holder of the Management Shares is only entitled to receive its paid-up capital of US$0.01 per Management Share. Management Shares are not redeemable.

Participating Shares

The Board of Directors have initially created and designated one Class of Participating Shares, Class A Shares, which are being offered under the terms of this Offering Memo. At any time the Board of Directors may create and designate additional Classes without notice to, or the consent of, the Shareholders. The Directors may differentiate between Classes on various bases, including as to the currency, the fees payable, the level of information provided and redemption rights.

Participating Shares do not carry voting rights except in relation to a modification of the rights attaching to a Class. The Management Shares, which are the voting shares in the Company, are held by the Manager.

Variation of Rights attaching to Participating Shares

The rights attaching to Participating Shares of any Class, as described above, may only be modified with the consent in writing of Shareholders holding two-thirds of the Participating Shares of the Class affected by the proposed modification or with the sanction of a resolution passed at a meeting of the holders of Participating Shares of the Class affected by not less than two-thirds of the votes cast.

EXHIBIT A

Investment Summary of

Of

Peninsula Alternative RE Cayman Ltd.

a Cayman Islands Exempted Company
Limited by Shares

Investment Manager:
PARE Management LLC

Investment Objective and Strategy

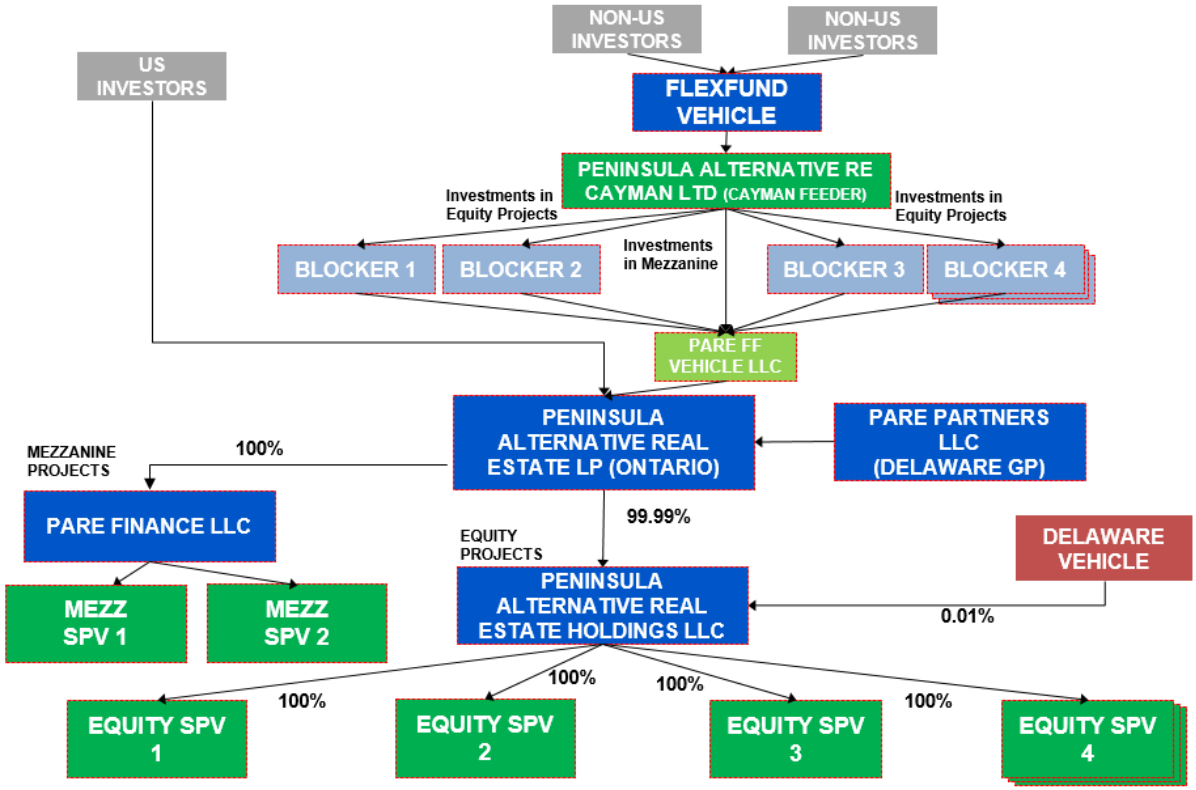
Peninsula Alternative RE Cayman Ltd., a Cayman Islands exempted company limited by shares (the "**Company**"), seeks to provide income and capital appreciation to its investors through equity investments in and, in certain circumnstances (and for the benefit of the Purchasers), debt to Peninsula Alternative Real Estate L.P., an Ontario limited partnership that invests mezzanine debt and equity in student and senior housing projects in the U.S. (the "**Fund**"). The Company will make the investment in the Fund through a wholly owned Delaware limited liability company (the "**Delaware LLC**"), which will invest exclusively, as a limited partner, in the Fund. The Company, at its sole discretion, will have the authority to create different intermediate feeders in order to create the most beneficial structure for the Purchaser.

Investment Size

The amount of capital targeted to be raised is approximately US$ 10,000,000.

Legal Structure

The below chart describes the expected legal structure of the Company's and Fund´s investments. This structure is subject to change.



The Fund

Fund:	Peninsula Alternative Real Estate, L.P.
Strategy:	GP Equity & Mezzanine Debt
Focus:	Student & Senior Housing
Geography:	United States
Projected gross IRR at the project level[1]:	Blended: 14%-17% Equity: 17%-20% Mezz Debt: 11%-14%
General Partner:	PARE Partners LLC, incorporated as a Delaware Company
Target Size:	US$ 50 million (with a hard cap of $100 million)
General Partner Commitment:	The Capital Commitment of the General Partner is US$ 10 million (20% of the Fund's target size)
Investment Period:	Three years from the Final Closing Date of the Fund
Term:	Up to eight years, with two optional one year extensions (if necessary for the benefit of the limited partners of the Fund)
Preferred Return:	8% per annum cumulative
Promote Fee:	20% above Preferred Return
Distributions:	Distribution Waterfall: 1. Pro-rata to all Investors until 100% of investment has been returned 2. Preferred return to the Investors of 8% 3. 100% to the General Partner until it has recevied 20% of the Preferred Return 4. Thereafter 80% Investors / 20% the General Partner
Management Fee:	2% annually of committed capital during investment period; 2% annually of net invested capital thereafter

[1] The gross IRR is an estimate subject to change and that has been calculated based on the date of the actual investment made by the Fund in a project and not from when the notes are purchased.

Firm and Strategy Overview

- Peninsula Alternative Real Estate group ("PARE") was founded in early 2016 by the founders of Peninsula Investments Group (Mauricio Levitin and Josef Preschel) and its Managing Director Juan Fernando Valdivieso. The co-founders of PARE have extensive experience in originating, structuring and raising capital for real estate private equity funds.

- PARE started in 2016 with a pre-fund investment of $7.1M and a gross IRR of 24.4% and 1.28x multiple on 3 investments that were fully realized in 2017. In addition to PARE's principals, 3 investors participated in the pre-fund.

- PARE uses a disciplined investment strategy for selecting developers and projects to create value for its investors.

- The principals of PARE have committed $10 million in capital to the Fund (including $6M of pre-fund realizations).

- PARE invests in GP equity positions alongside leading developer operators in student and senior housing, as well as provides mezzanine debt to senior housing developers across the United States.

- GP equity investments provide more attractive returns than those received by limited partners in real estate funds with similar strategies (in excess of 300 basis points net of fees and expenses in equity investments).

- Mezzanine debt is structured as portfolio loans to exempt foreign investors from taxes on the interest income generated.

PARE's Investment Committee Profile

Juan Fernando Valdivieso, Managing Director & Founder

Based in: Miami, USA

- Managing Director/Investment Committee Member
- Managing Partner/Founder at Dubai Equity Partners and Abu Dhabi Equity Partners
- Actively involved in real estate investment since 2005
- Partner at Park Street Advisors
- Junior Partner at McKinsey & Company

- US citizen who has lived and worked in the US since 1989
- MBA from MIT Sloan School of Management.
- Bachelor of Arts degrees from Lafayette College, Summa Cum Lauda, in Economics, Business and International Affairs
- Awarded the Wall Street Journal Achievement Award in Economics

Mauricio Levitin, Investment Committee & Founder

Based in: Montevideo, Uruguay

- Investment Committee Member
- Managing Director and Founder of Peninsula Investments Group
- Responsible for leading the Fund's investment efforts in South America, south of Colombia, as well as managing investor relations and portfolio allocation.
- Actively involved in real estate investment since 1996
- Management consultant with McKinsey & Co. for seven years
- Lehman Brothers in London as a Summer Associate
- MBA from the MIT Sloan School of Management
- BBA from the Goizueta Business School of Emory University.

Josef Preschel, Investment Committee & Founder

Based in: Miami, USA

- Investment Committee Member
- Managing Director and Founder of Peninsula Investments Group
- Responsible for overseeing investments, portfolio allocation in Mexico, Panama and Colombia
- Actively involved in real estate investment since 2003
- President of Rain Forest Tram Ltd.
- Manager of New Business Development for Patagon
- Assistant Brand Manager for Procter & Gamble

- MBA from the MIT Sloan School of Management
- Industrial Engineering degree from the Universidad Catolica Andres Bello of Caracas.

Investment Highlights

- Most resilient real estate sectors during 2007-2009 global financial crisis (student #1, senior #2).
- Senior housing outperformed all other traditional real estate sectors for the past 10 years.
- Needs-based nature of asset classes (as opposed to choice-based) leads to resiliency and low correlation.
- Strong demographics (900,000+ Americans will turn 75 each year for the next 15 years; enrollment in postsecondary institutions expected to increase by 14% to 23 million from 2013 to 2024).
- Clear imbalance between aging/obsolete housing and senior's and student's sophisticated demands.
- PARE has secured strategic relationships with experienced developer operators, including one of the largest student housing developers in the US with over 25,000 beds under management and development, a leading regional senior housing developer with over 1,700 beds under management and development, and a specialized mezzanine lender to the senior industry with over $300 million in loans in over 150 transactions.
- PARE has strong relationships with some of the largest specialized real estate investment firms in these sectors, who provide additional assessment on individual investments and have shown interest in acquiring stabilized projects.
- The Fund has already executed 6 investments, 4 equity projects and 2 mezzanine project, with a total fund commitment in excess of $7.3 million and total development cost of more than $230 million.
- PARE has additional 4 confirmed or under contract projects expected to close in the second semester of 2018/first semester of 2019 after further market and project due diligence, with fund commitment of $14.5 million and total development cost in excess of $330 million, and a strong pipeline of 5-10 additional projects for 2018 and 2019.

Closed Investments

Identity 107 – FIU (Equity - Student Housing in Miami, Florida)

Co-developing with joint venture partner (third largest student housing developer in the US, with over 25,000 beds under management in 17 projects across the US by 2021). Lot located 3 blocks

north from Florida International University, the 4th largest university in the United States by enrollment. Mixed-use project with 625 beds in 187 units in a 15-story tower:

– Units will range from 43 m2 to 159 m2

– Includes 508 m2 of retail space in the lobby

Watercrest Newnan (Equity – Senior Housing in Newnan, Georgia)

Co-developing with joint venture partner, specialized operator developer. Such operator operates 6 assisted living and memory care facilities in Florida, and is developing 9 more in the Southeast. A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units. Total building size: 8,407 m2. Total land size: 35,207 m2.

Watercrest Columbia (Equity – Senior Housing in Columbia, South Carolina)

Co-developing with joint venture partner (a specialized operator developer). Such operator operates 6 assisted living and memory care facilities in Florida, and is developing 9 more in the Southeast. A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units. Total building size: 8,407 m2. Total land size: 23,472 m2.

Palm Coast (Mezzanine – Senior Housing in Palm Coast, Florida)

Provided mezzanine loan in participation agreement with specialized healthcare mezzanine provider. Property been developed by joint venture partner. Such partner is a specialized operator developer, which operates 6 assisted living and memory care facilities in Florida, and is developing 9 more in the Southeast. 100% Memory Care facility with 64 beds in 64 units. Total building size: 4,250 m2. Total land size: 13,557 m2.

Watercrest Winter Park (Equity – Senior Housing in Winter Park, Florida)

Co-developing with joint venture partner (a specialized operator developer). Such operator operates 6 assisted living and memory care facilities in Florida, and is developing 9 more in the Southeast. A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units. Total building size: 9,126 m2. Total land size: 13,152 m2.

SouthPointe (Mezzanine – Skilled Nursing Facility in South Beach, Florida)

Provided mezzanine loan in participation agreement with a healthcare related company. Mezzanine loan was used to finance acquisition of Skilled Nursing Facility licensed for 246 beds (230 beds operational), located on 42 Collins Avenue in South Beach. Sponsors own over 100 SNFs and 12,500 beds in 11 states. Total building size: 5,830 m2. Total land size: 3,020 m2.

Confidentiality and Forward Looking Statements

This Investment Summary is for the confidential use of the prospective investor to whom it was delivered by the Company and may not be copied, reproduced or distributed, in whole or in part, nor may its contents, which are deemed confidential by the Company, be divulged, without the express prior written consent of the Company.

The prospective investor acknowledges that any estimates or forward looking statements included in this Investment Summary were prepared by the Company's management in good faith, but that the attainment of such estimates or forward looking statements cannot be guaranteed by the Company or such management and should not be relied upon. The projections in this document were prepared by the Company's management based upon current information and assumptions, and are subject to change as conditions develop. Projected financial information necessarily reflects numerous assumptions with respect to general business and economic conditions and other matters, many of which are inherently uncertain or beyond the control of the Company. It is not possible to predict whether the assumptions made in preparing the projected financial information will be valid, and actual results may prove to be materially higher or lower than those contained in the projections. The inclusion of this information should not be regarded as an indication that the Company, its management or anyone else who prepared this information considered it a reliable predictor of future events, and this information should not be relied on as such.

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