NOTICE TO NOTEHOLDERS

The Noteholders
(being the holders of Prodigy Network 46th Street AKA UN (Series 49) Notes due 2020 (the "**Notes**"),
ISIN Code – XS1332125159 / Common Code – 133212515

14 November 2019

The Calculation Agent previously provided notice to Noteholders on 8 November 2019 and 11 November 2019 that due to its inability to publish or calculate net asset value ("**NAV**") prices on the Notes, the NAV price on some pricing platforms may appear as zero. The Calculation Agent also confirmed that it was not confirming a zero price for the NAV at that time.

The latest financial information received from Prodigy Network LLC ("**Prodigy**") for the underlying assets of the Notes were unaudited capital statements as of 30 June 2019, which are attached hereto (the "**Latest Financials**").

Notwithstanding the foregoing, the last NAV price of 59.51 published for the Notes was on 30 September 2019 and was based on the Latest Financials provided by Prodigy. For the avoidance of doubt, the Calculation Agent shall not publish a new NAV price for the Notes until further financial information has been received on the underlying asset. Prodigy has previously indicated further financial information would be delivered following the restructuring of Prodigy and its six New York properties.

For further information, please contact Prodigy Network directly at investorrelations@prodigynetwork.com.

For and on behalf of

……………………………

GWM Group, Inc.

as Calculation Agent

ANNEX – LATEST FINANCIALS

PRODIGY NETWORK

THE LEADER IN REAL ESTATE CROWD-INVESTING

Prodigy Network LLC
17 John Street
New York, NY 10038

234 East 46th Street Series

Capital Account Statement as of 06/30/19 (Audited)

Investment Information:

Investor Name IA Capital Structures (Ireland) PLC Series 49 – Prodigy Network 46th Street (Series 49) Notes due 2020

Investment Schedule:

Investment Date*	Investment Amount
2/1/2016	$8,460,000
3/10/2016	412,000
3/30/2016	200,000
5/9/2016	49,000
5/23/2016	350,000
5/30/2016	50,000
6/6/2016	98,000
Total Investment	$9,619,000

Description	Amount
Capital Contribution	$9,619,000
Unrealized Gain (Loss)	(3,883,548)
Fair Value of Investment*	5,735,452
Distributions Paid to Date	1,836,706
Fair Value of Investment plus Distributions Paid to Date	7,572,158
Unrealized and Realized Gain (Loss) to Date	($2,046,842)

* The Fair Value of Investment represents the value of this capital account after the distribution waterfall terms of the Series are applied to the net assets of the Series, to arrive at the fair value as of June 30 ,2019. If the net assets of the Series do not provide sufficient value such that the Preferred Return accrued through this date would be distributed to this capital account after the distribution waterfall terms are applied, then the Preferred Return accrued is not included in the Fair Value of Investment. The Preferred Return continues to be accrued and maintained on the books and records of the Series, and will be included in the Fair Value of Investment should the net assets of the Series provide sufficient value.

* The investment date, which is the date the Preferred Return is calculated from, is the later of the inception of the Series or the approval of the subscription to the Series.

Fund Administration Services Provided By:

NES Financial

(800) 339-1031 www.nesfinancial.com

PRODIGY SHOREWOOD NEW YORK REP FUND, LP

234 E 46TH STREET SERIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

PRODIGY SHOREWOOD NEW YORK REP FUND, LP
234 E 46TH STREET SERIES

CONTENTS

Independent Auditor's Report

To the Partners
Prodigy Shorewood New York REP Fund, LP
234 E. 46th St Series

We have audited the accompanying consolidated financial statements of Prodigy Shorewood Master REP Fund, LLC - 234 E 46th Street Series (the "Partnership"), which comprise the consolidated statements of assets and liabilities as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in partners' capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2018 and 2017, and the results of its operations, changes in partners' capital and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

New York, New York
May 17, 2019

PRODIGY SHOREWOOD NEW YORK REP FUND, LP
234 E 46TH STREET SERIES

CONSOLIDATED STATEMENTS OF ASSETS and LIABILITIES

DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Investment in Prodigy Shorewood Master REP Fund, LLC	$ 19,847,587	$ 19,668,906
Contributions receivable	74,925	68,905
Cash	--	1,206,534
Total Assets	$ 19,922,512	$ 20,944,345
Liabilities and Partners' Capital		
Liabilities		
Cash	$ 1,665	$ --
Due to Prodigy Shorewood Master REP Fund, LLC	73,261	73,462
Distributions payable	--	1,205,629
Total Liabilities	74,926	1,279,091
Partners' Capital		
Partners' Capital	19,847,586	19,665,254
Total Partners' Capital	19,847,586	19,665,254
Total Liabilities and Partners' Capital	$ 19,922,512	$ 20,944,345

The accompanying notes are an integral part of these consolidated financial statements.

PRODIGY SHOREWOOD NEW YORK REP FUND, LP
234 E 46TH STREET SERIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Investment Income (Expenses) Allocated from Prodigy Shorewood Master REP Fund, LLC		
Management fees	$ 248,153	$ 250,964
Professional fees	257,397	288,523
Fund administration	46,681	61,035
General and administrative	17,051	31,910
Net Investment Loss Allocated from Prodigy Shorewood Master REP Fund, LLC	(569,282)	(632,432)
Fund (Income) Expenses		
General and administrative expenses	(8,162)	3,651
Unrealized Gain (Loss) from Investment Allocated from Prodigy Shorewood Master REP Fund, LLC		
Unrealized appreciation (depreciation) on Investment	2,013,242	(1,376,077)
Net Income (Loss)	$ 1,452,122	$ (2,012,160)

The accompanying notes are an integral part of these consolidated financial statements.

PRODIGY SHOREWOOD NEW YORK REP FUND, LP
234 E 46TH STREET SERIES

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Preferred Interests	Common Interest	Total Partners' Capital
Balance, January 1, 2017	$ 24,188,479	$ --	$ 24,188,479
Capital contributions	--	--	--
Capital distributions	(2,403,597)	--	(2,403,597)
Syndication costs allocated from Prodigy Shorewood Master REP Fund LLC	(107,468)	--	(107,468)
Net loss	(2,012,160)	--	(2,012,160)
Balance, December 31, 2017	19,665,254	--	19,665,254
Capital contributions	10,497	--	10,497
Capital distributions	(1,188,942)	--	(1,188,942)
Syndication costs allocated from Prodigy Shorewood Master REP Fund LLC	(91,345)	--	(91,345)
Net income	1,452,122	--	1,452,122
Balance, December 31, 2018	$ 19,847,586	$ --	$ 19,847,586

The accompanying notes are an integral part of these consolidated financial statements.

PRODIGY SHOREWOOD NEW YORK REP FUND, LP
234 E 46TH STREET SERIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Net income (loss)	$ 1,452,122	$ (2,012,160)
Adjustments to reconcile net income (loss) to net cash from (used in) operating activities:		
Net (income) loss allocated from Prodigy Shorewood Master REP Fund, LP	(1,443,960)	2,008,509
Distribution from Prodigy Shorewood Master REP Fund, LP	1,173,934	2,408,109
Changes in operating assets and liabilities:		
Due to Prodigy Shorewood Master REP Fund, LLC	(201)	(623,561)
Due to affiliates	--	(3,154,144)
Net Cash From (Used in) Operating Activities	1,181,895	(1,373,247)
Cash Flows from Financing Activities		
Capital contributions, net of change in contributions receivable	4,477	1,482
Capital distributions, net of change in distributions payable	(2,394,571)	(1,202,001)
Net Cash Used in Financing Activities	(2,390,094)	(1,200,519)
Net Decrease in Cash	(1,208,199)	(2,573,766)
Cash, beginning	1,206,534	3,780,300
Cash, ending	$ (1,665)	$ 1,206,534
Supplemental Disclosure of Non-Cash Financing Activity:		
Syndication costs allocated from Prodigy Shorewood Master REP Fund LLC	$ 91,345	$ 107,468

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF COMPANY

ORGANIZATION

Prodigy Shorewood New York REP Fund, LP (the "Partnership") was formed as a Cayman Islands Exempted Limited Partnership on July 23, 2013 ("inception") pursuant to the Third Amended and Restated Limited Partnership Agreement dated August 27, 2014 (the "Agreement"). The Partnership was formed to serve as a feeder fund in a master-feeder structure investing substantially all its capital in 234 E 46th Street Pref Inc. ("NewCo"), a corporation formed under the laws of the State of Delaware on October 29, 2015, through the acquisition of non-voting shares in the capital of NewCo and through a credit facility extended by the Partnership to NewCo. NewCo will then invest substantially all of its capital to Prodigy Shorewood Master REP Fund, LLC (the "Master Fund"), a limited liability company formed under the laws of the State of Delaware. NewCo serves as an intermediary entity through which the Partnership invests in the Master Fund. NewCo makes no independent investment decisions and has no investment or other discretion over its assets. The Master Fund was formed to, indirectly through one or more controlled entities, acquire, renovate and operate real estate assets located in the New York City area and other major markets in the United States. The Partnership shall be dissolved upon the occurrence of any of the events set forth in the Agreement. The Partnership owns approximately 83% and 91% of the Master Fund as of December 31, 2017, and 2018, respectively through its investment in NewCo.

The Partnership is managed by Prodigy Network, LLC (the "Manager") or its affiliate. The Manager has discretionary authority to invest the assets of the Partnership and is responsible for all investment decisions made on behalf of the Partnership. Prodigy Shorewood New York REP Fund (GP) Company is the General Partner of the Partnership and the affiliate of the Manager.

The Partnership shall continue indefinitely, provided however, the Partnership shall be dissolved upon the occurrence of any of the events set forth in the Agreement. The Partnership's Investment in the Master Fund shall have a termination date that is five years from the Closing Date as defined. The term shall be extended by the Manager in its sole discretion for two additional one- year periods.

NOTE 1 - NATURE OF COMPANY (CONTINUED)

ORGANIZATION (CONTINUED)

The Partnership is not a registered investment company and is not subject to the investment restrictions limitations on transactions with affiliates and other provisions of the Investment Company Act of 1940, as amended (the "Company Act"), in reliance upon an exemption from such registration provided in Section 3(c)(5) of the Company Act.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Partnership in the preparation of its consolidated financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates.

The financial statements of the Master Fund are included elsewhere in this report and should be read in conjunction with the Partnership's consolidated financial statements.

BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared in conformity with GAAP for entities that report investments at fair value. The Partnership qualifies as an investment company, as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 Financial Services – Investment Companies and, therefore, is applying the accounting and reporting guidance in ASC Topic 946.

The Partnership's financial statements are consolidated with NewCo. In conjunction with the Partnership's investment in the Master Fund, NewCo was created for the benefit of the Partnership. Pursuant to NewCo's Stockholders Agreement dated October 29, 2015, NewCo has 1 share and 75,674.25 shares of Class A Common Stock and Class B Common Stock, respectively, authorized and outstanding as of December 31, 2018 and 2017. Pursuant to FASB ASC 810, Consolidation, the Partnership is considered to have an effective controlling

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

interest in NewCo due to the ownership of its financial interest. All intercompany transactions and balances have been eliminated upon consolidation.

VALUATION OF INVESTMENT IN PRODIGY SHOREWOOD MASTER REP FUND, LLC

The Partnership records its investment in the Master Fund based on its proportionate share of the net assets of the Master Fund. Valuation of investments held by the Master Fund, including, but not limited to, the valuation techniques used and categorization within the fair value hierarchy of investments, are discussed in the notes to the Master Fund's financial statements, included elsewhere in this report.

INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

The Partnership records its proportionate share of the Master Fund's income, expenses and realized and unrealized gains and losses on investments. The Partnership follows the revenue recognition policies of the Master Fund, which are discussed in the notes to the Master Fund's financial statements. In addition, the Master Fund is authorized to incur all expenses on behalf of the Partnership which it deems necessary for the management and operations of the Partnership. In addition, the Partnership incurs and accrues its own expenses.

INCOME TAXES

The Partnership is not subject to direct taxation in the Cayman Islands. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements. For all open tax years and for all major taxing jurisdictions, management has concluded that the entity is exempt from income taxes and there are no uncertain tax positions that would require recognition in the consolidated financial statements. If the Partnership were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the years ended December 31, 2018 and 2017. The General Partner does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months. However, management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions,

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

compliance with federal, state and local, and foreign income tax laws, and changes in practices and precedents of the relevant taxing authorities. The Partnership is subject to income tax examinations by major taxing authorities since its inception.

In addition, NewCo files federal and state corporate income tax returns as discussed in Note 5.

SYNDICATION COSTS

Costs incurred in connection with raising equity are recognized when incurred. These costs include fees paid to the Manager and commissions paid to third party brokers and financial advisors as compensation for marketing and sales efforts to raise equity for the Partnership and Master Fund. The Partnership has reported its pro-rata share of syndication costs allocated from the Master Fund on the accompanying consolidated statements of changes in partners' capital. During the years ended December 31, 2018 and 2017, syndication costs of $107,468 and $91,345, respectively, have been recorded as a reduction of capital and included in the consolidated statements of changes in partners' capital. The Master Fund has allocated syndication costs in accordance with the Agreement which is disclosed in the notes to the Master Fund's financial statements.

DISTRIBUTIONS PAYABLE

The Partnership generally records redemptions and distributions as liabilities at the end of each period after the amount of the redemption and distribution is determined in accordance with the Agreement. There were no redemptions payable at December 31, 2018 or 2017. There were distributions payable of $0 and $1,205,629 at December 31, 2018 and 2017, respectively.

NOTE 3 - OFF-BALANCE SHEET AND OTHER CONCENTRATION OF RISKS

CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to credit risk include cash and money market accounts held with major financial institutions. The Federal Deposit Insurance Corporation insures certain of the Partnership's bank accounts up to a maximum of $250,000 in each bank. From time-to-time, the Partnership maintains cash balances at institutions that are in excess of federally insured amounts. The Partnership mitigates this risk by depositing

NOTE 3 - OFF-BALANCE SHEET AND OTHER CONCENTRATION OF RISKS (CONTINUED)

CONCENTRATION OF CREDIT RISK (CONTINUED)

funds in financial institutions that management believes are financially sound.

NOTE 4 - PARTNERS' CAPITAL

CAPITAL COMMITMENTS AND CONTRIBUTIONS

The Partnership raises capital through the issuance of two types of partnership interest, preferred interests and common interest held by the Limited Partners. With respect to each interest, the partners shall be admitted and make capital contributions in the aggregate amount set forth in the related Agreement.

Total commitments to the Partnership for preferred and common interests as of December 31, 2018 and 2017 was $30,044,925 and 30,034,428, respectively, of which $29,970,000 was received at each date.

WITHDRAWALS

A limited partner may not voluntarily withdraw, in whole or in part, the amount in its capital account.

NET PROFIT AND LOSS ALLOCATIONS

The Partnership's net income or loss attributable to the Investment in the Master Fund shall be calculated based on the Partners' capital balance in the Partnership and thereby allocated to the Partners in accordance with the manner in which distributions are allocated as discussed below.

DISTRIBUTIONS

Distributions by the Partnership are based on the distribution provisions of the Master Fund which may be adjusted for any expenses incurred by the Partnership.

CONCENTRATION OF PARTNERS' CAPITAL

As of December 31, 2018 and 2017, two Partners' represented approximately 62% and 32% of partners' capital, respectively.

(Expressed in United States Dollars)

NOTE 5 - INCOME TAXES

The following table summarizes NewCo's income tax provision (benefit):

	Year Ended December 31, 2018	Year Ended December 31, 2017
Deferred (benefit) taxes:		
Federal and state	$ (161,146)	$ (7,728,561)
Valuation allowance	161,146	7,728,561
Total	$ --	$ --

Deferred tax assets have been provided for deductible temporary differences related to NewCo. A full valuation allowance was applied to the deferred tax asset due to the likelihood that the Partnership will not generate sufficient taxable income to fully utilized the deferred tax asset recorded at December 31, 2018 and 2017.

The deferred tax asset in the accompanying consolidated statements of assets and liabilities include the following components at December 31, 2018 and 2017:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Deferred tax asset	$ 7,889,707	$ 7,728,561
Valuation allowance	(7,889,707)	(7,728,561)
Total	$ --	$ --

NOTE 6 - RELATED PARTY TRANSACTIONS

The Partnership considers the Manager, its principal owners, members of management, and members of their immediate families, as well as entities under common control, to be related parties to the Partnership. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

DUE TO PRODIGY SHOREWOOD MASTER REP FUND LLC

Due to the Master Fund represents cash that was received by the Partnership as capital contributions, which should be transferred to the Master Fund. In accordance with the Agreement, contributions to the Partnership are to be contributed to the Master Fund unless designated to pay expenses of the Partnership. As of December 31, 2018 and 2017, $73,261 and $73,462, respectively, of capital contributions had been received by the Partnership but not yet transferred to the Master Fund.

(Expressed in United States Dollars)

NOTE 7 - GUARANTEES

In the normal course of its operations, the Master Fund, on behalf of the Partnership, enters into contracts and agreements that contain indemnifications and warranties. The Partnership's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Partnership that have not yet occurred. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

NOTE 8 - FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2018 and 2017 are as follows:

	2018	2017
Preferred Interest Internal Rate of Return		
Internal rate of return	(6.77)%	(12.95)%
Less: carried interest to Preferred Interest	0.00	0.00
Internal Rate of Return Net of Carried Interest to Preferred Interest	(6.77)%	(12.95)%
Ratios to Average Preferred Interest:		
Operating expenses	2.92%	2.70%
Carried interest to Preferred Interest	0.00	0.00
Total Expenses and Carried Interest	2.92%	2.70 %
Net Investment Loss	(2.92)%	(2.70) %
Committed Capital:		
Total committed capital at December 31, 2018 and 2017	$30,044,925	$30,034,428
Ratio of total contributed capital to total committed capital	99.8%	99.8%
Internal Rate of Return Net of Carried Interest to Preferred Interest December 31, 2016	(17.56%)	

The internal rate of return is computed based on the actual dates of the cash inflows (capital contributions), cash outflows (capital distributions), and the ending preferred interests' capital (residual value) as of each measurement date. An individual preferred interests' internal rate of return may vary based on different management fee and carried interest arrangements.

NOTE 8 - FINANCIAL HIGHLIGHTS (CONTINUED)

The ratios are computed using a weighted-average of the preferred interests' capital for the years ended December 31, 2018 and 2017. The net investment loss ratio does not reflect the effects of the carried interest allocation.

NOTE 9 - SUBSEQUENT EVENTS

The Partnership evaluated all events and transactions that occurred after December 31, 2018 and up through May 17, 2019, the date these consolidated financial statements were available to be issued.

EXHIBIT A

PRODIGY SHOREWOOD MASTER REP FUND, LLC
234 E 46TH STREET SERIES

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

PRODIGY SHOREWOOD MASTER REP FUND, LLC
234 E 46TH STREET SERIES

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CohnReznick LLP
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ADVISORY • ASSURANCE • TAX

Independent Auditor's Report

To the Members
Prodigy Shorewood Master REP Fund, LLC
234 East 46th Street Series

We have audited the accompanying financial statements of Prodigy Shorewood Master REP Fund, LLC - 234 East 46th Street Series (the "Company"), which comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2018 and 2017, and the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations, changes in members' equity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

New York, New York
May 17, 2019

PRODIGY SHOREWOOD MASTER REP FUND, LLC

234 E 46TH STREET SERIES

STATEMENTS OF ASSETS AND LIABILITIES

DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Investment in real estate, at fair value (cost of $25,488,103 and $24,399,353, respectively)	$ 22,625,836	$ 20,156,656
Cash	42,995	8,770
Due from Prodigy Shorewood New York REP Fund LP	73,261	73,463
Due from affiliate	--	7,195
Total Assets	$ 22,742,092	$ 20,246,084
Liabilities and Members' Equity		
Liabilities		
Accounts payable and accrued expenses	$ 150,178	$ 116,083
Due to Manager	1,239,336	463,790
Total Liabilities	1,389,514	579,873
Members' Equity		
Members' equity	21,352,578	19,666,211
Total Members' Equity	21,352,578	19,666,211
Total Liabilities and Members' Equity	$ 22,742,092	$ 20,246,084

The accompanying notes are an integral part of these financial statements.

PRODIGY SHOREWOOD MASTER REP FUND, LLC

234 E 46TH STREET SERIES

SCHEDULES OF INVESTMENTS

DECEMBER 31, 2018 AND 2017

		2018			2017		
Investment	**City, State**	**% of Members' Equity**	**Cost**	**Fair Value**	**% of Members' Equity**	**Cost**	**Fair Value**
234 E 46th Street	New York, NY	106%	$ 25,488,103	$ 22,625,836	102%	$ 24,399,353	$ 20,156,656
Total Investments			$ 25,488,103	$ 22,625,836		$ 24,399,353	$ 20,156,656

The accompanying notes are an integral part of these financial statements.

PRODIGY SHOREWOOD MASTER REP FUND, LLC
234 E 46TH STREET SERIES

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Expenses		
Management fees	$ 298,228	$ 276,914
Professional fees	309,338	318,357
Fund administration	56,101	67,346
General and administrative expenses	20,491	35,209
Total Expenses	684,158	697,826
Net Investment Loss	(684,158)	(697,826)
Unrealized Gain (Loss) on Investment		
Unrealized appreciation (depreciation) on Investment	1,380,430	(3,969,570)
Net Gain (Loss)	$ 696,272	$ (4,667,396)

The accompanying notes are an integral part of these financial statements.

PRODIGY SHOREWOOD MASTER REP FUND, LLC
234 E 46TH STREET SERIES

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Preferred Interest	Common Interest	Total Members' Equity
Balance, January 1, 2017	$ 24,185,783	$ --	$ 24,185,783
Capital contributions	2,670,000	--	2,670,000
Capital distributions	(2,403,597)	--	(2,403,597)
Syndication costs	(118,579)	--	(118,579)
Allocation of net loss:			
Prorata allocation	(4,667,396)	--	(4,667,396)
Balance, December 31, 2017	$ 19,666,211	$ --	$ 19,666,211
Capital contributions	2,288,724	--	2,288,724
Capital distributions	(1,188,942)	--	(1,188,942)
Syndication costs	(109,687)	--	(109,687)
Allocation of net gain:			
Prorata allocation	696,272	--	696,272
Balance, December 31, 2018	$ 21,352,578	$ --	$ 21,352,578

The accompanying notes are an integral part of these financial statements.

PRODIGY SHOREWOOD MASTER REP FUND, LLC
234 E 46TH STREET SERIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Net gain (loss)	$ 696,272	$ (4,667,396)
Adjustments to reconcile net gain (loss) to net cash used in operating activities:		
Unrealized (appreciation) depreciation on Investment	(1,380,430)	3,969,570
Purchase of Investment	(1,088,750)	(564,590)
Changes in operating assets and liabilities:		
Due from Prodigy Shorewood New York REP Fund LP	202	623,561
Due from affiliate	7,195	(7,195)
Accounts payable and accrued expenses	34,095	30,383
Due to Manager	775,546	296,578
Net Cash Used in Operating Activities	(955,870)	(319,089)
Cash Flows from Financing Activities		
Capital contributions	2,288,724	2,670,000
Capital distributions	(1,188,942)	(2,403,597)
Syndication costs	(109,687)	(118,579)
Net Cash Provided by Financing Activities	990,095	147,824
Net Increase (Decrease) in Cash	34,225	(171,265)
Cash, beginning	8,770	180,035
Cash, ending	$ 42,995	$ 8,770

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE AND ORGANIZATION OF COMPANY

Prodigy Shorewood Master REP Fund, LLC (the "Company" or "Master Fund") was formed as a Delaware limited liability company on January 21, 2014. The Company, pursuant to the Supplement to the Limited Company Agreement ("the Agreement") dated February 1, 2016, was formed to serve as the Master Fund in a "master-feeder" structure through which the assets of its members will primarily be utilized to, indirectly through one or more controlled entities, acquire, improve, operate and sell real estate assets located in the New York City area and other major markets in the United States. The members of the Company are Prodigy Shorewood Domestic Feeder REP Fund, LLC (the "Domestic Feeder"), a limited liability company formed on November 26, 2013 in Delaware, and Prodigy Shorewood New York REP Fund, LP, a Cayman Islands exempted limited partnership (the "Offshore Feeder"), formed on July 23, 2013. The Offshore Feeder invests in the membership interest of the Company indirectly through an affiliated "Blocker" intermediary entity that is defined herein.

The 234 E 46th Street Series (the "Series") was formed by the Company to acquire and operate the property located at 234 East 46th Street, New York, NY 10017 (Block 1319; Lot 34) (the "Property") which is a 95-unit (unaudited), 60,000 square foot (unaudited) residential building. The Property is located on 46th Street between 2nd Avenue and 3rd Avenue. The Property underwent a renovation which was completed in 2015, and has since been operated as an extended stay condo building branded as AKA United Nations, a Korman Communities AKA branded property.

The members of the Company are the Domestic Feeder and the Offshore Feeder, through an affiliated entity, 234 E 46th Street Pref Inc. ("NewCo"), and PSIM 234 East 46th LLC ("PSIM") an entity controlled by Prodigy Network LLC (the "Manager"). The Company commenced operations on February 1, 2016.

The Company is managed by the Manager, which has discretionary authority to invest the assets of the Company and is responsible for all investment decisions made on behalf of the Company.

The Master Fund shall continue indefinitely, provided however, the Master Fund shall be dissolved upon the occurrence of any of the events set forth in the Agreement. The Series shall have a termination date that is five years from the Closing Date, as defined. The term shall be extended by the Manager in its sole discretion for two additional one-year periods.

NOTE 1 - NATURE AND ORGANIZATION OF COMPANY (CONTINUED)

The Company interests (the "Interests") issued to the Domestic Feeder and the Offshore Feeder have not been registered under the Securities Act, the securities laws of any state in the U.S. or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests will be offered and sold only (i) to "accredited investors," as such term is defined under Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided by Rule 506(c) of Regulation D under the Securities Act, or (ii) to persons that are not "U.S. persons" in "offshore transactions" in reliance upon (and as such terms are defined in) Regulation S under the Securities Act ("Regulation S"). None of the Interests issued by the Master Fund, the Domestic Feeder or the Offshore Feeder will be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on an exemption under Section 3(c)(5)(C) of the Investment Company Act for certain companies primarily engaged in the business of purchasing or otherwise acquiring mortgages or other liens on and interests in real estate.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which requires management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates.

BASIS OF ACCOUNTING

The accompanying financial statements of the Company have been prepared in conformity with GAAP. The Company qualifies as an investment company, as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services – Investment Companies and, therefore, is applying the accounting and reporting guidance in ASC Topic 946.

CASH AND CASH EQUIVALENTS

The Company considers all short-term investments with original maturities of three months or less to be cash equivalents.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT DESCRIPTION AND VALUATION

The Company wholly purchased the membership interests of 234 East 46th Street Associates LLC ("Associates") on February 1, 2016, pursuant to purchase sale agreements between the members and an affiliated Series of the Company. The cost of such purchase included in the cost of Investment on the statements of assets, liabilities and members' equity was $22,158,930. Associates in turn had previously purchased membership interests in 234 East 46th Street JV LLC (the "JV"). Subsequent to the purchase, the Company has invested $3,329,173 into Associates, which in turn has invested capital received from the Company in the JV. The Company owns a 65% ownership interest in the JV, with the remaining ownership interest held by KCI 46th Street Associates, LLC, an entity controlled by Korman Communities ("AKA"). AKA is the operator of the Property. The JV invests its capital into the Property through controlled entities, and wholly owns the Property as of December 31, 2018.

The Company's investment is held through separate legal entities and these entities have obtained long-term, third party debt financing in connection with their acquisition of the underlying Property (the "Investment"). In general, the Company's investment is subordinated to the repayment of the legal entities' liabilities.

The debt is secured by all assets and properties of the JV and its subsidiaries, including all rents, profits and revenues, all deposit and securities accounts of the JV. The debt agreements restrict the ability of the JV to dispose of or encumber the Property, or for the equity interests of the JV to be disposed of or encumbered, without the prior written consent of the lender.

The Investment is recorded at its estimated fair value as described in Note 3.

INCOME TAXES

For federal, state and local income tax purposes, the Company qualifies as a partnership and each investor in the Company is allocated its proportionate share of the members' equity, income, expense and realized and unrealized gains and losses of the Company. Each investor is responsible for the tax liability, if any, related to its proportionate share of the Company's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

For all open tax years and for all major taxing jurisdictions, the Manager has concluded that the Company is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized for the years ended December 31, 2018 and 2017.

The Manager does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months. However, the Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with Federal, state, and local income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. The Company is subject to income tax examinations by major taxing authorities for all tax years since inception.

INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

All transactions are recorded on a trade-date basis. Realized gains or losses on dispositions of investments in real estate represent the difference between the original cost of the investment and the proceeds received from the sale. The Company applies a fair value accounting policy to its investments with changes in unrealized gains and losses recognized in the statements of operations as a component of net unrealized gain (loss). Investment income and expense are recorded on the accrual basis.

SYNDICATION COSTS

Costs incurred in connection with raising equity are recognized when incurred. These costs include fees paid to the Manager and commissions paid to third party brokers and financial advisors as compensation for marketing and sales efforts to raise equity for the Company.

During the years ended December 31, 2018 and 2017, syndication costs of $109,687 and $118,579, respectively, have been recorded as a reduction of capital and included in the statements of changes in members' equity. The syndication costs consist of broker commissions.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REDEMPTIONS/DISTRIBUTIONS PAYABLE

The Company generally records redemptions and distributions as liabilities at the end of each period after the amount of the redemption or distribution is fixed and determinable in accordance with the Agreement. There were no redemptions or distributions payable as of December 31, 2018 and 2017.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Company measures fair value in accordance with FASB ASC 820, Fair Value Measurements. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing an asset or liability.

FASB ASC 820 establishes a hierarchy which groups investments measured at fair value into three levels, based on the markets in which the assets are traded, if any, and the observability of the assumptions used to determine fair value. These levels are as follows:

- Level 1 – Valuations based on quoted prices for investments in active markets that the Manager has the ability to access at the measurement date. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2 – Pricing inputs other than quoted prices included within Level 1, which are either directly or indirectly observable as of the reporting date. Fair values are obtained from third party pricing services for comparable investments, quoted prices for identical investments in markets that are not active, or inputs that are derived principally from or corroborated by observable market data.

- Level 3 – Pricing inputs that are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Fair values are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques. The fair value hierarchy gives the lowest priority to Level 3 inputs.

(Expressed in United States Dollars)

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The Company estimates and reports the fair value of its Investment as required by FASB ASC 820, Fair Value Measurements, which defines fair value as the price that would be received to sell as asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value of Investment reflects the exit price of an asset or transfer price of a liability taking into account (i) the appropriate investment risk, (ii) an orderly transaction that is not a forced liquidation or distressed sale, and (iii) the highest and best use of the asset or liability.

The following table summarizes the inputs used at December 31, 2018 in valuing the Company's Investment carried at fair value:

	Level 1: Quoted Prices	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2018
Investment in real estate	$ --	$ --	$ 22,625,836	$ 22,625,836

The following table summarizes the inputs used at December 31, 2017 in valuing the Company's Investment carried at fair value:

	Level 1: Quoted Prices	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2017
Investment in real estate	$ --	$ --	$ 20,156,656	$ 20,156,656

(Expressed in United States Dollars)

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2018:

	Fair Value	Valuation Technique(s)	Unobservable Inputs	Ranges (Weighted Average)
Investment in real estate:				
Residential real estate	$ 22,625,836	Income approach / Discounted cash flow	Discount Rate	6%
			Terminal Capitalization Rate	4.75%
			Market Rental Rate Growth Per Year	3.5%
			Expense and Tax Rate Growth Per Year	3.5%

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2017:

	Fair Value	Valuation Technique(s)	Unobservable Inputs	Ranges (Weighted Average)
Investment in real estate:				
Residential real estate	$ 20,156,656	Income approach / Discounted cash flow	Discount Rate	6%
			Terminal Capitalization Rate	4.75%
			Market Rental Rate Growth Per Year	3.5%
			Expense and Tax Rate Growth Per Year	3.5%

(Expressed in United States Dollars)

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value during the years ended December 31, 2018 and 2017:

	2018	2017
Beginning Balance – January 1	$ 20,156,656	$ 23,561,636
Purchase of Investment	1,088,750	564,590
Unrealized gain (loss) on Investment	1,380,430	(3,969,570)
Ending Balance – December 31	$ 22,625,836	$ 20,156,656

There were no transfers in or out of Level 3 during the years ended December 31, 2018 and 2017. The Company's policy is to recognize transfers in and transfers out of each level as of the actual date of the event or change in circumstances that caused the transfer.

A description of the valuation techniques applied to the Company's major classes of assets measured at fair value on a recurring basis as follows.

VALUATION TECHNIQUES

Investment in Real Estate

The estimated fair value of the investment in real estate is determined using methods considered by the Manager to be most appropriate for the type of investment. These methods include, but are not limited to, (i) internally prepared discounted cash flow estimates, (ii) third party appraisals or valuations by qualified real estate appraisers, (iii) capitalization rates applied to stabilized net operating income, and (iv) contractual sales value of properties subject to bona fide sales contracts. Management meets on a quarterly basis, or more frequently as needed, to know and discuss the appropriateness of such fair values using current information on actual and projected investment performance.

The fair value of the real estate investment does not reflect transaction sales costs, which may be incurred upon their disposition. The estimated fair value may vary significantly from the prices at which the real property would sell, since market prices of the investment can only be determined by negotiation between a willing buyer and seller. When determining the fair value of the investments, the fund exercises significant judgement and uses the best information available as of the measurement date. Due to the inherent uncertainty of

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

VALUATION TECHNIQUES (CONTINUED)

valuations, the fair values reflected in the financial statements as of the measurement date may differ from (1) values that would have been used had a readily available market existed for those investments and (2) the values that may ultimately be realized. At December 31, 2018 and 2017, the Investment, which is categorized within Level 3, has been valued at its fair value.

NOTE 4 - OFF-BALANCE SHEET AND OTHER CONCENTRATION OF RISKS

CONCENTRATION OF CREDIT RISKS AND INVESTMENT CONCENTRATION

Financial instruments that are potentially subject to credit risk include cash and money market accounts held with major financial institutions. The Federal Deposit Insurance Corporation insures certain of the Company's bank accounts up to a maximum of $250,000 in each bank. From time to time, the Company maintains cash balances at institutions that are in excess of federally insured amounts. The Company mitigates this risk by depositing funds in financial institutions that management believes are financially sound.

The Company currently invests substantially all of its assets in a single real estate investment. The real estate investment's activities are limited to acquiring, renovating and repositioning the Property into luxury extended stay hotel rooms. Furthermore, the Company is not permitted to invest, directly or indirectly, in any significant assets other than the Property.

In the normal course of business, the Company encounters, or may encounter, two significant types of economic risk: credit and market. Credit risk is the risk on the Company's Investment that result from a borrower's or lessee's inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of investments due to changes in interest rates, spreads or other market factors, including the value of the real estate held by the JV Entity. The Manager believes that the fair value of the Company's Investment is reasonable taking into consideration these risks.

The Company's Investment is also subject to liquidity risk, interest rate risk and other types of risks. The Company's Investment is speculative in nature and the possibility of partial or total loss of capital will exist.

NOTE 4 - OFF-BALANCE SHEET AND OTHER CONCENTRATION OF RISKS (CONTINUED)

CONCENTRATION OF CREDIT RISKS AND INVESTMENT CONCENTRATION (CONTINUED)

The ownership of the Property by the JV is highly leveraged. While the portion of the investment made by the Offshore Feeder in the form of a loan to the applicable NewCo will be secured by a pledge of the equity interests of that NewCo, such pledge will be actually or effectively subordinate to the mortgage in the Property granted to the holders of the applicable secured debt of the JV.

Each investment is a limited recourse obligation of or investment in the Company payable solely from the income, payments and proceeds of the Property associated with that investment. Consequently, the Company must rely solely on the income, payments and proceeds of the Property associated with the Investment for payment in respect of that Investment. If the income, payments and proceeds of the Property associated with the Company's Investment is insufficient to make payments on or in respect of that Investment, no other property or properties will be available for payment of the deficiency, and following disposition of the Property associated with the Investment, the obligations of the Company to pay any further amounts in respect of that investment will be extinguished.

Because the Property is illiquid, a price for the Property investment may be difficult to obtain and it may be impossible to sell or to liquidate the Investment on economic terms or at all. To the extent a price may be obtained for the Investment, that price may fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events. Development or trends in any particular industry, and the financial condition of the property associated with the investment. Upon disposition of the Investment, no assurance can be given that it will be able to dispose of the Investment at fair value. Such illiquidity may adversely affect the price and timing of liquidations in the Investment by the Company or an investor in the Company.

NOTE 5 - MEMBERS' EQUITY

CAPITAL COMMITMENTS AND CONTRIBUTIONS

The Company raises capital through the issuance of two types of membership interests, preferred interests and common interests. The Company has issued 100% of the common interests to PSIM.

At December 31, 2018 and 2017 the Company has issued 83% and 91% of the preferred interests to NewCo on behalf of the Offshore Feeder, respectively, and 17% and 9% of the

NOTE 5 - MEMBERS' EQUITY (CONTINUED)

CAPITAL COMMITMENTS AND CONTRIBUTIONS (CONTINUED)

preferred interests to the Domestic Feeder, respectively, together (the "Investor Members"). At December 31, 2018 and 2017 the Company has issued 100% of the common interests to PSIM for a deemed capital contribution of $7,500,000 (the "Common Notional Amount"). PSIM and the Investor Members, together (the "Series Members") shall make Capital Contributions in the aggregate amount set forth in the Series. Each Series Member that is a Feeder Fund or a NewCo related to a Feeder Fund shall make capital contributions to the applicable Series promptly following receipt of capital contributions from the interest holders in such Feeder Fund to the extent such contributions are not applied to or reserved for Feeder Fund or Newco expenses. The Common Interest was created for the purpose of receiving the carried interest allocation as noted herein.

Total commitments for NewCo (on behalf of the Offshore Feeder) December 31, 2018 and 2017 were $30,044,925 and $30,034,428, respectively, of which $29,970,000 was received at both dates. Total commitments for the Domestic Feeder as of December 31, 2018 and 2017 were $4,948,227 and $2,670,000, respectively, all of which was received. All commitments for the Domestic Feeder at December 31, 2018 and 2017 have been made by the Manager or PSIM.

DISTRIBUTIONS

Distributions of Available Cash resulting from a disposition of the Investment shall be made in the following manner:

a) First, 100% pro-rata to the holders of Preferred Interests until each member has received an amount equal to their capital contributions;

b) Second, 100% to the holders of Preferred Interests pro rata until each member has received an amount equal to a 8% annual compounded return on its capital contributions, from the later of the Property Closing Date or the date of capital contribution;

c) Third, 100% to the holders of Common Interests until holders of Common Interests have received an amount equal to the Common Notional Amount;

d) Fourth, 100% to the holders of Common Interests until holders of Common Interests have received an amount equal to a 8% annual compounded return on the Common Notional Amount;

NOTE 5 - MEMBERS' EQUITY (CONTINUED)

DISTRIBUTIONS (CONTINUED)

e) Fifth, 50% to the holders of Common Interests and 50% to the holders of Preferred Interests.

If holders of preferred interests, upon a liquidation of the Company, have cumulatively received distributions in an amount less than to its capital contributions plus a 8% annual compounded return on its capital contributions, the holders of Common Interests must make capital contributions in an amount equal to this shortfall. However, such capital contributions to be made by the holders of Common Interests are to be the lesser of distributions previously made to the holders of Common Interests or the shortfall amount.

NET INCOME AND LOSS ALLOCATIONS

The Company's net income and loss attributable to the Investment shall be calculated based on the Members' equity balance in the Company and thereby allocated to the members in accordance with the manner in which distributions are allocated as discussed above.

CARRIED INTEREST ALLOCATION

The holders of the Company's Common Interests are permitted to receive an allocation of carried interest upon the distribution provisions described above. As of December 31, 2018 and 2017, the Company did not have any carried interest allocated to the common interests.

NOTE 6 - TERMS AND RELATED PARTY TRANSACTIONS

MANAGEMENT FEES

The Company has entered into an agreement with the Manager to provide certain investment management services to the Company. In exchange for services provided, the Manager receives a semi-annual management fee from certain Investor Members' equal to 0.50% (1% annually) of capital contributions made to the Company.

For the years ended December 31, 2018 and 2017, the Company incurred management fees of $298,228 and $276,914, respectively. During the years ended December 31, 2018 and 2017, management fees of $0 and $190,431 were paid by the Company to the Manager, respectively.

(Expressed in United States Dollars)

NOTE 6 - TERMS AND RELATED PARTY TRANSACTIONS (CONTINUED)

DUE FROM PRODIGY SHOREWOOD NEW YORK REP FUND, LP

Due from the Offshore Feeder represents cash that was received by the Offshore Feeder as capital contributions, which should be transferred to the Company. In accordance with the Agreement, the contributions in the Offshore Feeder are to be contributed into the Company unless designated to pay expenses of the Offshore Feeder. As of December 31, 2018 and 2017, $73,261 and $73,463 was payable to the Company by the Offshore Feeder.

DUE TO MANAGER

At December 31, 2018 and 2017, $1,239,336 and $463,790, respectively, was payable to the Manager primarily due to unpaid asset management fees and working capital advances made by the Manager to the Company. Such working capital advances were made to the Company for the purpose of incurring syndication costs and operating expenses, and totaled $476,750 and $215,043 during the years ended December 31, 2018 and 2017, respectively. No repayments of these advances have been made by the Company to date.

NOTE 7 - GUARANTEES

In the normal course of its operations, the Company enters into contracts and agreements that contain indemnifications and warranties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

NOTE 8 - FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2018 are as follows:

Preferred Interest Internal Rate of Return	
Internal rate of return	(11.41)
Less: carried interest to preferred interest	0.00
Internal Rate of Return Net of Carried Interest to Preferred Interest	(11.41) %

(Expressed in United States Dollars)

NOTE 8 - FINANCIAL HIGHLIGHTS (CONTINUED)

Ratios to Average Preferred Interest:	
Operating expenses	3.43 %
Carried interest to preferred interest	0.00
Total Expenses and Carried Interest	3.43 %
Net Investment Loss	(3.43) %
Committed Capital:	
Total committed capital at December 31, 2018	$ 34,993,152
Ratio of total contributed capital to total committed capital	99.8 %

Financial highlights for the year ended December 31, 2017 are as follows:

Preferred Interest Internal Rate of Return	
Internal rate of return	(18.79)%
Less: carried interest to preferred interest	0.00
Internal Rate of Return Net of Carried Interest to Preferred Interest	(18.79) %
Ratios to Average Preferred Interest:	
Operating expenses	2.86 %
Carried interest to preferred interest	0.00
Total Expenses and Carried Interest	2.86 %
Net Investment Loss	(2.86)%
Committed Capital:	
Total committed capital at December 31, 2017	$ 32,704,428
Ratio of total contributed capital to total committed capital	99.8 %
Internal Rate of Return Net of Carried Interest to Preferred Interest December 31, 2016	(17.56)%

The internal rate of return is computed based on the actual dates of the cash inflows (capital contributions), cash outflows (capital distributions), and the ending preferred interests' equity

NOTE 8 - FINANCIAL HIGHLIGHTS (CONTINUED)

(residual value) as of each measurement date. An individual preferred interest internal rate of return may vary based on different management fee and carried interest arrangements.

The ratios are computed using a weighted-average of the preferred interests' equity for the years ended December 31, 2018 and 2017, respectively. The net investment gain or loss ratio does not reflect the effects of the carried interest allocation.

NOTE 9 - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after December 31, 2018 and up through May 17, 2019, the date these financial statements were available to be issued. During this period, the Company had the following material subsequent events:

- The Company made further investments in Associates totaling $630,500.
- The Company received working capital advances from the Manager totaling $700,710.