

November 2 - November 6, 2020 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered -1.79%, ending on a negative note for the second consecutive week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered -1.79% to close November 6, 2020 with a value of 42.30. One-third (12) of the 36 constituents ended on a negative note, and it was heaviest-weighted U.S. based marketplace P2P lender LendingTree (TREE) after reporting earnings results, and China-based lender LexinFintech (LX) that pulled the index down, -9.64% and -6.19%, respectively. That said, Square (SQ), MercadoLibre Inc. (MELI) and PagSeguro (PAGS) each gained more than 20% after posting strong earnings results.

The Index is a rules-based stock index used as the methodology for the exchange traded fund, [LEND - Amplify CrowdBureau® Peer-to-Peer Lending & Crowdfunding ETF](#)

Investors' belief in a democratic process to elect the 46th U.S. president, financial earnings results, and signals of a recovery in U.S. jobs data bolstered the rally four of five trading days for all three major indexes. The Dow Jones Industrial Average advanced 6.87%, recording 28,323.40 to close the week, while the S&P 500 Index added 7.32%, to finish at 3,509.44. The technology heavy Nasdaq Composite Index ended 9.01% higher, to register 11,895.23. Small cap stocks measured by the Russell 2000 benchmark rose 6.87% pull forward to 1,644.16. Economic data signaled improved business activity, while the jobless rate dropped to 6.9% from 7.9% by adding 638,000 jobs in October, however the recovery remained well below pre-pandemic levels. On Thursday, Federal Reserve Chairman Jerome Powell said, "more fiscal action was needed to prop up the economy, and the growth outlook remained murky, albeit the risk of a worst-case scenario for the economy had receded." Abroad, a private gauge of China's services sector activity rose at a faster pace in October, than September, implying business activity is on the road to recovery for the fourth quarter. Also, the Caixin China services purchasing managers index expanded to 56.8 in October from 54.8 in September, and the official nonmanufacturing purchasing managers index, a competing benchmark, advanced to 56.2 in October from 55.9 the prior month, according to the National Bureau of Statistics.

Internationally, markets experienced returns. The Shanghai Composite Index in China reaped 2.72% to close at 3,3312.16, while Hong Kong's Hang Seng Index soared 6.66%, recording 25,712.97 to end the week. At the same time, the pan-European Stoxx 600 Europe Index increased 6.89%, to finish at 365.50.

U.S. Treasury yields rose Friday; however, yields were lower for the week. The 10-year Treasury note yield, rose 0.815%, to finish 4.6 basis point, for the week it declined to -2.70 basis points. Oil futures rose 4.96% to close at \$37.14 a barrel, and precious metal gold futures finished up 3.87%, at \$1,951.70 an ounce.

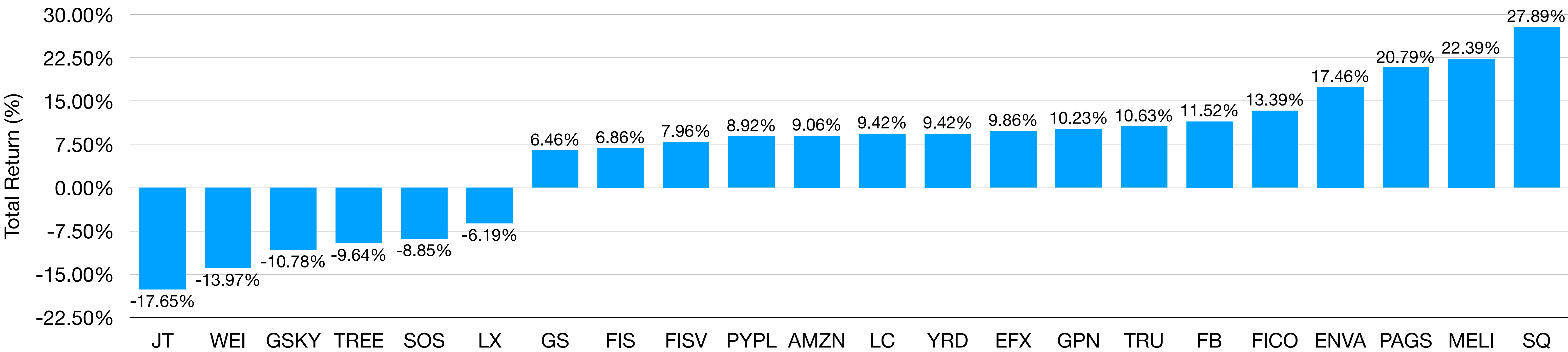
The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) is up 32.27% since reaching a low point of 31.98 on April 3, 2020. However, it is down -27.11% on a year-to-date basis. Three out of the five day trading cycle the index advanced forward, however by the end of the week, twelve (33.3%) of the 36 constituents' declines shifted the Index to negative territory. Total return performance ranged from a low -17.65% to a soaring 27.89%, with six index members dropping more than 5%, at the same time 16 members gained more than 5%. **(Refer to the Chart of the Week)**. Comprising the list of twelve laggards are China-based Jianpu Technology Inc. (JT) and Weidai Ltd. (WEI), tumbling -17.65%, and -13.97%, respectively. While two U.S. based marketplace lenders, GreenSky Inc. (GSKY), shed -10.78%, and LendingTree Inc.(TREE) dropped -9.64 after missing forecast for their third quarter earnings results, non-GAAP earnings per share (EPS) of -\$0.26 missed by \$0.13, while GAAP EPS of -\$1.90 missed by \$0.8. The firm reported revenue of \$220.3M (-29.1% year on year) outperformed by \$9.76M. Revenue is comprised of three segments insurance revenue of \$92.5 million which grew 24%, the Home segment increased by 2% to \$78.9 gaining a \$25.2 million profit, also within the Home segment, includes mortgage products that spiked 14% over the prior year period. In the Consumer segment, revenue expanded by 30% to \$48.4 million; within the consumer includes personal loans made up \$12.5 million, and credit card revenue were \$6.7. Other laggards this week included seven more China-based P2P lenders lagged, SOS Limited (SOS) -8.85%. heavier-weighted LexinFintech Holdings Ltd. (LX) dropped -6.19% after unveiling the company's strategy to go beyond consumer finance and into broader consumption services with a series of products including the Le Hua Card, a credit service used online and offline consumption scenarios, and the membership platform Le Card. Jiayin Group Inc. (JFIN) -4.26%, 9F Inc. (JFU) -3.79%, CN Finance Holdings Limited (CNF) -3.75%, Hexindai Inc. (HX) -3.35%, and X Financial (XYF)-3.09%. Also, Elevate Credit Inc. (ELVT) registered -4.37%.

Gains were achieved by twenty-four of the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index constituents, including six that reported third quarter 2020 earnings results. CoreLogic Inc. (CLGX), a provider of technology and software solutions (T&S), ticked up 0.12% after Senator Investment and Cannae pulled their \$7 billion acquisition offer on October 30. Both firms still aim to unseat board members after CoreLogic confirmed it was in talks with third parties at or above \$80 a share to acquire the firm. Dun & Bradstreet Holdings Inc. (DNB), another constituent in the T&S segment of the Index registered 1.12% to close the week after shares dropped -5.96% on the day earnings results were announced. The business services provider reported \$0.24 earning per share for the quarter, beating the consensus estimate of \$0.22 by \$0.02, while reporting \$442.10 million for the quarter, up 8.3% on a year-over-year basis. Dun & Bradstreet has generated \$0.00 earnings per share over the last year. Another T&S segment member, Green Dot Corporation (GDOT) increased 4.14%, subsequent financial results for the quarter ended September 30, 2020. Total operating revenues grew to \$291.1 million, up from \$240.4 million for the third quarter of 2019.

Three Social networking platforms registered stellar weekly returns after posting financial results for third quarter, including PayPal Holdings Inc. (PYPL), jumped 8.92%, third quarter financial results proved its largest growth in total payment volume and revenue since its founding. Total payment volume grew 38% to \$247 billion. The company experienced 25% growth to \$5.46 billion on a spot and FXN basis, GAAP EPS of \$0.86, up 121%, and non-GAAP EPS of \$1.07, up 41%. Net new active accounts added increased by 15.2 million to end the quarter with 361 million active accounts. PagSeguro Digital Ltd. (PAGS) climbed 20.79%, and MercadoLibre Inc. (MELI) surged 22.39%, reported an 85% increase with net revenues for the third quarter were \$1,115.7 million year-over-year. Commerce revenues increased 109.3% year-over-year in increasing \$724.5 million, while Fintech revenues grew by 52.3%, reaching \$391.2 million. Gross profit was \$480.2 million, with a margin of 43.0%, compared to 47.2% in the third quarter of 2019. Mobile payments fintech, Square Inc. (SQ) added 27.89%, after reporting enormous profits for the third quarter with gross profits skyrocketing 59% to \$794 million and revenue climbed 140% to \$3 billion. In the seller ecosystem, which assists merchants with processing payments, managing payroll, and other tasks -- revenue grew 5% to \$965 million year over year. At the same time, gross profits increased 12% year over year to \$409 million. Growth attributed to a 46% increase in markets outside the U.S., which accounted for 11% of overall seller ecosystem growth. Also advancing 9.42% after announcing third quarter results was online marketplace P2P lender LendingClub Corporation (LC). Originations grew 79%, which was driven by strong loan performance, cash and cash equivalents grew to \$445.2 million from 338.4 million at the end of the second quarter. The company said that it paid off the \$70.0 million revolving credit facility, and paid down other debt by roughly \$290 million, reducing leverage and further strengthening their balance sheet during the third quarter in anticipations of completing the Radius bank acquisition.

In other news for the week, Equifax Inc. (EFX) gained 9.86% after declaring a quarterly dividend of \$0.39/share in line with the previous forward yield of 1.02% that will be payable December 15; for shareholders of record November 24. Simultaneously, shares in Enova International Inc. (ENVA) rose 17.46% following the board of directors authorizing a share repurchase plan for up to \$50M of its common stock, an expansion of the current \$75M repurchase program scheduled to expire on December 31, 2020. This new program will be in place until December 31, 2021.

CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) constituents that lagged more than 5% or gained more than 5% for the week



Note: six constituents lagged more than 5% and 16 gained more than 5%
Source: CrowdBureau Corporation

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ABOUT CROWDBUREAU CORPORATION

CrowdBureau Corporation research-based indexes and analytics seek to help market players understand and manage better alternative asset classes in peer-to-peer lending and securities based crowdfunding. Clients rely on our offerings for deeper insights into the drivers of performance and risk indicators for their decision making, through our global peer-to-peer lending asset class coverage using a series of benchmarks and innovative research. Our line of products and services includes a centralized database with indexes, analytical models, data, a peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate, student automobile loans, agriculture and other. CrowdBureau Corporation serves money managers, banks, insurance companies, traders and universities.

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