

CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR)

MONTHLY RESULTS: APRIL 2019

Benefiting from a more accommodative Federal Reserve Bank and upbeat economic prospects, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) recorded an impressive 14.58% gain in April, advancing the year-to-date total return performance of the Index to 51.08% while registering another milestone gain of 65.91% subsequent to reaching its lowest value on December 21, 2018 since the inception of the Index. April's second best monthly return follows the first quarter reconstitution and recalibration of the Index based on data as of March 22, 2019. (See Chart 1)

CROWDBUREAU® PEER-TO-PEER LENDING AND EQUITY CROWDFUNDING INDEX MONTHLY TOTAL RETURNS January 2018 - April 2019

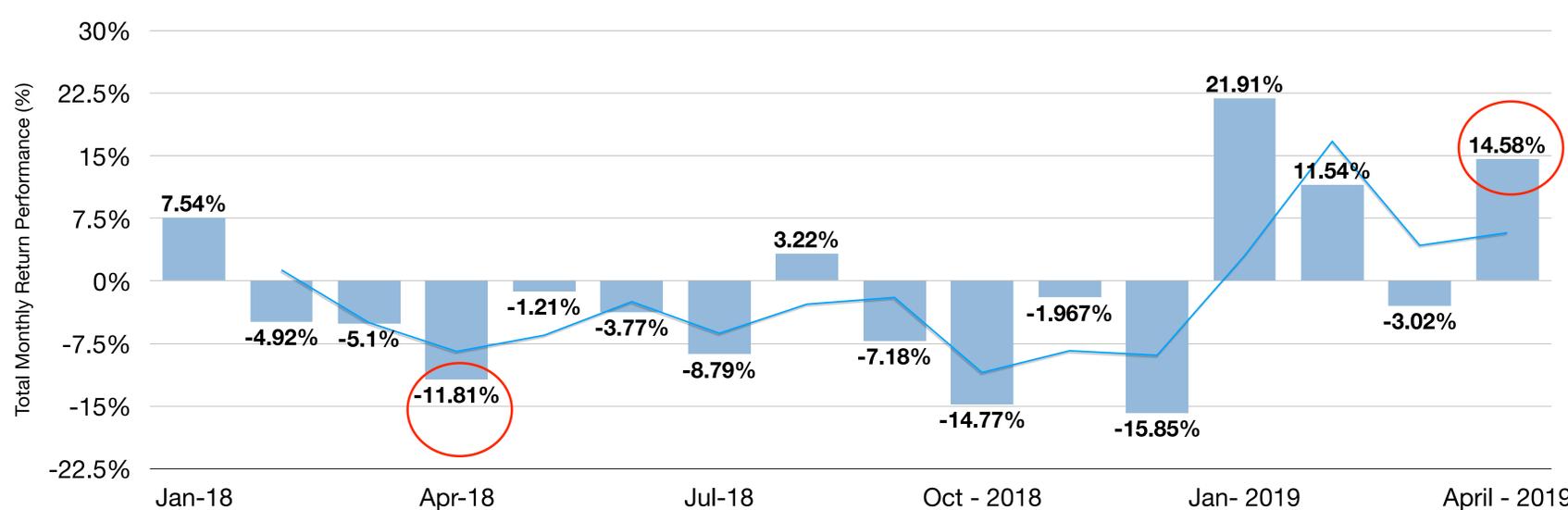


Chart 1. Source: CrowdBureau Corporation

As earning season got underway, major U.S. stock market indices recorded their best four-month start to a year since at least 1999. The S&P 500 monthly total return was up 4.05%, compared to 1.94%. The S&P 500 posted a gain of 4.05% in April, the fourth consecutive monthly increase this year that pushed year-to-date results to 21.29% and 24.07% over the previous 12-months. The Dow Jones Industrial Average, up 14% since the start of the year, also registered its best four-month start since 1999 aided by the 2.66% increase in April. The Nasdaq Composite's 22% advance is its best start since 1991. Outside the U.S., stocks posted positive but slightly weaker results. Europe, as measured by the MSCI EAFE Index was up 3.58% while the broader MSCI ACWI, ex US was up 2.64% and Latin America gained 1.05%. Investment-grade intermediate bonds recorded a very slight gain of 0.03%, much below last month's 1.92% increase, as 10-year U.S. Treasuries ended the month with a yield of 2.51%, up 10 bps from 2.41% at the end of March.

A BROADER ECONOMIC AND MARKET POINT OF VIEW

Investor sentiment was influenced by expectations regarding U.S.-China trade negotiations that were moving in a positive trajectory to conclusion, the U.S. economy and better than expected corporate earnings. Strength in the U.S. economy was reinforced at the end of the month when the Bureau of Economic Analysis released an "advance" estimate of real domestic product (GDP). According to the report, GDP increased at an annual rate of 3.2% in the first quarter of 2019 versus an increase of 2.2% in the fourth quarter of 2018. At the same time many economists see a tight labor market ahead, although the U.S. added 263,000 new hires in April, easily beating Wall Street expectations of 190,000. The unemployment rate fell to 3.6% from a previous level of 3.8% and the lowest since December 1969.

As for corporate earnings, according to FactSet, earnings reports have mostly exceeded expectations with 76% of companies having reported results beating analysts' forecasts through the end of April. The better than expected earnings have put the S&P 500 on pace to report a smaller than expected contraction in profit growth for the first quarter. Growth is now set to contract 1.6% from a year earlier, less than the roughly 4% analysts initially expected in early April, and more than 200 companies in the broad index are still due to report results.

Q1 2019 Index® REBALANCING AND RECONSTITUTION

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR), which posted the second best monthly gain in April since its inception, was revised and rebalanced based on data as of March 22, 2019 in accordance with current quarterly rebalancing procedures. Revisions included the addition of a new constituent to the Peer-to-Peer Lending and Equity Crowdfunding Platforms (P2P) segment, 360 Finance, Inc. (QFIN), a NASDAQ listed firm that operates a digital consumer finance platform in Shanghai, China, providing online consumer finance products to prime and underserved borrowers. At the same time, Experian (EXPGY), an OTC listed firm, was removed from the Index. Hereafter, OTC listed securities will not be eligible for inclusion in the Index. Later in April, Ellie Mae (ELLI), one of the leading cloud-based platform providers for the mortgage finance industry, announced that it has been acquired by Thoma Bravo, LLC and was removed from the Index on the effective date (open): 04/17/2019. The Index now tracks 34 firms versus 36 prior to the revisions. (Refer to Fact Sheet).

Q1 2019 EARNINGS SEASON and the Index® TOTAL RETURN PERFORMANCE RESULTS for APRIL 2019

Sixteen Index members, Elevate Credit Inc. (ELVT), First Data Corp. (FDC), Fair Issac Corp. (FICO), Global Payments (GPN), OneMain Holdings (OMF), OnDeck (ONDK), Square (SQ) and WorldPay (WP), Amazon (AMZN), Corelogic (CLGX), Enova (ENVA), Goldman Sachs (GS), Lending Tree (TREE), PayPal (PYPL), Transunion (TRU) and Facebook (FB) announced their Q1 2019 earnings as of the end of the month leaving eighteen members to report. All but four Index members Goldman Sachs (GS), Fair Isaac (FICO), Facebook (FB) and OnDeck (ONDK) beat analyst EPS estimates and performed strongly. None of the thirteen China based platforms have reported earnings results at the end of this period.

Nine of the thirty-four Index constituents posted positive total return performance results greater than 10% for the month that ranged from a high 41.31% recorded for 360 Finance (QFIN), Enova (ENVA) in the midrange recorded 20.20% gains and Facebook on lower end of the scale registered 16.02%. Two of these firms reported earnings results, Enova (ENVA), a member of the providers and software solutions segment, first quarter 2019 revenue grew 15% compared to a year ago to \$293 million, and adjusted earnings per share and adjusted EBITDA grew 14% and 10%. While Facebook (FB) an Index constituent of the Social Network(ing) segment reported earnings results on April 24 with Q1 2019 earnings, GAAP EPS decreased to \$0.85 for the first quarter, from \$1.69 the prior year. GAAP earnings include a \$3.0 billion legal expense accrued in Q1 related to the ongoing US Federal Trade Commission inquiry into the company's platform and user data practices. Q1 revenue increased to \$15.1 billion, from \$11.9 billion, surpassing the analyst consensus of \$14.97 billion. Daily active users (DAUs) were 1.56 billion on average for March 2019, an increase of 8% year-over-year. (See Chart 2)

Chart 2: Index Members Total Return Performance greater than 10% for April 2019

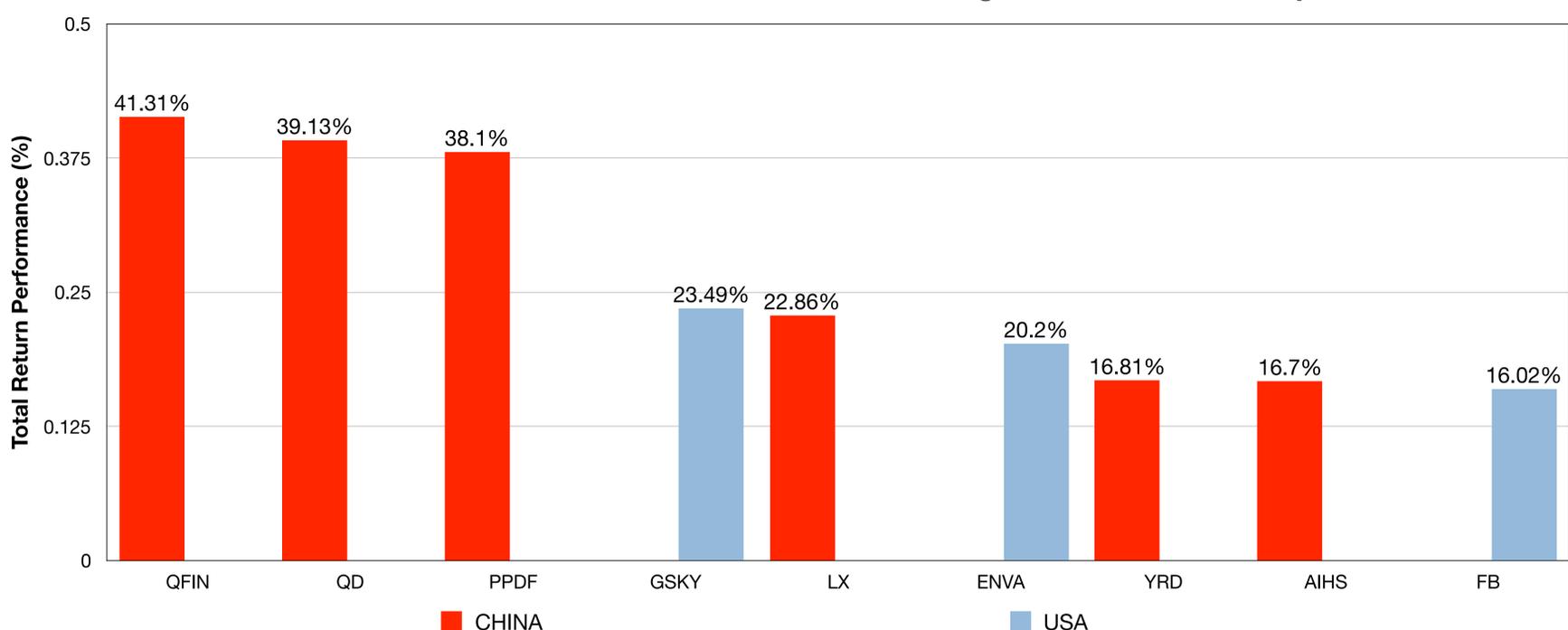


Chart 2. Source: CrowdBureau Corporation

PERSPECTIVE OF CHINA and Index® PERFORMANCE

It was reported that China's economy grew by 1.4% quarter-on-quarter in the three months to March 2019, compared to a 1.5% expansion in the previous period. It was the weakest quarterly growth rate since the first quarter of 2016. GDP Growth Rate in China averaged 1.78 percent from 2010 until 2019, reaching an all-time high of 2.40 percent in the first quarter of 2011 and a record low of 1.40 percent in the first quarter of 2016.

Against this backdrop and ahead of May's first quarter earnings announcements for the China-based market place lending platforms with shares listed in the U.S., share price performance in April exhibited a wide variation. Six constituents experienced gains ranging from Senmiao Technology (AIHS) climbing 16.70%, to 360 Finance (QFIN) soaring 41.31% for the month. At the other end of the range, seven of the thirteen members reported declines in the month of April that ranged from -1.32% recorded by CN Finance (CNF) to -31.53% registered by China Rapid Finance (XRF). (See Chart 3).

13 China-based Marketplace P2P Lending Platforms Total Return Monthly Results (%) April 2019

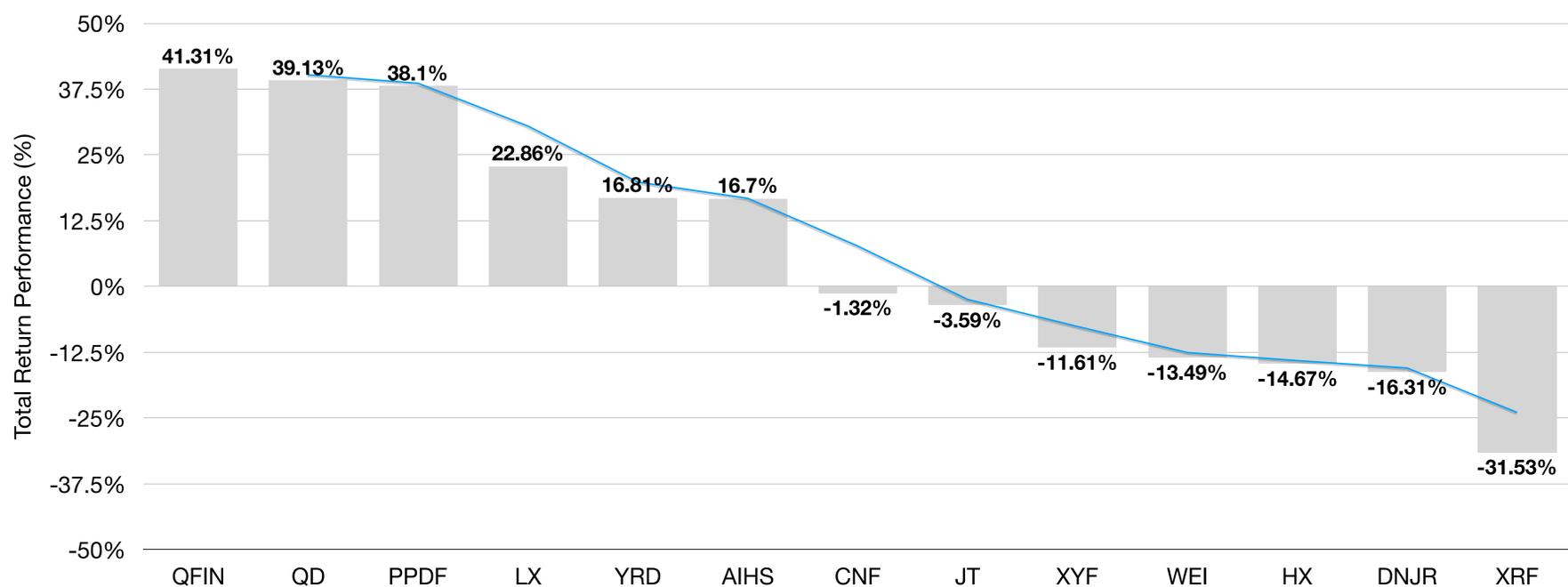


Chart 3. Source: CrowdBureau Corporation

CHINA STOCK REPURCHASE PROGRAMS

Qudian one of the six firms that posted positive results in April also announced stock repurchase programs. Qudian's announced its' repurchase program on April 12th, involves a share purchase agreement with one of its shareholders, Kunlun Group Limited to purchase all Class A ordinary shares currently held by Kunlun. (See Table 1).

Five China Peer-to-Peer Lending Platforms Announce Stock Repurchase

Company	Symbol	IPO Date	BuyBack Announcement Date	Amount (\$ mil)
Yirendai	YRD	12/15/15	6/11/18	\$20 mil
China Rapid Finance	XRF	4/28/17	8/15/18	\$20 mil
PaiPaiDai	PPDF	11/12/17	8/22/18	\$180 mil
Hexindai	HX	11/6/17	12/10/18	\$25 mil
Qudian	QD	10/18/17	4/12/19	\$300 mil

Table 1. Source: Company filings and CrowdBureau Corporation

U.S. STOCK REPURCHASE PROGRAMS

As illustrated in Table 2, these are not the first share repurchase programs initiated by China-based platforms nor have stock repurchases been limited to China-based firms. Between May 2014 and November 2018, three of the four US-based market place lending platforms have also engaged in share buybacks. OnDeck Capital (ONDK) is the only one that has not. (See Table 2).

Three United States Peer-to-Peer Lending Platforms Announce Stock Repurchase Programs

<u>Company</u>	<u>Symbol</u>	<u>IPO Date</u>	<u>BuyBack Announcement Date</u>	<u>Amount (\$ mil)</u>
LendingTree	TREE	2/15/00	5/8/14	\$10 mil
Lending Club	LC	12/11/14	2/11/16	\$150 mil
LendingTree	TREE	2/16/00	2/14/16	\$50 mil
GreenSky	GSKY	5/24/18	11/6/18	\$150 mil
OnDeck Capital	ONDK	12/16/14	N/A	N/A

Table 2. Source: CrowdBureau Corporation

ABOUT CROWDBUREAU CORPORATION

CrowdBureau Corporation research-based indexes and analytics seeks to help market players understand and manage better alternative asset classes in peer-to-peer lending and securities 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 indexes, asset and risk management tools, analytical models, data, peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate loans, student loans, automobile loans, agriculture loans, renewable energy, and lifestyle loans “other”. CrowdBureau Corporation serves money managers, banks, insurance companies, traders, retail and institutional investors, and universities.

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