

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

### MONTHLY RESULTS: JANUARY 2019

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) was up 23.24% at the end of January, reversing the steep decline in December 2018 and the full year 2018. The index performance during January 2019 exceeded nearly 3X the total return registered in the year prior. This dramatic turnaround coincided with the Federal Reserve Bank's shift in its stance on interest rates and how it manages its balance sheet in near term. The S&P 500 Index rose 8.0% while the Dow Jones Industrial Average picked up 7.1%. Both benchmarks were eclipsed by small cap stocks that posted a total return gain of 11.3% based on the Russell 2000 index. European, Asian and China's markets also bounced back with returns ranging from 6.6%, 6.8% to 11.06%, respectively. (See Chart 1)

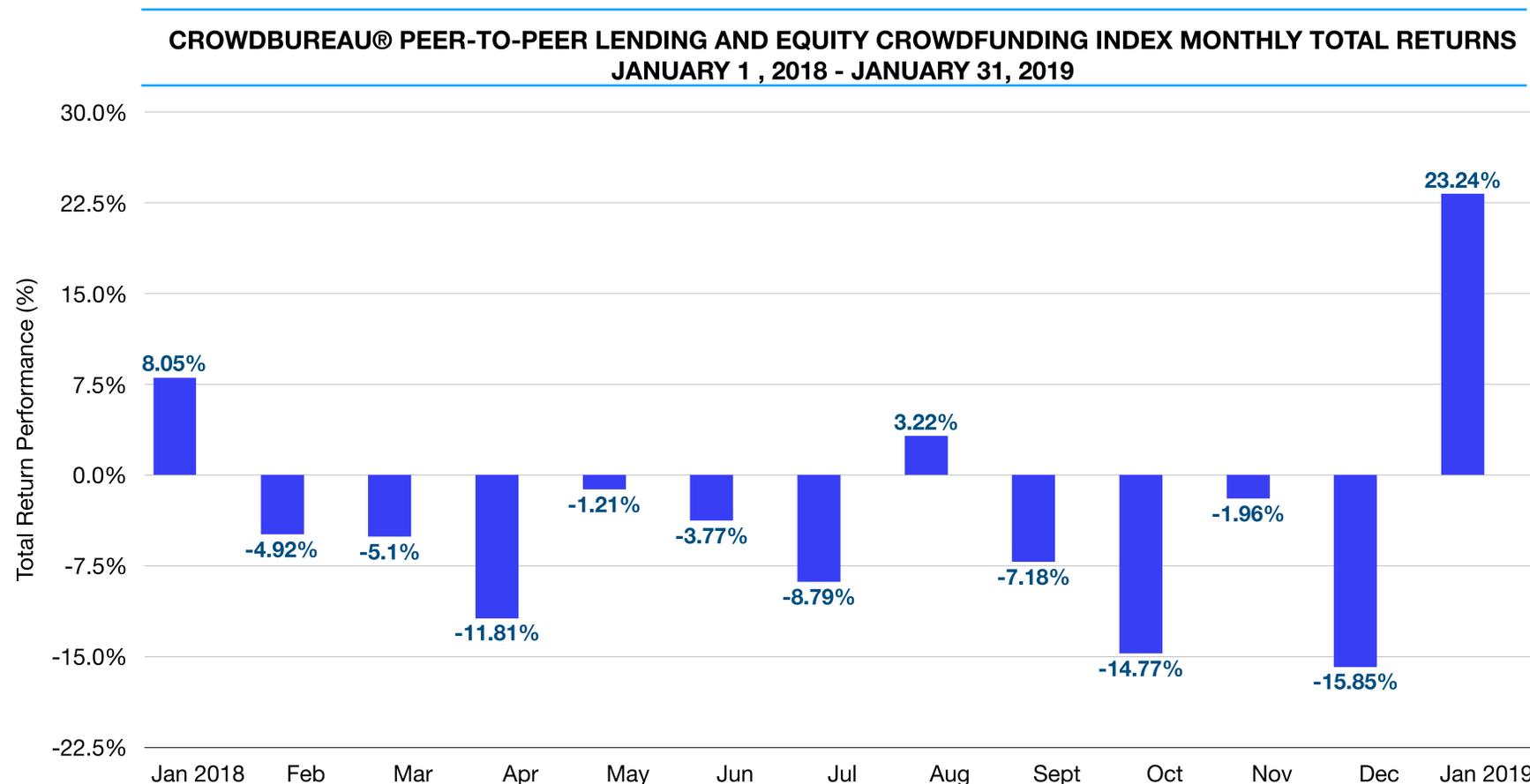


Chart 1. Source: CrowdBureau Corporation

Market sentiment changed in a positive way when Federal Reserve Chairman Jerome Powell signaled that the Federal Reserve Open Market Committee was taking additional rate increases off the table and rethinking how fast the central bank would let its balance sheet shrink. Non-farm payrolls released by the Labor Department Friday showed that the U.S. economy added 304,000 jobs in January, surpassing an expected 170,000. The unemployment rate rose to 4% in January from 3.9% in December. The rise was attributed to the government shutdown and an expansion of the workforce as more people sought jobs. At day 211 (February 1), discussions regarding the trade deficit took center stage with the U.S. forging ahead with scheduling an in-person meeting with China. Corporate earnings estimates are coming down and signals that the global economy is slowing, however, there is no indication of a recession but an indicator to remain cautious given U.S. and China trade discussions loom.

### U.S. Economy Reflects Continued Strength

On the basis of both the number of constituents and market capitalizations, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) is dominated by U.S.-based companies with each classified as one of the four index segment definitions. Namely peer-to-peer lending and equity crowdfunding platforms; financial institutions with dedicated peer-to-peer lending or equity crowdfunding platform; social network(ing) platforms that offer or plan to offer peer-to-peer lending or equity crowdfunding services; and, providers of technology and software solutions to the peer-to-peer lending and equity crowdfunding industry.

Company specific earnings driven results aside, these 22 U.S. firms, account for more than 51% of the index by weight as of year-end 2018; and, were powered higher by the same factors that contributed to the market rally in January. At the same time, the peer-to-peer lending platforms, in particular, also rallied as small cap companies that benefited from indicators reflecting the continued strength of the underlying U.S. economy. While Lending Tree, Inc (TREE) currently exceeds the small cap range of \$2.0 billion, the other three firms fall well within the small cap span, including Lending Club Corp. (LC), On Deck Capital, Inc. (ONDK) and GreenSky, Inc. (GSKY). Together, these four stocks posted an average gain of 24.7% in January, falling within a range of 14.94% to 34.9%. These companies have yet to announce fourth quarter earnings results. (See Chart 2)

**Chart 2**

**Price Performance of US Peer-to Peer Index Constituents for month of January 2019**

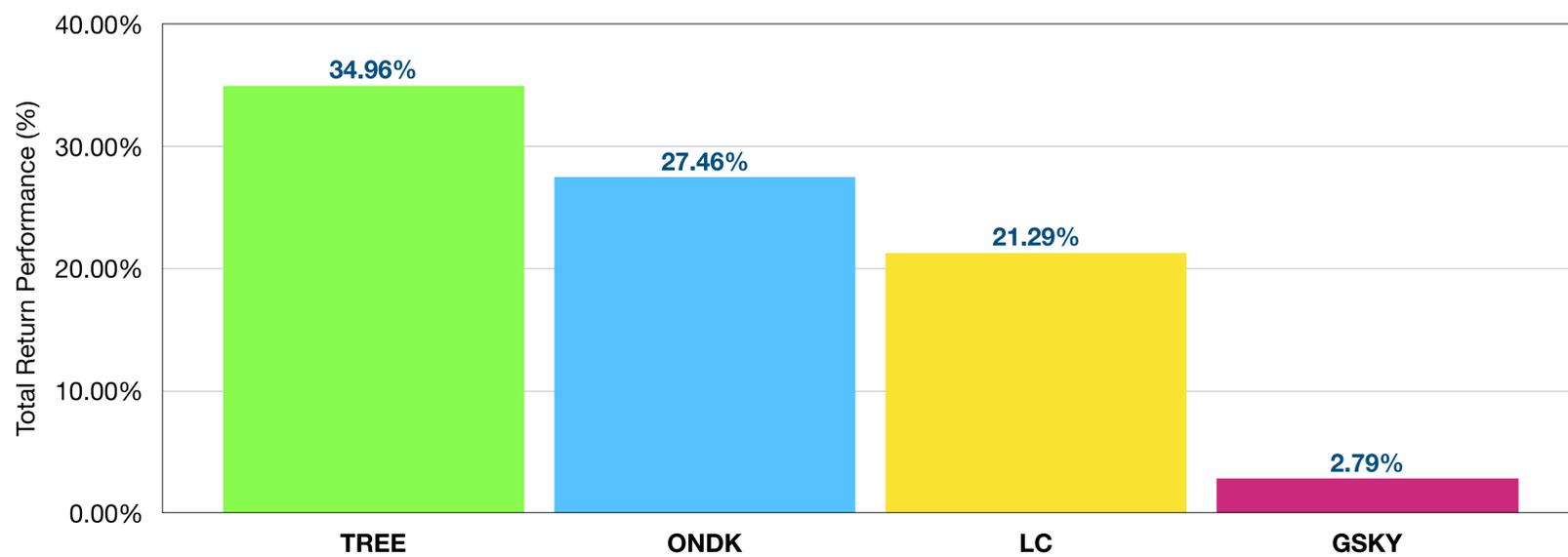


Chart 2. Source: CrowdBureau Corporation

**Slower Economic Growth Rate Reported in China**

The International Monetary Fund's (IMF) 2019 and 2020 forecast indicates a slowing economic outlook for China, and news that China's economy expanded by 6.6% in 2018, was the slowest growth rate for the country since 1990. Moreover, consumer spending, factory activity and car sales all sagged during the fourth quarter of 2018, however, these factors didn't shake confidence in China-based online peer-to-peer lenders trading in the U.S. Conversely, eleven (11) of the twelve (12) China domiciled index member firms, all small cap companies may have benefited from the markets' rebound. These firms posted an average gain of 18.9%, ranging from a low of 0.23% to a high of 50.1%. The only exception was PPD AI Group (PPDF) that gave up -1.11% during the month of January. At the end of January, the company announced that PPD AI's total loan origination volume in the fourth quarter of 2018 increased by 19.2% versus the prior quarter and was facilitated with institutional sourced funds. This news ahead of the firm's earnings announcement which has not as yet occurred, lifted the stock slightly but was insufficient to erase the PPD AI's January decline. None of these companies have released earning results for the fourth quarter 2018. See Chart 3.

**Chart 3: 12 Small Cap China Peer-to-Peer Lending Platforms**

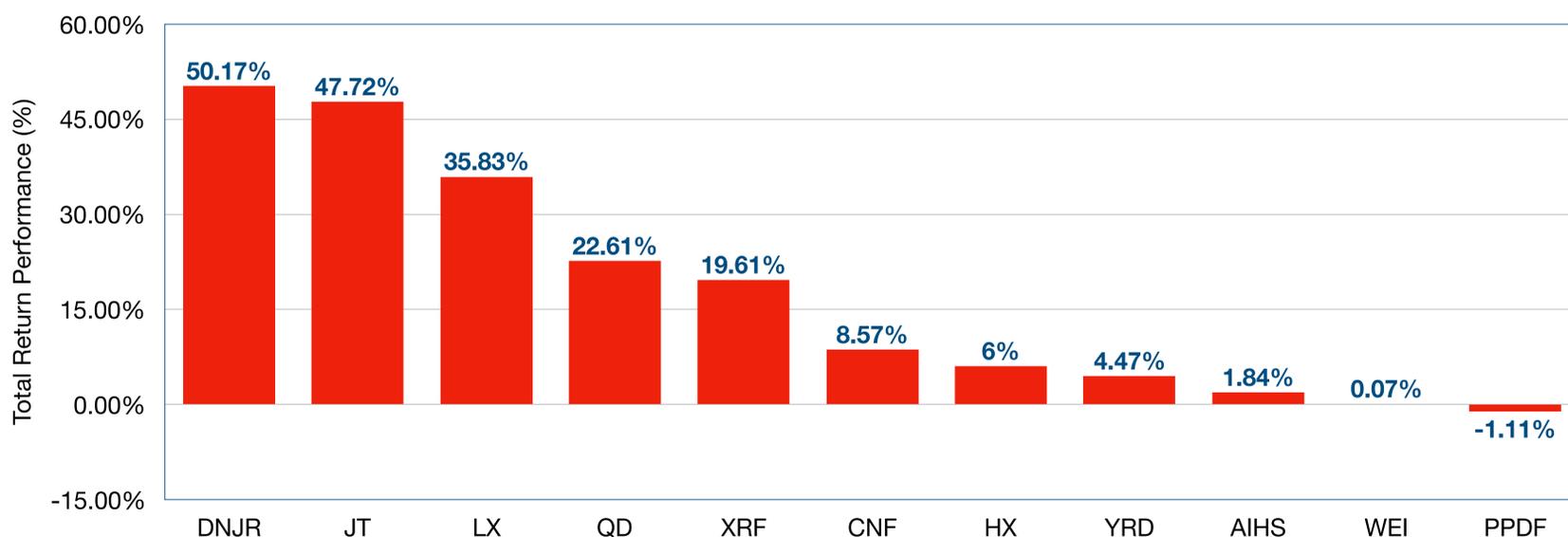


Chart 3. Source: CrowdBureau Corporation

## 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 Corporations serves money managers, banks, insurance companies, traders, retail and institutional investors, and universities.

For more information, visit us at <https://www.crowdbureau.com>

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from CrowdBureau Corporation. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or CrowdBureau index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any CrowdBureau index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided “as is” and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF CROWDBUREAU CORPORATION, OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN “CROWDBUREAU PARTY”) MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH CROWDBUREAU PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE CROWDBUREAU PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2018 - 2019 CrowdBureau Corporation. All rights reserved.