

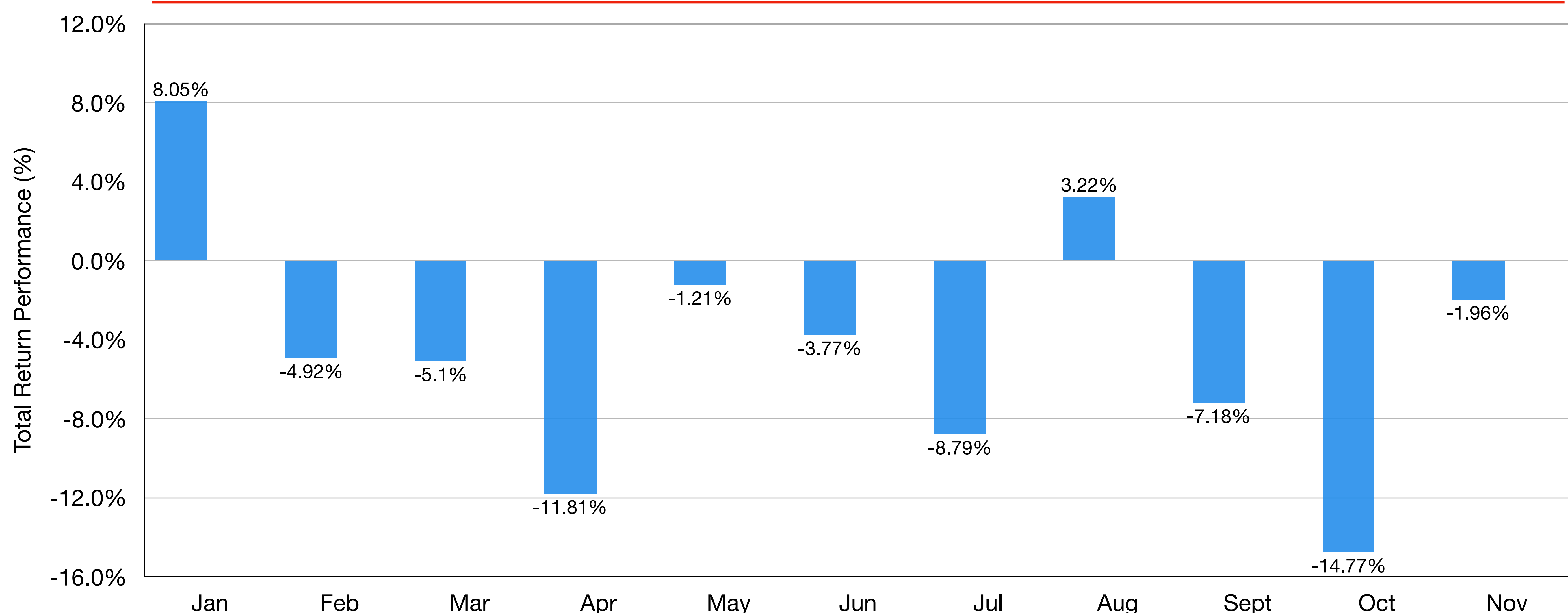
The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index

MONTHLY RESULTS: NOVEMBER 2018

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) posted a more modest -1.96% decline in November as compared to -14.77% in October. During a month when stocks and bonds continued on their volatile path due to concerns regarding US economic growth, rising interest rates and trade tensions between the US and China, among other factors, the CrowdBureau Index benefited from the positive average weighted performance of US peer-to-peer lenders that more than offset the negative average stock performance of the China-based platforms. The results achieved from these lending platforms were negatively impacted by the fears of a slowing Chinese economy and the knock on effects toward the sector. Also, they were buffeted by reactions to local market and regulatory developments that came on top of disappointing individual company specific quarterly earnings announcements—even as China’s stock market gained 7.9%. The S&P 500 Index also ended the month on a positive note, posting a gain of 2.04%. Refer to Chart of the Month.

November’s CBP2PTR performance results pushed the index lower into bear territory, ending the first 11-months down -40.6%.

CROWDBUREAU® PEER-TO-PEER LENDING AND EQUITY CROWDFUNDING INDEX MONTHLY TOTAL RETURNS YTD 2018



Source: CrowdBureau Corporation

THE BROAD STOCK MARKET POSTED A GAIN OF 2.04%

The substantial increase in volatility since early October continued in the month of November. After a significant sell-off in October, the stock market rebounded during the first week of November as the midterm elections on November 7, 2018, produced an overall result that was largely in-line with the market’s expectation. However, the rebound wasn’t sustained as concerns regarding interest rates, the slowdown of the global economy, the trade dispute between the U.S. and China as well as forward earnings resurfaced once the uncertainties surrounding the midterm elections were resolved. The S&P 500 registered a decline of -5.34% while the technology-heavy Nasdaq posted a bigger drop of -6.32% during the two-week period from November 12th to November 23rd. All five FAANG stocks entered into bear territory. The S&P 500 Index posted the third worst performance over the Thanksgiving holiday week, based on tracking since 1939. The broad market rallied in the last week of November, with the S&P 500 gaining 4.85% and Nasdaq adding 5.64%. On Wednesday, November 28th, the Federal Reserve Chairman Jerome Powell indicated that the Fed may be near the end of its tightening cycle. The 10-year Treasury yield dipped below 3% by Friday November 30th amid the dovish Fed comments. The hope of a possible deal between the U.S. and China on trade issues will materialize when President Trump and Chinese President Xi Jinping meet as scheduled at the G20 Summit in Buenos Aires on December 1st also contributed to the upward move of the stock market during the week. At the end of the month, the S&P 500 posted a small gain of 1.79% while the Nasdaq Composite Index also eked out a slight 0.34% increase.

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The CrowdBureau Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR), which was broadly influenced by the same economic and political considerations, was also exposed to some sector specific news and individual company related developments. Nine peer-to-peer lending platforms reported quarterly earnings in November and the resulting share price performance during the month reflected a significant divide between the peer-to-peer lending firms doing business in the U.S. versus those that are doing business in China with public offering listings in the U.S..

PERFORMANCE OF THE CBP2PTR

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TWO TOP FIRMS MOVE IN THE OPPOSITE DIRECTION

The top two companies (in terms of overall weight) in the total return index (CBP2PTR), GreenSky, Inc. (GSKY) and LendingTree, Inc. (TREE), reported third quarter 2018 earnings in the beginning of November. Lending Tree announced positive results on November 1st and the stock jumped 24.15% on that day. Since then it has been trending lower over a three week period until a significant reversal occurred in the last week of November when the stock gained 14.08%. The stock ended the month with a gain of 29.1%. GreenSky was down -36.70% on Tuesday November 6th after the company reported an uptick in transaction volume but missed third quarter revenue estimates. At the same time, the company delivered a downbeat forecast for the upcoming fourth quarter. GreenSky's performance became the largest negative contributor to the CBP2PTR index in the month of November, posting an overall drop of -29.4%.

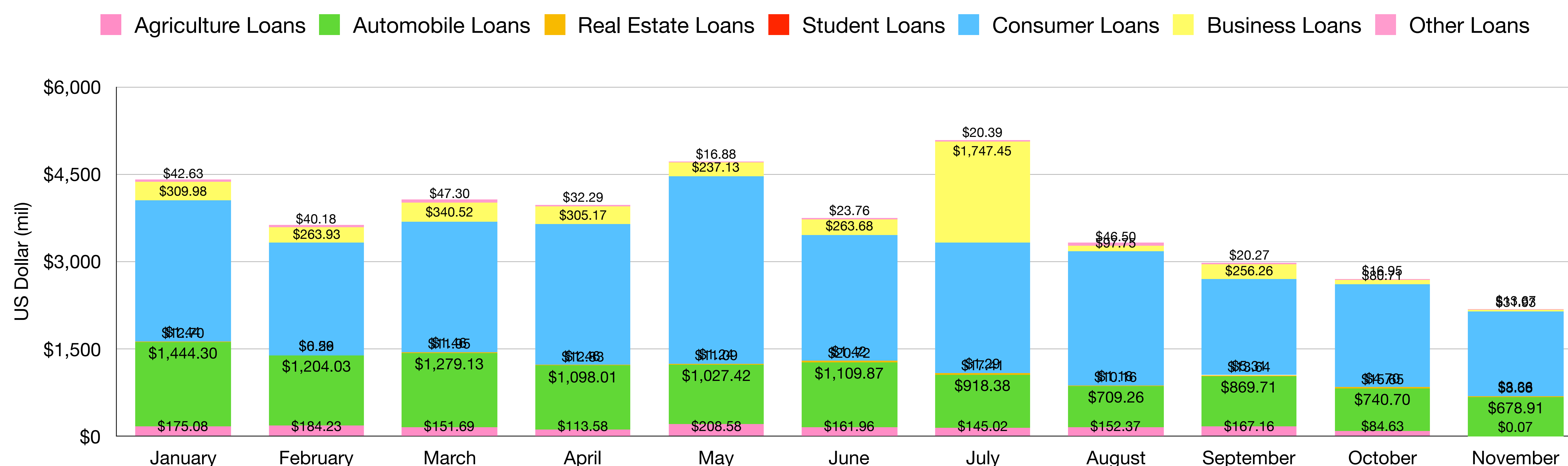
CHINA-BASED PEER-TO-PEER LENDING PLATFORMS END NOVEMBER MOSTLY LOWER

The majority of the Chinese peer-to-peer lending platforms contributed negatively to the performance of the CBP2PTR index during the month of November, largely due to poor third quarter earnings reports that missed the market's expectations. The weak results posted by Yirendai Ltd. (YRD) were pressuring the stock price for two weeks in a row. Hexindai, Inc. (HX) kept on hitting 52- week lows without any company-specific news. X Financial (XYF) tried to rebound from the substantial decline experienced during the first half of November after its third quarter results, announced on Monday, November 19th, beat the consensus estimate. The rebound, however, didn't last long when the stock dropped -10.26% on Friday, November 30, 2018.

A reported 40% decline in industry transactions volume confirmed the challenging third quarter environment faced by China's on-line lending industry. This is also corroborated through the perspective of P2P lending transactions volume data collected by CrowdBureau across 60 China-based P2P lending platforms. On a combined basis, transactions volume capturing consumer loans, automobile loans, agricultural loans, real estate loans, student and other loans has been declining since achieving a peaking of almost US\$5.1 billion in July 2018. Since then, loan volumes have posted successive monthly declines averaging \$US724 million per month to November 30th or a four- month decline of 57% relative to July of this year. See Figure 1 and Table 1.

Further, other factors weighing on the performance of China-based lending platforms were certain unfavorable market developments including tightening industry regulations and an increasing number of news reports related to the difficulties, and even the suspension of operations in some cases, encountered by certain individual peer-to-peer lending marketplaces. While this may contribute to uncertainties for Chinese peer-to-peer lenders in the short term, these along with other actions taken by Chinese regulators in recent months may actually serve to strengthen the entire sector and the larger more established platforms over the intermediate-to-longer term.

FIGURE 1: 2018 YTD MONTHLY LOAN VOLUME (\$ mil) by TYPE



Source: CrowdBureau Corporation

TABLE 1: 2018 YTD MONTHLY LOAN VOLUME (\$ mil) by TYPE

	Agriculture Loans	Automobile Loans	Real Estate Loans	Student Loans	Consumer Loans	Business Loans	Other Loans	Grand Total
January	\$175.08	\$1,444.30	\$12.70	\$1.44	\$2,423.60	\$309.98	\$42.63	\$4,409.73
February	\$184.23	\$1,204.03	\$6.26	\$0.59	\$1,926.90	\$263.93	\$40.18	\$3,626.12
March	\$151.69	\$1,279.13	\$11.95	\$1.46	\$2,233.35	\$340.52	\$47.30	\$3,913.71
April	\$113.58	\$1,098.01	\$12.83	\$1.46	\$2,415.93	\$305.17	\$32.29	\$4,065.40
May	\$208.58	\$1,027.42	\$11.09	\$1.24	\$3,214.83	\$237.13	\$16.88	\$3,979.27
June	\$161.96	\$1,109.87	\$20.72	\$1.42	\$2,169.03	\$263.68	\$23.76	\$4,717.17
July	\$145.02	\$918.38	\$17.41	\$1.29	\$2,235.82	\$1,747.45	\$20.39	\$3,750.44
August	\$152.37	\$709.26	\$10.16	\$1.18	\$2,302.75	\$97.75	\$46.50	\$5,085.76
September	\$167.16	\$869.71	\$13.64	\$5.31	\$1,642.55	\$256.26	\$20.27	\$3,319.97
October	\$84.63	\$740.70	\$15.65	\$4.70	\$1,762.83	\$80.71	\$16.95	\$2,974.90
November	\$0.07	\$678.91	\$8.68	\$3.36	\$1,453.13	\$31.93	\$13.67	\$2,189.75
Grand Total	\$1,544.37	\$11,079.72	\$3,934.51	\$23,780.72	\$320.80	\$141.09	\$23.45	\$40,824.68

Note: The data in Table 1 represents that data plotted in Figure 1.

Source: CrowdBureau Corporation

ABOUT CROWDBUREAU CORPORATION

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