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# PEER-TO-PEER LENDING AND EQUITY CROWDFUNDING

## INDEX METHODOLOGY GUIDE

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(This version is based on data as of September 20, 2019 and effective as of October 1, 2019 which adheres to the quarterly rebalance and reconstitution schedule plus the clarifications for SEC comments.)

Produced by:

CrowdBureau Corporation  
300 Park Avenue, 13<sup>th</sup> Floor  
New York, NY 10022  
[www.crowdbureau.com](http://www.crowdbureau.com)

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This document contains the underlying principles and regulations regarding the structure and the operating of the CrowdBureau®Peer-to-Peer Lending and Equity Crowdfunding Index.

Solactive AG as the calculation agent shall make every effort to implement regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Solactive AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

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## I. Introduction

This document (The "Index Manual") is to be used as a guideline with regard to the composition, calculation and management of the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index. Any changes made to the Index Manual are initiated by the Committee Specified in Section I.C. This version of the Index Manual is correct as of the date on the cover of the document. The CrowdBureau Peer-to-Peer Lending and Equity Crowdfunding Index is calculated and published by Solactive AG. The name "Solactive" is copyrighted. The name CrowdBureau is copyrighted and trademarked.

### A. Short name and ISIN

The Index publication is on and the historical values are updated on BBG and Reuters.Bloomberg under the Ticker Symbols CBP2P and CBP2PTR.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Price Return, the RIC is CBP2P and the ISIN is DE000SLA6XT2.

CrowdBureau® Peer-to-Peer and Equity Crowdfunding Index Total Return, the RIC is CBP2PTR and the ISIN is DE000SLA6XU0.

### B. Licensing

Licenses to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by CrowdBureau Corporation.

### C. Decision-making bodies

A Committee assembled by CrowdBureau Corporation is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this Index Manual referred to as the "Committee" or the "Index Committee").

The future composition of the Index is set by the Committee on the Selection Days by choosing from the Eligibility Criteria. The Committee shall also decide about the future composition of the Index in the event that any "Extraordinary Events" occurs or any necessary adjustments are implemented by the Index Calculator.

Members of the Committee can recommend at any time changes to the composition of the Index or to the Index Manual and submit them to the Committee for approval.

The Committee shall make all decisions and any amendments to the Index or Index Manual on a reasonably commercial basis.

## II. Index Description

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (“Index”) seeks to capture the securities based crowdfunding ecosystem by tracking the price and total return performance of publicly traded firms domiciled across the globe but listed for trading in the United States (“U.S.”), including common stock, American Depository Receipts (“ADRs”), American Depository Shares (“ADSs”) and Global Depository Receipts (“GDRs”).

Globally, the term Crowdfunding<sup>1, 2, 3, 4</sup> is used as an umbrella term to describe a number of ways in which people and businesses (including start-ups) raise money, typically through an internet-based platform. The Internet and social media have made crowdfunding possible and, in the last few years, a number of crowdfunding platforms proliferated. These include loan-based crowdfunding platforms, usually called peer-to-peer lending, that permit people and institutions to lend money directly or indirectly to consumers and businesses to realize financial returns in the form of interest payments and the repayment of capital over time. Companies in this segment may also provide related financial services. Also included are investment-based crowdfunding platforms, usually called equity or securities-based crowdfunding, that offer investors an opportunity to directly invest in businesses buying investments such as shares or debentures. Unless otherwise noted, this segment will hereafter be referred to as the peer-to peer-lending industry.

In addition to tracking the peer-to-peer lending industry as described above, the Index also includes financial institutions with a dedicated peer-to-peer lending platform, social network(ing) platforms that offer or plan to offer peer-to-peer lending or securities-based crowdfunding services, and providers of technology and software solutions to the peer-to-peer lending and equity crowdfunding industry. Together, these firms comprise the peer-to-peer lending and equity crowdfunding ecosystem.

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<sup>1</sup> A special exemption, under the U.S. Jumpstart Our Business Act 2012, so that companies can buy and sell securities (equity and debt) by way of crowdfunding. H.R. 3606, <https://www.gpo.gov/fdsys/pkg/BILLS-112hr3606enr/pdf/BILLS-112hr3606enr.pdf>

<sup>2</sup> A special exemption under the FCA Crowdfunding Act 2014, (page 1)  
<https://www.fca.org.uk/publication/thematic-reviews/crowdfunding-review.pdf>

<sup>3</sup> Crowdfunding in Europe, European Parliament, (page 2),  
[http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/595882/EPRS\\_BRI\(2017\)595882\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/595882/EPRS_BRI(2017)595882_EN.pdf)

<sup>4</sup> Crowdfunding in China, World Bank,  
<http://documents.worldbank.org/curated/en/834091504764640588/text/119207-BRI-PUBLIC-Brief-Crowdfunding-in-China-Jul-2017-0.txt>

### III. Eligibility Criteria

To be eligible for inclusion in the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index, a constituent security must meet the following eligibility standards:

- 1) Be an equity security, an ADR, ADS or GDR representing an equity security, issued by a company in the Peer-to-Peer Lending Ecosystem;
- 2) A security must be listed and traded on a nationally recognized securities exchange in the U.S.A. and the OTC;
- 3) A security must be listed for trading at the end of each calendar quarter;
- 4) A security must have a market capitalization of at least \$75 million; and
- 5) A security must register an average daily trading volume corresponding to at least 750,000 shares over a one-month interval, or average notional value of monthly trades of at least \$25 million over the prior six months, or lower volumes provided that any such securities are limited to no greater than 30% by market value. Securities with average daily trading volumes below the above described average daily trading volume is added to the Index at a maximum weight no greater than 0.5% by market value until such time as the minimum trading volume threshold.

Index eligibility is restricted to companies that make up the peer-to-peer lending and equity crowdfunding ecosystem, as defined below. Peer-to-peer lending platforms and financial institutions with a dedicated peer-to-peer lending platform operate under specific federal, state, or local governmental regulations in the country of domicile and are identified by their publicly disclosed oversight or charter referencing specific regulations. Such companies in the U.S. are governed by the Jumpstart Our Business Startups Act ("JOBS Act")<sup>5</sup>, and, or special provision guidelines granted by the Securities and Exchange Commission. Outside the U.S., specifically defined crowdfunding laws govern the companies, regulations, rules and policies disclosed, for example, in footnotes 3, 4, 5, 6, and 7.

On a quarterly basis, eligible companies, as defined above, will be identified by applying the definitions of the following four segments that make up the peer-to-peer lending ecosystem based upon data available from public sources. Companies are assigned to one of the four segments that make up the peer-to-peer lending ecosystem set forth below.

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<sup>5</sup> On April 5, 2012, the Jumpstart Our Business Startups (JOBS) Act was signed into law by President Barack Obama. The Act required the SEC to write rules and issue studies on capital formation, disclosure, and registration requirements. <https://www.sec.gov/spotlight/jobs-act.shtml>, assessed June 27, 2018.

1. *Peer-to-Peer Lending and Equity Crowdfunding Platforms.*
  - i) The business operates as a loan-based crowdfunding platform<sup>6</sup>, on which people and institutions lend money to individuals and/or new/existing businesses seeking loans and other credit-based offerings for purposes ranging from consumer loans, debt consolidation, student loans, car loans, agriculture loans, renewable energy loans, real estate loans, and business loans as well as business financings, or, investment-based crowdfunding platforms, on which people invest in unlisted shares or debt securities by businesses.
  - ii) Fully authorized (license #), pending authorization or exempt by the country specific securities regulator (e.g. OCC<sup>7</sup>, PBOC<sup>8</sup>, FCA<sup>9</sup>, SEC<sup>10</sup>, Suruhanjaya Sekuti Malaysia<sup>11</sup>, RBI<sup>12</sup>, and each foreign country regulator); and, other local and state governing bodies for varying financial institutions.
  - iii) Derives more than fifty percent (50%) of its revenue from such operations.
2. *Financial Institutions with a Dedicated Peer-to-Peer Lending and Equity Crowdfunding Platform.*
  - i) The institution offers dedicated peer-to-peer lending and/or equity crowdfunding in the form of a separate business line or cost unit within a larger financial services franchise.
  - ii) The business line or cost unit is fully authorized (license #) by the country specific regulator (e.g. PBOC, FCA or SEC).
  - iii) The institution is fully authorized by the country/state specific regulator as a broker dealer, bank, investment bank, credit union, insurance company or other regulated entity-type.
3. *Social Network(ing) Platforms.*
  - i) A social network platform that enables communities, sharing of content, adding friends, setting privacy and allows people to lend/borrow to each

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<sup>6</sup> Financial Conduct Authority, <https://www.fca.org.uk/publication/thematic-reviews/crowdfunding-review.pdf>

<sup>7</sup> A financial system that creates economic opportunities, "NonBank Financials, FinTech, and Innovation, By: Steven T. Mnuchin and Craig S. Philips, assessed July 31, 2018, <https://home.treasury.gov/sites/default/files/2018-07/A-Financial-System-that-Creates-Economic-Opportunities---Nonbank-Financi....pdf>

<sup>8</sup> China P2P Rules 2016 网络借贷信息中介机构业务活动管理暂行办法 (银监会令[2016]1号, [http://www.cbrc.gov.cn/chinese/home/docDOC\\_ReadView/D934AAE7E05849D185CD497936D767CF.html](http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/D934AAE7E05849D185CD497936D767CF.html)

<sup>9</sup> Policy Statement 14/4, The FCA's regulatory approach to crowdfunding over the internet and the promotion of reliable securities by other media. Feedback CP 13/13 and Final Rules, March 2014: [http://www.fca.org.uk/static/documents/policy-statements/ps\\_14-04.pdf](http://www.fca.org.uk/static/documents/policy-statements/ps_14-04.pdf)

<sup>10</sup> The Securities and Exchange Commission has Lending Club to file form S-1 in 2008, to become a regulated entity, <https://www.sec.gov/Archives/edgar/data/1409970/000089161808000318/f41480orsv1.htm>

<sup>11</sup> Suruhanjaya Sekuriti Securities Commission Malaysia, list of registered platforms, [https://www.sc.com.my/digital/list\\_rmo/](https://www.sc.com.my/digital/list_rmo/)

<sup>12</sup> Reserve Bank of India, <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11137>

- without the intermediary of a bank. Includes mobile banking, cash advances, remittances, and/or other forms of credit as part of a commerce ecosystem to support buyers, sellers or other customer groups.
- ii) Companies in this classification are not necessarily regulated by such laws but rather may be defined by patents awarded for such services or public announcements notifying the intent to offer crowdfunding services that will require governmental authorization under the same acts and rules defined in peer-to-peer lending and equity crowdfunding platforms.
4. *Providers of Technology and Software Solutions to the Peer-to-Peer Lending and Equity Crowdfunding Industry.* Firms in this segment derive their annual revenues from technologies, software solutions or data analytics intended to evaluate, underwrite, fund, provide financing and payment services that facilitate access to and extension of credit so as to enable and facilitate the operations of peer-to-peer lending and equity crowdfunding platforms.

In constructing the **CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index**, the approach used to determine which constituent is included in the Index relies on publicly available economic and financial information, and qualitative and quantitative data to monitor the global peer-to-peer lending and equity crowdfunding industry. This includes related company-specific trends, developments to canvas for and identify publicly listed as well as privately held firms. This paves the way to establish the broadest possible universe of companies to evaluate for inclusion in the Index. Such information encompasses, but is not limited to, primary and third-party databases, business periodicals such as newspapers, magazines, on-line publications, industry reports, analyst presentations, and regulatory company filings (e.g., 10-K, 10-Q). Press releases, analyst presentations, as well as annual and quarterly reports, to name just a few, are also considered during the evaluation phase.

#### IV. Index Calculation

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index relies on a modified weighting methodology that combines two market capitalization-weighted segments, subject to the asset diversification requirements, set forth below, and two equal-weighted segments to establish an index in which the weight of a single constituent and/or the sum of the weights of the securities representing a defined group are constrained to a maximum weight. For purposes of the Index, each constituent is defined as belonging to one of four fixed-weight segments within the peer-to-peer lending and equity crowdfunding ecosystem and individual constituent weights are subject to weight constraints using a rules-based capping algorithm.



There is no set limit as to the number of constituents that can comprise the Index and it is expected that the net number of constituents will increase over time based on new public listed entrants into the peer-to-peer lending ecosystem.

Based on data as of September 20, 2019 and effective as of October 1, 2019, the Index consists of 35 publicly listed domestic and foreign firms. These equity securities are classified into the four segments that are capped at the security level and fixed with regard to segment weight as indicated in Table 1.

**Table 1: CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Segments and Corresponding Weightings**

Segment	Fixed Segment Weight*	Number of Constituents
Peer-to-Peer Lending Platforms (P2P)	80%	18
Financial Institutions with Dedicated P2P Lending Platforms (FI)	1%	1
Social Network(ing) Platforms (SN)	5%	5
Providers of Technology and Software Solutions (T&S)	14%	11
Totals	100%	35

\*Segment weights apply as of September 20, 2019, 2019 but may be subject to revisions upon future reconstitutions on a quarterly basis.

The Index is rebalanced and may be reconstituted on a quarterly basis to reflect additions to as well as any deletions of securities classified as Peer-to-Peer Lending and Equity Crowdfunding Platforms, Financial Institutions with Dedicated P2P Lending and Equity Crowdfunding Platforms, Social Network(ing) Platforms and Providers of Technology and Software Solutions.

The following diversification requirements apply: (1) the market capitalization weighted value of any single constituent stock may not exceed 25% of the value of the index, (2) if a constituent stock attains a weight equal to or greater than 25%, the weights of the constituent stocks with weights at the highest end of the range at or over 25% are reduced to 24% and the difference will be reallocated across the lower weighted stocks, (3) the sum of the constituent stocks with weights greater than 4.8% cannot exceed 50% of the index weight. If one or more constituents stocks attains a weight equal to or greater than 5%, the weights of constituent stocks with weights at the lowest end of the range at or over 5% are reduced to 4.8% and the difference will be reallocated across the highest weighted stocks, starting with the highest weighted stock until a maximum value of 25% is reached, following which the reallocation will proceed to the next highest weighted stock until the difference has been reallocated in its entirety. Narrow quarterly variations in the weighting of the highest weighted stocks at each quarterly rebalance and

reconstitution, is defined as less than 2% from quarter-to-quarter, and may be considered during the reallocation process to the highest weighted stocks.

In the event that the above described reallocation process results in the highest value stocks reaching 50% of the value of the segment, the reallocation will proceed by reallocating any remaining difference proportionately across all constituents with weights below 4.8%.

When one or more constituents' stocks attains a weight equal to or greater than 5%, the weights of constituent stocks with such weights are reduced to 4.8% and the difference will be reallocated proportionately across the remaining stocks until the difference has been reallocated in its entirety.

Securities with average daily trading volumes below the above described average daily trading volume is added to the Index at a maximum weight no greater than 0.5% by market value until such time as the minimum trading volume threshold.

#### A. Calculation of Constituent Weights

The sum of all constituent weights is always =100%. Except for constituents that comprise the Financial Institutions with Dedicated P2P Lending and Equity Crowdfunding Platforms and Social Network(ing) Platforms whose weights are equally distributed among eligible constituents, a modified capitalization-weighted methodology is used. Weights are recalculated as of each rebalancing date. The weight of constituent i (belonging to segment S, used for illustration purposes) as of rebalancing date p is calculated, as follows:

$$\text{weight}_{i,p} = \text{shares}_{i,p} * \text{price}_{i,p-1} / (\sum_{i,S} (\text{shares}_{i,p} * \text{price}_{i,p-1})) * \text{weight}_{S,p}$$

with

$\text{shares}_{i,p}$  : number of shares outstanding of constituent i valid on rebalancing date p

$\text{price}_{i,p-1}$  : close price of constituent i on the last trading day before rebalancing date p

$\sum_{i,S}$  : sum over all constituents of segment S

$\text{weight}_{S,p}$  : weight of segment S valid on rebalancing date p

#### Illustration 1

**Table 2: Calculation of Constituent Weights in Segment "P2P Lenders" (segment weight 80%)**

The table below shows the P2P lenders constituents with market capitalizations > 4.8% prior to readjusting the constituent's weight after distribution.

Constituent	Shares <sub>i,p</sub>	Price (\$) <sub>i,p-1</sub>	Market Capitalization (\$)	Segment Weight	Index Weight
TREE	12,827,755	202.87	2,602,366,657	80.00%	15.81%
GSKY	186,623,999	8.66	1,616,163,831	80.00%	9.82%
QD	325,838,455	4.62	1,505,373,662	80.00%	9.14%
LX	163,859,069	7.78	1,274,823,557	80.00%	7.74%
PPDF	300,614,233	3.86	1,160,370,939	80.00%	7.05%
LC	426,208,997	2.54	1,082,570,852	80.00%	6.58%
XYF	151,043,671	5.54	836,781,937	80.00%	5.08%

Notes of Explanation: Shares and prices as of December 21, 2018

In this illustration, the sum of the seven constituent stocks with weights greater than 4.8% exceeds 50% of the index weight. In this case, the weights of the three constituent stocks with weights at the lowest end of the range at or over 5% are reduced to 4.8% and the difference of 4.31% is reallocated proportionately across the four higher weighted stocks, thereby preserving their relative weights. The resultant reallocation, based on the weights in Table 2, is displayed in Table 3.

**Table 3: Redistribution of Constituent Weights in Segment "P2P Lenders" (segment weight 80%)**

Constituent	Segment Weight	Constituent Weight Before Redistribution	Constituent Weight After Distribution
TREE	80.00%	15.81%	17.41%
GSKY	80.00%	9.82%	10.81%
LX	80.00%	9.14%	10.07%
PPDF	80.00%	7.74%	8.53%
LC	80.00%	7.05%	4.80%
XYF	80.00%	6.58%	4.80%

Notes of Explanation: Shares and prices as of December 21, 2018

In the event that the above described reallocation process results in the highest value stocks reaching 50% of the value of the segment, the reallocation will proceed by reallocating any remaining difference proportionately across all constituents with weights below 4.8%, thereby preserving their relative weights.

## B. Daily Index Calculation

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Price Index on trading day t is calculated as follows:

$$\text{index}_t = \text{index}_{p-1} * (\sum_i (\text{price}_{i,t} * \text{weight}_{i,p} / \text{price}_{i,p-1}))$$

with

$\sum_i$  : sum over all constituents i (of all segments)

$\text{index}_{p-1}$  : price index on the trading day before last rebalancing date p (initial start index = 1000)

$\text{price}_{i,t}$  : close price of constituent i on trading day t

$\text{price}_{i,p-1}$  : close price of constituent i on the last trading day before rebalancing date p

$\text{weight}_{i,p}$  : weight of constituent i valid on last rebalancing date p

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Total Return Index additionally takes dividends into account. Both the price index and total return index calculation are based on standard formulas that are widely used in the market.

**CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Constituents and their Market Capitalizations as of September 20, 2019 (Listed in Alphabetical Order)**

Refer to Table 4.

**Table 4: Listing of Current Index Constituents and Weightings (in Alphabetical Order)**

Constituent Name	Symbol	Segment	Segment Weight	Price (\$) 2019-09-20	Market Capitalization (\$)	Index Weight
360 Finance #	QFIN	P2P	80.00%	9.77	69,660,100	0.79%
9F Inc. #	JFU	P2P	80.00%	10.81	110,640,350	1.25%
Amazon.com Inc.	AMZN	SN	5.00%	1794.16	887,492,035,872	1.00%
China Rapid Finance #	XRF	P2P	80.00%	0.62	40,632,616	0.50%
CN Finance Holding Ltd. #	CNF	P2P	80.00%	5.22	357,998,886	0.50%

Core Logic Inc.	CLGX	T&S	14.00%	45.86	3,674,959,044	0.22%
Elevate Credit Inc.	ELVT	T&S	14.00%	4.47	197,279,029	0.01%
Enova International Inc.	ENVA	T&S	14.00%	22.05	749,693,297	0.05%
Equifax Inc.	EFX	T&S	14.00%	141.05	17,050,734,605	1.04%
Facebook Inc.	FB	SN	5.00%	189.93	541,860,888,085	1.00%
Fair Isaac Corporation	FICO	T&S	14.00%	312.24	9,022,654,088	0.55%
Fidelity National Information Services	FIS	T&S	14.00%	131.81	80,858,053,640	4.93%
Fiserv Inc.	FISV	T&S	14.00%	104.08	70,741,668,505	4.32%
Global Payment Inc.	GPN	T&S	14.00%	161.62	25,322,314,684	1.55%
Golden Bull Ltd. #	DNJR	P2P	80.00%	0.54	8,310,940	0.09%
Goldman Sachs Group Inc.	GS	FI	1.00%	213.74	76,853,106,337	1.00%
Green Dot Corp.	GDOT	T&S	14.00%	27.87	1,444,218,328	0.09%
GreenSky	GSKY	P2P	80.00%	7.20	445,155,782	4.80%
Hexindai #	HX	P2P	80.00%	1.61	79,218,574	0.89%
Jianpu Technology #	JT	P2P	80.00%	2.78	469,624,238	4.80%
LendingClub	LC	P2P	80.00%	14.41	1,256,110,463	4.80%

LendingTree	TREE	P2P	80.00%	324.99	4,221,294,135	21.06%
LexinFintech #	LX	P2P	80.00%	10.86	1,907,218,572	13.18%
OnDeck Capital	ONDK	P2P	80.00%	3.31	252,557,591	2.85%
OneMain Holding Inc.	OMF	T&S	14.00%	37.52	5,106,200,093	0.31%
PagSeguro Digital Ltd. #	PAGS	SN	5.00%	47.49	15,571,514,669	1.00%
PayPal Holdings Inc.	PYPL	SN	5.00%	104.64	123,127,315,426	1.00%
PPDai #	PPDF	P2P	80.00%	3.47	1,031,818,495	4.80%
Qudian #	QD	P2P	80.00%	7.13	1,991,128,912	13.76%
Senmiao Technology Ltd. #	AIHS	P2P	80.00%	0.41	11,367,913	0.13%
Square Inc.	SQ	SN	5.00%	57.85	24,709,510,012	1.00%
TransUnion	TRU	T&S	14.00%	81.04	15,219,312,000	0.93%
Weidai #	WEI	P2P	80.00%	6.25	440,294,856	0.50%
X Financial #	XYF	P2P	80.00%	2.80	439,060,014	0.50%

Notes of Explanation: Prices as of September 20, 2019. #Denotes ADR. Source: CrowdBureau Corporation, Prices, shares outstanding and market capitalizations-QuoteMedia.

### C. Listing of Top 10 Index Constituents

#### **Listing of Top 10 Index Constituents**

Refer to Table 5 for a listing of the top 10 Index constituents as of September 20, 2019.

**Table 5: Listing of CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Top 10 Index Constituents and their Index Weights as of September 20, 2019.**

Constituent Name	Symbol	Segment	Segment Weight	Price (\$) 2019-09-20	Market Capitalization (\$)	Index Weight
LendingTree	TREE	P2P	80.00%	324.99	4,221,294,135	21.06%
Qudian #	QD	P2P	80.00%	7.13	1,991,128,912	13.76%
LexinFintech #	LX	P2P	80.00%	10.86	1,907,218,572	13.18%
Fidelity National Information Services	FIS	T&S	14.00%	131.81	80,858,053,640	4.93%
LendingClub	LC	P2P	80.00%	14.41	1,256,110,463	4.80%
PPDai #	PPDF	P2P	80.00%	3.47	1,031,818,495	4.80%
Yirendai #	YRD	P2P	80.00%	8.66	816,178,033	4.80%
Jianpu Technology #	JT	P2P	80.00%	2.78	469,624,238	4.80%
GreenSky	GSKY	P2P	80.00%	7.20	445,155,782	4.80%
Fiserv Inc.	FISV	T&S	14.00%	104.08	70,741,668,505	4.32%

Notes of Explanation: Prices as of September 20, 2019. #Denotes ADR. Source: CrowdBureau Corporation, Prices, shares outstanding and market capitalizations-QuoteMedia.

## V. Index Evaluation and Reconstitution

The Index is evaluated at the end of each quarter. The above Eligibility Criteria are applied using available market data and required Regulation FD public announcements as of the last trading day of the quarter. Security additions and deletions are made effective at the market open on the 1st business day of each quarter (January, April, July, and October).

At the end of each quarter, the Index is also evaluated with respect to the classification of the common stocks into the four segments as well as the weights assigned to each segment, based on available market data as of the last trading day of the quarter. The reclassification of common stocks as to segment as well as any adjustments to segment weights that may be required to maintain proper

company alignments within the Index are made effective at the market open on the 1st business day following and reconstitution as of the last trading day of the quarter.

Additionally, if at any time during the year other than the Evaluation, an Index Security is determined to have become ineligible for continued inclusion in the Index due to delisting, suspension, or a definitive agreement that would likely result in the security no longer being Index eligible, the security is removed from the Index. Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

## VI. Index Maintenance

This includes monitoring and implementing the adjustments for company additions and deletions, share changes, stock splits, stock dividends, and stock price adjustments due to company restructurings, spin-offs, or other corporate actions. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the index. Other corporate actions, such as share issuances, change the aggregate market capitalization of the Index and, therefore, require an index divisor adjustment as well.

To avoid index discontinuity due to adjusting for corporate actions, offsetting index divisor adjustments are ordinarily made. By adjusting the index divisor for the changes in the aggregate free-float adjusted market capitalization of the index arising from one or more corporate actions affecting component stocks, the value of the index remains constant. This helps keep the value of the index accurate as a barometer of stock market performance and ensures that the movements of the index will not be improperly affected by corporate actions in the component stocks. Divisor adjustments are ordinarily made prior to the opening of trading on the day of effectiveness of such corporate actions.

## VII. Index Rebalancing

- The index is modified capped-weighted, using an index formula based upon the aggregate of prices times share quantities. For ADRs, the number of



shares used in the index calculation generally represents the entire class(es) or series of shares that trade in the local market and also trade in the form of Depositary Receipts. These are adjusted by the DR conversion ratio. The result is multiplied by the last sale price as reported by the primary exchange, i.e., NYSE, NYSE MKT or NASDAQ.

- The index, which is denominated in U.S. dollars, is calculated on a price only and total rate of return basis, with the reinvestment of dividends as of the ex-dividend date.
- The number of shares used in the index calculation generally represents the entire class(es) or series of shares that trade in the local market and also trade in the form of ADRs. These are adjusted by the DR conversion ratio.
- All index computations use the last sale price recorded at the primary exchange on which a security is traded.

## VIII. Share Information

The number of shares used in the index calculation generally represents the entire class(es) or series of shares that trade in the local market and in the case of ADRs also trade in the form of ADRs. These shares are adjusted by the DR ratio. At the end of each quarter, the shares of the companies in the index will be updated.

## IX. Rights Offering

In a rights offering, the company offers existing shareholders the right to purchase new shares. A rights offering results in a capital inflow and increases both the number of shares outstanding and the market capitalization of the company. (On the ex-date, the number of shares is changed if the subscription price is equal to or less than the price of the security, and the index divisor is adjusted as required).

## X. Stock Dividends

Stock dividends are simply accounting transactions. No funds flow into or out of the company, and total market value remains unchanged. Therefore, the weight of the company in the index remains unchanged. (On the ex-date, the number of shares is changed, but no index divisor adjustment is necessary).

### Stock Splits and Reverse Splits

Stock splits and reverse splits are the splitting or recouplement of the number of shares outstanding without any change in the shareholders equity. No funds flow into or out of the company and total market value remains unchanged. Therefore,

the weight of the company in the index remains unchanged. (On the ex-date, the number of shares is changed, but no index divisor adjustment is necessary).

## XI. Dividends

The dividend amount disclosed by a US listed company will be used in the total return calculation. For ADRs, the net dividend amount as quoted by the exchange on which the depositary receipt trades will be used in the total return calculation. If no net amount is stated but a tax rate is quoted, then the dividend applied will be the gross amount quoted less the tax quoted by the exchange. If the exchange publishes the dividend as free of withholding tax then the gross rate will be applied to the index.

All dividends may be subject to fees in addition to the stated tax rates, if the exchange quotes the specific fee then it will be removed from the net of tax amount

## XII. Constituent Changes

New eligible securities will generally be added to the index on a quarterly basis prior to the opening of trading following the end of quarter. Constituents may be deleted from the index due to its merger, acquisition by another company, or restructuring upon the effective delisting date or sooner. Constituents may be deleted due to sudden financial distress or bankruptcy.

## XIII. Calculation of the Index in the event of a Market Disruption Event

The Index is not calculated in the event of a Market Disruption Event or Force Majeure Event. If the Market Disruption Event or Force Majeure Event continues over a period of eight Trading Days, then the Committee will determine the necessary action (including but not limited to taking into account the market conditions prevailing at this point in time, the last quoted Trading Price for each of the Index Constituents as well as any other conditions that it deems relevant for calculating the Index value) such that the affected securities resulting from the Market Disruption Event are no longer causing such disruption to occur.

## XIV. Glossary of Terms

**“Index Constituent”** is each share currently included in the Index. At any time, the list of Index Constituents comprising the Index is available from the Index Providers and Index Calculator’s website.

**“Number of Index Shares”** is in respect of an Index Constituent and on any given Business Day the number of shares included in the Index. It is determined for any Index Constituent by the Committee on the Adjustment Days in order to comply with section V.

**“Dividend Correction Factor”** is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

In particular an **“Extraordinary Event”** is - a Merger

- a Takeover bid
- a delisting
- the Nationalization of a company - Insolvency.

The Trading Price for this Index Constituent on the day the event came into effect is the last available market price for this Index Constituent quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Index Calculator), as determined by the Index Calculator, and this price is used as the Trading Price of the particular Index Constituent until the end of the day on which the composition of the Index is next set.

In the event of the Insolvency of an issuer of an Index Constituent the Index Constituent shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Constituent is available on a Business Day, this shall be applied as the Trading Price for this Index Constituent on the relevant Business Day, as determined in each case by the Index Calculator. If a market price is not available on a Business Day the Trading Price for this Index Constituent is set to zero. The Committee may also decide to eliminate the respective Index Constituent at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

An Index Constituent is **“delisted”** if the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Constituent at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Constituent is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculator,

**“Insolvency”** occurs with regard to an Index Constituent if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Constituents or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

A **“Takeover bid”** is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Constituent or the right to acquire these shares, as determined by the Index Calculator based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculator to be relevant.

With regard to an Index Constituent a **“Merger”** is

1. (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate  
  
definite obligation to transfer all the shares in circulation to another legal person,
2. (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Constituent is the acquiring or remaining company and which does not  
  
involve a change in security class or a conversion of all the shares in circulation),
3. (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal  
  
person), or
4. (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of  
  
the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

The **“Merger Date”** is the date on which a Merger is concluded or the date specified by the Index Calculator if such a date cannot be determined under the law applicable to the Merger.

**“Nationalization”** is a process whereby all shares or the majority of the assets of the issuer of the shares are nationalized or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

**“Exchange”** is, in respect of the Selection Pool and every Index Constituent, the respective primary exchange where the Index Constituent has its primary listing. The Committee may decide to declare a different stock exchange the “Exchange” for trading reasons, even if the company is only listed there via a Stock Substitute.

**“Stock Substitute”** includes in particular American Depository Receipts (ADR), American Depository Shares (ADS), and Global Depository Receipts (GDR).

With regard to an Index Constituent (subject to the provisions given above under “Extraordinary Events”) the **“Trading Price”** in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Constituent, the Index Calculator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to him.

A **“Trading Day”** is in relation to the Index or an Index Constituent a Trading Day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Calculator is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Constituent or in any other connection relating to this Index Manual.

A **“Business Day”** is a day on which Stuttgart Stock Exchange is open for trading. The **“Index Calculator”** is Solactive AG or any other appropriately appointed successor in this function. The **“Index Currency”** is the currency in which the Index is denominated and shall be US Dollar (“USD”).

**“Market Capitalization”** is with regard to each of the shares in the Eligibility Criteria Pool on a Selection Day or Adjustment Day the value published by Reuters (or a successor) as the Market Capitalization for this day.

As at the date of this Index Manual, Market Capitalization is defined by Reuters as the value of a company calculated by multiplying the number of shares outstanding of the company by its share price. **“Free Float Market Capitalization”** is with regard to each of the shares in the Eligibility Criteria Pool or in the Index on a Selection

Day or Adjustment Day the Market Capitalization for this day multiplied by the ratio of (A) the number of shares in circulation and (B) the number of shares outstanding of the respective company.

If Reuters (or a successor):

(i) does not publish for a Selection Day a Market Capitalization for a share or

(ii) adopts another method for calculating the Market Capitalization for all shares or only with regard to the share in question or uses different assumptions in calculating the Market Capitalization for all shares or only with regard to the share in question, and in the reasonable assessment of the Index Calculator involves material changes (the Index Calculator makes the decision as to whether such changes are to be deemed "material" by applying factors that in his reasonable assessment appear appropriate to him),

the Index Calculator will determine the Market Capitalization in respect of the shares or of a share included in the Selection Pool and the respective Selection Day either from another publicly accessible source specified in good faith or from other sources that in his assessment are reasonable and appropriate in the event that no other publicly quoted suitable prices are available.

**"Adjustment Day"** is the second Wednesday in May and November. If this happens to be no Business Day, the Adjustment Day is the immediately preceding Business Day.

**"Selection Day"** is the Business Day, 7 Business Days before the Adjustment Day.

An **"Affiliated Exchange"** is with regard to an Index Constituent an exchange, a trading or quotation system on which options and futures contracts on the Index Constituent in question are traded, as specified by the Index Calculator.

A **"Market Disruption Event"** occurs if

1. one of the following events occurs or exists on a Trading Day prior to the opening quotation time for an Index Constituent:
  - A) trading is suspended or restricted (due to price movements that exceed the limits allowed by the Exchange or an Affiliated Exchange, or for other reasons):
    - 1.1. across the whole Exchange; or
    - 1.2. in options or futures contracts on or with regard to an Index Constituent or an Index Constituent that is quoted on an Affiliated Exchange; or
    - 1.3. on an Exchange or in a trading or quotation system (as determined by the Index Calculator) in which an Index Constituent is listed or quoted; or
  - B) an event that (in the assessment of the Index Calculator) generally disrupts and affects the opportunities of market participants to execute on the Exchange transactions in respect of a share included in the Index or to determine market values for a share included in the Index or to execute on an Affiliated Exchange transaction with regard to options and futures contracts on these shares or to determine market values for such options or futures contracts; or
2. trading on the Exchange or an Affiliated Exchange is ceased prior to the usual closing time (as defined below), unless the early cessation of trading is

announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before

(aa) the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier.

(bb) the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.

**"Normal exchange closing time"** is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without taking into account after-hours trading or other trading activities carried out outside the normal trading hours; or

3. a general moratorium is imposed on banking transactions in the country in which the Exchange is resident if the above-mentioned events are material in the assessment of the Index Calculator, whereby the Index Calculator makes his decision based on those circumstances that he considers reasonable and appropriate.

**A "Force Majeure Event"** is defined as an event or circumstance (including without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Calculator and that the Index Calculator determines affects the Index, any of the Index Constituents or the methodology on which the Index is based.

## XV. Appendix

### A. Contact details

#### 1. Index Owner and Index Provider

CrowdBureau Corporation  
300 Park Avenue, 13<sup>th</sup> floor  
New York, New York, 10022  
Main Tel.: 212-736-6884  
email: cbp2pindex@crowdbureau.com

#### 2. Calculation Agency

Solactive AG  
Bettinastrasse 30  
60325 Frankfurt am  
Main Tel.: +49 69 9760 955 00  
Fax: +49 69 9760 955 25 indexing@solactive.com.de

### B. Calculation of the Index – change in calculation method

The application by the Index Calculator of the method described in this document is final and binding. The Index Calculator shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Calculator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Calculator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes the Index Calculator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.