ORCHARDWAY | P2P CREDIT FUND LTD.

FACTSHEET - SEPTEMBER 2016

BEDROCK'S SINGLE POINT OF ACCESS TO FUNDS WITHIN THE P2P CREDIT SPACE

OrchardWay P2P Credit Fund Ltd ("OrchardWay" or the "Fund") is a fund for non-US investors that provides access to the expertise of HCG Fund Management LP ("HCG"), a firm with an extensive track record at the forefront of investing in Peer-to-Peer credit, also referred to as Marketplace Loans.

OrchardWay targets 9 -12% annual net return on equity from established asset classes which were until now reserved for banks and specialist lending institutions. The Fund offers Professional Investors exposure to diversified profiles of underlying borrowers, and aim to exhibit low duration, low volatility, and low correlation to other asset classes.

ORCHARDWAY PERFORMANCE

USD ($)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	ITD
2016	0.63%	0.66%	0.67%	0.68%	0.64%	0.72%	0.73%	1.16%	0.60%				6.7%	12.9%
2015				0.80%	0.67%	0.68%	0.63%	0.66%	0.56%	0.57%	0.55%	0.56%	5.8%	5.8%

Returns are net returns after all fees and expenses. Past performance is not an indicator of future results.

KEY FACTS

Inception date	April 2015
Base Currency	USD
Hedged Classes	EUR, CHF, GBP
Fees	Management: 2% Performance : 20% (w 6% Hurdle) Redemption: 0%
Domicile	Cayman
Liquidity	Monthly notice/ pay out within 120 days
Investment Advisor	HCG Fund Management LP
Management Company	Kinetic Partners (LUX) S.a.r.l
Portfolio Manager (Feeder)	Bedrock Asset Mgmt. (UK) Ltd.
Promoter & Distributor	Bedrock Asset Mgmt. (UK) Ltd. Bedrock Advisors SA.
Fund Counsel	Conyers Dill & Pearman (Cayman) Limited
Administrator	SS&C GlobeOp
Auditor	Ernst & Young LLP

HCG DIGITAL FINANCE

HCG owns loans in three sectors, purchased across four platforms. HCG works exclusively with the highest quality Peer-to-Peer platforms:

- **Consumer Credit**
  U.S. consumer credit purchased from LendingClub
- **Real Estate Loans**
  U.S. "fix-to-flip" mortgages purchased from LendingHome
- **Small Business - Factoring**
  U.S. small bus receivables purchased from P2B Investor
- **Small Business - Term**
  U.S. small bus loans purchased from Square Inc

HCG looks for "outside market" investment opportunities that exhibit low volatility and that are uncorrelated to the behavior of public market securities. HCG was founded in 2009, and since 2012, has been a pioneer in formulating investment programs around Peer-to-Peer platforms. HCG strives to identify and develop strategic relationships early on with the platforms that will become tomorrow's leaders in their market segment. The firm's philosophy is to work with the *highest quality* platforms rather than *all* platforms.

HCG launched its first program, HCG Consumer Credit I LP ("HCG CCI"), in March 2013. In 2015, the firm launched its second investment program, HCG Digital Finance LP.

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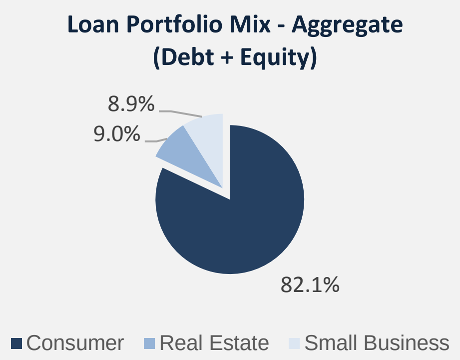
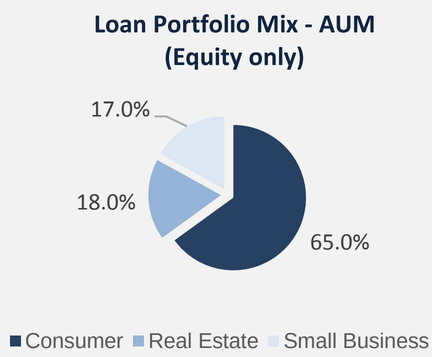
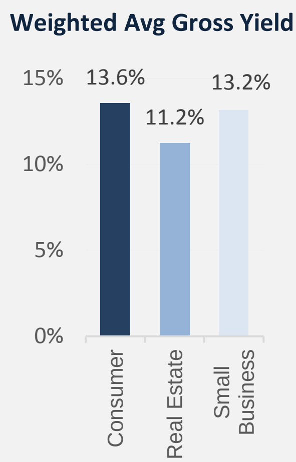
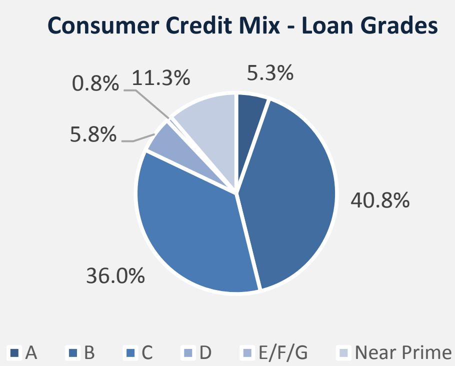
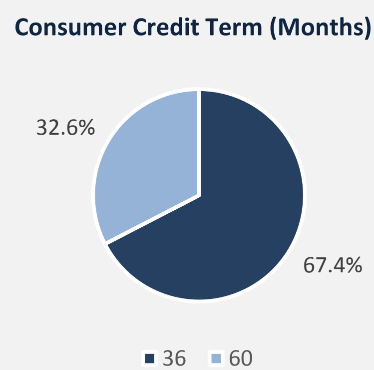
PORTFOLIO SNAPSHOT OF HCG DIGITAL FINANCE











Sector	Geography	Profile	Term	Avg. Loan Size	Loan Count
Consumer Credit	U.S.	Unsecured	36/60 month	$2,400	71,350
Real Estate	U.S.	Secured	12 month	$182,000	93
Small Business - Term	U.S.	Unsecured	9 month	$4,200	3,753
Small Business - Factoring	U.S.	Secured	< 12 month	$72,000	39

3Q INVESTOR LETTER *from the Manager of HCG Digital Finance LP*

Commentary from the Manager, HCG Digital Finance LP 's 3Q letter:

The headwinds that pressured marketplace lending in the first half of 2016 led to some dislocation which we identified: During June and July, the Partnership purchased over $25 million in consumer loans with favourable economics. Gains were harvested in August, contributing approximately 50 bps in net returns to the Partnership's investors.
Our active management continued to generate value across each component of our investment process: the four platforms within HCG's ecosystem are faring well, the loan portfolio is delivering returns consistent with the Partnership's mandate, and leverage remains at 50% of target. Combined with strong risk management, our investment process has sought to insulate the Partnership's portfolio from the headwinds that surrounded marketplace lending and fintech. Through 3Q16, our portfolio analytics showed:

Consumer credit loans are performing in line/better than like-for-like platform loans. From inception in March 2013 through December 2015, HCG's active loan selection algorithms have generated excess return, and in most cases HCG's model revisions of 2014 and 2015 are yielding better results, manifested by improved loss economy1. Total net charge-offs (i.e., realized losses) on 36-month loan vintages that matured through September 30, 2016, ranged from 6.5% to 9.8% of issued face value, with weighted average net charge-offs of 8% (or ~2.6% per year). The current annualized loss provision rate on issued loan face value is trending around 3%, and loan loss reserving over the past 12 months has been ahead of charge-offs by about 50 bps.

Real-estate continues to perform in line with expectations. Over the past 18 months, the Partnership purchased over 300 mortgages with face value of $50 million, of which $34 million have paid in full. In concert with our service providers, we are working out the portfolio's delinquent loans, which remain in check at <5% of purchases, and expect them to contribute an overall positive return on investment.

Small business is running ahead of expectations with strong returns on equity, supporting a continued increase in allocation to about 20% of AUM by year-end. The Partnership has experienced zero principal impairment on its secured accounts receivable financing loans since the first purchases one year ago. Unsecured term loans have been in the portfolio for only five months, and we are reserving for losses at a 4% annualized rate.

As part of our ongoing platform due diligence effort, we spent several days this quarter meeting with the platforms that originate loans for the Partnership. Our main takeaways are that platforms are focused on tighter underwriting, enhancing credit risk controls, and generating positive cash flow, efforts that we applaud. Trip highlights included meetings with new members of LendingClub's senior management team, among them Chief Capital Officer Patrick Dunne, who reaffirmed LC's loan funding strategy of one third retail investors, one third banks, and one third institutional investors (such as the Partnership). At LendingHome, we discussed the firm's outlook and capital plan, and we spent time with the credit risk team, who shared new policies to tighten risk. At Square, we dug into model updates and stricter underwriting criteria, while at P2Bi, a smaller platform, we discussed team, process and credit underwriting updates.

3Q INVESTOR LETTER *from the Manager of HCG Digital Finance LP*

The Marketplace Lending Sector:

Borrowers are still borrowing and more importantly investors are on the platforms funding loans. At the same time, we understand that underwriting has tightened across most platforms. On the securitization front, demand for bonds backed by marketplace loans continues to be robust: $5.4 billion issued through 3Q16 compared to $3 billion over the same timeframe in 20152, and pricing is compressing across all levels of the capital structure. New banks are entering the space, looking to provide leverage for institutional funds. Lastly, we expect that many banks who paused their direct buys of marketplace loans during 2Q16 plan to resume purchases. Demand for marketplace loan seems to persist, even with the negative media headlines and sentiment.

Regulatory: The sector must be maturing if Washington DC hosts a summit dedicated to marketplace lending regulatory policy, attended by the alphabet soup of US bank-related agencies (OCC, FDIC, CFPB, FED, US Treasury, etc.), lobbyists representing vested interests (i.e., the traditional banks), and prominent DC law firms. We attended and drew the following key takeaways: a “Fintech” charter is a question of when not if, and the agencies and both houses of Congress recognize that many cracks exist in the current legal framework and require fixing. We believe the process is moving in the right direction.

LendingClub: 2Q16 earnings reported in August were ahead of low expectations, and we look forward to 3Q earnings in the next few weeks. In early October, LendingClub repriced loans by raising gross yields and expected gross lifetime loss rates on its prime loans. For 36-month term loans, which constitute most of the Partnership’s loan buys, net yields (i.e., gross yields less annualized expected loss rate) did not experience meaningful moves; the notable repricing occurred in F-grade loans.

Square: We continue to believe that Square Capital has one of the best propositions for small business digital loans. 2Q16 earnings reported in August were ahead of street expectations, with gross processing volume (“GPV”) at $12.5 billion for the quarter and management seeing Square Capital financing potential at around 10-15% of their GPV.

LendingHome and **P2Bi** are still closely held private companies. P2Bi announced that they closed another equity raise during 3Q16, a strong achievement for a fintech company. We believe LendingHome is on track to hit record origination levels in a residential real-estate market that is doing well.

Other platforms: The headline that grabbed the most attention is **Marcus**, Goldman Sachs’ online platform that will look to match prospective borrowers with Goldman’s retail deposit base. It is early days and we and the platforms will be monitoring Marcus’ progress over the coming quarters.

In other news, the business media had speculated that **Prosper** (a consumer loan marketplace) has been looking to close an equity financing deal and form a coalition of institutional funds to purchase loans; we have not yet heard an update. Also per the business media **CircleBack**, a tertiary US consumer loan marketplace, has stopped making loans. Our view on these stories, should they be valid, is that platform failures increase headline risk for the sector. Another long-held HCG opinion is that strong platforms survive and get stronger while weak platforms eventually disappear.

3Q INVESTOR LETTER *from the Manager of HCG Digital Finance LP*

The Economy, the Credit Cycle, …and some Politics

During 3Q16, the economy continued to deliver data points that surprised to the upside. Jobs have continued to grow, median "usual weekly real earnings" for those employed full-time have continued to move up (source: BLS, Oct. 2016), and poverty rates in the US have declined by 1.2% - the most since 1999 (source: US Census, Sep. 2016). Minimum wages are up, residential housing is healthy, and debt service levels are in check.

Bank earnings also came in stronger than expectations, albeit set low. We will discuss 3Q16 bank loan delinquency trends in our next commentary, but consistent with remarks in our 2Q16 letter, bank charge-off and delinquency rates have been moving up from record low levels, which is normal at this stage of the economic and credit cycles. We continue to focus on purchasing higher quality credit that exhibits lower volatility of expected losses as the credit cycle turns.

On the political front, this is our last commentary before the U.S. elects its next president. One thing the market has taught us over the years is that markets tend to dislike change. Whether Mrs. Clinton or Mr. Trump win the presidency, and irrespective which party takes the House and Senate, the U.S. will undergo at least one change of leadership. Global markets will need some time to digest the new president's agenda and the congressional check and balance on that agenda. We expect to see heightened uncertainty during this period, especially if the unknown quantity is elected, and consequently it is our view that the investing environment should be more volatile.