ORCHARDWAY P2P CREDIT FUND LIMITED

(A CAYMAN ISLANDS EXEMPTED COMPANY)

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 1, 2015 (DATE ACTIVITIES COMMENCED) TO DECEMBER 31, 2015

Contents

OrchardWay P2P Credit Fund Ltd

General Information

Master Fund
HCG Digital Finance LP
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Raleigh, North Carolina 27609

Administrator
SS&C Technologies, Inc.
80 Lamberton Road
Windsor, Connecticut 06095
April 1, 2015 – Current

AIFM
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65, rue d'Eich, L-1461 Luxembourg

Portfolio Manager
Bedrock Asset Management (UK) Ltd
20 Upper Grosvenor Street
London W1K 7PB

Bank
RBS International
Howard Pearson House
Summer Hill Office Park
Victoria Road, Douglas
Isle of Man, IM2 4RP

Depository
GlobeOp Markets Limited
1 St. Martin's Le Grand
London, EC1A 4AS
United Kingdom

Registered Office
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Cayman Islands

Cayman Counsel to the Fund
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Grand Cayman KY1-1111
Cayman Islands

US Counsel to the Fund
Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004

Auditor to the Fund and Master Fund
Ernst & Young
Harcourt Centre,
Harcourt Street Dublin 2

Directors
Dawn Cummings
(Independent)
September 22, 2015 – Current

Jason Fitzgerald
(Independent)
February 19, 2015 – Current

Jonathan Bain
(Independent)
February 19, 2015 – September 22, 2015

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Report of Independent Auditors

The Board of Directors
OrchardWay P2P Credit Fund Ltd.

We have audited the accompanying financial statements of OrchardWay P2P Credit Fund Ltd. (the "Fund"), which comprise the statement of assets and liabilities as of December 31, 2015, and the related statements of operations, changes in net assets and cash flows for the period from March 1, 2015 (date activities commenced) to December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OrchardWay P2P Credit Fund Ltd. at December 31, 2015, and the results of its operations, changes in its net assets and its cash flows for the period from March 1, 2015 (date activities commenced) to December 31, 2015 in conformity with U.S. generally accepted accounting principles.

Ernst & Young Ltd.

August 31, 2016

OrchardWay P2P Credit Fund Ltd.
Statement of Assets and Liabilities
December 31, 2015

		US$
Assets		
Investment in HCG Digital Finance, LP, at fair value	$	42,716,809
Cash and cash equivalents		5,958,289
Subscriptions in advance to HCG Digital Finance LP		11,300,000
Other assets		88,781
Total Assets		60,063,879
Liabilities		
Subscriptions received in advance	$	4,647,121
Management fees payable		9,658
Performance fee payable		2,419
Administration fees payable		2,360
Accrued expenses		22,943
Total Liabilities		4,684,501
Net Assets	$	55,379,378

Share Class	***Shares outstanding***		***Net asset value per share***
CHF 2015 03	880	CHF	1,040.97
CHF 2015 04	710	CHF	1,034.51
CHF 2015 05	70	CHF	1,028.53
CHF 2015 06	1,075	CHF	1,023.56
CHF 2015 07	250	CHF	1,019.19
CHF 2015 08	1,775	CHF	1,014.13
CHF 2015 09	650	CHF	1,010.04
CHF 2015 10	50	CHF	1,005.63
CHF 2015 11	100	CHF	1,001.30
EUR 2015 03	840	€	1,049.68
EUR 2015 04	3,620	€	1,043.14
EUR 2015 05	670	€	1,036.79
EUR 2015 06	300	€	1,030.48
EUR 2015 08	1,085	€	1,018.42
EUR 2015 09	100	€	1,013.98
EUR 2015 10	50	€	1,008.84
EUR 2015 11	525	€	1,003.59
EUR 2015 12	1,420	€	998.98

The accompanying notes are an integral part of the financial statements.
The consolidated financial statements of the Master Fund should be read in conjunction with these financial statements.

Share Class	***Shares outstanding***		***Net asset value per share***
GBP 2015 04	110	£	1,046.85
GBP 2015 05	250	£	1,042.08
GBP 2015 06	175	£	1,035.31
GBP 2015 07	65	£	1,029.03
GBP 2015 08	115	£	1,022.29
GBP 2015 11	55	£	1,005.04
GBP 2015 12	200	£	999.70
USD 2015 03	2,755	$	1,058.27
USD 2015 04	3,910	$	1,049.89
USD 2015 05	3,413	$	1,042.94
USD 2015 06	2,470	$	1,035.94
USD 2015 07	1,675	$	1,029.42
USD 2015 08	2,712	$	1,022.71
USD 2015 09	2,880	$	1,016.99
USD 2015 10	4,405	$	1,011.20
USD 2015 11	4,420	$	1,005.62
USD 2015 12	9,000	$	1,000.00

OrchardWay P2P Credit Fund Ltd.
Statement of Operations
For the period from March 1, 2015 (date activities commenced) to December 31, 2015

		US$
Net investment income allocated from HCG Digital Finance LP		
Interest income	$	1,283,847
Total investment income	$	1,283,847
Expenses		
Interest expense	$	23,568
Professional and other expenses		184,861
Management fees		332,816
Performance fees		101,351
Total expenses	$	642,596
Net investment income allocated from HCG Digital Finance LP	$	641,251
Fund income (expenses)		
Interest income	$	13
Other income		53
Performance fees		(2,419)
Bank fees		(2,551)
Management fees		(9,658)
Administration fees		(15,660)
Directors fees		(18,000)
Organization fees		(51,431)
Professional and other expenses		(40,300)
Total Fund income (expenses)	$	(139,953)
Net investment income	$	501,298
Net realized and net change in unrealized appreciation on investments allocated from HCG Digital Finance LP		
Net realized gain on investments	$	252,599
Net change in unrealized appreciation on investments		739,588
Realized loss on foreign currency transactions		(339,072)
Net change in unrealized appreciation from foreign currency transactions		71,115
Total realized and net change in unrealized appreciation on investments		724,230
Provision for income taxes allocated from HCG Digital Finance LP	$	105,911
Net increase in net assets resulting from operations	$	1,119,617

The accompanying notes are an integral part of the financial statements.
The consolidated financial statements of the Master Fund should be read in conjunction with these financial statements.

OrchardWay P2P Credit Fund Ltd.
Statement of Changes in Net Assets
For the period from March 1, 2015 (date activities commenced) to December 31, 2015

		US$
Net increase in net assets resulting from operations		
Net investment income	$	501,298
Net realized and net change in unrealized appreciation on investments allocated from HCG Digital Finance LP		
Net realized gain on investments	$	252,599
Net change in unrealized appreciation on investments		739,588
Realized loss on foreign currency transactions		(339,072)
transactions		71,115
Total realized and net change in unrealized appreciation on investments		1,225,528
Provision for income taxes allocated from HCG Digital Finance LP	$	(105,911)
Net increase in net assets resulting from operations	$	1,119,617
Increase in net assets resulting from capital transactions		
Proceeds from issue of shares	$	54,259,761
Net increase in assets resulting from capital transactions		54,259,761
Total increase in net assets	$	55,379,378
Net assets at beginning of the period		-
Net assets at end of the period	$	55,379,378

The accompanying notes are an integral part of the financial statements.
The consolidated financial statements of the Master Fund should be read in conjunction with these financial statements.

OrchardWay P2P Credit Fund Ltd.
Statement of Cash Flows
For the period from March 1, 2015 (date activities commenced) to December 31, 2015

		US$
Cash flows from operating activities		
Net increase in net assets resulting from operations	$	1,119,617
Adjustments to reconcile net income to net cash used in operating activities:		
Net increase in investment in HCG Digital Finance LP		(42,716,809)
Increase in other assets		(88,781)
Increase in administration fees payable		2,360
Increase in performance fees payable		2,419
Increase in management fees payable		9,658
Increase in accrued expenses		22,943
Net cash flows used in operating activities		(41,648,593)
Cash flows from financing activities		
Proceeds from issue of shares		58,906,882
Increase in subcription in advance to HCG Digital Finance LP		(11,300,000)
Net cash provided by financing activities		47,606,882
Net increase in cash		5,958,289
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period	$	5,958,289

The accompanying notes are an integral part of the financial statements.
The consolidated financial statements of the Master Fund should be read in conjunction with these financial statements.

1. *Organization*

OrchardWay P2P Lending Fund Ltd was formed on February 19, 2015. By special resolution dated July 10, 2015 changed its name to OrchardWay P2P Credit Fund Ltd (the "Fund"). The Fund is incorporated as an exempt company, with limited liability for all shareholders in accordance with the Cayman Islands' Companies Law (Revised), formed on November 6, 2015 and registered with the Cayman Islands Monetary Authority under section 4(3) of the Mutual Funds Law (2015 Revision) on November 6, 2015. The Fund commenced operations on March 1, 2015 and invests substantially all of its assets in HCG Digital Finance LP a Delaware limited partnership (the "Master Fund") through a "master-feeder" fund structure. The Fund and the Master Fund have the same investment objective, policies and strategies. As of December 31, 2015, the Fund had a 67.13% ownership of the Master Fund.

The Master Fund was formed to generate stable, long term capital growth by investing substantially all of its assets in private investment funds organized by the General Partner, or one of its affiliates and managed by the Investment Adviser or one of its affiliates ("Portfolio Funds"). Each of the Portfolio Funds will be organized as onshore or offshore limited liability companies, limited partnerships or other entities formed by HCG Partners or its affiliates. Each Portfolio Fund will invest primarily in securities or other financial assets ("*Peer-to-Peer Securities*") that are issued by trusts or similar special purpose vehicles ("*Peer-to- Peer Security Issuers*") and are collateralized by, or reference or otherwise track the performance of, one or more portfolios of loans ("*Peer-to-Peer Loans*") originated through peer-to-peer lending platforms sponsored by and serviced by third party companies ("*Peer-to-Peer Platform Sponsors*").

The Fund is a collective investment vehicle formed to allow investors to gain indirect exposure to an investment in the Master Fund. In pursuit of its investment objective, upon notice to the shareholders, the Fund may in the future expand its investment focus; including investing in investment funds other than the Master Fund or making direct investments.

HCG Partners LLC, a Delaware limited liability company, serves as the general partner of the Master Fund (the "General Partner"). HCG Fund Management LP, a Delaware limited Partnership, serves as the investment adviser for the Master Fund (the "Investment Adviser"). Jointly, the General Partner and the Investment Adviser control all of the Master Fund's operations and activities.

Neither the Fund nor the Master Fund is or will be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "*Investment Company Act*"). The Fund is an Alternative Investment Fund ("AIF") as defined in the Alternative Investment Fund Management Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

1. *Organization (continued)*

The Fund is managed by its board of directors (the "Board of Directors"). The Board of Directors has ultimate authority over the management and administration of the Fund, but has delegated the day-to-day investment management of the Fund's assets to Kinetic Partners (Luxembourg) Management Company S.à.r.l. (the AIFM") or the portfolio manager, Bedrock Asset Management (UK) Ltd. (the "Portfolio Manager"). With effect January 5, 2016, the AIFM has been rebranded from Kinetic Partners (Luxembourg) Management Company S.à.r.l. to Duff & Phelps (Luxembourg) Management Company S.à.r.l.

The Board of Directors, which is responsible for overseeing the business and affairs of the Fund, is elected by the holders of the voting shares. The Board of Directors serves in a non-executive capacity, and has delegated the day-to-day operation of the Fund to service providers including the AIFM, the Portfolio Manager and the administrator to the Fund, SS&C Technologies, Inc. (the "Administrator").

2. Significant Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in US dollars. During the period the Fund has adopted ASU 2013-08, Financial Service – Investment Companies: Amendments to Scope, Measurement and Disclosure requirements and concluded that the Fund is an investment company under ASU 2013-08. The Fund follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946. The significant accounting policies are as follows:

Use of accounting estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, including certain valuation assumptions. Actual results could differ from such estimates.

Recent accounting pronouncements

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties About an Entity´s Ability to Continue as a Going Concern* (ASU 2014-15), which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. ASU 2014-15, applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. At period end, management is evaluating the impact of this ASU; however management does not expect this change to impact the financial statements.

2. Significant Accounting Policies (continued)

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement* (Topic 820): *Disclosures for Investments in Certain Entities that calculate Net Asset Value per Share (or its Equivalent)* (ASU 2015-07). The ASU removes the requirement to categorize investments for which fair value is measured using the net asset value of the investment as a practical expedient within the fair value hierarchy. The ASU also removes the requirement to make certain disclosures for investments that are eligible to be measured at fair value using the net asset value practical expedient. Investments, for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. The guidance is effective for fiscal years beginning after December 15, 2016 and for interim periods within those years and early adoption is permitted. The Fund has elected to early adopt and apply this guidance as at period end. Prior to the issuance of the amended guidance, investments that were fair valued using the net asset value as a practical expedient were categorized within the fair value hierarchy based on the Fund's ability to redeem its investment on the measurement date. As of period end, the Fund only investments were held in the Master Fund.

Investment transactions and valuation

The fair value of the Fund's assets and liabilities which qualify as financial instruments under Statement of Financial Accounting Standards ASC 825, "Financial Instruments", approximates the carrying amounts presented in the Statement of Assets and Liabilities.

Investment in Master Fund

The Fund's investment in the Master Fund is valued at fair value, which is the Fund's proportionate interest in the net assets of the Master Fund. The Fund records its proportionate share of the Master Fund income, expenses, and realized and unrealized gains and losses. Fair value is determined as the Fund's proportionate share of the Master Fund's capital (67.13% as of December 31, 2015).

Valuation of the investments held by the Master Fund including, but not limited to the valuation techniques used and classification within the fair value hierarchy of instruments held by the Master Fund are discussed in the notes to the Master Fund consolidated financial statements which are attached to these financial statements.

Recognition and allocation of income or loss

The Fund records subscriptions and redemptions in the Master Fund on the transaction date. The Fund records its monthly proportionate share of the Master Fund's income, expenses and change in realized and unrealized gains and losses. In addition, the Fund accrues its own income and expenses. The Master Fund income and expense recognition and net gain/(loss) allocation policies are disclosed in the notes to the Master Fund consolidated financial statements which are attached to these financial statements.

2. Significant Accounting Policies (continued)

Foreign currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "Functional Currency"). The financial statements are presented in the Functional Currency, United States Dollars.

Transactions during the period denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of transactions. For foreign currency transactions and foreign currency investments held at the period end, the resulting gains or losses are included in the net realized gain/(loss) from investments, derivatives and foreign currency in the statement of operations. Foreign currency assets and liabilities held at the period-end were translated at period-end exchange rates.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities. Such fluctuations are included in the net realized and unrealized gain/loss from investments, derivatives and foreign currency.

Cash and cash equivalents

Cash and cash equivalents include amounts due from banks on demand, interest bearing deposits with original maturities of three months or less and non-interest bearing accounts. At December 31, 2015, cash and cash equivalents are held with Squared Financial Services and the Royal Bank of Scotland International. The Fund has concentration of credit risk with these institutions.

Income Taxes

The Fund is a Cayman Islands exempted company. Under current laws of the Cayman Islands, there are no income, estate, transfer, sales, or other Cayman Islands taxes payable by the Fund. The Fund seeks to conduct its affairs so that it will not be subject to tax in any jurisdiction. Accordingly, the only taxes paid by the Fund are withholding taxes applicable to certain investment income, if any, allocated specifically. As a result, no tax liability or expense has been recorded in the accompanying financial statements

ASC 740, *Income Taxes* ("ASC 740"), defines how uncertain tax positions should be recognized, measured, presented, and disclosed for financial statement purposes as applied to all open tax years and requires a determination whether such tax positions are more likely than not to be sustained by the applicable tax authority. Open tax years are those that are open for examination by relevant tax authorities.

2. Significant Accounting Policies (continued)

Income Taxes (continued)

In accordance with ASC 740, management has reviewed the tax positions taken or expected to be taken in the course of preparing the Fund's tax returns and for all open tax years. Based on this analysis, management has concluded that there are no material tax positions for any open tax year which would not meet the more likely than not threshold. Therefore, no provision for income taxes, including any interest or penalties, is recorded in the Fund's financial statements as of December 31, 2015, and no adjustments were made to any prior period.

To the extent the Fund records interest and penalties, such amounts would be included in other expense on the statement of operations. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Since the Fund commenced operations in 2015, all tax years since inception of the Fund are open to inspection by the tax authorities.

Subscriptions received in advance

Subscriptions received in advance to the Master Fund in the Statement of Assets and Liabilities are amounts for subscriptions that have been received but not yet invested at year end.

Subscriptions received in advance represents amount received from shareholders with an effective date after December 31, 2015. As of December 31, 2015, the Fund had subscriptions received in advance of $4,647,121.

Redemptions payable

In accordance with the authoritative guidance on ASC 480 "*Liabilities from Equity*", Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity under US GAAP, financial instruments mandatorily redeemable at the option of the holder are classified as liabilities when a redemption request has been received and the redemption amount has been determined.

Redemption notices received for which the US$ and share amounts are not fixed remain in capital until the net asset value used to determine the redemption and share amounts are determined. Accordingly, the statement of assets and liabilities and the statement of changes in net assets did not include redemptions payable at December 31, 2015.

3. Share Capital

The Fund authorized share capital is $50,000 divided into 100 Management Shares of a nominal or par value of US$0.01 each, and 4,999,900 Participating Non-Voting Redeemable Shares of a nominal or par value of US$0.01 each. The holders of Management Shares are entitled to one vote for each share held; are not entitled to any dividends in respect of such Shares; in the event of a winding - up or dissolution of the Fund, be entitled, *pari passu* with the holders of Shares, to an amount equal to the par value of such Management Shares but to no other or further amount; and not be subject to redemption or purchase of such Management Shares.

The 4,999,900 Participating Non-Voting Redeemable Shares may be subdivided into multiple classes of shares. Each class of Shares may be issued in series. The Fund may from time to time offer and issue additional share classes or subclasses with different rights and privileges, which may include, without limitation, economic terms, fee terms, informational rights and/or redemption rights that are more favorable than those of the existing Shares.

Additional classes of Shares and series within a class may be created in the future by the Board of Directors without Shareholder notice or approval, and authorized Shares not in issuance may be designated or redesignated for this purpose.

The Fund currently has offering of USD Class Shares ("USD Class Shares"), Euro Class Shares ("Euro Class Shares), GPB Class Shares ("GBP Class Shares") and CHF Class Shares ("CHF Class Shares"). The Euro Class Shares, the GBP Class Shares and the CHF Class Shares together (the "Foreign Currency Shares"). USD Class Shares are sold in U.S. dollars, Euro Class Shares are sold in Euros, GBP Class Shares are sold in British pounds sterling and CHF Class Shares are sold in Swiss francs. Except with respect to the currency of offering, the Shares generally have the same rights.

Substantially all of the subscription amounts received by the Fund in Euros, pounds sterling and Swiss francs are converted into U.S. dollars at the relevant exchange rate obtained by the Fund on the relevant date, prior to investment by the Fund.

The Fund may, in the discretion of the AIFM or the Portfolio Manager, seek to hedge the foreign exchange exposure against the U.S. dollar of the Foreign Currency Shares to attempt to reduce or minimize the potential impact of significant currency fluctuations on the net asset value of the Foreign Currency Shares. There is no guarantee that any such currency hedging will be successful, and classes of shares issued in currencies other than the U.S. dollar may be adversely affected by currency fluctuations between the U.S. dollar and the currency in which they are issued, The costs and financial results of any such currency hedging will be solely for the account of the relevant class of shares.

The Voting Shares do not participate in the profits or losses of the Fund and are not redeemable. All of the Voting Shares have been issued to, and will be held on an ongoing basis by Bedrock (GCI) Ltd., a Cayman Islands exempted company affiliated with the Portfolio Manager.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the period from March 1, 2015 (date activities commenced) to December 31, 2015

3. Share Capital (continued)

Share capital transactions for the period from March 1, 2015 (date activities commenced) to December 31, 2015 were as follows:

Share Class/Series	Shares issued during the period	Shares outstanding at end of period
CHF 2015 03	880	880
CHF 2015 04	710	710
CHF 2015 05	70	70
CHF 2015 06	1,075	1,075
CHF 2015 07	250	250
CHF 2015 08	1,775	1,775
CHF 2015 09	650	650
CHF 2015 10	50	50
CHF 2015 11	100	100
	5,560	5,560
EUR 2015 03	840	840
EUR 2015 04	3,620	3,620
EUR 2015 05	670	670
EUR 2015 06	300	300
EUR 2015 08	1,085	1,085
EUR 2015 09	100	100
EUR 2015 10	50	50
EUR 2015 11	525	525
EUR 2015 12	1,420	1,420
	8,610	8,610
GBP 2015 04	110	110
GBP 2015 05	250	250
GBP 2015 06	175	175
GBP 2015 07	65	65
GBP 2015 08	115	115
GBP 2015 11	55	55
GBP 2015 12	200	200
	970	970
USD 2015 03	2,755	2,755
USD 2015 04	3,910	3,910
USD 2015 05	3,413	3,413
USD 2015 06	2,470	2,470
USD 2015 07	1,675	1,675
USD 2015 08	2,712	2,712
USD 2015 09	2,880	2,880
USD 2015 10	4,405	4,405
USD 2015 11	4,420	4,420
USD 2015 12	9,000	9,000
	37,640	37,640

3. Share Capital (continued)

Through exposure to the Master Fund, the Fund attempts to invest Shareholder capital contributions in consumer, real estate, and small business loans ("P2P loans") during the month in which the capital contribution is received by the Fund. As there is a general four to five week time delay between when a P2P loan, is purchased and when a the loan is issued and begins accruing interest, no profit and loss is allocated to a Shareholder with respect to the new capital contribution until the first business day of the month following the month in which the new capital contribution is invested in the P2P loans. Subscriptions for Shares in the Fund will be on the same terms and conditions as subscriptions and contributions of capital to the Master Fund except that the minimum initial investment in the Fund is U.S. $100,000 (or the applicable foreign currency equivalent for the Foreign Currency Shares) and subject to waiver at the discretion of the Directors.

4. Investment Management and Performance Fees

As an investor in the Master Fund, the Fund will be subject to a management fee at an annual rate of 2%. The management fee is calculated at the level of the Master Fund and generally paid at that level. For the period from March 1 2015 (date activities commenced) to December 31, 2015, the Master Fund allocated $332,816 in management fees to the Fund.

As an investor in the Master Fund, the Fund will also be subject to a performance fee equal to 20% per annum. The performance fee is calculated at the level of the Master Fund and generally paid at that level. For the period from March 1 2015 (date activities commenced) to December 31, 2015, the Master Fund allocated $101,351 in performance fees to the Fund.

Under certain circumstances, the Portfolio Manager and the Investment Adviser may enter into fee sharing arrangements, as a result of which the Investment Adviser may waive a portion of the management and/or the performance fee payable by the Fund to the Master Fund and instead agree that the Fund pay the equivalent of the waived portion to the Portfolio Manager. Any such fee sharing arrangement will not result in any change to the overall amount of fees being paid by each Shareholder.

Pursuant to a letter agreement dated December 12, 2014 between the Portfolio Manager, for itself and on behalf of certain affiliated funds and/or accounts to be designated by the Portfolio Manager and the General Partner, they have agreed on certain terms related to the potential investments to be sourced by the Portfolio Manager in certain private investment funds managed by the General Partner and certain affiliates of the General Partner.

Each investment made by an investor of the Portfolio Manager in the Master Fund or a feeder (other than the initial investment) will receive a 25% reduction in the base and incentive management fees normally charged to investors in the Master Fund. Under this agreement, for the period from March 1 2015 (date activities commenced) to December 31, 2015, the Fund incurred management fees of $9,658 and performance fees of $2,419, all of which remained payable at December 31, 2015.

5. Service Provider Agreement

The Directors have appointed SS&C Technologies, Inc. (the "Administrator") as the administrator of the Fund and of the Master Fund. The Administrator provides accounting, clerical and administrative services to the Fund and to the Master Fund.

For the period from March 1 2015 (date activities commenced) to December 31, 2015 the Master Fund allocated $38,558 in administration fees to the Fund and the Fund incurred directly administrative fees of $15,660 of which $2,360 remained payable at December 31, 2015.

Dawn Cummings was appointed as independent director on September 22, 2015. Jason Fitzgerald was appointed as an independent director on February 19, 2015. During the period ended December 31, 2015 the independent directors were paid fees totaling US$18,000.

6. Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

In the normal course of its business, the Fund enters into various financial transactions. The execution of these transactions may result in off-balance sheet risk or concentration of credit and price risk. The Fund records investment transactions on a trade-date basis and, therefore, is exposed to credit risk in the event that the Fund's counterparties are unable to fulfill contractual agreements on the date of settlement.

The Fund maintains cash in bank accounts that, at times, may exceed federally insured limits. The Fund has not experienced any losses in such accounts and expects the risk of loss, if any, to be remote.

Credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. The instruments held by the Fund's underlying investments are subject to credit risk.

The Fund also bears the risk of financial failure by any lending platform utilized by the Master Fund, or a Portfolio Fund into which the Master Fund invests.

7. Indemnifications

In the normal course of business, the Fund and the Master Fund have entered into contracts, which provide a variety of general indemnifications. Such contracts include but not limited to the Fund's Administrator and Investment Adviser. Any exposure to the Fund and the Master Fund under these arrangements would include future claims that may be made against the Fund and the Master Fund. No such claims have occurred, nor are they expected to occur. Therefore the Fund and the Master Fund have not accrued any liability in connection with such indemnifications.

8. Financial Highlights

The financial highlights disclosed below are for the period from March 1, 2015 (date activities commenced) to December 31, 2015 are as follows:

Per Share Operating Performance	**Share Class CHF**	**Share Class EUR**	**Share Class GBP**	**Share Class USD**
Per share operating performance				
Net asset value per share at which shares were initially subscribed	CHF 1,000.00	€ 1,000.00	£ 1,000.00	$ 1,000.00
Net increase in net assets resulting from operations				
Net investment gain	14.89	40.42	71.91	58.27
Net realized and unrealized gain (loss) on investments	26.08	9.26	(25.05)	0.00
Net increase in net assets resulting from operations	40.97	49.68	46.85	58.27
Net asset value at end of period	CHF 1,040.97	€ 1,049.68	£ 1,046.85	$ 1,058.27
Total Return				
Total return before performance fee	4.10 %	4.97 %	4.69 %	5.83 %
Performance fee	(0.00)	(0.00)	(0.00)	(0.00)
Total return after performance fee	4.10 %	4.97 %	4.69 %	5.83 %
Ratio to Average Shareholders' Capital				
Expenses before performance fee	(0.57) %	(0.61) %	(0.71) %	(0.56) %
Performance fee	(0.00)	(0.00)	(0.00)	(0.00)
Total expense and performance fee	(0.57) %	(0.61) %	(0.71) %	(0.56) %
Net investment income	1.46 %	3.94 %	7.03 %	5.66 %

The financial highlights are calculated for the lead share class taken as a whole. An individual shareholder's financial highlights may vary from the above based on the timing of capital transactions and individual management fee arrangements.

Total return percentages and ratios to average net assets have not been annualized.

9. Related Party Transactions

A director of the Master Fund, Jose Penabad, is also an employee and officer of the Investment Adviser.

During the financial period, each investment made by an investor of the Portfolio Manager in the Master Fund or a feeder (other than the initial investment) received a reduction in the base and incentive management fees normally charged to investors in the Master Fund, as detailed in Note 4.

10. Subsequent Events

In accordance with provisions set forth in ASC 855, *Subsequent Events*, the Investment Adviser has evaluated the possibility of subsequent events existing in the Fund’s financial statements through August 31, 2016, the date the financial statements were available to be issued and has determined that, other than those events described below, there are no material events or transactions that would affect the Fund’s financial statements or require disclosure in the Fund’s financial statements through this date.

The Fund had subscriptions amounting to US$23,294,610 of which $4,647,121 was received in advance as at December 31, 2015 and redemptions of US$8,077,576 for the period from January 1, 2016 to August 31, 2016.

Duff & Phelps (Luxembourg) Management Company S.à.r.l. (the AIFM")

Portfolio Manager Fees

Subject to a minimum agreed annual fee, the AIFM will receive an annual fee from the Fund, calculated on a monthly basis as a percentage of the net asset value of the Fund at the end of the month in question at the following rates (such fee to accrue monthly and be payable monthly in arrears in Euro):

First €100 million:	6 basis points
€100 million to €200 million	4 basis points
Above €200 million	2 basis points

For the year ended as at 31st December 2015, the total of the remunerations paid by the AIFM to its staff was the following:

- Fixed remuneration : EUR 687,750
- Variable remuneration : EUR 14,512

Seven employees benefited from the remuneration. Each of these beneficiaries was fully or partly involved in the activity of the Fund. Their remuneration was broken down as follows:

- Top managers : EUR 461,348
- Staff members : EUR 240,914

No carried interest was paid by the Fund to the AIFM.

The portion of the total remuneration of the AIFM which was attributable to the Fund amounted to EUR 24,276. Although there is no Remuneration Committee at the AIFM level given the nature, scope, complexity of activities and size of AIFs managed, in accordance with the proportionality principle, the AIFM is itself part of a Group which has a Remuneration Committee in place whose one of the members acts as a Board member of the AIFM. None of the members of the Remuneration Committee are involved in portfolio management or risk management functions.

Further information on the remuneration policy the AIFM has implemented can be obtained free of charge upon request to the AIFM.

HCG Digital Finance LP
(A Delaware limited partnership)
Report and Consolidated Financial Statements for the Period From Inception (February 27, 2015) Through December 31, 2015

Contents

HCG Digital Finance LP

General Information

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Independent Auditor
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Fund Administrator
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Bank
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Custodian
Millennium Trust Company
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Custodian
U.S. Bank National Association
269 Technology Way, Building B, Suite 3
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Report of Independent Auditors

The General Partner
HCG Digital Finance LP

We have audited the accompanying consolidated financial statements of HCG Digital Finance LP (the "Partnership") and subsidiaries, which comprise the consolidated statement of assets and liabilities including the condensed schedule of investments, as of December 31, 2015, and the related consolidated statements of operations, changes in partner's capital and cash flows for the period from February 27, 2015 (date of inception) to December 31, 2015, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Report of Independent Auditors (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated assets and liabilities of HCG Digital Finance LP and subsidiaries at December 31, 2015, and the consolidated results of their operations, changes in partner's capital and their cash flows for the period from February 27, 2015 (date of inception) to December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Ernst & Young

Ernst & Young

Dublin

22 August 2016

HCG Digital Finance LP
Consolidated Statement of Assets and Liabilities
December 31, 2015

		US$
Assets		
Investments in securities, at fair value (cost: $73,768,287) (Note 3)	$	74,975,055
Cash and cash equivalents		2,049,687
Advance subscription in Portfolio Funds		3,214,697
Deposit with lending company for investment acquisition (Note 7)		2,558,675
Due from lending company (Note 6)		3,789,661
Restricted cash (Note 9)		869,035
Interest receivable		476,766
Principal receivable from real estate loan		57,500
Due from portfolio fund investment		2,692,000
Other assets		864,033
Total assets		91,547,109
Liabilities		
Line of credit (Note 8)	$	14,930,779
Advance capital contributions		11,349,918
Withdrawals payable		1,000,000
Interest payable		31,032
Accrued tax liability		172,812
Accrued expenses		85,801
Other liabilities		49,764
Management fees payable		193,391
Performance fees payable		105,270
Total liabilities		27,918,767
Net assets	$	63,628,342
Which is represented by		
General Partner	$	-
Limited Partner		63,628,342
Total partners' capital		63,628,342

The accompanying notes are an integral part of these consolidated financial statements

HCG Digital Finance LP
Consolidated Condensed Schedule of Investments
December 31, 2015

Long Securities at Fair Value	***Initial Investement Date***		***Cost***		***Fair Value***	***Fair Value as a Percentage of Partners' Capital***	
			US$		US$		
Loans							
United States							
Small-medium enterprise (SME) loans		$	2,399,083	$	2,399,083	3.77	%
Total SME loans (Cost: $2,399,083)		$	2,399,083	$	2,399,083	3.77	%
Real estate loans							
Grade A - mature 11/19/15 - 6/11/16, 7.00% - 8.00%*		$	169,900	$	169,900	0.27	%
Grade B - mature 11/28/15 - 11/23/16, 8.25% - 10.25%*			2,514,100		2,514,100	3.95	
Grade C - mature 11/27/15 - 12/16/16, 9.50% - 10.50%*			7,465,081		7,465,081	11.73	
Grade D - mature 9/13/15 - 12/11/16, 10.75% - 12.25%*			3,323,100		3,323,100	5.22	
Grade E - mature 10/30/15 - 11/30/16, 12.00% - 13.00%*			4,451,900		4,451,900	7.00	
Grade F - mature 10/10/15 - 10/21/16, 13.25% - 14.25%*			1,907,000		1,907,000	3.00	
Grade G - mature 12/23/15 - 6/23/16, 14.75% - 15.50%*			232,000		232,000	0.36	
Grade H - mature 9/23/15 - 11/23/16, 16.50% - 16.75%*			1,270,425		1,270,425	2.00	
Grade I - matures 6/4/16, 18.00%*			268,000		268,000	0.42	
Grade J - mature 7/24/16 - 8/25/16, 18.25%*			155,600		155,600	0.24	
Total real estate loans (Cost: $21,757,106)		$	21,757,106	$	21,757,106	34.19	%
Consumer loans							
Standard consumer loans							
Grade B - mature 9/16/18 - 12/29/20, 8.18% - 11.53%		$	7,663,742	$	7,645,043	12.02	%
Grade C - mature 9/21/18 - 12/29/20, 11.99% - 14.65%			5,617,258		5,597,730	8.80	
Grade D - mature 11/20/20 - 12/15/20, 15.41% - 17.57%			34,414		34,284	0.05	
Total standard consumer loans (Cost: $13,315,414)		$	13,315,414	$	13,277,057	20.87	%
Custom consumer loans							
Grade E - mature 7/17/18 - 12/29/20, 18.20% - 20.99%		$	3,023,699	$	3,011,174	4.73	%
Grade F - mature 7/17/18 - 12/24/20, 21.99% - 26.06%			5,407,560		5,407,561	8.50	
Grade G - mature 7/17/18 - 12/24/20, 26.77% - 28.99%			3,427,384		3,424,350	5.38	
Total custom consumer loans (Cost: $11,858,643)		$	11,858,643	$	11,843,085	18.61	%
Total consumer loans (Cost: $25,174,057)		$	25,174,057	$	25,120,142	39.48	%
Total United States (Cost: $2,399,083)		$	49,330,246	$	49,276,331	77.44	%
Total Loans (Cost: $2,399,083)		$	49,330,246	$	49,276,331	77.44	%
Portfolio Fund Investments Owned at Fair Value							
United States							
HCG Consumer Credit I, LP[1]	April 1, 2015	$	24,438,040	$	25,698,724	40.39	%
Total United States		$	24,438,040	$	25,698,724	40.39	%
Total Portfolio Fund Investments owned at Fair Value		$	24,438,040	$	25,698,724	40.39	%
Total Long Securities at Fair Value		$	73,768,287	$	74,975,055	117.83	%

*All interest rates are gross of LendingHome service fees.

The following investments, held by the abovementioned HCG Consumer Credit I investment and contained within the abovementioned loan categories, proportionally constitute greater than 5% of the total net assets of the Partnership (as defined in the accompanying Notes to the Consolidated Financial Statements) as of December 31, 2015:

Underlying Investment	***Industry***	***Fair Value***	***Fair Value as a Percentage of Partners' Capital***
		US$	
None			

[1]HCG Consumer Credit I, LP employs a strategy that invests in fractional consumer loans, and allows HCG Digital Finance LP to have monthly redemptions,with no notice period.

HCG Digital Finance LP
Consolidated Statement of Operations
For the period From Inception (February 27, 2015) Through December 31, 2015

	US$
Investment income	
Interest income	$ 2,080,307
Investment expenses	
Interest expense	$ 38,455
Professional and other expenses	304,232
Management Fee	346,078
Performance Fee	105,270
Total investment expenses	$ 794,035
Investment income - net	$ 1,286,272
Net realized gain and change in unrealized appreciation on investments	
Net realized gain on investments	$ 412,159
Net change in unrealized appreciation on investments	1,206,766
Net realized gain and change in unrealized appreciation on investments	1,618,925
Provision for Income Taxes	$ 172,812
Net increase in partners' capital from operations	$ 2,732,385

The accompanying notes are an integral part of these consolidated financial statements

HCG Digital Finance LP
Consolidated Statement of Changes in Partners' Capital
For the period From Inception (February 27, 2015) Through December 31, 2015

	Note	General Partner	Limited Partners	Total
		US$	US$	US$
Partners' capital, beginning of the period		$ -	$ -	$ -
Contributions	4	-	62,943,057	62,943,057
Withdrawals	4	-	(2,047,100)	(2,047,100)
Allocation of net increase in partners' capital from operations		-	2,732,385	2,732,385
Partners' capital at end of the period		$ -	$ 63,628,342	$ 63,628,342

The accompanying notes are an integral part of these consolidated financial statements

HCG Digital Finance LP
Consolidated Statement of Cash Flows
For the period From Inception (February 27, 2015) Through December 31, 2015

	US$
Cash flows from operating activities:	
Net increase in partners' capital from operations	$ 2,732,385
Adjustments to reconcile net income to net cash used in operating activities:	
Purchases of investments in securities	(98,500,402)
Principal collected on investments in securities	14,405,380
Proceeds from disposition of investments in securities	10,738,894
Net realized gain on investments in securities	(412,164)
Net change in unrealized appreciation on investments in securities	(1,206,763)
Increase in subscription in advance	(3,214,697)
Increase in deposit with lending company for investment acquisition	(2,558,675)
Increase in due from lending company	(3,789,661)
Increase in restricted cash	(869,035)
Increase in interest receivable	(476,766)
Increase in receivable from real estate loan	(57,500)
Increase in due from portfolio fund investments	(2,692,000)
Increase in other assets	(494,899)
Increase in interest payable	31,032
Increase in accrued expenses	128,587
Increase in accrued tax liability	172,812
Increase in other liabilities	6,979
Increase in management fees payable	193,391
Increase in performance fees payable	105,270
Net cash used in operating activities	$ (85,757,832)
Cash flows from financing activities:	
Cash received from borrowings on line of credit	$ 17,742,000
Cash paid on line of credit	$ (2,811,221)
Increase in closing costs on line of credit	(369,135)
Increase in advance capital contributions	11,349,918
Increase in withdrawals payable to limited partners	1,000,000
Capital contributions	62,943,057
Capital withdrawals	(2,047,100)
Net cash provided by financing activities	87,807,519
Net increase in cash and cash equivalents	2,049,687
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 2,049,687

Supplemental disclosure of cash flow information:

Cash received for capital contributions excludes $5,318,399 of non-cash capital contributions. Limited partners contributed investments in HCG Consumer Credit I, LP. Cash used in operating activities, for purchase of investments in securities, excludes the same $5,318,399 of non-cash purchases.

1. Organization

HCG Digital Finance LP (the "Partnership") is a Delaware limited partnership, formed on November 13, 2014. The Partnership commenced operations on February 27, 2015. HCG Partners LLC ("HCG Partners"), a Delaware limited liability company, serves as the general partner of the Partnership (the "General Partner"). HCG Fund Management LP, a Delaware limited partnership, serves as the Investment Adviser for the Partnership (the "Investment Adviser" or "HCG Fund Management"). Pursuant to the Investment Advisory Agreement, the Investment Adviser will be responsible for making all investment decisions with respect to the Partnership's assets.

HCG Funds Ltd. is an offshore feeder fund (the "*Offshore Feeder*") that invests in Limited Partnership Interests. As of December 31, 2015, The Offshore Feeder had a 29.22% ownership in the Partnership. OrchardWay P2P Credit Fund Ltd. ("OrchardWay") is an offshore fund that invests in Limited Partnership Interests. As of December 31, 2015, OrchardWay had a 67.13% ownership in the Partnership.

SS&C Technologies Inc. (the "Administrator") is the administrator for the Partnership.

The Partnership invests substantially all of its assets in private investment funds organized by the General Partner or one of its affiliates and managed by the Investment Adviser or one of its affiliates ("*Portfolio Funds*"). Each Portfolio Fund will invest primarily in securities or other financial assets ("*Peer-to-Peer Securities*") that are issued by trusts or similar special purpose vehicles ("*Peer-to-Peer Security Issuers*") and are collateralized by, or reference or otherwise track the performance of, one or more portfolios of loans ("*Peer-to-Peer Loans*") originated through peer-to-peer lending platforms sponsored by and serviced by third party companies ("*Peer-to-Peer Platform Sponsors*").

The Portfolio Funds are:

HCG Consumer Credit I, LP ("CCI") is a Delaware limited partnership formed on November 13, 2012. The Partnership commenced operations on March 1, 2013. Habsho, LLC (the "GeneralPartner") is registered as a Delaware limited liability company. HCG Investment Advisors, SARL (the "Investment Adviser"), a Swiss limited liability company, was hired as the investment adviser to the General Partner. The General Partner shall invest the assets of CCI solely in one or more Master Global Trust Certificates ("Certificates") issued by LC Trust I ("Trust"), an independent Delaware trust sponsored by LendingClub Corporation ("LendingClub"). LendingClub is a publicly traded company (NYSE: LC) that sponsors and services a Digital Lending Platform through which WebBank, an FDICinsured, state-chartered industrial bank headquartered in Salt Lake City, Utah, originates online consumer loans.The Trust acquires loans from LendingClub and holds them for the sole benefit of investors (such as the Partnership) that have purchased Certificates issued by the Trust and that are related to specific underlying fractional loans held for the benefit of the investor.

HCG Real Estate LLC ("RE LLC") is a Delaware limited liability company formed on January 26, 2015. RE LLC commenced operations on February 26, 2015. RE LLC was formed for the purpose of investing in secured real estate loans originated through the online lending platform established by LendingHome Corporation ("LendingHome"). RE LLC holds a 100% beneficial interest in HCG Real Estate Trust I ("RE Trust"). RE LLC invests in real estate loans through RE Trust which are serviced by LendingHome. HCG Digital Finance LP is the sole member and manager of RE LLC. Interests in RE LLC are not available to other investors.

1. Organization (cont.)

HCG Consumer Credit II LLC (“CCII”) is a Delaware limited liability company formed on March 13, 2015. CCII commenced operations on July 13, 2015. CCII was formed for the purpose of investing in unsecured whole consumer loans originated through the online peer-to-peer lending platform established by LendingClub Corporation. CCII holds a 100% beneficial interest in HCG Consumer Credit II Trust (“CCII Trust”) and is the sole member of Promeleti, LLC (“Promeleti”), a Delaware limited liability company. CCII, through CCII Trust and Promeleti, invests in standard and custom whole unsecured consumer loans programs serviced by LendingClub. LendingClub’s current guidelines specify that its custom loans are unsecured consumer loans made to consumers with FICO ranges of 620-660 (known as near prime and low FICO) and are only available for purchase by institutional investors. HCG Digital Finance LP is the sole member and manager of CCII. Interests in CCII are not available to other investors.

HCG SME I LLC (“SME I”) is a Delaware limited liability company formed on August 28, 2015. SME I commenced operations on September 23, 2015. SME I was formed for the purpose of investing indirectly in secured accounts receivable financing (“P2Bi Loans”) facilitated by the online lending platform established by P2BInvestor, Inc. (“P2Bi”). Borrowers of P2Bi Loans are typically small companies that use the loan proceeds to fund working capital needs. P2Bi Loans typically range from 70-85% of invoice face value and have terms of up to 12 months, with underlying invoices backing the P2Bi Loans that repay in 60 to 90 days. HCG Digital Finance LP is the sole member and manager of SME I. Interests in SME I are not available to other investors.

2. Significant Accounting Policies

These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“US GAAP”). The consolidated financial statements are expressed in US dollars. During the period the Partnership has adopted ASU 2013-08, Financial Service – Investment Companies: Amendments to Scope, Measurement and Disclosure requirements and concluded that the Partnership is an investment company under ASU 2013-08. The Partnership follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946.

The Investment Adviser has determined that the Partnership is an investment company based on the following characteristics: the Partnership obtains funds from one or more investors and provides investment management services, and the Partnership’s business purpose and substantive activities are investing funds for returns from investment income. Therefore, the Partnership follows the accounting and reporting guidance for investment companies in accordance with ASC 946, including accounting for investments at their fair value.

2. Significant Accounting Policies (continued)

Basis of Consolidation

The consolidated financial statements comprise of the reports of the Partnership. SME I, RE LLC, RE Trust, CCII, CCII Trust, and Promeleti for the period ended December 31, 2015 using consistent accounting policies. All balances, transactions, income and expenses and profit and losses resulting from transactions between the Partnership. SME I, RE LLC, RE Trust, CCII, CCII Trust, and Promeleti have been eliminated in full on consolidation.

Recent accounting pronouncements

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity´s Ability to Continue as a Going Concern (ASU 2014-15), which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the consolidated financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. ASU 2014-15 applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. At period end, management is evaluating the impact of this ASU; however management does not expect this change to impact the consolidated financial statements.

In May 2015, the FASB issued ASU No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that calculate Net Asset Value per Share (or its Equivalent) (ASU 2015-07).The ASU removes the requirement to categorize investments for which fair value is measured using the net asset value of the investment as a practical expedient within the fair value hierarchy. The ASU also removes the requirement to make certain disclosures for investments that are eligible to be measured at fair value using the net asset value practical expedient. Investments, for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. The guidance is effective for fiscal years beginning after December 15, 2016 and for interim periods within those years and early adoption is permitted. The Partnership has elected to early adopt and apply this guidance as at period end. Prior to the issuance of the amended guidance, investments that were fair valued using the net asset value as a practical expedient were categorized within the fair value hierarchy based on the Partnership's ability to redeem its investment on the measurement date. As at period end, the Partnership's investments in other investment companies (Investee Funds) were valued using net asset value as practical expedient and as a result of adoption of this guidance, such investments are excluded from the categories of fair value hierarchy.

Cash and cash equivalents

Cash and cash equivalents include amounts due from banks on demand, interest bearing deposits with original maturities of three months or less and non-interest bearing accounts.

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing its consolidated financial statements are reasonable and prudent; however actual results could differ from those estimates.

Fair Value - Definition and Hierarchy

In determining fair value, the Partnership uses various valuation approaches. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurements* (“ASC 820”) establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Partnership. Unobservable inputs reflect the Partnership’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Inputs to the valuation methodology are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs to the valuation methodology are based on quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs to the valuation methodology are based on inputs that are unobservable and deemed significant to the overall fair value measurement. This includes situations where there is little, if any, market activity for the asset or liability. Level 3 inputs are used to value investments in loans in the absence of significant observable inputs and reflect management’s own assumptions about how market participants would price investments in loans.

2. Significant Accounting Policies (continued)

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the General Partner in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

The Partnership values investment in all loans using a discounted cash flow technique. The discounted cash flow technique consists of developing an estimate of future cash flows that are expected to occur over the remaining life of the loans, then discounting those cash flows at a rate of return that results in a fair value amount. Significant unobservable inputs, presented below, are considered significant to the estimated fair value of the Level 3 assets. The Partnership considers unobservable inputs to be significant, if by their exclusion, the estimated fair value of the Level 3 asset would be impacted by a significant percentage change, or based on qualitative factors such as the nature of the loans and the significance of the unobservable inputs relative to other inputs used with the valuation. A description of the significant unobservable inputs follows.

Discount Rate – Discount rate is a rate of return used to discount future expected cash flows to arrive at a present value, the fair value, of an instrument. The discount rate for expected cash flows of the loans estimates the rate of return that investors in the loans would require when investing in loans similar to those which are held by the Partnership. The discount rate is adjusted to reflect the amount of compensation market participants require due to the uncertainty inherent in the pool of loan's cash flows resulting from risks such as credit, prepayment, and liquidity.

Impairment to Collateral Value – If there has been a clear impairment to value of the assets collateralizing the loan, the General Partner will make a reasonable assessment of the value of the impairment. Information that the General Partner uses may include recent transactions, appraisals, current discounted cash flow analysis, appropriate "cap" rates, etc. Greater weight will be given to information that best represents the price at which the loan would be sold between an independent, willing buyer and seller.

Gross Credit Loss Rates – Gross credit loss rates reflect historical unsecured credit loss data from LendingClub and assumptions regarding the loss profile of different letter grades of loans (e.g., B, C, D, E or F) in varying macroeconomic scenarios.

2. Significant Accounting Policies (continued)

The Fund develops its expectation of future cash flows using macroeconomic data, and gross credit loss assumptions. Layered on top of this loss data is an assumption regarding how much the LLC's loan selection model lowers overall loss tendencies through its proprietary selection filters. Future loan losses are monitored from the moment an underlying consumer loan is funded. This process builds up the loan loss data over time. The Fund reviews its loan loss data on a monthly basis, and revisions to the policy are made on a quarterly basis. To the extent the gross credit loss rates need to be increased, that upward adjustment will happen quarterly.

The loan grade classifications included in the consolidated condensed schedule of investments represent the management's belief as to the most meaningful presentation of the Fund's loans based on borrower's credit worthiness.

Investment in the HCG Consumer Credit I LP is valued at fair value based upon the Partnership's ownership percentage of the CCI's members' net asset value (NAV). The performance of the Partnership is directly affected by the performance of CCI, which has investment objectives similar to the Partnership. Attached to this report are the financial statements of CCI, including the condensed schedule of investments, which should be read in conjunction with the Partnership's consolidated financial statements. Please refer to the significant accounting policies and risk factors in CCI's financial statements for additional information regarding it accounting policies and risks. The valuation of investments held by CCI as a well as its fair value measurement hierarchy for its investments is disclosed in the notes to the Portfolio Fund's financial statements.

Valuation Process

The Partnership establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable by the Investment Adviser. Investment valuations are required to be supported by market data, third-party pricing sources, industry-accepted pricing models, counterparty prices, or other methods the Investment Adviser deems to be appropriate, including the use of internal proprietary pricing models. These models may include the estimation of expected future cash flows and assessment of recent transactions for similar assets. They also include examination of market conditions, liquidity, current operating results, restructuring events and other pertinent information.

Investment Transactions and Related Investment Income

Investments in loans, are accounted for on a trade-date basis. The Partnership records an unrealized loss on a loan when it believes that it has decreased in value, including when a collection of a portion of the principal is doubtful. Conversely, where appropriate, the Partnership records an unrealized gain if it believes that the loan has appreciated in value; however, no such instances occurred during the period ended December 31, 2015. Realized losses are recorded when loans are written off as worthless, using the specific identification method.

Interest

Interest is recorded on an accrual basis.

2. Significant Accounting Policies (continued)

The Partnership records its own income and expenses on an accrual basis.

The fair market value of any investment in CCI will generally be the value of such interest as most recently reported to the Partnership and/or the Administrator by the management and/or administrator of CCI. There is no established market for secondary CCI interests or for the privately held portfolio investments of CCI sponsors and there may not be any comparable companies for which public market valuations exist. In addition, under limited circumstances, the Partnership may not have access to all material information relevant to a valuation analysis. As a result, the valuation of investments in which the Partnership may invest may be based on imperfect information and is subject to inherent uncertainties.

Investments in CCI are recorded on trade date, which is defined as the date the Partnership obtains an enforceable right to demand the securities or payment thereof. Distributions from CCI are recorded as declared and classified as either realized gain or return of capital as disclosed to the Partnership by the management of the Portfolio Fund investment. Realized gains and losses are computed by use using the average-cost method. The resulting gains and losses are reflected in the Statement of Operations.

Income Taxes

The Partnership elects to be treated as a pass-through entity for all relevant jurisdictions and therefore files informational income tax returns which attribute taxable income and taxes paid, if any, to the partners. The consolidated financial statements include a provision for income taxes as Promeleti has elected to be taxed as a corporation for U.S. tax purposes. Promeleti files federal and several state tax returns based on the income nexus in the states where income is considered to be sourced.

Provision for income taxes is based on taxes payable or refundable for the current year. Certain assets and liabilities are reported differently for income tax purposes than they are for financial statement purposes. When material, the tax effect of these differences is recorded as deferred taxes, calculated using currently enacted income tax rates. For the taxable period from July 13, 2015 (commencement of Promeleti operations) to December 31, 2015, Promeleti accrued $172,812 as a tax liability. Management accounts for uncertain tax positions using a two-step process whereby (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position (“more likely-than-not recognition threshold”) and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Partnership recognizes interest and penalties accrued on any unrecognized tax benefits as a component of provision for income tax in the consolidated financial statements of operations.

2. Significant Accounting Policies (continued)

Allocation of Net Profits and Losses

Net profits and losses are allocated to all partners in proportion to their respective ownership interests.

3. Fair Value Measurement

The Partnership's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820.

The following table presents information about the Partnership's assets and liabilities measured at fair value as of December 31, 2015:

	Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Investments in securities, at fair value				
SME Loans	$ -	$ -	$ 2,399,083	$ 2,399,083
Real estate loans	-	-	21,757,106	21,757,106
Consumer loans	-	-	25,120,142	25,120,142
HCG Consumer Credit I, LP[1]	-	-	-	25,698,724
Total	$ -	$ -	$ 49,276,331	$ 74,975,055

[1]In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Changes in Level 3 investments measured at fair value for the period ended December 31, 2015:

Balance February 27, 2015	Purchases	Principal Collected	Realized & Unrealized Losses	Balance December 31, 2015	Unrealized Losses for Investments Still Held at December 31, 2015
$ -	$ 63,762,627	$(14,405,380)	$ (80,916)	$ 49,276,331	$ (53,915)

All net realized and unrealized gains (losses) in the table above are reflected in the accompanying consolidated statement of operations.

3. Fair Value Measurement (continued)

The following table provides quantitative information about the valuation methodology and inputs used for investments classified as level 3 as of December 31, 2015. The table is not intended to be all-inclusive of the methodologies and inputs considered by the General Partner.

Investment Type	Fair Value	Valuation Techniques	Unobservable Inputs	Inputs Range
SME Loans	US$ 2,399,083	Income Approach	Discount Rate	9.85 - 14.80%
Real estate loans	US$ 21,757,106	Income Approach	Discount Rate	7.0 - 18.3%
Consumer loans	US$ 25,120,142	Income Approach	Discount Rate Default Rate Prepayment Rate	7.6 - 16.6% 4.8 - 30.0% 1.50%

As of December 31, 2015, CCI has been measured at fair value using the net asset value per share (or its equivalent) practical expedient. CCI's financial statements are audited by EisnerAmper LLP. The ultimate realizable value of the Partnership investment will depend on the ultimate proceeds received from CCI. The actual proceeds and time frame of realization is depend upon CCI realizing its underlying investments and, realizable value could be different from year end values.

Portfolio Fund	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Consumer Credit I, LP (Note A)	$ 25,698,724	$0	Note A	None

Note A: CCI invests in consumer loans from LendingClub's "standard" product. The term of the loans is either 36 months or 60 months. Redemptions are paid as soon as practical. In the event that all investors redeem, redemptions would pay out as the existing loans were paid down by borrowers. At December 31, 2015 the Partnership owned a 77.75% interest in Consumer Credit I, LP.

Redemption Frequency: The Partnership is able to redeem monthly, with no notice. CCI's other limited partners are able to redeem quarterly.

4. Partners' Capital

The Partnership attempts to invest limited partner capital contributions in Portfolio Funds during the month in which the capital contribution is received by the Partnership. As there is a general four to five week delay between when a loan at a Portfolio Fund, is purchased and when a the loan is issued and begins accruing interest, no profit and loss is allocated to a limited partner with respect to the new capital contribution until the first business day of the month following the month in which the new capital contribution is invested in the Portfolio Funds. The minimum initial investment is US$1,000,000, and the minimum additional investment is US$250,000, both subject to waiver at the discretion of the General Partner.

4. Partners' Capital (cont.)

A limited partner may withdraw some or all of its Limited Partnership Interest by delivering to the General Partner and the Administrator a written withdrawal request notice (such notice, a "Withdrawal Notice") at least five Business Days prior to the last day of any month.. The General Partner will not liquidate any assets of the Partnership to meet withdrawal requests unless it determines in its sole discretion that such liquidation will not adversely affect the interest of the non-withdrawing limited partners. The Partnership's ability to fund and accept withdrawal requests is dependent on its ability to withdraw from the Portfolio Funds, which may have substantial liquidity restrictions. A Portfolio Fund may have substantial liquidity restrictions depending on the Peer-to-Peer Securities in which such Portfolio Fund invests or any restrictions imposed by a leverage facility agreement to which the Portfolio Fund is a party. The Investment Adviser will have complete discretion in selecting the Portfolio Funds from which the Partnership withdraws to fund withdrawals by limited partners. While the Partnership may borrow to fund withdrawals of Limited Partnership Interests, it is under no obligation to do so and does not expect to do so in most instances.

The Partnership generally expects to pay the withdrawal proceeds within 120 calendar days following the Withdrawal Date, but such payment may be delayed to the extent there is a delay in the Partnership's receipt of funds from one or more Portfolio Funds from which the Partnership may be required to withdraw the funds necessary to fund the limited partner's withdrawal.

5. Investment Management and Performance Fees

The Investment Adviser will receive a quarterly management fee in arrears calculated at the annual rate of 2% (0.50% per quarter) of each limited partner's capital account as of the last day of each month. The General Partner may enter into side letters or similar agreements with certain investors providing for, among other things, the General Partner agreement to exercise its discretionary authority under the LP Agreement for the benefit of such investors with respect to certain terms of their investment in the Partnership, including, without limitation, fees, redemption and withdrawal rights and notice periods and information rights. The General Partner may elect to reduce, otherwise modify or waive the management fee with respect to any limited partner. The management fee for the period ended December 31, 2015 was US$346,078. The Investment Adviser elected to waive 100% and 25% of the Management Fee for the months of June and July, respectively.

At the end of each fiscal year, the Investment Adviser receives a performance fee equal to 20% of the net capital appreciation in excess of the threshold return (6% per annum). This fee is charged yearly and in arrears. On each date on which a limited partner receives any cash distribution, the Investment Adviser may receive a performance fee in an amount equal to 20% of the net capital appreciation in excess of the threshold return calculated of the applicable fiscal period. The Investment Adviser earned a performance fee for the period ended December 31, 2015 of US$105,270.

The Partnership will not be charged any management fees or performance fees in connection with its investment in any Portfolio Fund.

6. Due from Lending Company

Due from lending company represents cash held at each lending company for future investments and expenses. The Partnership has a policy of reviewing, as considered necessary, the credit standing of each lending company with which it conducts business.

7. Deposit with Lending Company for Investment Acquisition

Deposit with lending company for investment acquisition represents the aggregate amount of funds committed to purchase loans. Such committed funds are no longer available for other uses by the Fund and may no longer be withdrawn or committed to other loans.

8. Line of Credit

CCII Trust and Promeleti each have a revolving line of credit with Capital One N.A for $25,000,000 and $10,000,00, respectively. Each line of credit is individually secured by the assets of CCII Trust and Promeleti. The line of credit agreements have an annual interest rate of LIBOR + 3.50%. At December 31, 2015, the rate is 4.00%. CCII Trust has an outstanding balance on the line of credit of $10,439,312 as of December 31, 2015. Promeleti has an outstanding balance on the line of credit of $4,491,467 as of December 31, 2015.The maturity date of each line of credit is November 13, 2019.

CCII Trust and Promeleti pay Capital One N.A. an unused line fee of 0.35% per annum on the difference between the maximum revolving line of credit and the average outstanding principal balance, payable monthly (“Unused Line Fee”). The Unused Line Fee for the period from July 13, 2015 (commencement of CCII operations) to December 31, 2015 was $10,572 for CCII Trust and $2,011 for Promeleti, respectively.

9. Restricted Cash

Restricted cash represents cash held with Capital One N.A. pursuant to each of the revolving line of credit agreements (Note 7). So long as any obligation under a line of credit agreement remains unpaid, Capital One N.A. has the sole and exclusive right to withdrawal funds from the Fund’s cash account associated with the line of credit.

10. Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

In the normal course of its business, the Partnership enters into various financial transactions. The execution of these transactions may result in off-balance sheet risk or concentration of credit and price risk. The Partnership records investment transactions on a trade-date basis and, therefore, is exposed to credit risk in the event that the Partnership’s counterparties are unable to fulfill contractual agreements on the date of settlement.

The Partnership maintains bank accounts that, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and expects the risk of loss, if any, to be remote.

Credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower’s failure to repay a loan or otherwise meet a contractual obligation. The instruments held by the Partnership’s underlying investments are subject to credit risk.

10. Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk (cont.)

The Partnership also bears the risk of financial failure by any lending platform utilized by a Portfolio Fund.

11. Indemnifications

In the normal course of business, the Partnership has entered into contracts, which provide a variety of general indemnifications. Such contracts include but not limited to the Partnership's Administrator and Investment Adviser. Any exposure to the Partnership under the arrangements would include future claims that may be made against the Partnership. No such claims have occurred, nor are they expected to occur. Therefore the Partnership has not accrued any liability in connection with such indemnifications.

12. Financial Highlights

Total return and the financial ratios are calculated for the Partnership's limited partners taken as a whole. An individual's total return and ratios may vary from these returns and ratios based on the timing of capital transactions and variations in management fees and performance fee arrangements. The total return percentages and ratios to average partners' capital have not been annualized.

	Limited Partner	
Total Return:		
Total return before performance fee	7.58	%
Performance fee	(0.30)	
Total return net of performance fee	7.28	%
Ratios to Average Partners' Capital:		
Total expenses[1] before performance fee	(1.69)	%
Performance fee	(0.26)	
Total expenses and performance fee	(1.95)	%
Net investment income	3.16	%

[1] Total expenses before performance fee include:

Other expenses	(0.84)	%
Management fees	(0.85)	
Total expenses before performance fee	(1.69)	%

13. Related Party Transactions

The Offshore Feeder is not charged management or performance fees on its investment in the Partnership. Such amounts are charged directly to the investors of the Offshore Feeder, as applicable. The details of management and performance fee calculations are included in Note 5 of the consolidated financial statements.

13. Related Party Transactions (cont.)

Certain limited partners are affiliated with the General Partner. The aggregate value of the General Partner's and affiliated limited partners' share of the Partnership's capital as of December 31, 2015 was US$569,233.

14. Subsequent Events

In accordance with provisions set forth in ASC 855, *Subsequent Events*, the Investment Adviser has evaluated the possibility of subsequent events existing in the Partnership's consolidated financial statements through August 22, 2016, the date the consolidated financial statements were available to be issued and has determined that, other than those events described below, there are no material events or transactions that would affect the Partnership's consolidated financial statements or require disclosure in the Partnership's consolidated financial statements through this date.

LendingClub's 10-Q filing of May 16, 2016 and 8-K filing of May 17, 2016 disclosed certain events leading to the May 6, 2016 resignation of Renaud Laplanche as LendingClub's Chairman and CEO. These events have caused a significant stress on LendingClub's stock prices and raised questions regarding LendingClub's business model and LendingClub's viability as a business counterparty. The Partnership has invested, through CCI and CCII a substantial portion of its assets in investments backed by loans serviced by LendingClub and expects to continue to invest in such investments. The Investment Adviser does not believe these events will have a material adverse impact on the performance of investments held by CCI and CCII.

Effective April 27, 2016, CCII Trust increased its revolving line of credit with Capital One N.A from $25,000,000 to $45,000,000. The interest rate and commitment fee terms remained unchanged.

The Partnership had recorded contributions amounting to US$37,813,478 and recorded withdrawals of US$9,160,544 for the period from January 1, 2016 to August 22, 2016.