

### Bedrock's flagship access to fixed-income opportunities in the "Peer-to-Peer" asset class

- OrchardWay P2P Credit Fund Ltd (the "Fund") provides access to the expertise of HCG Funds, a firm at the vanguard of investing in Peer-to-Peer credit.
- The Fund targets a low double-digit annual net return on equity from established asset classes that was until now reserved for established banks and lending institutions.
- The Fund's underlying diversified portfolio:
  - Generates uncorrelated and low volatility risk-adjusted returns
  - Exhibits low duration
  - Employs moderate leverage

### HCG CCI & ORCHARDWAY PERFORMANCE\*

\*OrchardWay launched in March 2015. Prior returns from Mar'13 to Mar'15 are HCG CCI

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	ITD
<b>2015</b>	0.72%	0.66%	0.70%	0.80%	0.67%	0.68%	0.63%	0.66%	0.56%				<b>6.2%</b>	<b>22.2%</b>
<b>2014</b>	0.64%	0.63%	0.74%	0.71%	0.75%	0.63%	0.72%	0.72%	0.71%	0.72%	0.71%	0.75%	<b>8.8%</b>	<b>15.1%</b>
<b>2013</b>	**	**	0.00%	0.21%	0.61%	0.75%	0.75%	0.75%	0.65%	0.68%	0.64%	0.68%	<b>5.8%</b>	<b>5.8%</b>

Note: HCG CCI (HCG Consumer Credit I LP) is now part of HCG Digital Finance LP, the U.S. partnership into which the Fund is investing. Returns are net returns after all fees and expenses. Past performance is not an indicator of future results

### Key Facts

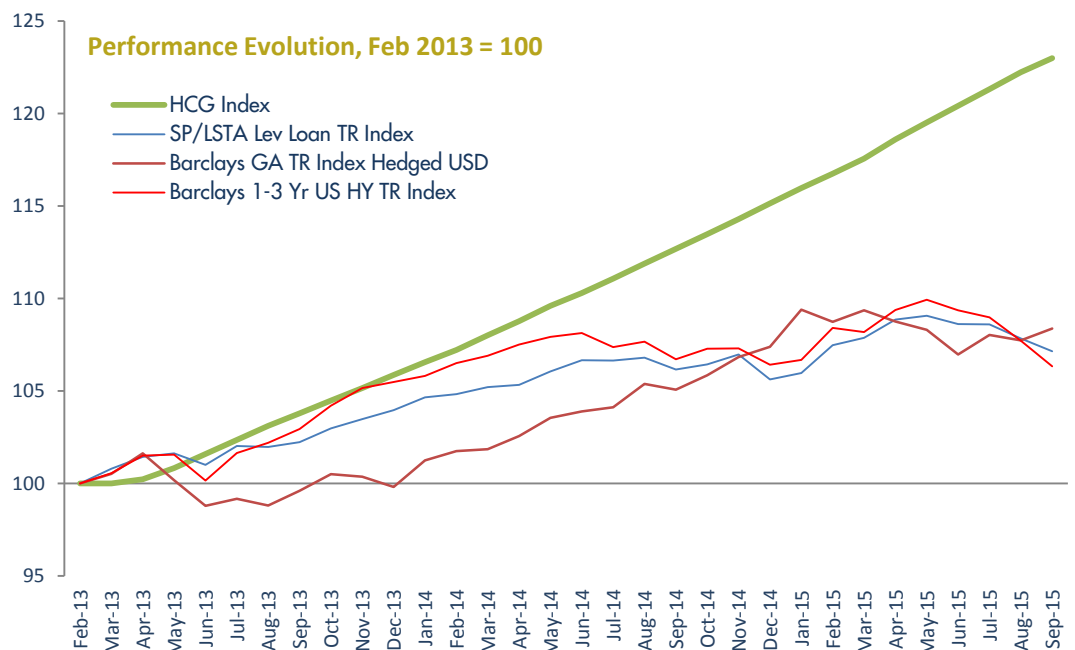
<b>Inception date</b>	April 2015
<b>Base Currency</b>	USD
<b>Hedged Classes</b>	EUR, CHF, GBP
<b>Fees</b>	2%/20% (w 6% Hurdle)
<b>Domicile</b>	Cayman
<b>Liquidity</b>	Monthly/120 days' notice
<b>Investment Advisor</b>	HCG Funds
<b>Management Company</b>	Kinetic Partners (LUX) S.a.r.l
<b>Portfolio Manager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

### HCG Overview

HCG Funds looks for "outside market" investment opportunities that exhibit low volatility and that are uncorrelated to the behavior of public market securities. The firm was founded in 2009, and since 2012, has been at the vanguard of formulating investment programs around Peer-to-Peer platforms. HCG Funds 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 *best* platforms rather than *all* platforms.

HCG Funds 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.

### Past Performance vs. Indices



## Commentary

**Consumer Credit:** On the macro front, a healthy economic environment (bolstered by low gas prices) continues to support steady revolving consumer credit growth (now just over \$920 billion per *Fed G. 19*, Oct 2015), driven by growth in bank credit books as well as direct lending platforms like LendingClub.

Commentary from the major card issuing banks during the third quarter earnings season is overwhelmingly positive as it relates to U.S. revolving consumer credit. Banks expect loan balances to continue increasing with sustained job growth, low gas prices, and consumer confidence. Going one step farther, banks have generally named U.S. revolving consumer credit as a top area for growth and strength for the foreseeable future. Most importantly, however, is that in the midst of stable and excellent credit quality, the pressure on consumer credit pricing has abated and gross APRs (Annual Percentage Rates) have stopped dropping; according to several bank CEOs, we have seen the bottom of consumer credit pricing. In summary, we are still in the favourable phase of the credit cycle and we don't expect that to change in the near future. If anything we expect that the next move in pricing is up.

**Residential Real-Estate:** The principal dashboard indicators of a healthy U.S. real estate sector are all flashing green: 30-year mortgages are sub-4% (source: Freddie Mac); existing home sales are increasing at a 6% yoy pace (source: National Association of Realtors); home price appreciation is running at ~5%+ yoy per the Case-Shiller home price index; and monthly supply of house is still near 50-year lows at ~5 months of supply (source: US Census Bureau). First-time buyers are coming back to the market given the skewed rent-vs-buy equation. Per Zillow, renting is on average 25% more expensive in most major MSAs.

Given the backdrop of improving jobs and wage growth in the U.S., coupled with a rent-vs-buy economic calculator favouring home purchase, the Fund continue to view residential real-estate exposure positively. The HCG RE portfolio can validate the health of the underlying market: our borrowers are selling homes at an average 50% premium to purchase price and approximately 8% higher than the appraised after repair value underwritten by LendingHome..

**Small Businesses:** HCG has been monitoring this segment of peer-to-peer loans since late 2012. HCG reviewed many platforms, passed on most, and in late September finalised a multi-month due diligence effort and added P2BInvestor to the Fund. Through Portfolio Fund 4, HCG will purchase interests in small business invoices at a discount through P2BI's online marketplace. Annual gross yields average ~12% and turn every 60 days on average

Bedrock Asset Management (UK) Ltd  
20 Upper Grosvenor Street, London W1K 7PB, UK  
T: +44 20 7518 2062  
F: +44 207 518 8819  
E: info@bedrockgroup.co.uk

Louise Wachtmeister  
Business Development Manager  
T: +44 20 7518 2062  
M: +44 7584 485 893  
E: louise.wachtmeister@bedrockgroup.co.uk  
W: [www.bedrockgroup.co.uk](http://www.bedrockgroup.co.uk)

**This document constitutes an unofficial support of the fund.**

**All subscriptions must be made on the basis of the Offering Memorandum of the fund which constitute the only official document.**

OrchardWay P2P Credit Fund Ltd. (the "Offshore Feeder Fund" or the "Fund") is a non-registered fund. No regulatory filings have been made in any country and the Fund has not been registered or authorised in any jurisdiction. This newsletter does not constitute an offer or solicitation to any person in any jurisdiction to purchase or sell any investment. An offering can be made only by means of the Fund's offering memorandum (the "Offering Memorandum"), which includes a discussion of the terms of the investment and the risk factors. Some or all alternative investment programs may not be suitable for certain investors. No information in this document should be construed as providing financial, investment or other professional advice. The information contained herein is for the sole use of its intended recipient and may not be copied or otherwise distributed or published. This newsletter is not intended to replace the Offering Memorandum of the Fund, nor to give a detailed summary; it does not constitute an offer or solicitation to invest in the Fund or the master fund thereof (the "Master Fund"). Investors should carefully read the Offering Memorandum of the Fund before investing and an investment should only be made on the basis of the last updated version of the Offering Memorandum. All investments involve risks and there can be no assurance that the Fund and the Master Fund will achieve their investment objectives. The price of shares and income (if any) from them may fall as well as rise and is not guaranteed; and shareholders may not get back the amount of their original investment. Past performance is not necessarily a guide to future performance. Unless otherwise stated, all data is unaudited. Investors should also be aware that the reference currency may differ from the currency in which the Fund's and the Master Fund's investments are made and, therefore, investors may be exposed to currency risks. Other risk factors are described in the Offering Memorandum and should be carefully reviewed. For further information please refer to the Offering Memorandum, the Memorandum and Articles of Association of the Fund and the annual reports of the Fund which may be obtained from BEDROCK ASSET MANAGEMENT (UK) LTD., 20 Upper Grosvenor Str., London W1K 7PB, United Kingdom (authorised and regulated by the Financial Conduct Authority). ONLY FOR PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES.

The copyright, trademarks and all similar rights of this presentation and the contents, including all information, graphics, code, text and design, are owned by Bedrock.

Representative and Paying Agent.

The representative of the Company in Switzerland (the "Representative in Switzerland") is Société Générale, Paris, Zurich Branch, Talacker 50, 8001 Zurich. The paying agent ("Paying Agent") of the Company in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, 8001 Zurich.

Place of Performance and Jurisdiction

In respect of the Shares/Units distributed in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.