

## CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR)

### MONTHLY RESULTS: DECEMBER 2018

December proved to be a challenging and volatile month for the markets in the U.S. and abroad as market sentiment shifted abruptly. The S&P 500 Index, dipped to -9.03%, recorded the sharpest monthly decline since February 2009 during the financial crisis. European, Asian and China's markets performed even worse. The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) ended the month down -15.85%, its worst month this year, while finishing off the year at nearly half its value, giving up -50.11% on a total return basis as of December 31, 2018. See Chart 1.

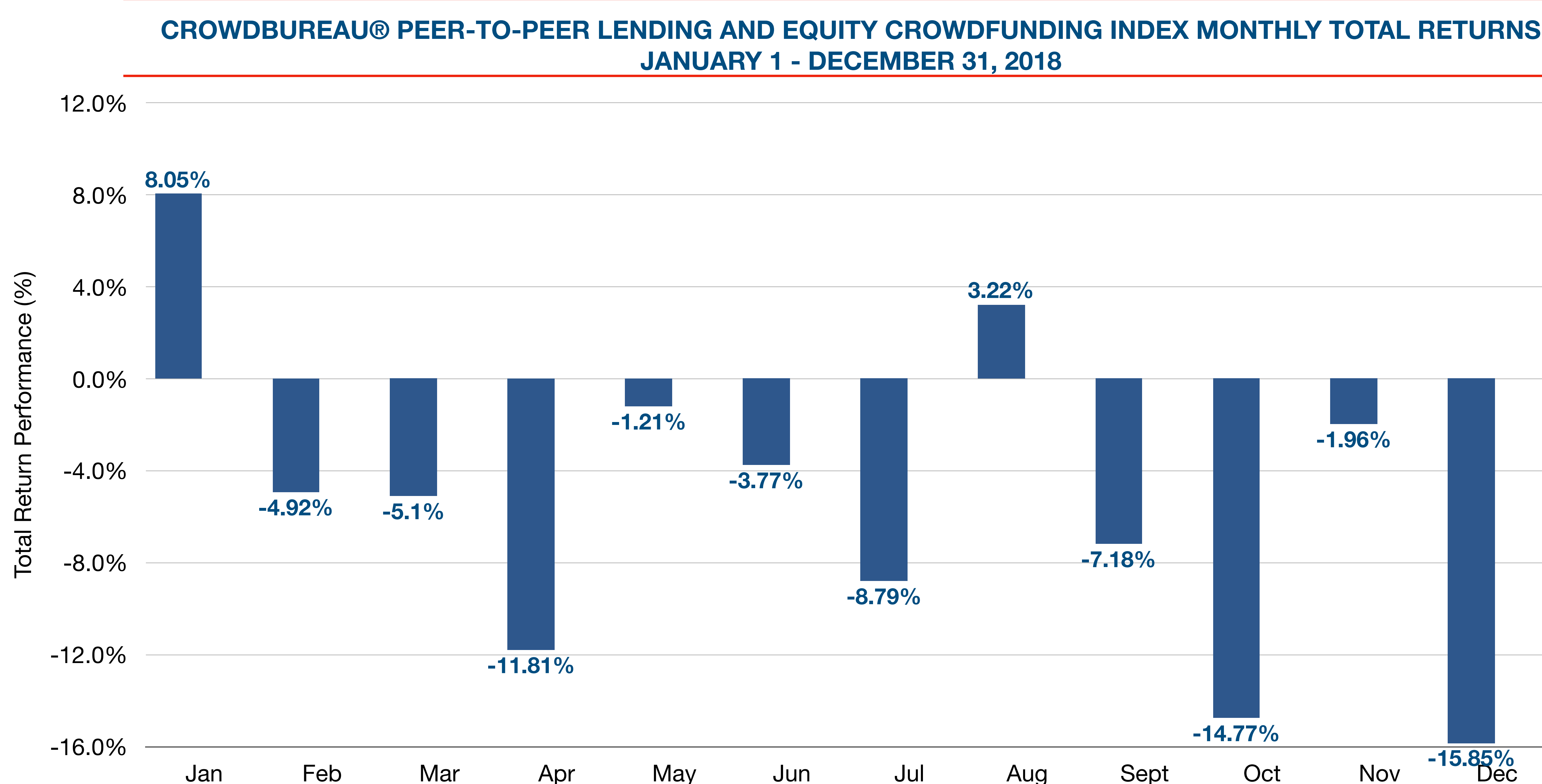


Chart 1. Source: CrowdBureau Corporation

### GLOBAL MARKET SENTIMENT TOOK A TURN

Market sentiment in the U.S. shifted abruptly at a time when the economy was widely considered to be in the late innings of the current business cycle and the market appeared like it might be overvalued. Trade tensions between the U.S. and China were escalated and political uncertainty arose in the U.S. due to fears of a government shutdown. The pace of economic growth was expected to slow, interest rates were rising and expectations for corporate profits were estimated to grow year-over-year by 15% in the fourth quarter, yet, they were being scaled back. Further, it was expected that the weak growth in the third quarter for Europe would slow further into 2019. Likewise in China, reported figures indicate that the economy is slowing third quarter to about 6.5%. According to the World Bank, China's economy in 2019 is forecast to grow 6.3%.

### ACTIVE IPO MARKET FOR CHINA BASED COMPANIES

While the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) largely followed the pattern of the broad stock market for the month of December, its decline was more pronounced. In part, this is due to a heavier concentration in small cap stocks that posted a decline of -11.88% according to the Russell 2000 Index. At the same time, China's slowing economy likely led to concerns about the performance of the domestic peer-to-peer marketplace lending sector. That said, this did not seem to deter Chinese companies from continuing to list initial public offerings (IPO) on U.S. stock exchanges through December 28. A total of 31 companies went public in 2018 on the NYSE and NASDAQ, with twelve (12) of the IPOs alone listed in the fourth quarter. This suggests, in part, that the demand for China equity exposure and the opportunity to gain exposure to country-related investment products were unaffected through the end of the year. See Chart 2.



## MONTHLY RESULTS: DECEMBER 2018

### The 31 CHINA COMPANIES THAT LISTED ON U.S. STOCK EXCHANGE IN 2018

Trade Date	Issuer	Symbol	Lead/ Join-Lead Managers
2/8/2018	Huami Corporation	HMI	Credit Suisse/ Citigroup/ China Renaissance
3/16/2018	Senmiao Technology	AIHS	ViewTrade Securities
3/20/2018	Golden Bull	DNJR	ViewTrade Securities
3/23/2018	Sunlands Online Education Group	STG	Goldman Sachs (Asia)/ J.P. Morgan/ Credit Suisse
3/27/2018	GreenTree Hospitality Group	GHG	Morgan Stanley/ BofA Merrill Lynch/ UBS Securities
3/28/2018	Bilibili	BILI	Morgan Stanley/ BofA Merrill Lynch/ J.P. Morgan
3/29/2018	iQIYI	IQ	Goldman Sachs (Asia)/ Credit Suisse/ BofA Merrill Lynch
5/11/2018	HUYA	HUYA	Credit Suisse/ Goldman Sachs (Asia)/ UBS Investment Bank
6/22/2018	Autolus Therapeutics	AUTL	Goldman Sachs/ Jefferies
6/27/2018	Uxin Limited	UXIN	Morgan Stanley/ Goldman Sachs (Asia)/ J.P. Morgan/ CICC/ China Renaissance
7/25/2018	Aurora Mobile Limited	JG	Goldman Sachs (Asia)/ Credit Suisse/ Deutsche Bank Securities
7/26/2018	Cango	CANG	Morgan Stanley/ BofA Merrill Lynch/ Goldman Sachs (Asia)
7/26/2018	Pinduoduo	PDD	Credit Suisse/ Goldman Sachs (Asia)/ CICC
7/27/2018	Endava	DAVA	Morgan Stanley/ Citigroup/ Credit Suisse/ Deutsche Bank Securities
9/12/2018	111, Inc.	YI	J.P. Morgan/ Citigroup/ CICC
9/12/2018	NIO Inc.	NIQ	Morgan Stanley/ Goldman Sachs (Asia)/ J.P. Morgan
9/14/2018	Qutoutiao	QTT	Citigroup/ Deutsche Bank Securities
9/19/2018	X Financial	XYF	Deutsche Bank Securities/ Morgan Stanley
9/26/2018	Viomi Technology	VIOT	Morgan Stanley/ CICC
10/19/2018	Niu Technologies	NIU	Credit Suisse/ Citigroup
10/31/2018	Orchard Rx	ORTX	J.P. Morgan/ Goldman Sachs/ Cowen
11/7/2018	CNFinance Holdings	CNF	Roth Capital Partners/ Shenwan Hogyuan
11/15/2018	Weidai Ltd.	WEI	Morgan Stanley/ Credit Suisse/ Citigroup
11/20/2018	TuanChe Limited	TC	Maxim Group/ AMTD Tiger
12/6/2018	MOGU	MOGO	Morgan Stanley/ Credit Suisse/ China Renaissance Securities
12/12/2018	Tencent Music Entertainment Group (TME)	TME	1Morgan Stanley/ Goldman Sachs (Asia)/ J.P. Morgan/ Deutsche Bank Securities/ BofA Merrill Lynch
12/14/2018	360 Finance	QFIN	Citigroup/Haitong International/AMTD
12/28/2018	Futu Holdings Limited	FHL	Goldman Sachs (Asia)/ UBS Investment Bank/ Credit Suisse
12/28/2018	Stealth Bio Therapeutics	MITO	Jefferies/ Evercore ISI/ BMO Capital Markets
12/27/2018	Fit Boxx Holdings	FBOX	WestPark Capital
12/21/2018	Wealthbridge Acquisition	HHHU	Chardan

Chart 2. Source: CrowdBureau Corporation



## U.S. MARKET

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) includes four (4) publicly listed U.S. peer-to-peer lenders and, one (1) financial institution with a dedicated peer-to-peer lending platform as of the December 31, 2018. While their index weightings vary, each of these firms, with the exception of GreenSky (GSKY), detracted from the performance of the index during the month of December as price returns ranged from a high of 2.79% posted by GreenSky to a low of -24.74% recorded by On Deck Capital, Inc. (ONDK). See Chart 3.

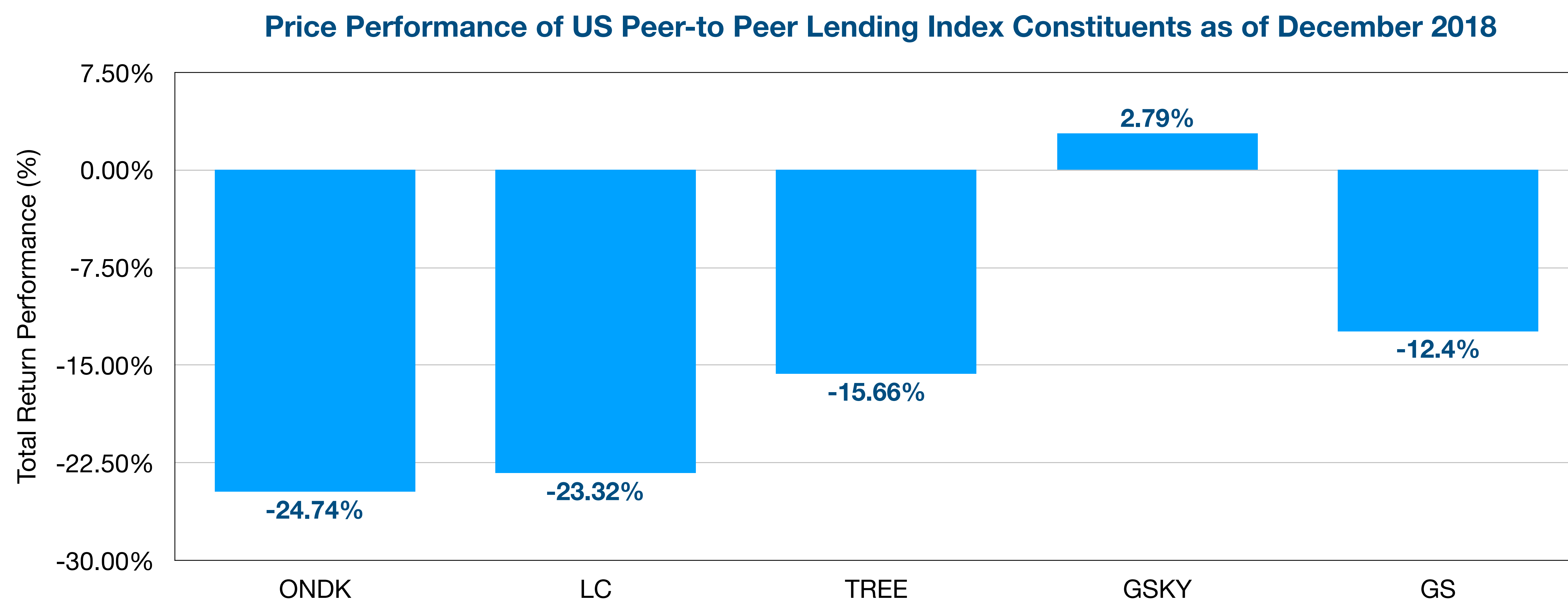


Chart 3. Source: CrowdBureau Corporation

## CHINA MARKET

Throughout the month of December, China regulatory authorities pressed down harder on the peer-to-peer lending platforms. Announcements that Yidai was closing and Xinhehui deciding to wind-down operations unnerved some of the industry. In the case of Yidai, the authorities banned the company's directors and shareholders from leaving the country until the repayment terms to investors have been met. Regulatory changes are meant to curb behavior toward bad actors and provide investor protections. Currently, sentiment remains strong that this industry is here to stay and will be better positioned once regulatory mandates are followed. That said, listings on U.S. stock exchanges from China peer-to-peer platforms is strong, the Index, which offers exposure to the peer-to-peer lending and securities based crowdfunding ecosystem through U.S. listed public companies, consists of 34 firms in total, including 14 peer-to-peer lending platforms operating in the U.S. and China, prior to the Q4 2018 rebalance and reconstitution of the Index. See Chart 4.

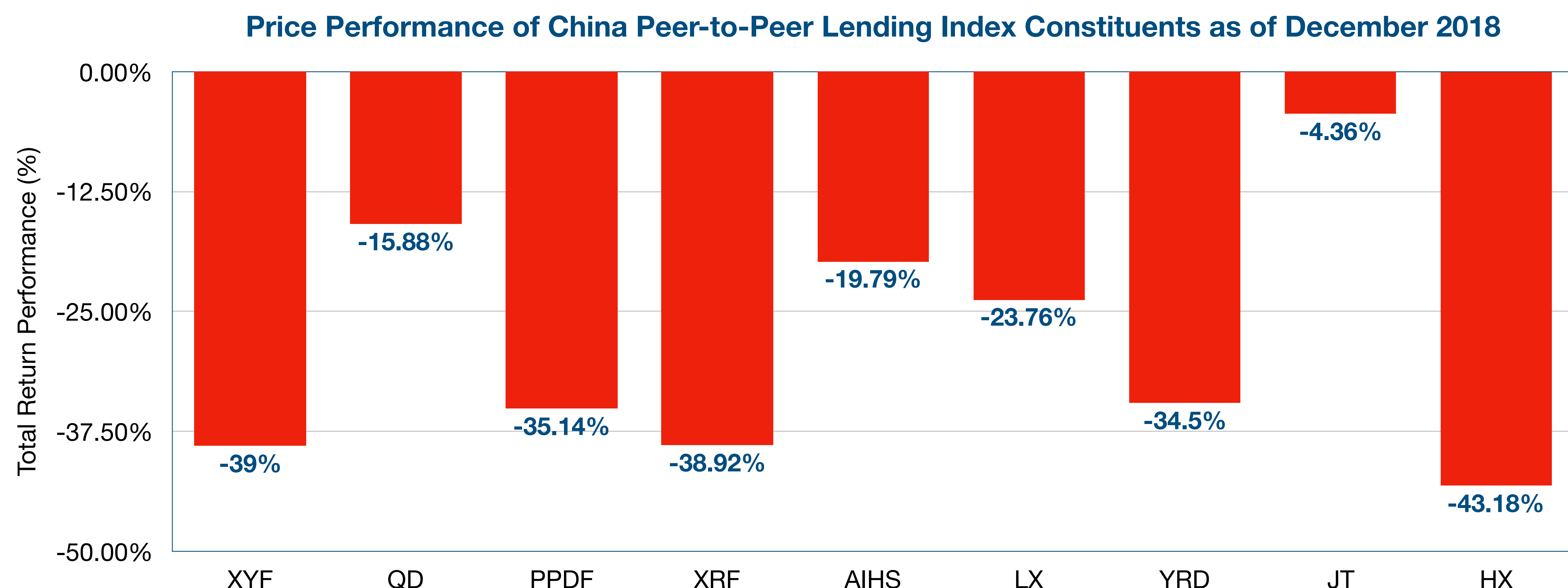


Chart 4. Source: CrowdBureau Corporation



## DECEMBER 2018 MONTHLY RESEARCH REPORT

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### ABOUT CROWDBUREAU CORPORATION

CrowdBureau Corporation research-based indexes and analytics seeks to help market players understand and manage better alternative asset classes in peer-to-peer lending and securities crowdfunding. Clients rely on our offerings for deeper insights into the drivers of performance and risk indicators for their decision making, through our global peer-to-peer lending asset class coverage using a series of benchmarks and innovative research. Our line of products and services includes indexes, asset and risk management tools, analytical models, data, peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate loans, student loans, automobile loans, agriculture loans, renewable energy, and lifestyle loans “other”. CrowdBureau Corporations serves money managers, banks, insurance companies, traders, retail and institutional investors, and universities.

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