

April 1 - 5, 2019 Weekly Index Research Update

Starting the second quarter, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index climbs steadily higher to 6.63% for the week ending April 5, 2019

Starting the second quarter on a strong upward trajectory, the revised and rebalanced CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) climbed 6.63% for the week ended April 5, 2019. This one-week increase was more than enough to erase the -3.02% decline recorded during the month of March and, in the process, it advanced the year-to-date total return performance of the Index to 40.81%.

The broader equity markets achieved steady gains while bond prices dropped. The S&P 500 advanced to 2,892.74, up 2.06%, while the Nasdaq Composite jumped to 7,938.69, up 2.91%. At the same time, the Dow Jones Industrial Average ended the week at 26,424.99, for a gain of 1.91%. The two-year Treasury yield ended the first five trading days of the month at 2.34% and the 10-year Treasury yield settled at 2.50%, up 9 basis points from 2.41%.

Stocks surged higher as a buoyant March 2019 jobs report helped to overcome February's weak statistics and economic uncertainty. In the U.S. hiring increased in most major segments of the economy, gaining a total 196K jobs in March and beating the anticipated consensus reports of 179K. The unemployment rate held steady at 3.8%. Whereas the February jobs report was below par, it saw an upward revision to 33K jobs for the month, up from 20K. Sentiment remained positive as trade talks progressed between President Donald Trump and Chinese Vice Premier Liu He's at their meeting Thursday evening.

As of quarter-end, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) was revised and rebalanced based on data as of March 22, 2019. NASDAQ listed 360 Finance, Inc. (QFIN) was added as a new constituent to the Peer-to-Peer Lending and Equity Crowdfunding Platforms (P2P) segment. 360 Finance, Inc. operates a digital consumer finance platform in China, providing online consumer finance products to prime and underserved borrowers. The company was founded in 2016 and is headquartered in Shanghai, China. At the same time, Experian (EXPGY), an OTC listed firm, was removed from the Index. Hereafter, OTC listed securities will not be eligible for inclusion in the Index. Effective as of April 1, 2019 the Index will track 35 firms versus 36 prior to the revisions.

The performance of the Index for the week was buoyed by the strong results achieved across the underlying constituents, three of which gained more than 10% each. These were Lexin Fintech (LX), PaiPaiDai (PPDF) and Senmiao Technology (AIHS). Several decliners had a limited impact on the week's final results, including a marginal -0.37% posted by OnDeck (ONDK). The US-based marketplace lender announced the completion of its acquisition of Canadian firm Evolocity Financial Group (Evolocity), a Montréal-based online small business lender. The acquisition was reported to allow OnDeck to fund and debit customer bank accounts with same day ACH transfers that will eliminate a pain point for small business owners by reducing processing time and adding to transaction transparency. So far this year, this represents the only cross-border merger and acquisition transaction involving a company operating in the P2P segment.

Several other Index member firms in the provider of technology and software solutions segments (T&S) expanded their reach by executing cross border merger and acquisition transactions intended to strengthen their business models and spread their footprint. Additional examples of transactions that have occurred thus far in 2019 include acquisitions by First Data Corp. (FDC) of a German-based company, avCash, and Software Express, a Brazil-based leader in electronic fund transfers (EFT), Fair Isaac Corporation's (FICO) purchase of Conductor that also spreads the firm's reach into Brazil and World Pay's (WP) decision to move into the Asia Pacific region of Australia and New Zealand.

(See the Table of the Week)

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Table of the Week: Examples of 1Q 2019 cross-border merger and acquisition transactions involving CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Constituents

Index constituent	Index segment	Base country of operation	Business acquisition/ merger	Geographic location
Ondeck (ONDK)	P2P	New York, USA	Evolocity Financial Group (Evolocity) (04/02/2019)	Canada
First Data Corp. (FDC)	T&S	Atlanta, USA	ayCash, cashless payment terminals and digital merchant services (03/21/2019)	Germany
First Data Corp. (FDC)	T&S	Atlanta, USA	Software Express, Brazil-based leader in EFT (03/12/2019)	Brazil
Fair Isaac Corporation (FICO)	T&S	California, USA	Conductor, Brazilian company specializing in electronic payments. (01/15/2019)	Brazil
World Pay (WP)	T&S	Ohio, USA	Opening of two sales offices in Australia; the second is the expansion of its global footprint to New Zealand after obtaining a local license for acquiring card payments. (03/27/2019)	Australia and New Zealand

Source: CrowdBureau Corporation

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 based 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 a centralized database with indexes, analytical models, data, a peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate, student automobile loans, agriculture and other. CrowdBureau Corporation serves money managers, banks, insurance companies, traders and universities. For more information, visit us at <https://www.crowdbureau.com>

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