

ORCHARDWAY P2P CREDIT FUND LIMITED
(A CAYMAN ISLANDS EXEMPTED COMPANY)
REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED DECEMBER 31, 2016

OrchardWay P2P Credit Fund Ltd

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OrchardWay P2P Credit Fund Ltd

General Information

Master Fund

HCG Digital Finance LP
4208 Six Forks Road, #1000,
Raleigh, North Carolina 27609

Administrator

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

AIFM

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

DMS Corporate Services Ltd
DMS House, 20 Genesis Close
P.O. Box 1344
Grand Cayman KY1-1108
Cayman Islands

Cayman Counsel to the Fund

Conyers Dill and Pearman (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681
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

Deloitte & Touche
One Capital Place
P.O. Box 1787
Grand Cayman, KY1-1109
Cayman Islands

Directors

Dawn Cummings
(Independent)
September 22, 2015 – Current

Jason Fitzgerald
(Independent)
February 19, 2015 – Current

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ORCHARDWAY P2P CREDIT FUND LTD

We have audited the non-statutory financial statements of OrchardWay P2P Credit Fund Ltd (the 'Company') for the year ended December 31, 2016 which comprise the statement of assets and liabilities, the statement of operations, the statement of changes in net assets, the statement of cash flows and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is accounting principles generally accepted in the United States of America.

This report is made solely for the exclusive use of the directors and solely for the purpose of showing the results of management's stewardship of the resources entrusted to them. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.

Respective responsibilities of directors and auditor

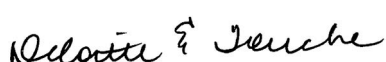
The directors are responsible for the preparation of the financial statements and for being satisfied that they present fairly, in all material respects, the state of affairs of the Company and the operations of the Company for the year. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements of the OrchardWay P2P Credit Fund Ltd present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and the results of its operations and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



June 30, 2017

OrchardWay P2P Credit Fund Ltd.
Statement of Assets and Liabilities
December 31, 2016

	US\$
<i>Assets</i>	
Investment in HCG Digital Finance, L.P., at fair value	\$ 87,751,083
Cash and cash equivalents	3,575,807
Subscriptions in advance to HCG Digital Finance LP	1,600,000
Redemptions receivable from HCG Digital Finance LP	2,600,000
Other assets	141,099
Total Assets	95,667,989
<i>Liabilities</i>	
Subscriptions received in advance	\$ 4,475,015
Redemptions payable	390,272
Management fees payable	210,955
Performance fee payable	89,013
Administration fees payable	3,169
Accrued expenses	4,892
Total Liabilities	5,173,316
Net Assets	\$ 90,494,673
<i>Net assets are comprised of:</i>	
Investor Capital / Share Capital	85,466,509
Retained Earnings	5,028,164
Total Equity	\$ 90,494,673

<u>Share Class</u>	<u>Shares outstanding</u>	<u>Net asset value per share</u>
CHF 2015 03	5,365	CHF 1,105.47
CHF 2016 01	150	CHF 1,055.14
CHF 2016 05	530	CHF 1,035.05
CHF 2016 07	280	CHF 1,028.50
CHF 2016 08	75	CHF 1,012.86
CHF 2016 10	500	CHF 1,005.59
CHF 2016 11	100	CHF 1,001.58
CHF 2016 12	50	CHF 997.37
EUR 2015 03	7,531	€ 1,121.02
EUR 2016 01	1,100	€ 1,061.27
EUR 2016 02	650	€ 1,055.11
EUR 2016 03	230	€ 1,051.59
EUR 2016 04	510	€ 1,045.93
EUR 2016 07	180	€ 1,031.31
EUR 2016 09	300	€ 1,010.93
EUR 2016 11	1,620	€ 1,001.99
EUR 2016 12	400	€ 997.71

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 Assets and Liabilities (continued)
December 31, 2016

<u>Share Class</u>	<u>Shares outsanding</u>		<u>Net asset value per share</u>
GBP 2015 04	780	£	1,127.41
GBP 2016 02	70	£	1,062.47
GBP 2016 03	130	£	1,056.09
GBP 2016 04	100	£	1,049.83
GBP 2016 05	557	£	1,043.67
GBP 2016 06	100	£	1,036.54
GBP 2016 07	100	£	1,039.20
GBP 2016 10	500	£	1,008.36
GBP 2016 11	210	£	1,003.71
USD 2015 03	27,933	\$	1,149.98
USD 2016 01	3,143	\$	1,079.87
USD 2016 02	2,600	\$	1,072.76
USD 2016 03	1,073	\$	1,065.62
USD 2016 04	1,900	\$	1,058.45
USD 2016 05	1,755	\$	1,051.76
USD 2016 06	2,950	\$	1,044.24
USD 2016 07	3,220	\$	1,044.24
USD 2016 08	2,860	\$	1,024.80
USD 2016 09	2,150	\$	1,018.69
USD 2016 10	475	\$	1,012.74
USD 2016 11	8,298	\$	1,006.70
USD 2016 12	1,892	\$	1,000.00

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 Operations
For the year ended December 31, 2016

	US\$
<i>Investment income allocated from HCG Digital Finance LP</i>	
Interest income	\$ 11,847,181
Total investment income	<u>\$ 11,847,181</u>
<i>Expenses allocated from HCG Digital Finance LP</i>	
Management fees	\$ 1,200,917
Performance fees	489,356
Interest expense	1,186,465
Professional and other expenses	1,131,998
Total expenses	<u>\$ 4,008,736</u>
<i>Net investment income allocated from HCG Digital Finance LP</i>	<u>\$ 7,838,445</u>
Interest income	\$ 16
Other income	17
Management fees	(201,297)
Organization fees	(131,430)
Performance fees	(86,594)
Professional fees and other expenses	(73,086)
Administration fees	(33,729)
Director fees	(18,746)
Bank fees	(8,396)
Interest expense	(505)
<i>Total Fund income (expenses)</i>	<u>\$ (553,750)</u>
<i>Net investment income</i>	<u>\$ 7,284,695</u>
<i>Net realized and net change in unrealized appreciation on investments allocated from HCG Digital Finance LP</i>	
Net realized loss on investments	\$ (1,172,195)
Net change in unrealized appreciation on investments	65,399
Net realized loss on foreign currency transactions	(1,336,855)
Net change in unrealized depreciation from foreign currency transactions	(380,695)
Net realized loss on derivatives	<u>(203,108)</u>
<i>Total realized and net change in unrealized depreciation on investments</i>	<u>(3,027,454)</u>
Provision for income taxes allocated from HCG Digital Finance LP	<u>\$ 348,695</u>
<i>Net increase in net assets resulting from operations</i>	<u><u>\$ 3,908,546</u></u>

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 year ended December 31, 2016

	US\$
<i>Net increase in net assets resulting from operations</i>	
Net investment income	\$ 7,284,695
<i>Net realized and net change in unrealized appreciation on investments allocated from HCG Digital Finance LP</i>	
Net realized loss on investments	\$ (1,172,195)
Net change in unrealized appreciation on investments	65,399
Net realized loss on foreign currency transactions	(1,336,855)
Net change in unrealized depreciation from foreign currency transactions	(380,695)
Net realized loss on derivatives	(203,108)
	<hr/>
<i>Total realized and net change in unrealized appreciation on investments</i>	4,257,241
Provision for income taxes allocated from HCG Digital Finance LP	\$ (348,695)
<i>Net increase in net assets resulting from operations</i>	<hr/> \$ 3,908,546
 <i>Increase in net assets resulting from capital transactions</i>	
Proceeds from issue of shares	\$ 64,437,830
Payments on redemption of shares	(33,231,081)
<i>Net increase in assets resulting from capital transactions</i>	<hr/> 31,206,749
 <i>Total increase in net assets</i>	 \$ 35,115,295
 <i>Net assets at beginning of the year</i>	 <hr/> 55,379,378
 <i>Net assets at the end of the year</i>	 <hr/> \$ 90,494,673 <hr/>

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 year ended December 31, 2016

US\$

Cash flows from operating activities

Net increase in net assets resulting from operations \$ 3,908,546

Adjustments to reconcile net income to net cash used in operating activities:

Net income allocated from HCG Digital Finance, L.P. (6,382,954)

Contributions to HCG Digital Finance, L.P. (50,089,437)

Withdrawals from HCG Digital Finance, L.P. 11,438,117

Increase in other assets (52,318)

Increase in management fees payable 201,297

Increase in performance fees payable 86,594

Increase in administration fees payable 809

Decrease in accrued expenses (18,051)

Net cash flows used in operating activities (44,815,943)

Cash flows from financing activities

Proceeds from issue of shares, net of change in subscriptions received in advance 64,265,724

Decrease in subscription in advance to HCG Digital Finance LP 9,700,000

Payments on redemptions of shares, net of change in redemptions payable (32,840,809)

Increase in redemptions receivable from HCG Digital Finance LP (2,600,000)

Net cash provided by financing activities 38,524,915

Net increase in cash (2,382,482)

Cash and cash equivalents, beginning of year 5,958,289

Cash and cash equivalents, end of year \$ 3,575,807

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.
Notes to Financial Statements
For the year ended December 31, 2016

1. Organization

OrchardWay P2P Lending Fund Ltd was formed on February 19, 2015. By special resolution dated July 10, 2015 it 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, 2016, the Fund had a 75.48% 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.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“US GAAP”). The financial statements are expressed in US dollars. The Fund is an investment company in accordance with Accounting Standards Codification 946, *Financial Services-Investment Companies* (“ASC 946”), which defines investments companies and prescribes specialized accounting and reporting requirements for investment companies.

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. The adoption of this guidance did not have a material impact on the financial statements.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

2. Significant Accounting Policies (continued)

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This standard amends the existing guidance to require that debt issuance costs be presented in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. In August 2015, the FASB issued ASU 2015-15, *Interest-Imputation of Interest (Subtopic 835-30)*. This ASU provides additional guidance to ASU 2015-03 with respect to line of credit arrangements, where by specify debt issuance cost as part of line-of-credit arrangements may continue to be deferred and presented as an asset on the balance sheet. Recognition and measurement guidance for debt issuance costs are not affected. The Fund adopted the guidance in ASU's 2015-03 and 2015-15 during 2016. The adoption of this guidance did not have an impact on the financial statements.

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 (75.48% as of December 31, 2016).

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.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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, 2016, 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.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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, 2016, 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, 2016. As of December 31, 2016, the Fund had subscriptions received in advance of \$4,475,015.

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 must be delivered to the General Partner and the Administrator within at least five business days prior to the last day of any month. The Fund records a redemption payable at the end of the respective month. The redemption is processed based on the net asset value determined as of the redemption date.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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 (the “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 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 re-designated for this purpose.

The Fund currently has offering of USD Class Shares (“USD Class Shares”), Euro Class Shares (“Euro Class Shares), GBP 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 Management Shares do not participate in the profits or losses of the Fund and are not redeemable. All of the Management 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 year ended December 31, 2016

3. Share Capital (continued)

Share capital transactions for the year ended December 31, 2016 were as follows:

<u>Share Class/Series</u>	<u>Beginning shares</u>	<u>Shares transfers/ conversions</u>	<u>Shares issued during the year</u>	<u>Shares redeemed during the year</u>	<u>Shares outstanding at end of year</u>
CHF 2015 03	880.00	4,580.96	-	(96.19)	5,364.77
CHF 2015 04	710.00	(710.00)	-	-	-
CHF 2015 05	70.00	(70.00)	-	-	-
CHF 2015 06	1,075.00	(1,075.00)	-	-	-
CHF 2015 07	250.00	(250.00)	-	-	-
CHF 2015 08	1,775.00	(1,775.00)	-	-	-
CHF 2015 09	650.00	(650.00)	-	-	-
CHF 2015 10	50.00	(50.00)	-	-	-
CHF 2015 11	100.00	(100.00)	-	-	-
CHF 2016 01	-	-	150.00	-	150.00
CHF 2016 05	-	-	530.00	-	530.00
CHF 2016 07	-	-	280.00	-	280.00
CHF 2016 08	-	-	75.00	-	75.00
CHF 2016 10	-	-	500.00	-	500.00
CHF 2016 11	-	-	100.00	-	100.00
CHF 2016 12	-	-	50.00	-	50.00
	<u>5,560.00</u>	<u>(99.04)</u>	<u>1,685.00</u>	<u>(96.19)</u>	<u>7,049.77</u>
EUR 2015 03	840.00	6,738.89	-	(48.05)	7,530.84
EUR 2015 04	3,620.00	(3,620.00)	-	-	-
EUR 2015 05	670.00	-	-	(670.00)	-
EUR 2015 06	300.00	(300.00)	-	-	-
EUR 2015 08	1,085.00	(875.00)	-	(210.00)	-
EUR 2015 09	100.00	(100.00)	-	-	-
EUR 2015 10	50.00	(50.00)	-	-	-
EUR 2015 11	525.00	(525.00)	-	-	-
EUR 2015 12	1,420.00	(1,420.00)	-	-	-
EUR 2016 01	-	-	1,100.00	-	1,100.00
EUR 2016 02	-	-	750.00	(100.00)	650.00
EUR 2016 03	-	-	230.00	-	230.00
EUR 2016 04	-	-	510.00	-	510.00
EUR 2016 07	-	-	180.00	-	180.00
EUR 2016 09	-	-	300.00	-	300.00
EUR 2016 11	-	-	1,620.00	-	1,620.00
EUR 2016 12	-	-	400.00	-	400.00
	<u>8,610.00</u>	<u>(151.11)</u>	<u>5,090.00</u>	<u>(1,028.05)</u>	<u>12,520.84</u>

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

3. Share Capital (continued)

<u>Share Class/Series</u>	<u>Beginning shares</u>	<u>Shares transfers/ conversions</u>	<u>Shares issued during the year</u>	<u>Shares redeemed during the year</u>	<u>Shares outstanding at end of year</u>
GBP 2015 04	110.00	841.92	-	(171.94)	779.98
GBP 2015 05	250.00	(250.00)	-	-	-
GBP 2015 06	175.00	(175.00)	-	-	-
GBP 2015 07	65.00	(65.00)	-	-	-
GBP 2015 08	115.00	(115.00)	-	-	-
GBP 2015 11	55.00	(55.00)	-	-	-
GBP 2015 12	200.00	(200.00)	-	-	-
GBP 2016 02	-	-	70.00	-	70.00
GBP 2016 03	-	-	130.00	-	130.00
GBP 2016 04	-	-	100.00	-	100.00
GBP 2016 05	-	-	556.60	-	556.60
GBP 2016 06	-	-	100.00	-	100.00
GBP 2016 07	-	-	100.00	-	100.00
GBP 2016 10	-	-	500.00	-	500.00
GBP 2016 11	-	-	210.00	-	210.00
	<u>970.00</u>	<u>(18.08)</u>	<u>1,766.60</u>	<u>(171.94)</u>	<u>2,546.58</u>
USD 2015 03	2,755.00	33,591.86	-	(8,413.80)	27,933.06
USD 2015 04	3,910.00	(3,910.00)	-	-	-
USD 2015 05	3,413.00	(3,413.00)	-	-	-
USD 2015 06	2,470.00	(2,470.00)	-	-	-
USD 2015 07	1,675.00	(1,675.00)	-	-	-
USD 2015 08	2,712.00	(2,712.00)	-	-	-
USD 2015 09	2,880.00	(2,880.00)	-	-	-
USD 2015 10	4,405.00	(4,405.00)	-	-	-
USD 2015 11	4,420.00	(4,420.00)	-	-	-
USD 2015 12	9,000.00	(9,000.00)	-	-	-
USD 2016 01	-	-	3,493.00	(350.00)	3,143.00
USD 2016 02	-	-	3,100.00	(500.00)	2,600.00
USD 2016 03	-	-	1,073.00	-	1,073.00
USD 2016 04	-	-	2,000.00	(100.00)	1,900.00
USD 2016 05	-	-	1,905.00	(150.00)	1,755.00
USD 2016 06	-	-	2,950.00	-	2,950.00
USD 2016 07	-	-	3,220.00	-	3,220.00
USD 2016 08	-	-	2,910.00	(50.00)	2,860.00
USD 2016 09	-	-	2,150.00	-	2,150.00
USD 2016 10	-	-	475.00	-	475.00
USD 2016 11	-	-	8,298.00	-	8,298.00
USD 2016 12	-	-	1,891.74	-	1,891.74
	<u>37,640.00</u>	<u>(1,293.14)</u>	<u>33,465.74</u>	<u>(9,563.80)</u>	<u>60,248.80</u>

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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 ended December 31, 2016, the Master Fund allocated \$1,200,917 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 year ended December 31, 2016, the Master Fund allocated \$489,356 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 in the 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 year ended December 31, 2016, the Fund incurred management fees of \$201,297 and performance fees of \$86,594, all of which remained payable at December 31, 2016.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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 year ended December 31, 2016 the Master Fund allocated administration fees to the Fund and the Fund incurred directly administrative fees of \$33,729 of which \$3,169 remained payable at December 31, 2016.

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 year ended December 31, 2016 the independent directors were paid fees totaling US\$18,746.

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.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

8. Financial Highlights

The financial highlights disclosed below are for the year ended December 31, 2016 are as follows:

Per Share Operating Performance	Share Class CHF	Share Class EUR	Share Class GBP	Share Class USD
<u>Per share operating performance</u>				
Net asset value per share	CHF 1,040.97	€ 1,049.68	£ 1,046.85	\$ 1,058.27
<u>Net increase in net assets resulting from operations</u>				
Net investment gain	87.43	96.38	119.26	92.17
Net realized and unrealized gain (loss) on investments	(22.93)	(25.04)	(38.70)	(0.46)
Net increase in net assets resulting from operations	<u>64.50</u>	<u>71.34</u>	<u>80.56</u>	<u>91.71</u>
Net asset value at end of period	CHF <u>1,105.47</u>	€ <u>1,121.02</u>	£ <u>1,127.41</u>	\$ <u>1,149.98</u>
<u>Total Return</u>				
Total return before performance fee	6.32 %	6.93 %	7.87 %	8.80 %
Performance fee	(0.12)	(0.13)	(0.17)	(0.13)
Total return after performance fee	<u>6.20 %</u>	<u>6.80 %</u>	<u>7.70 %</u>	<u>8.67 %</u>
<u>Ratio to Average Shareholders' Capital</u>				
Expenses before performance fee	0.65 %	0.71 %	0.88 %	0.65 %
Performance fee	0.12	0.13	0.16	0.12
Total expense and performance fee	<u>0.77 %</u>	<u>0.84 %</u>	<u>1.04 %</u>	<u>0.77 %</u>
Net investment income	<u>8.22 %</u>	<u>8.96 %</u>	<u>11.07 %</u>	<u>8.44 %</u>

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.

OrchardWay P2P Credit Fund Ltd.
Notes to Financial Statements
For the year ended December 31, 2016

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 June 30, 2017, 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.

**OrchardWay P2P Credit Fund Ltd.
Supplementary Disclosure - Unaudited
For the year ended December 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 2016, the total of the remunerations paid by the AIFM to its staff was the following:

- Fixed remuneration : EUR 697,069.44
- Variable remuneration : EUR 15,911.00

Eleven 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 494,875.86
- Staff members : EUR 218,104.58

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 48.669,22. 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.