

ORCHARDWAY P2P CREDIT FUND LIMITED  
(A CAYMAN ISLANDS EXEMPTED COMPANY)  
REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2018

# OrchardWay P2P Credit Fund Limited

## Contents

General Information	1
Independent Auditors' Report	2
Statement of Assets and Liabilities	4-5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9-21
Appendix: Report and Consolidated Financial Statements of HCG Digital Finance LP	

# OrchardWay P2P Credit Fund Limited

## General Information

### Master Fund

HCG Digital Finance LP  
133 Fayetteville Street, Suite 300  
Raleigh, North Carolina 27601

### AIFM

Duff & Phelps (Luxembourg) Management  
Company S.à.r.l.  
1, rue Jean Piret, L-2350 Luxembourg

### Bank

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

### Registered Office

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

### US Counsel to the Fund

Seward & Kissel LLP  
One Battery Park Plaza  
New York, NY 10004

### Directors

Dawn Cummings  
(Independent)  
September 22, 2015 – August 27, 2018

Nicole Ramroop  
(Independent)  
August 27, 2018 – Current

### Administrator

SS&C Technologies, Inc.  
80 Lambertson Road  
Windsor, Connecticut 06095

### Portfolio Manager

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

### Depository

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

### 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

### Auditor to the Fund

Deloitte & Touche  
One Capital Place  
PO Box 1787  
Grand Cayman, KY1-1109  
Cayman Islands

Jason Fitzgerald  
(Independent)  
February 19, 2015 – August 27, 2018

Riyaz Nooruddin  
(Independent)  
August 27, 2018 - Current

## **INDEPENDENT AUDITORS' REPORT**

The Directors  
OrchardWay P2P Credit Fund Limited

We have audited the accompanying financial statements of OrchardWay P2P Credit Fund Limited (the "Fund"), which comprise the statement of assets and liabilities, as of December 31, 2018, and the related statements of operations, changes in net assets and cash flows for the year then ended, and 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Fund'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 Fund'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 Limited as of December 31, 2018, and the results of its operations, 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.

*Deloitte & Touche*

June 28, 2019

**OrchardWay P2P Credit Fund Limited**  
**Statement of Assets and Liabilities**  
**December 31, 2018**

	US\$
<i>Assets</i>	
Investment in HCG Digital Finance LP at fair value	\$ 166,863,323
Cash and cash equivalents	4,834,812
Redemptions receivable from HCG Digital Finance LP	4,877,685
Other assets	54,568
<b>Total Assets</b>	<b>176,630,388</b>
<i>Liabilities</i>	
Subscriptions received in advance	\$ 2,181,906
Redemptions payable	4,871,143
Management fees payable	207,758
Performance fee payable	141,404
Accrued expenses	36,115
<b>Total Liabilities</b>	<b>7,438,326</b>
<b>Net Assets</b>	<b>\$ 169,192,062</b>
<i>Net assets are comprised of:</i>	
Investor Capital / Share Capital	148,046,999
Retained Earnings	21,145,063
<b>Total Equity</b>	<b>\$ 169,192,062</b>

<u>Share Class</u>	<u>Shares outstanding</u>	<u>Net asset value per share</u>
CHF 2015 03	7,345.14	CHF 1,163.64
CHF 2018 01	280.00	CHF 1,017.92
CHF 2018 02	265.00	CHF 1,015.04
CHF 2018 03	225.00	CHF 1,013.10
CHF 2018 04	840.00	CHF 1,011.70
CHF 2018 05	307.00	CHF 1,010.22
CHF 2018 06	250.00	CHF 1,008.92
CHF 2018 07	345.00	CHF 1,007.19
CHF 2018 08	85.00	CHF 1,005.89
CHF 2018 11	115.00	CHF 1,001.83
CHF 2018 12	920.00	CHF 996.67

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 Limited**  
**Statement of Assets and Liabilities (continued)**  
**December 31, 2018**

<u>Share Class</u>	<u>Shares outstanding</u>		<u>Net asset value per share</u>
EUR 2015 03	14,966.66	€	1,196.49
EUR 2018 01	225.00	€	1,026.46
EUR 2018 02	720.00	€	1,022.55
EUR 2018 03	1,641.00	€	1,020.17
EUR 2018 04	1,890.01	€	1,018.13
EUR 2018 05	249.99	€	1,015.67
EUR 2018 06	375.00	€	1,013.82
EUR 2018 07	374.99	€	1,011.54
EUR 2018 08	150.00	€	1,009.47
EUR 2018 09	75.00	€	1,008.92
EUR 2018 10	265.00	€	1,004.94
EUR 2018 11	750.00	€	1,002.76
EUR 2018 12	545.00	€	997.25
GBP 2015 04	3,968.17	£	1,224.70
GBP 2018 02	430.00	£	1,032.97
GBP 2018 04	160.00	£	1,026.73
GBP 2018 05	280.00	£	1,022.91
GBP 2018 12	600.00	£	998.01
USD 2015 03	72,948.34	\$	1,306.65
USD 2018 01	945.00	\$	1,061.83
USD 2018 02	2,700.00	\$	1,055.81
USD 2018 03	1,182.00	\$	1,050.65
USD 2018 04	1,555.00	\$	1,045.67
USD 2018 05	1,656.57	\$	1,040.14
USD 2018 06	4,405.60	\$	1,034.88
USD 2018 07	805.00	\$	1,029.42
USD 2018 08	1,885.00	\$	1,024.12
USD 2018 09	4,491.00	\$	1,019.10
USD 2018 10	1,408.00	\$	1,014.05
USD 2018 11	1,490.00	\$	1,008.94
USD 2018 12	1,555.00	\$	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 Limited**  
**Statement of Operations**  
**For the year ended December 31, 2018**

	US\$
<b><i>Investment income allocated from HCG Digital Finance LP</i></b>	
Interest income	\$ 48,013,356
Total investment income	<u>\$ 48,013,356</u>
<b><i>Expenses allocated from HCG Digital Finance LP</i></b>	
Management fees	\$ 2,333,041
Performance fees	442,791
Interest expense	8,119,967
Professional and other expenses	4,171,006
Total expenses	<u>\$ 15,066,805</u>
<b>Net investment income allocated from HCG Digital Finance LP</b>	<u>\$ 32,946,551</u>
Interest income	\$ 2,406
Management fees	(768,624)
Organization fees	(67,617)
Performance fees	(141,404)
Professional fees and other expenses	(294,161)
Administration fees	(44,534)
Director fees	(19,912)
Bank fees	(8,325)
Interest expense	(1,461)
<b>Net Fund income (expenses)</b>	<u>\$ (1,343,632)</u>
<b>Net investment income</b>	\$ 31,602,919
<b><i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on investments allocated from HCG Digital Finance LP</i></b>	
Net realized loss on investments	\$ (23,705,494)
Net change in unrealized appreciation on investments	2,303,083
<b>Net realized loss and net change in unrealized appreciation / (depreciation) on investments allocated from HCG Digital Finance LP</b>	<u>(21,402,411)</u>
<b><i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations</i></b>	
Net realized loss on foreign currency transactions	\$ (3,380,448)
Net change in unrealized appreciation on foreign currency translation	15,934
<b>Net realized loss and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations</b>	<u>(3,364,514)</u>
Provision for income taxes allocated from HCG Digital Finance LP	<u>\$ 9,375</u>
<b>Net increase in net assets resulting from operations</b>	<u><u>\$ 6,826,619</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 Limited**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2018**

	US\$
<i>Net increase in net assets resulting from operations</i>	
Net investment income	\$ 31,602,919
<i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on investments allocated from HCG Digital Finance LP</i>	
Net realized loss on investments	\$ (23,705,494)
Net change in unrealized appreciation on investments	2,303,083
<i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations</i>	
Net realized loss on foreign currency transactions	(3,380,448)
Net change in unrealized appreciation on foreign currency translation	15,934
Provision for income taxes allocated from HCG Digital Finance LP	(9,375)
<i>Net increase in net assets resulting from operations</i>	<u>6,826,619</u>
<i>Increase in net assets resulting from capital transactions</i>	
Issue of shares	\$ 39,927,765
Redemption of shares	(21,317,544)
<i>Net increase in net assets resulting from capital transactions</i>	<u>18,610,221</u>
<i>Total increase in net assets</i>	\$ 25,436,840
<i>Net assets at beginning of the year</i>	<u>143,755,222</u>
<i>Net assets at the end of the year</i>	<u><u>\$ 169,192,062</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 Limited**  
**Statement of Cash Flows**  
**For the year ended December 31, 2018**

	US\$
<i>Cash flows from operating activities</i>	
Net increase in net assets resulting from operations	\$ <u>6,826,619</u>
<i>Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:</i>	
Net income allocated from HCG Digital Finance, L.P.	(11,534,765)
Contributions to HCG Digital Finance, L.P.	(48,199,313)
Withdrawals from HCG Digital Finance, L.P.	24,441,097
Decrease in subscription in advance to HCG Digital Finance LP	9,500,000
Decrease in redemptions receivable from HCG Digital Finance LP	612,315
Decrease in other assets	38,523
Increase in management fees payable	48,094
Increase in performance fees payable	103,307
Increase in accrued expenses	27,897
<i>Net cash flows used in operating activities</i>	<u>(24,962,845)</u>
<i>Cash flows from financing activities</i>	
Proceeds from issue of shares, net of change in subscriptions received in advance	38,929,348
Payments on redemptions of shares, net of change in redemptions payable	(20,212,080)
<i>Net cash provided by financing activities</i>	<u>18,717,268</u>
<i>Net increase in cash</i>	581,042
<i>Cash and cash equivalents, beginning of year</i>	4,253,770
<i>Cash and cash equivalents, end of year</i>	<u>\$ <u>4,834,812</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 Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**1. Organization**

OrchardWay P2P Lending Fund Limited was formed on February 19, 2015. By special resolution dated July 10, 2015 it changed its name to OrchardWay P2P Credit Fund Limited (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, 2018, the Fund had a 67.40% 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 Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**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 Duff & Phelps (Luxembourg) Management Company S.à.r.l. (the “AIFM”) or the portfolio manager, Bedrock Asset Management (UK) Ltd. (the “Portfolio Manager”).

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 of America (“US GAAP”). The financial statements are expressed in United States dollars. The Fund is an investment company in accordance with Accounting Standards Codification 946, Financial Services-Investment Companies (“ASC 946”), which defines investment 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.

**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 (67.40% as of December 31, 2018).

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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**2. Significant Accounting Policies (continued)**

**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.

**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, 2018, 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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**2. Significant Accounting Policies (continued)**

**Income Taxes (continued)**

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.

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, 2018, 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, 2018. As of December 31, 2018, the Fund had subscriptions received in advance of \$2,181,906.

**Organizational costs**

Pursuant to the terms of the Private Placement Memorandum, the Fund amortizes organizational costs over a period of thirty-six (36) months. For the year ended December 31, 2018, an amount of \$67,617 of costs were amortized.

**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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**2. Significant Accounting Policies (continued)**

**Redemptions payable (continued)**

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. As of December 31, 2018, the Fund had redemptions payable of \$4,871,143.

**3. Share Capital**

The Fund's 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 is offering 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 United States 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 United States dollars at the relevant exchange rate obtained by the Fund on the relevant date, prior to investment by the Fund. Redemptions of Shares in the Fund will be at the same intervals and subject to the same terms and conditions as withdrawals of capital from the Master Fund. Shareholders may redeem by providing to the General Partner a written redemption request notice at least five business days prior to the last day of any month. Redemption amounts are converted from United States dollars at the relevant exchange rate obtained by the Fund on the relevant date.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**3. Share Capital (continued)**

The Fund may, in the discretion of the AIFM or the Portfolio Manager, seek to hedge the foreign exchange exposure against the United States 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 United States dollar may be adversely affected by currency fluctuations between the United States 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.

Any issued and outstanding series of a class of Shares may be re-designated and converted into the initial issue of that class of Shares (the “Initial Series”) by way of compulsory redemption and issue of the relevant Shares at the end of each fiscal year at the prevailing Net Asset Value per Share of the Initial Series.



**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**3. Share Capital (continued)**

Share capital transactions for the year ended December 31, 2018 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	5,387.32	4,207.38	-	(2,249.56)	7,345.14
CHF 2017 01	170.00	(170.00)	-	-	-
CHF 2017 02	100.00	(100.00)	-	-	-
CHF 2017 03	900.00	(900.00)	-	-	-
CHF 2017 04	160.00	(160.00)	-	-	-
CHF 2017 05	1,060.00	(1,060.00)	-	-	-
CHF 2017 06	500.00	(500.00)	-	-	-
CHF 2017 07	50.00	(50.00)	-	-	-
CHF 2017 11	1,000.00	(1,000.00)	-	-	-
CHF 2017 12	805.00	(805.00)	-	-	-
CHF 2018 01	-	-	280.00	-	280.00
CHF 2018 02	-	-	265.00	-	265.00
CHF 2018 03	-	-	225.00	-	225.00
CHF 2018 04	-	-	840.00	-	840.00
CHF 2018 05	-	-	307.00	-	307.00
CHF 2018 06	-	-	250.00	-	250.00
CHF 2018 07	-	-	345.00	-	345.00
CHF 2018 08	-	-	85.00	-	85.00
CHF 2018 11	-	-	115.00	-	115.00
CHF 2018 12	-	-	920.00	-	920.00
	<u>10,132.32</u>	<u>(537.62)</u>	<u>3,632.00</u>	<u>(2,249.56)</u>	<u>10,977.14</u>
EUR 2015 03	11,687.38	3,324.00	2,106.28	(2,151.00)	14,966.66
EUR 2017 02	550.00	(550.00)	-	-	-
EUR 2017 03	70.00	(70.00)	-	-	-
EUR 2017 04	420.00	(420.00)	-	-	-
EUR 2017 06	1,775.00	(1,775.00)	-	-	-
EUR 2017 07	570.00	(570.00)	-	-	-
EUR 2017 08	50.00	(50.00)	-	-	-
EUR 2017 10	65.00	(65.00)	-	-	-
EUR 2017 11	50.00	(50.00)	-	-	-
EUR 2017 12	250.00	(250.00)	-	-	-
EUR 2018 01	-	-	225.00	-	225.00
EUR 2018 02	-	-	720.00	-	720.00
EUR 2018 03	-	-	1,741.00	(100.00)	1,641.00
EUR 2018 04	-	-	1,890.01	-	1,890.01
EUR 2018 05	-	-	249.99	-	249.99
EUR 2018 06	-	-	375.00	-	375.00
EUR 2018 07	-	-	374.99	-	374.99
EUR 2018 08	-	-	150.00	-	150.00
EUR 2018 09	-	-	75.00	-	75.00
EUR 2018 10	-	-	265.00	-	265.00
EUR 2018 11	-	-	750.00	-	750.00
EUR 2018 12	-	-	545.00	-	545.00
	<u>15,487.38</u>	<u>(476.00)</u>	<u>9,467.27</u>	<u>(2,251.00)</u>	<u>22,227.65</u>

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**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	2,320.20	1,972.77	-	(324.80)	3,968.17
GBP 2017 04	100.00	(100.00)	-	-	-
GBP 2017 06	2,100.00	(2,100.00)	-	-	-
GBP 2017 11	75.00	(75.00)	-	-	-
GBP 2018 02	-	-	430.00	-	430.00
GBP 2018 04	-	-	160.00	-	160.00
GBP 2018 05	-	-	280.00	-	280.00
GBP 2018 12	-	-	600.00	-	600.00
	<u>4,595.20</u>	<u>(302.23)</u>	<u>1,470.00</u>	<u>(324.80)</u>	<u>5,438.17</u>
USD 2015 03	47,263.22	38,764.78	864.78	(13,944.44)	72,948.34
USD 2017 01	1,010.00	(1,010.00)	-	-	-
USD 2017 02	4,900.00	(4,900.00)	-	-	-
USD 2017 03	4,026.00	(4,026.00)	-	-	-
USD 2017 04	6,228.99	(6,228.99)	-	-	-
USD 2017 05	2,318.00	(2,318.00)	-	-	-
USD 2017 06	3,465.00	(3,465.00)	-	-	-
USD 2017 07	5,510.00	(5,510.00)	-	-	-
USD 2017 08	1,120.00	(1,120.00)	-	-	-
USD 2017 09	2,165.00	(2,165.00)	-	-	-
USD 2017 10	5,770.01	(5,770.01)	-	-	-
USD 2017 11	1,277.00	(1,277.00)	-	-	-
USD 2017 12	8,415.00	(8,415.00)	-	-	-
USD 2018 01	-	-	945.00	-	945.00
USD 2018 02	-	-	2,850.00	(150.00)	2,700.00
USD 2018 03	-	-	1,182.00	-	1,182.00
USD 2018 04	-	-	2,555.00	(1,000.00)	1,555.00
USD 2018 05	-	-	1,656.57	-	1,656.57
USD 2018 06	-	-	4,405.60	-	4,405.60
USD 2018 07	-	-	864.00	(59.00)	805.00
USD 2018 08	-	-	1,885.00	-	1,885.00
USD 2018 09	-	-	4,491.00	-	4,491.00
USD 2018 10	-	-	1,408.00	-	1,408.00
USD 2018 11	-	-	1,490.00	-	1,490.00
USD 2018 12	-	-	1,555.00	-	1,555.00
	<u>93,468.22</u>	<u>(7,440.22)</u>	<u>26,151.95</u>	<u>(15,153.44)</u>	<u>97,026.51</u>

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**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 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 year ended December 31, 2018, the Master Fund allocated \$2,333,041 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, 2018, the Master Fund allocated \$442,791 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, 2018, the Fund incurred management fees of \$768,624 and performance fees of \$141,404, of which \$207,758 and \$141,404, respectively, remained payable at December 31, 2018.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**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, 2018 the Master Fund allocated \$189,613 in administration fees to the Fund and the Fund incurred directly administrative fees of \$44,534 of which none remained payable at December 31, 2018.

Nicole Ramroop and Riyaz Nooruddin were appointed as independent directors on August 27, 2018. Dawn Cummings and Jason Fitzgerald resigned as independent directors on August 27, 2018. During the year ended December 31, 2018 the independent directors were paid fees totaling US\$19,912.

**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 Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**8. Financial Highlights**

The financial highlights disclosed below for the year ended December 31, 2018 are as follows:

<b>Per Share Operating Performance</b>	<u>Share Class CHF</u>	<u>Share Class EUR</u>	<u>Share Class GBP</u>	<u>Share Class USD</u>
<u>Per share operating performance</u>				
Net asset value per share	CHF 1,137.48	€ 1,159.90	£ 1,175.21	\$ 1,224.09
<u>Net increase in net assets resulting from operations</u>				
Net investment gain	73.89	86.76	100.00	82.80
Net realized and unrealized gain (loss) on investments	<u>(47.73)</u>	<u>(50.17)</u>	<u>(50.50)</u>	<u>(0.24)</u>
Net increase in net assets resulting from operations	<u>26.16</u>	<u>36.59</u>	<u>49.50</u>	<u>82.56</u>
Net asset value at end of period	<u>CHF 1,163.64</u>	<u>€ 1,196.49</u>	<u>£ 1,224.71</u>	<u>\$ 1,306.65</u>
<u>Total Return</u>				
Total return before performance fee	2.39 %	3.26 %	4.33 %	6.84 %
Performance fee	<u>(0.09)</u>	<u>(0.10)</u>	<u>(0.12)</u>	<u>(0.09)</u>
Total return after performance fee	<u>2.30 %</u>	<u>3.16 %</u>	<u>4.21 %</u>	<u>6.75 %</u>
<u>Ratio to Average Shareholders' Capital</u>				
Expenses before performance fee	0.79 %	0.89 %	1.01 %	0.78 %
Performance fee	0.09	0.10	0.11	0.09
Total expense and performance fee	<u>0.88 %</u>	<u>0.99 %</u>	<u>1.12 %</u>	<u>0.87 %</u>
Net investment income	<u>6.51 %</u>	<u>7.45 %</u>	<u>8.43 %</u>	<u>6.62 %</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 Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**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 28, 2019, the date the financial statements were available to be issued and has determined that 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, 2018**

**Duff & Phelps (Luxembourg) Management Company S.à.r.l. (the “AIFM”)**

**AIFM Remuneration**

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 31<sup>st</sup> December 2018, the total of the remunerations paid by the AIFM to its staff was the following:

- Fixed remuneration: EUR 740,830.41
- Variable remuneration: EUR 23,000.00

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 598,339.45
- Staff members: EUR 142,490.96

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

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.