

ORCHARDWAY P2P CREDIT FUND LIMITED  
(A CAYMAN ISLANDS EXEMPTED COMPANY)  
REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2020

# OrchardWay P2P Credit Fund Limited

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# 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

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

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, 2020, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the 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.

### **Auditors' 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, 2020, 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.

## **Emphasis of Matter**

We draw attention to note 1 of the financial statements which describe that on December 22, 2020, the Board of Directors resolved to put the fund into liquidation effective January 01, 2021 in accordance with Partnership agreement. Our opinion is not modified with respect to this matter.

*Deloitte + Touche*

June 30, 2021

**OrchardWay P2P Credit Fund Limited**  
**Statement of Assets and Liabilities**  
**December 31, 2020**

	US\$
<b>Assets</b>	
Investment in HCG Funds Ltd. at fair value	\$ 109,562,958
Unrealized appreciation on forward currency contracts	14,754
Cash denominated in foreign currency (cost: \$18,911)	945
Cash and cash equivalents	4,656,211
Redemptions receivable from HCG Digital Finance LP	7,647,685
Redemptions receivable from HCG Funds Ltd.	6,200,000
Other assets	71,567
<b>Total Assets</b>	<b>128,154,120</b>
<b>Liabilities</b>	
Unrealized depreciation on forward currency contracts	69,165
Redemptions payable	17,209,982
Management fees payable	142,176
Accrued expenses	175,579
<b>Total Liabilities</b>	<b>17,596,902</b>
<b>Net Assets</b>	<b>\$ 110,557,218</b>
<b>Net assets are comprised of:</b>	
Investor Capital / Share Capital	\$ 80,323,568
Retained Earnings	30,233,650
<b>Total Equity</b>	<b>\$ 110,557,218</b>

<u>Share Class</u>	<u>Shares outstanding</u>	<u>Net asset value per share</u>
CHF 2015 03	992.08	CHF 1,168.97
EUR 2015 03	4,186.76	€ 1,216.19
EUR 2020 01	25.00	€ 989.51
EUR 2020 02	100.00	€ 988.72
GBP 2015 04	1,297.30	£ 1,269.30
USD 2015 03	68,323.96	\$ 1,421.17
USD 2020 02	420.06	\$ 1,012.03
USD 2020 03	739.28	\$ 1,114.95

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, 2020**

	US\$
<b><i>Investment income allocated from HCG Digital Finance LP</i></b>	
Interest income	\$ 46,705,566
Total investment income	<u>46,705,566</u>
<b>Expenses allocated from HCG Digital Finance LP</b>	
Management fees	1,864,006
Interest expense	5,187,955
Professional and other expenses	4,299,266
Total expenses	<u>11,351,227</u>
<b>Net investment income allocated from HCG Digital Finance LP*</b>	<u>35,354,339</u>
Interest income	7,118
Other income	5,809
Management fees	(615,770)
Professional fees and other expenses	(394,785)
Bank fees	(58,173)
Administration fees	(56,530)
Director fees	(23,234)
Interest expense	(926)
<b>Net Fund income (expenses)</b>	<u>(1,136,491)</u>
<b>Net investment income</b>	34,217,848
<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	(24,891,545)
Net change in unrealized depreciation on investments	<u>(9,224,677)</u>
<b><i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on investments allocated from HCG Digital Finance LP</i></b>	<u>(34,116,222)</u>
<b><i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations and forward currency contracts</i></b>	
Net realized loss on foreign currency transactions	(487,623)
Net realized gain on forward currency contracts	1,966,667
Net change in unrealized depreciation on foreign currency translation	(1,140,942)
Net change in unrealized depreciation on forward currency contracts	<u>(385,875)</u>
<b><i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations and forward currency contracts</i></b>	<u>(47,773)</u>
Provision for income taxes allocated from HCG Digital Finance LP	<u>178,996</u>
<b>Net decrease in net assets resulting from operations</b>	<u>\$ (125,143)</u>

\*Income and expenses allocated from HCG Funds Ltd. for the period from December 1, 2020 to December 31, 2020 are included under Net investment income allocated from HCG Digital Finance LP, as the income allocated from HCG Funds Ltd. is ultimately allocated from HCG Digital Finance LP.

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, 2020**

	US\$
<i>Net decrease in net assets resulting from operations</i>	
Net investment income	\$ 34,217,848
<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	(24,891,545)
Net change in unrealized depreciation on investments	(9,224,677)
<i>Net realized gain / (loss) and net change in unrealized appreciation / (depreciation) on foreign currency transactions/translations and forward currency contracts</i>	
Net realized loss on foreign currency transactions	(487,623)
Net realized gain on forward currency contracts	1,966,667
Net change in unrealized depreciation on foreign currency translation	(1,140,942)
Net change in unrealized depreciation on forward currency contracts	(385,875)
	<hr/>
Provision for income taxes allocated from HCG Digital Finance LP	(178,996)
<i>Net decrease in net assets resulting from operations</i>	<hr/> <hr/> (125,143)
<i>Decrease in net assets resulting from capital transactions</i>	
Issue of shares	20,596,865
Redemption of shares	(64,754,531)
<i>Net decrease in net assets resulting from capital transactions</i>	<hr/> <hr/> (44,157,666)
<i>Total decrease in net assets</i>	(44,282,809)
<i>Net assets at the beginning of the year</i>	<hr/> 154,840,027
<i>Net assets at the end of the year</i>	<hr/> <hr/> \$ 110,557,218

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, 2020**

US\$

*Cash flows from operating activities*

Net decrease in net assets resulting from operations \$ (125,143)

*Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:*

Net income allocated from HCG Digital Finance LP	(1,059,121)
Contributions to HCG Digital Finance LP	(123,301,710)
Withdrawals from HCG Digital Finance LP	183,049,079
Sales of forward currency contracts	385,874
Decrease in redemptions receivable from HCG Digital Finance LP	18,700,000
Increase in redemptions receivable from HCG Funds Ltd.	(6,200,000)
Increase in other assets	(35,106)
Decrease in management fees payable	(77,382)
Increase in accrued expenses	95,595
Decrease in performance fees payable	(141,376)
<i>Net cash flows provided by operating activities</i>	<u>71,415,853</u>

*Cash flows from financing activities*

Proceeds from issue of shares, net of change in subscriptions received in advance	12,949,466
Payments on redemptions of shares, net of change in redemptions payable	(84,211,128)
<i>Net cash used in financing activities</i>	<u>(71,261,662)</u>

*Net increase in cash*

	29,048
<i>Cash and cash equivalents, beginning of year</i>	4,628,108
<i>Cash and cash equivalents, end of year</i>	<u>\$ 4,657,156</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, 2020**

**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 the Mutual Funds Law on November 6, 2015. The Fund commenced operations on March 1, 2015 and invested substantially all of its assets in HCG Digital Finance LP a Delaware limited partnership (the "Master Fund") through a "master-feeder" fund structure until December 1, 2020. On December 1, 2020, the Fund contributed its ownership in the Master Fund to HCG Funds Ltd. (the "Offshore Fund"), in exchange for an ownership in HCG Funds Ltd. HCG Funds Ltd. is an offshore feeder fund in a "master feeder" structure and invests substantially all its investments in the Master Fund. The Fund, the Offshore Fund and the Master Fund have the same investment objective, policies and strategies.

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.

The Fund, the Offshore Fund and the Master Fund are registered as investment companies 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, 2020**

**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”).

The recent global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. The operational and financial performance of the Fund depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn impact the valuation of the Fund’s investments.

On December 22, 2020, the Board of Directors resolved to put the fund into liquidation effective January 1, 2021 in accordance with the Partnership Agreement. Following the commencement of the wind down of the Fund, the limited partners received final capital distributions of \$110,557,218 on January 1, 2021 (the “Liquidation Date”). The entity is holding cash to proceeds to be used to wind up the affairs of the Fund in 2021 in accordance with the Partnership Agreement. The Fund terminated on January 1, 2021.

**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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

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

**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.

On December 1, 2020, the Fund contributed its ownership to the Offshore Fund. The Offshore Fund, subsequently, invests its ownership into the Master Fund.

**Investment in Master Fund and Offshore Fund**

The Fund's investment in the Master Fund was valued at fair value and the Fund's investment in the Offshore Fund is valued at fair value, which is the Fund's proportionate interest in the net assets of the Offshore Fund at December 31, 2020. The Fund records its proportionate share of the Master Fund and Offshore Fund income, expenses, and realized and unrealized gains and losses. Fair value is determined as the Fund's proportionate share of the Offshore Fund's capital (54.56% as of December 31, 2020).

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 Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

**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.

**Derivative contracts**

The Fund records derivative contracts at fair value. Changes in the fair value of derivative contracts are recorded as unrealized gains and losses. The Fund generally records a realized gain or loss on the expiration, termination, or settlement of a derivative contract.

**Fair value – Hierarchy of fair value**

The Fund determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund is able to access.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset, or (d) inputs derived principally from or corroborated by unobservable market data by correlation or other means.

Level 3 – Inputs that are unobservable and significant to the entire fair value measurement. Investments in this category generally include equity and debt positions in private companies and investments in private funds, which are not measured at fair value using the net asset value ("NAV") as a practical expedient.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

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

**Fair value – Hierarchy of fair value (continued)**

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Therefore, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3.

**Fair value – Valuation techniques and inputs**

When determining the fair value, the Fund uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Fund to determine fair value are considered to be market approaches.

The market approach includes valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The Fund generally uses the market approach to value exchange-traded derivatives.

*Forward contracts*

The Fund values forward contracts based on the terms of the contract (including the notional amount and contract duration) and using observable inputs, such as currency exchange rates or commodity prices. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

**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, 2020, 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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

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

**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.

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, 2020, 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.

**Redemptions payable**

In accordance with the authoritative guidance on ASC 480 “Distinguishing 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. As of December 31, 2020, the Fund had redemptions payable of \$17,209,982.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

**3. Fair Value Measurements**

The Fund's assets and liabilities recorded at fair value have been categorized based on a fair value hierarchy as described in the Fund's significant accounting policies in Note 2.

The following table presents information about the Fund's assets and liabilities measured at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Cash and cash equivalents</b>	\$ 4,657,156	\$ -	\$ -	\$ 4,657,156
<b>Unrealized appreciation on forward currency contracts</b>				
Forward currency contracts	-	14,754	-	14,754
<b>Unrealized depreciation on forward currency contracts</b>				
Forward currency contracts	-	69,165	-	69,165

**4. Derivative Contracts**

In the normal course of business, the Fund uses derivative contracts in connection with its proprietary trading activities. Derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: commodity, non-commodity and currency risks.

**Forward contracts**

Forward contracts are agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

**Volume of derivative activities**

The Fund considers the notional amounts at December 31, 2020, categorized by primary underlying risk, to be representative of the volume of its derivative activities during the year ended December 31, 2020.

	<u>Notional Amounts</u>	
	<u>Long exposure</u>	<u>Short exposure</u>
<b>Primary underlying risk</b>		
<b>Currency risk</b>		
Forward currency contracts	\$ 3,743,869	\$ 3,716,266



**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

**4. Derivative Contracts (continued)**

**Effect of derivatives on the Statement of Assets and Liabilities and Statements of Operations**

The following table identifies the fair value amounts of derivative contracts included in the Statement of Assets and Liabilities, categorized by type of contract, at December 31, 2020. Balances are presented on a gross basis, before application of the effect of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to consider the effects of master netting arrangements and the offsetting of cash collateral receivables and payables with the Fund's counterparties. See Note 5 for additional information on the effects of master netting arrangements and the offsetting of cash collateral receivables and payables with the Fund's counterparties. The following table also identifies the realized and unrealized gain and loss amounts included in the Statement of Operations, categorized by type of contract, for the year ended December 31, 2020.

	<u>Derivative assets</u>	<u>Derivative liabilities</u>	<u>Change in unrealized appreciation/ (depreciation)</u>	<u>Realized gain/(loss)</u>
<b>Primary underlying risk</b>				
<b>Currency risk</b>				
Forward currency contracts <sup>1</sup>	<u>\$ 14,754</u>	<u>\$ 69,165</u>	<u>\$ (385,875)</u>	<u>\$ 1,966,667</u>

<sup>1</sup> Location in the Statement of Assets and Liabilities and in the Statement of Operations are, respectively, unrealized appreciation on forward currency contracts, unrealized depreciation on forward currency contracts, net change in unrealized depreciation on forward currency contracts and net realized gain on forward currency contracts.

**5. Offsetting assets and liabilities**

The Fund is required to disclose the effect of offsetting assets and liabilities presented in the Statement of Assets and Liabilities to enable financial statement users to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities include financial instruments and derivative contracts that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: Each of the two parties owes the other determinable amounts, the Fund has the right to set off the amounts owed with the amounts owed by the other party, the Fund intends to set off, and the Fund's right to setoff is enforceable at law.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

**5. Offsetting assets and liabilities (continued)**

The Fund is subject to enforceable master netting agreements with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at prearranged exposure levels. Because different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each transaction type may be covered by a different master netting arrangement, possibly resulting in the need for multiple agreements with a single counterparty. Master netting agreements may not be specific to each different asset type; in those instances, they would allow the Fund to close out and net its total exposure to a specified counterparty in the event of default or early termination with respect to any and all of the transactions governed under a single agreement with the counterparty.

The following table presents the effects or potential effects of netting arrangements for derivative contracts presented in the statement of assets and liabilities as of December 31, 2020.

<b>Description</b>	<b>Gross amounts of recognized assets presented in the statement of assets and liabilities</b>	<b>Amounts not offset in the statement of assets and liabilities</b>		
		<b>Financial instruments</b>	<b>Cash collateral received</b>	<b>Net amount</b>
Forward currency contracts	\$ 14,754	\$ (14,754)	\$ -	\$ -

<b>Description</b>	<b>Gross amounts of recognized liabilities presented in the statement of assets and liabilities</b>	<b>Amounts not offset in the statement of assets and liabilities</b>		
		<b>Financial instruments</b>	<b>Cash collateral received</b>	<b>Net amount</b>
Forward currency contracts	\$ (69,165)	\$ 14,754	\$ -	\$ (54,411)

**OrchardWay P2P Credit Fund Limited**  
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**6. Share Capital**

The Fund's authorized share capital is \$50,000 divided into 100 Management Shares of a nominal or par value of \$0.01 each, and 4,999,900 Participating Non-Voting Redeemable Shares (the "Shares") of a nominal or par value of \$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.

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.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
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**6. Share Capital (continued)**

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.

Share capital transactions for the year ended December 31, 2020 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	9,220.12	1,283.42	-	(9,511.46)	992.08
CHF 2019 02	1,030.00	(1,030.00)	-	-	-
CHF 2019 03	100.00	(100.00)	-	-	-
CHF 2019 06	160.00	(160.00)	-	-	-
CHF 2019 10	220.00	(220.00)	-	-	-
CHF 2020 02	-	-	150.00	(150.00)	-
	<u>10,730.12</u>	<u>(226.58)</u>	<u>150.00</u>	<u>(9,661.46)</u>	<u>992.08</u>
EUR 2015 03	16,437.85	3,726.17	836.44	(16,813.70)	4,186.76
EUR 2019 01	60.00	(60.00)	-	-	-
EUR 2019 02	1,004.99	(1,004.99)	-	-	-
EUR 2019 04	785.00	(785.00)	-	-	-
EUR 2019 05	230.00	(230.00)	-	-	-
EUR 2019 06	1,102.00	(1,102.00)	-	-	-
EUR 2019 07	279.99	(279.99)	-	-	-
EUR 2019 08	530.00	(530.00)	-	-	-
EUR 2019 09	75.00	(75.00)	-	-	-
EUR 2019 11	151.00	(151.00)	-	-	-
EUR 2019 12	310.00	(310.00)	-	-	-
EUR 2020 01	-	-	575.00	(550.00)	25.00
EUR 2020 02	-	-	100.00	-	100.00
EUR 2020 03	-	-	410.00	(410.00)	-
EUR 2020 07	-	-	150.00	-	150.00
	<u>20,965.83</u>	<u>(801.81)</u>	<u>2,071.44</u>	<u>(17,773.70)</u>	<u>4,461.76</u>

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**6. 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	3,221.88	357.00	-	(2,281.58)	1,297.30
GBP 2019 06	200.00	(200.00)	-	-	-
GBP 2019 11	250.00	(250.00)	-	-	-
GBP 2020 03	-	-	100.00	(100.00)	-
	<u>3,671.88</u>	<u>(93.00)</u>	<u>100.00</u>	<u>(2,381.58)</u>	<u>1,297.30</u>
USD 2015 03	68,383.60	9,270.90	13,859.36	(23,189.90)	68,323.96
USD 2019 01	1,250.00	(1,250.00)	-	-	-
USD 2019 02	900.00	(900.00)	-	-	-
USD 2019 03	1,060.00	(1,060.00)	-	-	-
USD 2019 04	480.00	(480.00)	-	-	-
USD 2019 05	1,305.00	(1,305.00)	-	-	-
USD 2019 06	1,065.00	(1,065.00)	-	-	-
USD 2019 07	1,000.00	(1,000.00)	-	-	-
USD 2019 08	1,436.00	(1,436.00)	-	-	-
USD 2019 09	255.00	(255.00)	-	-	-
USD 2019 10	50.00	(50.00)	-	-	-
USD 2019 11	2,535.00	(2,535.00)	-	-	-
USD 2019 12	1,236.00	(1,236.00)	-	-	-
USD 2020 02	-	-	927.13	(507.07)	420.06
USD 2020 03	-	-	739.28	-	739.28
USD 2020 12	-	-	2,050.00	-	2,050.00
	<u>80,955.60</u>	<u>(3,301.10)</u>	<u>17,575.77</u>	<u>(23,696.97)</u>	<u>71,533.30</u>

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 and/or Offshore 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.

**OrchardWay P2P Credit Fund Limited**  
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**7. 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. The management fee is paid for 11 months to the Master Fund and for 1 month to the Offshore Fund, which is subsequently paid to the Master Fund through the Offshore Fund. For the year ended December 31, 2020, the Master Fund allocated \$1,864,006 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, 2020, there were no performance fees allocated 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, 2020, the Fund incurred management fees of \$615,770, of which \$142,176, remained payable at December 31, 2020. There were no performance fees for the year ended December 31, 2020.

**8. 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, 2020 the Master Fund allocated \$151,043 in administration fees to the Fund and the Fund incurred directly administrative fees of \$56,530, of which none remained payable at December 31, 2020.

Nicole Ramroop and Riyaz Nooruddin were appointed as independent directors on August 27, 2018. During the year ended December 31, 2020 the independent directors were paid fees totaling \$23,234.

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**9. 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.

**10. Indemnifications**

In the normal course of business, the Fund, the Offshore 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, the Offshore Fund and the Master Fund under these arrangements would include future claims that may be made against the Fund, the Offshore Fund and the Master Fund. No such claims have occurred, nor are they expected to occur. Therefore, the Fund, the Offshore Fund and the Master Fund have not accrued any liability in connection with such indemnifications.

**OrchardWay P2P Credit Fund Limited**  
**Notes to Financial Statements**  
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**11. Financial Highlights**

The financial highlights disclosed below for the year ended December 31, 2020 are as follows:

<b>Per Share Operating Performance</b>	<b>Share Class CHF</b>	<b>Share Class EUR</b>	<b>Share Class GBP</b>	<b>Share Class USD</b>
<u>Per share operating performance</u>				
Net asset value at beginning of year	CHF 1,187.70	€ 1,224.47	£ 1,269.39	\$ 1,393.13
<u>Net increase in net assets resulting from operations</u>				
Net investment gain (loss)	(188.06)	(103.97)	(38.36)	23.92
Net realized and unrealized gain (loss) on investments	169.33	95.69	38.27	4.12
Net decrease in net assets resulting from operations	(18.73)	(8.28)	(0.09)	28.04
Net asset value at end of year	<u>CHF 1,168.97</u>	<u>€ 1,216.19</u>	<u>£ 1,269.30</u>	<u>\$ 1,421.17</u>
<u>Total Return</u>				
Total return before performance fee	(1.58) %	(0.68) %	(0.01) %	2.01 %
Performance fee	-	-	-	-
Total return after performance fee	<u>(1.58) %</u>	<u>(0.68) %</u>	<u>(0.01) %</u>	<u>2.01 %</u>
<u>Ratio to Average Shareholders' Capital</u>				
Expenses before performance fee	16.55 %	8.71 %	3.13 %	0.93 %
Performance fee	-	-	-	-
Total expense and performance fee	<u>16.55 %</u>	<u>8.71 %</u>	<u>3.13 %</u>	<u>0.93 %</u>
Net investment income (loss)	<u>(16.54) %</u>	<u>(8.69) %</u>	<u>(3.12) %</u>	<u>1.76 %</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.

**12. 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**  
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**13. 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, 2021, the date the financial statements were available to be issued and has determined the following:

On January 1, 2021, the Fund made final redemptions of \$110,557,218.

**OrchardWay P2P Credit Fund Ltd.**  
**Supplementary Disclosure - Unaudited**  
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**AIFM Remuneration**

Duff & Phelps (Luxembourg) Management Company S.à r.l. (“D&P”) is an authorized Alternative Investment Fund Manager (“AIFM”) per the meaning of the law of July 12, 2013 supervised by the CSSF.

As a result, D&P must comply with the remuneration requirements set forth in the AIFM regulations.

The D&P Compliance Officer (as approved by the CSSF) regularly assesses the adherence of D&P with the remuneration requirements set forth in the AIFM directive.

The key principles of the Remuneration Policy are as follows:

1. All employees of D&P are entitled to a fixed salary, capped pension benefits and a discretionary bonus. The amount of the bonus (if any) depends on each employee’s performance of assigned tasks; the employee’s achievement of personal objectives set forth at the beginning of each fiscal year; and the overall performance of the D&P Business Unit.
2. As the portfolio management function is fully delegated to third party investment managers, there is no direct correlation between the total remuneration (inclusive of salary, bonus and pension benefits) and the performance of the funds for which D&P acts as AIFM.
3. All employee remuneration amounts are reviewed annually by the Board of Directors of D&P, considering the following:
  - a. Labour market conditions and seniority gained (in determining the fixed salary terms);
  - b. Individual performance as well as D&P service line performance (in determining the discretionary bonus). If an employee leaves the company before the end of the performance cycle year, they are not entitled to a bonus;
  - c. Adherence to the service line and overall D&P policies in terms of risk awareness, compliance with regulations and ethics at work. These policies are described in the staff manual, which are accepted by all employees when joining D&P.
4. At least annually, the D&P Compliance Officer reviews the remuneration approach for compliance with the principles of this Remuneration Policy, and in turn, the compliance of the Remuneration Policy with the regulatory framework. This review and assessment is documented and validated by the Board of Directors of D&P.

Further information about the D&P Remuneration Policy can be requested from the Compliance Officer of D&P.

For the year ended as at December 31<sup>st</sup> 2020, the total remunerations paid by the AIFM to its staff was the following:

- Fixed Remuneration: EUR 1,318,383.34
- Variable Remuneration: EUR 70,104.23

**OrchardWay P2P Credit Fund Ltd.**  
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**AIFM Remuneration (continued)**

Twenty employees benefited from this remuneration. Each of those beneficiaries were fully or partly involved in the activity of the Fund.

Their remuneration was broken down as follows:

- Top Managers: EUR 628,202.55
- Staff Members: EUR 690,180.79

Furthermore, no carried interest was paid by the AIF to the AIFM.

The implemented policies at the AIFM level are effectively operating, and subject to internal and external verification of their effectiveness. Further information on the AIFM's Remuneration Policy can be obtained free of charge upon request to the AIFM.

**AIF Risk Profile**

To facilitate an appropriate and structured focus on its risk management efforts, the AIFM has identified the key risks to which the AIF may be exposed to and which most likely represent the greatest potential risk exposure for the AIF in the foreseeable future. While there are other risks that the AIFM's Board of Directors and Management Committee may consider, the AIFM has implemented adequate risk management controls and processes specifically targeted to mitigate the risks of each AIF.

The AIFM has identified following key risks the AIF may be exposed to:

- **Investment Risk:** The risk predominately arising from the AIF's portfolio of investments failing to meet overall return targets.
- **Credit and Counterparty Risk:** The risk arising from default risks and material credit rating downgrades in respect of counterparties and the underlying investments of the AIF's portfolio.
- **Concentration Risk:** The risk arising from interrelated pools of assets or liabilities or other portfolio exposures that may be similarly impacted by a common economic, financial, or business development.
- **Market Risk:** The risk arising from market volatility, global macro risks, or fundamental, systemic and other market events.
- **Liquidity Risk:** The risk arising from the AIF's inability to meet its payment liabilities, including redemption requests from investors or margin calls from counterparties.

**OrchardWay P2P Credit Fund Ltd.  
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**AIF Risk Profile (continued)**

- **Legal Risk:** The risk arising from changes to the legal or regulatory environment, fraud and breaches of rules and regulations applicable to the AIF.
- **Operational Risk:** The risk of loss arising from inadequate or failed processes, personnel and systems, or from external events. Operational incidents can also occur on AIFM level, at the level of service providers and on the level of the AIF respectively its portfolio investments.
- **Valuation Risk:** The risk to AIF performance arising from investing in a portfolio of investments that are illiquid, challenging to value due to limited availability of reliable market pricing and thus leading to inappropriate valuation methodologies used.

**Liquidity Management**

The AIFM maintains a liquidity management policy that addresses the liquidity requirements and needs of each AIF under management.

The AIF is an open-ended fund with the possibility for redemption requests from investors in accordance with the rules defined in the offering document.

The AIF may invest into liquid and illiquid investments and there is the risk that some investments may not be liquidated within the redemption settlement cycle as per the offering document. Liquidity monitoring procedures are in place in order to mitigate the liquidity risks of the AIF and to ensure that payment obligations can be met when these are due.

**AIF Risk Management Process**

The AIFM has established an adequate and effective Risk Management Process ('RMP'). As part of this process, proprietary procedures, methodologies and processes have been put in place. These are continuously reviewed for adequacy based on internal and external factors, as well as potentially material foreseeable, ad-hoc events or relevant influence parameters.

**AIF Risk Management Process (continued)**

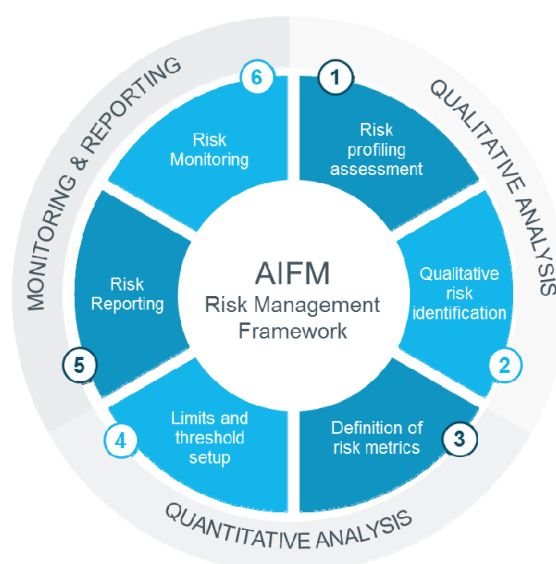
This RMP and its embedded procedures are segregated into six different phases which together constitute the "6-phases wheel Risk Management Framework". It incorporates and depicts the aggregated and continuous assessment and quantification of the risks that the AIF is exposed to:

- **Phase 1:** Assessment and determination of the AIF's risk profile
- **Phase 2:** Qualitative identification of risks and assessment of materiality thresholds

**OrchardWay P2P Credit Fund Ltd.**  
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**AIF Risk Management Process (continued)**

- **Phase 3:** Definition, modelling and formalisation of Key Risk Indicators (KRIs)
- **Phase 4:** Set-up of limits and thresholds for each KRI
- **Phase 5:** Reporting of the risks
- **Phase 6:** Monitoring of the risks



The AIFM risk management function ensures the ongoing execution of the Risk Management Process under the supervision of the AIFM's Board of Directors.

**Leverage and Risk Figures as of end of December 2020**

Gross Leverage: 106,60%

Commitment Leverage: 110,09%

The leverage figures are disclosed above are calculated in accordance with the AIFMD regulation, under both method (Commitment and Gross method) leverage is coming from the use of derivatives in the portfolio, there is no change with regards to the maximum level of leverage.