

RISK FACTORS
(INVESTORS)
(Last updated June 27, 2017)

All terms not otherwise defined hereby shall have the meaning ascribed to them in the Investor's Platform Agreement.

An Investor's participation on the Platform, and any potential Transaction between an Originator and Investor relating to Financial Instruments, involves a number of significant risks. The risk factors ("Risk Factors") set forth below are those that, at the date of this document, are deemed to be the most significant. The following is not intended to be a complete description or an exhaustive list of risks. Other factors ultimately may affect an Investor's investment in Financial Instruments in a manner and to a degree not now foreseen. These risk factors pertain solely to potential risk factors relating to an Investor's participation on the Platform. Prospective Investors should carefully consider the risk factors discussed below. In addition, Investors should carefully consider the risk factors set forth elsewhere in the loan data and/or data room ("Originator Data"). All Originator Data is solely prepared by the Originator, as determined by the Originator, and made available by the Originator in the data room.

By checking the box on this form, or accessing or using the Platform, the Investor acknowledges that it has received and read the Risk Factors, the applicable Platform Agreement, and all relevant agreements. The Investor has relied solely on any independent investigation it has conducted regarding Orchard, the Platform, any Originator or Originator loans. The Investor has had an opportunity to obtain any additional information about Orchard or the Platform that it has requested. The Investor has not relied on any oral representation inconsistent with the information in the Platform Agreements, or any relevant document.

If Investor does not acknowledge the Risk Factors, then Investor may not access or use the Platform. Orchard reserves the right, in its sole and absolute discretion, to refuse any potential Investor, or current Investor, access to the Platform, for any reason or no reason.

Any investment in Financial Instruments should form only a part of a complete investment program, and an Investor must be able to bear the loss of its entire investment in a Financial Instrument. The value of the Financial Instruments an Investor purchases may decline and an Investor may lose all or part of its initial purchase price or adversely affect future principal and interest payments an Investor expects to receive. Prospective Investors should consult with their own financial, tax and legal advisors regarding the suitability of this investment. Neither the Platform nor Orchard has any liability or responsibility to Investor with respect to Financial Instruments purchased by Investors from Originators.

KEY TERMS

Originator	An online lending platform operator responsible for acquiring Borrowers and originating and/or servicing short-term loans and debt obligations.
Borrower	An individual or entity which enters into a promissory note or lending agreement with an Originator.
Platform	Orchard's online system responsible for data sharing and introductions to loan originators and other services.

Financial Instruments	Short-term loans and debt obligations originated by the Originator, also referred to as Whole Loans or Notes. As of the date hereof, such Financial Instruments are not serviced by the Platform.
Investor	Purchaser of Financial Instruments sold by Originators on the Platform.
Broker	Placement agent for the Originators wishing to sell Financial Instruments to Investors via introductions and brokered transactions through the Platform.

GENERAL RISKS OF PARTICIPATION ON THE PLATFORM

No Operating History. As of the date hereof, the Platform and the Broker have no or limited operating histories. As a result, the participation of Originators on the Platform, or the availability of any Financial Instruments thereby, may not be sufficient to sustain an active Platform.

Past Performance; No Recommendation. An investment in an Originators Financial Instruments entails a high degree of risk. The presence of an Originator on the Platform does not represent any recommendation by the Platform of such Originator or its Financial Instruments. The past performance of the Platform or Broker, the respective affiliates, principals or employees of such persons, any collective investment vehicles or arrangements managed by such persons is not an indication of the future success of the Platform or the Financial Instruments offered by Originators on the Platform and is not presented as being relevant to the future success of the Financial Instruments. An Investor may suffer a substantial loss as a result of its participation on the Platform and any investment in an Originator's Financial Instruments.

Illiquidity. There is a limited to no market for the Financial Instruments listed on the Platform and issued by an Originator. Any assignment or transfer of ownership of Financial Instruments may be subject to requirements of an Originator, and will be restricted from transfer. Originator consent will be required to be obtained prior to any transfer of Financial Instruments. The Broker is not responsible for, and will not effect, any secondary trading in such Financial Instruments. Any investment in Financial Instruments should be viewed as illiquid and subject to substantial risk.

Increased Regulatory Oversight. The financial services industry generally, and the activities of brokers and private investment funds and their managers in particular have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Platform's or Broker's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Platform and Broker, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Platform's and Broker's time, attention and resources.

Changes in Applicable Law. The Platform and Broker must comply with various legal requirements, including without limitation requirements imposed by the securities laws and tax laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Platform or Broker may be subject could differ materially from current requirements. In addition, as a result of such regulatory changes, the Platform may be requires to make confirming changes that limit the availability of loan data or Originator Data.

Anti-Money Laundering. If the Originator, Platform, or any governmental agency believes that an Investor has accepted proceeds for Financial Instrument purchases by, or is otherwise holding assets of, any person or entity that is acting directly or indirectly, in violation of United States, international or other anti-money

laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, suspected drug trafficker, or senior foreign political figure(s) suspected of engaging in foreign corruption, the Originator, Platform, or such governmental agency may freeze the assets of such person or entity invested in the Fund or suspend their withdrawal rights. The Originator or Platform may also be required to provide information or to remit or transfer those assets to a governmental agency.

RISKS RELATING TO INVESTMENTS IN ORIGINATOR FINANCIAL INSTRUMENTS

Originator Financial Instruments. Originator Financial Instruments are subject to unique risks. Investors should review each Originator's available Originator Data, including without limitation, private placement memorandum (if applicable), data room materials, loan tape and data, in each case for a discussion relating to the risks associated with each proposed Originators Financial Instruments offering.

Speculative Nature of Financial Instruments. The Financial Instruments offered by Originators through the Platform are risky and speculative investments. In general, the Financial Instruments may be unsecured obligations of consumer Borrowers or secured small business loans. Accordingly, the Investor may lose the entire amount of its investment in the Financial Instruments it purchases from an Originator.

Dependence on Payments on Financial Instruments. Neither the Broker nor the Platform has any liability to an Investor relating to any obligations to pay the Financial Instruments of an Originator. An Investor's sole recourse for any non-payment of an Originator Financial Instrument is such Originator.

False Information Supplied by Borrowers. Originators will supply to Investors, whether on or off the Platform, a variety of information provided by the Borrower regarding the purpose of Financial Instruments, Such Originator Data is included in the Originator listings and loan tape presented on the Platform. However, Borrowers may supply inaccurate or intentionally false documents and statements in association with the Financial Instruments they submit to the Originator, and the nature of the Borrower's misrepresentations may be difficult for the Investor, Originator, or the Broker to detect prior to a default by the Borrower. Neither the Broker nor the Platform conducts any independent review of Borrower documentation submitted by the Originator in connection with the Financial Instruments. The Broker makes no representations or warranties regarding the validity of the information it provides to prospective Investors received from Originators. All information is provided directly by Originators, and Broker has no responsibility or liability for the content or accuracy of such information. All risks of false information are assumed by the Investor when it purchases a Financial Instrument from an Originator. If the Investor relies on false, misleading or unverified information supplied by Borrowers in deciding to purchase Financial Instruments, the Investor may lose all or part of the purchase price it pays for a Financial Instrument.

Inaccurate Credit Information. The Originator generally will obtain credit information about the Borrower from reporting agencies, and will assign a rating based in part on the Originator's credit score and other factors. The Originator will deliver such information to the Platform for inclusion with the Originator Data. A credit score that forms a part of the Originator's rating assigned to a Borrower may not reflect that Borrower's actual creditworthiness because the credit information may be based on outdated, incomplete or inaccurate reporting data. In addition, from the time an Originator submits such information to the Platform for Investor review, a Borrower may have become delinquent in a payment, defaulted on a debt obligation, taken on more business debt, or sustained other adverse financial events after the date the Originator's rating assigned to the Borrower which may not accurately reflect the Borrower's actual current creditworthiness at the time the Financial Instrument is purchased from the Originator.

Ratings Do Not Predict Future Defaults. All Financial Instruments purchased by Investors are subject to risk of payment default by the underlying Borrowers. Rating scores are heavily dependent on the historical default or delinquency rate of the Borrowers rated. There can be no assurance that historical default or

delinquency rates of a particular Borrower will be indicative of future loss rates or the likelihood of the delinquency or default by the same Borrower. In addition, neither the Platform nor the Broker reviews or validates the Originator's ratings system, or the ratings of Borrowers or the Financial Instruments.

Limits of The Originator's Ratings. The Originator may use a proprietary methodology to assign a credit rating to a potential Borrower. There is no assurance such rating will actually reflect the creditworthiness of a Borrower. In addition, no assurances can be provided that actual loss rates for the Financial Instruments will fall within the expected loss rates indicated by the Originator's rating, or that such ratings will be accurate. Neither the Broker nor the Platform has any liability to the Investor for any Originator ratings, deviations or errors.

Limited Historical Performance Data. The Platform is in the early stages of its development and has a limited operating history. As a result of a limited operational history, the Platform does not have significant historical data regarding the performance of any Originator's credit ratings assigned to Borrowers. In addition, the Platform will not be able to provide and information regarding what the long-term loan loss experience will be. The estimated loss rates the Investor uses to value the loans have been developed solely from the Originator's loss histories provided by the Originator to the Investor through the Platform. Such loss histories may be limited. Accordingly, Financial Instruments offered on the Platform by Originators may have higher than estimated default rates, which increases the risk to the Investor of investing in the Financial Instruments.

No Restriction on Incurrence of Additional Debt. A Borrower may incur additional debt after the sale date of the Financial Instrument, and the additional debt may impair the ability of that Borrower to make payments to the Investor with respect to previously purchased Financial Instruments and the Investor's ability to receive the principal and interest payments. In addition, the additional debt, which may not be disclosed subsequent to the sale of the Financial Instruments to the Investor may adversely affect the Borrower's creditworthiness generally, and could result in the financial distress, insolvency, or bankruptcy of the Borrower. To the extent that the Borrower has or incurs other indebtedness and cannot pay all of its indebtedness, the Borrower may choose to make payments to other creditors, rather than the Investor.

Debtor Relief Under Bankruptcy Laws. Borrowers may seek protection under federal bankruptcy law or similar laws. If a Borrower files for bankruptcy (or becomes the subject of an involuntary petition), a stay will go into effect that will automatically put any pending collection actions on the Financial Instrument on hold and prevent further collection action absent bankruptcy court approval. Whether any payment will ultimately be made or received on a Financial Instrument after a bankruptcy status is declared depends on the Borrower's particular financial situation. It is possible that the Originator's liability on the Financial Instruments will be discharged in bankruptcy. In most cases, unsecured creditors, including any Investor as the owner of the Financial Instruments, will receive nothing, or only a fraction of any amount outstanding on their loans.

Breach of The Originator's System. The Originator may store personally-identifiable sensitive data of their Borrowers as part of their on-going origination and servicing businesses. Any accidental or willful security breaches or other unauthorized access could cause the Borrower's secure information to be stolen and used for criminal purposes. Security breaches or unauthorized access to secure information could also expose the Originator to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached, and, as a result, a third party or disaffected employee obtains unauthorized access to any of the Originator's data, the Originator's relationships with Borrowers (and Investors) will be severely damaged, and the Originator could incur significant liability. In addition, many states have enacted laws requiring companies to notify individuals/entities of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause Borrowers (and Investors)

to lose confidence in the effectiveness of the Originator's data security measures and, among other matters, refuse to continue their business relationship with the Originator.

Financial Instruments Not Obligations of The Platform. The Financial Instruments are solely the obligations of the Originator, and are not obligations of the Platform or the Broker. The Financial Instruments may not be secured by any collateral, and are not guaranteed or insured by any governmental agency or instrumentality or any third party.

Illiquidity of Financial Instruments. The Financial Instruments will not be listed on any securities exchange, and Investors should assume that there is no secondary market for the Financial Instruments. Therefore, the Investor must be prepared to hold its Financial Instruments to maturity.

Interest Rate Risk. Fixed-income investments decline in value because of changes in market interest rates. When interest rates rise, the value of a portfolio invested in fixed-income securities can be expected to decline.

Inflation/Deflation Risk. Inflation risk is the risk that the value of the Investor's investments or income from the investments will be worth less in the future as inflation decreases the present value of payments at future dates. Deflation risk is the risk that prices throughout the economy decline over time -- the opposite of inflation. Deflation may adversely affect the creditworthiness of an Originator and may make default on the Investor's investments more likely, which would result in a decline in the value of the Investor's portfolio.

Extension Risk; Prepayment Risk. During periods of rising interest rates, the average life of the Financial Instruments may increase because Borrowers choose not to repay principal on the Financial Instruments prior to the stated maturity date to take advantage of a below market interest rate. Any such extension increases the Financial Instruments' duration (the estimated period until the Financial Instruments is paid in full) and reduces the value of the Financial Instruments. This is known as extension risk. During periods of declining interest rates, a Borrower may choose to prepay principal earlier than scheduled, forcing the Investor to reinvest in lower yielding Financial Instrument. This is known as call or prepayment risk. Financial Instruments prepayment occurs when a Borrower decides to pay some or all of the principal amount on a Financial Instruments earlier than originally scheduled. Borrowers may decide to prepay all or a portion of the remaining principal amount at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of a Financial Instrument on which the Financial Instruments are dependent for payment, the Investor will receive its share of such prepayment but further interest will not accrue after the date on which the payment is made. If a Borrower prepays a Financial Instruments in full or in part, the Investor will not receive all of the interest payments that it originally expected to receive on the Financial Instruments. In addition, the Investor may not be able to find a similar rate of return on another investment at the time at which the Financial Instruments are prepaid.

RISKS RELATED TO THE PLATFORM

Early Stages of Development. Many of the Originators participating on the Platform are online companies and are in the early stages of development with limited operating history. As the number of Borrowers serviced by the Originator increases, the Originator may need to increase its facilities, personnel and infrastructure in order to accommodate the greater operational obligations and demands on the Originator. The Originator may be required to add new hardware and update its software and website, expand its customer support services, and add new employees to maintain the operations of the Platform. Since the Platform is dependent on loan data and information from the Originator, if the Originator is unable to increase its capacity and maintain the necessary infrastructure, the Investor may experience delays in its use of the Platform and periodic downtime of the Platform's systems.

Competitive Lending Market. The lending market is competitive and rapidly changing. With the introduction of new technologies and the influx of new entrants, the Originators participating on the Platform generally expects competition to persist and intensify in the future, which could harm an Originator's ability to increase its volume. The Originator's principal competitors include major banking institutions, credit unions, credit card issuers and other consumer and business finance companies, as well as other lending platforms. Competition could result in reduced volumes, reduced fees or the failure of the Platform to achieve or maintain more widespread market acceptance, any of which could harm the Platform's business. In addition, in the future Originators and the Platform may experience new competition from more established Internet companies which possess large, existing customer bases, substantial financial resources and established distribution channels. If any of these companies or any major financial institution decided to enter the Originator's business, acquire the Originator's existing competitors or form a strategic alliance with one of the Originator's competitors, the Originator's ability to compete effectively could be significantly compromised and the Originator's operating results could be harmed. If a the Originator is unable to compete with other companies and meet the need for innovation, its ability attract new Borrowers to participate in the Platform (and the Originators offering of additional Financial Instruments) may substantially decline.

Extensive Federal, State, and Local Regulation. The Originator, Platform, or Broker may be subject to extensive federal, state and local regulation, including compliance with applicable laws, non-compliance with which may expose it to adverse consequences and increased expenses.

Disruption in Service on The Platform's Website or Computer System. The satisfactory performance, reliability and availability of the Platform's technology and the Platform's underlying network infrastructure are critical to the Platform's operations, level of service, reputation and ability to attract new Originators and Investors and retain such persons. The Platform's system hardware may be hosted in a hosting facility. The Platform may also maintain an off-site backup system. A hosting facility will not guarantee that access to the Platform's website will be uninterrupted, error-free or secure. The Platform's operations may depend on a hosting facility's ability to protect their and the Platform's systems in their facilities against damage or interruption from natural disasters, power or telecommunications failures, air quality, temperature, humidity and other environmental concerns, computer viruses or other attempts to harm the Platform's systems, criminal acts and similar events. If the Platform's arrangement with a hosting facility is terminated, or there is a lapse of service or damage to a hosting facility's facilities, the Platform could experience interruptions in its service as well as delays and additional expense in arranging new facilities. Any interruptions or delays in the Platform's service, whether as a result of hosting facility or other third-party error, the Platform's own error, natural disasters or security breaches, whether accidental or willful, could harm the Platform's relationships with its Originators and Investors and the Platform's reputation. Additionally, in the event of damage or interruption, the Platform's insurance policies may not adequately compensate the Platform for any losses that may be incurred. The Platform's disaster recovery plan may not have been tested under actual disaster conditions, and the Platform may not have sufficient capacity to recover all data and services in the event of an outage at the hosting facility. These factors could damage the Platform's brand and reputation, divert the Platform's employees' attention, reduce the Platform's revenue, subject it to liability and cause Investors and/or Originators to abandon the Platform's platform, any of which could adversely affect its business, financial condition and results of operations.

Computer Viruses, Physical or Electronic Break -Ins and Similar Disruptions. The Platform may be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions. If a "hacker" were able to infiltrate the Platform, Investors and Originators would be subject to the increased risk of fraud. Additionally, if a hacker were able to access the Platform's secure files, he or she might be able to gain access to an Investor's or Originator's information, which could result in substantial liability to the Platform.