

THE FINANCIAL ADVISOR'S GUIDE TO P2P INVESTING

This White Paper, dated April 13, 2015, is written by Dara Albright, James A. Jones and Chris Staples. Dara, Jim and Chris combine their knowledge of P2Pi with decades of experience in financial advisory and retirement planning to introduce today's Financial Advisor to the world of P2Pi.

Summary:

In less than a decade P2Pi has gone from a novel means of connecting borrowers with lenders to a formidable alternative asset class that offers higher yield and less volatility than conventional fixed-income asset classes while providing little correlation to broader markets.

Although financial advisors have, for the most part, remained on sidelines, P2Pi continues to attract capital from a wide range of investors – from large pension funds all the way down to the self-directed individual. Despite the lack of contribution from the financial planning community, demand for P2P loans remains so strong that it consistently dwarfs the supply of notes.

Unfortunately, what began as a true person-to-person marketplace - with the ordinary individuals lending to and borrowing from one another - has since become monopolized by institutional investors whose deep pockets and technological advantages have all but driven the individual lenders out. In fact, according to various industry sources, nearly 90 percent of P2Pi capital is presently derived from institutional lenders.

The mounting difficulty for individuals to access P2P loans has been the one regrettable consequence of the massive success of the online lending model. However, we believe that armed with the knowledge and resources, the financial planning community can bring the "Peer" back into "Peer-to-Peer" lending and help democratize the P2Pi investor composition. Furthermore, we also believe that financial advisors can ultimately play an integral role in balancing the demand/supply discrepancy by introducing quality borrowers to the industry. Finally, and most significantly, we believe that engaging the financial advisory community is necessary to narrowing the nation's wealth divide and fending off a looming retirement crisis.

The purpose of this white paper is to introduce financial advisors to the world of P2Pi, weigh P2Pi against other asset classes, explore how P2Pi fits into a modern retail retirement portfolio, and illustrate ways for financial advisors to help their clients maximize P2Pi returns as well as access credit through online lending platforms.

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