

Item 1 Cover Page

LC ADVISORS, LLC

71 Stevenson St., Suite 300, San Francisco CA, 94105

info@lc-advisors.com

www.lc-advisors.com

September, 2017

This brochure provides information about the qualifications and business practices of LC Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 415.632.5600 or info@lc-advisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about LC Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This brochure provides information about the qualifications and business practices of LC Advisors, LLC (the “Advisor” or “LC Advisors”), a wholly-owned subsidiary of LendingClub Corporation (“Lending Club”). This brochure contains the following material change from the Advisor’s most recent annual update, which was filed March, 2017: The Advisor has replaced Russ Elmer as its Secretary and Brad Coleman as Controller with Brian Beck as Secretary and Fergal Stack as Controller. Please note that the change above represents the only material change to the Advisor’s most recently filed annual update, and does not attempt to summarize all information herein.

Item 3 Table of Contents

<u>Item 1</u>	<u>Cover Page</u>	1
<u>Item 2</u>	<u>Material Changes</u>	2
<u>Item 3</u>	<u>Table of Contents</u>	3
<u>Item 4</u>	<u>Advisory Business</u>	4
<u>Item 5</u>	<u>Fees & Compensation</u>	8
<u>Item 6</u>	<u>Performance Fees</u>	13
<u>Item 7</u>	<u>Types of Clients</u>	13
<u>Item 8</u>	<u>Methods of Analysis, Investment Strategy & Risk of Loss</u>	14
<u>Item 9</u>	<u>Disciplinary Information</u>	22
<u>Item 10</u>	<u>Other Financial Industry Activities</u>	22
<u>Item 11</u>	<u>Code of Ethics</u>	25
<u>Item 12</u>	<u>Brokerage Practices</u>	27
<u>Item 13</u>	<u>Review of Accounts</u>	27
<u>Item 14</u>	<u>Client Referrals</u>	27
<u>Item 15</u>	<u>Custody</u>	28
<u>Item 16</u>	<u>Investment Discretion</u>	28
<u>Item 17</u>	<u>Voting of Client Securities</u>	29
<u>Item 18</u>	<u>Financial Information</u>	29
<u>Item 19</u>	<u>State Requirements</u>	30

Item 4 Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

LC Advisors, LLC (the “Advisor” or “LC Advisors”) was formed in November 2010 and became an SEC-registered investment adviser on November 19, 2010.

The Advisor is a wholly-owned subsidiary of Lending Club, which operates a platform that connects borrowers and investors.

LC Advisors manages the assets of qualified investors through a suite of passively managed, privately offered funds (the “Funds”) that invest in (i) loans facilitated through the Lending Club platform (“Loans”), (ii) trust certificates which represent interests in Loans (“Trust Certificates”) and (iii) participations in Loans (“Loan Participations;” individually and collectively Loans, Trust Certificates and Loan Participations are referred to as “LC Products”). The Advisor also offers separately managed accounts (“SMAs”) to select accredited investors that invest in Trust Certificates.

All Loans facilitated through the Lending Club platform are issued by third-party banks. Loans in which Advisory Clients¹ currently invest are originated by WebBank, a Utah-chartered industrial bank. All grading of the Loans in which Advisory Clients invest is conducted by Lending Club’s platform, and such grades are not verified or approved by any independent third party.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

The Advisor serves as the investment adviser and general partner of a suite of passively managed, privately offered Funds that invest exclusively in LC Products. In addition, LC Advisors is the investment adviser but not the general partner for one additional Fund that invests in LC Products and that was established in 2016; the general partner for such Fund is a wholly-owned subsidiary of LC Advisors. The Advisor also offers SMAs to select accredited investors that invest in Trust Certificates.

The Advisor only offers advice regarding investments in LC Products. The Advisor does not currently offer advice regarding any other investment products.

A third party bank issues Loans to borrowers introduced to them via the Lending Club platform, and that bank sells the Loans to Lending Club. In certain instances, Lending Club then sells an

¹“Advisory Client” means any SMA or Fund for which the Advisor provides investment advice. The investors who invest in the Funds advised by Advisor are generally referred to herein as “Fund Investors.” Unless otherwise expressly stated herein, the term “Advisory Clients” does not include “Fund Investors.”

interest in all or a portion of those Loans to a Delaware business trust, LC Trust I (the “Trust”), that issues certificates in series. When investing in Trust Certificates, Advisory Clients purchase one or more global master certificates issued by the Trust, and the Advisor, on behalf of the respective Advisory Client, instructs the Trust to purchase Loans or portions of Loans facilitated through the Lending Club platform in accordance with the Advisory Client’s respective investment criteria. Each Trust Certificate represents a beneficial interest in the assets and liabilities of a particular series.

Through the purchase of LC Products, LC Advisors allocates the assets of its private Funds and SMAs across the available inventory of Loans facilitated through the Lending Club platform in accordance with the investment strategies or guidelines of the respective Advisory Client. This process does not involve a recommendation of any one particular available Loan over any other. Rather, the Advisor’s services instead focus on ensuring diversification of an Advisory Client’s assets across a broad range of available Loans in accordance with the Advisory Client’s investment criteria. The Advisor believes that its portfolio management services offer investors an efficient way to gain direct exposure to Loans with fixed income portfolio benefits.

Lending Club facilitates a variety of Loan products, including prime consumer Loans that meet the minimum credit policy requirements set forth in Item 8 or such other minimum credit policy in place at the time the Loan is facilitated (“Prime Consumer Loans”) to prospective borrowers. In recent years, Lending Club’s product line has expanded, and the Advisor has determined to provide its Advisory Clients with access to certain of these additional products. For example, Lending Club has expanded its product line to include Loans offered to certain borrowers who do not qualify for Prime Consumer Loans, but meet the requirements of Lending Club’s near-prime credit policy (“Near-Prime Loans”), and Loans to certain qualified small business borrowers (“Small Business Loans”). The Advisor has entered into agreements with certain SMA investors to advise them in connection with investments in Near-Prime Loans and Small Business Loans. Because these Loan products carry risks different from the risks associated with investments in Prime Consumer Loans, the Advisor has determined to enter into these agreements with only a select group of highly sophisticated investors having a unique appetite for these products and a high tolerance for the risks involved. Additionally, the majority of the privately offered Funds managed by the Advisor, and for which the Advisor serves as general partner, do not invest in either Near-Prime Loans or Small Business Loans, and will continue to invest only in Prime Consumer Loans. However, the Advisor manages one private Fund that invests in only Near-Prime Loans, and another private Fund that invests in Near-Prime Loans as well as in Prime Consumer Loans.

Lending Club engages in certain practices that impact the availability of asset inventory across the Lending Club platform. For example, while the majority of Prime Consumer Loans listed on the Lending Club platform are available for investment in fractional interests in increments of \$25, Lending Club temporarily designates a number of randomly selected Prime Consumer Loans as only available for investment on a whole-loan basis upon their initial listing. These designated Loans remain available on a whole-loan-only basis for a period of less than one day. Following this initial period, if these Loans have not been invested in by a whole Loan investor, they become available for investment on a fractional basis. Lending Club randomly allocates Loan requests to fractional or whole Loan availability on a daily basis based upon platform participants’ investment intent for the respective asset types in a given day. Allocating a given

Loan to fractional or whole Loan availability may affect the availability of certain Loans to Advisory Clients and investors, as certain Advisory Clients may invest only in fractional interests in Loans. Currently, Near-Prime Loans are only made available for investment on a whole-loan basis.

In addition, to seek to ensure fair and equitable access to asset inventory among self-directed investors, the Funds managed by the Advisor and the SMAs advised by the Advisor, Lending Club implements a temporary investment ceiling on the percentage of each newly listed fractional Loan that can be purchased by Funds managed by the Advisor during the first three days following the initial listing of such Loans on the Lending Club platform. Following the third day after a Loan is listed on the Lending Club platform, the Funds managed by the Advisor may invest any amount of available investable cash in any remaining unfunded portion of such Loan. Lending Club has determined that the implementation of such a practice is reasonably necessary to preserve the availability and viability of the Lending Club platform for all participants, however, there is no guarantee that it will actually be equitable or that all Advisory Clients or Fund Investors actually will be treated fairly.

This temporary investment ceiling does not currently apply to Advisory Clients other than the Funds managed by the Advisor. However, Lending Club may impose such a ceiling in the future if, in the opinion of Lending Club, the demand represented by these Advisory Clients were to impact the overall availability of investible platform assets such that distribution of investment opportunities was not fair and equitable.

At times, the inventory on Lending Club's platform will not be sufficient to invest all of an Advisory Client's assets (including the assets of one or more of the Funds), with the result being that investable cash will be held until enough inventory is available to deploy the available cash as directed by the Advisory Client. In certain cases, LC Advisors may make a conscious decision to allow exceptions to a Fund's allocation guidelines when circumstances suggested that a deviation from these guidelines would be in the best interests of Fund Investors and would allow the Advisor to put idle cash to work. Additionally, Lending Club reserves the right to restrict the amount of assets that a particular investor in Loans facilitated through the Lending Club platform, including Advisory Clients, may deploy for investment within a certain period of time. The Advisor anticipates that it will typically take from one to three months to fully invest the contribution of a Fund Investor or SMA investor, depending on the size of the account and the Loan inventory available on the Lending Club platform. Contributions are periodically invested as inventory becomes available on the platform.

The Advisor has no obligation to allow its Advisory Clients or Fund Investors to sell assets, or to sell assets for its Advisory Clients or Fund Investors. If requested by an Advisory Client or Fund Investor and permitted by the Advisor, the Advisory Client or Fund Investor, in consultation with the Advisor, may sell such assets and will be responsible for setting the price and terms of the transaction, and the Advisor will only administer the transaction on behalf of the Advisory Client or Fund Investor.

Trust Certificates acquired by the Advisor for its Advisory Clients and the limited partnership interests of the Funds held by Fund Investors are privately issued securities and are accordingly subject to resale restrictions and other compliance-related considerations imposed under the federal securities laws, as well as limitations on transfers and withdrawals contained in the

limited partnership agreements of the Funds, the Trust's governing documents and the investment advisory agreements of the Advisory Clients.

Finally, given the limited scope of the Advisors' advice and the dependency by the Advisor on its parent Lending Club in the provision of its services, the Advisor has established a majority-independent Governing Board to assist the Advisor in fulfilling its fiduciary duties toward the Funds and the SMAs. Responsibilities of the Governing Board include but are not limited to a quarterly review of LC Advisor's adherence to the investment restrictions and guidelines of the Funds and the SMAs, as well as an annual review of the allocation of expenses to the Funds and SMAs. In addition to the responsibilities related to the review of accounts, the Governing Board is responsible for the review and assessment of any real or perceived conflicts of interest relating to or among LC Advisors, the Funds, the SMAs, Lending Club and the Governing Board. The Governing Board is comprised of two independent directors, Richard Arney and Robert Hartheimer, as well as Lending Club Chief Investment Officer Sid Jajodia.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

LC Advisors currently manages the assets of accredited investors, many of whom also meet the definition of qualified purchaser, through a suite of passively managed, privately offered Funds that invest in LC Products. Each of these Funds has a specific and limited investment strategy that may impose restrictions on investing in certain assets or types of assets. For example, five of the seven Funds currently managed by the Advisor have determined not to invest in whole Loans or in any product other than fractional interests in Prime Consumer Loans. The sixth Fund managed by the Advisor has determined to invest not only in Prime Consumer Loans on a fractional basis but also in Near-Prime Loans, which are available for investment only on a whole-loan basis, while the seventh Fund managed by the Advisor has determined to invest only in Near-Prime Loans. Individual investors in these Funds are not given the option to impose additional restrictions beyond those inherent in the existing investment strategies of the Funds, however, they are given the opportunity to elect whether to reinvest principal and interest or, at periodic intervals, withdraw interest payments received (less fees and losses from Loans that have defaulted) or withdraw principal and interest (less fees and losses from Loans that have defaulted).

LC Advisors manages SMAs for select clients who meet the definition of accredited investor. These SMAs invest in Trust Certificates which represent interests in Loans facilitated through the Lending Club platform and meet their specific investment criteria. LC Advisors discusses desired return and risk levels with prospective SMA investors and executes an advisory agreement that specifies these characteristics in the form of a desired allocation of Loans and directs the Advisor to implement the investors' instructions to the best of the Advisor's ability, although there can be no assurances that the desired return and risk level will be achieved. SMA investors are also given the opportunity to elect whether to reinvest principal and interest or, at periodic intervals, withdraw interest payments received (less fees and losses from Loans that have defaulted) or withdraw principal and interest (less fees and losses from Loans that have defaulted), as well as the opportunity to impose other limitations on the assets that will be purchased for their account, primarily with regard to the characteristics of the Loans the Advisor will acquire for their account.

For a limited number of SMAs, the Advisor has agreed to permit the investor to leverage an application program interface to create its own portfolio of Loans without the support or any instruction provided by the Advisor. The Advisor has determined that it no longer intends to enter into such arrangements with new SMA investors.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Not Applicable. The Advisor does not offer a wrap fee program.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

All assets currently managed by LC Advisors are managed on a limited-discretionary basis in accordance with the limited, specific investment strategies of the Advisor’s Funds’ and SMAs’ investment criteria and guidelines, as discussed above. As of September 30, 2016, the Advisor managed approximately \$845 million across seven private Funds and approximately \$115 million in regulatory assets under management as the advisor to SMAs. The Advisor manages assets on a discretionary basis, although the discretion held by the Advisor is limited to allocation authority with regard to the assets it manages, subject to the specific investment criteria of its Advisory Clients, as described in Item 16.

Item 5 Fees & Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Private Funds that Invest Only in Prime Consumer Loans

Currently, the Advisor collects fees from Fund Investors for its services as the Fund’s investment adviser. The management fee earned in connection with Fund Investors’ investment in these Funds is based upon each Fund Investor’s capital account balance at the end of each month. The monthly fee charged to new Fund Investors in the five Funds that invest only in Prime Consumer Loans is 1/12th of the applicable fee, as listed in the table below, and is payable in arrears. All fees are negotiable (and may be waived) at the sole discretion of the Advisor. The Advisor does not receive carried interest or any performance fee.

New Fund Investor Capital Account Balance	Management Fee Percentage (Fund Investments)
Less than \$500,000 ²	1.10%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$4,999,999	0.90%
\$5,000,000 or more	0.70%

Private Fund that Invests in Both Prime Consumer Loans and Near-Prime Loans

The monthly fee charged to new Fund Investors in the Fund that invests in both Prime Consumer Loans and Near-Prime Loans is 1/12th of the applicable fee, as listed in the table below, and is payable in arrears. Fees are negotiable (and may be waived) at the sole discretion of the Advisor. The Advisor does not receive carried interest or any performance fee.

New Fund Investor Capital Account Balance	Management Fee Percentage (Fund Investments)
Less than \$500,000 ³	1.50%
\$500,000 – \$999,999	1.35%
\$1,000,000 - \$4,999,999	1.20%
\$5,000,000 or more	1.00%

² One of the Funds that invests solely in Prime Consumer Loans permits an initial minimum investment below \$500,000. For the four other Funds that invest solely in Prime Consumer Loans, Fund Investors whose capital account balances fall below the initial minimum investment of \$500,000 due to redemptions or distributions are charged a Management Fee Percentage of 1.10% on the same terms as described above.

³ Fund Investors whose capital account balances fall below the initial minimum investment of \$500,000 due to redemptions or distributions are charged a Management Fee Percentage of 1.50% on the same terms as described above.

Private Fund that Invests Only in Near-Prime Loans

The monthly fee charged to new Fund Investors in the Fund for which LC Advisors acts as the investment adviser but does not act as the general partner is 1/12th of the applicable fee, as listed in the table below, and is payable in arrears. The general partner to this Fund is a wholly-owned subsidiary of the Advisor. For this Fund the management fee is charged on the basis of the levered asset value to the extent the Fund borrows funds and holds assets in excess of the sum of the Fund Investors' combined capital account balances. Fees are negotiable (and may be waived) at the sole discretion of the Advisor. Neither the Advisor nor the general partner receive carried interest or any performance fee. Per the table below, "Core Limited Partners" are those that subscribed prior to October 1, 2016 and are designated as such by the general partner, and "Non-Core Limited Partners" are all other Fund Investors in the Fund.

Type of limited partner	Management Fee Percentage	Loan Servicing Fee
Core Limited Partner	0.75%	0.75%
Non-Core Limited Partner	1.00%	0.75%

SMA's

The Advisor manages SMA's for select clients who meet the definition of accredited investor. The Advisor's current fee structure for SMA's is based upon the assets under management ("AUM" of the account in question, as set forth in the table below, although all fees are negotiable (and may be waived) at the sole discretion of the Advisor. The monthly fee charged by the Advisor varies based on the market value of the account at the end of each month, and is payable in arrears.

AUM	Annual SMA Fee	Monthly Fee
\$100,000-\$249,999	1.20%	0.1000%
\$250,000-\$499,999	1.10%	0.0917%
\$500,000-\$999,999	1.00%	0.0833%
\$1,000,000-\$4,999,999	0.95%	0.0792%
\$5,000,000+	0.85%	0.0708%

In all cases, the specific terms relating to the fees charged by the Advisor are detailed in each advisory agreement for Advisory Clients and in the offering documents or governing documents for Fund Investors, and all investors are urged to carefully review those documents prior to making an investment.

It should be noted that investors do not need to use the services of the Advisor to invest in Loans facilitated through the Lending Club platform. The Lending Club website provides potential investors with a self-directed option to purchase SEC-registered member payment dependent notes issued by Lending Club directly (“Member Payment Dependent Notes”). Alternatively, investors may contract with Lending Club to purchase whole Loans. Investors wishing to invest in Loans through the Trust without engaging the Advisor may do so by contracting directly with the Trust. However, investing without the advisory services of LC Advisors may require a significant amount of an investor’s time to manage a portfolio in order to meet such investor’s investment goals or a willingness to engage and monitor Lending Club’s automated investing tools. There are no fees payable to the Advisor if any of these self-directed investment options is selected.

B. Describe whether you deduct fees from *clients*’ assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

The Advisor’s fees are typically deducted from the assets of investors on a monthly basis. In certain cases, Advisory Clients and Fund Investors can elect to have management fees billed each month upon request.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your brochure that discuss brokerage.

The Advisor has the right to charge Fund Investors for non-recurring or extraordinary expenses or expenses that are not incurred in the ordinary course of the business, including, but not limited to, indemnification, costs of litigation, and other extraordinary expenses; however, the Advisor has not previously, and currently does not charge any such fees or expenses to Fund Investors in the six Funds for which the Advisor acts as general partner. For the seventh Fund and to which a wholly-owned subsidiary of the Advisor acts as the general partner, the Advisor does pass such fees and expenses through to the Fund Investors.

Advisory Clients and Fund Investors may also be obligated to pay certain costs and expenses in connection with the sale of assets the Advisor administers on their behalf or in connection with the sale of an Fund Investor’s interest in a Fund, to the extent the Advisor incurs expenses in connection with such sale. As discussed above, the Advisor is not obligated to sell assets for its Advisory Clients or on behalf of its Fund Investors, and will not do so unless requested by the Advisory Client or investor and approved by the Advisor, consistent with all applicable legal requirements and the provisions of applicable limited partnership or SMA agreements.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Not Applicable to the Advisor as fees are not paid in advance of services.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Because the Advisor offers advice only regarding LC Products, the Advisor (including its supervised persons) does not accept compensation from the sale of any mutual funds or other third party securities or investment products. Our supervised persons do receive a salary and a discretionary bonus that takes into account several factors in the performance of the supervised person.

E.1 Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

The Advisor only offers advice regarding a single type of investment (*i.e.*, LC Products), and those products are dependent upon the issuance of Loans facilitated through the platform of LC Advisors' parent, Lending Club. Management fees that Fund Investors and Advisory Clients pay in connection with their investment in these instruments will provide the sole source of compensation for the Advisor and its supervised persons. In addition, the investment by Advisory Clients will provide a source of funding for Lending Club's platform; Lending Club receives a transaction fee and servicing fee for Loans facilitated through its platform, and these fees are a primary source of revenue for Lending Club. This creates a conflict of interest and gives the Advisor and its supervised persons incentive to recommend investment in LC Products based on compensation received, rather than an Advisory Client's or investor's needs.

The private placement memorandum for each of the seven private Funds contains a section entitled "Conflicts of Interest" and an extensive discussion of the risk factors associated with an investment in the respective Fund. Further, the private placement memorandum for the Trust contains an extensive discussion of the risk factors associated with investment in a Trust Certificate. In addition, Lending Club fully discloses the source of its revenues in the prospectus for the Member Payment Dependent Notes that is filed with the SEC. Investors should read these disclosures carefully.

E.2 Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

The Advisor provides advice to Advisory Clients regarding investment in LC Products. However, it may be possible to invest in these Loans through funds sponsored and managed by parties that are not affiliated with the Advisor or Lending Club.

E.3 If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

As discussed above, the sole source of revenue for the Advisor consists of the management fees paid by Advisory Clients and Fund Investors. These management fees arise from investment by Advisory Clients in the only instruments for which the Advisor provides advice (*i.e.*, LC Products).

E.4 If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Not applicable.

Item 6 Performance Fees

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Not Applicable. The Advisor does not charge its Advisory Clients performance-based fees.

Item 7 Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

LC Advisors provides investment advisory services solely to privately offered Funds and SMAs.

LC Advisors manages seven privately offered Funds that invest in LC Products. Each of these Funds has a specific and limited investment strategy. The Funds are offered only to accredited investors, and some Funds are offered only to investors who are both accredited investors and qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act of

1940. The majority of these Funds carry a \$500,000 single account minimum initial investment, which can be waived in the sole discretion of the Advisor in its capacity as each Fund's general partner or by the wholly-owned subsidiary general partner to the seventh Fund (but see the notes to minimum investments and fees in Item 5.A above). One of these Funds carries a \$100,000 single account minimum initial investment. The Funds' investors may include a wide range of persons, such as high net worth individuals, family offices, hedge funds, funds of funds, registered investment advisers investing on behalf of their clients, insurance companies, and retirement or pension funds.

LC Advisors also offers advisory services on a separately managed account basis to investors who meet the definition of accredited investor, and these accounts invest in Trust Certificates which represent interests in Loans facilitated through the Lending Club platform. The Advisor's SMAs generally carry a minimum account size of \$100,000. These investors may also include a wide range of persons, such as high net worth individuals, family offices, hedge funds, funds of funds, registered investment advisers investing on behalf of their clients, insurance companies, private foundations and retirement or pension funds.

Item 8 Methods of Analysis, Investment Strategy & Risk of Loss

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

The privately offered Funds currently managed by the Advisor each have a specific and limited investment strategy that impose restrictions on the types of assets in which the Advisor may invest and on the strategies the Advisor may employ in managing the Funds' assets. With regard to the SMAs for which the Advisor provides advisory services, the Advisor works with prospective investors (and/or their authorized fiduciaries) to determine the investor's desired return and risk level and memorializes in the account agreement the investor's desire for the Advisor to implement its risk and return characteristics to the best of the Advisor's ability utilizing the methods of analysis and investment strategy discussed below, operating within certain investor-established guidelines.

In all cases, investors are advised that investing in LC Products involves a high degree of risk, and is suitable only for investors who have the financial sophistication and expertise to evaluate the merits and risks of these investments. Investments may lose value over time and no return is guaranteed. There can be no assurance that the investment objectives will be achieved or that an investor will receive a return of its capital contributed to any Advisory Client.

Methods of Analysis

The Advisor relies upon the quality and strict credit policy guidelines of the Lending Club platform's credit scoring and underwriting in assessing the risks and rewards of underlying borrowers and Loans. The Advisor allocates its Advisory Clients' assets across available loan inventory based on this analysis as dictated by each Advisory Client's investment mandates.

The current minimum credit policy requirements for borrowers of Prime Consumer Loans facilitated through the Lending Club platform include:

- a FICO score of 660 or above (as reported by a consumer reporting agency);
- a debt-to-income ratio (excluding mortgage and the requested loan amount) below 40%, except in the following circumstances where the debt-to-income ratio (excluding mortgage and the requested standard program loan amount) must be below:
 - 50% in the case of the direct pay program; and
 - 35% in the case of joint application loans if joint income is considered;
- acceptable debt-to-income ratio (including mortgage and the requested loan amount); and
- a credit report (as reported by a consumer reporting agency) reflecting:
 - at least two revolving accounts;
 - 5 or fewer credit inquiries in the past six months (excluding mortgages and auto loans); and
 - a minimum credit history of 36 months.

These criteria may change over time and investors will be informed when material changes occur.

The Lending Club platform then takes these elements and, taking into consideration the size of the loan, arrives at a credit grade which it believes accurately sets “risk based” pricing for the loan. Different credit requirements apply to borrowers of Near-Prime Loans under a credit policy developed for this separate lending program. For example, the minimum credit policy requirements for borrowers of Near-Prime Loans include a credit score of between 600 and 659.

The Advisor believes that the Lending Club platform’s borrower verification, strict credit policy and underwriting analysis produces a unique inventory of Loans. As a result, LC Products can provide Advisory Clients and Fund Investors with an opportunity to build a diversified portfolio consistent with their requirements.

Investment Strategy

The Advisor’s services currently relate solely to investments in LC Products. LC Advisors believes that a portfolio of Lending Club Loans can produce a competitive annual return compared to other fixed income instruments while providing additional portfolio benefits. The Advisor believes that Lending Club’s efforts to reduce structural inefficiencies and rely on risk-based pricing in lending create opportunities for investors who commit capital to these Loans.

The Advisor believes that implementing a strategy of investing in a range of Loans facilitated through the Lending Club platform can enable Advisory Clients and investors to create and maintain a portfolio of Loans that, if properly diversified, can help effectively mitigate the impact of inevitable defaults and loss and potentially produce a consistent, predictable return. Typically, the Advisor strives to generate predictable annual returns on capital invested, with return ranges depending on the Fund’s or SMA investor’s specific risk tolerance and return preferences.

As noted above, Lending Club's product line includes Loans offered to certain borrowers who do not qualify for Prime Consumer Loans, but meet the requirements of the Near-Prime Loan credit policy. The Advisor has entered into agreements to advise investors that invest in these Near-Prime Loans. These Loans carry risks significantly different from the risks associated with investments in Prime Consumer Loans, including risks associated with these Loans being relatively new products of Lending Club that have limited meaningful historical information. In light of these considerations, the Advisor has determined not to make these Loans generally available to the full range of the Advisory Clients. Rather, the Advisor has determined to advise only a select group of highly sophisticated investors who have a unique appetite for this relatively new product, a high tolerance for the risks involved, and the means to conduct the diligence necessary to make an informed investment decision regarding new products of this nature. Additionally, five of the seven privately offered Funds managed by the Advisor do not invest in Near-Prime Loans, and will continue to invest only in Prime Consumer Loans.

The Advisor's investment strategy is to allocate Advisory Client assets across available Loan inventory based on the risk and return criteria specified by the Funds or SMAs. The Advisor invests Advisory Client assets in Loans facilitated through the Lending Club platform by purchasing LC Products. The Loans underlying LC Products are unsecured obligations, and payment related to each LC Product is wholly dependent on the receipt of payments on the underlying Loans.

Risk of Loss

Investing in securities and loans, including consumer and business loans, invariably involves a risk of loss. Investments may lose value over time and no return is guaranteed. The LC Products that the Advisor purchases and invests in on behalf of Advisory Clients represent interests in unsecured Loans. Payment is wholly dependent on the receipt of payments on the underlying Loans. The Advisor does not act as a servicer of the Loans, and thus is unable to pursue delinquent borrowers. Accordingly, Advisory Clients and Fund Investors must rely upon Lending Club or any of Lending Club's appointed third-party servicers for collection and servicing activities relating to the Loans.

The Advisor believes that defaults are an expected part of lending. Defaults occur when the borrower of a specific Loan fails to make payments of its outstanding principal or interest as required. The Advisor believes that the key to managing the risk of defaults in an investor's account is to (i) emphasize higher quality borrowers, who will likely default at a lower rate, and (ii) combine this focus with broad portfolio diversification. In the Advisor's opinion, employing this combination of considerations may help in achieving the Advisor's goal of keeping defaults to a reasonable level, and accordingly may minimize principal losses to Advisory Client accounts. However, there can be no assurances that Advisory Clients will avoid substantial losses when investing in Lending Club Loans, regardless of their stated risk tolerance and the level of diversification maintained in their portfolio. The Advisor expects that Advisory Clients will realize losses on some individual positions held within their account, and Advisory Clients should be prepared to bear losses on some or all individual investment positions, which may result in the loss of an investor's entire investment. Varying portfolio configurations could have a significantly different default and charge-off rates.

8B For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

See Item 8.A for a discussion of the Advisor's investment strategy. The discussion below enumerates several, but not all, risk factors that apply generally to investments of Advisory Clients and an investment in a Fund managed by the Advisor. An investment in a Fund managed by the Advisor is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. Prior to making any investment, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest.

Investment in LC Products Unsecured

LC Products are highly risky and speculative because payments depend entirely on payments received on Loans of individual borrowers (or solely with respect to Small Business Loans, a guarantor). If a borrower (or solely with respect to Small Business Loans, a guarantor) fails to make any payments on the corresponding Loans related to the respective LC Product, the related Advisory Client and investor will not receive any payments on the corresponding LC Product. The Loans are unsecured obligations and, with the exception of Small Business Loans for which there is a guarantor, the Loans are not backed by any collateral or guaranteed or insured by any third party. The failure of a borrower to repay a Loan does not result in any direct cause of action through any LC Product. Any obligation to pay Advisory Clients or investors is limited as described in the applicable offering documents correspondent to the LC Product at issue. Advisory Clients and investors must rely on the servicer and any designated third-party collection agency to pursue collection against any borrower. Advisory Clients and investors will have no recourse against borrowers and no ability to pursue borrowers to collect payments under Loans.

Limited Transferability and Liquidity

Trust Certificates, the limited partnership interests in the Funds have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that the Trust Certificates or the limited partnership interests in the Funds will ever be registered under the Securities Act or other securities laws. There is no public market for the Trust Certificates or the limited partnership interests in the Funds and one is not expected to develop. SMA investors and Fund Investors will not be permitted to assign Trust Certificates or limited partnership interests, respectively, except by operation of law, without the prior consent of LC Advisors, except in limited circumstances. Investors will not have a right to withdraw, and must be prepared to bear the risks of owning Trust Certificates or limited partnership interests, as applicable, for an extended period of time.

Loan Grading

The final grading and interest rate applicable to the borrowers of the Loans in which Advisory Clients invest is established by the Lending Club platform and is not reviewed or approved by an independent third party. If the credit decisioning and scoring models used contain errors or are otherwise ineffective, Lending Club's reputation and relationships with borrowers and investors could be harmed and its market share could decline. Lending Club's ability to attract borrowers and investors to, and build trust in, its marketplace is significantly dependent on its platform's ability to effectively evaluate a borrower's credit profile and likelihood of default. To conduct this evaluation, Lending Club's platform utilizes credit decisioning and scoring models that assign each loan offered on its marketplace a grade and a corresponding interest rate. The Lending Club platform's credit decisioning and scoring models are based on algorithms that evaluate a number of factors, including behavioral data, transactional data and employment information, which may not effectively predict future Loan losses. If Lending Club's platform is unable to effectively segment borrowers into relative risk profiles, Lending Club may be unable to offer attractive interests rates for borrowers and returns for its investors. Lending Club's platform refines these algorithms based on new data and changing macro and economic conditions. If any of these credit decisioning and scoring models contain programming or other errors, are ineffective or the data provided by borrowers or third parties is incorrect or stale, the Loan pricing and approval process could be negatively affected, resulting in mispriced or misclassified Loans or incorrect approvals or denials of Loans. If such errors were to occur, Lending Club's investors may try to rescind their affected investments or decide not to invest in Loans or borrowers may seek to revise the terms of their Loans or reduce the use of Lending Club's marketplace for Loans.

Dependence on Lending Club

Lending Club is the sole facilitator of the Loans that underlie LC Products, and Advisory Clients would be unable to fulfill their investment program if Lending Club were to dissolve, liquidate, become bankrupt or otherwise cease operations or change its business and cease facilitating Loans. Furthermore, Lending Club has no legal obligation to offer or sell Loans to the Trust or to Advisory Clients. Due to the Advisor's dependence on Lending Club, the risks inherent in investing in Lending Club and its products are applicable to an investment in the Funds, Trust Certificates and other LC Products.

Insufficient Supply

The Advisory Clients' investment programs are dependent upon a sufficient supply of borrowers, which is outside of the control of Lending Club and the Advisor, and if there is insufficient supply to meet the Advisory Clients' demand, the Advisory Clients will be unable to fulfill their investment programs. In such case, the Advisor may cause its Advisory Clients to hold extensive cash positions for extended periods of time, potentially reducing the returns of the Advisory Clients. In certain cases, the Advisor may allow exceptions to the allocation guidelines when circumstances suggest that a deviation from these guidelines would be in the best interests of Fund Investors and would allow the Advisor to put idle cash to work.

Limited Operating History

The Advisor, the Funds and the SMAs advised by the Advisor do not have a significant operating history upon which prospective Fund Investors or Advisory Clients can evaluate likely performance. Because Lending Club has only been in operation for approximately 10 years, only a portion of Loans facilitated through Lending Club have a complete payment history. Accordingly, current return and default rates may not be indicative of future loan performance. There can be no assurance that Advisory Clients or Fund Investors will achieve their investment objectives.

Lack of Diversification

The SMAs and Funds advised by the Advisor invest solely in LC Products, and their portfolio will not be diversified beyond these LC Products and idle cash investments. Therefore, the portfolios of the SMAs and Funds may be subject to more risk than would be the case if they were required to maintain a wider diversification among types of securities and issuers.

Valuation of Investments

The Advisor values the Trust Certificates of the Funds it advises (each, a “Fund Trust Certificate”) at their estimated fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The estimated fair value of each Fund Trust Certificate is determined in accordance with the fair value hierarchy of Accounting Standards Codification (“ASC”) 820 that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs, which generally requires significant management judgment when measuring fair value. As observable market quotations and inputs are generally not available for the Trust Certificate or for similar types of assets, the Advisor estimates the fair values of each Fund Trust Certificate, and its underlying Loans, using a discounted cash flow valuation methodology.

The Advisor has established a Valuation Committee composed of Tom Casey, Lending Club’s Chief Financial Officer, Russ Elmer, LC Advisor’s General Counsel and Secretary, and Raman Suri, the Advisor’s President. The Advisor has also engaged a third-party valuation specialist to estimate and provide monthly valuations to the Advisor for the Fund Trust Certificates. These monthly valuations are approved by the Valuation Committee, who is also responsible for managing the Advisor’s valuation policies and procedures and reporting to the Governing Board on valuation matters. The Governing Board is responsible for the annual approval of valuation policies and procedures applicable to the Funds and SMAs. Due to the inherent uncertainty of valuations, the estimated fair values may differ materially from the value that would have been reported had a readily ascertainable market value existed. If a Fund Investor is permitted to transfer its interest, any such valuation may or may not be applicable for such purposes. There may be a conflict of interest in relation to the valuation of Fund Trust Certificates because the Advisor will receive a management fee which is based on the value of the Fund Trust Certificates; however, the establishment of the Governing Board is meant to act as a control on any such conflicts of interest.

Other Activities of Management

All employees that are investor-facing or work directly with the Advisor are employees of the Advisor or dual employees of the Advisor and Lending Club. Such employees will devote as much time as is reasonably necessary to conduct the business and affairs of the Advisor and each Advisory Client in an appropriate manner. However, such personnel will work for multiple Advisory Clients, Fund Investors, and in the case of dual employees, other investors of Lending Club on other transactions and, therefore, conflicts may arise in the allocation of management resources.

Allocation of Investment Opportunities with Other Advisory Clients and Conflicting Fiduciary Duties

LC Advisors engages in a broad spectrum of activities and has extensive investment activities that are independent from, and may from time to time conflict with, the Advisory Clients. In the future, LC Advisors may provide services to, invest in, advise, sponsor or act as investment adviser to investment vehicles and other persons or entities that may have similar structures and investment objectives and policies to those of the Advisory Clients and that may compete with the Advisory Clients for investment opportunities. Additionally, certain investment opportunities fall within the investment objectives of multiple Advisory Clients, and in such circumstances, LC Advisors will allocate such opportunities among its Advisory Clients on a basis that LC Advisors determines in good faith to be fair and reasonable taking into account the investment strategy and restrictions in the relevant governing documents, the relative amounts of capital available for investment and other considerations deemed relevant by LC Advisors in good faith.

Contract Amendments

The Advisor may enter into amendments of its existing contracts or other similar agreements with Fund Investors or with SMA investors without the approval or vote of any other investor, which could have the effect of establishing rights under, altering or supplementing the terms of governing documents of such investment vehicles in a manner more favorable to such investors than those applicable to other investors. Such rights may include fee and other economic arrangements, transfer or withdrawal rights and additional reporting obligations. As a means of establishing controls related to the potential risks associated with contract amendments, the Governing Board has the responsibility of approving the issuance of any amendment to any contract with Fund Investors or Advisory Clients.

8C If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

The Advisor's services relate solely to investments in LC Products.

See Item 8.A for the discussion on **Risk of Loss** and Item 8.B for material risks.

Item 9A-C Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

There are no material disciplinary events related to the firm, its personnel or management.

Item 10 Other Financial Industry Activities

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not applicable. Neither the Advisor nor any of the Advisor's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker dealer.

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable. Neither the Advisor nor any of the Advisor's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of those listed groups.

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

The Advisor and its management persons generally do not maintain relationships material to Advisory Clients or the Advisor's business with related persons in the financial industry. The Advisor serves as the general partner for six of the privately offered Funds whose assets the Advisor currently manages. Currently, these Funds are the Broad Based Consumer Credit Fund, L.P., the Broad Based Consumer Credit (Q) Fund, L.P., the Broad Based Consumer Credit Fund II, L.P., the Conservative Consumer Credit Fund, L.P., the Conservative Consumer Credit (Q) Fund, L.P. and the High Yield Consumer Credit (Q) Fund, L.P. Additionally, five individuals associated with the Advisor provide services to both Lending Club and LC Advisors in financial or professional capacities. Raman Suri, the Advisor's President, serves as Senior Vice President of Lending Club's Retail Investor Services. Fergal Stack serves as the Controller of both Lending Club and the Advisor. Sid Jajodia was recently appointed as Chief Investment Officer for Lending Club and serves as a member of LCA's Governing Board; he leads credit risk management and credit-related investor communications for Lending Club. While the Advisor believes that these relationships may be material to its business operations, the Advisor does not believe that these relationships present material conflicts of interest with the Advisory Clients.

While the relationships described above represent the scope of the material relationships between the Advisor or its management persons and related persons in traditional financial industry roles, the Advisor also believes that its relationship with its parent company is material to the Advisor's business. As discussed above, the Advisor is a wholly-owned subsidiary of Lending Club. While Lending Club is not a bank, a broker-dealer or other traditional financial industry participant, the Advisory Clients invest in LC Products. The Advisor's services do not relate to any other type of financial product, and accordingly the Advisor's business is wholly dependent on the continued operation of Lending Club. Additionally, because the Advisor is a wholly-owned subsidiary of Lending Club, the Advisor shares certain personnel with Lending Club. The Advisor also believes that certain specific conflicts of interest may be perceived with regard to the relationship between the Advisor and Lending Club, primarily including (i) the implementation of a temporary investment ceiling on the percentage of available fractional Loan inventory that may be purchased by the Funds managed by the Advisor for a period of time after Loans are initially listed on the Lending Club platform, and, more broadly, Lending Club's interest in ensuring that investors purchase Loans funded through its platform and that such Loans are available to a range of platform participants; (ii) the designation by Lending Club of a number of randomly selected Prime Consumer Loans as available for investment on a whole-loan-only basis during the first day after initial listing on the Lending Club platform; and (iii) the allocation of Advisory Client assets to certain Loans which are partially funded but which have not yet issued and may not issue, where Lending Club has a financial interest in ensuring that Loans receive sufficient funding to issue and begin generating interest accordingly.

To address potential conflicts of interest in general, the Advisor and Lending Club seek to maintain an ethical wall between the two entities, whereby the operations of the Advisor are separate and distinct from those of Lending Club. All employees that are investor-facing or work directly with the Advisor are employees of the Advisor or dual employees of the Advisor and Lending Club. Such employees may maintain an investing account with Lending Club to have a better familiarity with the investor experience but they are restricted in the method and manner in which they maintain an account. Any such employee who wishes to maintain an account may not personally select Lending Club investments for his or her account, but rather must select an investment strategy and have such investments made on his or her behalf according to that strategy.

With regard to the implementation of a temporary investment ceiling on the percentage of available fractional Loan inventory, Lending Club has implemented a policy which seeks to ensure fair and equitable access to available fractional Loan inventory among self-directed investors and Advisory Clients. For a discussion of this practice, please refer to Item 4.B above. The Advisor recognizes that this practice creates a conflict of interest and may be perceived as having a disproportionate impact on the Funds managed by the Advisor, as such Funds may not invest in each newly listed fractional Loan above a certain percentage during the first three days after such Loan is first listed on the Lending Club platform. SMAs advised by the Advisor and self-directed investors are not currently subject to this temporary investment ceiling and may

invest in each newly listed Loan that is available on a fractional basis in their discretion, though Lending Club reserves the right to change this policy if, in the opinion of Lending Club, circumstances warrant such a change. The Advisor also recognizes that Lending Club has a financial interest in ensuring that all Loans facilitated through its platform receive adequate investment interest from potential investors, and an interest in ensuring that a broad range of platform participants have access to Loan inventory meeting their investment criteria and risk profile. Lending Club periodically may and does limit the amount of assets that a particular investor in Loans facilitated by Lending Club, including Advisory Clients, may deploy for investment within a certain period of time. Lending Club and the Advisor strive to not disproportionately impact SMA investors through these practices. Notwithstanding this differential treatment of certain Advisory Clients, and the considerations faced by Lending Club with regard to access to Loan inventory among platform participants generally, the Advisor has determined that these practices do not, in its view, materially disadvantage the Funds or any SMA investors who may be affected by these practices considering the following factors: the relative investment power held by these investors in relation to self-directed investors; the resources the Advisor employs to invest its Advisory Clients' available cash across Loans; the fact that the Funds are still able to invest in each Loan available for fractional investment during the first three days of listing in an amount up to the temporary investment ceiling set by Lending Club; and the fact that any SMA investor who may be affected by these practices will still be able to invest in Loans up to the amount of any limitation imposed by Lending Club. It is also important to note that the Advisor does not control the credit policy of Lending Club and cannot modify the policy in order to increase the applicable inventory of Loans.

With regard to the designation of certain Prime Consumer Loans as available for investment on a whole-loan-only basis for a time after initial listing, the Advisor recognizes that this practice may result in certain Loans becoming unavailable for investment by certain of the Funds managed by the Advisor, as such Funds have determined not to invest in Prime Consumer Loans that are whole Loans and such Loans may be purchased in their entirety by other platform participants before such time as the Loans would become available for investment on a fractional basis. Because of this potential impact on certain Funds, and because Lending Club has instituted the practice of designating certain Prime Consumer Loans for investment as whole Loans in response to requests from certain self-directed investors of Lending Club, the Advisor acknowledges that this practice creates a conflict of interest. The Advisor believes that this practice is not likely to materially disadvantage the Funds over time, in consideration of the facts that Loans are selected for designation as whole Loans by Lending Club on a random basis and bear such designation for a period of less than one business day.

With regard to the allocation of Advisory Client assets to Loans that are partially funded but which have not yet issued and may not issue, the Advisor has determined that it is in the best interest of the Advisory Clients to commit Advisory Client assets to Loans that have the highest likelihood of being promptly issued notwithstanding the perceived conflict of interest noted above, as this procedure can increase Fund and SMA efficiencies and investment returns.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that

create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not applicable to the Advisor, as LC Advisors does not recommend or select other investment advisers for its Advisory Clients or have other business relationships with investment advisers that create conflicts of interest for the Advisory Clients.

Item 11 Code of Ethics

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

The Advisor's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to the Advisor's "Access Persons," which include, generally, any partner, officer or director of and any employee or other supervised person of the Advisor who, in relation to the Advisory Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public.

The Code sets forth a standard of business conduct that takes into account the Advisor's status as a fiduciary and requires Access Persons to place the interests of Advisory Clients above their own interests and the interests of the Advisor. The Code also requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Advisor's Chief Compliance Officer, Bill Steiner. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Advisor's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Advisor's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Advisory Clients. Current and prospective Advisory Clients and investors may obtain a copy of the Code by contacting the Chief Compliance Officer at bsteiner@lendingclub.com.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

The Advisor invests in LC Products on behalf of the Advisory Clients. Please refer to Item 10.C for a discussion of the relationship between the Advisor and Lending Club.

C. If you or a *related person* invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

The Advisor does not take proprietary positions with regard to any securities it selects for investment by Advisory Clients, or with regard to any related securities. As discussed above, the Advisor has established policies to protect against any conflict of interest for Access Persons of the Advisor in relation to Lending Club investing accounts they may maintain.

The Advisor's parent company, Lending Club, sometimes takes proprietary positions in certain Loans which the Advisor may select for investment by its Advisory Clients. As discussed above, the Advisor and Lending Club seek to maintain an ethical wall between the two entities, whereby the operations of the Advisor are separate and distinct from those of Lending Club. Additionally, Lending Club seeks to ensure access to fractional asset inventory among all platform participants without any one platform participant or type of platform participant being materially disadvantaged, as discussed in Item 4.B above. Because Lending Club only takes proprietary positions in Loans to the extent that the Advisory Clients and self-directed investors have no further available funds or choose not to invest in the Loans in question, or to correct an error or, in certain very limited circumstances, to reverse a transaction entered into by a platform participant, the Advisor believes that the ethical wall maintained between the Advisor and its parent in light of the inventory access methodology discussed above are sufficient to prevent any material conflicts of interest that may negatively impact Advisory Clients in this regard.

Certain executive officers and board members of Lending Club are currently limited partners in at least one of the seven Funds managed by the Advisor. While these related party investments may create an apparent conflict of interest for the Advisor in connection with the management of the Fund, the Advisor does not believe that any such conflict is likely to have a significant impact on the Fund(s) or on the operations of the Advisor due to the fact that each of the Funds is passively managed. Additionally, as discussed in response to Items 4.B above, the Advisor has established a majority-independent Governing Board to assist the Advisor in fulfilling its fiduciary duties and assessing real or perceived conflicts of interest.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

The Advisor does not purchase or sell any securities selected for Advisory Clients for its own proprietary accounts. To the extent that the Advisor's parent, Lending Club, takes proprietary positions in Loans selected for Advisory Clients by the Advisor, it only does so to the extent that the self-directed investors on the Lending Club platform and Advisory Clients have no further funds to invest in these Loans, or to correct an error or, in certain very limited circumstances, to reverse a transaction entered into by a platform participant. Please refer to Item 4.B. above for a discussion of the methodology used by Lending Club to ensure access to fractional asset inventory among all platform participants. Please also refer to Item 11.C above.

Item 12 Brokerage Practices

Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions). Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Not applicable. The Advisor does not select or recommend any broker-dealers for Advisory Client transactions, and transactions in LC Products are not effected by means of orders placed with or through any broker-dealer.

Item 13 Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

Advisory Client accounts are reviewed on a monthly basis to ensure compliance with their stated investment objectives and to ensure investable cash is handled appropriately. Any noted exceptions to Advisory Client investment objectives will be reviewed and discussed with the Governing Board at the next Governing Board meeting.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

Advisory Client accounts are reviewed on a monthly basis as discussed above.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

Monthly written statements are typically delivered to Advisory Clients electronically.

Item 14 Client Referrals

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not applicable, as the Advisor has no such arrangements with third parties.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

The Advisor does not currently compensate any third parties for Advisory Client referrals. While the Advisors has entered into arrangements with three registered advisors pursuant to which existing clients of these third party advisors are referred to the Advisor, these third party

advisors do not receive compensation for these referrals. The Advisor currently has entered into placement agent agreements with certain registered broker-dealers or advisors under which these third parties may receive compensation for referrals of investors in the private Funds managed by the Advisor. The Advisor may, from time to time, do so again in the future. In any case where the Advisor determined to compensate a third party for referrals of Advisory Clients, the amount of compensation would be determined at the time the Advisor entered into a referral arrangement with such a third party, although any such arrangements would typically call for compensation to be paid to the referrer if a referred party entered into an advisory agreement with the Advisor within six months of being referred. Clear disclosure would be provided to the third party at the time of any such referral regarding the nature of the referral arrangement and any compensation the third party referrer would receive in connection with the referral.

Item 15 Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

LC Advisors has engaged Millennium Trust Company, LLC (“Millennium”) to serve as the qualified custodian for assets of the private Funds and the SMAs managed by the Advisor. Advisory Clients receive account statements directly from Millennium on at least a quarterly basis and are urged to carefully review these statements. The Advisor also strongly urges Advisory Clients to compare the account statements it receives from the Advisor with those account statements it receives from the custodian.

The Advisor is deemed to have custody of the underlying assets of many of its Advisory Clients. For the SMA Advisory Clients, and specifically for those accounts to which the Advisor is deemed to have custody of the underlying assets, the Advisor engages an independent public accountant to subject assets of these accounts to a surprise audit on an annual basis in order to comply with the Advisers Act.

Since the Fund Advisory Clients are “pooled investment vehicles,” assets are held with an unaffiliated, qualified, third-party custodian and are subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of the Fund Advisory Clients within 120 days of the end of the fiscal year.

Item 16 Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

The Advisor possesses limited investment discretion in connection with the management of its Advisory Clients' accounts. It will, through the limited power of attorney granted by its Advisory Clients, invest in LC Products that meet the specific investment criteria established by the Advisory Client. The Advisor is bound to follow the specific mandates of each Advisory Client with regard to Loan characteristics and diversification when identifying Loans for potential investment.

With regards to the liquidation of Advisory Client assets, please refer to Item 4 and Item 8 above.

The Advisor has limited access to Advisory Client accounts and can only authorize any movement of funds that is required to pay for purchases.

Item 17 Voting of Client Securities

If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

The Advisor's services currently relate exclusively to non-voting securities. As a result, the Advisor does not exercise voting authority over any Advisory Client proxies.

If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

As noted above, the Advisor's services currently relate exclusively to non-voting securities. Accordingly, only non-voting securities are held in Advisory Client accounts, and the Advisor has no authority to vote Advisory Client securities. Advisory Clients do not receive any proxies or other solicitations pertaining to any securities relating to the Advisor's services from any source.

Item 18 Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

Not applicable to the Advisor. The Advisor does not require or solicit prepayment of fees.

B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

The Advisor does not believe that there are any current financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to Advisory Clients. As noted above, the Advisor is a wholly-owned subsidiary of Lending Club. Lending Club completed its initial public offering of common stock in December 2014, and as of December 31, 2015 Lending Club had a cash position of approximately \$623.5 million in available cash and cash equivalents. Lending Club makes periodic filings pursuant to the Securities Exchange Act of 1934 which include the company's audited and unaudited financial statements (as applicable). The Advisor believes that to the extent its ability to meet contractual commitments to Advisory Clients is impacted by the financial condition of its parent company, there is currently no financial condition affecting Lending Club that is reasonably likely to impair the Advisor's ability to meet these contractual commitments.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

Not applicable to the Advisor.

Item 19 State Requirements

Not applicable to the Advisor.