

Item 1 Cover Page

LC ADVISORS, LLC

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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.

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”). This brochure contains a number of material changes from the Advisor’s most recent annual update, which was filed on March 31, 2015. These material changes include the following items:

- LC Advisors manages the assets of qualified investors through a suite of passively managed, privately offered funds that invest in trust certificates which represent interests in loans facilitated through the platform operated by the Advisor’s parent company, LendingClub Corporation (“Lending Club”). LC Advisors also offers separately managed accounts to select accredited investors (as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) that invest in this same asset class (each of the funds and separately managed accounts, an “Advisory Client”)¹. The Advisor relies upon the credit policies applicable to the Lending Club platform in assessing the return and risks levels of loans in which the Advisory Clients may invest. The minimum credit policy requirements for borrowers on the Lending Club platform have changed in connection with the loans available to Advisory Clients, and this brochure reflects these updated requirements.
- The majority of the Advisory Clients invest exclusively in Prime Consumer Loans (as defined in Item 4.B) facilitated through the Lending Club platform. Following the expansion of Lending Club’s product line into Near-Prime Loans and Small Business Loans (each as defined in Item 4.B below) facilitated through the Lending Club platform, the Advisor determined to offer these additional products to certain select investors with a unique appetite for new products and a high tolerance for the particular risks involved in connection with investments in these loan types.
- Lending Club has altered its policy regarding the temporary investment ceiling on the percentage of fractional loan inventory that can be invested in by its fund Advisory Clients during the first three days that loans are listed on the Lending Club platform. Instead of basing the ceiling solely on a mathematical calculation, Lending Club now considers the relative available capital of Advisory Clients and self-directed investors, the investment criteria of Advisory Clients and investors and such other considerations that Lending Club determines in good faith is relevant to the fair and reasonable allocation of loans. As used in this brochure, “self-directed investors” means those investors in (i) whole loans facilitated through the Lending Club platform, (ii) Trust Certificates (as defined in Item 4.B below) who are not advised by LC Advisors or (iii) Member Payment Dependent Notes (as defined in Item 5.A).

¹ “Advisory Client” means any separately managed account or fund for which the Advisor provides investment advice and/or places trades. The investors who invest in the Advisor’s Advisory Clients are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the term “Advisory Clients” does not include “investors.”

Please note that the changes summarized above represent only material changes to the Advisor's most recently filed annual update, and do not attempt to summarize all information provided in this brochure.

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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 advisor on November 19, 2010.²

The Advisor is a wholly-owned subsidiary of LendingClub Corporation (“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 that invest in trust certificates which represent interests in loans facilitated through the Lending Club platform. The Advisor also offers separately managed accounts to select accredited investors that invest in the same asset class.

All loans facilitated through the Lending Club platform are issued by third-party banks. Loans in which Advisory Clients 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 general partner of a suite of passively managed, privately offered funds that invest exclusively in trust certificates which represent interests in loans facilitated through the Lending Club platform. The Advisor also offers separately managed accounts to select accredited investors that invest in the same asset class.

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. Lending Club then sells an interest in all or a portion of those loans to a Delaware business trust, LC Trust I (the “Trust”), that issues certificates in series. Each Advisory Client purchases one or more global master certificates issued by the Trust (each, a “Trust Certificate”), and the Advisor, on behalf of each Advisory Client, instructs the Trust to purchase loans or portions of loans facilitated through the Lending Club platform in accordance with each 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 these Trust Certificates, LC Advisors allocates the assets of its private funds and separately managed accounts across the available inventory of loans facilitated through the Lending Club platform in accordance with the investment strategies or guidelines of

² Registration does not imply a certain level of skill or training.

each Advisory Client. The Advisor believes that its portfolio management services offer investors an efficient way to gain direct exposure to loans with fixed income portfolio benefits.

The Advisor's portfolio management process begins with the Investment Policy Committee (the "IPC"). The IPC currently consists of three members: Renaud Laplanche, Chief Executive Officer of Lending Club and President of the Advisor; Carrie Dolan, Chief Financial Officer of Lending Club and the Advisor; and Jason Altieri, the Secretary of the Advisor and General Counsel of Lending Club. The Advisor believes that these individuals bring distinct and relevant experience to the IPC for the benefit of the Advisory Clients. The Advisor also believes that these individuals provide in-depth investment, operational and compliance expertise that helps ensure that Advisory Clients' assets are properly managed given their stated investment goals. The IPC works directly with certain other key employees of the Advisor to ensure a close familiarity with the needs of the Advisory Clients and significant operational considerations relevant to the management of these Advisory Clients' accounts.

The IPC reviews Advisory Client account information monthly and conducts an in-person meeting on at least a quarterly basis to review and discuss Advisory Client accounts, as well as performance, strategy, valuation and compliance issues relating to each Advisory Client. In addition to reviewing account performance, the IPC reviews accounts to verify that account activity is aligned with account objectives and investment guidelines, reviews cash balances and timing of re-investments, if applicable, and examines other outstanding investment, operational and compliance related issues.

The Advisor only offers advice regarding investments in Trust Certificates which represent interests in loans facilitated through the Lending Club platform. The Advisor does not currently offer advice regarding any other investment products. The Advisor's services primarily involve assisting Advisory Clients with allocating their assets across the available inventory of loans listed on Lending Club's platform and investing in these loans through the purchase of Trust Certificates. 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.

Previously, Lending Club offered only prime consumer loans which met the minimum credit policy requirements set forth in Item 8 or such other minimum credit policy in place at the time the loan was 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"). Subsequently, the Advisor entered into agreements with certain separately managed account investors to advise them in connection with investments in Near-Prime Loans and Small Business Loans. Because these relatively new loan products carry risks different from the risks associated with investments in Prime Consumer Loans, and have limited meaningful historical information as relatively new products of Lending Club, the Advisor determined to enter into these agreements with only a select group of highly sophisticated investors having a unique appetite for these new 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 Near-Prime Loans in addition to investing in Prime Consumer Loans, providing investors in this fund with the opportunity to invest in Near-Prime Loans through the fund.

Lending Club engages in certain practices that impact the availability of asset inventory across the Lending Club platform. 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 Advisory Clients generally 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 separately managed accounts 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 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, the IPC has made a conscious decision to allow exceptions to the 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 separately managed account 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 investors to sell assets, or to sell assets for its Advisory Clients or investors. If requested by an Advisory Client or investor and permitted by the Advisor, the Advisory Client or 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 investor. The 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.

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 Trust Certificates which represent interests in loans facilitated through the Lending Club platform. 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 six 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. 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 separately managed accounts for select clients who meet the definition of accredited investor. These separately managed accounts 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 separately managed account 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. Separately managed account 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 separately managed. For a limited number of separately managed accounts, 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 separately managed account 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 separately managed account investment criteria and guidelines, as discussed above. As of December 31, 2015, the Advisor managed approximately \$1,154,845,000 as the general partner of six private funds and approximately \$150,751,000 in regulatory assets under management as the advisor to separately managed accounts. The Advisor does not manage any assets on a discretionary basis; the Advisor holds only limited 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.

Currently, the Advisor collects fees from investors in the funds it manages in connection with its role as the general partner of these limited partnerships. The management fee earned in connection with limited partners' investment in these funds is based upon each limited partner's capital account balance at the end of each month. The monthly fee charged to new limited partners 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 general partner does not receive carried interest.

New Limited Partner Capital Account Balance	Management Fee Percentage (Fund Investments)
Less than \$500,000 ³	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%

The monthly fee charged to new limited partners in the one 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 general partner does not receive carried interest.

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

³ 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, limited partners 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.

⁴ Limited partners 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.

The Advisor manages separately managed accounts for select clients who meet the definition of accredited investor. The Advisor's current fee structure for separately managed accounts is based upon the size 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.

<u>Account Size</u>	<u>Annual SMA Fee</u>	<u>Monthly Fee</u>
\$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 investors, and 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 some cases, 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 investors in the funds 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, and currently does not charge any such fees or expenses to investor accounts. The Advisor may, in its discretion, charge separately managed account investors a reasonable fee for certain administrative and/or legal services the Advisor may perform on behalf of Advisory Clients, which may include custody fees.

Advisory Clients and investors may also be obligated to pay certain costs and expenses in connection with any sale of assets the Advisor administers on their behalf or in connection with the sale of an investor's interest in an Advisory Client, 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 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 separately managed account 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 Trust Certificates which represent interests in loans facilitated through the Lending Club platform, 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.*, Trust Certificates which represent interests in loans facilitated through the Lending Club platform), and that instrument is dependent upon the issuance of loans facilitated through the platform of its parent,

Lending Club. Management fees that investors in 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 the Trust Certificates based on compensation received, rather than an Advisory Client's or investor's needs.

The private placement memorandum for each of the six 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 Trust Certificates which represent interests in loans that are facilitated exclusively by the Advisor's parent company, Lending Club. 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 investors in Advisory Clients. These management fees arise from investment by Advisory Clients in the only instruments for which the Advisor provides advice (*i.e.*, Trust Certificates which represent interests in loans facilitated through the platform of Lending Club, the parent of the Advisor).

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 management and advisory services solely to privately offered funds and separately managed accounts.

LC Advisors manages six privately offered funds that invest in Trust Certificates which represent interests in loans facilitated through the Lending Club platform. 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. 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 advisors 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 separately managed accounts 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 advisors 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 separately managed accounts 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 Trust Certificates which represent interests in loans facilitated through the Lending Club platform 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 are:

- 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 currently open;
 - 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, the Trust Certificates which represent interests in these loans should provide Advisory Clients and 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 Trust Certificates which represent interests in loans facilitated through the Advisor's parent company, Lending Club. 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 will 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 separately managed account investor's specific risk tolerance and return preferences.

As noted above, 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 the Near-Prime Loan credit policy. The Advisor has entered into agreements to advise separately managed accounts 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 and investors. 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 six privately offered funds managed by the Advisor, and for which the Advisor serves as general partner, 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 investors in separately managed accounts. The Advisor invests Advisory Client assets in loans facilitated through the Lending Club platform by purchasing Trust Certificates issued by the Trust, which issues certificates in series. The Advisor, on behalf of each Advisory Client, instructs the Trust to purchase loans or portions of loans facilitated through the Lending Club platform in accordance

with each Advisory Client's respective investment criteria. Each Trust Certificate represents a beneficial interest in the assets and liabilities of a particular series. These Trust Certificates are unsecured obligations that correspond directly to specific loans or portions thereof in a particular series, and payment on each Trust Certificate is wholly dependent on the receipt of payments on the underlying loans in the respective series.

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 Trust Certificates that the Advisor purchases and invests in on behalf of Advisory Clients represent interests in unsecured loans. Payment on each Trust Certificate is wholly dependent on the receipt of payments on the underlying loans held by the Trust in the series that corresponds to that particular Trust Certificate. Lending Club, the Advisor's parent company, as servicer of the loans, is the only party that may pursue a delinquent borrower. Accordingly, Advisory Clients and investors must rely upon Lending Club for collection and servicing activities relating to the loans underlying their Trust Certificates.

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.

Depending upon the investment guidelines specified by the funds or investors in separately managed accounts, the Advisor believes that Advisory Clients and investors may be able to experience default rates in their investment portfolios similar to the aggregate default and charge-off rate for all Prime Consumer Loans on the Lending Club platform. However, any particular portfolio configuration could have a significantly higher default and charge-off rate.

8.B 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 an Advisory Client. An investment in an Advisory Client 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 the Trust Certificates Unsecured. The Trust Certificates are highly risky and speculative because payments on the Trust Certificates depend entirely on payments received by the Trust 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 a Trust Certificate, the related Advisory Client and investor will not receive any payments on the corresponding Trust Certificate. 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 under the Trust Certificates. Advisory Clients and investors may look only to the Trust for payment of the Trust Certificates, and the Trust's obligation to pay the Trust Certificates is limited as described in the Trust's offering documents. Advisory Clients and investors must rely on Lending Club, in its capacity as servicer, and its 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. The Trust Certificates and the limited partnership interests in the fund Advisory Clients 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 fund Advisory Clients 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 fund Advisory Clients and one is not expected to develop. Separately managed account investors and investors in the fund Advisory Clients will not be permitted to assign their 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 interest 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. While Lending Club has not incurred any material liabilities to date, if these errors were to occur in the future, its 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 the Trust Certificates, and the 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. 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 Advisory Clients.

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 IPC 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 separately managed accounts advised by the Advisor do not have a significant operating history upon which prospective investors in Advisory Clients can evaluate likely performance. Because Lending Club has only been in operation for approximately nine 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. Accordingly, there can be no assurance that such Advisory Clients or investors in Advisory Clients will achieve their investment objectives.

Lack of Diversification. The separately managed accounts and funds advised by the Advisor invest solely in Trust Certificates which represent interests in loans facilitated through the Lending Club platform, and their portfolio will not be diversified beyond these Trust Certificates and idle cash investments. Therefore, the portfolios of the separately managed accounts 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

Lending Club, on behalf of 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. To facilitate this, Lending Club has a written Valuation Policy. As observable market quotations and inputs are not available for the assets in which the funds have invested or for similar assets, Lending Club estimates the fair values of each Fund Trust Certificate, and its underlying loans, using a discounted cash flow valuation methodology. 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. Since the Fund Trust Certificates are not market priced instruments and are not tradable, such valuation does not represent the aggregate amount of proceeds to which investors are entitled, rather investors are entitled only to distributions of payments of the principal and interest of the underlying loans, as actually paid, less expenses. If a fund investor is permitted to transfer its interest, any such valuation may or may not be applicable for such purposes. The IPC will review and approve Lending Club’s valuations for the Fund Trust Certificates quarterly and the Valuation Policy as necessary in its discretion and at least annually. Since Lending Club will determine, in its discretion, the value of each Fund Trust Certificate, there is a conflict of interest in making such determination because Lending Club receives a servicing fee which is based on such value. Likewise, since the Advisor will approve such valuation, there is a conflict of interest because the Advisor will receive a management fee which is based on the value of the Fund Trust Certificates.

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, investors in Advisory Clients, 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 manager 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.

Side Letters

The Advisor may enter into side letters or other similar agreements with investors in the funds or with separately managed account 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.

If you have any questions or concerns about these potential risks or conflicts of interest, please contact the Advisor at 415.632.5600 or by emailing info@lc-advisors.com.

8.C 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 Trust Certificates which represent interests in loans facilitated by the Advisor's parent company, Lending Club.

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 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. Renaud Laplanche, the Advisor's President, serves as the Chief Executive Officer of Lending Club and provides executive management services and direction to both entities. Carrie Dolan serves as the Chief Financial Officer of both Lending Club and the Advisor and provides financial management services, including accounting services, to both entities. Sid Jajodia was recently appointed as Chief Investment Officer for both Lending Club and LC Advisors, and leads credit risk management and credit-related investor communications for both entities. Tim Bogan serves as Chief Audit and Compliance Officer of Lending Club and was recently appointed as the Advisor's Chief Compliance Officer, and will provide compliance-related advice to both Lending Club and the Advisor. Jason Altieri is the Secretary of LC Advisors and General Counsel of Lending Club. Additionally, Mr. Laplanche, Ms. Dolan and Mr. Altieri serve as members of the IPC. 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 Trust Certificates which represent interests in loans facilitated through the Lending Club platform. 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. For example, the Advisor's President, Chief Financial Officer, Chief Investment Officer and Chief Compliance Officer hold the same or similar roles 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 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. Separately managed accounts 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 separately managed account 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 separately managed account 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 separately managed account 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 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 the 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 established policies and procedures regarding the prioritization of individual loan selections. Furthermore, 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 would increase fund and separately managed account 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, Tim Bogan. 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 tbogan@lc-advisers.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 Trust Certificates which represent interests in loans facilitated through its parent company, Lending Club, on behalf of the Advisory Clients. Please refer to Item 10 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 any Lending Club investing account 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. Lending Club maintains written policies which govern its proprietary investing activities. 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, the policies adhered to by Lending Club and the inventory access methodology discussed above are sufficient to prevent any material conflicts of interest that may negatively impact Advisory Clients in this regard.

Renaud Laplanche, President of the Advisor and Chief Executive Officer of Lending Club, is currently a limited partner in one of the six investment funds managed by the Advisor. While Mr. Laplanche's investment may create an apparent conflict of interest for the Advisor in connection with the management of this fund, the Advisor does not believe that any such conflict is likely to have a significant impact on the fund or on the other operations of the Advisor due to the fact that each of the funds, including the fund in which Mr. Laplanche has invested, is passively managed. Additionally, for so long as Mr. Laplanche continues to hold a personal investment in this fund, the Advisor has determined to restrict Mr. Laplanche's participation on the IPC in connection with policy or management decisions relating to this particular fund.

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 subsection 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 loans 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 by the IPC on a monthly basis and further discussed at an in-person meeting of the IPC on at least a quarterly basis to ensure compliance with their stated investment objectives, review investable cash and discuss any other material subject. As discussed above, the Advisor's President, Chief Financial Officer and Secretary currently serve as members of this Committee.

Performance for each account is also reviewed by the IPC on a monthly basis.

- 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. The Advisor also anticipates that in the future Advisory Clients will be able to access their accounts and statements via the internet at any time. The Advisor intends to provide quarterly reviews of performance, key trends in loans, discussion of economic conditions and other relevant investment information to all Advisory Clients on an ongoing basis.

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 for which LC Advisors serves as general partner and the Advisor’s separately managed accounts. 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 fund Advisory Clients, the Advisor relies on an exception available to “pooled investment vehicles” from the reporting and surprise audit obligations imposed by the SEC’s custody rule. For the separately managed account Advisory Clients, the Advisor is deemed to have custody of the underlying assets of these accounts. Separately managed accounts are not deemed to be “pooled investment vehicles,” and the Advisor engages a Public Company Accounting Oversight Board (“PCAOB”) major accounting firm to subject assets of these accounts to a surprise audit and requests requisite reporting to the Advisory Client in order to comply with the Adviser 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 PCAOB. 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 through Trust Certificates in specific loans facilitated through the Lending Club platform that meet the specific investment criteria established by the Advisory Client. While the Advisor allocates Advisory Client assets across available loan inventory, 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 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.