VICTORY PARK

CAPITAL

VPC Specialty Lending Investments PLC

Update – Second Quarter of 2019

Please note that the information contained herein may not be reproduced, used or distributed to others, at any time, in whole or in part, for any purpose without the prior written consent of Victory Park Capital Advisors, LLC ("VPC" or "Victory Park").

Quarterly Review

VPC Specialty Lending Investments PLC (the company) made a record quarterly NAV return of 3.97% (including income) in the second quarter, while credit performance continued to be strong across the portfolio. Gross and net revenue returns were 3.65% and 2.41%, respectively. Capital returns were 1.56%, driven by strong performance in the equity portfolio and the company's share-buyback programme. These gains were slightly offset by the cost of FX hedging. However, we expect the FX costs to moderate in the second half of the year due to the decrease in the medium-term US interest rates, in addition to the Federal Reserve's recent rate cut in July. This strong performance brings our trailing 12-month total NAV return (including income) to 10.46%.

Top Ten Positions

Below is a summary of the Company's top ten positions, excluding equity exposure, as at 30 June 2019[1].

Investment	Country	% of NAV	Gearing
Elevate Credit, Inc.	United States	18.13%	YES
Caribbean Financial Group	Caribbean	14.95%	NO
LendUp, Inc.	United States	12.11%	NO
Applied Data Finance, LLC	United States	10.58%	NO
Counsel Financial Holdings LLC	United States	6.53%	NO
NCP Holdings, LP	United States	5.25%	NO
West Creek Financial LLC	United States	5.06%	NO
Oakam Ltd.	United Kingdom	4.35%	NO
Borro Ltd.	United Kingdom	4.05%	NO
Bread Financial	United States	3.58%	NO

During the second quarter, there was a small change to the top ten holdings from 31 March 2019. The company continued to receive paydowns of its investments in Oakam Ltd. and Borro Ltd., as well as from its investment in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P., which has reached its term and continues to wind down. The company used the proceeds from these paydowns for a new investment in Counsel Financial Holdings LLC, as well as several investments in existing portfolio companies.

[1] The summary includes a look-through of the company's investment in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P.

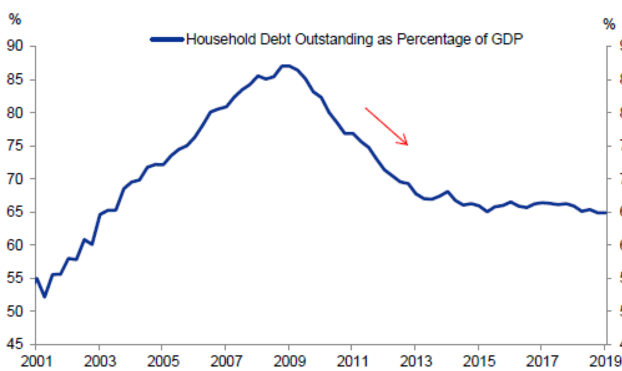
Share Buybacks

Throughout the quarter, the company bought back 24,559,023 shares. These represented 6.42% of the company's issued shares at an average price of 70.07 pence per share, resulting in an immediate, accretive return of 1.61% and a reduced share count going forward. While we have a significant amount of deal flow and portfolio funding activity across all our funds, the addition of gearing has allowed us to take advantage of buyback opportunities that are accretive to the company given recent market prices and the wide discount to NAV, while continuing to deploy capital into new and existing investments. There were significant trading volumes during the quarter, caused by events we believe to be unrelated to the fundamental performance of the company – e.g. investor fund redemptions and index changes. These presented a unique opportunity to buy back shares in sizeable amounts. The company funded these buybacks, in addition to other fundings during the quarter, with excess cash and by using the company's upsized CapitalSource credit facility. Given the low cost of financing relative to the effective yield of our portfolio, and the overall moderate leverage of the company, we feel this was an extremely attractive investment for the company's shareholders. The board has asked the company's broker to adjust the buyback approach to be a more consistent buyer of shares in smaller amounts, but we and the board will also continue to evaluate block share purchases when they become available.

Macro Update

Despite the volatile end to 2018, the first half of 2019 continued to show strong economic performance in the US. The US consumer segment was particularly healthy. After ten years of economic expansion, it is somewhat surprising that we have not seen an increase in leverage (debt levels) of the US consumer, despite historically low interest rates during the period. Indeed, household leverage has continued to fall, even as housing prices climbed from their lows following the financial crisis. This is in stark contrast to US non-financial companies, which have steadily increased leverage to historically high levels.

US household mortgage plus consumer debt as a percentage of GDP[2]



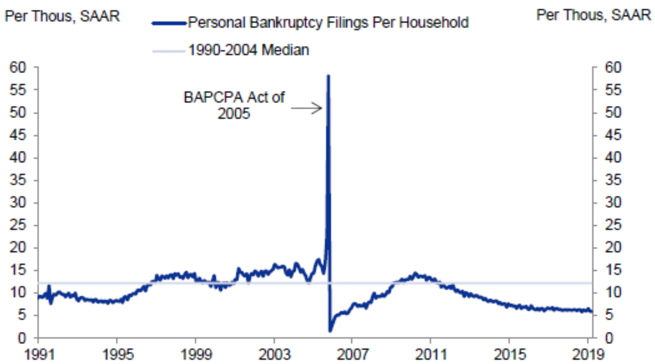
Non-financial debt (bonds plus loans) as a percentage of GDP[2]

Clearly, the US consumer does not live in a bubble segregated from the corporate sector, and a rise in the corporate default rate could flow through to the consumer in a more material way, because of the effect of higher corporate leverage. So far, however, consumer credit metrics continue to be very strong. Personal bankruptcies are half of the 1990–2004 median level, and credit charge-off rates remain very low. We expect these two statistics will be correlated to the underlying credit performance at our platforms and we will track them closely – although they are a lagging indicator versus the weekly and monthly reporting we receive directly from the platforms. Our risk team

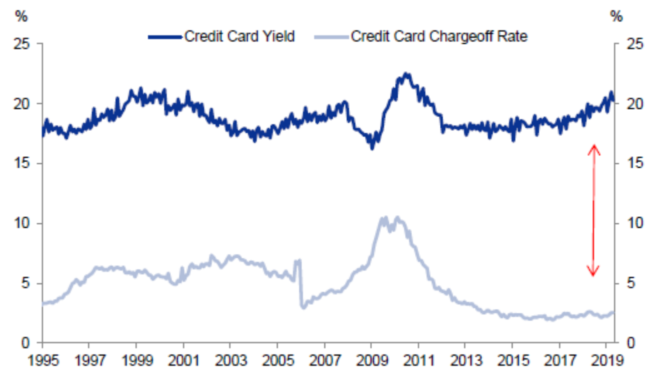
[2] Source: Goldman Sachs Credit Strategy Research (28 June 2019)

constantly monitors credit performance across all the platforms, and at the time of writing, it correlates with the broader economy; we are seeing strong credit performance.

Monthly chapter 7 and 11 personal bankruptcy filings per household[3]



Annual yield vs. annual chargeoff rate, US bank credit card ABS[3]



Corporate Protection

While we often discuss the underlying credit performance of our balance-sheet investments, it is also important to emphasise that we have additional layers of protection beyond our direct asset security. Due to the structured nature of our balance-sheet investments, including (in most cases) corporate guarantees and significant first-loss protection, the company is not affected by changes in credit performance until a platform defaults and all corporate resources (separate from our borrowing base of loan collateral) are exhausted. In addition to monitoring the credit performance, we monitor the overall corporate performance of the platforms, including attending board meetings as an observer and having weekly update calls with management.

The success and overall health of the platforms is our first line of defence, and we only rely on our asset security in the case of corporate default. Although every platform has different corporate resources, which shift from quarter to quarter, this source of security offers an additional layer of protection beyond the first-loss protection directly within our borrowing base of loan assets. In particular, the current make-up of our portfolio has strong corporate credit protection. The larger positions are profitable and operate at significant scale with large cash balances, while some of our smaller positions have recently raised significant amounts of equity and are in the process of scaling their credit portfolios. While we completed the quarter fully invested, these growing platforms will provide significant reinvestment opportunities for the company in the event of refinancings in the next year.

Website and Reporting Redesign

We are pleased to announce the redesign of the company's website (https://vpcspecialtylending.com/). The website centralises information for current and prospective shareholders. As a part of this redesign, we have modified the monthly NAV announcements, as seen with the June NAV announcement, to include key return statistics and highlights from the monthly reporting. We will also refresh the company's investor presentation each quarter.

[3] Source: Goldman Sachs Credit Strategy Research (28 June 2019)

Conclusion

Overall, we are pleased with the company's performance and will continue to focus on generating value through its existing and future investments. We continue to believe that the company's shares are materially undervalued and are confident that the market will eventually recognise the company's progress. We believe this will result in a rerating of the company's shares to a more appropriate level. Given the strong pipeline of new investments, we continue to support the board's belief that buybacks are the best use of the company's capital while the share price is trading at a wide discount.

Kind regards,

The VPC Team

13 August 2019

For Enquiries Please Contact:

Victory Park Capital	via MHP (below)
Brendan Carroll (Senior Partner and Co-Founder)	Email: info@vpcspecialtylending.com
Gordon Watson (Partner)	
Jefferies International Limited	Tel: +44 20 7029 8000
Gary Gould	
Sandra Björck	
MHP (PR Adviser)	Tel: +44 20 3128 8100
Tim Rowntree	Email: vpc@mhpc.com
Rachel Mann	
Link Company Matters Limited (Company Secretary)	Tel: +44 20 7954 9567 Email: VPC@linkgroup.co.uk

Important Information

All data in this quarterly letter (the "report") is at or to the final day of the calendar month identified in the heading of the report's front page unless otherwise stated.

Past performance should not be seen as an indication of future performance. The value of investments and any income may fluctuate, and investors may not get back the full amount invested. The views expressed are those of VPC at the time of writing, are subject to change without notice and do not constitute investment advice. Whilst VPC has used all reasonable efforts to ensure the accuracy of the information contained in this report, we cannot guarantee the reliability, completeness or accuracy of the content.

Issued in the UK by VPC. This report is provided for the purpose of information only, and if you are unsure of the suitability of this investment you should take independent advice. NAV performance is not linked to share price performance and shareholders may realise returns that are lower or higher in performance.

This report may not be distributed or transmitted in or into the United States of America, Canada, Australia or Japan, or in any other country outside the United Kingdom where such distribution may lead to a breach of law of regulatory requirements, or transmitted, distributed or sent to or by any national, resident or citizen of such countries. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any such distribution could result in a violation of the law of such jurisdiction.

The Company is registered in England (registered number 9385218) with its registered office at 6th Floor, 65 Gresham Street, London, EC2V 7NQ.