

VICTORY PARK

CAPITAL

VPC Specialty Lending Investments PLC

Third Quarter 2017

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

In the third quarter of 2017, VPC Speciality Lending Investments PLC ("VSL" or the "Company") delivered a net revenue return of 2.35% (up from 1.84% in the second quarter). This was offset by a net capital return in the amount of -1.15%, for a net total return of 1.20%.

Some of the key developments in the third quarter include:

- The Company sold the majority of its equity exposure in a portfolio company, zipMoney (Australian point of sale credit provider), taking advantage of significant share price appreciation following the announcement of a strategic investment by Westpac. The shares sold were equivalent to 0.50% of the Company's July NAV. The sale price equates to a 3.9x multiple of the original investment, following a 20-month holding period. The remaining zipMoney equity-option position accounted for 0.39% of the Company's July NAV.
- During the third quarter of 2017, there has been further progress in the reallocation of capital from marketplace loans to balance sheet investments. By the end of the third quarter of 2017, balance sheet investments accounted for 71% of NAV, up from 66% at the end of the second quarter and 51% at the end of 2016. This progress demonstrates the Company's ongoing access to a strong pipeline of balance sheet investment opportunities. We expect this process to continue and, overtime, to drive higher returns for the Company.
- The Company paid a dividend of 1.70p during the quarter, up from a dividend of 1.50p for the previous five quarters.

The performance of the Company's investment portfolio remained sharply polarised in the third quarter of 2017, with strong balance sheet investment returns contrasting with weak marketplace returns. Total gross returns¹ during the third quarter of 2017 consisted of the following:

- 2.57% for balance sheet investments;
- -0.39% for marketplace loans;
- -0.24% for securitization residuals;
- -0.27% for equity investments; and
- -0.11% relating to FX and other capital returns.

¹ Consists of both revenue and capital returns of the Company.

The Company's balance sheet portfolio continued to perform in line with expectations, with an annualised return of 14.4%² in the third quarter, broadly in line with the 14.1% return for the trailing 12-month period. These investments benefit from first loss and excess spread protection. The credit metrics on the underlying loans show no signs of stress and we believe that the portfolio will continue to generate attractive risk-adjusted returns with low volatility. Furthermore, the pipeline of available investment opportunities remains strong.

By contrast, returns from the marketplace loan portfolio have remained subdued. The underlying issues identified in the previous quarterly commentaries persist, namely, higher-than-projected loss curves in certain of the loan portfolios and an adverse seasoning effect as the loan portfolio matures without subsequent purchases.

The exposure to marketplace loans and securitisation residuals has remained flat, accounting for 19% of NAV at the end of the third quarter, consistent with the end of the second quarter and down from 31% at the end of 2016.

The residuals accounted for 3.6% of NAV at the end of September. VPC believes that the majority of the potential total cumulative loss on these positions has already been incurred.

The look-through gearing ratio of the Company was 0.31x at the end of the third quarter, down from 0.39x at the end of the second quarter and 0.63x at the end of 2016.

The Company's buyback programme continued to be engaged during the third quarter, buying 3,758,000 shares at an average price of 80.31p. In addition, VPC continues to purchase shares of the Company equal to 20% of VPC's monthly management fee at the prevailing market price. During the quarter, VPC purchased 146,615 shares at an average price of 79.89p.

Portfolio Statistics

Set forth below is a summary of all positions, excluding equity exposure, held by the Company equal to or greater than 1% of NAV as at 30 September 2017³.

Investment	Country	Security Type	% of NAV	Gearing
Unsecured Consumer Lender	United States	Balance Sheet	10.94%	YES
Secured Consumer Lender	United Kingdom	Balance Sheet	10.46%	NO
Unsecured Consumer Lender	United States	Marketplace	9.15% ⁴	YES
Unsecured Consumer Lender	United States	Balance Sheet	6.09%	NO
Unsecured and Secured Consumer Lender	United States	Balance Sheet	5.37%	NO
Unsecured Consumer Lender	United States	Balance Sheet	5.03%	YES
Secured Consumer Lender	United States	Balance Sheet	5.02%	YES
Unsecured Consumer Lender	United States	Marketplace	4.18%	YES
Unsecured Consumer Lender	United States	Balance Sheet	4.02%	NO
Secured Small Business Lender	United States	Balance Sheet	3.91%	NO
Unsecured Consumer Lender	Australia	Balance Sheet	3.83%	NO
Unsecured Consumer Lender	United States	Securitisation Residual	3.56%	YES
Merchant Cash Advance	Sweden	Balance Sheet	3.49%	NO
Unsecured Consumer Lender	Germany	Balance Sheet	3.18%	NO
Unsecured and Secured Consumer Lender	United States	Balance Sheet	2.21%	YES
Unsecured Small Business Lender	Luxembourg	Marketplace	1.71%	YES
Unsecured Small Business Lender	United States	Balance Sheet	1.49%	NO

² This return denotes an average return calculated by dividing the income earned on the balance sheet investments for the period by the average equity invested in balance sheet loans each month in the period.

³ The summary includes a look-through of the Company's investment in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P.

⁴ This investment represents the Avant, Inc. – Marketplace Loans before the sale announced on 23 October 2017. The remaining exposure after the sale is comprised of the Avant 2016-A C Note (1.4% of NAV) which is performing in line with expectations and 0.12% of marketplace loans.

Outlook

We remain confident that the ongoing portfolio repositioning will increase both the returns and the resilience of the Company. During the transition, we continue to closely monitor the portion of the marketplace portfolio that has underperformed, including exploring ways to further tactically reduce exposure. Finally, we will continue to purchase shares where it is accretive to shareholder value.

Kind Regards,

The VPC Team

26 October 2017

For Enquiries Please Contact:

Investor Relations – Tel: +1 312 705 1244 / +44 (0) 20 3286 5922; Email: info@vpcspecialtylending.com

Press – MHP Communications. Tel: +44 (0) 20 3128 8100; Email: vpc@mhpc.com

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 U.K. 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 authorised and regulated by the Financial Conduct Authority and is registered in England (registered number 9385218) with its registered office at 6th Floor, 65 Gresham Street, London, EC2V 7NQ.