VICTORY PARK

CAPITAL

VPC Specialty Lending Investments PLC

First Quarter 2016

Victory Park Capital Update

During the first quarter of 2016, VPC continued to grow its investment and operations team with a number of key hires and promotions. Most notably, Upacala Mapatuna joined as Chief Investment Officer after a successful career at Goldman Sachs, where she was a Managing Director with Goldman Sachs Asset Management. VPC has also invested heavily in its Operations team in order to support the growth of its investment strategies.

VPC Specialty Lending Investments PLC Update

On 29 January 2016, VPC Specialty Lending Investments PLC ("VSL" or the "Company") announced that it had substantially fully invested the initial C Share proceeds and set the calculation date of the conversion of shares to 31 January 2016. VSL paid an interim dividend of 2.00 pence per Ordinary Share and 1.07 pence per C Share on 7 March 2016 for the three-month period to 31 December 2015.

During the first quarter of 2016, the Company's return has been somewhat muted despite credit performance of the portfolio as a whole continuing to meet VPC's expectations. This is due to a number of factors that we view as temporary, including:

- Fees and costs incurred for closing leverage facilities and securitisations that are expected to be accretive to returns going forward, but create a temporary drag as they are expensed.
- Residual income from completed securitisations that is earned but temporarily deferred until the structure builds up required reserves. These valuation changes are reported as capital returns rather than revenue returns, until income can be distributed.
- Cash drag from margin posted against currency hedges, which are used to mitigate the impact of currency movements on VSL's returns. Our hedges have been effective in protecting our income from direct currency moves, but as the pound sterling has depreciated against the dollar, the margin requirements to our counterparties have also increased.
- The influx of capital received after closing a securitization or a credit facility creates a short term drag on returns until it is re-deployed into new credit assets. These transactions should be accretive to returns over time, and VPC is in the process of re-investing proceeds from two such transactions.
- Market volatility associated with a small equity holding in zipMoney, an Australian lending company that trades publicly on the Australian Stock Exchange. The stock is illiquid and highly volatile, but it continues to trade materially above VSL's purchase price.

We believe that we will be able to continue to invest in credit assets at an attractive yield and that the Company is well positioned to meet its investment objective to generate attractive returns via distributable income and capital growth. Separately, the Board has stated it will continue to closely monitor the share price performance and consider share buybacks, as appropriate, in line with the policies stated at IPO.

New Investments

During the first quarter of 2016, VPC closed three new investments.

- In January, VSL invested in the equity of a lender that offers a straightforward point-of sale, lease-to-own payment option for consumer goods in the U.S. The lender fully integrates with retailers' storefront and online checkout processes to provide a unique lease-to-own financing alternative to underbanked, non-prime U.S. consumers, allowing them to purchase electronics, appliances, furniture, musical instruments, and other large ticket items. VPC has an exclusive option to provide a credit facility to the lender and VPC is in the process of negotiating the terms.
- In February, VSL closed a small investment in convertible notes issued by a digital insurance manager that provides a unique, hybrid product that is a cross between a software application and an in-person alternative to the modern insurance broker. The business operates in Germany and Switzerland, acting as an intermediary between major insurance providers and individual consumers. The investment is a manifestation of VPC's thesis that significant disintermediation opportunities exist across the various traditional operators in the financial services sector.
- In March, VSL made an initial investment pursuant to VPC's $100 million credit facility commitment to a leading provider of auto title loans in the U.S. The lender provides consumers with quick and convenient access to needed funds through instalment loans secured by an interest in the borrower's vehicle. The products provide consumers with an affordable alternative to traditional higher cost lenders, which allow them to establish or rebuild positive credit.

Portfolio Update

As at 31 March 2016, VSL's five largest exposures are to the following platforms: Avant, Inc., Funding Circle, Prosper Marketplace, Inc., Borro Group Holdings Limited and Wheels Financial Group, LLC. Consumer exposure accounted for 70% of the invested portfolio, while small business exposure accounted for 30%. Investments in the U.S. accounted for 73% of the invested portfolio, with the remainder being predominantly U.K.-based loans. VSL has equity exposure to 16 platforms through equity securities or convertible notes.

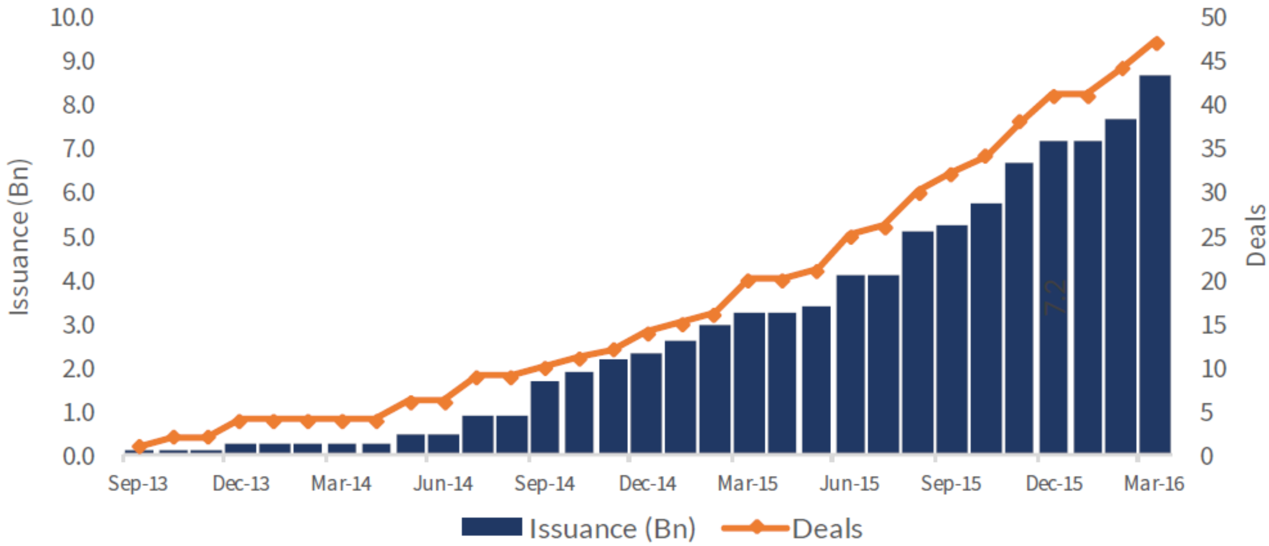
Each platform that VSL lends to charges different gross rates to its borrowers and has corresponding expected charge off rates, both of which are used to determine the "net expected return" of the underlying loans. Most of VSL's current platforms' loan performance continues to be in line with expectations, with the one exception being a U.S. small business lender, where defaults have trended higher than expected. In response, VSL has stopped purchasing new loans from that platform and have put the portfolio into runoff, although we still expect to receive a positive return from this investment. As VSL receives interest and amortization payments, we will reallocate capital to other investments that offer better risk-adjusted returns.

Leverage and Securitization

As at 31 March 2016, VSL's look-through leverage ratio was 0.73x, as it continued to draw from three separate non-recourse credit facilities for Avant Inc., Funding Circle UK Limited and Prosper Marketplace, Inc. In March, VPC closed another credit facility to leverage VSL's loans originated by Upstart Holdings, Inc.

VSL has participated in ABS securitizations of certain of its marketplace loan portfolios and intends to continue to do so in the future. Although overall issuance levels continued to grow, the pace slowed in the first quarter of 2016 to $1.5 billion across six deals from $1.9 billion over nine deals in the prior quarter. This was a result of credit spreads widening and activity in the broader ABS market slowing down in January.

Cumulative Marketplace Securitizations
Cumulative Total (U.S)



Source: Bloomberg, PeerIQ Research

In the first quarter of 2016, there was an increase in the number of tranches rated by at least one ratings agency with a total of fifteen rated tranches issued, showing the increasing acceptance of marketplace loans. Kroll Bond Rating Agency entered the market and rated three deals while Moody's is yet to rate a new deal since downgrading several bonds issued in mid-February.

Deal	Segment	Par Amt ($)	Moody's	S&P	DBRS	Kroll	Fitch
CHAI 2016-PM1 A	Consumer	212,325,000				A(sf)	A-
CHAI 2016-PM1 B	Consumer	24,850,000				BBB(sf)	BBB-
CHAI 2016-PM1 C	Consumer	41,210,000				BB-(sf)	B
AVNT 2016-A	Consumer	172,414,000				A-(sf)	
AVNT 2016-B	Consumer	72,414,000				BBB-(sf)	
AVNT 2016-C	Consumer	55,172,000				BB(sf)	
CHAI 2016-MF1 A	Consumer	113,500,000				A (sf)	
CHAI 2016-MF1 B	Consumer	13,700,000				BBB (sf)	
CHAI 2016-MF1 C	Consumer	13,700,000				BB (sf)	
SOFI 2016-A A1	Student	133,560,000	Aa2		AAA(sf)		
SOFI 2016-A A2	Student	367,875,000	Aa2		AAA(sf)		
SOFI 2016-A B	Student	49,917,000	Baa2		BBB(high)(sf)		
EARN 2016-A A-1	Student	34,710,000			A(sf)		
EARN 2016-A A-2	Student	70,240,000			A(sf)		
EARN 2016-A B	Student	7,050,000			BBB(sf)		

Source: Bloomberg, PeerIQ Research

VPC structures its leverage facilities so that they begin to amortise at the end of the revolving period, in the event the facility is not replaced by an ABS securitization. The amortisation period typically ranges from 12 to 24 months, during which principal repayments from the underlying loan portfolio are used to repay the bank lender in full. The facilities typically allow VPC to pay out at least part of the excess interest spread. This structure should enable VSL to mitigate re-financing risk and allow it to continue to pay the net dividend to shareholders.

We expect the capital markets activity in the marketplace lending sector to recover over time and provide VSL with access to attractively priced, term structured financing similar to the two completed transactions. However, in the first quarter we slowed our purchases of whole loans in order keep our leverage ratio slightly lower than we originally planned. This was done to remain cautious in how we approach leveraging assets that are capital markets dependent. In the meantime we have allocated more capital to balance sheet deals, which provide excellent risk adjusted returns and are not capital markets-dependent. We feel that having access to multiple platforms across both structures is a unique competitive advantage relative to our peers.

Outlook

VPC continues to see a strong pipeline of investment opportunities within the specialty lending sector, with capacity available from both existing and new platforms. As of the end of the quarter, VPC had committed capacity of over $2 billion, a portion of which will be funded by VSL over the next two to three years.

Additionally, there are four transactions that are currently being structured by VPC that we expect to close over the coming months. These will not only add incremental capacity but also further diversify VSL's portfolio across platforms, asset classes, geographies and credit bands.

Between exiting, pending and prospective investment opportunities, we feel there are opportunities to invest capital at attractive risk adjusted returns, and believe VSL is well positioned to continue driving strong NAV growth and dividends over time.

Kind Regards,

The VPC Team

6 May 2016

VICTORY PARK
CAPITAL

For Enquiries Please Contact:

Investor Relations – Telephone: (+001) 312 705 1244; Email: info@vpcspecialtylending.com

Press – Telephone: +44 (0) 20 7680 6550; Email: vpc@newgatecomms.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 40 Dukes Place, London EC3A 7NH.