VICTORY PARK CAPITAL

VPC Specialty Lending Investments PLC

Third Quarter 2018

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Quarterly Review

During the third quarter of 2018, the Company produced gross revenue of 4.35% and a total net revenue return of 3.08%. The capital return for the quarter was 0.12% for a total Net Asset Value ("NAV") return of 3.20%. Additionally, the Company recognised one-time revenue returns of 1.19%, and given its strong performance, began to recognise expenses relating to performance fees. The quarterly gross revenue return, net revenue return and total NAV return are inception-to-date record highs for the Company, surpassing the returns from the second quarter of 2018. Year-to-date, the total NAV return for the Company reached 7.46%, producing a fully covered quarterly 2p dividend which we expect to continue going forward.

The one-time fee revenue recognised during the quarter consisted primarily of pre-payment penalties on refinancing activity. Pre-payment penalties provide for an acceleration of some, if not all, of the interest expected to be received over the life of an investment. Given the demand for capital under our existing facilities and the strong new deal pipeline, we have the ability to quickly reinvest proceeds. Therefore, the one-time revenue is an incremental return above our existing targeted return. During the quarter, we were repaid on our balance sheet facilities in Wheels Financial Group, LLC, Curo Technologies[1], Community Choice Financial, Inc (CCFI)[2] and iZettle AB. The former two deals executed on capital market transactions that were able to lower their overall cost of capital, while the latter two deals were repaid for more idiosyncratic reasons (an upcoming restructuring and PayPal acquisition, respectively). Overall, we feel it is healthy to have some portfolio turnover and we continue to structure our investments with rights of first refusal and pre-payment penalties, so we expect that these "one-time" fees will reoccur in the future.

In the case of CCFI, after extensive negotiations with the management team and in-lieu of taking a cash payment for the pre-payment penalty of $1.3 million, we agreed to accept delivery of existing publicly-traded bonds valued at $3.1 million as satisfaction of the penalty. On a mark-to-market basis, the value of the bonds significantly exceeded the cash value of the penalty. The cash retained will help the management team execute on its strategic restructuring. While we feel this was an excellent transaction for VSL shareholders, the bonds will be mark-to-market and could possibly create some near-term volatility depending on their trading price. Notably, we have the right to sell these bonds into the market and may choose to do so in the future.

At quarter end, the Company was invested across 25 balance sheet investments with a return on invested capital of the balance sheet investments during the quarter of 14.59%[3] on an annualised basis. In addition, VPC

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1 VPC received a $21.2 million principal paydown on the revolver facility in the quarter and was repaid on the $18.0 million term note facility on October 11, 2018. There is also a prepayment penalty fee of $4.3 million expected to be paid in October 2018.
2 VPC received $44.0 million of its $47.0 million investment in CCFI along with bonds valued at $5.85 million. The remaining $3.0 million will be repaid on October 31, 2018.
3 This return denotes an average return calculated by dividing the income earned on the balance sheet investments for the quarter, excluding one-time income, by the average equity invested in balance sheet loans each month in the quarter.

continues to have a very strong pipeline and unfunded commitments to existing investments that we expect will keep the Company nearly fully invested for the foreseeable future.

Top Ten Positions

Set forth below is a summary of the top ten positions, excluding equity exposure, held by the Company as at 30 September 2018[4]. As discussed above, during the quarter, the Company received repayments on CCFI, iZettle Capital AB and Wheels Financial Group, LLC, which were previously in the top ten positions as at 30 June 2018.

Investment	Country	Security Type	% of NAV	Gearing
Elevate Credit, Inc.	United States	Balance Sheet	21.22%	YES
LendUp, Inc.	United States	Balance Sheet	7.47%	NO
Applied Data Finance, LLC	United States	Balance Sheet	6.70%	NO
Borro Ltd.	United Kingdom	Balance Sheet	5.97%	NO
Oakam Ltd.	United Kingdom	Balance Sheet	5.39%	NO
NCP Holdings, LP	United States	Balance Sheet	4.17%	NO
Avant, Inc. - Balance Sheet	United States	Balance Sheet	3.73%	YES
Fundbox Ltd.	United States	Balance Sheet	3.50%	NO
FastCash	Caribbean	Balance Sheet	3.17%	NO
Bread, Inc.	United States	Balance Sheet	2.61%	NO

International exposure

While we expect that a majority of VSL's exposure will remain in the U.S. and the UK, over the course of the year we have gradually increased our exposure into other key markets. As previously disclosed earlier in the year, we formalized a partnership with the International Finance Corporate (IFC) to invest together in selected financial technology and financial services opportunities outside the U.S. The partnership is built on what was a multi-year effort to expand our sector expertise in financial technology investing beyond our home market in the U.S. and diversify our underlying exposure. As of quarter end, we have closed on a total of 11 investments outside the U.S. and UK and have continued to build our local market knowledge in varying jurisdictions.

One area of particular focus for us has been in Central America and the Caribbean, having closed a total of four investments in that market. Our first Caribbean deal, Caribbean Cliffs Capital Limited (FastCash), closed earlier this year after nearly one year of intense diligence on credit structuring, the competitive environment and local market's legal and regulatory work. We engaged 10 U.S. and local law firms as part of our work, in addition to our standard financial advisory diligence, much of which we complete in-house as the process is uniform from market to market. Our equity partners in FastCash are two family offices with significant operating experience who employ a hands-on approach to managing the investment and have been able to grow the business significantly and profitably in the preceding years. We have a great working relationship with the partners and look forward to continuing to execute on the business plan in the coming years. After better understanding the competitive environment in the Caribbean, we are actively seeking new investments in the region and are excited about the opportunities for ourselves and VSL investors.

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

Conclusion

The third quarter of 2018 has seen the Company deliver its strongest NAV return since inception while maintaining a disciplined approach to credit underwriting and structuring. Macro conditions remain favourable, but we do not take this for granted and believe our portfolio is well-positioned to withstand any economic volatility that may occur in the coming years. We are comfortable with the underlying exposure, which is concentrated in high-quality consumer assets. The risk is mitigated by the diversity of portfolio company credit protections (cash and assets outside of SPV's, sponsor support, etc), varying credit grades, the short duration nature of our exposure and most importantly, what we feel are the best-in-class platforms in their respective spaces. We continue to believe that the Company's shares are materially undervalued. As such, we will seek to buy back additional shares at a discount to NAV. We are open to any and all shareholder interaction, so please feel free to reach out to us with any questions or comments.

Kind Regards,

The VPC Team

30 October 2018

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Important Information

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