VICTORY PARK

CAPITAL

VPC SPECIALTY LENDING INVESTMENTS PLC

HALF-YEAR FINANCIAL REPORT (UNAUDITED)

FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

COMPANY NUMBER 9385218

VPC SPECIALTY LENDING INVESTMENTS PLC
TABLE OF CONTENTS

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	(Unaudited) Ordinary Shares As at 30 June 2016	(Unaudited) Ordinary Shares As at 30 June 2015	(Audited) Ordinary Shares As at 31 December 2015
Total Net Assets attributable to equity shareholders of the Parent Company (on a consolidated basis)	£ 378,271,740	£ 199,249,045	£ 201,796,653
Net Asset Value per share	98.86p	99.62p	100.90p
Share price	84.00p	102.00p	94.50p
Premium (Discount) to Net Asset Value	-15.03%	2.38%	-6.34%
Total Shareholder return (based on share price)[1]	-11.11%	2.00%	-5.50%
Total Net Asset Value Return[2]	1.51%	1.66%	5.80%
Dividends per Ordinary Share (in the period)	1.50p	-	4.79p
New shares issued (in the period)	182,615,665	200,000,000	200,000,000

	(Unaudited) C Shares As at 30 June 2016	(Unaudited) C Shares As at 30 June 2015	(Audited) Ordinary Shares As at 31 December 2015
Total Net Assets attributable to equity shareholders of the Parent Company (on a consolidated basis)	-	-	£ 182,523,227
Net Asset Value per share	-	-	99.74p
Share price	-	-	92.13p
Premium (Discount) to Net Asset Value	-	-	-7.63%
Total Shareholder return (based on share price)[1]	-	-	-7.88%
Total Net Asset Value Return[2]	-	-	1.78%
Dividends per C Share (in the period)	-	-	1.07p
New shares issued / (cancelled) (in the period)	(183,000,000)	-	183,000,000

[1]Based on a share price of 100p
[2]Net of issue costs

VPC SPECIALTY LENDING INVESTMENTS PLC
CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the interim statement of VPC Specialty Lending Investments PLC ("VSL" or the "Company") for the six month period to 30 June 2016. The period was marked by increased volatility and investor uncertainty across markets. While performing well, the specialty lending markets were not immune to these developments. In response to tightening capital markets and heightened risk premiums, a number of leading specialty lending platforms announced layoffs and scaled back ambitious growth plans. Amid the resulting investor apprehension, the Company's holdings of residual interests in recent securitisations suffered market-to-market writedowns. The majority of the Company's underlying loan portfolios continue to perform in line with our expectations, but certain positions did exhibit higher than expected losses. In addition, the decision by U.K. voters to leave the European Union ("EU") and the subsequent depreciation of the GBP had a negative impact on the Company's performance as outsized cash balances were required as margin in relation to the Company's currency hedges.

While market conditions were challenging during the period, the Investment Manager took advantage of industry illiquidity by closing several new deals under preferential terms and amending existing deals in ways that we believe will be accretive to the existing portfolio. These developments served to highlight the strength of the Company's business model; that by having a broadly diversified portfolio, the Company is not reliant on any one Platform, and can allocate capital dynamically across Platforms and geographies in pursuit of the best risk-adjusted returns in the sector. I continue to have strong confidence in the Investment Manager and believe that the Company will deliver high quality risk-adjusted returns in line with expectations over the coming years. In a step to further bolster that confidence, the Investment Manager has agreed to modify the management agreement such that 20% of monthly management fees will be used to purchase VSL shares at the prevailing market price, provided the shares are trading at a discount to net asset value ("NAV").

INVESTMENTS

During the period under review, the Company delivered a total NAV return of 1.51% and paid quarterly dividends amounting to 3.5p per share. As highlighted in the Investment Manager's report, the vast majority of investments have exhibited credit losses in line with expectations. However, returns in the period were negatively affected by isolated spots of credit underperformance in the marketplace loan portfolio and the effect of cash drag related to currency hedges. The Company has taken steps to mitigate the credit underperformance by exiting and winding down certain positions and redeploying capital to other, better performing opportunities. In particular, I am excited about the strong pipeline of investments in proprietary balance sheet facilities, which offer significant credit enhancements, and feature attractive interest rates ranging from 12% to 16%. Several new balance sheet investments were closed during the period, and are highlighted in the Investment Manager's Report on pages 4 through 6.

Early in the year, the Company completed the deployment of the 2015 C-share proceeds and effected the merger of the share classes. During March and April, the Company participated in two public securitisations of consumer loans, which despite being accretive transactions, created some initial cash drag as proceeds were returned to the Company upon the close of the transaction. During the period, the Company operated with an average cash balance of 18.8% of NAV, which created a slight performance drag, but also mitigated risk and allowed the company to continue to execute on new investments.

MARKET OUTLOOK

I, along with the Board, continue to believe the specialty lending market has an important role in connecting borrowers and lenders in a way that will help consumers and small businesses flourish. The underlying trends driving the sector's growth remain firmly in place and we believe the company is well positioned as a leader in the field to advance the maturation of the sector and deliver high quality risk-adjusted returns to investors.

Andrew Adcock
Chairman
21 September 2016

MARKET OVERVIEW

The Company and the Investment Manager continue to believe that a significant opportunity exists for credit investors in the specialty lending market, primarily through tech-enabled consumer and small business lending Platforms. The global banking industry has been under enormous pressure since the 2007-2009 global financial crisis. The strain has been particularly acute in the U.S. and Europe where banks have been subjected to a flurry of new regulations and heightened scrutiny of their risk profile and capitalizations.

These constraints have given rise to a new opportunity for specialty lending Platforms to fill the void. In 2010, Platforms in the U.S. accounted for approximately US$200 million of loans to consumers and small businesses. By 2015 this grew to nearly US$23 billion.[1] Despite this rapid development, research indicated that specialty lending Platforms today represent a tiny portion of the U.S. consumer and small business loan market, estimated at US$3.4 trillion and US$305 billion respectively, leaving ample room for sustained growth.

However, during the Period, the specialty lending market experienced some negative headwinds, highlighted by widening spreads in the ABS markets and issues surrounding Lending Club including the resignation of CEO Renaud Laplanche. The Investment Manager believes these events were temporary in nature and will not affect the long term growth trajectory of the specialty lending market. The Investment Manager further believes that these events highlight the strength of its investment model, with a focus on a broadly diversified portfolio of Platform exposures and intensive upfront and ongoing due diligence. The Investment Manager capitalised on the market turbulence during the period by closing several new deals under preferential terms and amending existing deals in ways that it believes will be accretive to the existing portfolio.

CAPITAL MARKETS UPDATE

The first half of the year showed positive momentum in marketplace lending capital markets activity with $3.4 billion of new issuance. This represented a 94% increase over the first half of 2015 but a 17% decline from the $4.1 billion issued in the second half of 2015. In February 2016, Avant brought to market its initial rated transaction, Avant 2016-1, followed by their second rated transaction, Avant 2016-2 in April. In May 2016, the U.K. closed its first ever SME marketplace lending transaction with SBOLT 2016-1 backed by Funding Circle UK receivables. Many investors seem to be attracted to marketplace ABS investments for short duration spread opportunities, in an increasingly low return investment environment. The Investment Manager expects to see a strong rate of issuance for the second half of 2016, and it will selectively participate, when appropriate.

COMPANY HIGHLIGHTS

On 29 January 2016, the Company announced that it had substantially fully invested the initial C Share proceeds and set the timing of the C Share conversion. The calculation date of the conversion of shares was 31 January 2016. On 3 March 2016, the Company completed the conversion of the C Shares to Ordinary Shares.

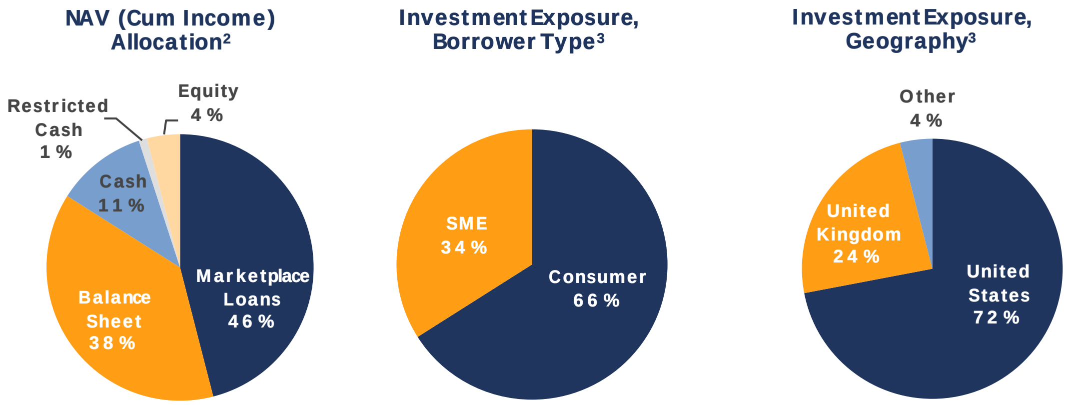
As at 30 June 2016 the Company had investments in 28 Platforms across the U.S., U.K., Europe, Latin America and Australia originating consumer and small business loans, up from investments in 21 Platforms as at 31 December 2015. For the six month period to 30 June 2016, the Company's total NAV return was 1.51% additionally total dividends of 3.50p per share were paid to Ordinary Shareholders during the period under review. Since the date the Company was listed (on 17 March 2015), the Company has returned a total 7.30% of NAV growth and paid dividends totalling 6.29p per share.

1. Liberum Report.

VPC SPECIALTY LENDING INVESTMENTS PLC
INVESTMENT MANAGER'S REPORT continued

PORTFOLIO COMPOSITION

As at 30 June 2016, Consumer exposure accounted for 66% of the invested portfolio, while small business exposure accounted for 34%. Investments in U.S. Platforms accounted for 72% of the invested portfolio, U.K.-based loans accounted for 24% with the remainder being European, Latin American and Australian exposure. Investments in the balance sheet portfolio accounted for 38% of NAV, compared to 29% of the NAV of the Ordinary Share portfolio at 31 December 2015. As part of these investments, the Company has equity exposure to 18 Platforms through equity securities or convertible notes.



NEW INVESTMENTS

During the period, the Company made investments in proprietary balance sheet facilities, which offer significant credit enhancements, and featured attractive interest rates ranging from 12% to 16%. These new investments are highlighted below:

- In January, the Company invested in Cognical, Inc., 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.
- In February, the Company closed on an investment in FinanceFox, 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 the Investment Manager's thesis that significant disintermediation opportunities exist across the various traditional operators in the financial services sector.
- In March, the Company made an initial investment pursuant to the Investment Manager's $100 million credit facility commitment to Wheels Financial Group, LLC, a leading provider of auto title loans in the U.S. The lender provides consumers with quick and convenient access to liquid 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.
- In May, the Company made an initial investment in West Creek Financial, Inc., a provider of point of sale lease-to-own financing to underserved customers enabling purchases of durable goods such as furniture, mattresses, and appliances.
- In June, the Company made an initial investment in Fundbox Ltd., a provider of short-term working capital advances to small and medium-sized businesses in the U.S. The Company also funded a new tranche of senior secured debt to Elevate Credit, Inc. Elevate is a provider of cash advances and installment loans to U.S. consumers.

2. Restricted Cash reflects cash held in underlying private fund investments that is not available for direct investment by VSL.
3. Calculations using gross asset exposure and not reduced for gearing. Excludes cash.

OUTLOOK

While cash drag as a result of the currency hedge and the performance of certain whole loan investments were disappointing, the Investment Manager is encouraged by the performance of the existing balance sheet investments as well as the attractive terms associated with newer deals. Over the past six months the Investment Manager has been able take advantage of industry illiquidity to close several new balance sheet investments under preferential terms and favourably amend existing deals, resulting in a portfolio of proprietary credit facilities accretive to the Company's long-term performance objectives. We believe that the proprietary nature of these relationships will continue to benefit the Company's shareholders going forward. Given the current opportunity set, the Investment Manager plans to redeploy the majority of principal amortisation from our whole loan portfolio into balance sheet investments. Over time, we expect our balance sheet loans to make up a significant portion of the portfolio. In order to further demonstrate our commitment to the Company and our confidence in achieving targeted returns, we have agreed with the Company's Board to modify our management agreement such that we will apply 20% of our monthly management fee to the purchase of shares of the Company at the prevailing market price on an ongoing basis, provided the shares are trading at a discount to NAV.

Victory Park Capital Advisors, LLC
Investment Manager
21 September 2016

VPC SPECIALTY LENDING INVESTMENTS PLC

RESPONSIBILITY STATEMENT OF THE DIRECTORS

FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

The Directors acknowledge responsibility for the Half-Year Financial Report and confirm that to the best of their knowledge:

(a) the consolidated set of financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit for the period of the Group as required by the Disclosure and Transparency Rules ("DTR") 4.2.4 R;

(b) the Interim Management Report (including the Chairman's Statement and the Investment Manager's Report) includes a fair review of the information required by DTR 4.2.7 R (indication of important events that have occurred during the six month period to 30 June 2016 and their impact on the set of consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Half-Year Financial Report includes a fair review of the information concerning related parties transactions as required by DTR 4.2.8 R.

Signed on behalf of the Board by:

Andrew Adcock
Chairman
21 September 2016

VPC SPECIALTY LENDING INVESTMENTS PLC
INTERIM MANAGEMENT REPORT
FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

CAUTIONARY STATEMENT

This Interim Management Report has been prepared solely to provide additional information to Shareholders to assess the strategies of VPC Specialty Lending Investments PLC (the "Company") with its subsidiaries (together "the Group"). The Interim Management Report should not be relied on by any other party or for any other purpose.

The Interim Management Report contains certain forward looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of the Half-Year Financial Report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

ACTIVITIES

The activities of the Group are described in the Chairman's Statement and in the Investment Manager's Report. Refer to the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 through 6 of the Half-Year Financial Report. Further refer to Note 1 to the consolidated financial statements.

STRATEGY AND INVESTMENT OBJECTIVES

The important events that have occurred during the period under review and the key factors influencing the consolidated financial statements are described in the Chairman's Statement and in the Investment Manager's Report.

Refer to the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 through 6 of the Half-Year Financial Report.

GOING CONCERN

As stated in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period not less than 12 months from the date of the Half-Year Financial Report. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial period and could cause actual results to differ materially from expected and historical results. Refer to the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 through 6 of the Half-Year Financial Report as well as Note 5 to the consolidated financial statements for the potential risks and uncertainties. The principal risks and uncertainties are consistent with those disclosed in the annual report for the period ended 31 December 2015 which can be found on the Company's website.

FINANCIAL PERFORMANCE

The financial and operational highlights of the Group can be found on page 2 of the Half-Year Financial Report.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 12 to the consolidated financial statements.

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Non-current assets				
Loans at amortised cost	3	562,051,893	169,876,860	491,232,004
Investment assets designated as held at fair value through profit or loss	3	60,421,858	30,879,540	41,259,617
Total non-current assets		622,473,751	200,756,400	532,491,621
Current assets				
Cash and cash equivalents		57,498,553	45,684,557	95,901,742
Cash posted as collateral		25,210,000	-	8,480,000
Interest receivable		5,636,573	-	4,256,382
Derivative financial assets		-	2,389,934	-
Dividend and distribution receivable		762,843	825,241	556,612
Other assets and prepaid expenses		2,904,830	1,040,646	1,606,467
Total current assets		92,012,799	49,940,378	110,801,203
Total assets		714,486,550	250,696,778	643,292,824
Non-current liabilities				
Notes payable	6	251,698,194	4,533,109	166,700,308
Total non-current liabilities		251,698,194	4,533,109	166,700,308
Current liabilities				
Management fee payable	8	998,893	136,718	836,541
Performance fee payable	8	912,780	-	1,301,904
Derivative financial liabilities		23,853,675	-	9,880,887
Amounts payable under agreements to repurchase		8,730,045	-	-
Dividend withholding tax payable		1,026,211	-	-
Accrued deferred income		638,415	-	-
Other liabilities and accrued expenses	8	7,919,953	1,183,746	6,059,542
Total current liabilities		44,079,972	1,320,464	18,078,874
Total liabilities		295,778,166	5,853,573	184,779,182
Total assets less total liabilities		418,708,384	244,843,205	458,513,642

See notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

AS AT 30 JUNE 2016

	Notes	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Capital and reserves				
Called-up share capital	10	20,300,000	2,000,000	20,300,000
Share premium account		161,040,000	194,000,000	161,040,000
Other reserve		191,474,230	-	194,000,000
Capital reserve		1,123,645	5,025,068	4,601,406
Revenue reserve		3,845,958	1,811,188	4,175,470
Currency translation reserve		487,907	(3,587,211)	203,004
Total equity attributable to equity shareholders of the Parent Company		378,271,740	199,249,045	384,319,880
Non-controlling interests	14	40,436,644	45,594,160	74,193,762
Total equity		418,708,384	244,843,205	458,513,642
Net Asset Value per Ordinary Share	9	98.86p	99.62p	100.90p

These consolidated financial statements of VPC Specialty Lending Investments PLC registered number 9385218 were approved and authorised for issue by the Board of Directors on 21 September 2016.

Signed on behalf of the Board by:

Andrew Adcock
Chairman of the Board

See notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD 30 JUNE 2016

	Notes	(Unaudited) Revenue £	(Unaudited) Capital £	(Unaudited) Total £
Revenue				
Net gain / (loss) on investments	4	-	(2,933,726)	(2,933,726)
Foreign exchange gain / (loss)		-	72,970	72,970
Income	4	41,140,925	433,851	41,574,776
Total return		41,140,925	(2,426,905)	38,714,020
Expenses				
Management fee	8	3,035,832	-	3,035,832
Performance fee	8	912,781	-	912,781
Impairment charges	7	16,247,732	1,066,730	17,314,462
Other expenses	8	5,698,986	213,931	5,912,917
Total operating expenses		25,895,331	1,280,661	27,175,992
Financing costs		4,635,062	22,879	4,657,941
Total financing costs		4,635,062	22,879	4,657,941
Net return on ordinary activities before taxation		10,610,532	(3,730,445)	6,880,087
Taxation on ordinary activities		-	-	-
Net return on ordinary activities after taxation		10,610,532	(3,730,445)	6,880,087
Attributable to:				
Equity shareholders of the Parent Company		8,842,053	(3,477,761)	5,364,292
Non-controlling interests	14	1,768,479	(252,684)	1,515,795
Return per Ordinary Share (basic and diluted)		2.31p	-0.91p	1.40p
Other comprehensive income that may subsequently be reclassified to profit or loss				
Currency translation differences		-	8,676,277	8,676,277
Total comprehensive income		10,610,532	4,945,832	15,556,364
Attributable to:				
Equity shareholders of the Parent Company		8,842,053	(3,192,858)	5,649,195
Non-controlling interests	14	1,768,479	8,138,690	9,907,169

The total column of this statement represents the Group's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations.

See notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

FOR THE PERIOD FROM 12 JANUARY 2015 (DATE OF INCORPORATION) TO 30 JUNE 2015

	Notes	(Unaudited) Revenue £	(Unaudited) Capital £	(Unaudited) Total £
Revenue				
Net gain / (loss) on investments	4	-	153,156	153,156
Foreign exchange gain / (loss)		-	4,871,912	4,871,912
Income	4	5,206,932	-	5,206,932
Total return		5,206,932	5,025,068	10,232,000
Expenses				
Management fee	8	363,385	-	363,385
Performance fee	8	-	-	-
Impairment charges	7	309,818	-	309,818
Other expenses	8	2,025,835	-	2,025,835
Total operating expenses		2,699,038	-	2,699,038
Financing costs		-	-	-
Total financing costs		-	-	-
Net return on ordinary activities before taxation		2,507,894	5,025,068	7,532,962
Taxation on ordinary activities		-	-	-
Net return on ordinary activities after taxation		2,507,894	5,025,068	7,532,962
Attributable to:				
Equity shareholders of the Parent Company		1,811,188	5,025,068	6,836,256
Non-controlling interests	14	696,706	-	696,706
Return per Ordinary Share (basic and diluted)		0.91p	2.51p	3.42p
Other comprehensive income / (expense) that may subsequently be reclassified to profit or loss				
Currency translation differences		-	(4,347,226)	(4,347,226)
Total comprehensive income / (expense)		2,507,894	677,842	3,185,736
Attributable to:				
Equity shareholders of the Parent Company		1,811,188	1,437,857	3,249,045
Non-controlling interests	14	696,706	(760,015)	(63,309)

The total column of this statement represents the Group's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations.

See notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

FOR THE PERIOD FROM 12 JANUARY 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	Notes	(Audited) Revenue £	(Audited) Capital £	(Audited) Total £
Revenue				
Net gain / (loss) on investments	4	-	7,054,078	7,054,078
Foreign exchange gain / (loss)		-	(329,498)	(329,498)
Income	4	38,812,487	522,458	39,334,945
Total return		38,812,487	7,247,038	46,059,525
Expenses				
Management fee	8	2,129,317	29,072	2,158,389
Performance fee	8	1,301,904	-	1,301,904
Impairment charges	7	11,689,269	1,317,834	13,007,103
Other expenses	8	6,145,093	178,791	6,323,884
Total operating expenses		21,265,583	1,525,697	22,791,280
Financing costs		2,636,965	81,794	2,718,759
Total financing costs		2,636,965	81,794	2,718,759
Net return on ordinary activities before taxation		14,909,939	5,639,547	20,549,486
Taxation on ordinary activities		-	-	-
Net return on ordinary activities after taxation		14,909,939	5,639,547	20,549,486
Attributable to:				
Equity shareholders of the Parent Company		9,755,470	4,601,406	14,356,876
Non-controlling interests	14	5,154,469	1,038,141	6,192,610
Return per Ordinary Share (basic and diluted)		4.23p	1.46p	5.69p
Other comprehensive income that may subsequently be reclassified to profit or loss				
Currency translation differences		-	542,986	542,986
Total comprehensive income		14,909,939	6,182,533	21,092,472
Attributable to:				
Equity shareholders of the Parent Company		9,755,470	4,804,410	14,559,880
Non-controlling interests	14	5,154,469	1,378,123	6,532,592

The total column of this statement represents the Group's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations.

See notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

	(Unaudited) Called Up Share Capital £	(Unaudited) Share Premium £	(Unaudited) Other Reserve £	(Unaudited) Capital Reserve £	(Unaudited) Revenue Reserve £	(Unaudited) Currency Translation Reserve £	(Unaudited) Total Shareholders' Equity £	(Unaudited) Non-Controlling Interests £	(Unaudited) Total Equity £
Opening balance at 1 January 2016	20,300,000	161,040,000	194,000,000	4,601,406	4,175,470	203,004	384,319,880	74,193,762	458,513,642
Amounts received on issue of management shares	-	-	-	-	-	-	-	-	-
Management shares redeemed	-	-	-	-	-	-	-	-	-
Amounts received on issue of shares	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-
Cancellation of share premium account	-	-	-	-	-	-	-	-	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	6,120,948	6,120,948
Distributions to non-controlling interests	-	-	-	-	-	-	-	(49,785,235)	(49,785,235)
Return on ordinary activities after taxation	-	-	-	(3,477,761)	8,842,053	-	5,364,292	1,515,795	6,880,087
Dividends declared and paid	-	-	(2,525,770)	-	(9,171,565)	-	(11,697,335)	-	(11,697,335)
Other comprehensive income									
Currency translation differences	-	-	-	-	-	284,903	284,903	8,391,374	8,676,277
Closing balance at 30 June 2016	20,300,000	161,040,000	191,474,230	1,123,645	3,845,958	487,907	378,271,740	40,436,644	418,708,384

See notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

FOR THE PERIOD FROM 12 JANUARY 2015 (DATE OF INCORPORATION) TO 30 JUNE 2015

	(Unaudited) Called Up Share Capital £	(Unaudited) Share Premium £	(Unaudited) Other Reserve £	(Unaudited) Capital Reserve £	(Unaudited) Revenue Reserve £	(Unaudited) Currency Translation Reserve £	(Unaudited) Total Shareholders' Equity £	(Unaudited) Non-Controlling Interests £	(Unaudited) Total Equity £
Opening balance at 12 January 2015	-	-	-	-	-	-	-	-	-
Amounts received on issue of management shares	50,000	-	-	-	-	-	50,000	-	50,000
Management shares redeemed	(50,000)	-	-	-	-	-	(50,000)	-	(50,000)
Amounts received on issue of shares	2,000,000	198,000,000	-	-	-	-	200,000,000	-	200,000,000
Share issue costs	-	(4,000,000)	-	-	-	-	(4,000,000)	-	(4,000,000)
Cancellation of share premium account	-	-	-	-	-	-	-	-	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	45,657,469	45,657,469
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-
Return on ordinary activities after taxation	-	-	-	5,025,068	1,811,188	-	6,836,256	696,706	7,532,962
Dividends declared and paid	-	-	-	-	-	-	-	-	-
Other comprehensive income									
Currency translation differences	-	-	-	-	-	(3,587,211)	(3,587,211)	(760,015)	(4,347,226)
Closing balance at 30 June 2015	2,000,000	194,000,000	-	5,025,068	1,811,188	(3,587,211)	199,249,045	45,594,160	244,843,205

See notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

FOR THE PERIOD FROM 12 JANUARY 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	(Audited) Called Up Share Capital £	(Audited) Share Premium £	(Audited) Other Reserve £	(Audited) Capital Reserve £	(Audited) Revenue Reserve £	(Audited) Currency Translation Reserve £	(Audited) Total Shareholders' Equity £	(Audited) Non-Controlling Interests £	(Audited) Total Equity £
Opening balance at 12 January 2015	-	-	-	-	-	-	-	-	-
Amounts received on issue of management shares	50,000	-	-	-	-	-	50,000	-	50,000
Management shares redeemed	(50,000)	-	-	-	-	-	(50,000)	-	(50,000)
Amounts received on issue of shares	20,300,000	362,700,000	-	-	-	-	383,000,000	-	383,000,000
Share issue costs	-	(7,660,000)	-	-	-	-	(7,660,000)	-	(7,660,000)
Cancellation of share premium account*	-	(194,000,000)	194,000,000	-	-	-	-	-	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	120,023,050	120,023,050
Distributions to non-controlling interests	-	-	-	-	-	-	-	(52,361,880)	(52,361,880)
Return on ordinary activities after taxation	-	-	-	4,601,406	9,755,470	-	14,356,876	6,192,610	20,549,486
Dividends declared and paid	-	-	-	-	(5,580,000)	-	(5,580,000)	-	(5,580,000)
Other comprehensive income									
Currency translation differences	-	-	-	-	-	203,004	203,004	339,982	542,986
Closing balance at 31 December 2015	20,300,000	161,040,000	194,000,000	4,601,406	4,175,470	203,004	384,319,880	74,193,762	458,513,642

*The High Court of Justice Chancery Division approved the cancellation of the amount standing to the credit of the "Share Premium" account of the Company on 17 September 2015 of £194,000,000. As a result, this amount was transferred to the "Other Reserve" account.

See notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

	Note	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Cash flows from operating activities:				
Total comprehensive income		15,556,364	7,532,962	21,092,472
Adjustments for:				
- Interest income		(40,374,737)	(4,367,289)	(37,115,750)
- Dividend and distribution income		(1,195,496)	(825,241)	(2,081,139)
- Finance cost		4,657,941	-	2,718,759
- Exchange (gains)/losses on cash and cash equivalents		(8,676,277)	689,144	(1,176,545)
Total		(30,032,205)	3,029,576	(16,562,203)
Unrealised depreciation (appreciation) on investment assets designated as held at fair value through profit or loss		2,933,726	(153,156)	(7,054,078)
Unrealised depreciation (appreciation) on derivative financial instruments		13,972,788	(2,389,934)	9,880,887
Increase in other assets and prepaid expenses		(1,298,363)	(417,338)	(1,606,467)
Increase in management fee payable		162,352	136,718	836,541
Increase (decrease) in performance fee payable		(389,124)	-	1,301,904
Increase in dividend withholding tax payable		1,026,211	-	-
Increase in accrued deferred income		638,415	-	-
Increase in accrued expenses and other liabilities		1,403,354	1,183,746	5,736,945
Impairment of loans		17,314,462	309,818	13,007,103
Net cash inflow/(outflow) from operating activities		5,731,616	1,669,430	5,540,632
Cash flows from investing activities:				
Interest received		38,994,547	3,743,981	38,395,937
Dividends received		989,264	-	1,524,527
Purchase of investment assets designated as held at fair value through profit or loss		(23,083,005)	(30,726,384)	(34,205,539)
Sale of investment assets designated as held at fair value through profit or loss		987,038	-	-
Purchase of loans		(372,492,175)	(174,533,904)	(665,025,789)
Sale of loans		284,357,824	-	155,250,113
Cash posted as collateral		(16,730,000)	-	(8,480,000)
Contributions by non-controlling interests		6,120,948	45,657,469	120,023,050
Distributions to non-controlling interests		(49,785,235)	-	(52,361,880)
Increase in amounts payable under agreements to repurchase		8,730,045	-	-
Increase in note payable		84,997,886	4,533,109	166,700,308
Net cash inflow/(outflow) from investing activities		(36,912,863)	(151,325,729)	(278,179,273)

See notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS continued

FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

	Note	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Cash flows from financing activities:				
Proceeds from subscription of shares		-	200,000,000	383,000,000
Dividends distributed		(11,697,335)	-	(5,580,000)
Proceeds from issue of management shares		-	50,000	50,000
Share issue costs		-	(4,000,000)	(7,660,000)
Finance costs paid		(4,200,884)	-	(2,396,162)
Redemption of management shares		-	(50,000)	(50,000)
Net cash inflow/(outflow) from financing activities		(15,898,219)	196,000,000	367,363,838
Net change in cash and cash equivalents		(47,079,466)	46,373,701	95,725,197
Exchange gains/(losses) on cash and cash equivalents		8,676,277	(689,144)	1,176,545
Cash and cash equivalents at the beginning of the period		95,901,742	-	-
Cash and cash equivalents		57,498,553	45,684,557	95,901,742

See notes to the consolidated financial statements

1. GENERAL INFORMATION

The investment objective of VPC Specialty Lending Investments PLC (the "Parent Company") with its subsidiaries (together "the Group") is to generate an attractive total return for shareholders consisting of distributable income and capital growth through investments in specialty lending opportunities. The Parent Company was incorporated in England and Wales on 12 January 2015 with registered number 9385218. The Parent Company commenced its operations on 17 March 2015 and continues to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Group's investment manager is Victory Park Capital Advisors, LLC (the "Investment Manager"), a US Securities and Exchange Commission registered investment adviser. The Investment Manager also acts as the Alternative Investment Fund Manager of the Group under the Alternative Investment Fund Managers Directive ("AIFMD"). The Parent Company is defined as an Alternative Investment Fund and is subject to the relevant articles of the AIFMD.

The Group will invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party funds (including those managed by the Investment Manager or its affiliates). Direct investments may include consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables ("Debt Instruments") originated by platforms which engage with and directly lend to borrowers ("Platforms"). Such Debt Instruments may be subordinated in nature, or may be second lien, mezzanine or unsecured loans. Indirect investments may include investments in Platforms (or in structures set up by Platforms) through the provision of credit facilities ("Credit Facilities"), equity or other instruments. Additionally, the Group's investments in Debt Instruments and Credit Facilities may be made through subsidiaries of the Company or through partnerships or other structures. The Group may also invest in other specialty lending related opportunities through any combination of debt facilities, equity or other instruments.

During the period, the Company cancelled 183,000,000 C Shares on 3 March 2016 and issued 182,615,665 new Ordinary Shares on 4 March 2016. As at 30 June 2016, the Company held equity in the form of 382,615,665 Ordinary Shares (31 December 2015: 200,000,000 Ordinary Shares and 183,000,000 C Shares; 30 June 2015: 200,000,000 Ordinary Shares). The Ordinary Shares are listed on the premium segment of the Official List of the UK Listing Authority and trade on the London Stock Exchange's main market for listed securities.

Northern Trust Hedge Fund Services LLC (the "Administrator") has been appointed as the administrator of the Group. The Administrator is responsible for the Group's general administrative functions, such as the calculation and publication of the Net Asset Value ("NAV") and maintenance of the Group's accounting records.

For any terms not herein defined, refer to Part X of the IPO Prospectus. The Parent Company's IPO Prospectus dated 26 February 2015, available on the Parent Company's website, www.vpcspecialtylending.com. The audited financial statement information contained within the consolidated financial statements are also available on the Parent Company's website.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies followed by the Group are set out below:

Basis of preparation

The consolidated financial statements present the financial performance of the Group for the six month period to 30 June 2016. These statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and International Accounting Standard ("IAS") 34, Interim Financial Reporting, as adopted by the European Union.

The consolidated financial statements for the period ended 30 June 2016 have not been audited or reviewed by the Group's auditors and do not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006. They do not include all financial information required for full annual financial statements. The consolidated financial statements and the comparative financial statements have been prepared using the accounting policies adopted in the audited financial statements for the period ended 31 December 2015.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the valuation of investments and derivative financial instruments at fair value. Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. The principal accounting policies adopted are set out below.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in November 2014 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Group's presentational currency is Pound Sterling (£). Pound Sterling is also the functional currency because it is the currency of the Parent Company's share capital and the currency which is most relevant to the majority of the Parent Company's Shareholders. The Group enters into forward currency Pound Sterling hedges where operating activity is transacted in a currency other than the functional currency.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The Parent Company controls an entity when the Parent Company is exposed to, or has rights to, variable returns from its investment and has the ability to affect those returns through its power over the entity. All intra-group transactions, balances, income and expenses are eliminated in consolidation. The accounting policies of the subsidiaries have been applied on a consistent basis to ensure consistency with the policies adopted by the Parent Company.

Subsidiaries of the Parent Company, where applicable, have been consolidated on a line by line basis as the Parent Company does not meet the definition of an investment entity under IFRS 10 because it does not measure and evaluate the performance of all of its investments on the fair value basis of accounting. The period ends for the subsidiaries are consistent with the Company.

Presentation of Consolidated Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with the guidance set out by the AIC, supplementary information which analyses the Consolidated Statement of Comprehensive Income between items of revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income.

Income

For financial instruments measured at amortised cost, the effective interest rate method is used to measure the carrying value of a financial asset or liability and to allocate associated interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

In calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees received and paid, costs borne that are an integral part of the effective interest rate and all other premiums or discounts above or below market rates.

Dividend income from investments is taken to the revenue account on an ex-dividend basis.

Bank interest and other income receivable is accounted for on an effective interest basis.

Distributions from investments in funds are accounted for on an accrual basis as of the date the Group is entitled to the distribution. The income is treated as revenue return provided that the underlying assets of the investments comprise solely income generating loans, or investments in lending platforms which themselves generate net interest income.

Expenses and finance costs

Expenses and finance costs not directly attributable to generating a financial instrument are recognised as services are received, or on the performance of a significant act which means the Group has become contractually obligated to settle those amounts.

The Group currently charges investment management fees and performance fees to either revenue or capital return based on the classification of the investment that generates the fees. The current expectation is that the majority of the Group's return will be generated through revenue rather than capital gains on investments. Refer to Note 8 for further details of the management and performance fees.

All expenses are accounted for on an accruals basis.

Dividends payable to Shareholders

Dividends payable to Shareholders are recognised in the Consolidated Statement of Changes in Equity when they are paid, or have been approved by Shareholders in the case of a final dividend and become a liability to the Parent Company.

Taxation

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the Consolidated Statement of Financial Position date.

In line with the recommendations of SORP for investment trusts issued by the AIC, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Consolidated Statement of Comprehensive Income is the "marginal basis".

Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Consolidated Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Investment trusts which have approval as such under section 1158 of the Corporation Taxes Act 2010 are not liable for taxation on capital gains.

Financial assets and financial liabilities

The Group classifies its financial assets and financial liabilities in one of the following categories below. The classification depends on the purpose for which the financial assets and liabilities were acquired. The classification of financial assets and liabilities are determined at initial recognition:

Financial assets and financial liabilities designated as held at fair value through profit or loss

This category consists of forward foreign exchange contracts and investments in funds.

Assets and liabilities in this category are carried at fair value. The fair values of derivative instruments are estimated using discounted cash flow models using yield curves that are based on observable market data or are based on valuations obtained from counterparties.

Investments in funds are carried at fair value through profit or loss and designated as such at inception. This is determined using the NAV for the units at the balance sheet date.

Gains and losses arising from the changes in the fair values are recognised in the Consolidated Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loan assets are classified as loans and receivables.

Loans are recognised when the funds are advanced to borrowers. Loans and receivables are carried at amortised cost using the effective interest rate method less provisions for impairment.

Purchases and sales of financial assets

Purchases and sales of financial assets are accounted for at trade date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Fair value estimation

The determination of fair value of investments requires the use of accounting estimates and assumptions that could cause material adjustment to the carrying value of those investments.

Impairment of financial assets

Financial Assets carried at amortised cost

The Group assesses at each balance sheet date whether, as a result of one or more events that occurred after initial recognition, there is objective evidence that a financial asset or group of financial assets is impaired. Evidence of impairment may include:

- indications that the borrower or group of borrowers is experiencing significant financial difficulty;
- default or delinquency in interest or principal payments; or
- debt being restructured to reduce the burden on the borrower.

The Group assesses whether objective evidence of impairment exists either individually for assets that are separately significant or individually or collectively for assets that are not separately significant.

If there is no objective evidence of impairment for an individually assessed asset it is included in a group of assets with similar credit risk characteristics and collectively assessed for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The resultant provisions are deducted from the appropriate asset values in the Consolidated Statement of Financial Position.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the provision is adjusted and the amount of the reversal is recognised in the Consolidated Statement of Comprehensive Income.

Where a loan is not recoverable, it is written off against the related provision for loan impairment once all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are reflected against the impairment losses recorded in the Consolidated Statement of Comprehensive Income.

Key estimates and assumptions in impairment of financial assets

The assessment of impairment of the financial assets held at amortised cost requires the use of accounting estimates and assumptions that could cause material adjustment to the carrying value of those investments. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group.

Financial liabilities

Borrowings, deposits, debt securities in issue and subordinated liabilities, if any, are recognised initially at fair value, being the issue proceeds net of premiums, discounts and transaction costs incurred.

All borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is adjusted for the amortisation of any premiums, discounts and transaction costs. The amortisation is recognised in interest expense and similar charges using the effective interest rate method.

Financial liabilities are derecognised when the obligation is discharged, cancelled or has expired.

Derivatives

Derivatives are entered into to reduce exposures to fluctuations in interest rates, exchange rates, market indices and credit risks and are not used for speculative purposes.

Derivatives are carried at fair value with movements in fair values recorded in the Consolidated Statement of Comprehensive Income. Derivative financial instruments are valued using discounted cash flow models using yield curves that are based on observable market data or are based on valuations obtained from counterparties.

Gains and losses arising from derivative instruments are credited or charged to the Consolidated Statement of Comprehensive Income. Gains and losses of a revenue nature are reflected in the revenue column and gains and losses of a capital nature are reflected in the capital column. Gains and losses on forward foreign exchange contracts are reflected in Foreign exchange gain / (loss) in the Consolidated Statement of Comprehensive Income.

All derivatives are classified as assets where the fair value is positive and liabilities where the fair value is negative. Where there is the legal ability and intention to settle net, then the derivative is classified as a net asset or liability, as appropriate.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

Investments in funds
Investments in funds are measured at fair value through profit or loss.

Equity securities
Equity securities are measured at fair value through recent transaction prices. These securities are not traded in an active market and thus are considered Level 3 investments.

Other receivables
Other receivables do not carry interest and are short-term in nature and are accordingly recognised at fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents
Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with a maturity of 90 days or less that readily convertible to known amounts of cash.

Current Liabilities
Current liabilities, other than derivatives, are not interest-bearing and are stated at their nominal values. Due to their short term nature this is determined to be equivalent to their fair value.

Shares
Both the Ordinary Shares and C Shares, for the time to their conversion date, (together the “Shares”) are classified as equity. The costs of issuing or acquiring equity are recognised in equity (net of any related income tax benefit), as a reduction of equity on the condition that these are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The costs of an equity transaction that is abandoned are recognised as an expense. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties.

The Group’s equity NAV per unit is calculated by dividing the equity – net assets attributable to the holder of Shares by the total number of outstanding shares.

Foreign exchange
Transactions in foreign currencies are translated into Pound Sterling at the rate of exchange ruling on the date of each transaction. Monetary assets, liabilities and equity investments in foreign currencies at the Consolidated Statement of Financial Position date are translated into Pound Sterling at the rates of exchange ruling on that date. Profits or losses on exchange, together with differences arising on the translation of foreign currency assets or liabilities, are taken to the capital return column of the Consolidated Statement of Comprehensive Income. Foreign exchange gains and losses arising on investment assets including loans are included within Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

The assets and liabilities of the Group’s foreign operations are translated using the exchange rates prevailing at the reporting date. Income and expense items are translated using the average exchange rates during the period. Exchange differences arising from the translation of foreign operations are taken directly as currency translation differences through the Consolidated Statement of Comprehensive Income.

Capital reserves

Capital reserve – arising on investments sold includes:

- gains/losses on disposal of investments and the related foreign exchange differences;
- exchange differences on currency balances;
- cost of own shares bought back; and
- other capital charges and credits charged to this account in accordance with the accounting policies above.

Capital reserve – arising on investments held includes:

- increases and decreases in the valuation of investments held at the period end; and
- subsidiaries where the investment by the Group is in a capital loss position.

All of the above are accounted for in the Consolidated Statement of Comprehensive Income except the cost of own shares bought back, if applicable, which would be accounted for in the Consolidated Statement of Changes in Equity.

Segmental reporting

The decision maker is the Board of Directors. The Directors are of the opinion that the Group is engaged in a single segment of business, being the investment of the Group's capital in financial assets comprising consumer loans, SME loans, corporate trade receivables and/or advances thereon.

Critical accounting estimates and assumptions

Estimates and assumptions used in preparing the consolidated financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The results of these estimates and assumptions form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and assumptions made in the valuation of unquoted investments and investments for which there is no active market may cause material adjustment to the carrying value of those assets and liabilities. These are valued in accordance with the techniques set out above.

Information about significant areas of estimation uncertainty and critical judgments in relation to the impairment of investments are described in Note 5.

Judgement is required to determine whether the Parent Company exercises control over its investee entities and whether they should be consolidated. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The Parent Company controls an investee entity when the Parent Company is exposed to, or has rights to, variable returns from its investment and has the ability to affect those returns through its power over the entity. At each reporting date an assessment is undertaken of investee entities to determine control. In the intervening period assessments are undertaken where circumstances change that may give rise to a change in the control assessment. These include when an investment is made into a new entity, or an amendment to existing entity documentation or processes. When assessing whether the Parent Company has the power to affect its variable returns, and therefore control investee entities, an assessment is undertaken of the Parent Company's ability to influence the relevant activities of the investee entity. These activities include considering the ability to appoint or remove key management or the manager, which party has decision making powers over the entity and whether the manager of an entity is acting as principal or agent. The assessment undertaken for entities considers the Parent Company's level of investment into the entity and its intended long-term holding in the entity. Further details of the Parent Company's subsidiaries are included in Note 13.

Accounting standards issued but not yet effective

The following new standards are not applicable to this financial information but may have an impact when they become effective:

IFRS 9, 'Financial Instruments', introduces new requirements for classification and measurement, impairment and hedge accounting. This standard is effective from 1 January 2018. The adoption of IFRS 9 results in an impairment model that is more forward looking than that which is currently in place under IAS 39. In the longer term it is expected that the adoption of the standard will increase the total level of impairment allowance as financial assets will be assessed for impairment at least to the extent that an impairment is expected to arise within the following 12-month period and this impairment amount recognised within the financial statements.

IFRS 15, 'Revenue from Contracts with Customers', requires revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer. This standard is effective from 1 January 2018. The adoption of this standard is not expected to have a significant impact on the Group's financial statements.

Both IFRS 9 and IFRS 15 are subject to endorsement from the European Union. The Directors are assessing the impact of the above standards on the Group's future consolidated financial information.

3. FAIR VALUE MEASUREMENT

Financial instruments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3 – Pricing inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

Valuation of investments in funds

The Group's investments in funds are subject to the terms and conditions of the respective fund's offering documentation. The investments in funds are primarily valued based on the latest available financial information. The Investment Manager reviews the details of the reported information obtained from the funds and considers: (i) the valuation of the fund's underlying investments; (ii) the value date of the NAV provided; (iii) cash flows (calls/distributions) since the latest value date; and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the funds. If necessary, adjustments to the NAV are made to the funds to obtain the best estimate of fair value. The funds in which the Group invests are close-ended and unquoted. The NAV is provided to investors only and is not made publically available.

Valuation of equity securities

The Group's equity securities investments are valued at recent transaction prices. As these equity securities are not traded in an active market, they are categorised as Level 3 investment assets.

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 30 June 2016:

Investment assets designated as held at fair value through profit or loss	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Investments in funds	32,463,431	-	-	32,463,431
Equity securities	27,958,427	1,593,229	-	26,365,198
Total	60,421,858	1,593,229	-	58,828,629

Derivative financial liabilities	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Amounts payable under agreements to repurchase	8,730,045	-	8,730,045	-
Forward foreign exchange contracts	23,853,675	-	23,853,675	-
Total	32,583,720	-	32,583,720	-

There were no movements between Level 1 and Level 2 fair value measurements during the period ended 30 June 2016 and no transfers into and out of Level 3 fair value measurements for the Group.

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 30 June 2015:

Investment assets designated as held at fair value through profit or loss	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Investments in funds	30,879,540	-	-	30,879,540
Equity securities	-	-	-	-
Total	30,879,540	-	-	30,879,540

Derivative financial assets	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Forward foreign exchange contracts	2,389,934	-	2,389,934	-
Total	2,389,934	-	2,389,934	-

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 31 December 2015:

Investment assets designated as held at fair value through profit or loss	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Investments in funds	31,596,504	-	-	31,596,504
Equity securities	9,663,113	859,929	-	8,803,184
Total	41,259,617	859,929	-	40,399,688

Derivative financial liabilities	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Forward foreign exchange contracts	9,880,887	-	9,880,887	-
Total	9,880,887	-	9,880,887	-

The following table presents the movement in Level 3 positions for the period for the Group at 30 June 2016:

	(Unaudited) Investments in funds £	(Unaudited) Equity securities £
Beginning balance, 1 January 2016	31,596,504	8,803,184
Purchases	156,456	18,172,286
Sales	-	(987,038)
Transfers in / (out)	-	-
Net change in unrealised foreign exchange gains / (losses)	3,451,393	1,138,059
Net change in unrealised gains / (losses)	(2,740,922)	(761,293)
Ending balance, 30 June 2016	32,463,431	26,365,198

The net change in unrealised gains is recognised within gains on investments in the Consolidated Statement of Comprehensive Income.

Quantitative information regarding the unobservable inputs for Level 3 positions is given below:

Description	(Unaudited) Fair Value at 30 June 2016 £	Valuation technique	Unobservable input	Range
Investments in funds	32,463,431	Net asset value	N/A	N/A
Equity securities	15,828,560	Discounted Cash Flows	Discount Rate Assumed Default Rate	18.00% 17.22% - 18.68%
Equity securities	9,317,247	Transaction price	N/A	N/A
Equity securities	1,219,391	Black Scholes Model	Risk Free Rate Volatility Strike Price Current Price	1.39% - 1.64% 25% - 35% $0.20 - £2.16 $0.62 - £ 2.98

The investments in funds consist of investments in Larkdale III, L.P. and VPC Offshore Unleveraged Private Debt Fund, L.P. are valued based on the NAV as calculated at the balance sheet date. No adjustments have been deemed necessary to the NAV as it reflects the fair value of the underlying investments, as such no specific unobservable inputs have been identified. The NAVs are sensitive to movements in interest rates due to the funds' underlying investment in loans.

If the price of the investment assets held at period end had increased / decreased by 5 per cent. it would have resulted in an increase / decrease in the total value the funds and equity securities of £2,939,239 which would affect the Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 30 June 2016 but for which fair value is disclosed. The carrying value has been used where it is a reasonable approximation of fair value:

	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Assets				
Loans	566,379,067	-	-	566,379,067
Cash and cash equivalents	57,498,553	57,498,553	-	-
Cash posted as collateral	25,210,000	25,210,000	-	-
Interest receivable	5,636,573	-	5,636,573	-
Dividend and distribution receivable	762,843	-	762,843	-
Other assets and prepaid expenses	2,904,830	-	2,904,830	-
Total	658,391,866	82,708,553	9,304,246	566,379,067

	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Liabilities				
Notes payable	251,698,194	-	-	251,698,194
Management fee payable	998,893	998,893	-	-
Performance fee payable	912,780	912,780	-	-
Dividend withholding tax payable	1,026,211	1,026,211	-	-
Accrued deferred income	638,415	638,415	-	-
Other liabilities and accrued expenses	7,919,953	7,919,953	-	-
Total	263,194,446	11,496,252	-	251,698,194

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 30 June 2015 but for which fair value is disclosed. The carrying value has been used where it is a reasonable approximation of fair value:

	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Assets				
Loans	168,972,902	-	-	168,972,902
Cash and cash equivalents	45,684,557	45,684,557	-	-
Dividend and distribution receivable	825,241	825,241	-	-
Other assets and prepaid expenses	1,040,646	1,040,646	-	-
Total	216,523,346	47,550,444	-	168,972,902

	(Unaudited) Total £	(Unaudited) Level 1 £	(Unaudited) Level 2 £	(Unaudited) Level 3 £
Liabilities				
Notes payable	4,533,109	-	-	4,533,109
Management fee payable	136,718	136,718	-	-
Performance fee payable	-	-	-	-
Other liabilities and accrued expenses	1,183,746	1,183,746	-	-
Total	5,853,573	1,320,464	-	4,533,109

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 31 December 2015 but for which fair value is disclosed. The carrying value has been used where it is a reasonable approximation of fair value:

	(Audited) Total £	(Audited) Level 1 £	(Audited) Level 2 £	(Audited) Level 3 £
Assets				
Loans	487,873,797	-	-	487,873,797
Cash and cash equivalents	95,901,742	95,901,742	-	-
Cash posted as collateral	8,480,000	8,480,000	-	-
Interest receivable	4,256,382	4,256,382	-	-
Dividend and distribution receivable	556,612	556,612	-	-
Other assets and prepaid expenses	1,606,467	1,606,467	-	-
Total	598,675,000	110,801,203	-	487,873,797

	(Audited) Total £	(Audited) Level 1 £	(Audited) Level 2 £	(Audited) Level 3 £
Liabilities				
Notes payable	166,700,308	-	-	166,700,308
Management fee payable	836,541	836,541	-	-
Performance fee payable	1,301,904	1,301,904	-	-
Other liabilities and accrued expenses	6,059,542	6,059,542	-	-
Total	184,779,182	18,078,874	-	166,700,308

The table below provides details of the investments at amortised cost held by the Group for the period ended 30 June 2016:

	(Unaudited) Amortised cost before impairment £	(Unaudited) Impairment £	(Unaudited) Carrying Value £
Loans at amortised cost	578,067,990	16,016,097	562,051,893
Total	578,067,990	16,016,097	562,051,893

The table below provides details of the investments at amortised cost held by the Group for the period ended 30 June 2015:

	(Unaudited) Amortised cost before impairment £	(Unaudited) Impairment £	(Unaudited) Carrying Value £
Loans at amortised cost	170,186,678	309,818	169,876,860
Total	170,186,678	309,818	169,876,860

The table below provides details of the investments at amortised cost held by the Group for the period ended 31 December 2015:

	(Audited) Amortised cost before impairment £	(Audited) Impairment £	(Audited) Carrying Value £
Loans at amortised cost	504,239,107	13,007,103	491,232,004
Total	504,239,107	13,007,103	491,232,004

4. INCOME AND GAINS ON INVESTMENTS AND LOANS

	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Income			
Interest income	40,374,738	4,367,289	37,115,570
Distributable income from investments in funds	1,174,704	825,240	1,442,753
Dividend income	20,791	-	638,386
Other income	4,543	14,403	138,056
Total	41,574,776	5,206,932	39,334,945

	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
Net gains (losses) on investments			
Unrealised gain (loss) on investment in funds	(2,740,922)	153,156	2,465,817
Unrealised gain (loss) on equity securities	(192,804)	-	4,588,261
Total	(2,933,726)	153,156	7,054,078

5. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Introduction

Risk is inherent in the Group’s activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Group is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments held by the Group.

Risk management structure

The Directors are ultimately responsible for identifying and controlling risks. Day to day management of the risk arising from the financial instruments held by the Group has been delegated to Victory Park Capital Advisors, LLC as Investment Manager to the Parent Company and the Group.

The Investment Manager regularly reviews the investment portfolio and industry developments to ensure that any events which impact the Group are identified and considered. This also ensures that any risks affecting the investment portfolio are identified and mitigated to the fullest extent possible.

The Group has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Group has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Group is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Custodian, the Administrator and the Registrar will be performing services which are integral to the operation of the Group. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Group.

The principal risks and uncertainties that could have a material impact on the Group's performance have not changed from those set out in detail on pages 14-24 of the Parent Company's IPO Prospectus.

In seeking to implement the investment objectives of the Parent Company while limiting risk, the Parent Company and the Group are subject to the investment limits restrictions set out in the Credit Risk section of this note.

Market risk (incorporating price, interest rate risk and currency)

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, equity prices and interest rates. The Group is exposed to market risk primarily through its Financial Instruments.

Market price risk

The Group is exposed to price risk arising from the investments held by the Group for which prices in the future are uncertain. The investment in funds are exposed to market price risk. Refer to Note 3 for further details on the sensitivity of the Group's Level 3 investments to price risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Due to the nature of the investments at 30 June 2016, the Group has limited exposure to variations in interest rates as all current interest rates are fixed and determinable or variable based on the size of the loan.

While the Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the downside exposure is limited at 30 June 2016 due to the fixed rate nature of the investments or interest rate floors that are in place on any variable interest rate loans.

The Group does not intend to hedge interest rate risk on a regular basis. However, where it enters floating rate liabilities against fixed-rate loans, it may at its sole discretion seek to hedge out the interest rate exposure, taking into consideration amongst other things the cost of hedging and the general interest rate environment.

Currency risk

Currency risk is the risk that the value of net assets will fluctuate due to changes in foreign exchange rates. Relevant risk variables are generally movements in the exchange rates of non-functional currencies in which the Group holds financial assets and liabilities.

The assets of the Group as of 30 June 2016 are invested in assets which are denominated in US Dollars, Euros, Pound Sterling and other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Group hedges currency exposure between Pound Sterling and any other currency in which the Group's assets may be denominated, in particular US Dollars and Euros.

Micro and Small Cap Company Investing Risk

The Group will generally invest in companies that are small, not widely known and not widely held. Small companies tend to be more vulnerable to adverse developments than larger companies and may have little or no track records. Small companies may have limited product lines, markets, or financial resources, and may depend on less seasoned management. Their securities may trade infrequently and in limited volumes. It may take a relatively long period of time to accumulate an investment in a particular issue in order to minimise the effect of purchases on market price. Similarly, it could be difficult to dispose of such investments on a timely basis without adversely affecting market prices. As a result, the prices of these securities may fluctuate more than the prices of larger, more widely traded companies. Also, there may be less publicly available information about small companies or less market interest in their securities compared to larger companies, and it may take longer for the prices of these securities to reflect the full value of their issuers' earnings potential or assets.

Leverage and Borrowing Risk

Whilst the use of borrowings by the Group should enhance the net asset value of an investment when the value of an investment's underlying assets is rising, it will, however, have the opposite effect where the underlying asset value is falling. In addition, in the event that an investment's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Group's investment and accordingly will have an adverse effect on the ability of the investment to make distributions to the Group.

Concentration of foreign currency exposure

The Investment Manager monitors the fluctuations in foreign currency exchange rates and may use forward foreign exchange contracts to hedge the currency exposure of the Parent Company and Group's non GBP denominated investments. The Investment Manager re-examines the currency exposure on a regular basis in each currency and manages the Parent Company's currency exposure in accordance with market expectations.

Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price. Ordinary Shares are not redeemable at the holder's option.

Current financial liabilities consisting of fees payable, accrued expenses and other liabilities are all due within 3 months.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's credit risks arise principally through exposures to loans acquired by the Group, which are subject to risk of borrower default. The ability of the Group to earn revenue is completely dependent upon payments being made by the borrower of the loan acquired by the Group through a Platform. The Group (as a lender member) will receive payments under any loans it acquires through a Platform only if the corresponding borrower through that Platform (borrower member) makes payments on the loan.

Consumer loans are unsecured obligations of borrower members. They are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. The Platforms and their designated third party collection agencies may be limited in their ability to collect on loans.

The Group will invest across various Platforms, asset classes, geographies (primarily United States and Europe) and credit bands in order to ensure diversification and to seek to mitigate concentration risks.

The following investment limits and restrictions shall apply to the Group, to ensure that the diversification of the Group's portfolio is maintained and that concentration risk is limited:

Platform restrictions

Once the proceeds of the Issue are fully invested, and subject to the following restrictions, the Group does not intend to invest more than 20 per cent. of its Gross Assets in Debt Instruments (net of any gearing ring-fenced within any special purpose vehicle which would be without recourse to the Group), originated by, and/or Credit Facilities and equity instruments in, any single Platform, calculated at the time of investment. All such aggregate exposure to any single Platform (including investments via a special purpose vehicle) will always be subject to an absolute maximum, calculated at the time of investment, of 25 per cent. of the Group's Gross Assets.

Asset class restrictions

The Group does not intend to acquire Debt Instruments for a term longer than 5 years. The Group will not invest more than 20 per cent. of its Gross Assets, at the time of investment, via any single investment fund investing in Debt Instruments and Credit Facilities. In any event, the Group will not invest, in aggregate, more than 60 per cent. of its Gross Assets, at the time of investment, in investment funds that invest in Debt Instruments and Credit Facilities.

The Group will not invest more than 10 per cent. of its Gross Assets, at the time of investment, in other listed closed-ended investment funds, whether managed by the Investment Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

The following restrictions apply, in each case at the time of investment by the Group, to both Debt Instruments acquired by the Group via wholly-owned special purpose vehicles or partially-owned special purpose vehicles on a proportionate basis under the Marketplace Model, as well as on a look-through basis under the Balance Sheet Model and to any Debt Instruments held by another investment fund in which the Group invests:

- No single consumer loan acquired by the Group shall exceed 0.25 per cent. of its Gross Assets.
- No single SME loan acquired by the Group shall exceed 5.0 per cent. of its Gross Assets. For the avoidance of doubt, Credit Facilities entered into directly with Platforms are not considered SME loans.
- No single trade receivable asset acquired by the Group shall exceed 5.0 per cent. of its Gross Assets.

Other restrictions

The Group's un-invested or surplus capital or assets may be invested in Cash Instruments for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure.

6. NOTE PAYABLE

The Group entered into contractual obligations with third parties to structurally subordinate a portion of principal directly attributable to existing investments. The Group is obligated to pay a commitment fee and interest to the third parties on the obligations. The outstanding debt of the Group at 30 June 2016 is £223,371,575 (31 December 2015: £160,956,979; 30 June 2015: Nil).

The Group entered into contractual obligations with a third party to structurally subordinate a portion of principal directly attributable to existing loan facilities. The Group is obligated to pay a commitment fee and interest to the third party on the obligation as interest is paid on the underlying loan facilities. In the event of a default on the loan facilities, the third party has first-out participation rights on the accrued and unpaid interest as well as the principal balance of the notes. The outstanding principal at 30 June 2016 is £28,326,619 (31 December 2015: £5,743,329; 30 June 2015: £4,533,109).

7. IMPAIRMENT OF FINANCIAL ASSETS AT AMORTISED COST

Impairment of loans written off

A financial asset is past due when the counterparty has failed to make a payment when contractually due. The Group assesses at each reporting date whether there is objective evidence that a loan or group of loans, classified as loans at amortised cost, is impaired. In performing such analysis, the Group assesses the probability of default based on the number of days past due, using recent historical rates of default on loan portfolios with credit risk characteristics similar to those of the Group.
Impairment charges of loans written off £16,016,097 (31 December 2015: £5,886,986; 30 June 2015: £Nil) have been recorded in the Group's Consolidated Statement of Financial Position and are included in impairment charges on the Consolidated Statement of Comprehensive Income.

Impairment of loans reserved against

Loans are judged for impairment primarily based on payment delinquency. General expectations with regards to expected losses on loans at a given level of delinquency were assessed based on historical roll rates on the loans purchased by the

Group. Impairments are recognised once a loan was deemed to have a non-trivial likelihood of facing a material loss. The Group has created a loan loss reserve to reflect the increasing likelihood of loss as loans progress to more advanced stages of delinquency as well as the increasing expected loss as loans become more delinquent.

As at 30 June 2016, the Group has created a reserve provision on the outstanding principal of the Group's loans of £9,071,544 (31 December 2015: £7,120,117; 30 June 2015: £309,818), which is included in impairment charges on the Consolidated Statement of Comprehensive Income.

8. FEES AND EXPENSES

Investment management and performance fees

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The management fee is payable in Pound Sterling monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of NAV (the "Management Fee"). For the period from Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Group held for investment purposes will be excluded from the calculation of NAV for the purposes of determining the Management Fee.

The Investment Manager shall not charge a management fee twice. Accordingly, if at any time the Group invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager or any of its affiliates, the Investment Manger agrees to either (at the option of the Investment Manager): (i) waive such management fee or advisory fee due to the Investment Manager or any of its affiliates in respect of such investment fund or special purpose vehicle, other than the fees charged by the Investment Manager under the Management Agreement; or (ii) charge the relevant fee to the relevant investment fund or special purpose vehicle, subject to the cap set out in the paragraph below, and ensure that the value of such investment shall be excluded from the calculation of the NAV for the purposes of determining the Management Fee payable pursuant to the above. The management fee expense of the Group for the period is £3,035,832 (31 December 2015: £2,158,389; 30 June 2015: £363,385).

Notwithstanding the above, where such investment fund or special purpose vehicle employs leverage from third parties and the Investment Manager or any of its affiliates is entitled to charge it a fee based on gross assets in respect of such investment, the Investment Manager may not charge a fee greater than 1.0 per cent. per annum of gross assets in respect of any investment made by the Parent Company or any member of the Group.

The performance fee is calculated by reference to the movements in the Adjusted NAV (as defined below) since the end of the Calculation Period in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the "High Water Mark").

The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a "Calculation Period"), save that the first Calculation Period shall be the period commencing on Admission and ending on 31 December 2015 and provided further that if at the end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period.

The performance fee will be a sum equal to 15 per cent. of such amount (if positive) and will only be payable if the Adjusted NAV at the end of a Calculation Period exceeds the High Water Mark. The performance fee shall be payable to the Investment Manager in arrears within 30 calendar days of the end of the relevant Calculation Period. "Adjusted Net Value" means the NAV adjusted for: (i) any increases or decreases in NAV arising from issues or repurchases of Ordinary Shares during the relevant Calculation Period; (ii) adding back the aggregate amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Parent Company at any time during the relevant Calculation Period; and (iii) before deduction for any accrued performance fees.

The Investment Manager shall not charge a performance fee twice. Accordingly, if at any time the Group invests in or through any other investment fund, special purpose vehicle or managed account arrangement and a performance fee or carried interest is charged to such investment fund, special purpose vehicle or managed account arrangement by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager): (i) waive such performance fee or carried interest suffered by the Group by virtue of the Investment Manager's (or such relevant affiliate's/affiliates') management of (or advisory role in respect of) such investment fund, special purpose vehicle or managed account, other than the fees charged by the Investment Manager under the Management Agreement; or (ii) calculate the performance fee as above, except that in making such calculation the NAV (as of the date of the High Water Mark) and the Adjusted NAV (as of the NAV calculation date) shall not include the value of any assets invested in any other investment fund, special purpose vehicle or managed account arrangement that is charged a performance fee or carried interest by the Investment Manager or any of its affiliates (and such performance fee or carried interest is not waived with respect to the Group). The performance fee expense of the Group for the period is £912,781 (31 December 2015: £1,301,904; 30 June 2015: Nil).

Earn-out fee

Certain loans purchased by the Group through a Platform are subject to a performance fee that the seller may be entitled to receive from the Group with respect to the performance of the loans. This fee may be due to the Platform 12 months after the purchase of the loans from the Platform. At 30 June 2016, the amount the Group has recognised is £5,117,807 (31 December 2015: £2,909,078; 30 June 2015: Nil) and it is included in Other liabilities and accrued expenses on the Consolidated Statement of Financial Position and in Other expenses on the Consolidated Statement of Comprehensive Income.

9. NET ASSET VALUE PER SHARE

	(Unaudited) As at 30 June 2016 £	(Unaudited) As at 30 June 2015 £	(Audited) As at 31 December 2015 £
Ordinary Shares			
Net assets	378,271,740	199,249,045	201,796,653
Shares in issue	382,615,665	200,000,000	200,000,000
Net asset value per Ordinary Share	98.86p	99.62p	100.90p
C Shares			
Net assets	-	-	182,523,227
Shares in issue	-	-	183,000,000
Net asset value per Ordinary Share	-	-	99.74p

10. SHAREHOLDERS' CAPITAL

Set out below is the issued share capital of the Company as at 30 June 2016:

	Nominal value £	Number of Shares
Ordinary Shares	0.01	382,615,665

Set out below is the issued share capital of the Company as at 30 June 2015:

	Nominal value £	Number of Shares
Ordinary Shares	0.01	200,000,000

Set out below is the issued share capital of the Company as at 31 December 2015:

	Nominal value £	Number of Shares
Ordinary Shares	0.01	200,000,000
C Shares	0.10	183,000,000

Rights attaching to the Ordinary Shares and C Shares

The holders of the Ordinary Shares and C Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares and C Shares respectively. The holders of Ordinary Shares and C Shares shall be entitled to all of the Parent Company's remaining net assets after taking into account any net assets attributable to other share classes in issue. The Ordinary Shares and C Shares shall carry the right to receive notice of, attend and vote at general meetings of the Parent Company. The consent of the holders of Ordinary Shares and C Shares will be required for the variation of any rights attached to the Ordinary Shares and C Shares. The net return per Ordinary Share and the return per C Share are calculated by dividing the net return on ordinary activities after taxation by the number of shares in issue related to each share class.

Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

Variation of Rights & Distribution on Winding Up

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Parent Company (the "Statutes"), if at any time the share capital of the Parent Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Parent Company is a going concern or during or in contemplation of a winding-up.

At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

The Parent Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Parent Company will be proposed at the annual general meeting of the Parent Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward within 3 months after the date of the resolution to the effect that the Parent Company be wound up, liquidated, reconstructed or unitised.

If the Parent Company is wound up, the liquidator may divide among the shareholders in specie the whole or any part of the assets of the Parent Company and for that purpose may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

The table below shows the movement in shares during the period through 30 June 2016:

For the period from 1 January 2016 to 30 June 2016	Shares in issue at the beginning of the period	Shares subscribed	Conversion of C Shares	Shares in issue at the end of the period
Ordinary Shares	200,000,000	-	182,615,665	382,615,665
C Shares	183,000,000	-	(183,000,000)	-

The table below shows the movement in shares during the period though 30 June 2015:

For the period from 12 January 2015 to 30 June 2015	Shares in issue at the beginning of the period	Shares subscribed	Shares redeemed	Shares in issue at the end of the period
Management Shares	-	50,000	(50,000)	-
Ordinary Shares	-	200,000,000	-	200,000,000

The table below shows the movement in shares during the period through 31 December 2015:

For the period from 12 January 2015 to 31 December 2015	Shares in issue at the beginning of the period	Shares subscribed	Shares redeemed	Shares in issue at the end of the period
Management Shares	-	50,000	(50,000)	-
Ordinary Shares	-	200,000,000	-	200,000,000
C Shares	-	183,000,000	-	183,000,000

11. DIVIDENDS PER SHARE

The following table summarises the amounts recognised as distributions to equity shareholders in the period:

	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 December 2015 £
2015 interim dividend of 0.90 pence per Ordinary Share paid on 3 September 2015	-	-	1,800,000
2015 interim dividend of 1.89 pence per Ordinary Share paid on 11 December 2015	-	-	3,780,000
2015 interim dividend of 2.00 pence per Ordinary Share paid on 7 March 2016	4,000,000	-	-
2015 interim dividend of 1.07 pence per C Share paid on 7 March 2016	1,958,100	-	-
2016 interim dividend of 1.50 pence per Ordinary Share paid on 30 June 2016	5,739,235	-	-
Total	11,697,335	-	5,580,000

An interim dividend of 1.50 pence per Ordinary Share was declared by the Board on 17 August 2016 in respect of the period to 30 June 2016, was paid to shareholders on 20 September 2016. The interim dividend has not been included as a liability in these accounts in accordance with International Accounting Standard 10: Events After the Balance Sheet Date.

12. RELATED PARTY TRANSACTIONS

Each of the independent Directors is entitled to receive a fee from the Parent Company at such rate as may be determined in accordance with the Company's Articles of Association. Save for the Chairman of the Board, the fees are £30,000 for each Director per annum. The Chairman's fee is £50,000 per annum. The chairman of the Audit and Valuation Committee may also receive additional fees for acting as the chairmen of such a committee. The current fee for serving as the chairman of the Audit and Valuation Committee is £5,000 per annum.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, Board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration shall be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Parent Company.

Investment management fees for the period ended 30 June 2016 are payable by the Parent Company to the Investment Manager and these are presented on the Consolidated Statement of Comprehensive Income. Details of investment management fees and performance fees payable during the period are disclosed in Note 8.

On 16 June 2016, Mr. Richard Levy was appointed as a non-executive Director of the Parent Company. The Board determined that Mr. Levy will not be considered to be independent and will not be a member of any of the existing Board committees.
As at 30 June 2016, the Directors' interests in the Parent Company's Shares were as follows:

		(Unaudited) 30 June 2016	(Unaudited) 30 June 2015	(Audited) 31 December 2015
Andrew Adcock	Ordinary Shares	50,000	50,000	50,000
	C Shares	-	-	-
Kevin Ingram	Ordinary Shares	34,968	20,000	20,000
	C Shares	-	-	15,000
Richard Levy	Ordinary Shares	800,000	N/A	N/A
	C Shares	-	N/A	N/A
Elizabeth Passey	Ordinary Shares	10,000	10,000	10,000
	C Shares	-	-	-
Clive Peggram	Ordinary Shares	74,948	50,000	50,000
	C Shares	-	-	25,000

As at 30 June 2016, Partners and Principals of the Investment Manager held 1,385,000 (31 December 2015: 1,000,000; 30 June 2015: 1,000,000) Ordinary Shares in the Parent Company.

The Group has invested in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. The Investment Manager of the Parent Company also acts as manager to VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. The principal activity of VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. is to invest in alternative finance investments and related instruments with a view to achieving the Parent Company's investment objective. As at 30 June 2016 the Group owned 26 per cent. of VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. (31 December 2015: 26 per cent.; 30 June 2015: 27 per cent.) and the value of the Group's investment in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. was £23,606,218 (31 December 2015: £20,830,142; 30 June 2015: £19,540,816).

The Group has invested in Larkdale III, L.P. The Investment Manager of the Parent Company also acts as manager to Larkdale III, L.P. As at 30 June 2016, the Group owned 52 per cent. of Larkdale III, L.P. (31 December 2015: 52 per cent.; 30 June 2015: Nil) and the value of the Group's investment in Larkdale III, L.P. was £8,857,213 (31 December 2015: £10,766,362; 30 June 2015: £Nil).

The Investment Manager may pay directly various expenses that are attributable to the Group. These expenses are allocated to and reimbursed by the Group to the Investment Manager as outlined in the Management Agreement. Any excess expense previously allocated to and paid by the Group to the Investment Manager will be reimbursed to the Group by the Investment Manager. At 30 June 2016, £21,049 was due to the Investment Manager (31 December 2015: £836,541; 30 June 2015: £11,181), and is included in the Accrued expenses and other liabilities balance on the Consolidated Statement of Financial Position.

13. SUBSIDIARIES

Name	Principal Activity	Country of Incorporation	Nature of Investment	(Unaudited) 30 June 2016 Percentage Ownership	(Unaudited) 30 June 2015 Percentage Ownership	(Audited) 31 December 2015 Percentage Ownership
VPC Specialty Lending Investments Intermediate, L.P.	Investment vehicle	USA	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
VPC Specialty Lending Investments Intermediate GP, LLC	General partner	USA	Membership interest	Sole member	Sole member	Sole member
ODVM II, L.P.	Investment vehicle	USA	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
ODVM II GP, LLC	General partner	USA	Membership interest	Sole member	Sole member	Sole member
LIAB, L.P.	Investment vehicle	UK	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
LIAB GP, LLC	General partner	UK	Membership interest	Sole member	Sole member	Sole member
Threadneedle Lending Ltd.	Investment vehicle	UK	Ordinary share capital	100%	100%	100%
SVTW, L.P.	Investment vehicle	USA	Limited partner interest	99%	99%	99%
SVTW GP, LLC	General partner	USA	Membership interest	99%	99%	99%
Duxbury Court I, L.P.	Investment vehicle	USA	Limited partner interest	97%	100%	96%
Duxbury Court I GP, LLC	General partner	USA	Membership interest	97%	100%	96%
Drexel I, L.P.	Investment vehicle	USA	Limited partner interest	51%	50%	67%
Drexel I GP, LLC	General partner	USA	Membership interest	51%	50%	67%
Larkdale II, L.P.	Investment vehicle	USA	Limited partner interest	50%	58%	59%
Larkdale II GP, LLC	General partner	USA	Membership interest	50%	58%	59%
Larkdale I, L.P.	Investment vehicle	USA	Limited partner interest	61%	42%	52%
Larkdale I GP, LLC	General partner	USA	Membership interest	61%	42%	52%

14. NON-CONTROLLING INTERESTS

The non-controlling interests arises from investments in limited partnerships considered to be controlled subsidiaries into which there are other investors. The value of the non-controlling interests at 30 June 2016 represents the portion of the NAV of the controlled subsidiaries attributable to the other investors. As at 30 June 2016, the portion of the NAV attributable to non-controlling interests investments totalled £40,436,644 (31 December 2015: £74,193,762; 30 June 2015: £45,594,160). In the Consolidated Statement of Comprehensive Income, the amount attributable to non-controlling interests represents the increase in the fair value of the investment in the period.

15. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The Company declared a dividend of 1.50 pence per Ordinary Share for the three-month period ending 30 June 2016 and paid the dividend on 20 September 2016.

VPC SPECIALTY LENDING INVESTMENTS PLC
SHAREHOLDER INFORMATION
FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

CONTACT DETAILS OF THE ADVISORS

Directors	Andrew Adcock (Chairman) Kevin Ingram Richard Levy Elizabeth Passey Clive Peggram *all of the registered office below*
Registered Office	40 Dukes Place London EC3A 7NH United Kingdom
Company Number	9385218
Website Address	vpcspecialtylending.com
Corporate Brokers	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ United Kingdom Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET United Kingdom
Investment Manager and AIFM	Victory Park Capital Advisors, LLC 227 West Monroe Street Suite 3900 Chicago IL 60606 United States
Company Secretary	Capita Company Secretarial Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Administrator	Northern Trust Hedge Fund Services LLC 50 South LaSalle Street Chicago Illinois 60603 United States
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

SHAREHOLDER INFORMATION continued

FOR THE SIX MONTH PERIOD TO 30 JUNE 2016

Custodians	Merrill Lynch, Pierce, Fenner & Smith Incorporated 101 California Street San Francisco CA 94111 United States
	Millennium Trust Company 2001 Spring Road Oak Brook IL 60723 United States
	Deutsche Bank 1761 E Saint Andrew Place Santa Ana CA 92705 United States
English Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom