

### Monthly Investment Highlights

- Total NAV return generated for the month was 7.14%, comprised of gross revenue returns of 0.99% and gross capital returns of 7.71%. These returns were offset by expenses and fees of -1.51% and other capital returns of -0.05%;
- The gross capital returns were driven primarily by an unrealised gain on VPC Impact Acquisition Holdings (NASDAQ: "VIH"), which the Company owns through VIH's sponsor entity, VPC Impact Acquisition Holdings Sponsor, LLC; and
- The Company made US\$20.9 million of debt investments during the month in new and existing portfolio companies.

### Ordinary Share Return Statistics (As at 31 January 2021)<sup>1</sup>

NAV Returns (Total Returns)	Month To Date	Last Three Months	Last Twelve Months
Gross Revenue Returns	0.99%	2.98%	13.52%
Gross Capital Returns	7.71%	11.28%	8.22%
Expenses and Fees	-1.51%	-2.69%	-6.08%
F/X and Other Capital Returns	-0.05%	-0.50%	1.74%
Total NAV Return	7.14%	11.07%	17.40%

### Monthly Commentary

As disclosed in the December report, VPC Impact Acquisition Holdings (NASDAQ: "VIH") announced on 11 January 2021 that it had entered into a definitive agreement to combine with Bakkt Holdings, LLC. The Company owns 2,220,530 Class B Shares and 2,697,467 private placement warrants in VIH, held at an aggregate cost basis of US\$2.7 million. The warrants have a strike price of 11.50 and a term of five years. As at the end of January, the VIH shares and warrants were valued at the closing trading price of US\$14.93 and after discussions with our third-party valuation agent and auditors a 30% discount was applied to take into account deal closing risk and illiquidity related to the lock up on sponsor shares, resulting in a total valuation for the Company's holding of US\$29.7 million. The unrealised gain resulting from this valuation contributed 7.27% to the gross capital returns during the month. On an undiscounted basis the shares and warrants were worth \$33.2 million and \$9.3 million respectively at month end. This discount will be reviewed monthly and released over time as the risks and illiquidity diminish. The Company expects that the transaction will close during Q2 2021.

The unrealised gain resulting from the VIH valuation contributed 7.27% to the gross capital returns and -1.09% to expenses from the accrual of performance fees. Going forward, the Company will report the unrealised value of the VIH transaction at each month end, the impact to the capital returns of the Company and provide a summary of the performance fees attributable to both the revenue and capital returns. The performance fee disclosure can be found on the second page of this report.

Following the announcement of the November NAV, the Investment Manager purchased 55,440 shares of the Company with 20.0% of its monthly management fee.

### Events Subsequent to 31 January 2021

On 25 February 2021, the Company declared a dividend of 2.00 pence per share for the three-month period ending 31 December 2020 and the dividend will be paid on 1 April 2021.

On 1 March 2021, the Company closed on a USD\$130 million gearing facility with Massachusetts Mutual Life Insurance Company ("MassMutual"). At the closing, the Company drew USD\$80 million which was used to repay the Company's previous gearing facility with Pacific Western Bank and the first-out participation facility on Avant, held with Axos Bank. After the closing of the facility, the pro-forma look through gearing ratio increased slightly to 0.33x from 0.32x as at 31 January 2021. The MassMutual facility was negotiated at attractive terms including a three-year revolving period, an interest rate lower than that of the previous facility, and an option to upsize the facility from \$130 million to \$200 million and a six-year maturity.

Additionally, on 1 March 2021, the Company fully exited its equity investment in Elevate Credit, Inc. (NYSE: ELVT), which represented approximately 1% of the NAV of the Company at a value comparable to where it was held as at 31 January 2021.

From 1 February 2021 to 3 March 2021, the Company repurchased 583,465 ordinary shares at an average price of 88.25 pence per share and an average discount to NAV of 7.80%<sup>3</sup>. Following the announcement of the December NAV, the Investment Manager purchased 51,354 shares of the Company with 20.0% of its monthly management fee.

<sup>1</sup>Please refer to the Glossary of Terms posted on the Company's website.

<sup>2</sup>Based on total shares outstanding, less shares held in treasury.

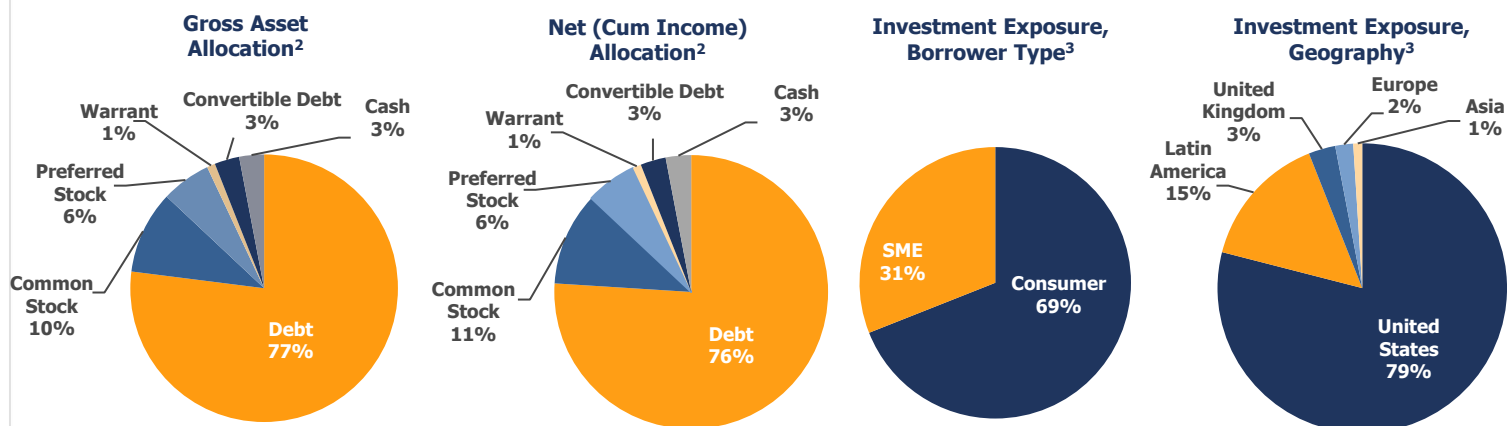
<sup>3</sup>Calculated as the weighted average repurchase price of the shares less the latest announced NAV as at the date of the repurchase divided by the latest announced NAV as at the date of the repurchase.

# VPC Specialty Lending Investments PLC

## VICTORY PARK CAPITAL

Monthly Report – January 2021

### Ordinary Share Portfolio Composition (As at 31 January 2021)<sup>1</sup>



### Ordinary Share Performance and Dividend Summary (As at 31 January 2021)<sup>1</sup>

NAV Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	7.14%												7.14%
2020	0.89%	0.08%	-3.55%	0.91%	1.26%	1.08%	1.30%	1.25%	2.29%	2.16%	1.73%	2.09%	11.12%
2019	0.58%	0.46%	0.73%	1.03%	0.56%	2.39%	1.04%	0.84%	0.98%	0.95%	0.96%	0.73%	11.34%
2018	-0.17% <sup>4</sup>	0.49%	0.62%	0.95%	1.03%	1.38%	1.15%	1.01%	1.03%	0.51%	0.52%	0.46%	8.96% <sup>4</sup>

Share Price Performance <sup>5</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	9.78%												9.78%
2020	3.32%	-4.70%	-29.87%	-12.59%	35.81%	2.96%	0.00%	-5.15%	2.24%	0.00%	12.19%	9.61%	0.64%
2019	1.56%	-0.77%	-6.46%	-1.38%	-2.24%	3.44%	8.03%	-3.46%	5.44%	-4.53%	0.00%	3.17%	1.82%
2018	3.85%	-3.70%	-0.51%	0.52%	0.26%	1.02%	5.05%	-4.33%	1.01%	-1.50%	-2.78%	0.00%	-1.54%

Dividend Per Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	-												-
2020	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p
2019	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p
2018	-	-	1.80p	-	2.00p	-	-	2.00p	-	-	2.00p	-	7.80p

### Performance Fee Attribution (As at 31 January 2021)<sup>1</sup>

Year to Date	Revenue Return	Capital Return	Total Return
NAV Return before Performance Fee	0.74%	7.65%	8.40%
Performance Fee	-0.11%	-1.15%	-1.26%
Total Return	0.63%	6.51%	7.14%

### Portfolio Statistics<sup>1,6</sup>

	Balance Sheet Loans
Weighted Average Coupon	10.32%
Weighted Average Remaining Life (months)	29.59

<sup>1</sup>Please refer to the Glossary of Terms posted on the Company's website.

<sup>2</sup>Percentages calculated on a look-through basis to the Company's investee entities and SPVs.

<sup>3</sup>Calculations using gross asset exposure and not reduced for gearing. Excludes cash.

<sup>4</sup>This return excludes the effect of the initial recognition of IFRS 9 disclosed in the Company's Annual Report of 1.11% as at 31 December 2017 which is brought forward through capital as it impacts the inception to date returns.

<sup>5</sup>Based on issue price of 100p.

<sup>6</sup>Underlying portfolio data as of most recent available reporting period.

### Company Overview

VPC Specialty Lending Investments PLC (“VSL” or the “Company”) is a UK-listed investment trust focused on asset-backed lending to emerging and established businesses (“Portfolio Companies”) with the goal of building long-term, sustainable income generation. VSL identifies investment opportunities across various industries and geographies to offer shareholders access to a diversified portfolio of opportunistic credit investments, originated by non-bank lenders with a focus on the rapidly developing technology-enabled lending sector. The Company completed its IPO on 17 March 2015 with a premium listing on the Official List of the U.K. Listing Authority and trading on the Main Market of the London Stock Exchange. The Company’s trading symbol is VSL for the Ordinary Shares.

The Company’s investment manager is Victory Park Capital Advisors, LLC (“VPC” or the “Investment Manager”). VPC is an SEC-registered investment adviser and acts as the AIFM of the Company.

Since 2010, the Investment Manager has been actively involved in the specialty lending marketplace and has made more than \$8.8 billion of investments and commitments across various financial technology Portfolio Companies, spanning multiple geographies, products and structures and continues to deploy capital into existing and new Portfolio Companies.

### Important Information

All data in this monthly report (the “report”) is as at or to the final day of the calendar month identified in the heading of the report’s front page unless otherwise stated.

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

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

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

The Citywire award won by the Company does not constitute any form of advice or recommendation and is not intended to be relied upon by shareholders in making (or refraining from making) any investment decisions. Shareholders shall seek independent professional advice for any investment decisions.

### VPC Specialty Lending Investments PLC

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### The Company’s Investment Objective

The Company’s investment objectives are to:

- ❖ generate an attractive total return for shareholders of consistent distributable income and capital growth through asset-backed lending;
- ❖ achieve portfolio diversification to emerging and established businesses across different industries and geographies with the goal of building long-term, sustainable value; and
- ❖ enable shareholders to benefit from equity upside through equity-linked securities issued in conjunction asset-backed lending.

VPC identifies and finances emerging and established businesses globally and seeks to provide the Company with attractive yields on its portfolio of credit investments. VPC offers a differentiated private lending approach by financing Portfolio Companies through asset-backed delayed draw term loans, which is referred to as “Balance Sheet Lending.” Balance Sheet Lending affords various structural protections and covenants which are designed to limit downside risk while providing shareholders with strong income returns.

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