

Monthly Report – June 2021

Monthly Investment Highlights

- Total NAV return generated for the month was 3.87%, comprised of gross revenue returns of 0.95% and gross capital returns of 3.92%. These returns were offset by expenses and fees of -0.93% and other capital returns of -0.07%;
- The return generated for the quarter was 5.76% and the total YTD NAV return is 15.12%; and
- During the month, the Company continued to see growth in many of its equity investments in addition to continued strong gross revenue returns.

The Company's Performance (As at 30 June 2021)¹

Net Asset Value ("NAV")	£295,507,964
NAV per Share ²	106.19p
Share Price (30 June 2021 Close)	84.00p
Premium / (Discount) to NAV	-20.90%
Trailing Twelve Month Dividend	8.00p
Trailing Twelve Month Dividend Yield	9.52%
Look-through Gearing Ratio	0.38x
Look-through Gearing Ratio – Company Level	0.25x
Look-through Gearing Ratio – Non-Recourse	0.13x

Ordinary Share Return Statistics (As at 30 June 2021)¹

NAV Returns (Total Returns)	Month To Date	Last Three Months	Last Twelve Months
Gross Revenue Returns	0.95%	3.05%	13.45%
Gross Capital Returns	3.92%	4.45%	22.40%
Expenses and Fees	-0.93%	-1.77%	-8.29%
F/X and Other Capital Returns	-0.07%	0.03%	-0.37%
Total NAV Return	3.87%	5.76%	27.19%

Monthly Commentary

The Company continues to see strong underlying performance across the investment portfolio. Specifically, Dave Inc. ("Dave") and FinanceApp AG (d/b/a "WeFox") saw unrealised gains in June and the Company's balance sheet investments continued to perform in line with expectations as all cash interest payments were received.

As previously communicated, VPC Impact Acquisition Holdings III, Inc. (NYSE: VPCC) ("VPCC") entered into a definitive agreement to combine with Dave. The proposed business combination, which has been unanimously approved by the Board of Directors of Dave and VPCC, values the company at a \$3.5 billion pre-money valuation. The business combination, which remains subject to VPCC shareholder and customary regulatory approval approvals, is expected to close in the third or fourth quarter of 2021.

In addition to the Company's investment in VPCC, the Company also holds warrants in Dave (which it received as part of its existing credit facility investment) and valued them at the implied valuation of the SPAC merger. The Company applied a 20.0% timing and execution risk discount to the gross warrant value, resulting in a unrealised value of the warrants at approximately \$0.8 million, which represents 0.2% of NAV as at 30 June 2021.

In March 2021, FinanceApp AG (d/b/a "WeFox") launched its Series C equity raise, signing a €100.0 million term sheet with Berlin-based venture capital firm Target Global at a €1.9 billion pre-money valuation. Management opened the round to the WeFox investor base, targeting a total raise of €250.0 million. After extremely strong investor interest, management closed the Series C raise in May 2021 securing approximately \$650.0 million, implying a post-money valuation for the business of approximately \$3.0 billion. More information on the raise can be found [here](#). After adjusting for the Series C valuation and subtracting a 20.0% rights and preferences discount, the Company's position in WeFox was marked up by approximately 12.0% in June. As at 30 June 2021, the Company's Series A Preferred Stock is valued at approximately CHF8.4 million and the Company's Series B Preferred Stock is valued at approximately €3.6 million, which represents 3.3% of NAV as at 30 June 2021.

During the month, the Company repurchased 1,050,000 ordinary shares at an average price of 84.07 pence per share and an average discount to NAV of 16.90%³. The Investment Manager purchased 56,362 shares of the Company with 20.0% of its monthly management fee.

1. Please refer to the Glossary of Terms posted on the Company's website.

2. Based on total shares outstanding, less shares held in treasury.

3. 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.

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SPAC Summary (As at 30 June 2021)

On 12 April 2021, the SEC's Division of Corporation Finance released a statement on accounting and reporting considerations for warrants issued by SPACs (the "Statement"). The Statement was issued to "highlight the potential accounting implications of certain terms that may be common in warrants included in SPAC transactions and to discuss the financial reporting considerations that apply if a registrant and its auditors determine there is an error in any previously-filed financial statements". In summary, over the last few months and after SPAC industry review, consideration and alignment, the valuation policy related to investments in SPACs has been updated. Post-IPO, all shares will be held at cost. Upon deal announcement and through post-close lock up periods, founders and sponsor shares will be valued at the closing price as of the valuation date, with a discount applied and amortised throughout the duration of the process to account for deal closing risk and liquidity. Private placement warrants will be valued utilising an option pricing model/Black Scholes model.

During the month, after accounting for the changes in the valuation approach and the movement of the publicly traded share price, the increase to the NAV for VPC Impact Acquisition Holdings (NASDAQ: "VIH") was 1.43% and the increase to the NAV for VPCC is 1.91%.

Below is a summary of the valuation of the Company's four SPAC investments as at 30 June 2021:

	VPC Impact Acquisition Holdings	VPC Impact Acquisition Holdings II	VPC Impact Acquisition Holdings III	L&F Acquisition Corp.	Total
Investment Status	Deal Announced	Post-IPO	Deal Announced	Post-IPO	
Target	Bakkt Holdings, LLC		Dave Inc.		
Total Value as at 30 June 2021	\$21,493,681 ¹	\$1,254,358	\$8,764,219 ¹	\$168,051	\$31,680,309
Total Cost as at 30 June 2021	\$2,708,301	\$1,254,358	\$1,247,795	\$168,051	\$5,378,505

Events Subsequent to 30 June 2021

From 1 July 2021 to 29 July 2021, the Company did not repurchase any shares through the share buyback programme. Following the announcement of the May NAV, the Investment Manager purchased 56,523 shares of the Company with 20% of its monthly management fee.

The Company will publish an update the Investor Presentation on the Company's website in the coming weeks.

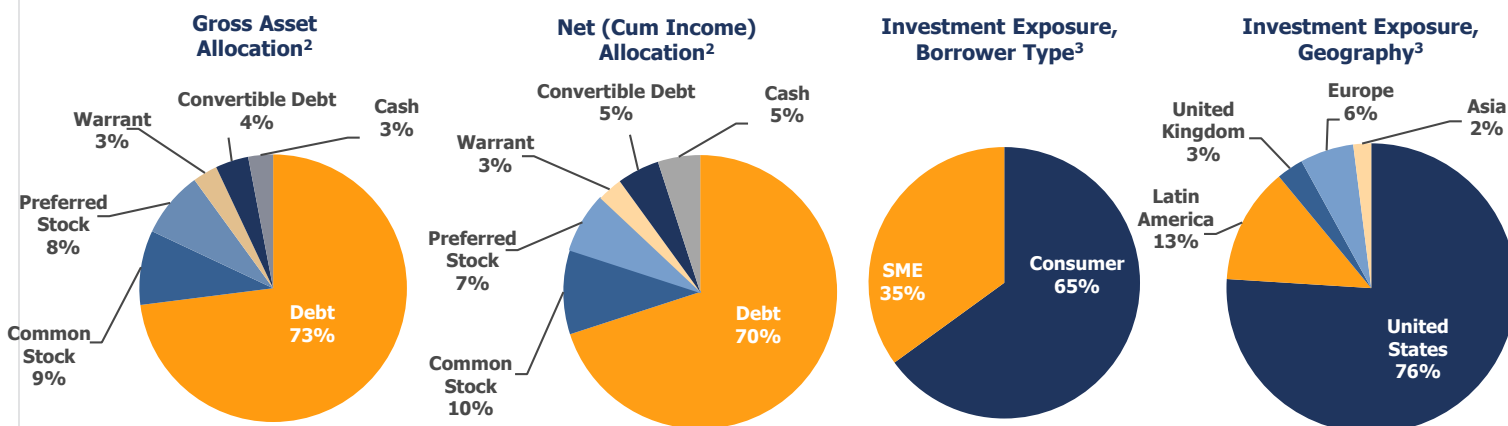
1. The founder and sponsor shares are held at a 30% discount to the publicly traded price.

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Ordinary Share Portfolio Composition (As at 30 June 2021)¹



Ordinary Share Performance and Dividend Summary (As at 30 June 2021)¹

NAV Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	7.14%	1.89%	-0.18%	0.85%	1.03%	3.87%							15.12%
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% ⁴	0.49%	0.62%	0.95%	1.03%	1.38%	1.15%	1.01%	1.03%	0.51%	0.52%	0.46%	8.96% ⁴

Share Price Performance ⁵	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	9.78%	3.01%	-5.84%	2.63%	-1.40%	-0.94%							6.73%
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	-	-	2.00p	-	2.00p	-	-	-	-	-	-	-	4.00p
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 30 June 2021)¹

Month to Date	Revenue Return	Capital Return	Total Return
NAV Return before Performance Fee	0.72%	3.81%	4.53%
Performance Fee	-0.10%	-0.57%	-0.67%
Total Return	0.62%	3.24%	3.86%

Portfolio Statistics^{1,6}

	Balance Sheet Loans
Weighted Average Coupon	10.82%
Weighted Average Remaining Life (months)	32.30

¹Please refer to the Glossary of Terms posted on the Company's website.

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

³Calculations using gross asset exposure and not reduced for gearing. Excludes cash.

⁴This 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.

⁵Based on issue price of 100p.

⁶Underlying 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.

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The Company is registered in England (registered number 9385218) with its registered office at 6th 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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