

RANGER

DIRECT LENDING FUND¹



SEPTEMBER 2015

Net Assets	\$206,328,463
Monthly NAV Return Before Loss Reserve	0.46%
Monthly Loss Reserve	-0.06%
Monthly NAV Net Return	0.40%
YTD Loss Reserve	-0.14%
YTD NAV Return	0.93%
Shares in Issue	13,500,000
Current Price Per Share ²	\$16.04 / £ 10.60
Issue Price	\$15.39 / £ 10.00
NAV Per Share	\$15.28 / £ 10.10
Premium/(Discount) to NAV	4.95%

YTD: Year to date - excludes issue costs of 1.63% of the initial capital raise.

FUND FACTS

Type of Fund	Closed – End Fund
Listing	London Stock Exchange (Main Market – Premium Segment)
Ticker	RDL
Date Launched	1 May 2015
Dividend	Quarterly ³
NAV Calculation	As of last business day of each month
Management Fee	1%
Performance Fee	10%
ISIN	GB00BW4NPD65

SERVICE PROVIDERS

Investment Advisor	Ranger Alternative Management II, LP
Administrator	Sanne Fiduciary Services Limited
Corporate Broker	Liberum Capital Limited
US Corporate Broker	Sandler O'Neill + Partners
Auditor	Deloitte LLP
Custodian	Merrill Lynch

BACKGROUND AND INVESTMENT OBJECTIVE

The investment objective of the Ranger Direct Lending Fund plc (the “Company”) is to generate attractive returns, principally in the form of quarterly income distributions, by acquiring a portfolio of debt obligations, including without limitation, loans, invoice receivables and asset financing arrangements (the “Debt Instruments”). Debt Instruments are generally originated or issued by direct lending platforms, are primarily secured against assets and/or personal guarantees and have relatively short maturities (average 2 years).

Direct lending platforms are an increasing source of liquidity, in particular for small and medium sized enterprises and consumers. Opportunities are presenting themselves as banks continue to retreat from SME lending as a result of new regulatory requirements. Direct lending platforms will typically focus on a particular category of borrower and/or underlying industry asset class. By investing in Debt Instruments originated or issued by a number of different direct lending platforms, the Company seeks to reduce concentration and interest rate risk by constructing a diversified portfolio comprised of loans with differing industries, geographic areas and loan maturities.

INVESTMENT HIGHLIGHTS

- Anticipated loan portfolio 75+% secured and diversified across multiple platforms.
- 12%-13% targeted unlevered annual net returns on loan investments to the fund.
- 10% targeted dividend on issue price when fully invested and leverage applied, payable quarterly.³
- Investment team has 20+ years of combined credit underwriting and direct lending experience.
- Sophisticated credit analysis software has track record of enhancing returns with applicable investments.
- Equity opportunities via experienced and connected team.

¹ Please refer to important disclosures on Page 3.

² Share price as at 30 September 2015.

³ The Company intends the first dividend to be paid in December 2015 for the quarter ended 30 September 2015.

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FUND PERFORMANCE

2015	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
%NAV					-0.17%	0.26%	0.18%	0.25%	0.40%				0.93%
Share Price					4.30%	1.63%	-0.71%	0.05%	0.66%				6.00%

MONTHLY COMMENTARY

In September, the Company invested \$31 million in Debt Instruments within a diverse group of asset classes including real estate loans, invoice receivables, equipment finance, SME loans and platform debt. As at 30 September 2015, the Company had deployed more than \$113 million (56%) of its capital and anticipates full deployment by the end of November.

Secured lending exposure accounted for approximately 84% of the invested portfolio while unsecured consumer lending accounted for approximately 16%. Performance on all investments remains at or above predicted net returns.

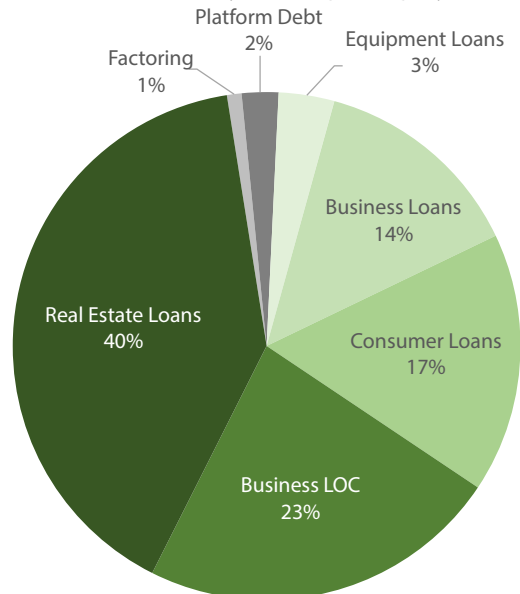
The Company continues to see a strong pipeline of opportunities within the direct lending sector. With its investment objective to further diversify the portfolio both geographically and by asset class, the Company is expecting to invest in one or two additional lending platforms in October. In addition, the Company anticipates receiving a term sheet with respect to a potential equity investment opportunity.

The Company is currently evaluating facilities to hedge the currency exposure within the Company's portfolio. Subject to the Company's ability to enter into such a facility under acceptable terms, the Company anticipates entering into such facility in the first half of November.

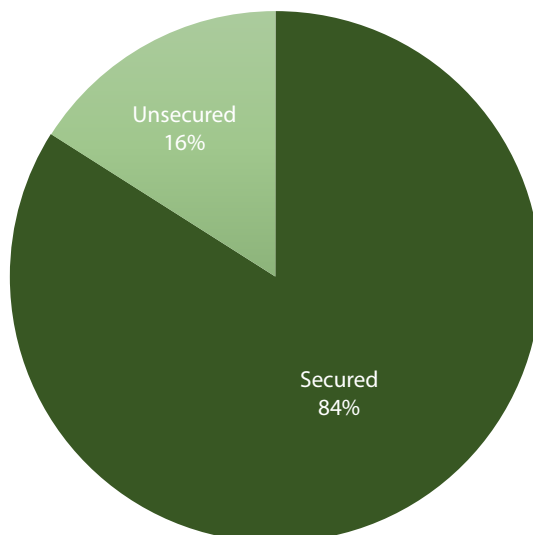
Upon the commencement of each investment, the Company assigns a loss reserve that will be accrued over the term of such investment for the purpose of offsetting future write-offs, if any, that may be realised with respect to such investment. On the first page of this report, the Monthly and YTD Loss Reserve reflects the total of such accruals.

PORTFOLIO COMPOSITION (EX CASH) AS AT 30 SEPTEMBER 2015

Investments by Lending Category



Secured Versus Unsecured Loans





IMPORTANT DISCLOSURES

This newsletter is published in the United Kingdom by Ranger Direct Lending Fund plc (the “Company”). It is provided for the purpose of information only, and if you are unsure of the suitability of this investment you should take independent advice. Net Asset Value (NAV) performance is not linked to share price performance and shareholders may realise returns that are lower or higher in performance.

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 the Company’s investment manager, Ranger Alternative Management II, LP as at the time of writing. These are subject to change without notice and do not constitute investment advice. Although the Company and Ranger Alternative Management II, LP have used reasonable efforts to ensure the accuracy of the information contained in this newsletter, neither the Company nor Ranger Alternative Management II, LP make any warranties or representations with respect to the completeness or accuracy of the information set forth herein. Examples of investment process, risk management, due diligence, position sizes, diversification, leverage, assessment of risk and similar information (together, the “Investment Programme”) are presented as general guidelines used for illustration purposes only and are subject to change without notice to investors at any time at the sole discretion of the Ranger Alternative Management II, LP. In addition, the composition and size of, and risks associated with, current or future investments of the Company may differ substantially from examples set forth in this newsletter. Accordingly, actual implementation of the Investment Programme may vary from the examples presented herein.

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Ranger Direct Lending Fund plc

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