

RANGER

DIRECT LENDING FUND¹



JANUARY 2016

Net Assets (Cum Income)	\$229,950,287
Net Assets (Ex Income)	\$228,844,461
Monthly NAV Return Before Loss Reserve	0.59%
Monthly Loss Reserve	-0.11%
Monthly NAV Net Return	0.48%
YTD Loss Reserve	-0.11%
YTD NAV Return	0.48%
Shares in Issue	14,848,650
Current Price Per Share ²	\$13.70 / £9.62
Issue Price	\$15.43 / £10.04
NAV Per Share (Cum Income)	\$15.49 / £10.87
NAV Per Share (Ex Income)	\$15.41 / £10.82
Premium/(Discount) to NAV (Cum Income)	-11.52%

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
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.
- Investment team has 25+ years of combined credit underwriting and direct lending experience.
- Sophisticated credit analysis software has track record of enhancing returns with applicable investments.
- VC equity opportunities available for investment by the Company.

¹Please refer to important disclosures on Page 3.

²Share price as at 31 January 2016.

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FUND PERFORMANCE

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
%NAV	2015					-0.17%	0.26%	0.18%	0.25%	0.40%	0.52%	0.45%	0.53%	2.45%
	2016	0.48%												0.48%
Share Price	2015					4.30%	1.63%	-0.71%	0.05%	0.66%	-0.66%	-1.23%	-1.44%	2.50%
	2016	-6.15%												-6.15%
Dividend Per Share	2015											8.36p		8.36p
	2016													

MONTHLY COMMENTARY

The Ranger Direct Lending Fund plc (the "Company") is pleased to announce the eighth consecutive month of positive returns through January 2016. In January, the NAV for the Company's ordinary shares appreciated 0.48% thereby increasing the NAV (cum income) per ordinary share to \$15.49. Excluding currency fluctuation relating to the sterling balance held as both a hedge for future dividends and as cash for future U.K. investments, NAV appreciated by 0.72%. As at 31 January 2016, NAV growth since inception reached 2.94%. It should be noted that the NAV (cum income) as translated into GBP, increased 3.92% for the month of January due to the currency difference between the U.S. dollar and pound sterling.

In January 2016, the Company invested in debt instruments from eleven direct lending platforms within a diverse group of asset classes, including real estate loans, SME loans, invoice receivables and equipment finance. The Company continued its geographic diversification with deployment in non-U.S. lending platforms which include investments in the U.K., Australia and Canada. Non-U.S. investments now equate to 6% of the portfolio. As noted in the December 2015 NAV report, all of the Company's original offering proceeds have been deployed, while proceeds from the 2015 December tap issuance have been partially invested.

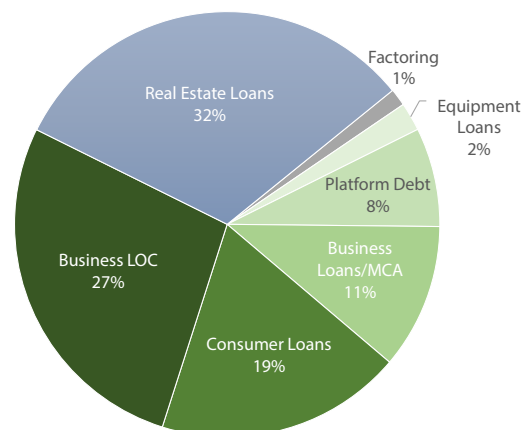
Secured loans continued to comprise the majority of the portfolio. Secured lending exposure accounted for 81% of the portfolio while unsecured consumer lending accounted for approximately 19%.

The Company continues to perform extensive due diligence on prospective direct lending platforms with a view to enter into new agreements and further diversify the Company's portfolio. The Company is also in negotiations with four prospective platforms for potential investments in equity opportunities.

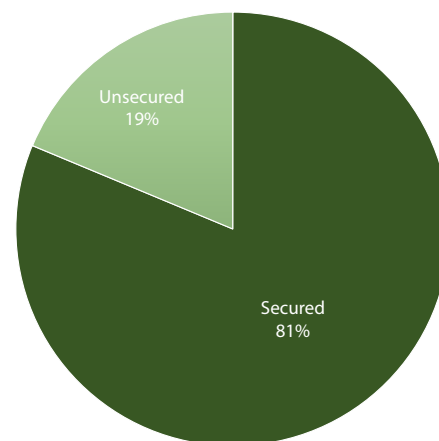
Upon the commencement of each investment, the Company may assign a loss reserve that will be accrued over the term of such investment, or pool of investments, for the purpose of offsetting potential future write-offs that may be realised with respect to such investment. On the first page of this report,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

PORTFOLIO COMPOSITION (EX CASH) AS AT 31 JANUARY 2016

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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