

RANGER

DIRECT LENDING¹



MAY 2016

Net Assets (Cum Income)	\$229,606,245
Net Assets (Ex Income)	\$221,360,696
Monthly NAV Return Before Loss Reserve	0.96%
Monthly Loss Reserve	-0.14%
Monthly NAV Net Return	0.82%
Loan Loss Reserve Balance as % of NAV	-0.39%
YTD NAV Return	3.66%
Shares in Issue	14,848,650
Current Price Per Share ²	\$14.22 / £9.80
Issue Price	\$15.43 / £10.04
NAV Per Share (Cum Income)	\$15.46 / £10.65
NAV Per Share (Ex Income)	\$14.91 / £10.27
Premium/(Discount) to NAV (Cum Income)	-8.01%

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 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
Auditor	Deloitte LLP
Custodian	Merrill Lynch
Registrar	Capita Asset Services
Company Secretary	Capita Company Secretarial Services Limited

¹Please refer to important disclosures on Page 3.

²Share price as at 31 May 2016.

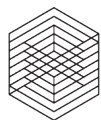
BACKGROUND AND INVESTMENT OBJECTIVE

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

- Loan portfolio approximately 75%+ secured and diversified across multiple platforms.
- 12%-13% targeted unlevered annual returns (after accrual for loan write-offs) on loan investments to the fund.
- 10% targeted dividend on issue price when fully invested and leverage applied, payable quarterly.
- Investment team has a combined 25+ years 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.



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FUND PERFORMANCE

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	ITD ¹
%NAV	2015					-0.17%	0.26%	0.18%	0.25%	0.40%	0.52%	0.45%	0.53%	2.45%	6.20%
	2016	0.48%	0.75%	0.77%	0.78%	0.82%								3.66%	
Share Price	2015					4.30%	1.63%	-0.71%	0.05%	0.66%	-0.66%	-1.23%	-1.44%	2.50%	-2.00%
	2016	-6.15%	-0.31%	-2.50%	2.14%	2.62%								-4.39%	
Dividend Per Share	2015											8.36p		8.36p	43.43p
	2016		14.62p			20.45p								35.07p	

¹Inception Date: 1 May 2015.

MONTHLY COMMENTARY

The Ranger Direct Lending Fund plc (the "Company") is pleased to announce the twelfth consecutive month of positive returns through May 2016. In May, the NAV for the Company's ordinary shares appreciated by 0.96% and after applying a loss reserve of 0.14% netted a 0.82% increase. This equates to an annualised, unlevered run-rate return of 10.3% (compounded), and follows the similar level of NAV growth achieved over the previous 3 months. As at 31 May 2016, NAV growth since inception reached 6.20%.

As a step towards applying leverage and diversifying its capital base, the Company announced on 6 June 2016 its intention to raise up to £30 million through a placing of zero dividend preference shares ("ZDP Shares"). The ZDP Shares are expected to be issued with a 5 year term and a gross redemption yield of 5% per annum.

As at 31 May 2016, the Company's equity capital was deployed or committed to be deployed in debt instruments, except for approximately 4% for general fund operations and FX settlements.

The Company has 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 through non-US lending platforms, which include investments in the UK, Australia and Canada, and equated to approximately 8.7% of the portfolio.

Secured loans continued to comprise the substantial majority of the portfolio. Secured lending exposure accounted for approximately 77% of the portfolio, while unsecured consumer lending accounted for approximately 23%.

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 Cumulative Loss Reserve reflects the total of such accruals.

In May, payment was made to shareholders of the dividend for the first quarter of 2016, equating to a quarterly dividend yield of 2.0% of the Company's share price under its original share offering.

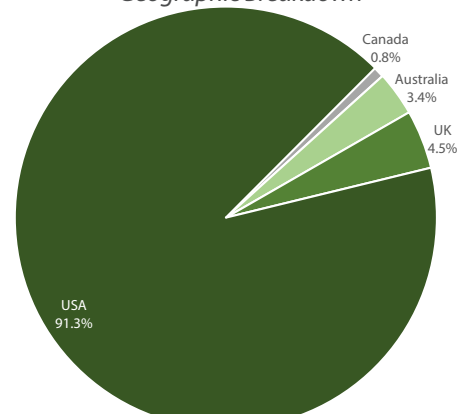
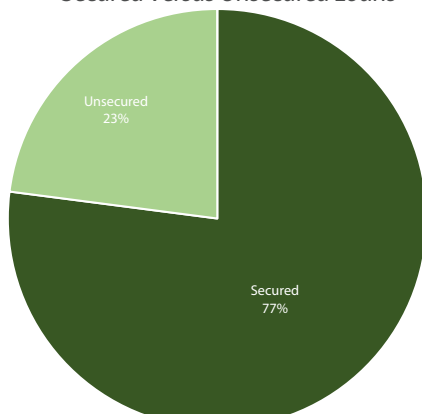
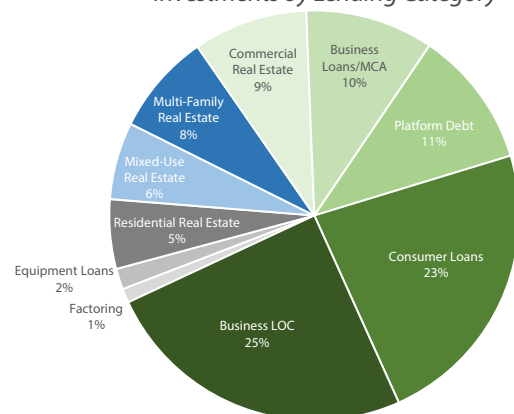
PORTFOLIO COMPOSITION (EX CASH)

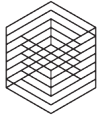
AS AT 31 MAY 2016

Investments by Lending Category

Secured Versus Unsecured Loans

Geographic Breakdown





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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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