RANGER
DIRECT LENDING[1]

JULY 2016	
Net Assets (Cum Income)	$233,135,603
Net Assets (Ex Income)	$221,360,697
Monthly NAV Return Before Loss Reserve	0.93%
Monthly Loss Reserve	-0.14%
Monthly NAV Net Return	0.79%
Loan Loss Reserve Balance as % of NAV	-0.20%
YTD NAV Return	5.25%
Shares in Issue	14,848,650
Current Price Per Share[2]	$13.63 / £10.30
Issue Price	$15.43 / £10.04
NAV Per Share (Cum Income)	$15.70 / £11.87
NAV Per Share (Ex Income)	$14.91 / £11.27
Premium/(Discount) to NAV (Cum Income)[3]	-13.21%

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 Secreterial Services Limited

[1] *Please refer to important disclosures on Page 3.*
[2] *Share price as at 31 July 2016.*
[3] *A material amount of the discount shown is directly correlated to a decrease in the value of the GBP, as the Company predominantly has US based investments and is denominated in US dollars.*

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[1]

		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%	0.75%	0.77%	0.78%	0.82%	0.74%	0.79%						5.25%
Share Price	2015					4.30%	1.63%	-0.71%	0.05%	0.66%	-0.66%	-1.23%	-1.44%	2.50%
	2016	-6.15%	-0.31%	-2.50%	2.14%	2.62%	-1.02%	6.19%						0.49%
Dividend Per Share	2015											8.36p		8.36p
	2016		14.62p			20.45p			26.87p					61.94p

[1] Performance is presented cum income.

MONTHLY COMMENTARY

The Ranger Direct Lending Fund plc (the "Company") is pleased to announce the fourteenth consecutive month of positive returns through July 2016. In July, the NAV for the Company's ordinary shares appreciated by 0.93% and after applying a loss reserve of 0.14% netted a 0.79% increase. The Company's share price as of 29 July 2016 was £10.30 which was approximately 3% higher than its weighted average issue price.

As a step towards applying leverage and to diversify its capital base, the Company raised £30 million through a placing of zero dividend preference shares ("ZDP Shares") on 1 August 2016. The ZDP Shares were issued with a 5 year term and a gross redemption yield of 5% per annum.

On 10 August 2016, the Company declared an interim dividend of 26.87 pence per ordinary share for the 3 month period to 30 June 2016 that will be paid on 16 September 2016.

As at 31 July 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.

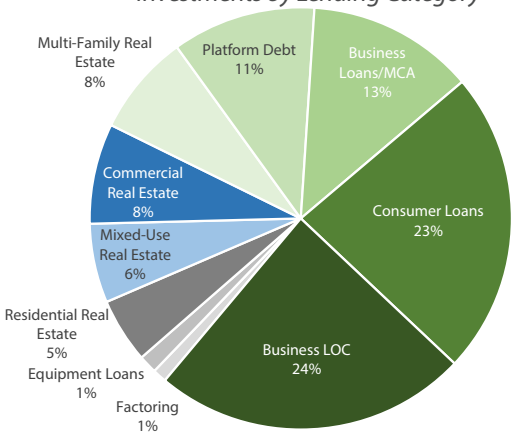
The Company has invested in debt instruments from eleven direct lending platforms within a diverse group of asset classes, including real estate loans, SME loans, invoice receivables, and equipment finance. The Company continued its geographic diversification by allocating capital to non-US lending platforms, which include investments in the UK, Australia and Canada, and equated to approximately 9.8% 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%.

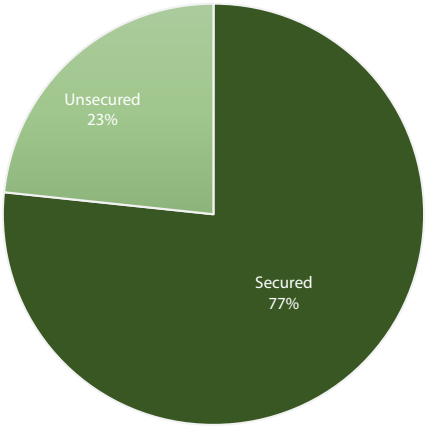
Upon the commencement of each investment, the Company may assign a loss reserve that will be accrued over the term of such investment, or pool of investments, for the purpose of offsetting potential future write-offs that may be realised with respect to such investment. On the first page of this report,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

PORTFOLIO COMPOSITION (EX CASH) AS AT 31 JULY 2016

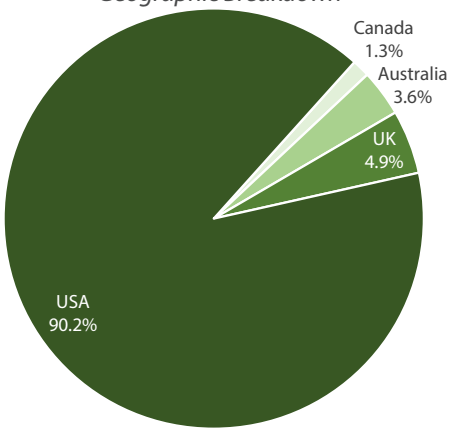
Investments by Lending Category



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.

All data in this newsletter is at or to the final day of the calendar month identified in the heading of the newsletter's front page unless otherwise stated.

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Ranger Direct Lending Fund plc

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Registered Number 09510201