

RANGER

DIRECT LENDING¹



SEPTEMBER 2016

Net Assets (Cum Income)	\$231,292,022
Net Assets (Ex Income)	\$228,845,066
Monthly NAV Return Before Loss Reserve	1.08%
Monthly Loss Reserve	-0.33%
Monthly NAV Net Return	0.75%
Loan Loss Reserve Balance as % of NAV	-0.28%
YTD NAV Return	6.81%
Shares in Issue	14,848,650
Current Price Per Share ²	\$14.35 / £11.06
Issue Price	\$15.43 / £10.04
NAV Per Share (Cum Income)	\$15.58 / £12.01
NAV Per Share (Ex Income)	\$15.41 / £11.88
Premium/(Discount) to NAV (Cum Income) ³	-7.90%

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

¹ Please refer to important disclosures on Page 3.

² Share price as at 30 September 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.

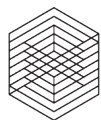
BACKGROUND AND INVESTMENT OBJECTIVE

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. A majority of the Debt Instruments in the portfolio are 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 loss reserves or write-offs and gross of fees) on loan investments to the fund.
- 10% targeted dividend on issue price when fully invested and leverage applied, payable quarterly.
- Sophisticated AI software has track record of enhancing returns with applicable investments.
- VC equity opportunities available for investment by the Company.



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FUND PERFORMANCE¹

		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%	0.72%	0.75%				6.81%
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%	3.69%	3.56%				7.90%
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 sixteenth consecutive month of positive returns through September 2016. In September, the NAV for the Company's ordinary shares appreciated by 1.08%, and after applying a loss reserve of 0.33% netted a 0.75% appreciation.

The Company's share price as at 30 September 2016 was £11.06 which has appreciated from its weighted average issue price by 10.16% since the offering on 1 May 2015. The NAV of the Company appreciated from £10.65 at 31 May 2016 to £12.01 on 30 September 2016. A majority of the Company's investments are dollar denominated; and therefore a portion of such appreciation is attributable to the dramatic appreciation of the US Dollar in comparison to the Pound Sterling. However, the market price of the Company's shares did not appreciate as quickly as the net asset value of the Company, causing a 7.90% discount in the Company's market price as at 30 September 2016.

As noted in the last monthly update, in a step towards applying a modest amount of leverage and to diversify its capital base, the Company raised £30 million through a placing of zero dividend preferences shares ("ZDP Shares") on 1 August 2016. The proceeds of the ZDP Shares offering are expected to be fully deployed during early October. Additional information regarding the terms of the ZDP Shares is available from the Company upon request.

As at 30 September 2016, the Company's combined capital from both equity and ZDP Shares was about 96.4% deployed or committed to be deployed in debt instruments, excluding approximately 4% for general operating expenses.

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 was paid on 16 September 2016.

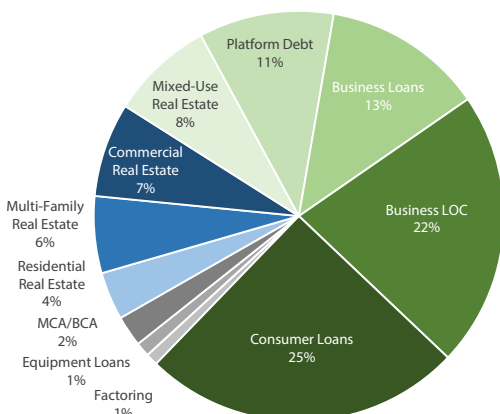
The Company is invested in debt instruments from twelve direct lending platforms within a diverse group of asset classes, including real estate loans, SME loans, invoice receivables, and equipment finance. The Company continues its geographic diversification by allocating capital to non-US lending platforms, which include investments in the UK, Australia and Canada, in amounts equal to approximately 9.6% of the portfolio as at 30 September 2016.

The Company continues to see growth and investment opportunities amongst its existing platforms and those in its due diligence pipeline. The Company invested with new secured lending partners in the SME lending industry and an established lending business in secured medical lending. In aggregate, the Company believes that there is substantial available deployment capacity amongst existing and new potential platforms for investments with net returns in line with its targets.

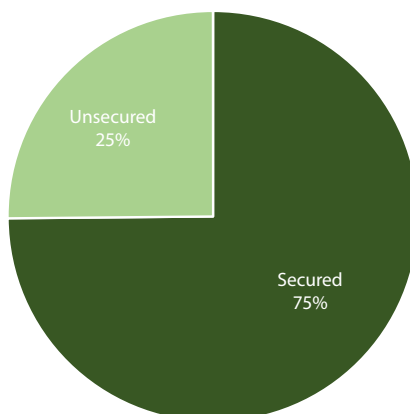
Upon the commencement of each investment, the Company may assign a loss reserve that will be accrued over the term of such investment, or pool of investments, for the purpose of offsetting potential future write-offs that may be realised with respect to such investment. On the first page of this report,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

PORTFOLIO COMPOSITION (EX CASH) AS AT 30 SEPTEMBER 2016

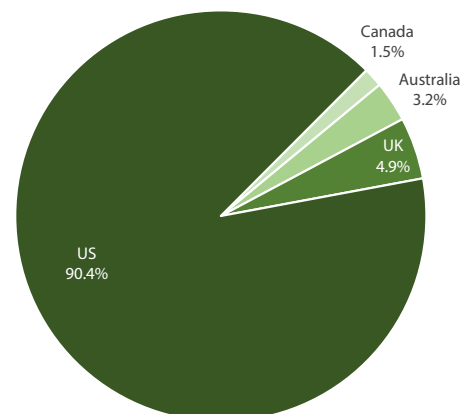
Investments by Lending Category

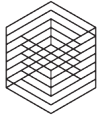


Secured Versus Unsecured Loans



Geographic Breakdown





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IMPORTANT DISCLOSURES

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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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