

3 August 2018

RANGER DIRECT LENDING FUND PLC (or the "Company")

Princeton and Portfolio Update

Princeton

The Company notes the following developments in the ongoing bankruptcy proceedings relating to Princeton Alternative Income Fund, LP ("Princeton") and its former general partner Princeton Alternative Funding, LLC.

As previously announced, the bankruptcy court ruled that portions of the Company's claims against Princeton and the general partner in pending arbitration proceedings could proceed and be fully adjudicated. The arbitration panel has now rendered a "Partial Final Award" on Phase I of the arbitration as follows:

1. Princeton breached the investment documents by failing to provide the required opt out rights on investments.
2. Princeton breached the investment documents by suspending the Company's redemption and withdrawal rights in circumstances where it was not permitted to do so.
3. Princeton breached the investment documents by failing to provide the information required under the terms of the investment documents.
4. Princeton breached its fiduciary duties.
5. The arbitration panel found insufficient evidence to find Princeton liable on the Company's claim of fraud and violations of 10b-5.

The arbitration panel awarded gross damages in the amount invested by the Company and the US domestic fund which is managed by the Company's investment manager, which is US\$61.8 million, and adjusted that award to net damages totalling US\$30.7 million, plus pre-judgment interest accruing from 30 November 2016. The damages award is attributable to both the Company's investment in Princeton as well as the investment by the US domestic fund, less the amount previously received as a return of principal (US\$9.1 million), less the amount the Panel attributed to the Argon sidepocket in Princeton (US\$22 million). In addition, the arbitration panel found that the Company and the US domestic fund are entitled to 99 per cent. of any distributions from the Argon sidepocket in Princeton.

Because the Bankruptcy Court limited its grant of relief from the automatic bankruptcy stay to the entry of a final award by the arbitration panel on these matters, the Company cannot presently seek confirmation and/or enforcement of the award without further relief from the Bankruptcy Court. The Company is unable at this time to determine whether Princeton's assets are sufficient to pay the entire judgment.

The Company will continue to pursue its claims in full against Princeton through the bankruptcy proceedings and it views the arbitration panel decision as a positive development that gives independent confirmation of the failings of Princeton and the General Partner to abide by their contractual and legal obligations. The Company is evaluating whether to seek relief from the automatic bankruptcy stay to pursue of Phase II of the arbitration – which seeks damages against certain individuals and entities other than Princeton. The bankruptcy

court previously ruled that the automatic bankruptcy stay applies to Phase II, so that additional relief will be required to proceed.

Other portfolio updates

The Board continues to work with its investment manager with the aim of realising the portfolio and further announcements on the actions proposed to be taken in respect of the portfolio will be made in due course. The Company notes that one of the named portfolio managers, Wes McKnight, is no longer employed by the investment manager having taken the decision to pursue other opportunities.

For further information, please contact:

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