

RANGER DIRECT LENDING FUND PLC

Report and Financial Statements together with the Independent Auditor's Report

for the period from date of incorporation in
25 March 2015 to 9 April 2015

STRATEGIC REPORT

Overview and investment strategy

Ranger Direct Lending Fund plc (“RDLF” or the “Company”) is an externally managed closed-ended investment company which was incorporated on 25 March 2015 in England and Wales with an unlimited life. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company did not trade during the Period from incorporation on 25 March 2015 to 9 April 2015 (the “Period”), nor at any other time prior to its admission to trading on the main market of the London Stock Exchange on 1 May 2015 (“Admission”).

On Admission, the Company had in issue 13,500,000 ordinary shares of £0.01 each in the capital of the Company (“Ordinary Shares”) which were allotted at an issue price of £10 per Ordinary Share. Since Admission, the Company has been deploying the proceeds of the issue of the Ordinary Shares in a portfolio of Debt Instruments (defined below) issued by direct lending platforms in the US. The portfolio comprises Debt Instruments within a diverse group of asset classes including real estate loans, invoice receivables, equipment finance, SME loans and platform debt.

The Company believes that Debt Instruments originated or issued by direct lending platforms are an attractive and growing asset class that have the potential to provide higher returns for investors than other fixed income products.

Investment objective

The Company’s investment objective is to seek to provide shareholders with an attractive return, principally in the form of quarterly income distributions, through exposure to a portfolio of debt obligations (such as loans, invoice receivables and asset financing arrangements and which are together referred to as “Debt Instruments”) that have been originated or issued by direct lending platforms.

Investment policy

The Company invests, directly and indirectly, in a portfolio of Debt Instruments originated or issued by direct lending platforms.

The Debt Instruments to be acquired by the Company from direct lending platforms will consist of debt obligations within a range of asset class sub-categories which may include, but are not limited to, some or all of SME loans (including alternative loan structures providing for the advance against and/or acquisition of future corporate trade receivables of the borrower), real estate loans, consumer loans, invoice factoring, asset financing, speciality financing and medical financing.

The Company will seek to purchase Debt Instruments directly from a direct lending platform. However, the Company also indirectly participates in Debt Instruments including via:

- the acquisition of notes or other financial instruments that reference the returns of an identified Debt Instrument or pool of Debt Instruments (or fractions thereof), in each case originated or issued by a direct lending platform;
- a syndicate investment alongside the direct lending platform or other investors where the direct lending platform serves as lead creditor; and
- pooled investment vehicles or investment funds which invest in Debt Instruments originated or issued by direct lending platforms and which are managed by Ranger Alternative Management II, LP (“the Investment Manager”) (or its affiliates), a direct lending platform or other third parties, in each case that the Company deems suitable with a view to enhancing Shareholder returns and providing diversification of the Company’s assets.

STRATEGIC REPORT continued

The Company will generally only seek to participate or invest in pooled investment vehicles or investment funds when:

- such investment enables the Company to participate in Debt Instruments that the Company either cannot gain direct access to or could only gain direct access to on less favourable terms;
- such investment allows for a greater level of diversification than the Company could otherwise achieve; or
- the Company believes in good faith that such investment is in the best interest of the Shareholders.

Although the Company may invest in other investment funds that are managed by the Investment Manager or its affiliates, these other investment funds will not be part of the Company's group.

The Company's investments in Debt Instruments or other indirect forms of investment in Debt Instruments may be made through subsidiary special purpose vehicles (including, without limitation, trusts of which the Company is the beneficiary) formed for that purpose by the Company.

The Company may also invest up to 10 per cent. of Gross Assets (in aggregate at the time of investment) in equity issued by direct lending platforms. This restriction shall not apply to any consideration paid by the Company for the issue to it of any equities that are convertible securities issued by a direct lending platform. However, it will apply to any consideration payable by the Company at the time of exercise of any such convertible securities or any warrants issued by a direct lending platform. The Company may invest in equity issued by direct lending platforms indirectly via other investment funds (including those managed by the Investment Manager or its affiliates).

The Company will invest across various direct lending platforms and asset class sub-categories in order to ensure diversification and to seek to mitigate concentration risks. The following investment limits and restrictions apply to the Company, to ensure that the diversification of the Company's portfolio is maintained and that concentration risk is limited.

Investment restrictions – Debt Instruments

No single Debt Instrument structured as a term loan acquired by the Company will be for a term longer than 5 years. No single Debt Instrument structured as a trade receivable asset acquired by the Company will be for a term longer than 180 days.

The following restrictions apply, in each case at the time of investment by the Company:

- Debt Instruments that are attributable to a single asset class sub-category will not represent more than 25 per cent. of Gross Assets;
- no single Debt Instrument shall exceed 2 per cent. of Gross Assets;
- no single Debt Instrument shall represent more than 20 per cent. of the Gross Assets allocated to the asset class sub-category that the relevant Debt Instrument forms part of;
- aggregate investments in Debt Instruments originated through or issued by any single direct lending platform will not exceed 25 per cent. of Gross Assets; and
- Debt Instruments secured (directly or indirectly) by assets and/or personal guarantees shall not be less than 65 per cent. of the Gross Assets.

Each of the restrictions set out above shall, to the extent the Company invests in Debt Instruments indirectly (whether through notes or other financial instruments that reference returns on Debt Instruments, pooled investment vehicles investing in Debt Instruments or otherwise), be applied in respect of each of the Debt Instruments underlying such indirect investment.

STRATEGIC REPORT continued

Investment restrictions – Platforms and indirect investment vehicles

The following restrictions apply, in each case at the time of investment by the Company:

- no more than 25 per cent. of Gross Assets shall be invested in any single entity that issues notes or other financial instruments which reference the returns of Debt Instruments; and
- no more than 25 per cent. of Gross Assets shall be invested any single pooled investment vehicle which holds a portfolio of Debt Instruments.

Other restrictions

The Company may invest in cash, cash equivalents, money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having single-A (or equivalent) or higher credit rating as determined by an internationally recognised agency, or any “governmental and public securities” (as defined for the purposes of the FCA rules) for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure.

The Company will not invest in collateralised loan obligations or collateralised debt obligations.

Borrowing policy

Borrowings may be employed at the level of the Company and/or at the level of any investee entity (including any other investment fund in which the Company invests or any special purpose vehicle (“SPV”) that may be established by the Company in connection with obtaining leverage against any of its assets).

The Company may seek to securitise all or parts of its portfolio of Debt Instruments and may establish one or more SPVs in connection with any such securitisation.

To the extent that the Company establishes any SPV in connection with obtaining leverage against any of its assets or in connection with the securitisation of its Debt Instruments, it is likely that any such vehicles will be wholly-owned subsidiaries of the Company. The Company may use SPVs for these purposes to seek to protect the levered portfolio from group level bankruptcy or financing risks. The Company may also, in connection with seeking such leverage or securitising its Debt Instruments, seek to assign existing assets to one or more SPVs and/or seek to acquire Debt Instruments using an SPV (to the extent permitted by applicable law and regulation).

The Company itself may borrow (through bank or other facilities) whether directly or indirectly through an investment fund in which it invests or through a subsidiary SPV, up to 50 per cent. of Net Asset Value, in aggregate (calculated at the time of draw down under any facility that the Company has entered into).

Performance summary

The Company did not trade during the Period and commenced trading on 1 May 2015.

The Company did not have any subsidiaries as at the balance sheet date, but subsequent to the balance sheet date it has become the sole beneficiary of Ranger Direct Lending Fund Trust. Ranger Direct Lending Fund Trust was established on 22 April 2015 as a Delaware trust pursuant to a declaration of trust and trust agreement entered into between the Company as depositor and managing holder and Delaware Trust Company (a Delaware state chartered trust company) as the Delaware trustee.

STRATEGIC REPORT continued

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company's performance and could cause actual results to differ materially from expected and historical results.

The Board has overall responsibility for risk management and internal control within the context of achieving the Company's objectives. The Board agrees the strategy for the Company, approves the Company's risk appetite and monitors the risk profile of the Company.

The Company believes that debt instruments originated or issued by direct lending platforms are an attractive and growing asset class that have the potential to provide higher returns for investors than other fixed income products. The Company also believes that by investing in direct lending opportunities instead of peer-to-peer opportunities, the total number of asset classes available and the numerous existing platforms in each asset class will be increased.

This wide variety of opportunities allows the Company to potentially reduce risk through investment diversification while also potentially achieving higher returns by investing in the best performing direct lending asset classes.

The principal risks and uncertainties of the Company were explained in detail on pages 15 to 31 of the prospectus issued by the Company dated 14 April 2015. Further details on the key financial risks and uncertainties faced by the Company are disclosed in note 6 to the financial statements.

The Company may also be exposed to the following risks relating to compliance and regulation of the direct lending platforms:

- laws applicable to debt instruments may govern the terms of such instruments and subject the Company to legal and regulatory examination or enforcement action; and
- any proceeding brought by the federal or state regulatory authorities to any of the Company's direct lending platforms could result in cases against the Company itself and could affect whether the debt instruments are enforceable in accordance with their terms.

Financial performance in the period after the balance sheet date

The Company's lending activity following Admission was primarily funded by the Company's listing on the London Stock Exchange. This funding provides the Company with capital to invest in debt instruments via direct lending providers.

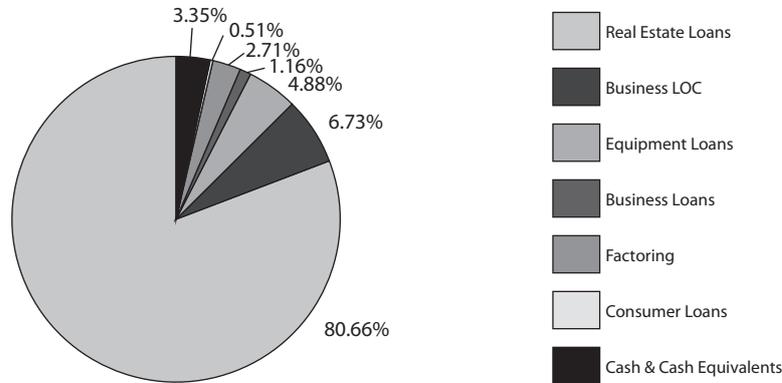
As at 30 September 2015 the Net Asset Value ("NAV") per share was USD 15.28 (GBP 10.10) on a cum-income basis.

As at 30 June 2015 the portfolio was invested in line with the Group's investment policy as follows:

- the Group will not acquire any single Debt Instrument with a term of more than 5 years; and
- the Group has not invested more than 25 per cent. of Gross Assets in any single pooled investment vehicle which holds a portfolio of debt instruments.

STRATEGIC REPORT continued

As at 30 June 2015, the portfolio was also diversified across different sectors as follows:



Finance

As described in the Investment Policy section above, the Company itself may borrow (through bank or other facilities) whether directly or indirectly through an investment fund in which it invests or through a subsidiary SPV, up to 50 per cent. of Net Asset Value, in aggregate (calculated at the time of draw down under any facility that the Company has entered into).

Borrowings may also be employed at the level of any investee entity (including any other investment fund in which the Company invests or any SPV that may be established by the Company in connection with obtaining leverage against any of its assets) and the Company may seek to securitise all or parts of its portfolio of Debt Instruments and may establish one or more SPVs in connection with any such securitisation.

The Company has not, to date, exercised any of its borrowing powers.

Dividends

As an investment trust, the Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends. The Company intends to pay dividends on a quarterly basis with dividends declared in February, May, August and November and paid in April, June, September and December in each year.

Whilst not forming part of its investment policy, once the net proceeds paid on subscription for the Ordinary Shares are fully invested in accordance with the Company's investment policy and the Company is levered, the Company will target the payment of dividends which equate to a yield of 10 per cent. per annum on the issue price of £10.00 per Ordinary Share, payable in quarterly instalments.

It is the current intention of the Board to move towards a policy of balancing the quarterly dividend payments as soon as the revenue reserve position of the Company permits this approach.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code, published by the Financial Reporting Council in September 2014 (the "Code"), the Directors have assessed the prospects of the Company over the five year period to the AGM in 2020. The Directors believe this period to be appropriate as they will be required by the Articles of Association to put a proposal for the continuation of the Company at that meeting and therefore cannot presume that it will continue as an investment company thereafter.

STRATEGIC REPORT continued

In their assessment of the viability of the Company, the Directors have considered each of the Company's principal risks and uncertainties detailed on page 5. The Directors have also considered the Company's income and expenditure projections and the fact that the Company's investments do not comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Directors have also considered advice received in respect of the potential for regulatory and legal change or challenge in respect of the Direct Lending Platforms that source investments acquired by the Company in the context of their continuing ability to source such investments which the Company may acquire.

Based on the Company's processes for monitoring operating costs, share price discount, the Investment Manager's compliance with the investment objective and policy, asset allocation, the portfolio risk profile, availability of investments within the Company's investment policy, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to the AGM in 2020.

Going Concern

At 9 April 2015 the Company had no liabilities and did not trade, thus the Directors considered the Company to be a going concern.

At 30 September 2015 the Company had net assets of £136,352,371 (US\$206,328,463) as detailed in the net asset value report to 30 September 2015 published by the Company. The Company's external investment manager, Ranger Alternative Management II, LP (the "Investment Manager") intends to deploy the Company's cash and to employ leverage to achieve the Company's dividend targets, while ensuring it has sufficient liquidity to cover its short term liabilities.

As discussed in Note 1 to the financial statements, the Directors have reviewed the financial projections of the Company for a period of at least 12 months from the date of this report, which shows that the Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due. Accordingly, the Directors are satisfied that the going concern basis remains appropriate for the preparation of the financial statements.

Taxation

Since Admission, the Company has conducted its affairs so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations 2011 and it was approved by HMRC as an investment trust on 11 May 2015 (with effect from Admission). In respect of each accounting Period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains.

Approval

This report was approved by the Board of Directors on 10 November 2015 and signed on its behalf by:

Christopher Waldron

Chairman

GOVERNANCE REPORT

This Corporate Governance Statement forms part of the Directors' Report.

Statement of Compliance

Upon Admission to the London Stock Exchange, the Listing Rules require that the Company must "comply or explain" against the UK Corporate Governance Code (the "Governance Code"). In addition, the Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors have considered the principles and recommendations of the Association of Investment Companies of Corporate Governance (the "AIC Code") by reference to the AIC Guide (which is available at www.theaic.co.uk). The AIC Code, as explained in the AIC Guide, addresses all the principles set out in the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code) will provide better information to Shareholders.

As a newly incorporated company, the Company did not comply with the Governance Code or the AIC Code as at 9 April 2015. However, the Directors recognise the value of the Governance Code and have taken appropriate measures to ensure that from Admission the Company will comply, so far as is possible given the Company's size and nature of business, with the AIC Code. The areas of non-compliance by the Company with the AIC Code will be as follows:

The Governance Code includes provisions relating to the role of the chief executive, executive directors' remuneration, and the need for an internal audit function. For the reasons set out in the AIC Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company will not therefore comply with them.

The Board of Directors

The Board as at 9 April 2015 consisted of three Independent Non-Executive Directors and two Non-Independent directors, Mr Canon and Mr Kassul, who are connected with Ranger Alternative Management II, LP, the Investment Manager. As noted below, Mr Kassul resigned on 10 April 2015.

Biographies of the Directors are set out below and demonstrate the wide range of skills and experience each brings to the Board. The Directors were identified and interviewed prior to the Company's initial public offering and advice was taken in respect of their appointment from the Company's relevant advisers.

During the Period, the following served as Directors of the Company:

Christopher Waldron +- * (Chairman) (independent) Appointed 2 April 2015

Mr Waldron is a consultant to and the chair of the investment committee of Edmond de Rothschild in the Channel Islands. He previously served as CEO of Edmond de Rothschild Company's broking and asset management companies in Guernsey, specialising in fixed income, OTC and listed hedging strategies and alternative investment mandates. Mr Waldron formerly held a variety of investment management positions with Bank of Bermuda, the Jardine Matheson Company and Fortis prior to joining the Edmond de Rothschild Company in 1999. Mr Waldron is also a member of the States of Guernsey's Treasury and Resources Investment Sub-Committee and its Bond Management sub-committee. Mr Waldron is a director of a number of listed companies including DW Catalyst Fund Limited and JZ Capital Partners Limited. He is also a Fellow of the Chartered Institute for Securities and Investment.

Mr Waldron was also appointed chairman of the Management Engagement Committee on 10 April 2015.

GOVERNANCE REPORT continued

Dr Matthew Mulford +- * (independent) Appointed 2 April 2015

Dr Mulford is a Senior Research Fellow at the London School of Economics, an Affiliate Professor at école des Hautes Etudes Commerciales de Paris (HEC-Paris) and a Visiting Faculty member at the European School of Management and Technology (ESMT) in Berlin. He is formally a founding Dean of the TRIUM Global Executive MBA programme which is currently ranked as the top EMBA programme in the world. Dr Mulford has extensive research and senior executive training experience in negotiation analysis, psychology of judgement and decision making, quantitative methods and game theory. Dr Mulford has designed, directed and/or taught executive training courses in more than 20 countries for a variety of clients, including: Boehringer Ingelheim, Bosch, Deutsche Bank, EADS, Ericsson, Gallup, Gold Fields, Indian National Railroad, King Faisal Specialist Hospital, Linklaters, MAP – Carrefour, MTS, Qtel, Rusal, Siemens, Standard Chartered Bank, Syngenta, ThyssenKrupp, Total, the UK's National Audit Office and Home Office and the United Nations Development Programme.

Jonathan Schneider +- * (independent) Appointed 2 April 2015

Mr Schneider is a chartered accountant and an active entrepreneur and investor. From 2006 to 2012, he was the co-founder and managing partner of the Novator Credit Opportunities Fund, a UK based special situations hedge fund. Mr Schneider currently has a portfolio of alternative lending interests which he actively supports and manages, the majority of which he conceived and co-founded. Some of these include African Financial Services, a pan African consumer finance business, lwoca.com, a business to business working capital lender and Mode, an emerging market airtime credit provider. Mr Schneider has held numerous previous directorships, including serving as on the Board of publically listed Talon Metals Inc. and Aqua Online Limited.

Mr Schneider was also appointed chairman of the Audit Committee and the Remuneration and Nomination Committee on 10 April 2015.

K Scott Canon (non-independent) Appointed 25 March 2015

Scott Canon is the CEO of Ranger Capital Company. Mr Canon has previously served in a variety of roles within the broker-dealer affiliate of Security Capital Company, a global real estate research, investment and operating management Company. Previously, Mr Canon was a member of the affiliate's Board of Directors and head of the Capital Placement Company. He formerly worked for Chase Manhattan Bank and Goldman, Sachs & Co. Mr Canon served as a member of the Board of Directors for Green Mountain Energy Company before it was purchased by NRG Energy.

William Kassul (non-independent) Appointed 25 March 2015 and resigned 10 April 2015

William Kassul manages platform relationships and business development. Mr Kassul is a senior level technology marketing executive with first-hand experience resolving technology disruptions in the travel, video and financial industries. Mr Kassul was formerly VP of Marketing and Sales for Wizetrade, a leading stock trading software platform.

Key:

- + Management Engagement Committee member
- Audit Committee member
- * Remuneration and Nomination Committee member

GOVERNANCE REPORT continued

Directors' interests (audited)

As at 9 April 2015 none of the Directors had any interest in the Ordinary Shares of the Company. No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were affected by the Company since its date of incorporation or remain in any respect outstanding or unperformed.

No loan or guarantee has been granted or provided by any member of the Company for the benefit of any Director.

Letters of appointment

Each Director has a signed letter of appointment to formalise the terms of their engagement as a Director. The Independent Non-Executive Directors are typically expected to serve three three-year terms but may be invited by the Board to serve for an additional Period. Mr Canon as a Non-Independent Director is expected to serve a one year term but may be invited by the Board to serve for an additional Period. All Director's appointments are subject to election by the Shareholders at the annual general meeting ("AGM") and to re-election at any subsequent AGM at which they have stood for re-election. Any term renewal is subject to Board review and AGM re-election. In view of the long-term nature of the Company's investments, the Board believes that a stable Board composition is fundamental to run the Company properly.

Copies of the letters of appointment are available on request from the Company Secretary and will be available at the AGM.

In making any new appointment the Board will consider a number of factors, but principally the skills and experience that will be relevant to the specific role and that will complement the existing Board members. The Company's Articles of Association (the "Articles") stipulate that all new Directors shall retire and offer themselves for re-appointment every three years.

The Directors may delegate certain functions to other parties in particular the Directors may delegate to the Investment Manager. However the Directors retain responsibility for exercising overall control and supervision of the Investment Manager.

During the Period ended 9 April 2015 there was one Board meeting, attended by all Directors appointed at the time.

The Chairman and Senior Independent Director

The Chairman, Mr Waldron, was independent upon appointment and is deemed by his fellow Board members to be independent and to have no conflicting relationships. He considers himself to have sufficient time to commit to the Company's affairs.

Given that the Company had, at the end of the Period, only just come into existence, the Directors consider the Board's size to be sufficient and that a Senior Independent Director is not currently necessary. All of the Directors are available to address shareholder queries or engage in consultation as required.

Independence of Directors

Each of the current Directors is considered to be independent of the Investment Manager except Mr Canon and all of the independent Directors are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. There are no relationships or circumstances relating to the Company that are likely to affect their judgement. The Directors are requested on a regular basis to confirm that there are no conflicts.

The Board members, as a whole, have the required knowledge, abilities, and expert experience to properly fulfil their role and are sufficiently independent.

GOVERNANCE REPORT continued

Investment Manager

Ranger Alternative Management II, LP serves as the Investment Manager of the Company and is registered as an investment adviser with the US Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended. The Investment Manager was established in 2013 and is headquartered in Dallas, Texas USA. The Investment Manager is controlled and supported by Ranger Capital Company Holdings, LP (“Ranger Capital Company”), whose affiliated investment advisers manage approximately US\$3.2 billion as at 28 February 2015. In addition, Ranger Capital Company provides institutional quality back office and operations support for the Investment Manager, including legal, compliance, accounting, information technology, administration and investor relations services. Ranger Capital Company was established in 2002 and is headquartered in Dallas, Texas USA.

Biographies of the key personnel of the Investment Manager involved in the provision of services to the Company are provided below:

K. Scott Canon and William Kassul's details are given in the Directors' Biographies

Wes McKnight

Wes McKnight is a Senior Credit and Risk Analyst with 15 years of prior lending and portfolio management experience, including consumer, inventory, accounts receivable, real-estate and equipment. Mr McKnight previously served as a Credit Specialist with Ford Motor Credit, managing a US\$600 million vehicle and working-capital funding loan book. Mr McKnight was formerly Senior Vice President of SunTrust Bank.

Gary Melara

Gary Melara is a Senior Credit and Risk Analyst responsible for developing the TruSight credit analysis software used by the Ranger Specialty Income Fund. Mr Melara is the founder and former CEO of five companies, two of which became public with valuations in excess of US\$100 million. Additionally, Mr Melara developed software that automated most mainframe application programming and was later acquired by IBM.

Cas Milner

Cas Milner, a consultant to the Investment Manager, is a Senior Quantitative and Risk Analyst. Mr. Milner has 10 years of prior investment experience with a dual-background in particle physics and quantitative investing. Mr. Milner has expertise in portfolio risk management and optimisation as well as experience in advanced data analytic techniques for data mining and forecasting. He has previously held senior positions at IBM and TIAA-CREF and has also founded two hedge funds.

AIFM Directive

Under the AIFM Directive (the “Directive”), certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EEA, including that prescribed disclosures are made to such investors. Once operational, the Company's activities fell within the scope of the Directive and the Board decided to appoint the Investment Manager as the AIFM.

Board Committees

The Board has delegated certain responsibilities to its Audit, Remuneration and Nomination, and Management Engagement Committees. Given the size and nature of the Board it is felt appropriate that all independent Directors are members of the Committees. The Board has established formal terms of reference for each of the Committees which are available on the Company website, <http://rangerdirectlending.com/>. An outline of the remit of each of the Committees and their activities during the Period are set out below.

GOVERNANCE REPORT continued

Audit Committee

The Company's Audit Committee, comprising all the independent Directors of the Company will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual account and interim reports. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Mr Schneider will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditor's letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

Management Engagement Committee

The Company's Management Engagement Committee, comprising all the independent Directors of the Company will meet formally at least once a year for the purpose, amongst other things, of reviewing the actions and judgments of the Investment Manager, the terms of the agreement between the Company and the Investment Manager (the "Investment Management Agreement") and review the performance and fees of the other service providers. The Chairman will act as chairman of the Management Engagement Committee.

Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee, comprising all the independent Directors of the Company will meet formally at least once a year for the purpose of, amongst other things, considering the framework and policy for the remuneration of the Directors pursuant to the Articles and to review the structure, size and composition of the Board. No Director shall be involved in any decisions as to their own remuneration. Mr Schneider will act as chairman of the Remuneration and Nomination Committee.

In due course new appointments will be identified from the requirements of the Company's business needs against the range of skills and experience of the current Directors and potential candidates. Appointments will be made on merit, taking into account the benefits of diversity, including gender. However the Board's overriding priority is to appoint the most appropriate candidates, regardless of gender or other forms of diversity. The Board, therefore, has not set any measurable targets in relation to the diversity of the Board.

Any appointments or removal of Directors shall be made in accordance with the Articles and letters of appointment.

Board Evaluation

The Company was incorporated on 25 March 2015. The Board will focus on investment, policies and procedures during 2015, and intends to complete its first evaluation in 2016. The Board considers this appropriate as it provides reasonable time for the Board and its Committees to be fully established and therefore benefit from the review. The Chairman will meet with individual Directors for the purpose of a formal and rigorous performance appraisal and consideration of each Director's independence also in 2016. In due course, the Directors will meet, without advisers present, to appraise the Chairman's performance. Any training needs identified as part of the Board evaluation process will be added to the agenda of the next Board meetings.

The Board during 2015 have received training from their lawyers Travers Smith LLP and their broker Liberum Capital Limited regarding their duties. The Directors were all provided with an induction from the Investment Manager.

GOVERNANCE REPORT continued

Election/re-election of Directors

All the Directors will stand for election at the forthcoming AGM, this being the Company's first AGM since incorporation. No Director has a service contract with the Company.

The Board considers that all of the current Directors contribute effectively to the operation of the Board and the strategy of the Company. The Board therefore believes that it is in the best interests of Shareholders that each of the Directors is elected.

Directors' share dealings

Ahead of Admission to the London Stock Exchange, the Directors adopted a code of directors' dealings in ordinary shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "Model Code"). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code.

Conflicts of Interest

The Articles provide that the Directors may authorise any actual or potential conflict of interest that may arise, with or without imposing any conditions that they consider appropriate on the Director. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest and in such circumstances they are not counted in the quorum. A process has been developed to identify any of the Directors' potential or actual conflicts of interest. This includes declaring any potential new conflicts before the start of each Board meeting. The Board are satisfied that this procedure is adequate. There were no actual or potential conflicts of interest which were required to be authorised by the Board during the Period under review or to the date of this report.

Relations with Shareholders

The Company encourages two-way communication with both its institutional and private investors and intends to respond quickly to queries raised. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The notice of the AGM, which will be circulated to all registered Shareholders with at least twenty-one days' notice of the AGM, sets out the business of the meeting and any item not of an entirely routine nature is explained. Separate resolutions are proposed in respect of each substantive issue.

Shareholders are encouraged to attend the AGM and to participate in proceedings. The Chairman of the Board and other members of the Board, together with representatives of the Investment Manager, will be available to answer Shareholders' questions at the AGM. Proxy voting figures are available to Shareholders at the AGM.

The Investment Manager holds regular discussions with major Shareholders, the feedback from which is provided to and greatly valued by the Board. The Directors are available to enter into dialogue and correspondence with Shareholders regarding the progress and performance of the Company. The section of this report, entitled "Shareholder Information" which can be found on page 34, is intended to provide information which would be useful to Shareholders.

Internal Control Review

The Board is responsible for ensuring the maintenance of a robust system of internal control and risk management and for reviewing the effectiveness of the Company's overall internal control arrangements and processes following recommendations from the Audit Committee.

Risk is inherent in the Company's activities and accordingly, the Company established a risk map during the IPO process, consisting of the key risks and controls in place to mitigate those risks. The risk map provides a basis for the Audit Committee and the Board to regularly monitor the effective operation of the controls and to update the matrix when new risks are identified.

GOVERNANCE REPORT continued

However, the Investment Manager will be responsible for operating the Company's internal system of control and for initially reviewing its effectiveness. Such systems are however designed to minimise risk and not entirely eliminate risk; they can provide only reasonable and not absolute assurance against material misstatement of loss. The Management Engagement Committee carries out regular reviews of the performance of the Investment Manager as well as the other service providers appointed by the Company as described on page 12.

The following are the key components which the Company has in place to provide effective internal control:

- The Board has a procedure to ensure that the Company can continue to be approved as an investment company by complying with sections 1158/1159 of the Corporation Tax Act 2010.
- The Investment Manager and Administrator prepare forecasts and management accounts, covering investment activities and financial matters, which allow the Board to assess the Company's activities and review its performance.
- Contractual arrangements with the Investment Manager and other third party service providers are in place, which specifically define their roles and responsibilities to the Company which will be reviewed regularly.

To date the Board have not identified any significant failings or weakness in the internal control systems.

The Board will consider the Bribery Act 2010 requirements and will take action to ensure that it has adequate procedures in place to comply with the Bribery Act 2010. Responsibility for the Company's compliance policies form part of the Investment Manager's duties.

Board meetings

During the Period, one meeting of the Board was held on 2 April 2015, attended by Mr Cannon and Mr Kassul, the only appointed directors at that time. No meetings of any committee of the Board were held during the Period.

Approval

This report was approved by the Board of Directors on 10 November 2015 and signed on its behalf by:

Christopher Waldron
Chairman

10 November 2015

AUDIT COMMITTEE REPORT

Composition

The Audit Committee was formed on 10 April 2015, comprising of Jonathan Schneider as chairman, Christopher Waldron and Matthew Mulford. All members are Independent Non-Executive Directors. Mr Schneider is a qualified accountant.

Responsibilities

The Committee shall monitor the integrity of the financial statements of the Company including its Annual and Half-Yearly Reports and challenge the Board where necessary. It is also responsible for the recommendation to the Shareholders of the Company for the appointment or re-appointment of the external auditors and overseeing their selection process. In addition, the Committee shall advise the Board on whether, in its opinion, the Company's Annual Report is fair, balanced and understandable.

The Committee is aware of and is monitoring potential changes to the UK Corporate Governance Code and EU legislation relating to the appointment of auditors, restrictions on the non-audit services provided by external auditors, and the fees they receive. In light of this, during 2015 the Company agreed a policy for non-audit services, which will be updated in line with any future statutory or regulatory requirements.

The key responsibilities and principal activities of the Committee as identified in its terms of reference are as follows:

- to monitor the integrity of the financial statements of the Company including its Annual and Half-Yearly Reports and any other formal announcements relating to its financial performance and reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain;
- to review and challenge where necessary the consistency of, and any changes to, significant accounting policies both on a year on year basis and (as applicable) across the Company;
- to review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to keep under review the adequacy and effectiveness of the Company's internal audit function (where it has one), internal financial controls and internal control and risk management systems;
- to consider and make recommendations to the Board, to be put to Shareholders for approval at the Company's AGM, in relation to the appointment, reappointment and removal of the Company's external auditor and the approval of the remuneration and terms of engagement of the external auditor;
- to develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm;
- to assess annually the auditor's independence and objectivity and the effectiveness of the audit process taking into account relevant UK law, professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of any non-audit services;
- to report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and also report to the Board on how it has discharged its responsibilities; and
- to arrange for Periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

As the Company has no employees, the Company does not have a whistleblowing policy and procedure in place. Accordingly, the Audit Committee will review the whistleblowing procedures of the Investment Manager to ensure that the concerns of its staff may be raised in a confidential manner.

AUDIT COMMITTEE REPORT continued

Meetings

The Audit Committee will meet at least twice a year at appropriate intervals in the financial reporting and audit cycle, further meetings will take place should the Chairman of the Committee or other members require. Only the Committee members have the right to attend these meetings, however others may be invited on a regular basis, including the external auditors. At least once annually, the Committee will meet with the external auditor without the presence of any member of the executive management team.

Primary areas of judgement in relation to the Annual Report and financial statements

The Committee has considered the significant judgements made in the Annual Report and financial statements and receives reports from management and the external auditor on those judgements. The Committee pays particular attention to the matters it considers to be important by virtue of size, potential impact, complexity and level of judgement.

The principal issue considered by the Committee for the Period (which relates to pre-trading issues) was the suitability of the terms of the agreements between the Company and its service providers (including the Investment Manager) as well as the completeness of disclosure of the significant transactions after the reporting period associated with the IPO and the capital reduction.

The Committee considers reports to support the Company's going concern statement in financial reports, which include sensitivity analysis and forecasts.

Audit

Certain non-audit services may be provided by the external auditors, subject to the level of fees involved, are not considered to impair the external auditor's independence or objectivity, create a mutuality or conflict of interest, or involve the auditor in making decisions which are the preserve of management and are allowable by the Company's policy. Services included in this category are:

- reviewing interim financial information;
- reporting required by law or regulation;
- the issuing of assurance opinions in connection with documents or data published by the Company;
- reviewing regulatory returns;
- reporting on internal financial controls when required by law or regulation;
- issuing of comfort letters and fairness opinions;
- reporting on working capital statements;
- prospectus/capital markets reporting; and
- reviewing and advising on accounting policies, changes in legislation relating to reporting, the impact of new accounting standards and accounting for acquisitions and other one-off transactions.

The Committee during 2015 agreed that the following services are prohibited from being provided by the external auditor: bookkeeping, payroll administration services, management functions, executive recruiting and human resource services, broker-dealer services, expert services unrelated to their audit function and actuarial services. This list may also include any service the Audit Committee determines is not permissible.

AUDIT COMMITTEE REPORT continued

Due to the current size and complexity of the Company's operations, no internal audit function is considered necessary. In addition, the Company's day to day operations are delegated to the Investment Manager. Outsourced service providers include the following:

<i>Function</i>	<i>Provider</i>
Investment Management	Ranger Alternative Management II, LP
General Administration	Sanne Fiduciary Services Limited
Company Secretarial	Capita Company Secretarial Services Limited
Custody	Merrill Lynch, Pierce, Fenner & Smith Incorporated

In determining auditor independence the Committee assessed all relationships with the auditor and receives from the auditor information on its independence policy along with safeguards and procedures it has developed to counter perceived threats to its objectivity. The auditor also provides confirmation that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit is not impaired. During the Period no non-audit services were provided by Deloitte LLP and the Committee is satisfied that they are independent having fulfilled its obligations to both the Company and its Shareholders.

Deloitte LLP was appointed as the Company's auditor in 2015. Under the Financial Reporting Council's transitional arrangements the Company is required to re-tender, at the latest, by 2025. The Committee intends to re-tender within the timeframe set by the Financial Reporting Council.

The Audit Committee has met with the Audit partner and have assessed Deloitte LLP's performance to date, accordingly, the Audit Committee will be recommending to the Board ordinary resolutions appointing Deloitte LLP as auditor and authorising the Committee to set the auditor's remuneration will be proposed at the AGM. Deloitte LLP has confirmed its willingness to continue in office.

The Committee chairman has access to the external audit partner outside of Committee meetings and meets the external auditor without management present to discuss matters relevant to the Company.

Approval

This report was approved by the Board of Directors on 10 November 2015 and signed on its behalf by:

Jonathan Schneider

Chairman of the Audit Committee

10 November 2015

DIRECTORS' REPORT

Report and financial statements

The Directors have pleasure in presenting their first Annual Report for the Period from incorporation on 25 March 2015 to 9 April 2015 together with the financial statements. The Corporate Governance Report also forms part of this report.

Business review including events after the balance sheet date

The Company was incorporated on 25 March 2015 and on 2 April 2015 changed its accounting reference date to 31 December 2015, and then subsequently on 6 November 2015 it amended its first accounting reference date to 9 April 2015 to satisfy Section 837 of the Companies Act 2006 and to facilitate its objective of paying its first quarterly dividend. As the Company commenced trading on 1 May 2015, there are no comparative amounts presented in the financial statements.

During the Period under review the Company did not trade. The Company's principal activity is investing in Debt Instruments, primarily connected with direct lending. The Strategic Report includes further information about the Company's principal activities, financial performance during the year and indications of likely future developments.

Details of significant events since the Period end are contained in Note 7 to the financial statements, which can be found on page 33.

The Directors believe they have adequately discharged their responsibilities under section 414C of the Companies Act 2006 to provide a balanced and comprehensive review of the development and performance of the business.

Results and dividends

The Company's result for the Period after taxation amounted to £nil, reflecting the fact that the Company did not commence trading until after the Period end. The Company has traded profitably in the period since 9 April.

The Directors anticipate paying an initial dividend of 8.36p per share in respect of the quarter ended 30 September 2015, which is expected to be approved in November.

Directors

A list of all Directors who served during the Period and their biographies is shown in the Corporate Governance Report and can be found on pages 8 and 9. As at 9 April 2015 none of the Directors had a direct interest in the Ordinary Share capital of the Company.

The appointment and replacement of Directors is governed by the Articles, the AIC Code, the Companies Act 2006 and related legislation. The Articles themselves may be amended by special resolution of the Shareholders.

Directors' interests

Directors' fees and beneficial interests in the shares of the Company are on page 19. During the Period, no Director had a material interest in a contract to which the Company was a party (other than their own letter of appointment), requiring disclosure under the Companies Act 2006 other than in respect of Mr Canon and the Investment Management Agreement by virtue of Mr Canon's role as CEO of Ranger Capital Group.

The estimated aggregate remuneration to be paid to the Directors in respect of the financial Period to 8 April 2016 will not exceed £49,000. The Company has agreed to pay the following amounts upon Admission: £15,000 to Mr Waldron as Chairman of the Board, £13,750 to Mr Schneider as Chairman of the Audit Committee and £12,250 to Mr Mulford as a Non-Executive director. Mr Canon, as a non-independent director has agreed to waive any entitlement to an annual fee in respect of services provided to the Company. Only reasonable expenses incurred in performance of the duties of the office are to be reimbursed. Currently none of the Directors have elected to receive their fee in Ordinary shares and no directors receive pension benefits.

DIRECTORS' REPORT continued*Directors' remuneration (audited)**Period ended 9 April 2015*

£000**

Christopher Waldron	–
Jonathan Schneider	–
Matthew Mulford	–
Scott Canon	–
William S Kassul*	–

* William S Kassul served as a director from incorporation to 10 April 2015. He received no remuneration from the Company.

** This being the first financial year for the Company no comparative figures are available.

Conflicts of interest

The Board has adopted procedures to deal with any Directors conflicts of interest arising under section 175 of the Companies Act 2006 and such procedures have operated effectively since the Company was incorporated.

Directors' indemnity

All Directors and Officers of the Company have the benefit of the indemnity provision contained in the Articles. The provision, which is a qualifying third party indemnity provision, was in force throughout the Period and is currently still in force. The Company also purchased and maintains for the Period Directors' and Officers' liability insurance in respect of itself and its Directors and Officers as permitted by Section 234 of the Companies Act 2006. However no cover exists should a Director or Officer be found to have acted fraudulently or dishonestly.

Donations

No political or charitable donations were made during the Period.

Capital structure

The Company's authorised and issued share capital as at 9 April 2015 is shown in Note 3 to the financial statements. Details of subsequent changes to the capital structure can be found in Note 7 to the financial statements.

The Ordinary Shares rank *pari passu* in all respects. Save as disapplied by shareholder resolution, the Ordinary Shares have pre-emption rights in respect of any future issues of Ordinary Shares to the extent conferred by section 561 of the Companies Act 2006.

There are no restrictions on the transfer of Ordinary Shares in the Company, other than certain restrictions that may be imposed from time to time by laws and regulations and pursuant to the Listing Rules of the FCA, whereby certain Directors and Officers require approval to deal in Ordinary Shares of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

The Shareholders granted the Directors the following authorities at the general meeting of the Company held on 2 April 2015 until the first AGM of the Company:

- authority to allot and sell treasury shares up to an aggregate nominal value of £180,000 on a non-preemptive basis in connection with the placing and intermediaries offer as described in the prospectus published by the Company on 14 April 2015; and
- authority to allot equity securities up to an aggregate nominal value of £18,000, being 10 per cent. of the Company's issued share capital following Admission, on a non-preemptive basis.

DIRECTORS' REPORT continued

The Shareholders also granted the Directors the authority at the general meeting of the Company held on 2 April 2015 to allot up to 20 million C shares of £0.10 on a non-preemptive basis, such authority to expire at the fourth AGM of the Company.

The Shareholders granted the Directors authority at the general meeting of the Company held on 2 April 2015 to make market purchases up to a maximum of 2,698,200 Ordinary Shares, being 14.99% of the Company's issued share capital immediately following Admission, such authority to expire on earlier of the date of the first AGM or 18 months following the resolution being passed.

The Company has not bought back any shares since Admission but intends to seek approval at the AGM from the shareholders, by ordinary resolution, for authority to purchase Ordinary Shares of £0.01 each in the capital of the Company. The terms of such proposal will be included in the Notice to the first AGM.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

CREST

The Company was admitted to the London Stock Exchange on 1 May 2015, accordingly the Company's share dealings are settled in CREST, the computerised system for the settlement of share dealings on the said Exchange. CREST reduces the amount of documentation required and makes the trading of shares faster and more secure. CREST enables shares to be held in an electronic form instead of the traditional share certificates. CREST is voluntary and Shareholders can keep their share certificates if they wish. This may be preferable for Shareholders who do not trade in shares on a frequent basis.

Substantial shareholdings

As at 9 April 2015 and until Admission to trading on the London Stock Exchange, the sole shareholder was Ranger Alternative Management II, LP. On 5 November 2015, the Company had been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following interests representing 3% or more of its issued share capital:

<i>Shareholder</i>	<i>Number of ordinary shares</i>	<i>Percentage holding</i>
Invesco Ltd	3,982,000	29.49%
F & C Management Ltd	1,333,333	9.88%
Aviva plc and its subsidiaries	786,250	5.82%
City Financial Investment Company Ltd	697,500	5.17%
Artemis Investment Management LLP	611,150	4.53%

Close company provisions

The Company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Investment Manager

Details of the Investment Manager and biographies of the key personnel involved in the provision of services to the company can be found in the Corporate Governance Statement on page 11.

The Investment Manager's performance is regularly reviewed by the Board and the first Management Engagement Committee was held on 2 November 2015. The Board have considered the performance of the Investment Manager and are of the opinion that its continuing appointment on the terms agreed is in the interests of Shareholders as a whole.

DIRECTORS' REPORT continued*Performance and fees summary*

The Company was incorporated on 25 March 2015 and commenced trading 1 May 2015. Details of the Company's performance can be found in the Strategic Report on page 4. Details of the Company's fees can be found in the Shareholder Information on page 34.

The Board keeps the performance of the Investment Manager under review. The Management Engagement Committee conducted the first annual appraisal of the Investment Manager's performance in November 2015 and has made a recommendation to the Board that Ranger Alternative Management II, LLP should continue their appointment as Investment Manager and is in the best interests of the Shareholders as a whole.

Related party transactions

Details of related party transactions are given in Note 4 to the financial statements, which can be found on page 32.

Information to be disclosed in accordance with Listing Rule 9.8.4

The following table provides cross-references to where the relevant required information by Listing Rule 9.8.4R for the Period is disclosed.

Listing Rule requirement	
A statement of the amount of interest capitalised by the company during the Period under review with an indication of the amount and treatment of any related tax relief.	The Company has not capitalised any interest in the Period under review.
Any information required in relation to the publication of unaudited financial information.	Not applicable
Details of any long-term incentive schemes	Not applicable
Details of any arrangements under which a director of the Company has waived or agreed to waive any emoluments from the Company.	Mr Canon has waived his remuneration – please refer to page 18.
Details of any pre-emptive issues of equity not for cash.	Not applicable
Details of any non pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking.	Not applicable
Details of parent participation in a placing by a listed subsidiary	Not applicable
Details of any contract of significance in which a director is or was materially interested.	Mr Canon being connected to the Investment Manager has an interest in the Investment Management Agreement
Details of any contract of significance between the company (or one of its subsidiaries) and a controlling shareholder.	Not applicable
Details of waiver of dividends by a shareholder.	Not applicable
Board statement in respect of relationship agreement with the controlling shareholder.	Not applicable
Details of any arrangement under which a shareholder has waived or agreed to waive any dividends	Not applicable

DIRECTORS' REPORT continued

Environmental, human rights, employee, social and community issues

The Board believes good environmental practices such as the recycling of paper waste will support its strategy by enhancing the reputation of the Company. However, due to the nature of its business generally, the Company does not have a significant environmental impact.

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within its underlying investment portfolio.

The Company is required, by company law, to provide details of the employee, human rights, social and community issues; including information about any policies it has in relation to these matters and the effectiveness of those policies. The Company does not have any employees nor, as an investment trust, does it have any direct impact on the community and as a result does not maintain specific policies in relation to these matters. In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Principal risks and uncertainties

The Directors' view of the principal risks and uncertainties facing the business are shown in the Prospectus dated 14 April 2015 and in the Strategic Report on page 5.

Financial risk management

The Company's financial risk management is based upon sound economic objectives and good corporate practice. The Board has overall responsibility for risk management and internal control. Our process for identifying and managing risks is set out in more detail in the Corporate Governance Report on page 13. Since Admission, the Company has sought to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Company and to invest cash assets safely and profitably. All activities are transacted in US Dollars.

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Company is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments held by the Company. The Company reviews the credit quality of the platforms and limits credit exposures accordingly. All trade receivables are subject to credit risk exposure. However, there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various platforms.

Auditor

Deloitte LLP, were engaged to audit the Company for the first accounting Period and subsequently appointed as the Company's auditor for the forthcoming period and have confirmed their willingness to continue in office as auditor in accordance with Section 489 of the Companies Act 2006. The Company is satisfied that Deloitte LLP is independent and there are adequate safeguards in place to safeguard its objectivity. A resolution to appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming AGM.

The fee for the audit of the financial statements of £2,500 has been borne by the Investment Manager.

DIRECTORS' REPORT continued

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 8 and 9. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all steps he might reasonably be expected to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Annual General Meeting

The AGM of the Company will be held by no later than 6 February 2016 and the Company will send to Shareholders a notice of AGM in due course.

Every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy (regardless of the number of members for whom he is proxy) shall have one vote on a show of hands. On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each Share of which he is the holder, proxy or representative. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way.

The duly authorised representative of a corporate member may exercise the same powers on behalf of that corporation as it could exercise if it were an individual member. A member is not entitled to vote unless all calls due from him have been paid.

A member is also not entitled to attend or vote at meetings of the Company in respect of any Shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the Period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

The Notice of AGM will specify deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. The relevant proxy votes are counted and the number for, against or withheld in relation to each resolution are announced at the AGM.

Going concern

The Directors believe the Company is well placed to manage its business risks successfully. The Company's forecasts and projections show that the Company should continue to be cash generative and able to operate within the level of its current financing arrangements. Accordingly, the Directors have adopted the going concern basis for the preparation of the financial statements.

DIRECTORS' REPORT continued

Events since 9 April 2015

Since 9 April 2015, the Company has:

- William Kassul resigned as a director of the Company on 10 April 2015.
- Established an Audit, Remuneration and Nomination and Management Engagement Committee.
- Been admitted for trading on the London Stock Exchange on 1 May 2015. The Initial Public Offering ("IPO") of 13,500,000 Ordinary Shares on 1 May 2015 was priced at GBP 10 each resulting in a share premium amount of USD 204,225,570 (GBP 132,665,694) net of direct issue costs.
- At a Board meeting on 27 April 2015 it was agreed that immediately after Admission the Management Shares would be redeemed and cancelled. 50,000 Management Shares of £1 par value were paid up in full on Admission and redeemed out of the proceeds of the issue, and subsequently cancelled.
- Shareholder approval was given on 2 April 2015 for the Company's share premium account to be cancelled immediately after Admission and this permission was confirmed by court order on 1 July 2015.

Further details of significant events occurring after the end of the reporting Period are given in Note 7 to the financial statements.

Approval

This report was approved by the Board of Directors on 10 November 2015 and signed on its behalf by:

Christopher Waldron

Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company; and
- the annual report, taken as a whole, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

This responsibility statement was approved by the Board of Directors on 10 November 2015 and is signed on its behalf by:

Christopher Waldron

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGER DIRECT LENDING FUND PLC

<p>Opinion on financial statements of Ranger Direct Lending Fund plc</p>	<p>In our opinion the financial statements:</p> <ul style="list-style-type: none"> ● give a true and fair view of the state of the Company's affairs as at 9 April 2015 and of its result for the Period from 25 March 2015 to 9 April 2015; ● have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and ● have been prepared in accordance with the requirements of the Companies Act 2006. <p>The financial statements comprise the balance sheet and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.</p>
<p>Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the company</p>	<p>As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 1 to the financial statements and the directors' statement on the longer term viability of the Company contained within the Strategic Report on page 6.</p> <p>We have nothing material to add or draw attention to in relation to:</p> <ul style="list-style-type: none"> ● the directors' confirmation on page 7 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; ● the disclosures on page 5 that describe those risks and explain how they are being managed or mitigated; ● the directors' statement in note 1 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; ● the director's explanation on page 6 as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. <p>We agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.</p>
<p>Independence</p>	<p>We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the company and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.</p>

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
RANGER DIRECT LENDING FUND PLC continued**

Our assessment of risks of material misstatement

The assessed risk of material misstatement described below is that which had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk

Events after the reporting Period

There is a risk that certain events that have occurred and transactions into which the Company has entered which the Company has entered the Period from the balance sheet date to the date of issuance have not appropriately recorded or disclosed in the financial statements.

Reference:
Note 7 to the financial statements

How the scope of our audit responded to the risk

We performed substantive audit procedures which are specifically responsive to the risk and into assessed the design and into implementation of the internal controls in place to allow management to identify post balance sheet events that might be significant to the financial statements.

We attended the November board meeting and discussed the performance of the Company for the Period after the balance sheet date with the Directors. In addition, we reviewed the following documentation prepared by the Company for the Period between the balance sheet date and the date of issuance of our report:

- management accounts of the Company;
- the Company’s filings at Companies House; and
- the minutes of meetings of the Board of Directors of the Company.

Where significant transactions were identified, we checked that they had been appropriately disclosed in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGER DIRECT LENDING FUND PLC *continued*

Our application of materiality	<p>We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.</p> <p>We determined materiality for the company to be USD 700, which is below 1% of equity.</p> <p>We agreed with Those Charged with Governance that we would report all audit differences in excess of USD 14, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to Those Charged with Governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.</p>
An overview of the scope of our audit	<p>Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.</p>
Matters on which we are required to report by exception	<p><i>Adequacy of explanations received and accounting records</i></p> <p>Under the Companies Act 2006 we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> ● we have not received all the information and explanations we require for our audit; or ● adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or ● the financial statements are not in agreement with the accounting records and returns. <p>We have nothing to report in respect of these matters.</p> <p><i>Directors' remuneration</i></p> <p>Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made. We have nothing to report arising from this matter.</p> <p><i>Corporate Governance Statement</i></p> <p>Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGER DIRECT LENDING FUND PLC *continued*

<p><i>Our duty to read other information in the Annual Report</i></p>	<p>Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:</p> <ul style="list-style-type: none"> ● materially inconsistent with the information in the audited financial statements; or ● apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or ● otherwise misleading. <p>In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to Those Charged with Governance which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.</p>
<p>Respective responsibilities of directors and auditor</p>	<p>As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.</p> <p>This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.</p>
<p>Scope of the audit of the financial statements</p>	<p>An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.</p>

Garrath Marshall, ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

10 November 2015

**STATEMENT OF FINANCIAL POSITION
AS AT 9 APRIL 2015**

	<i>Notes</i>	<i>9 April 2015 USD</i>
Current assets		
Receivables	2	74,500
TOTAL ASSETS		74,500
Capital and reserves		
Called up share capital	3	74,500
TOTAL SHAREHOLDERS' EQUITY		74,500

The financial statements on pages 30 to 33 were approved and authorised for issue by the Board of Directors on 10 November 2015 and were signed on its behalf by:

Christopher Waldron
Chairman

(The notes on pages 31 to 33 form part of these financial statements)

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD FROM DATE OF INCORPORATION ON 25 MARCH 2015 TO 9 APRIL 2015

1. ACCOUNTING POLICIES

Basis of accounting and preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with applicable United Kingdom law and International Financial Reporting Standards, as adopted by the European Union ("IFRS"). The principal accounting policies are set out below and have been applied consistently throughout the Period.

Going concern

At the statement of financial position date, the Company had net assets of US\$ 74,500. The Directors have reviewed the financial projections of the Company for a period of at least 12 months from the date of this report, which shows that the Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due. Accordingly, the Directors are satisfied that the going concern basis remains appropriate for the preparation of the financial statements.

Functional and presentational currency

The financial statements are presented in US Dollars ("USD"), which is the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Profit and loss and other comprehensive income and expenses

No statement of comprehensive income is presented with these financial statements because the Company has not generated income, incurred expenditure or recognised any gains and losses.

Statement of changes in equity

No statement of changes in equity is presented with these financial statements because the Company has no information to report during the period.

Statement of cash flows

No statement of cash flows is presented with these financial statements because the Company has no cash flow information to report during the Period.

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") not yet adopted

In the Directors' opinion, except for the application of IFRS 9 referred to below, all non-mandatory New Accounting Requirements are either not yet permitted to be adopted, or would have no material effect on the reported performance, financial position or disclosures of the Company and consequently have neither been adopted nor listed.

IFRS 9 – "Financial Instruments" (Replacement of IAS 39 – "Financial Instruments: Recognition and Measurement") is effective for financial periods beginning on or after 1st January 2018. IFRS 9 addresses the recognition, classification and measurement of financial assets and financial liabilities. The Directors are assessing the impact of IFRS 9 on the financial statements of the Company.

**STATEMENT OF FINANCIAL POSITION continued
FOR THE PERIOD FROM DATE OF INCORPORATION ON 25 MARCH 2015 TO 9 APRIL 2015**

2. RECEIVABLES

9 April 2015
USD

Amounts due from related party

74,500

The balance represents amounts due from Ranger Alternative Management II, L.P., repayable on demand.

3. CALLED UP SHARE CAPITAL

9 April 2015
USD

Allocated, called up, issued and not paid

1 Ordinary Share of GBP 0.01 per share (USD 0.015)

—

50,000 Management shares of GBP 1 per share (USD 74,500)

74,500

74,500

4. RELATED PARTY TRANSACTIONS

All related party transactions are disclosed in note 2.

5. ULTIMATE PARENT COMPANY AND CONTROLLING PARTIES

The Company's immediate parent undertaking party is Ranger Alternative Management II, LP. The ultimate controlling party is Ranger Alternative Management (GP), L.L.C., a limited liability company registered in the State of Texas.

6. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company has an established risk management process to identify the principal risks that it faces as a business. The risk management process relies on the Investment Manager and the Board of Directors' assessment of the risk likelihood and impact and also developing and monitoring appropriate controls. The table below sets out the key financial risks and examples of relevant controls and mitigating factors. The Board considers these to be the most significant risks faced by the Company that may impact the achievement of the Company's investment objectives. They do not comprise all of the risks associated with the Company's strategy and are not set out in priority order.

Currency risk	Key controls and mitigating factors
The risk that exchange rate volatility may have an adverse impact to the Company's financial position and result.	Significant amounts of the Company's financial assets and liabilities are denominated in US Dollars which is also the reporting currency. Consequently, the Directors believe that there is no material net currency risk to the Company therefore no sensitivity analysis has been presented.

As a UK incorporated entity, the Company's exposure to currency risk is attributable mainly to its liabilities denominated in GBP. The Company may bear a level of currency risk that could otherwise be hedged where the Investment Manager considers that bearing such risks is limited and will not result to a significant increase in the Company's liquidity risk. As of 30th June 2015, the Company had not entered into any hedging arrangements.

**STATEMENT OF FINANCIAL POSITION continued
FOR THE PERIOD FROM DATE OF INCORPORATION ON 25 MARCH 2015 TO 9 APRIL 2015**

Funding and liquidity risk	Key controls and mitigating factors
The risk of being unable to continue to fund the Company's lending operation on an ongoing basis.	<p>The Company finances its operations mainly from the IPO proceeds. There are no redemption rights for the shareholders since the Company is closed-ended.</p> <p>In managing the Company's financial assets, the Investment Manager ensures that the Company holds at all times a portfolio of assets to enable the Company to discharge its payment obligations.</p>
Interest rate risk	Key controls and mitigating factors
The Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.	<p>In the event that interest rate movements lower the level of income receivable on loan portfolios or cash deposits the dividend required to be paid by the Company to the shareholders will also be reduced.</p> <p>Interest rate risk is analysed by the Investment Manager on a monthly basis and is communicated and monitored by the Board on a quarterly basis. The Company may also invest in other investment funds that employ leverage with the aim of enhancing returns to investors.</p>
Credit and counterparty risk	Key controls and mitigating factors
Credit risk is the risk of financial loss to the Company if the borrower fails to meet its contractual obligations. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.	<p>In the event that interest rate movements lower the level of income receivable on loan portfolios or cash deposits the dividend required to be paid by the Company to the shareholders will also be reduced.</p> <p>Interest rate risk is analysed by the Investment Manager on a monthly basis and is communicated and monitored by the Board on a quarterly basis. The Company may also invest in other investment funds that employ leverage with the aim of enhancing returns to investors.</p>

7. SUBSEQUENT EVENTS

On 10 April 2015, William Kassul resigned as a director of the Company.

On 1st May 2015, the Company completed its Initial Public Offering ("IPO") of 13,500,000 ordinary shares on the main market of the London Stock Exchange. The issue price on IPO was GBP 10 per share resulting in a share premium of USD 204,225,570 (GBP 132,665,694) after deducting direct issue costs of USD 3,385,595 (GBP 2,199,306).

All of the 50,000 Management shares of GBP 1 par value were paid up in full on 1st May 2015 and were redeemed and cancelled on the same date out of the proceeds from the IPO.

The Directors received shareholder approval for the Company's share premium account to be cancelled immediately after the IPO and this permission was confirmed by court order on 1st July 2015.

SHAREHOLDER INFORMATION

Investment Manager's Fee

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of Net Asset Value (the "Management Fee").

The Investment Manager also retains the discretion to charge a fee based on a percentage of Gross Assets (such percentage not to exceed 1.0 per cent. and provided that the aggregate Management Fee payable by the Company shall not exceed an amount equal to 1.0 per cent. of the Gross Assets of the Company or its group in aggregate (as applicable)) to any entity which is within the Company's group (including the Company), provided that such entity employs leverage for the purpose of its investment policy or strategy.

For the period from Admission until the date on which 80 per cent. of the Net Proceeds have been invested or committed for investment, directly or indirectly, in:

- (i) Debt Instruments; or
- (ii) Direct Lending Company Equity, the value attributable to any assets of the Company other than Debt Instruments or in investments in Direct Lending Company Equity held for investment purposes (including any cash) will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee.

In addition, to seek to avoid any other fee layering, if at any time the Company invests in or through any other investment fund or special purpose vehicle (including the VC Fund) and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager or any of its affiliates and not waived, the value of such investment will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee. As such, there will be no fee layering or other additional indirect costs to investors as a result of an investment by the Company in the VC Fund (or any other investment fund or special purpose vehicle managed or advised by the Investment Manager or its affiliates).

Where there are C Shares in issue, the Management Fee will be charged on the net assets attributable to the Ordinary Shares and the C Shares respectively.

Performance fee

The Investment Manager is also entitled to a performance fee calculated by reference to the movements in the Adjusted Net Asset Value since the end of the Calculation Period (as defined below) in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the Adjusted Net Asset Value at such earlier date being the "High Water Mark").

The performance fee will be a sum equal to 10 per cent. of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High Water Mark.

The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a "Calculation Period"), save that the first Calculation Period is the period commencing on Admission and ending on 31 December 2015 and the last Calculation Period shall end on the date that the Investment Management Agreement is terminated or, where the Investment Management Agreement has not previously been terminated, the Business Day prior to the date on which the Company enters into liquidation. If at the end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month Period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period.

In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the net assets referable to the C Shares on the same basis as summarised above. A Calculation Period shall be deemed to end on the date of their conversion into Ordinary Shares.

SHAREHOLDER INFORMATION continued

The Management fee and any performance fee payable to the Investment Manager will be calculated and paid in US Dollars.

Termination Arrangements

This Investment Management Agreement shall remain in force unless and until terminated by the Company or the Manager both giving to the other not less than 12 months' written notice, such notice not to be served before the third anniversary of Admission.

The agreement may be terminated by the Company with immediate effect from the date of written notice by the Company, if the Company specifies to the Investment Manager that it is to cease immediately providing all or any of the services it provides under this agreement. Such termination shall be without prejudice to the Company's obligation to pay the Investment Manager a Management Fee for the period beginning on the date such notice is given and ending on the date which is 12 months after such notice is given

The Agreement may be terminated by the Company with immediate effect from the time at which such written notice is given if the Investment Manager, (a) ceases to provide the services or to hold any required authorisation to provide the services, (b) liquidated or wound-up, (c) breaches its obligations, or (d) breaches any provision relating to the listing of the Shares on the Official List or trading of the Shares on the London Stock Exchange being suspended or terminated or results in the Company losing its investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010; or (e) the Company is required by any relevant regulatory authority or any Applicable Requirement to terminate the Investment Manager's appointment.

The Agreement may also be terminated by the Company immediately and without penalty in writing if there is a Change of Control of the Investment Manager and the entity acquiring control of the Investment Manager is deemed, in the reasonable opinion of the Board, to be unsuitable.

The Agreement may be terminated by the Investment Manager with immediate effect if (a) an order has been made or an effective resolution passed for the wind-up and liquidation of the Company or (b) the Company has committed a breach of its obligations under this Agreement that is material in the context of this Agreement.

The Agreement may be terminated by the Investment Manager on 3 months' written notice if (a) an approved Shareholders resolution would amend to the Investment Policy and the Investment Manager, acting reasonably, determines that it could no longer meet the requirements of the Service Standard as a direct result of the change to the Investment Policy (b) If a Force Majeure event persists for more than one month.

Consequences of Termination

If the agreement is terminated, the Company shall: (a) pay the accrued Management Fees and Performance Fees on a pro rata basis to the date of termination in accordance with Schedule 3; and (b) promptly reimburse to the Investment Manager all of its out of pocket expenses incurred in respect of the performances of its services hereunder up to the date of termination and payable by the Company in accordance to this Agreement. No additional payment will be required to be made to the Investment Manager by the Company.

Investment Policy

The Company's investment policy is set out on page 2.

Dividend policy

The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends. The Company intends to pay dividends on a quarterly basis, and the Company intends to pay its first dividend in December 2015 in respect of the Period to 30 September 2015. Thereafter, the Company intends to pay dividends on a quarterly basis with dividends declared in February, May, August and November and paid in April, June, September and December in each year.

SHAREHOLDER INFORMATION continued

It is the current intention of the Board to move towards a policy of balancing the quarterly dividend payments as soon as the revenue reserve position of the Company permits this approach. The Board, in its sole discretion, may choose not to adopt a dividend balancing policy if it considers this is desirable to minimise the effects of cash drag on the Company's performance.

In accordance with Regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

Share Register Enquiries

The registers for the Ordinary Shares are maintained by Capita Asset Services. In the event of queries regarding your holding, please contact the Registrar by telephone on 0871 664 0300 (Calls to this number cost 12p per minute plus any network extras, lines are open from 9.00 - 17.30 Monday to Friday). If calling from overseas please use the following number: +44 20 3728 5000. Similarly you can email shareholderenquiries@capita.co.uk or post to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Change of Address

Changes in name or address must be notified in writing to the Registrar: Shareholder Services, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Mailings to Shareholders

Communications with Shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Capita Registrars at the address given above, under the signature of the registered holder.

Share Capital and Net Asset Value Information

Ordinary £0.01 Shares	135,000,000
SEDOL Number	BW4NPD6
ISIN Number	GB00BW4NPD65
Ticker	RDL

The Company releases its net asset value per share to the London Stock Exchange on a monthly basis.

Share Prices

The Company's shares are listed on the London Stock Exchange and the price can be found at <http://www.londonstockexchange.com>.

Annual and Half-Yearly Reports

Copies of the Annual and Half-Yearly Reports are available from the Company Secretary on telephone + 44 (0)207 204 7573 and are available on the Company's website <http://rangerdirectlending.com>

Association of Investment Companies

The Company is a member of the Association of Investment Companies.

SHAREHOLDER INFORMATION continued

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained by writing to Capita Asset Services, The Registry, Beckenham Road, Beckenham, Kent, BR3 4TU. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into Shareholders' bank accounts, dividend tax vouchers are sent to Shareholders' registered addresses.

COMPANY INFORMATION

Directors

Christopher Waldron
Jonathan Schneider
Matthew Mulford
K. Scott Canon

Company Secretary

Capita Company Secretarial Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London EC4A 3BZ
United Kingdom

Registered Office

40 Dukes Place
London EC3A 7NH
United Kingdom

Investment Manager

Ranger Alternative Management II, LP
2828 N. Harwood Street
Suite 1900
Dallas, Texas
United States

Broker

Liberum Capital Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY
United Kingdom

Administrator

Sanne Fiduciary Services Limited
13 Castle Street
St Helier
Jersey JE4 5UT
Channel Islands

English and US Legal Adviser

Travers Smith LLP
10 Snow Hill
London EC1A 2AL
United Kingdom

