

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take or the contents of this document, you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Ranger Direct Lending Fund plc (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA. This Supplementary Prospectus has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The Company and each of the Directors, whose names appear on page 47 of the Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

RANGER DIRECT LENDING FUND PLC

(Incorporated in England and Wales with company number 9510201 and registered as an investment company under section 833 of the Companies Act 2006)

Supplementary Prospectus

Open Offer and Initial Placing of up to 4 million C Shares in each case at an Issue Price of £10 per C Share

and

Placing Programme for Ordinary Shares and/or C Shares for an aggregate issue price (together with the Open Offer and the Initial Placing) not to exceed £200 million

and

Admission of Ordinary Shares and/or C Shares to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market for listed securities

Investment Manager

RANGER ALTERNATIVE MANAGEMENT II, LP

Sponsor and Joint Bookrunner

LIBERUM CAPITAL LIMITED

Joint Bookrunner

FIDANTE CAPITAL

Placing Agent

STONE MOUNTAIN CAPITAL LTD

This document is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 21 November 2016 (the "Prospectus"). The definitions adopted in the Prospectus apply in this Supplementary Prospectus save where the context requires otherwise.

This Supplementary Prospectus may not be distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Supplementary Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. The Shares are being offered and sold only in "offshore transactions" to non-US persons as defined in pursuant to Regulation S. The Company has not been, and will not be, registered under the

Investment Company Act, and investors will not be entitled to the benefit of that Act. No offer, purchase, sale or transfer of the Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the Investment Company Act.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Supplementary Prospectus. Any representation to the contrary is a criminal offence in the United States.

Each of Liberum Capital Limited ("**Liberum**"), Fidante Partners Europe Limited trading as Fidante Capital ("**Fidante Capital**") and Stone Mountain Capital Ltd ("**Stone Mountain**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (Stone Mountain as an appointed representative), is acting exclusively for the Company and for no one else in relation to the arrangements referred to in the Prospectus and this Supplementary Prospectus. Neither Liberum, Fidante Capital nor Stone Mountain will regard any other person (whether or not a recipient of this Supplementary Prospectus) as its client in relation to the arrangements referred to in this Supplementary Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing any advice in relation to the contents of this Supplementary Prospectus or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum and/or Fidante Capital and/or Stone Mountain by FSMA or the regulatory regime established thereunder, neither Liberum, Fidante Capital nor Stone Mountain make any representation express or implied as to the accuracy, completeness or verification of the information set forth in this document, and nothing contained in this document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Liberum, Fidante Capital and Stone Mountain (and its respective affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Supplementary Prospectus or any such statement.

This Supplementary Prospectus is dated 2 June 2017.

INTRODUCTION

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and section 87G of FSMA following the publication by the Company of its financial results for the year ended 31 December 2016 (the "**December 2016 Report**"). This document contains further details of this significant new factor and is supplemental to, and should be read in conjunction with, the Prospectus.

1. SUMMARY

In accordance with Prospectus Rule 3.4.2, the following Elements B.7, B.10 and B.44 of the Summary are hereby supplemented as follows:

B.7	Key financial information	<p>The key audited figures that summarise the Company's financial condition in respect of the year ended 31 December 2016, which have been extracted without material adjustment from the financial statements of the Company, are set out in the following table:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;"><i>31 December 2016</i></td> </tr> <tr> <td></td> <td style="text-align: right;"><i>(USD)</i></td> </tr> <tr> <td>Total non-current assets</td> <td style="text-align: right;">231,537,445</td> </tr> <tr> <td>Total current assets</td> <td style="text-align: right;">81,783,722</td> </tr> <tr> <td>Total non-current liabilities</td> <td style="text-align: right;">66,049,907</td> </tr> <tr> <td>Total current liabilities</td> <td style="text-align: right;">4,164,811</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;"><u>243,106,449</u></td> </tr> </table> <p>The key audited figures that summarise the Group's financial condition in respect of the year ended 31 December 2016, which have been extracted without material adjustment from the financial statements of the Company, are set out in the following table:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;"><i>(Audited) 31 December 2016</i></td> </tr> <tr> <td></td> <td style="text-align: right;"><i>(USD)</i></td> </tr> <tr> <td>ASSETS</td> <td></td> </tr> <tr> <td>Non-current assets</td> <td></td> </tr> <tr> <td>Financial assets at fair value through profit or loss</td> <td style="text-align: right;">46,647,239</td> </tr> <tr> <td>Loans held at amortised cost</td> <td style="text-align: right;">240,015,255</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>286,662,494</u></td> </tr> <tr> <td>Current assets</td> <td></td> </tr> <tr> <td>Derivative assets</td> <td style="text-align: right;">531,528</td> </tr> <tr> <td>Advances to/funds receivable from direct lending platforms</td> <td style="text-align: right;">1,000,563</td> </tr> <tr> <td>Prepayments and other receivables</td> <td style="text-align: right;">958,452</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">24,820,380</td> </tr> </table>		<i>31 December 2016</i>		<i>(USD)</i>	Total non-current assets	231,537,445	Total current assets	81,783,722	Total non-current liabilities	66,049,907	Total current liabilities	4,164,811	Net assets	<u>243,106,449</u>		<i>(Audited) 31 December 2016</i>		<i>(USD)</i>	ASSETS		Non-current assets		Financial assets at fair value through profit or loss	46,647,239	Loans held at amortised cost	240,015,255		<u>286,662,494</u>	Current assets		Derivative assets	531,528	Advances to/funds receivable from direct lending platforms	1,000,563	Prepayments and other receivables	958,452	Cash and cash equivalents	24,820,380
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	TOTAL ASSETS	313,973,417
	EQUITY AND LIABILITIES	
	Capital and reserves	
	Called-up share capital	427,300
	Share premium account	40,346,947
	Other reserves	204,225,570
	Revenue reserves	5,077,791
	Realised capital profits	(6,682,162)
	Unrealised capital losses	(388,953)
	Foreign currency transaction reserves	12,378
	TOTAL SHAREHOLDERS' EQUITY	243,018,871
	Non-current liabilities	
	Zero dividend preference shares	66,096,829
	Amounts due to subsidiary undertaking	-
	Current liabilities	
	Income tax liability	54,328
	Funds payable to direct lending platforms	-
	Accrued expenses and other liabilities	3,700,070
	Derivative liabilities	1,103,319
	NET ASSETS	243,018,871
	NAV per Ordinary Share (in GBP Sterling)	£12.20
	NAV per Ordinary Share (in USD)	USD 15.05
	NAV per C Share (in GBP Sterling)	£9.80
	NAV per C Share (in USD)	USD 12.09
	Save as set out below, there have been no significant changes to the financial condition or operating results of the Company during or subsequent to the periods covered by the historical information set out above and since 31 December 2016 (being the end of the last financial period of the Company for which financial information has been published):	

		<p>(i) On 1 August 2016 Ranger ZDP issued 30 million ZDP Shares pursuant to the First ZDP Issue, the net proceeds of which were loaned to the Company pursuant to the Loan Agreement.</p> <p>(ii) On 10 August 2016 the Company declared the payment of an interim dividend of 26.87 pence per Ordinary Share.</p> <p>(iii) On 4 November 2016 Ranger ZDP issued 23 million ZDP Shares pursuant to the Second ZDP Issue, the net proceeds of which were loaned to the Company pursuant to the Loan Agreement.</p> <p>(iv) On 9 November 2016 the Company declared the payment of an interim dividend of 27.67 pence per Ordinary Share.</p> <p>(v) On 16 December 2016, the Company issued a total of 1,611,041 C Shares pursuant to the Open Offer and Initial Placing, raising in aggregate £16,110,410 before expenses.</p> <p>(vi) On 24 February 2017, the Company declared the payment of an interim dividend of 28.51 pence per Ordinary Share.</p> <p>(vii) On 7 April 2017 the 1,611,041 C Shares issued by the Company on 16 December 2016 were converted, pursuant to the Articles, into 1,274,281 Ordinary Shares and 14,836,129 Deferred Shares.</p> <p>(viii) As noted in the Company's announcement on 12 April 2017, the SME Credit Line Platform took a reserve of USD 11.7 million in respect of Argon Credit, LLC and Argon X, LLC (together, "Argon") due to a decline in cash flows attributable to the portfolio and, accordingly, the Company applied a gross impairment of USD 11.7 million to the SME Credit Line Platform net asset value. This reserve was included in the Company's accounts for the year ended 31 December 2016.</p>
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	<p>The December 2016 Report was audited by Deloitte LLP (the "Auditors") whose report was qualified under sub-section 498(2) of the Companies Act 2006 (the "Companies Act") as, as further explained below, the Directors were unable to provide the Auditors with sufficient appropriate evidence in relation to investments recorded at a value of USD 46.6 million and the Auditors were not able to obtain sufficient appropriate evidence regarding this investment by using other audit procedures.</p> <p>The Group's investment in the SME Credit Line Platform is valued on the basis of statement of fund performance received on a monthly basis from the SME Credit Line Platform, less a provision for potential defaults of USD 137,750. In the previous period, the fair value as at the reporting date was checked for reasonableness by comparing the amount against the SME Credit Line Platform's discounted projected future cash flows. Following Argon's bankruptcy as announced by the Company on 22</p>

		December 2016, the Investment Manager made various inquiries in respect of the basis on which the SME Credit Line Platform's reserve against the Argon portfolio had been made. These inquiries included meetings with the SME Credit Line Platform's management, auditor, legal counsel and the Auditors. As the Investment Manager was not provided enough data to make its own determination of the value of this asset, the Investment Manager, as a practical expedient, relied 100 per cent. without adjustment upon the net asset valuation provided by the SME Credit Line Platform.
B.44	No financial statements have been made up	The audited financial statements of the Company for the year ended 31 December 2016 are incorporated by reference into this document and the Prospectus.

2. FINANCIAL INFORMATION

2.1 FINANCIAL INFORMATION INCORPORATED BY REFERENCE

Part D – Audited financial statements for the year ended 31 December 2016

The December 2016 Report was prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRC**") of the IASB (together "**IFRS**") as adopted by the European Union, the requirements of the Companies Act applicable to companies reporting under IFRS and the Listing Rules.

The December 2016 Report was audited by the Auditors whose report was qualified under subsection 498(2) of the Companies Act as, as further explained below, the Directors were unable to provide the Auditors with sufficient appropriate evidence in relation to investments recorded at a value of USD 46.6 million and the Auditors were not able to obtain sufficient appropriate evidence regarding this investment by using other audit procedures.

The Group's investment in the SME Credit Line Platform is valued on the basis of statement of fund performance received on a monthly basis from the SME Credit Line Platform, less a provision for potential defaults of USD 137,750. In the previous period, the fair value as at the reporting date was checked for reasonableness by comparing the amount against the SME Credit Line Platform's discounted projected future cash flows. Following Argon's bankruptcy as announced by the Company on 22 December 2016, the Investment Manager made various inquiries in respect of the basis on which the SME Credit Line Platform's reserve against the Argon portfolio had been made. These inquiries included meetings with the SME Credit Line Platform's management, auditor, legal counsel and the Auditors. As the Investment Manager was not provided enough data to make its own determination of the value of this asset, the Investment Manager, as a practical expedient, relied 100 per cent. without adjustment upon the net asset valuation provided by the SME Credit Line Platform.

Selected financial information set out in paragraph (b) below from the December 2016 Report is incorporated by reference into this document and the Prospectus. Information in the December 2016 Report that is not incorporated by reference is either not relevant to investors or covered elsewhere in this document.

(a) Selected financial information

Key figures that summarise the Company's financial condition in respect of the year ended 31 December 2016 which have been extracted without material adjustment from the December 2016 Report are set out in the table below:

	<i>(Audited)</i> 31 December 2016 <i>(USD)</i>
ASSETS	
Non-current assets	
Financial assets at fair value through profit or loss	-
Loans held at amortised cost	35,757,090
Investment in subsidiaries	195,780,355
Total non-current assets	<u>231,537,445</u>
Current assets	
Derivative assets	531,528
Amounts owed by subsidiary undertakings	65,710,219
Prepayments and other receivables	134,345
Cash and cash equivalents	15,407,630
Total current assets	<u>81,783,722</u>
TOTAL ASSETS	<u>313,321,167</u>
Non-current liabilities	
Zero Dividend Preference Shares	-
Amounts due to subsidiary undertaking	66,049,907
Total non-current liabilities	66,049,907
Current liabilities	
Derivative liabilities	1,103,319
Funds payable to direct lending platforms	-
Accrued expenses and other liabilities	3,061,492
Total current liabilities	<u>4,164,811</u>
NET ASSETS	<u>243,106,449</u>
EQUITY AND LIABILITIES	
Capital and reserves	
Share capital	427,300
Share premium account	40,346,947
Other reserves	204,225,570
Revenue reserves	6,583,320
Realised capital profits	(6,952,782)
Unrealised capital profits	(1,523,906)
Foreign currency translation reserves	-
TOTAL SHAREHOLDERS' EQUITY	<u>243,106,449</u>

NAV per Ordinary Share	15.06
NAV per C Share	12.09

(b) Information incorporated by reference

The information set out below and relating to the Company is incorporated by reference and is available online at www.rangerdirectlending.com and www.morningstar.co.uk/uk/nsm and is also available for inspection at the address referred to in paragraph 13 of Part X of the Prospectus.

<i>Information incorporated by reference</i>	<i>Page references in the December 2016 Report</i>
Overview and Investment Strategy	3-7
Chairman's Statement	8-9
Investment Manager's Report	10-12
Group Strategic Report	13-24
Corporate Governance Report	25-30
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2.2 NO SIGNIFICANT CHANGE

Save as set out in paragraphs (a) and (b) below, there has been no significant change to the financial or trading position of the Company since 31 December 2016, being the end of the last financial period of the Company for which financial information has been published:

- (a) on 24 February 2017, the Company declared that it would pay an interim dividend of 28.51 pence on the Ordinary Shares, payable on 7 April 2017 to holders of Ordinary Shares on the register on 10 March 2017; and

- (b) on 7 April 2017 the 1,611,041 C Shares issued by the Company on 16 December 2016 were converted, pursuant to the Articles, into 1,274,281 Ordinary Shares and 14,836,129 Deferred Shares.

ADDITIONAL INFORMATION

1. *Documents available for inspection*

Copies of this Supplementary Prospectus and the December 2016 Report are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL up to and including 20 November 2017.

2. *General*

To the extent that there is any inconsistency between any statement in or incorporated by reference in this document and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this document will prevail.

Save as disclosed in this document, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen or been noted since the publication of the Prospectus.