RANGER DIRECT LENDING FUND PLC

(Registered No. 09510201)

HALF-YEARLY FINANCIAL REPORT (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

CONTENTS

FORWARD-LOOKING STATEMENTS

This report includes statements that are, or may be considered, "forward-looking statements". The forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

INFORMATION REQUIRED, TO THE EXTENT APPLICABLE, FOR DISTRIBUTION TO QUALIFIED INVESTORS IN SWITZERLAND:

The Prospectus, the Articles of Association as well as the annual and half-year reports of the Company are available only to qualified investors (as defined in the Collective Investment Schemes of 23 June 2006, as amended, and its implementing ordinance) ("Qualified Investors") free of charge from the Swiss Representative. In respect of shares distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Swiss Representative.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.

Swiss Paying Agent: Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich

OVERVIEW

About Ranger Direct Lending Fund Plc

Ranger Direct Lending Fund Plc (the “Company”) was incorporated and registered in England and Wales on 25 March 2015. This half-yearly financial report for the period ended 30 June 2018 (the “Half-Yearly Report”) includes the results of Ranger Direct Lending Fund Trust (the “Trust”) and Ranger Direct Lending ZDP plc (the “ZDPco”), in respect of which further details are set out below.

The Company commenced operations on 1 May 2015 following the admission of GBP 0.01 each Ordinary Shares (“Ordinary Shares”) to the London Stock Exchange Premium Main Market (“Admission”). The Company has carried on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Since Admission, the Company has deployed the proceeds of its initial public offering on 1 May 2015 (the “IPO”) and subsequent tap issue Ordinary Shares at an issue price of GBP 10.45 on 16 December 2015 (the “tap issue”) in a portfolio of Debt Instruments (defined below) issued mainly by direct lending platforms (being businesses which serve as originators and/or distributors of Debt Instruments and which are not traditional retail or investment banks (“Direct Lending Platforms”)) in the United States of America (“US”) and the United Kingdom (“UK”). The portfolio comprises Debt Instruments (held directly and indirectly) within a diverse group of asset classes including real estate loans, invoice receivables, equipment finance, SME loans and platform debt.

On 16 December 2016 the Company issued 1,611,041 C shares of GBP 0.10 in the capital of the Company (“C Shares”) pursuant to a placing and open offer at an issue price of GBP 10.00 per C Share (the “Placing and Open Offer”). The Company’s C Shares were subsequently converted into Ordinary Shares on 6 April 2017, following full investment of the net proceeds of the issue of the C Shares in accordance with the Company’s investment policy.

The Company’s investing activities have been delegated by the Board to the Investment Manager, Ranger Alternative Management II, LP (the “Investment Manager”). Other administrative functions are contracted to external service providers. However, the Directors retain responsibility for exercising overall control and supervision of the Investment Manager and external service providers. The Company has no employees.

On 1 June 2018, the Company announced that it will move to realise its assets and proceed with the wind-down process. The investment management agreement was also terminated with effect from 1 May 2019.

The Trust

In accordance with the Company's investment policy, the Company holds a number of its Debt Instrument investments through the Trust. On establishment of the Trust, the Company was the depositor, managing holder and sole beneficiary of the Trust. The Trust is a Delaware Trust established on 22 April 2015 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). Under the terms of the declaration of trust and trust agreement that was entered into on establishment of the Trust, the Company is the sole beneficiary of the Trust and also has administrative powers in respect of the Trust’s assets.

The Trust has no separate legal personality and is wholly transparent for UK tax purposes.

ZDPco

On 23 June 2016 the Company incorporated ZDPco, a public limited company incorporated under the laws of England and Wales. On 1 August 2016, ZDPco was subsequently admitted to the standard segment of the Official List of the UK Listing Authority and its zero dividend preference shares of GBP 0.01 each (“ZDP Shares”) were admitted to trading on the London Stock Exchange’s main market for listed securities. The proceeds from the issuance of the ZDP Shares were on-lent to the Company by way of an intercompany loan agreement (the “Loan Agreement”). The Company also granted ZDPco an undertaking to (among other things) subscribe for such number of ordinary shares in the capital of the ZDPco as may be necessary or to otherwise ensure that ZDPco has sufficient assets to satisfy its obligations to the ZDP Shareholders and pay any operational costs incurred by ZDPco.

ZDPco raised GBP 30 million and GBP 23 million on 1 August 2016 and 4 November 2016, respectively through the issue of ZDP Shares.

The Company, the Trust and the ZDPco are collectively referred to in this report as the “Group”.

CHAIRMAN'S STATEMENT

The Company's disappointing performance since the Princeton issues arose in the first Quarter of 2016 continued in H1 2018. In the first six months of 2018 the cum-income NAV contracted by 3.7% in US dollar terms on the back of deteriorating performance at a number of platforms, persistent uncertainty over the Princeton investment and escalation of litigation and other advisory costs. The Company continued to pay dividends, but they declined from 55.4p for the half year to 30 June 2017 to 14.28p for the current half year even as sterling depreciated against the US dollar by 2.4%. The share price did recover by 11.3% in sterling terms and hence the published NAV discount narrowed from 27.3% on 31 December 2017 to 18.1% on 30 June 2018.

At the AGM on 19 June 2018 the Company's ordinary Shareholders overwhelmingly voted to change the Board by entrusting the stewardship of the Company to three new directors with only one pre-existing director remaining on the Board. Leading up to the AGM, and as previously announced, the new directors had been nominated by two major Shareholders who also wished for the Company to realise its assets and return capital to Shareholders. Subsequently, Brett Miller was also appointed to the Board as announced on 6 July 2018.

The reconstituted Board now has the relevant specialty finance, closed-end fund restructuring and litigation expertise, all of which will be needed to execute an orderly wind-down that maximises shareholder value.

Princeton

The resolution of the ongoing Princeton litigation is one of the top priorities for the new Board. It is extremely disappointing that after more than a year of litigation and the expenditure of significant sums that the Company still lacks control and detailed information on the investments underlying the Company's holding in the Princeton fund. Notwithstanding that, we are now determined to step up our efforts and will vigorously pursue all legal and commercial means at our disposal to achieve maximum efficient recovery for our Shareholders.

As we announced on 3 August 2018, the arbitration panel has rendered a "Partial Final Award" on Phase I of the arbitration as follows:

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

The arbitration panel awarded gross damages in the amount invested by the Company and the US domestic fund which is managed by the Company's Investment Manager, which is USD 61.8 million, and adjusted that award to net damages totaling USD 30.7 million, plus pre-judgment interest accruing from 30 November 2016. The damages award is attributable to both the Company's investment in Princeton as well as the investment by the US fund managed by the Investment Manager, less an amount previously received as dividends but later reclassified by Princeton as a return of capital due to an impairment taken by Princeton with respect to the Argon investment (USD 9.1 million), less the amount the Panel attributed to the Argon side pocket in Princeton (USD 22 million).In addition, the arbitration panel found that the Company and the US domestic fund are entitled to 99 per cent. of any distributions from the Argon side pocket in Princeton.

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

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

CHAIRMAN'S STATEMENT (continued)

The Company's holding in Princeton is held on the balance sheet at historical valuation of US$28.5million, following two write downs in 2017. The Company intends to make adjustments to this valuation, if necessary, as soon as more information becomes available and our recovery efforts progress.

Manager Arrangements

In January 2018, the previous Board appointed Kinmont Advisory as its independent external advisor and initiated a formal process to conduct a review and resolve the management arrangements for the Company beyond May 2018. This process resulted in the previous Board's recommendation of Ares Capital Management III LLC ("Ares") as new manager and a 12-month notice being served to the existing Investment Manager, Ranger Alternative Management II LP, ("Ranger") as of 1 May 2018. However, it became increasingly clear that Shareholders had lost faith in the stewardship of the previous Board and Kinmont, eventually causing Ares to abandon discussions, despite the previous Board having incurred costs of about USD 900,000 for this futile exercise.

Shortly after its appointment the new Board formed two new working committees to provide the necessary oversight of and guidance to Ranger. The first committee is tasked with engaging with Ranger concerning the wind-down and realisation of the Company's existing portfolio (excluding Princeton) with the specific aim of maximising returns for stakeholders. This committee has also conducted an in-depth review of the Company's service providers and their contractual agreements as well as other corporate matters. The second committee is liaising with Ranger and acts as a point of contact in respect of the Princeton proceedings and the strategic decisions associated with those proceedings. Any final decisions regarding the approach to the investment portfolio and any other proposals to be put to Shareholders will be decided by the Board as a whole. Transparency, accountability and stakeholder engagement will be paramount, as the Company moves into the next phase.

In addition, my fellow director Brett Miller and I have taken on certain executive duties until further notice. This allows us to exercise more control and increase both the intensity and the cadence of the Company's wind-down efforts. This was partly also necessitated by the departure of certain members of the Ranger investment team. Both myself and Mr. Miller have spent considerable time already with Ranger in Dallas working with the Investment Manager commencing the orderly realisation of assets, engaging with both investee platforms and potential buyers of our interests and kick-starting the realisation process. We have also commenced a dialogue with the note holders of Ranger Direct Lending ZDP PLC and will further engage with these stakeholders in due course.

Portfolio

The previous Board commissioned an independent valuation report of the Company's portfolio as of 31 December 2017. When this report was finally completed in April, it identified no major deviations from the reported NAV. Nevertheless, a number of adverse developments occurred in two major platforms starting in Q1 2018.

First, the President of the Company's International SME lending platform departed unexpectedly in January. The subsequent onsite review of the platform's operations that the platform had not been adequately servicing the loans sold to the Company. This necessitated the write-off in March of $1.2 million for two loans and a write-off a loan in June for $615k (plus $170k in accrued interest), all due to loans in default status. To be conservative, the Board also approved a general reserve of 10% for all remaining SME loans on this specific platform of approximately $1.3 million. To prevent further deterioration of the International SME Lending Platform portfolio, actions have been underway for the Investment Manager to temporarily take over the servicing of these investments.

Second, the Company provided the International LOC Partner with guidance that, pursuant to potential changes in its long-term investment objectives, the Company may seek to amend or unwind its credit facility within the foreseeable future. As a result, the International LOC Partner is currently in discussions with alternative credit providers. The platform is in compliance with the terms of the credit facility and based on its representations its cash flow and operations indicated have not deteriorated. However, if the manager is instructed to unwind the credit facility, the International LOC Partner's ability to immediately pay maturing notes as they come due would be dependent on its ability to secure replacement financing under terms which are acceptable to the Company. It should be noted that the Company is a material source of capital for this platform. Although, with the exception of one note amounting to USD 1.0 million, the Company has no legal obligations to forward fund any investments. However, Shareholders should be aware that in some instances the Company may need to advance sums even though the new Board would rather it would not, in order to preserve stability and value during the period in which we evaluate the wind down of such assets.

CHAIRMAN'S STATEMENT (continued)

Outlook

The Board plans to commence capital returns in the coming months. These will be generated on the back of orderly asset disposals and re-financings are currently being negotiated. We are encouraged by the progress of our discussions with interested parties. The positive credit market backdrop further aids our efforts and adds to our resolve to exit the majority of the Company's portfolio before year end. We have also commenced discussions with ZDP holders about an early redemption of their instruments.

Our newly intensified efforts on Princeton may not yield immediate results, but we remain confident in the merits of our case. We are also starting to make plans for adequate management of any future stub portfolio and the Executive Directors have taken steps to put in place a team to manage such stub should the arrangements with the Investment Manager terminate early or expire in May 2019 according to the notice that has been served.

I would like to thank the investment management team for their perseverance and support during a period of uncertainty. The new Board has endeavored to create a positive and stable working environment with the existing management team and think this has been a positive development in stabilising the Company.

Finally, on behalf of the entire Board I would like to thank our Shareholders for the immense trust they have placed in us.

Dominik Dolenec
Chairman
24 September 2018

INVESTMENT MANAGER'S REPORT

The Investment Manager would like to thank Shareholders for their ongoing support of the Company. As you can imagine, the last few months have been a trying time for the Investment Manager as the Company has endured a failed management review process, reconstruction in Board leadership and fundamental changes to the investment strategy. During this time, there has been little to no comment from the Investment Manager over these actions, and we would like to use this Investment Manager report to express our continued commitment to the Company and all of its shareholders as we look toward the new mandate of unwinding the portfolio of the Company.

Over the past few months, the Investment Manager has been working with and educating the new Board on our portfolio investments and processes. To advance the Board's desire to liquidate the fund, and to maximize shareholder value within that objective, the Investment Manager has been instrumental in spearheading productive conversations between our platform partners and potential buyers. The Investment Manager believes that the quality of many of these platform portfolios is the primary reason these portfolios are receiving strong interest from outside buyers.

In addition, the Company's investment strategy has primarily focused on short-duration investments. As such, we anticipate that assets which are too small to sell will run-off relatively quickly and provide cash to shareholders within an acceptable duration of time. As mentioned in the Chairman's Statement, the Investment Manager has been working diligently on the Company's International SME lending platform with the unexpected departure of the platform's President. While it is not our expertise, the Investment Manager has subsequently, and temporarily, taken over the servicing of such portfolio and is working hand in hand with the Board to minimize potential write-offs.

Notwithstanding the above, Shareholders should take note that a mandate requiring the active sale or timed liquidation of portfolios presents an inherent risk which does not present itself with the run-off of a portfolio, in that the such assets may not be realized at their fair value. Although the Company is not currently considering offers which fall materially below par, the inherent risk of attracting opportunistic buyers must be managed with the optionality to run down a short-term portfolio in order to ensure the realization of appropriate value. It is also important for shareholders to recognize that a material amount of the future value for the Company will be tied to current claims in litigation. In balancing such interests, the Investment Manager recognizes that the interests of certain shareholders who purchased shares at a discount to the NAV, may diverge from the interest of long term shareholders. To that end, the Investment Manager advocates, and the Board agrees, that the interest of any one group of investors will not be given priority in consideration, but rather the Company shall seek the best resolution on behalf of all shareholders, even if such result will require the consideration of a reasonably longer time horizon.

The Investment Manager will continue to work closely with the Board towards the goal of realising returns for all Ordinary and ZDP shareholders. Finally, we want to again thank all the shareholders for your support over these past few years. We have enjoyed working with all of you.

Company Portfolio

As at 30 June 2018, all proceeds originating from the Company's IPO in May 2015, tap issue completed in December 2015, both ZDP offerings, and Open Offer and Initial Placing of C Shares in December 2016 (converted into Ordinary Shares in April 2017) remain deployed, less an amount for general fund operations, foreign exchange settlements and surplus cash. With the leverage provided by the ZDP shares, gearing is at 36.7% as at 30 June 2018.

In accordance with the Board's instructions, the Investment Manager in June 2018 has discontinued making investments through normal course of business with the following exceptions, each of which are made with the Board's prior written approval.

1) Investments that protects the value of the collateral attributable to prior investment(s).
2) Investments to company with the Company's pre-existing contractual obligations.

INVESTMENT MANAGER'S REPORT (continued)

Company Portfolio (continued)

From January to June 2018 the Company continued to invest through several Direct Lending Platforms in the US, UK, Australia, and Canada, focused primarily on secured Debt Instruments. Per the Board's direction, no additional platforms will be on boarded. While the Company has successfully on boarded 13 platforms since inception, all active facilities and/or debt instruments, except as noted above are in run-off mode such that any payments received will be held in cash until such time as when cash is distributed to shareholders.

Investments with the International SME Lending Platform were suspended earlier this year following the departure of its President and pending a review of its operations. The ongoing review of its operations unfortunately revealed that the company had not been adequately servicing the loans sold to the Company. This necessitated the write-off in March of USD 1.2 million for two loans and a write-off a loan in June for USD 615k (plus USD 170k in accrued interest), all due to loans in default status. To be conservative, the Board also approved a general reserve of 10% for all remaining SME loans on this specific platform of approximately USD 1.3 million. To prevent further deterioration of the International SME Lending Platform portfolio, actions have been underway for the Investment Manager to temporarily take over the servicing of these investments.

As directed by the Board, the Investment Manager has contacted several parties who may have an interest in purchasing various portions of the investment portfolio. Bids for portions of the portfolio are being received and evaluated by the Board, and additional bids are expected to be received in September.

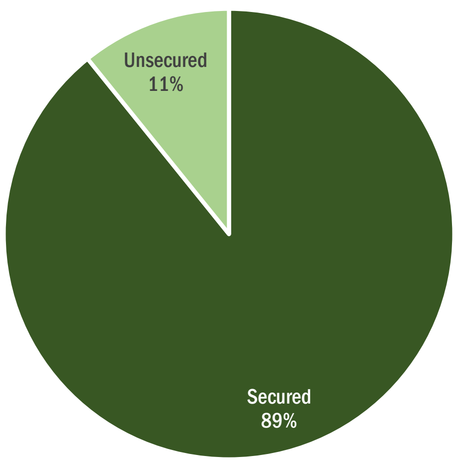
The investments have been made into eight categories and 18 different sub-categories of Debt Instruments spanning the 13 different Direct Lending Platforms. At 30 June 2018, 89% of the portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to mainly SME borrowers, and 11% of the portfolio consisted of unsecured consumer loans. For this purpose, a secured Debt Instrument is defined by the Company as a payment obligation in which property, revenue (including receivables), or a payment guaranty has been pledged, mortgaged or sold to the Company as partial or full security with respect to such obligation.

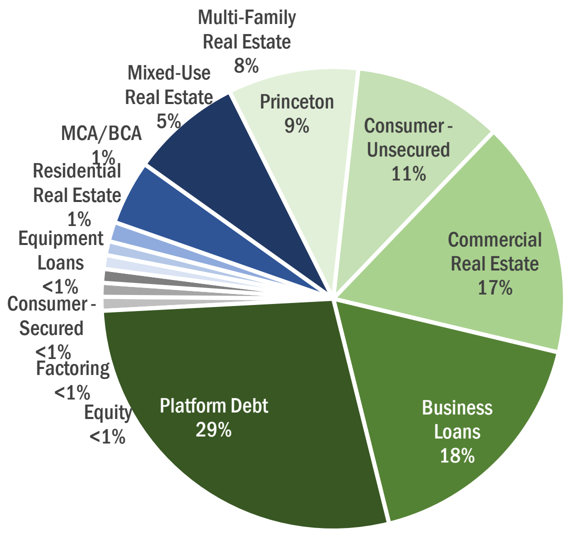
The Company will continue to comply with its investment restrictions set out in investment policy, together with the subsequent directions issued by the Board, and which apply at the time of investment when making investments in Debt Instruments (whether directly or indirectly).

In addition to investing in Debt Instruments, the Company may also invest up to 10% of gross assets in the equity of Direct Lending Platforms and/or organizations serving the direct lending industry. As at 30 June 2018, one such equity investment was made for USD 300,000 in June 2017.

Portfolio Composition

The Portfolio composition as at 30 June 2018 was as follows based on outstanding principal balance (excluding accrued interest and allowance for loan losses):





INVESTMENT MANAGER'S REPORT (continued)

Independent valuation of the portfolio

For the half-yearly financial report ended 30 June 2018, an independent valuation firm was retained to perform fair valuation consulting services on the 4 largest platforms for the Company's portfolio. This excludes the investment in Princeton, owing to a lack of available information for that investment. The consulting services consisted of certain limited procedures that the Company identified and requested the independent valuation firm to perform.

A copy of the report from the independent valuation firm has now been delivered to the Company's Board and Investment Manager.

The Company is ultimately and solely responsible for determining fair value of the investments in good faith, and following its review of the report, the Company, in its sole determination, following consultation with its advisers, has not made any adjustment to the values of the portion of the portfolio reviewed as compared to the values used as at 30 June 2018 for the purposes of calculating the unaudited net asset value as at that date.

Princeton Update

As announced on 3 August 2018, the Company notes the following developments in the ongoing bankruptcy proceedings relating to Princeton Alternative Income Fund, LP ("Princeton") and its former general partner Princeton Alternative Funding, LLC.

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

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

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

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

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

Previously, the Court extended Princeton's exclusive statutory right to file a chapter 11 plan through 24 September. However, based on developments in the case, on 13 August 2018, the Court terminated Princeton's plan exclusivity rights. This allows the Company to prepare and file a chapter 11 plan. The Company is presently conducting discovery in order to prepare and file a chapter 11 plan to liquidate the Princeton Fund under the supervision of an independent Liquidating Trustee. The Company will move to have its plan approved by the Bankruptcy Court. The Company's motion to appoint a chapter 11 Trustee remains pending before the Court as well.

INVESTMENT MANAGER'S REPORT (continued)

As at 30 June 2018, the portfolio (excluding cash and cash equivalents) was diversified across different sectors as follows:

	Allocation		
Sector	*30 Jun 2018*	*31 Dec 2017*	*Change*
Platform Debt	29%	20%	45%
Commercial Real Estate Loans	19%	18%	6%
Business Loans/Merchant Cash Advances	17%	18%	(6)%
Consumer Loans	11%	17%	(35%)
Business Letter of Credit	9%	9%	0%
Multi-family Real Estate Loans	8%	9%	(11%)
Mixed-use Real Estate Loans	5%	5%	0%
Residential Real Estate Loans	2%	2%	0%
Factoring	0%	1%	(100%)
Equipment Loans	0%	1%	(100%)
Total (excluding cash and cash equivalents)	100%	100%	

The following KPIs are being tracked for the Group, and values for each as at 30 June 2018 are shown in the table below.

Indicator	*Criteria*	*As of 30 Jun 2018*
Target Return[10]	12% to 13% unlevered annual net returns to the Company on loan investments	Targeted net annualized returns (after Princeton-Argon impairment) are 8% to 11% to the Company before fund expenses, management and performance fees.
Capital Deployed	USD 311 million (net of relevant issue costs) available for deployment	USD 279.0 million principal (net of relevant issue costs) amount invested
Total dividends for the period	At least 85% of Net Profit	Interim dividends of 90% of Net Profit
Investment restrictions		
- Maximum term loan for investment	5 years	No Debt Instrument references a loan agreement with a term in excess of 5 years
- Maximum term for trade receivable investment	180 days	No Debt Instrument references a trade receivable in excess of 180 days
- Maximum investment to any single asset class sub-category	25% of gross assets	The Company has invested 16.3% of gross assets in the commercial real estate loans sub-category
- Maximum investment to loans originated by any single lending platform	25% of gross assets	The Company has invested 21.2% of gross assets in the Direct Lending Platform which issues real estate loans
- Maximum investment to any Debt Instrument	2% of gross assets	No single Debt Instrument in which the Company has an interest exceeds 1.9% of gross assets

INVESTMENT MANAGER'S REPORT (continued)

Indicator	*Criteria*	*As of 30 Jun 2018*
Investment restrictions continued		
- Maximum allocation to any Debt Instrument to an asset sub-class	20% of gross assets	No single Debt Instrument originated or issued by a single Direct Lending Platform represents more than 20% of gross assets allocated to the asset class sub-category that the relevant Debt Instrument forms part of
- Minimum investment to loans secured by assets or personal guarantee	65% of gross assets	85.8% of the gross assets is invested in Debt Instruments which are secured by assets or personal guarantee
- Target allocation to loans secured by assets or personal guarantee	75% of portfolio	89.2% of the portfolio are secured by assets or personal guarantee

MANAGEMENT REVIEW PROCESS

On 25 January, 2018, the Board approved an initial engagement with an investment banker (Kinmont) to perform specific duties in collaboration with the Management Engagement Committee. This agreement was amended on 1 June, 2018, to reflect changes and enhancements in the scope of the engagement. Ultimately, £853,698 (in USD: $1,126,881) was spent on the management review process to various service providers:

		GBP		USD*
Kinmont - Retainer fees	£	192,000	$	253,440
Kinmont - Transaction fee	£	240,000	$	316,800
Travers Smith	£	394,698	$	521,001
BDO	£	27,000	$	35,640
	£	853,698	$	1,126,881

* Exchange rate of 1.32 USD to GBP. Above amounts also include VAT of 20%

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT

For the period from 1 January 2018 to 30 June 2018

CAUTIONARY STATEMENT

This interim management report has been prepared solely to provide additional information to Shareholders to assess the strategies of the Group. The interim management report should not be relied upon by any other party or for any other purpose.

The interim management report contains forward looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

RISK AND UNCERTAINTIES

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

The Board of Directors 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 also maintains a risk register to identify, monitor and control risk concentration.

The Board's responsibility for conducting a robust assessment of the principal risks is embedded in the Company's risk map and stress testing which helps position the Company to ensure conformance with the Association of Investment Companies ("AIC") Corporate Governance Code's requirements.

The Board does not consider that the principal risks and uncertainties have changed since the publication of the Group's 2017 annual report. The principal risks to which the Group will be exposed in the remaining six months of the financial year, being macroeconomic, legal and compliance, investment, taxation risks and cyber security risk, are substantially the same as those described on pages 18 to 21 of the 2017 annual report, a copy of which is available at www.rangerdirectlending.uk.

The Company has considered Brexit's current and potential impact on the Company. With the majority of the Group's portfolio denominated in currencies other than Sterling, and with the Group's functional currency being the United States Dollar, the Board continues to believe that Brexit is unlikely to have a significant impact on the Group's performance in the next six months. It should also be noted that the Company has entered into derivative contracts to manage the exposure to non-US Dollar denominated assets.

IMPORTANT EVENTS AND FINANCIAL PERFORMANCE

Highlights	***Ordinary Shares***	
	30 June 2018	*31 Dec 2017*
Net Asset Value[1] (Cum Income) per share	**GBP 9.67[3]/USD 12.75**	GBP 9.90[2]/USD 13.38
Net Asset Value[2] (Ex Income) per share	**GBP 9.70[3]/USD 12.79**	GBP 10.19[2]/USD 13.79
Total dividends per share	**43.93 pence**	101.76 pence
Share Price[4]	**GBP 8.00[3]/USD 10.56**	GBP 7.19[2]/USD 9.72
Actual annualised return on the principal amount invested[5]	**0.71%**	(2.95)%
% of Capital deployed[6]	**95.21%**	95.5%[7]

[1] Net Asset Value ("NAV") (cum income) includes all current year income, less the value of any dividends paid in respect of the period together with the value of the dividends which have been declared and marked ex-dividend but not year paid, see page 34.

[2] Net Asset Value (ex income) is the Net Asset Value cum/income excluding net current year income

[3] Translated at USD to GBP foreign exchange rate of *1.3194* (2017: 1.3524)

[4] Share price taken from Bloomberg Professional

[5] Annualized return based on monthly performance shown in the next page

[6] Capital deployed amount used is the net proceeds from IPO, tap issue and C Shares (from date of conversion during the period)

INTERIM MANAGEMENT REPORT AND DIRECTORS’ RESPONSIBILITIES STATEMENTS (continued)

IMPORTANT EVENTS AND FINANCIAL PERFORMANCE (continued)

The table below provides monthly performance information:

Ordinary Shares		*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*YTD*
	2015					(0.17%)	0.26%	0.18%	0.25%	0.40%	0.52%	0.45%	0.53%	2.45%
% NAV	**2016**	0.48%	0.75%	0.77%	0.78%	0.82%	0.74%	0.79%	0.72%	0.75%	0.82%	0.83%	(2.80%)	5.53%
	2017	0.87%	0.66%	0.74%	0.60%	0.58%	0.54%	0.41%	0.42%	0.22%	(8.32%)	0.20%	0.48%	(2.95%)
	2018	**0.43%**	**0.31%**	**0.01%**	**0.17%**	**(0.07%)**	**(0.14%)**							**0.71%**
	2015					4.30%	1.63%	(0.71%)	0.05%	0.66%	(0.66%)	(1.23%)	(1.44%)	2.50%
Return on Share Price	**2016**	(6.15%)	(0.31%)	(2.50%)	2.14%	2.62%	(1.02%)	6.19%	3.69%	3.56%	5.97%	(3.50%)	(6.72%)	2.93%
	2017	(0.19%)	1.61%	3.27%	(17.90%)	(5.46%)	(4.61%)	(0.58%)	(5.84%)	4.96%	(4.23%)	(5.91%)	(0.76%)	(31.85%)
	2018	**5.70%**	**(3.95%)**	**(0.82%)**	**10.64%**	**(0.87%)**	**0.76%**							**11.27%**

The net profit for the period amount to USD 1.41 million (period ended 30 June 2017: USD 9.39 million; and year ended 31 December 2017: loss of USD 6.44 million). The Group declared a total dividend per share of 43.93 pence per share during the period (period ended 30 June 2017: 55.44 pence per share; and year ended 31 December 2017: 24.14 pence per share).

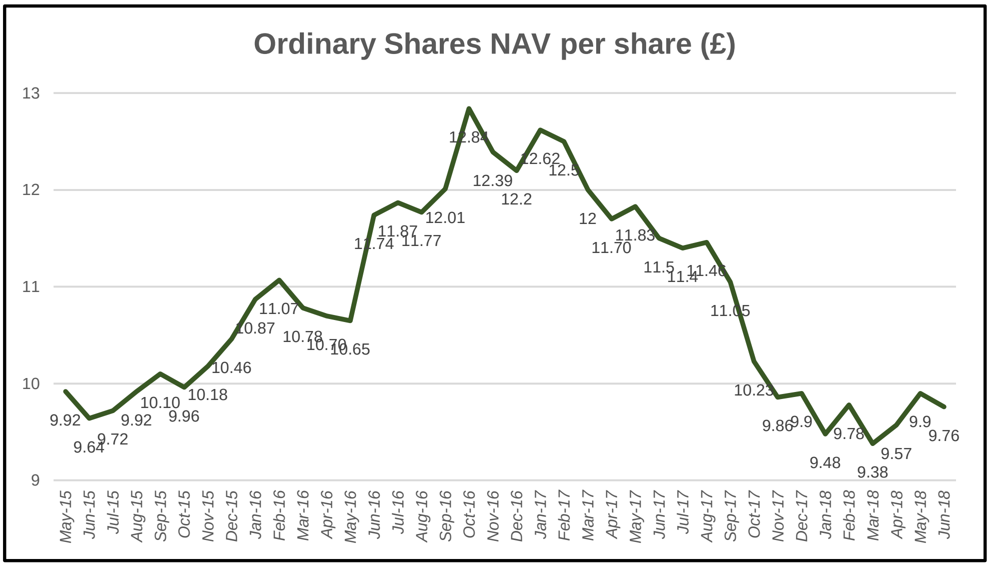
Further details of the Group’s performance for the period are included in the Investment Manager’s Report on pages 10 to 11 which includes a review of investment activity, impact of applicable regulations and adherence to investment restrictions.

Premium/Discount

The Board monitors the price of the Company’s Ordinary Shares in relation to the NAV to determine the premium/discount at which the shares trade. The following table shows the premium/discount through the period:

		Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*
Premium/ (discount) to NAV at end of each month	**2015**					5.17%	9.97%	8.28%	6.15%	4.95%	5.75%	2.16%	(2.01%)
	2016	(11.52%)	(13.33%)	(13.25%)	(10.75%)	(8.01%)	(17.38%)	(13.21%)	(9.23%)	(7.89%)	(8.75%)	(8.74%)	(13.52%)
	2017	(12.83%)	(11.00%)	(7.95%)	(22.48%)	(27.47%)	(28.82%)	(28.63%)	(33.16%)	(27.26%)	(24.72%)	(26.51%)	(27.34%)
	2018	(19.83%)	(25.36%)	(22.81%)	(16.30%)	(19.80%)	(18.03%)						

Company Performance



INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENTS (continued)

GOING CONCERN

As announced on 6 July 2018, and disclosed within the Chairman's Statement on pages 4 to 6, the Board has established two new committees that both aim to quickly and efficiently wind down the Company. These committees are focusing on the Princeton proceedings and the associated strategic decisions and the wind-down and realisation of the Company's existing portfolio (excluding Princeton) with the specific aim of maximising returns for stakeholders.

Plans are still currently being formulated by the Board, but the intention is to dispose of the Company's assets in an orderly manner and return shareholders' capital to them and adequately reimburse the ZDP shareholders by the end of March 2020.

Given these developments and the intention to wind down the Company, the use of the going concern basis in preparing the financial statements of the Group is not appropriate. As such the financial statements have been prepared on a basis other than that of a going concern, which require assets to be measured at their net realisable value. There were no adjustments made to the carrying values of the assets and liabilities of the Group as a result of this change in the basis of preparation, because the Directors' consider the carrying value of assets to approximate the net realisable value.

The Directors believe that the Company and Group have adequate resources to continue in operational existence until the anticipated liquidation of the Company. The Board will ensure that sufficient liquidity is held back at all times to ensure all liabilities, including those to ZDP shareholders are at all times adequately covered.

RELATED PARTY TRANSACTIONS

Details of related party transactions are given in note 12 to the consolidated financial statements.

DIRECTORS

The Directors who held office during the financial period and up to the date of approval of this report were:

Dominik Dolenec, Executive Chairman

Mr. Dolenec was appointed on 19 June 2018 at the Company's Annual General Meeting and was further appointed by the Board as Executive Chairman of the Company on 26 July 2018. He is Managing Partner and Founder of Emona Capital LLP, a London-based investment and advisory firm focusing on special situation and disruptive technology investments. Mr. Dolenec has over 20 years of investment and advisory experience, including assisting principals in complex restructurings, turnarounds, financings and other corporate events.

Mr. Dolenec was appointed to the Audit Committee and the Remuneration and Nomination Committee on 5 July 2018.

Brendan Hawthorne, Non-Executive Director

Mr. Hawthorne was appointed on 19 June 2018 at the Company's Annual General Meeting. He has more than 20 years experience as a specialist in financial investigations and asset recovery. He has extensive multi-jurisdictional experience including acting as an independent director of substantial onshore and offshore investment funds. He is a Chartered Accountant and Certified Fraud Examiner. His forensic accounting, asset recovery and litigation experience will be especially helpful in supervising the Princeton assets and recovery process.

Mr Hawthorne was appointed to the Audit Committee and the Remuneration and Nomination Committee on 5 July 2018.

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENTS (continued)

DIRECTORS (continued)

Brett Miller, Executive Director

Mr. Miller was appointed on 5 July 2018 and was further appointed by the Board as Executive Director on 26 July 2018. He currently serves as a non-executive director of a number of listed investment companies and previously served as an executive director of Damille Investments Ltd and Damille Investments II Ltd (both closed end funds listed on the specialist funds segment of the London Stock Exchange). Mr. Miller has considerable experience in corporate finance, corporate governance issues, corporate restructurings and optimising financial capital structures, and has been instrumental in a number of fund realisations in recent years for closed end funds listed on the London Stock Exchange and AIM.

Mr. Miller was appointed to the Remuneration and Nomination Committee on 5 July 2018.

Greg Share, (Independent)

Mr. Share was appointed on 19 June 2018 at the Company's Annual General Meeting. He is Managing Partner and Co-Founder of Ambina Partners, LLC, an investment firm focused on investing in software and financial services companies. Mr. Share also has over twenty years of private equity experience in the U.S. and Europe, which included leadership positions at Moelis Capital Partners LLC, Fortress Investment Group LLC and Madison Dearborn Partners, LLC where he focused on the software and financial services sectors.

Mr. Share was appointed to the Remuneration and Nomination Committee on 5 July 2018.

Jonathan Schneider, (Independent)

Mr. Schneider was appointed to the Board on 2 April 2015. He 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 credit special situations hedge fund. He is the Executive Chairman of Capital Step a UK based mid-market lender. 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 Jumo, a pan African consumer finance business, Iwoca.com an SME lender (of which he is chairman) and Mode, an emerging market airtime credit provider. Mr. Schneider has held numerous previous directorships, including serving on the boards of publicly listed Talon Metals Inc. and Aqua Online Limited.

Mr. Schneider is considered by the Board to have the necessary recent and relevant financial experience for his role as Audit Committee Chairman. He was appointed Chairman of the Audit Committee and the Remuneration and Nomination Committee on 10 April 2015.

All Directors are members of the Management Engagement Committee.

Christopher Waldron (Chairman) (Independent) appointed on 2 April 2015, resigned on 19 June 2018

Dr Matthew Mulford (Independent) appointed on 2 April 2015, resigned on 19 June 2018

K. Scott Canon (Non-Independent) appointed on 25 March 2015, resigned on 19 June 2018

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENTS (continued)

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) The condensed consolidated financial statements ("condensed financial statements") have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;

b) The interim management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules ("DTR") 4.2.7R (indication of important events during the first six months of the current financial year and their impact on the condensed financial statements; and a description of principal risks and uncertainties for the remaining six months of the year); and

c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and any changes in the related party transactions described in the last annual report that could do so).

BY ORDER OF THE BOARD

Dominik Dolenec

Chairman

24 September 2018

INDEPENDENT REVIEW REPORT TO RANGER DIRECT LENDING FUND PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Statement of Cash Flows and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

Except as explained in the following section, we conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT TO RANGER DIRECT LENDING FUND PLC (continued)

Basis for Qualified Conclusion

As described in note 3, and consistent with the Annual Report for the year ended 31 December 2017, the Directors have been unable to provide us with sufficient appropriate supporting information in relation to the investment in Princeton recorded at a value of USD 28.5m at 30 June 2018. Princeton filed for bankruptcy in the USA in March 2018 and recent developments are discussed in the Chairman's Statement. We were therefore unable to complete our review of investments. Had we been able to complete our review of investments, matters might have come to our attention indicating that adjustments might be necessary to the interim financial information.

Qualified Conclusion

Except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our conclusion is not modified in respect of this matter.

Deloitte LLP
Statutory Auditor
London, United Kingdom
24 September 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	(Unaudited) 30 Jun 18	(Audited) 31 Dec 17
ASSETS			
Non-current assets		*USD*	*USD*
Financial assets at fair value through profit or loss	3	**28,834,657**	29,621,483
Loans held at amortised cost	4	**248,386,018**	250,993,296
Deferred tax asset		**80,669**	80,669
Total non–current assets		**277,301,344**	280,695,448
Current assets			
Derivative assets	9	**581,887**	1,110,329
Advances to/funds receivable from direct lending platforms		**5,008,672**	3,782,916
Prepayments and other receivables		**1,077,735**	192,635
Cash and cash equivalents	11	**5,574,050**	9,699,799
Total current assets		**12,242,344**	14,785,679
TOTAL ASSETS		**289,543,688**	295,481,127
Non-current liabilities			
Zero dividend preference shares	6	**76,263,513**	76,222,019
Total non-current liabilities		**76,263,513**	76,222,019
Current liabilities			
Accrued expenses and other liabilities	5	**6,378,032**	2,619,586
Income tax liability		**406,909**	290,496
Derivative liabilities	9	**877,917**	545,126
Total current liabilities		**7,662,859**	3,455,208
TOTAL LIABILITIES		**83,926,372**	79,677,227
NET ASSETS		**205,617,316**	215,803,900
SHAREHOLDERS’ EQUITY			
Capital and reserves			
Share capital	7	**427,300**	427,300
Share premium account	7	**40,346,947**	40,346,947
Other reserves	7	**204,225,570**	204,225,570
Revenue reserves		**1,388,325**	4,484,858
Realised capital losses		**(40,606,966)**	(30,035,108)
Unrealised capital losses		**(79,848)**	(3,480,486)
Foreign currency translation reserves		**(84,012)**	(165,181)
TOTAL SHAREHOLDERS’ EQUITY		**205,617,316**	215,803,900
NAV per Ordinary Share		**12.75**	13.38

The accompanying notes are an integral part of these condensed financial statements.

The financial statements for the period ended 30 June 2018 of Ranger Direct Lending Fund Plc, a public listed company limited by shares and incorporated in England and Wales with the registered number 09510201, were approved and authorized for issue by the Board of Directors on 24 September 2018.

Signed on behalf of the Board of Directors:

Dominik Dolenec
Chairman

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

		(Unaudited) 1 Jan to 30 Jun 18			(Unaudited) 1 Jan to 30 Jun 17			(Audited) 1 Jan to 31 Dec 17		
	Notes	*Revenue*	*Capital*	*Total*	*Revenue*	*Capital*	*Total*	*Revenue*	*Capital*	*Total*
Income		*(USD)*	*(USD)*	*(USD)*	*(USD)*	*(USD)*	*(USD)*	*(USD)*	*(USD)*	*(USD)*
Investment income		12,593,352	-	**12,593,352**	13,806,785	-	13,806,785	26,511,977	-	26,511,977
Net gain on financial assets at fair value through profit or loss	3	-	-	**-**	-	3,540,225	3,540,225	-	-	-
Foreign exchange gain		-	-	**-**	-	4,844	4,844	-	-	-
Other income		2,817,392	-	**2,817,392**	4,388,560	-	4,388,560	8,213,322	-	8,213,322
Gain on revaluation of derivative contracts		-	-	**-**	-	1,494,291	1,494,291	-	2,184,162	2,184,162
Bank interest income		3,350	-	**3,350**	111	-	111	115	-	115
		15,414,094	**-**	**15,414,094**	18,195,456	5,039,360	23,234,816	34,725,414	2,184,162	36,909,576
Operating expenditure										
Net loss on financial assets at fair value through profit or loss	3	-	759,589	**759,589**	-	-	-	-	12,558,687	12,558,687
Investment Manager Performance Fees	12	-	-	**-**	1,036,774	15,585	1,052,359	(1,822)	15,585	13,763
Investment Management Fees	12	1,413,428	-	**1,413,428**	1,566,601	-	1,566,601	3,054,733	-	3,054,733
Service and premium fees		1,220,822	-	**1,220,822**	1,912,022	-	1,912,022	2,964,697	-	2,964,697
Provision for / (Reversal of) default		-	(1,002,222)	**(1,002,222)**	-	52,528	52,528	-	3,073,240	3,073,240
Loans written off	4	-	7,091,372	**7,091,372**	-	4,708,913	4,708,913	-	10,730,543	10,730,543
Company secretarial, administration and registrar fees		181,583	-	**181,583**	205,150	-	205,150	494,475	-	494,475
Finance costs		1,984,050	-	**1,984,050**	1,724,303	-	1,724,303	3,604,530	-	3,604,530
Foreign exchange loss		-	315,594	**315,594**	-	1,517,211	1,517,211	-	2,591,408	2,591,408
Other expenses		3,981,717	-	**3,981,717**	992,184	-	992,184	4,107,794	-	4,107,794
Loss on revaluation of derivative contracts		-	6,887	**6,887**	-	-	-	-	-	-
		8,781,600	**7,171,220**	**15,952,820**	7,437,034	6,294,237	13,731,271	14,224,407	28,969,463	43,193,870
Profit/(loss) before tax		**6,632,494**	**(7,171,220)**	**(538,726)**	10,758,422	(1,254,877)	9,503,545	20,501,007	(26,785,301)	(6,284,294)
Taxation		**(128,872)**	**-**	**(128,872)**	(115,192)	-	(115,192)	(571,923)	419,751	(152,172)
Profit/(loss) after tax		**6,503,622**	**(7,171,220)**	**(667,598)**	10,643,230	(1,254,877)	9,388,353	19,929,084	(26,365,550)	(6,436,466)

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

		(Unaudited) 1 Jan to 30 Jun 18			**(Unaudited)** 1 Jan to 30 Jun 17			**(Audited) 1 Jan to 31 Dec 17**		
	Notes	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*
Basic Earnings Per Ordinary Share - USD	10	0.40	(0.44)	**(0.04)**	0.68	(0.08)	0.60	1.25	(1.66)	(0.41)
Basic Earnings Per Ordinary Share - GBP	10	0.31	(0.34)	**(0.03)**	0.52	(0.06)	0.46	0.93	(1.23)	(0.30)
Diluted Earnings Per Ordinary Share - USD		0.40	(0.44)	**(0.04)**	0.66	(0.08)	0.58	1.24	(1.64)	(0.40)
Diluted Earnings Per Ordinary Share - GBP		0.31	(0.34)	**(0.03)**	0.51	(0.06)	0.45	0.91	(1.21)	(0.30)
Profit for the period/year		**6,503,622**	**(7,171,220)**	**(667,598)**	10,643,230	(1,254,877)	9,388,353	19,929,084	(26,365,550)	(6,436,466)
Other comprehensive income:										
Items that may be reclassified subsequently to profit and loss:										
Exchange differences on translation of net assets of subsidiary		-	-	81,169	-	-	(167,269)	-	-	(177,559)
Total comprehensive income/loss for the period/year		**6,503,622**	**(7,171,220)**	**(586,429)**	10,643,230	(1,254,877)	9,221,084	19,929,084	(26,365,550)	(6,614,025)

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Note	Share Capital (USD)	Share Premium (USD)	Other Reserves (USD)	Realised Capital Losses (USD)	Unrealised Capital Profits/ (Losses) (USD)	Revenue Reserves (USD)	Foreign currency translation reserves (USD)	Total (USD)
		(Unaudited)							
Balance at 1 January 2018		427,300	40,346,947	204,225,570	(30,035,108)	(3,480,486)	4,484,858	(165,181)	**215,803,900**
Dividends	*8*	-	-	-	-	-	(9,600,155)	-	**(9,600,155)**
Reclassification of capital losses		-	-	-	(3,480,486)	3,480,486	-	-	**-**
Profit/(loss) for the period		-	-	-	(7,091,372)	(79,848)	6,503,622	-	**(667,598)**
Other comprehensive income for the period		-	-	-	-	-	-	81,169	**81,169**
Balance at 30 June 2018		**427,300**	**40,346,947**	**204,225,570**	**(40,606,966)**	**(79,848)**	**1,388,325**	**(84,012)**	**205,617,316**

	Note	Share Capital (USD)	Share Premium (USD)	Other Reserves (USD)	Realised Capital Profits/(Losses) (USD)	Unrealised Capital Profits/ (Losses) (USD)	Revenue Reserves (USD)	Foreign currency translation reserves (USD)	Total (USD)
		(Unaudited)							
Balance at 1 January 2017		427,300	40,346,947	204,225,570	(6,682,162)	(388,953)	5,077,791	12,378	243,018,871
Dividends	8	-	-	-	(78,929)	-	(10,734,568)	-	(10,813,497)
Reclassification of capital losses		-	-	-	(388,953)	388,953	-	-	-
Profit/(loss) for the period		-	-	-	(1,184,273)	(70,604)	10,643,230	-	9,388,353
Other comprehensive income for the period		-	-	-	-	-	-	(167,269)	(167,269)
Balance at 30 June 2017		**427,300**	**40,346,947**	**204,225,570**	**(8,334,317)**	**(70,604)**	**4,986,453**	**(154,891)**	**241,426,458**

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Note	(Audited)							
		Share Capital *(USD)*	***Share Premium*** *(USD)*	***Other Reserves*** *(USD)*	***Realised Capital Profits/(Losses)*** *(USD)*	***Unrealised Capital Profits/ (Losses)*** *(USD)*	***Revenue Reserves*** *(USD)*	***Foreign currency translation reserves*** *(USD)*	***Total*** *(USD)*
Balance at 1 January 2017		427,300	40,346,947	204,225,570	(6,682,162)	(388,953)	5,077,791	12,378	243,018,871
Dividends	8	-	-	-	(78,929)	-	(20,476,385)	-	(20,555,314)
Reclassification of capital losses		-	-	-	(388,953)	388,953	-	-	-
Tax relating to capital contribution		-	-	-	-	-	(45,632)	-	(45,632)
Profit/(loss) for the year		-	-	-	(22,885,064)	(3,480,486)	19,929,084	-	(6,436,466)
Other comprehensive income for the year		-	-	-	-	-	-	(177,559)	(177,559)
Balance at 31 December 2017		427,300	40,346,947	204,225,570	(30,035,108)	(3,480,486)	4,484,858	(165,181)	215,803,900

The accompanying notes are an integral part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

	Notes	(Unaudited) 1 Jan to 30 Jun 18 (USD)	(Unaudited) 1 Jan to 30 Jun 17 (USD)	(Audited) 1 Jan to 31 Dec 17 (USD)
(Loss)/profit for the period/year		**(667,598)**	9,388,353	(6,436,466)
Adjustments for:				
Provision for income tax expense		**128,872**	115,192	152,172
Tax paid		**-**	-	(58,163)
Utilisation/benefit of deferred taxes		**-**	-	(80,669)
Net loss/(gain) on financial assets at fair value through profit or loss	3	**759,589**	(3,540,225)	12,558,687
Investment income		**(12,593,352)**	(13,806,785)	(26,511,977)
Interest expense on ZDP Shares	6	**1,899,670**	1,662,595	3,486,353
Amortisation of transaction fees – net		**23,209**	198,672	253,554
Amortisation of issue costs		**84,379**	61,708	118,177
Foreign exchange loss		**229,796**	1,902,502	2,610,088
(Gain)/loss on revaluation of derivative financial instruments		**6,887**	(1,494,291)	(2,184,162)
Loans written off	4	**7,091,372**	4,708,913	10,730,543
Reversal of provision for default	4	**(719,736)**	52,528	3,638,263
Operating cash flows before movements in working capital		**(3,756,911)**	(750,838)	(1,723,599)
(Increase)/decrease in other current assets and prepaid expenses		**(885,102)**	366,876	765,817
Increase/(decrease) in accrued expenses and other liabilities		**3,758,446**	4,744,299	(1,080,483)
(Increase) in funds receivable from direct lending platforms – net		**(1,225,756)**	(7,034,694)	(2,782,353)
Net cash flows used in operating activities		**(2,109,323)**	(2,674,357)	(4,820,619)
Investing activities				
Acquisition of financial assets at fair value through profit or loss	3	**-**	(300,000)	(300,000)
Acquisition of loans	4	**(91,163,256)**	(136,554,741)	(220,006,567)
Principal repayments	4	**85,852,639**	122,833,887	199,083,681
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	**27,237**	3,734,186	4,767,069
Investment income received		**11,950,287**	12,394,613	24,780,203
Net settlement on derivative positions		**854,348**	60,647	1,047,170
Net cash flows generated from investing activities		**7,521,255**	2,168,592	9,371,556
Financing activities				
Dividends paid	8	**(9,600,155)**	(10,813,497)	(20,555,314)
Net cash (used in)/flows from financing activities		**(9,600,155)**	(10,813,497)	(20,555,314)
Net change in cash and cash equivalents		**(4,188,224)**	(11,319,262)	(16,004,377)
Effect of foreign exchange		**62,475**	198,221	883,796
Cash and cash equivalents at the beginning of the period/year		**9,699,799**	24,820,380	24,820,380
Cash and cash equivalents at the end of the period/year	11	**5,574,050**	13,699,339	9,699,799

The accompanying notes are an integral part of these condensed financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

1. GENERAL INFORMATION

The Company was incorporated and registered in England and Wales on 25 March 2015 and commenced operations on 1 May 2015 following its admission to the London Stock Exchange Main Market. The registered office of the Company is 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

The condensed financial statements ("condensed financial statements") include the results of the Trust and ZDPco. The investment objective of the Group is to seek to provide Shareholders with an attractive return, principally in the form of quarterly income distributions, by acquiring a portfolio of debt obligations (such as loans, invoice receivables and asset financing arrangements) that have been originated or issued by Direct Lending Platforms.

The half year results for the six months ended 30 June 2018 are unaudited. The comparative figures for the year ended 31 December 2017 have been extracted from the Group's 31 December 2017 financial statements and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Those financial statements have been delivered to the Registrar of Companies. The auditor reported on those accounts; their report was qualified in respect of insufficient appropriate audit evidence as described in note 3, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) of the Companies Act 2006. The comparative figures for the period ended 30 June 2017 have been extracted from the Group's 30 June 2017 half-yearly financial report which were reviewed by the auditor.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and preparation

These condensed financial statements have been prepared in compliance with IAS 34 'Interim Financial Reporting' as adopted by the European Union ("EU"). The annual financial statements were prepared with International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements were also prepared in accordance with the Statement of Recommended Practice ("SORP") for investment trusts issued by the AIC, where this guidance is consistent with IFRS.

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, 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 Group and consequently have neither been adopted nor listed.

New Accounting Requirements endorsed for use in the EU

IFRS 9 – "Financial Instruments" (Replacement of IAS 39 – "Financial Instruments: Recognition and Measurement") – effective from 1 January 2018

The Group is required to adopt IFRS 9 from 1 January 2018. The Group has assessed the estimated impact that the initial application of IFRS 9 will have on its consolidated financial statements.

Estimated impact of adoption of IFRS 9:

	As reported at 31 December 2017	*Estimated adjustments due to adoption of IFRS 9*	*Estimated adjusted opening balance at 1 Jan 2018*
	USD	*USD*	*USD*
Unrealised capital losses	(3,480,486)	7,480	(3,473,006)

The total estimated adjustment (net of tax) to the opening balance of the Group's equity at 1 January 2018 is USD 7,480 which arises from over accrual of provision of default in previous years. No adjustment was made on the opening balance of the Company as the impact of adopting IFRS 9 is not material.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

i – Classification – Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL"). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for loans held at amortised cost and investments in equity securities that are managed on a fair value basis.

ii – Impairment - Financial assets and contract assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12 month ECL: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

The Group believes that impairment losses are likely to become more volatile for assets in the scope of the IFRS 9 impairment model. Based on the impairment methodology described below, the Group has estimated the application of IFRS 9's impairment requirements at 1 January 2018 results in reduction of impairment losses in loans held at amortised cost of USD 9,263 and a corresponding adjustment to equity with an increase in unrealized capital losses by USD 7,480.

Under IFRS 9, the Group has to classify all financial instruments in scope for impairment into 3 Stages – stage 1, stage 2 or 3, depending on the change in credit quality since initial recognition.

Investments in equity instruments and financial assets at FVTPL are out of scope of the impairment requirement.

Stage 1

This includes loans where there is no significant increase in credit risk since initial recognition or loans that have low credit risk on reporting date. For loans in stage 1, interest is accrued on the gross carrying amount of the loans and a 12-month expected credit loss ("ECL") is factored in the profit and loss ("P&L") calculations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Requirements endorsed for use in the EU (continued)

Stage 2

This consists of loans with significant increase in credit risk since initial recognition but not credit impaired. Interest for loans in stage 2 is accrued on the gross carrying amount, however, a lifetime ECL is factored into the profit and loss calculations.

Stage 3

Includes loans which demonstrate evidence of impairment on the reporting date. Interest is accrued on the net carrying amount of the loans and a lifetime ECL is factored into the profit and loss calculations.

For the Group's loan investments, the assessment is performed on a collective basis per platform as the underlying loans have shared risk characteristics however individual assessment may be performed depending on the magnitude and available information from the platform providers.

For short-term receivables and cash and cash equivalents, the ECL model is not likely to result in a material change of the balance due to their short-term nature therefore the Group will apply the simplified approach for contracts that have a maturity of one year or less.

iii – Classification – Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

- the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in the OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Group has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Group's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

Basis of measurement and consolidation

The condensed financial statements have been prepared on a historical cost basis as modified for the revaluation of certain financial assets. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Trust is fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains/losses on transactions within the Group are eliminated.

Going concern

As announced on 6 July 2018, and discussed within the Chairman's Statement on pages 5 to 6, the Board has established two new committees that both aim to quickly and efficiently wind down the Company. These committees are focusing on the Princeton proceedings and the associated strategic decisions and the wind-down and realisation of the Company's existing portfolio (excluding Princeton) with the specific aim of maximizing returns for stakeholders.

Plans are still currently being formulated by the Board, but the intention is to dispose of the Company's assets in an orderly manner and return shareholders' capital to them and adequately reimburse the ZDP shareholders by the end of March 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (continued)

Going concern (continued)

Given these developments and the intention to wind down the Company, the use of the going concern basis in preparing the financial statements of the Group is not appropriate. As such the financial statements have been prepared on a basis other than that of a going concern, which require assets to be measured at their net realisable value. There were no adjustments made to the carrying values of the assets and liabilities of the Group as a result of this change in the basis of preparation, because the Directors' consider the carrying value of assets to approximate the net realisable value.

The Directors believe that the Company and Group have adequate resources to continue in operational existence until the anticipated liquidation of the Company. The Board will ensure that sufficient liquidity is held back at all times to ensure all liabilities, including those to ZDP shareholders are at all times adequately covered.

Use of estimates, judgements and assumptions

The following are areas of particular significance to the Group's financial statements and include the use of estimates and the application of judgement, which is fundamental to the preparation of these financial statements. Actual results could differ from those estimates.

Key source of estimation uncertainty – impairment of loans

Information about significant areas of estimation uncertainty and critical judgements in relation to the impairment of loans are described under Impairment section below and in note 4.

Key source of estimation uncertainty – fair value of financial assets at fair value through profit or loss

The determination of fair values based on available market data requires significant judgement by the Group. See note 3 for the fair value estimation.

Functional and presentation currency

The financial statements are presented in US Dollars ("USD"), the currency of the primary economic environment in which the Company operates, the Company's functional 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The effective interest method calculates the amortised cost by allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the loans to the net carrying amount on initial recognition.

Impairment

In evaluating the portfolio and estimating the default allowance, management takes into consideration numerous factors, including current economic conditions, prior loan loss experience, composition of the loan portfolio and management's estimate of credit losses. Such evaluation, which includes a review of all loans on which full collectability may not be reasonably assured, also considers among other matters, the estimated net realisable value or the fair value of the underlying collateral, economic conditions, historical loss experience, and other factors that warrant recognition in providing for an adequate allowance for loan losses. Management establishes an allowance for loan losses that it believes is adequate to reflect incurred impairment losses in the existing portfolio. In the event that management's evaluation of the level of the allowance for loan losses is inadequate, the Group would need to increase its provision for loan losses.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

If, in a subsequent period, the amount of the default allowance decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised default allowance is recognised in the Statement of Comprehensive Income.

Financial assets held at fair value through profit or loss

The Group's financial assets consist of equity investments in funds and an investment in a Cayman SPV. The Group designated its investment as financial assets at fair value through profit or loss in accordance with International Accounting Standards 39 Financial Instruments: Recognition and Measurement ("IAS 39"), as the fund is managed and its performance is evaluated on a fair value basis.

Purchases and sales of financial assets are recognised on the trade date, the date which the Group commits to purchase or sell the assets and are derecognised when the rights to receive cash flows from the financial assets have expired or the Group has transferred substantially all risks and rewards of ownership. Financial instruments are initially recognised at fair value, and transaction costs for financial assets carried at fair value through profit or loss are expensed. Gains and losses arising from changes in the fair value of the Group's financial instruments are included in the Statement of Comprehensive Income in the period which they arise.

Financial liabilities at amortised cost – Zero Dividend Preference Shares

These are initially recognised at cost, being the fair value of the consideration received associated with the borrowing net of direct issue costs. Zero Dividend Preference Shares are subsequently measured at amortised cost using the effective interest method. Direct issue costs are amortised using the effective interest method and are added to the carrying amount of the Zero Dividend Preference Shares.

Derivative financial instruments

Derivative financial instruments, including short-term forward currency and swap contracts are classified as held at fair value through profit or loss, and are classified in current assets or current liabilities in the statement of financial position. Derivatives are entered into to reduce the exposure on the foreign currency loans. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as a capital item. The Group's derivatives are not used for speculative purposes and hedge accounting is not applied.

Taxation

Investment trusts which have approval as such under section 1158 of the Corporation Taxes Act 2010 are not liable for taxation on capital gains. The Company has taken advantage of modified UK tax treatment in respect of its qualifying interest income for an accounting period and has chosen to designate as an "interest distribution" all or part of any amount it distributes to the Shareholders as dividends, to the extent that it has qualifying interest income for the accounting period. As such, the Company is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is expected that the Company will have material amounts of qualifying interest income and therefore may decide to designate some or all of the dividends payable as interest distributions.

The current tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Investment and other income

Investment income and other income are recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Income for all interest bearing financial instruments is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the Shareholders' rights to receive payment have been established.

Dividends payable

Dividends payable on ordinary shares are recognised in the Statement of Changes in Equity when approved by the Directors in respect of interim dividends and by the Shareholders if declared as a final dividend by the Directors at the AGM. The Directors intend to recommend a dividend on a quarterly basis, having regard to various considerations including the financial position of the Company.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with original maturities of three months or less.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Directors perform regular reviews of the operating results of the Group and make decisions using financial information at the Group level only. Accordingly, the Directors believe that the Group has only one reportable operating segment.

The Directors are responsible for ensuring that the Group carries out business activities in line with the transaction documents. They may delegate some or all of the day-to-day management of the business, including the decisions to purchase and sell securities, to other parties both internal and external to the Group. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Directors, therefore the Directors retain full responsibility as to the major allocation decisions of the Group.

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary Shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted EPS is the same as the Basic EPS as there is currently no arrangement which could have a dilutive effect on the Company's ordinary shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital and share premium

Ordinary Shares are not redeemable and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Expenses (including finance costs)

Expenses are accounted for on an accruals basis and are recognised in the Statement of Comprehensive Income. Investment management fee is 100% allocated to revenue. Except for provision of default and performance fee associated with financial assets at fair value through profit or loss, which are allocated into capital and revenue in accordance with SORP, all other expenses are charged through revenue.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial asset at fair value through profit or loss represents its investment in Princeton and in Crowdnetic.

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Opening fair value	**29,621,483**	46,647,239
Purchases	**-**	300,000
Redemptions	**(27,237)**	(4,767,069)
Net gain		
- net (loss)/gain allocation	**(759,589)**	4,424,451
- Argon impairment allocation	**-**	(16,983,138)
Closing balance	**28,834,657**	29,621,483

Fair value estimation

Princeton

The Investment Manager has not been provided enough data to make its own determination of the value of this asset. As such the Investment Manager, as a practical expedient, is relying upon the NAV provided by Princeton as at 30 June 2018, subject to certain adjustments made. As announced by the Company on 15 December 2017, the Company took a unilateral protective impairment of USD 9.1 million; and as of 30 June 2018, the difference between Princeton's valuation and the Company's valuation amounts to USD 11.3 million.

As noted in the Company's announcement on 12 March 2018, Princeton and its General Partner filed voluntary chapter 11 bankruptcy petitions on 9 March 2018 in the United Stated Bankruptcy Court for the District of New Jersey. The Company is seeking to obtain discovery from Princeton, pursuant to the bankruptcy process, relating to the valuation and value of Princeton's assets. It is also, through its legal representatives, actively participating in the bankruptcy cases with a particular focus on, to the extent possible in the circumstances, seeking to protect its capital invested.

As previously announced by the Company on 3 August 2018, the Company has concluded the first phase of its arbitration proceedings against Princeton and its General Partner. As previously reported, the arbitration process includes a second phase consisting of claims against various individuals and entities (including MicroBilt Corporation) who, as specified in the claims, are alleged to have controlled the Princeton funds, and to have acted improperly in connection with its activities, or improperly benefitted from misconduct. Although the bankruptcy filing may stay some of the claims in the second phase, the Company intends to proceed with the second phase claims against the individuals and entities that are not subject to the bankruptcy stay and/or when such stay is lifted. These claims continue to be conducted by the Company's attorneys on a contingency basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANAURY 2018 TO 30 JUNE 2018

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Princeton – (continued)

The Arbitration Award entered at the conclusion of Phase 1 liquidated the amount due from Princeton with respect to the group's investment. The Arbitration Award calculated the amount due by determining that the Company was entitled to a full redemption of its USD 61.8 million investment as of 30 November 2016, less certain adjustment detailed in the Arbitration Award, plus statutory pre-judgment interest calculated under Delaware law from 30 November 2016 to the date of the entry of the Arbitration Award on 20 July 2018. The Company has calculated the total award at USD 65,425,030 and calculated the award, net of all adjustments, at USD 34,325,030; and has filed amended proofs of claim in the Princeton bankruptcy case in that amount. Princeton has filed an objection to these proofs of claim and the Company has responded to such objections. A hearing on these objections before the Bankruptcy Court is presently scheduled on 22 October 2018. The actual amount of recovery cannot be determined since the above stated claim is subject to objections in the Bankruptcy Court; and Princeton has not yet provided the Company with sufficiently disclosure through discovery to independently evaluate the value of the Princeton assets.

FinMkt, Inc. (formerly Crowdnetic Corporation) ("Crowdnetic")

The Group's investment in Crowdnetic, a Cayman SPV, is valued based on the 2nd equity financing in October 2017. The Group held 600,000 fully diluted Series A preferred share at a price of USD 0.50 per share.

4. LOANS HELD AT AMORTISED COST

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Opening balance	**250,993,296**	240,015,255
Purchases	**91,163,256**	220,006,567
Principal repayments	**(85,852,639)**	(199,083,681)
Amortisation of transaction fees	**(23,209)**	(253,554)
Accrued interest	**643,065**	1,731,774
Loans written-off	**(7,091,372)**	(10,730,543)
Effect of foreign exchange	**(2,166,115)**	2,945,742
	247,666,282	254,631,559
Utilisation of /(provision for) default allowance - net	**719,736**	(3,638,263)
Closing balance	**248,386,018**	250,993,296

The Group's loans are accounted for using the effective interest method. The carrying value of such instruments includes assumptions that are based on market conditions existing at each statement of financial position date. Such assumptions include application of default rate and identification of effective interest rate taking into account the credit standing of each borrower as assessed by each direct lending platform. At period end, the Directors estimate that the carrying value approximates the fair value and the net realisable value.

While every investment always has some chance of charge-off, the table below indicates those amounts which may have a heightened risk of charge-off. The table indicates those investments that are approximately one to three payments late or are more than three payments late. In certain cases, the risk of charge off may be fully or partially mitigated by collateral that may be securing the investment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

4. LOANS HELD AT AMORTISED COST (continued)

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Up to 3 months	**9,430,065**	9,710,030
3 to 6 months	**32,713,966**	22,901,269
	42,144,031	32,611,299

The above table does not include late payment by the Second SME Loans Platform with respect to partial mandatory principal prepayments required in accordance with the terms of their Master Loan Agreement. The facility advanced to the Second SME Loans Platform is in the process of being refinanced by the Borrower under terms which provide a premium payment to the Company.

The movement in the provision for allowance for loan losses is as follows:

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	USD	*USD*
Balance at the beginning of the period/year	**4,299,102**	660,839
Provision for the period/year	**6,371,636**	14,368,806
Amount written-off during the period/year	**(7,091,372)**	(10,730,543)
Balance at end of the period/year	**3,579,366**	4,299,102

5. ACCRUED EXPENSES AND OTHER LIABILITIES

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Investment Management fees payable - note 12	**507,723**	853,887
Other payables	**5,870,309**	1,765,699
	6,378,032	2,619,586

6. ZERO DIVIDEND PREFERENCE SHARES

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Opening balance	**76,222,019**	66,096,829
Amortisation of issue costs during the period/year	**187,480**	296,551
Amortisation of premium during the period/year	**(103,097)**	(178,374)
Interest expense during the period/year	**1,899,670**	3,486,353
Effect of foreign exchange	**(1,942,559)**	6,520,660
Closing balance	**76,263,513**	**76,222,019**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

6. ZERO DIVIDEND PREFERENCE SHARES (continued)

Under the ZDPco's Articles of Association, the Directors are authorised to issue up to 55 million zero dividend preference shares ("ZDP Shares") for a period of five years from 25 July 2016. The ZDPco issued 53 million ZDP Shares at GBP 0.01 each (the "ZDP Shares") in 2016. On 1 November 2016, the ZDPco passed a resolution to authorise Directors to issue up to 75 million ZDP shares, such authority to expire on 26 July 2021, unless revoked sooner or varied by the Company in general meeting. The ZDP Shares will have a term of five years and a final capital entitlement of GBP 127.63 pence per ZDP share on 31 July 2021, being the ZDP Repayment Date. The total amount repayable on the ZDP repayment date is GBP 67,643,900.

The ZDP Shares do not carry the right to vote at general meetings of the Company, although they carry the right to vote as a class on certain proposals which would be likely to materially affect their position. Further ZDP Shares (or any shares or securities which rank in priority to or *pari passu* with the ZDP Shares) may be issued without the separate class approval of the ZDP Shareholders provided that the Directors determine that the ZDP Shares would have a Cover of not less than 2.75 times immediately following such issue. The Cover for ZDP Shares as at 30 June 2018 is 3.26 times (31 December 2017: 3.19 times).

7. SHARE CAPITAL AND SHARE PREMIUM

The table below shows the total issued share capital as at 30 June 2018 and 31 December 2017:

	Nominal value GBP	*Nominal value USD*	*Number of shares Number*
Ordinary Shares	309,591	427,300	16,122,931

Ordinary Shares

The 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. Shareholder's 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.

On 16 December 2015, the Company issued a total of 1,348,650 new Ordinary Shares at GBP 10.45 per share resulting in a share premium amount of USD 20,989,992 (GBP 13,889,694) net of direct issue costs of USD 287,555 pursuant to a tap issue.

C Shares

On 16 December 2016 the Company issued 1,611,041 C Shares pursuant to the Open Offer and Initial Placing at an issue price of GBP 10 per C Share each resulting in a share premium amount of USD 19,356,955 (GBP 15,666,299) net of direct issue costs. The Company's C Shares were subsequently converted into 274,281 Ordinary Shares on 6 April 2017, following full investment of the net proceeds of the issue of the C Shares in accordance with the Company's investment policy.

Rights attaching to the shares

The holders of the C shares and ordinary shares are only entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold.

The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to the C shares.

The Ordinary Shares and C Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

7. SHARE CAPITAL AND SHARE PREMIUM (continued)

Rights attaching to the shares (continued)

On a winding-up or a return of capital by the Company, if there are C shares in issue, the net assets of the Company attributable to the C shares shall be divided pro rata among the holders of the C shares. For so long as C shares are in issue, and without prejudice to the Company's obligations under the Act, the assets attributable to the C shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to the C shares.

Voting Rights

Subject to any rights or restrictions attached to any shares, on a show of hands every Shareholder present in person has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No Shareholder shall be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

Variation of Rights and Distribution on Winding Up

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the terms of issue of the Shares of that Class, be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal value amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise).

At every such separate general meeting the necessary quorum, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question, and at an adjourned meeting one person holding shares of the class in questions or his proxy; any holder of shares of the class in question present in person or by proxy may demand a poll and the holder of shares of the class in question shall, on a poll, have one vote in respect of every share of such class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the AGM of the Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward within three months after the date of the resolution to the effect that the Company be wound up, liquidated, reorganised or unitised. If the Company is wound up, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

8. DIVIDENDS

Set out below is the total dividend paid in respect of the financial period:

	Per share GBP pence / USD cents	**(Unaudited)** 1 Jan to 30 Jun 18 USD	(Unaudited) 1 Jan to 30 Jun 17 USD
Ordinary Shares dividends declared and paid:			
Interim dividends in 2018 (in respect of 31 March 2018 results)	19.79 / 25.93	**4,180,729**	-
Interim dividends in 2018 (in respect of 31 Dec 2017 results)	24.14 / 33.61	**5,419,426**	-
Interim dividends in 2018 (in respect of 31 Mar 2017 results)	26.93 / 34.33	**-**	5,534,376
Interim dividends in 2018 (in respect of 31 Dec 2016 results)	28.51 / 35.55	**-**	5,275,612
Total dividends paid during the period		**9,600,155**	10,809,988

The Company intends to distribute at least 85% 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. On 24 September 2018, the Directors declared an interim dividend of 14.28 pence per share for the three-month period ended 30 June 2018.

It is the current intention of the Board to move towards a policy of balancing the quarterly dividend payments as soon as the revenue 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.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	Notional Amount	**(Unaudited)** 30 Jun 18 (Group) USD	(Audited) 31 Dec 17 (Group) USD
Derivative assets/(liabilities)			
Forward foreign currency contracts	11,359,410	**(662,968)**	(157,109)
Forward currency swap contracts	58,167,460	**366,938**	722,312
	69,526,870	**(296,030)**	565,203

	(Unaudited) 30 Jun 18 (Group) USD	(Audited) 31 Dec 17 (Group) USD
Derivative assets	**581,887**	1,110,329
Derivative liabilities	**(877,917)**	(545,126)
	(296,030)	565,203

The Company has entered into various swap and forward contracts to manage exposure to foreign currency on existing assets. The notional amounts provided in the table above reflect the aggregate of individual derivative positions on a gross basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

10. BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per Ordinary Share is based on each of the profit after tax and on 16,122,931 Ordinary Shares, being the weighted average number of ordinary shares in issue through the year (31 December 2017: 15,910,551 Ordinary Shares).

The diluted earnings per Ordinary Share is based on each of the profit after tax and on 16,122,931 Ordinary Shares, being the weighted average number of ordinary shares in issue throughout the year and the potential Ordinary Shares i.e. C Shares that were converted to Ordinary Shares during the prior year (31 December 2017: 16,122,931 Ordinary Shares).

11. CASH AND CASH EQUIVALENTS

The components of the Group's cash and cash equivalents are:

	(Unaudited)	(Audited)
	30 Jun 18	*31 Dec 17*
	(Group)	*(Group)*
	USD	*USD*
Cash at bank	**5,574,050**	9,632,179
Cash equivalents	**-**	67,620
	5,574,050	9,699,799

12. RELATED PARTIES

Transactions between the Group and its related parties are disclosed below.

The Directors, who are the key management personnel of the Group, are remunerated as follows:

	(Unaudited)	(Unaudited)	(Audited)
	30 Jun 18	*30 Jun 17*	*31 Dec 17*
	(Group)	*(Group)*	*(Group)*
	USD	*USD*	*USD*
Chairman - C Waldron (Resigned 19 June 2018)	**47,546**	18,816	38,976
Chairman - D Dolenec (Appointed 19 June 2018)	**1,084**	-	-
Other directors	**83,967**	32,762	67,879
	132,597	51,578	106,855

As at 30 June 2018, USD 101,397 (31 December 2017: USD 27,809) was accrued for directors' remuneration.

As at 30 June 2018, no Directors held any shares in the Company. None of the Directors hold any share options nor any receivable due or payable to them under any long term incentive plan. As at 19th June 2018, and at the time of his registration, Mr. Waldron held 3,500 Ordinary Shares and at the time of his resignation, Mr. Cannon held indirectly 630 shares, as limited partner of Ranger Capital Company.

Mr. Dolenec (through Emona Capital LLP) is party to an advisory agreement with Oaktree pursuant to which he is entitled to receive both (a) a fixed retainer fee and (b) a performance fee which is directly linked to the IRR on Oaktree's investment in the Company. With Mr. Dolenec abstaining, on 5 July 2018 the Board resolved that Mr. Dolenec's interest in the agreement between Emona Capital LLP and Oaktree be authorised for the purposes of section 175 of the Act and Article 170.

The Group does not have any employees.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

12. RELATED PARTIES (continued)

The Company has not made any contribution, to any Directors' pension scheme and no retirement benefits are otherwise accruing to any of the Directors under any defined benefit or monthly purchase scheme for which the Company is liable. There have been no changes to the aforementioned holding between 30 June 2018 and the date of this report.

The Board has delegated responsibility for day-to-day management of the loans held by Direct Lending Platforms to the Investment Manager. 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. Total investment management fees for the period amounted to USD 1,413,428 (31 December 2017: USD 3,054,733). As at 30 June 2018, the investment management fees payable was USD 507,723 (31 December 2017: USD 853,887).

During the period, the Investment Manager received a reimbursement amount of USD 102,197 for expenses (31 December 2017: USD 94,466). Performance fee for the year amounted to USD nil (31 December 2017: USD 13,763). As at 30 June 2018, performance fee payable was USD nil (31 December 2017: USD nil).

As at 30 June 2018, the Investment Manager holds 4,500 Ordinary Shares representing 0.03% of the total interest in voting rights of the Company (31 December 2017: 4,500 Ordinary Shares representing 0.03%).

The Company entered into a Trust Agreement with Ranger Direct Lending Fund Trust on 22 April 2015. The Company, being the sole unitholder, has sole discretion to declare distributions from the Trust. As at 31 December 2017, amounts owed by undertaking relating to the Trust's net income was USD 44,712,526 (31 December 2017: USD 44,712,526).

The Company incorporated the ZDPco on 23 June 2016 as a public limited company with limited life and granted an undertaking to (among other things) subscribe for such number of ordinary shares in the capital of ZDPco as may be necessary or to otherwise ensure that the ZDPco has sufficient assets to satisfy its obligations to the ZDP Shareholders and pay any operational costs incurred by the ZDPco. During the year, the Company paid ZDPco's expenses amounting to USD 61,123 (2017: USD 225,717 representing ZDPco's expenses and Share issue costs).

On 25 July 2016, the Company entered into a Loan Agreement with the ZDPco. Pursuant to the Loan Agreement, the ZDPco immediately following the admission of its ZDP Shares, on-lent the proceeds to the Company which the latter have applied towards making investments in accordance with its investment policy and working capital purposes. The amount payable to the ZDPco which is eliminated upon consolidation is USD 72,744,215 (31 December 2017: USD 73,835,016).

Since the period end, with effect from 26 July 2018, Mr. Dolenec receives a monthly fee of £15,000 for his Executive Chairman duties and Mr. Miller receives a monthly fee of £15,000 for his Executive Director duties. Mr. Dolenec is also party to an advisory agreement with Oaktree pursuant to which he is entitled to receive a fixed retainer fee and a performance fee, which was directly linked to the IRR on Oaktree's investment in the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The fair values of the financial assets held at fair value through profit and loss was derived from the NAV of Princeton as of 30 June 2018. The Group's investment in the Cayman SPV was derived from the amount paid to acquire the investment on the basis that only a short period has elapsed since the acquisition of the investment in June 2018.

The fair values of the derivative financial instruments have been provided to the Directors by the counterparty, BNP Paribas S.A. and RBC Capital Markets, on whom the Directors rely as expert providers of such valuations.

The fair values of cash and cash equivalents, funds receivable from/payable to Direct Lending Platforms, prepayments and other receivables, and accrued expenses and other liabilities are estimated to be approximately equal to their carrying values due to their short-term nature.

The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities at the valuation date;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly (as prices) or indirectly (derived from prices), including inputs from markets that are not considered to be active; and

Level 3: Inputs that are not based upon observable market data.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The main input parameters for this model are the default rate (the value rises when the default rate is lower, and decreases when the default rate is higher), the interest rate (the value rises when the interest rate is higher, and drops when the interest rate is lower), and the discount rate (the value rises when the discount rate is lower, and drops when discount rate is higher). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

However, the determination of what constitutes "observable" requires significant judgement by the Directors. The Directors consider observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instruments and does not necessarily correspond to the Group's perceived risk inherent in such financial instruments.

The following tables include the fair value hierarchy of the Group's financial assets and liabilities designated at fair value through profit or loss:

30 Jun 18	*Level 1 (USD)*	*Level 2 (USD)*	*Level 3 (USD)*	*Total (USD)*
Financial assets	**-**	**581,887**	**28,834,657**	**29,416,544**
Financial liabilities	**-**	**877,917**	**-**	**877,917**

31 Dec 17	*Level 1 (USD)*	*Level 2 (USD)*	*Level 3 (USD)*	*Total (USD)*
Financial assets	-	1,110,329	29,621,483	30,731,812
Financial liabilities	-	545,126	-	545,126

There were no transfers between Levels during the period or in the prior year.

As disclosed in note 4, the fair value of Loans held at amortised cost approximate their carrying amounts and are categorised as Level 2.

The ZDP Shares are classified within Level 1 of the fair value hierarchy on the basis that the fair value was derived from an observable traded price.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

14. OPERATING SEGMENTS

Geographical information

The Group is managed as a single asset management business, being the investment of the Group's capital in financial assets comprising Debt Instruments and loans originated by Direct Lending Platforms. The chief operating decision maker is the Board of Directors. Under IFRS 8 the Group is required to disclose the geographical location of revenue and amounts of non-current assets other than financial instruments.

Revenues

The Group's revenues are currently generated from United States of America ("USA"), United Kingdom ("UK") and Canada.

The total investment income generated from USA, UK and Canada amounted to USD 9,289,989, USD 2,217,967 and USD 1,085,396, respectively (2017: USA, UK and Canada amounted to USD 21,528,260, USD 3,606,532 and USD 1,377,185 respectively).

Non-current assets

The Group does not have non-current assets other than the Loans held at amortised cost and financial assets at fair value through profit or loss.

15. SUBSEQUENT EVENTS

Subsequent to the year-end on the 24 September 2018, the Directors proposed the payment of an interim dividend for the second quarter of 2018 of USD 18.72 cents (GBP 14.28 pence) per Ordinary Share at a total amount of USD 3,018,181.

As noted in the Company's announcement on 3 August 2018 the Bankruptcy Court ruled that portions of the Company's claims against Princeton and its former general partner, Princeton Alternative Funding, LLC, in pending arbitration proceedings could proceed and be fully adjudicated. The arbitration panel has now rendered a "Partial Final Award" on Phase I of the arbitration. The details of which is disclosed in the Chairman's Statement on pages 4 to 6.

16. RECONCILIATION OF PUBLISHED NAV PER SHARE TO THE AUDITED NAV

The cum-income and ex-income NAV per share are published on a monthly basis by the Company. The table below shows a reconciliation between the NAV which is the basis for the cum-income and the ex-income NAV per share published as at 30 June 2018 and that contained in these financial statements.

	30-Jun-18
	Ordinary Shares
	USD
Unaudited NAV as at 30 June 2018	207,695,025
- Runway Impairment	(2,077,709)
NAV per Statement of Financial Position as at 30 June 2018	205,617,316

COMPANY INFORMATION

Directors
Dominik Dolenec (appointed 19 June 2018)
Brendan Hawthorne (appointed 19 June 2018)
Brett Miller (appointed 5 July 2018)
Jonathan Schneider (appointed 2 April 2015)
Gregory Share (appointed 19 June 2018)
Christopher Waldron (resigned 19 June 2018)
Matthew Mulford (resigned 19 June 2018)
K. Scott Canon (resigned 19 June 2018)

Company Secretary
Link Company Matters Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Registrar
Link 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
6th Floor
65 Gresham Street
London EC2V 7NQ
United Kingdom

Investment Manager
Ranger Alternative Management II, LP
2828 N. Harwood Street
Suite 1900
Dallas, Texas
United States
info@rangercap.com

Sponsor, Broker and Placing Agent – Ordinary Shares
Liberum Capital Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY
United Kingdom

Administrator
Sanne Fiduciary Services Limited
IFC 5
St. Helier
Jersey JE1 1ST.

English and US Securities Law Legal Adviser
Travers Smith LLP
10 Snow Hill
London EC1A 2AL
United Kingdom

Cash Custodian
Merrill Lynch, Pierce, Fenner & Smith
Incorporated