

RANGER DIRECT LENDING FUND PLC

(Registered No. 09510201)

HALF-YEARLY FINANCIAL REPORT (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

RANGER DIRECT LENDING FUND PLC

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RANGER DIRECT LENDING FUND PLC

OVERVIEW

About Ranger Direct Lending Fund Plc

Ranger Direct Lending Fund plc (“Ranger” or 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 2016 (“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 its admission to the London Stock Exchange 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. On Admission, the Company had in issue 13,500,000 ordinary shares of GBP 0.01 each in the capital of the Company (“Ordinary Shares”) which were allotted at an issue price of GBP 10.00 per Ordinary Share. On 16 December 2015, the Company also issued 1,348,650 Ordinary Shares (representing 9.99% of the issued Ordinary Share capital of the Company) at a placing price of GBP 10.45. Since Admission, the Company has been deploying the proceeds of the issue of the Ordinary Shares in a portfolio of debt obligations (such as loans, invoice receivables and asset financing arrangements and which are together referred to as “Debt Instruments”) issued mainly by direct lending platforms (being businesses which serve as originators and/or distributor of Debt Instruments and which are not traditional retail or investment banks (“Direct Lending Platforms”)) in the United States of America (“US”). 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.

The Company’s investing activities have been delegated by the Board to its 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.

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.

The ZDPco

On 23 June 2016 the Company incorporated the ZDPco, a public limited company incorporated and registered in 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 (the “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 the ZDPco 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.

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

CHAIRMAN'S STATEMENT

I am pleased to report the Company's results for the half-year from 1 January 2016 to 30 June 2016, a period that has seen consistent increases in Ranger's monthly Net Asset Value ("NAV") and a growing dividend.

The proceeds of the initial public offering (IPO) on 1 May 2015 and December's secondary issue of Ordinary Shares were all substantially deployed by the end of 2015, so Ranger began 2016 with all of its assets committed to Debt Instruments, less approximately 4% for general fund operations and foreign exchange hedging settlements. This meant that by February, the monthly NAV increase had reached the Investment Manager's target rate of 70 to 80 basis points, leading to NAV growth of 4.43% over the period.

In Sterling terms, Ranger's NAV growth in the first half of 2016 was much higher at 12.33%, but this was entirely a consequence of the sharp fall in the value of Sterling as a result of the United Kingdom's referendum vote on leaving the European Union (commonly referred to as 'Brexit') on 23 June 2016 as over 90% of the Company's assets are denominated in US dollars. It should be noted that this rapid rise in the Company's NAV led to Ranger's shares trading at a discount to NAV of over 17% at the end of the period, although this has since narrowed substantially. With only 5% of assets in the UK and none in the rest of the EU, the Company's exposure to a Brexit induced economic slowdown is limited, and while exchange rate risk needs to be managed, this would have been the case whatever the outcome of the referendum.

Ranger's portfolio now consists of Debt Instruments issued by eleven different direct lending platforms across a variety of industries. Secured lending makes up over three quarters of the portfolio and while a detailed breakdown can be found in the Investment Manager's report, it is important to highlight that loan losses to date remain below original projections and are covered by the loss reserves.

The net returns from the portfolio have allowed quarterly dividends to increase from 14.62p per share in February, to 20.45p in May and 26.87p in August after the period end. However, to reach the 10% yield targeted at the time of IPO, it was always envisaged that some degree of leverage would be necessary and significant work has been undertaken in the period by the Board, the Investment Manager and the other service providers to secure the appropriate facility. It was therefore pleasing to be able to conclude a successful issue of zero dividend preference shares shortly after the period end, through the ZDPco. This raised GBP 30 million for further investment and should assist in seeking to achieve the long term target dividend rate of 10%.

Despite the persistence of low interest rates in the US, the availability of bank lending for many small and medium size enterprises remains poor. This funding shortfall continues to provide opportunities for alternative providers of finance and Ranger remains well placed to capitalise on these.

Thank you for your continuing support

Christopher Waldron

Chairman

14 September 2016

RANGER DIRECT LENDING FUND PLC

INVESTMENT MANAGER'S REPORT

Tighter regulations and increasingly restrictive lending requirements have caused many banks to reduce or eliminate lending to well-established Direct Lending Platforms, primarily because of their niche markets, low average loan size, or small account size. Direct Lending Platforms cover multiple secured lending categories such as real estate, equipment finance, invoice factoring, automobiles, specialty finance, trade receivables and small business lending. The Investment Manager continues to believe that there is an exceptional opportunity in the vacuum left by retreating commercial banks.

The Investment Manager believes that there are attractive, high yield opportunities which can be accessed by providing funding through these established Direct Lending Platforms. The Investment Manager continues to identify, negotiate, undertake due diligence, and invest with multiple Direct Lending Platforms. To further mitigate risk, the Investment Manager has diversified investments across a number of lending categories, industries, geographic areas, durations and funding structures.

Since the Company completed its IPO on 1 May 2015, it has deployed capital through a number of Direct Lending Platforms in the US, UK, Australia, and Canada, focused primarily on secured Debt Instruments. The number of platforms remains at eleven as of 30 June 2016 (31 December 2015: 11). With a continuing focus on diversifying the portfolio, final negotiations are underway with two additional platforms through which investments are expected to happen in Q3 2016. In addition, the Investment Manager is also in early stage negotiations with other new Direct Lending Platforms, all with the potential to meet or exceed the Company's investment objectives.

As of 30 June 2016, all proceeds originating from both the Company's IPO and secondary issue of Ordinary Shares were deployed or committed to be deployed, less approximately 4% for general fund operations and foreign exchange settlements. The investments have been made into 9 categories and 15 different sub-categories of Debt Instruments spanning the 11 different Direct Lending Platforms. As noted above, this diverse mix of investment types is intended to mitigate risk. At 30 June 2016, 78% of the NAV of the portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to SME borrowers and 22% of the portfolio consisted of unsecured consumer loans.

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 organisations serving the direct lending industry. As of 30 June 2016, no such equity investments have yet been made, but the Company is currently in late stage negotiations with a possible equity investment opportunity.

Returns from the Direct Lending Platforms are in line with the 12% to 13% targeted net annualised returns to the Company before fund expenses, management and performance fees. NAV growth is in line with expectations, and the Company will seek to provide its Shareholders with continued high dividends since it has reached full deployment for several months. As a step toward applying leverage and diversifying its capital base, the Company announced on 6 June 2016 its intention to raise up to GBP 30 million through a placing of ZDP Shares in a subsidiary of the Company. The ZDP Shares were issued by ZDPco on 1 August 2016 with a five year term and a gross redemption yield of 5% per annum.

The Investment Manager selects investments using an active management approach, where potential investments are analysed to determine their suitability in meeting the overall investment objectives of the Company. Unlike passive investing, the Investment Manager may exclude investments offered by a Direct Lending Platform believed to be unsuitable.

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INVESTMENT MANAGER'S REPORT – (CONTINUED)

Top Ten Positions

(Shown as aggregate Debt Investments acquired from individual Direct Lending Platform)

Investment/Direct Lending Platform	Country	Principal Activity	Value as at 30 June 2016 (USD)	% of Net Asset Value as at 30 June 2016
SME credit lines	United States	Consumer lending fund	55,640,028	24.1%
Real estate loans	United States	Bridge loans to real estate developers	52,020,350	22.5%
Consumer loans	United States	Loans to consumers with improving credit	38,878,168	16.8%
SME loans	United States	Loans to small/medium size businesses	25,844,221	11.2%
Consumer loans	United States	Loans to general consumers	12,268,387	5.3%
Platform loans	United Kingdom	Loans to small/medium size businesses	10,114,156	4.4%
Platform loans	Australia	Loans to small/medium size businesses	8,663,126	3.7%
Equipment loans	United States	Equipment loans to business	6,458,870	2.8%
Business loans	United States	Vehicle service contract financing	5,304,816	2.3%
Business loans	United States	Vehicle service contract administration	3,038,599	1.3%
Total			218,230,721	94.4%

RANGER DIRECT LENDING FUND PLC

INVESTMENT MANAGER'S REPORT – (CONTINUED)

Analysis of Investment Restrictions:

Indicator	Criteria	As of 30 June 2016
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 90 days
- Maximum allocation to any single asset class sub-category	25% of gross assets	- The Company has invested 23.6% of gross assets in the business line of credit debt US sub-category
- Maximum allocation to loans originated by any single lending platform	25% of gross assets	- The Company has invested 23.6% of gross assets in the Direct Lending Platform which issues SME credit lines
- Maximum allocation 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
- 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
- Minimum allocation to loans secured by assets or personal guarantee	65% of gross assets	- 78% of the gross assets are 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	- 77.2% of the portfolio are secured by assets or personal guarantee
Total dividends for the period	At least 85% of Net Profit	- Interim dividends of 90% of Net Profit

RANGER DIRECT LENDING FUND PLC

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT

For the period from 1 January 2016 to 30 June 2016

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 certain 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.

GOING CONCERN

As stated in note 2 to the condensed financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

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 2015 annual report. The principal risks to which the Group will be exposed in the remaining six months of the financial year, being macroeconomic, operational, legal and compliance, investment and taxation risks, are substantially the same as those described on pages 15 to 17 of the 2015 annual report, a copy of which is available at www.rangerdirectlending.uk.

With 95% of the Group's portfolio denominated in currencies other than Sterling, and with the Group's functional currency being the United States Dollar, the Brexit is unlikely to have a significant impact on the Group's performance. It should also be noted that the Company has entered into derivative contracts starting this period to manage the exposure to foreign currency on existing assets.

IMPORTANT EVENTS AND FINANCIAL PERFORMANCE

During the period, the Group's net profit amounted to USD 9,937,559 (25 March to 30 June 2015: USD 183,606 and 10 April 2015 to 31 December 2015: USD 5,100,484).

RANGER DIRECT LENDING FUND PLC

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT – (CONTINUED)

IMPORTANT EVENTS AND FINANCIAL PERFORMANCE – (continued)

As at 30 June 2016, the NAV per share was: USD 15.58 or GBP 11.74 (31 December 2015 USD 15.41 or GBP 10.46) on a cum-income basis; USD 14.91 or GBP 11.24 (31 December 2015: USD 15.07 or GBP 10.23) on an ex-income basis.

The trailing Q2 2016 NAV return¹ equates to an annualised, unlevered return of 9.8% (compounded). As such, the Company's net NAV return for the period ended 30 June 2016 was within the Company's targeted monthly unlevered return range of 70 to 80 basis points.

In the first six months of the year: the Group's existing overseas portfolio (primarily US investments) continued to contribute to NAV growth; the Group entered into foreign currency hedging arrangements to hedge its foreign currency exposures versus USD; and the ZDPco was incorporated.

As at 30 June 2016 the Company's Ordinary Shares were trading at a discount to NAV of 17.38%. It is important to note that it is likely that the majority of this discount could primarily be attributed to the drop in the value of Sterling versus the US Dollar.

The Group has invested in Debt Instruments from eleven Direct Lending Platforms and continued its geographic diversification through its investments in the US, UK, Australia and Canada.

As at 30 June 2016, the portfolio (excluding cash and cash equivalents) was diversified across different sectors as follow:

Sector	Allocation²
Business Letters of Credit	25%
Consumer Loans	23%
Platform Debt	11%
Business Loans	11%
Commercial Real Estate Loans	9%
Multi-family Real Estate Loans	8%
Mixed-use Real Estate Loans	6%
Residential Real Estate Loans	5%
Factoring	1%
Equipment Loans	1%
Total (excluding cash and cash equivalents)	100%

Type	Allocation³
Secured	77%
Unsecured	23%

¹ Net profit divided by the NAV

² As a percentage of the total value of Debt Instruments held by the Group

³ As a percentage of the total value of Debt Instruments held by the Group

RANGER DIRECT LENDING FUND PLC

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT – (CONTINUED)

IMPORTANT EVENTS AND FINANCIAL PERFORMANCE – (continued)

Although it does not form part of its investment policy, and subject to (amongst others) applicable law, market conditions and the Company's performance, once fully invested and levered, the Directors will target a payment of dividends which equate to a yield of 10% per annum on the issue price per share at IPO⁴.

The growth in NAV was in line with expectation and the Company continues to provide Shareholders with progressively higher dividends as it deploys its capital. Total interim dividends representing the first and second quarters of 2016 amount to almost 50% of the targeted annual dividends. The interim dividend for the second quarter amounting to USD 5,210,318 was declared subsequent to the period end.

As a means of sourcing leverage and in order to diversify the Company's capital base, the Company incorporated the ZDPco as a wholly-owned subsidiary for the purpose of issuing ZDP Shares to third party investors. ZDPco subsequently raised gross proceeds of GBP 30 million through the issue of ZDP Shares at a placing price of GBP 1.00 each on 1 August 2016. These gross proceeds were then loaned to the Company for the purpose of making additional investments in accordance with the Company's investment policy and for working capital purposes.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 7 to the condensed financial statements.

DIRECTORS

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

C. Waldron (Chairman)

Dr M. Mulford

J. Schneider

K.S. Canon

⁴ The target dividend is a target only and not a profit forecast. There can be no assurance that the target dividend can or will be achieved from time to time and it shall not be seen as an indication of the Company's actual results or returns. In particular, the target dividend assumes that the Company (or a member of the Group) will be able to agree terms for the provision of leverage in connection with the investments it makes from time to time and also assume investors will hold their Ordinary Shares long term.

RANGER DIRECT LENDING FUND PLC

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT – (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 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

Christopher Waldron

Chairman

Date: 14 September 2016

INDEPENDENT REVIEW REPORT

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the period from 1 January 2016 to 30 June 2016 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Shareholders' Equity, the Condensed Consolidated Statement of Cash Flows and the related notes 1 to 11. 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 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 Auditing Practices Board. 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 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 consolidated 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

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 Auditing Practices Board 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 Ireland) 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 – (CONTINUED)

Conclusion

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 period from 1 January 2016 to 30 June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

14 September 2016

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

		(Unaudited) 30 Jun 2016 (USD)	(Audited) 31 Dec 2015 (USD)
	Notes		
ASSETS			
Non-current assets			
Financial asset at fair value through profit or loss	3	55,640,028	52,723,467
Loans held at amortised cost	4	168,460,525	130,572,462
Total non-current assets		224,100,553	183,295,929
Current assets			
Derivative assets	8	745,919	-
Advances to/funds receivable from direct lending platforms		1,123,194	3,337,949
Prepayments and other receivables		676,654	110,742
Cash and cash equivalents		8,934,034	45,325,934
Total current assets		11,479,801	48,774,625
TOTAL ASSETS		235,580,354	232,070,554
Current liabilities			
Derivative liabilities	8	193,875	-
Funds payable to direct lending platforms		1,006,900	254,840
Accrued expenses and other liabilities		3,081,320	2,971,250
Total current liabilities		4,282,095	3,226,090
NET ASSETS		231,298,259	228,844,464
SHAREHOLDERS' EQUITY			
Capital and reserves			
Called-up share capital		228,201	228,201
Share premium account		20,989,992	20,989,992
Other reserves		204,225,570	204,225,570
Revenue reserves		3,893,437	1,710,176
Realised capital profits		2,487,638	2,573,965
Unrealised capital losses		(526,579)	(883,440)
TOTAL SHAREHOLDERS' EQUITY		231,298,259	228,844,464
NAV per Ordinary Share		15.58	15.41

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

The condensed consolidated financial statements for the six months period ended 30 June 2016 of Ranger Direct Lending Fund Plc, a public company limited by shares and incorporated in England and Wales with registered number 09510201, were approved and authorised for issue by the Board of Directors on 14 September 2016.

Signed on behalf of the Board of Directors:

Christopher Waldron

Chairman

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

	Notes	(Unaudited) 1 Jan to 30 Jun 2016			(Unaudited) 25 Mar to 30 Jun 2015			(Audited) 10 Apr to 31 Dec 2015		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
		USD	USD	USD	USD	USD	USD	USD	USD	USD
Income										
		10,172,427	-	10,172,427	302,120	-	302,120	6,369,680	-	6,369,680
	3	-	4,427,544	4,427,544	-	123,750	123,750	-	2,683,300	2,683,300
		1,400,136	-	1,400,136	24,461	-	24,461	488,236	-	488,236
		-	-	-	37,267	-	37,267	-	-	-
		-	228,851	228,851	-	-	-	-	-	-
		35	-	35	100	-	100	168	-	168
		11,572,598	4,656,395	16,228,993	363,948	123,750	487,698	6,858,084	2,683,300	9,541,384
Operating expenditure										
		1,021,110	-	1,021,110	22,820	-	22,820	729,759	-	729,759
	7	1,153,580	-	1,153,580	42,808	-	42,808	726,844	-	726,844
	7	818,174	285,999	1,104,173	-	-	-	334,785	199,985	534,770
	4	-	(296,814)	(296,814)	-	30,176	30,176	-	683,455	683,455
	4	-	1,888,633	1,888,633	-	-	-	-	109,335	109,335
		167,459	-	167,459	2,867	-	2,867	265,880	-	265,880
		164,641	-	164,641	75,793	-	75,793	230,040	-	230,040
		51,365	-	51,365	53,780	-	53,780	100,234	-	100,234
		-	-	-	-	-	-	65,064	-	65,064
		-	-	-	51,425	-	51,425	51,425	-	51,425
		29,025	-	29,025	13,749	-	13,749	46,989	-	46,989
		-	755,430	755,430	-	-	-	615,595	-	615,595
		252,832	-	252,832	10,674	-	10,674	281,510	-	281,510
		3,658,186	2,633,248	6,291,434	273,916	30,176	304,092	3,448,125	992,775	4,440,900
		7,914,412	2,023,147	9,937,559	90,032	93,574	183,606	3,409,959	1,690,525	5,100,484
		-	-	-	-	-	-	-	-	-
		7,914,412	2,023,147	9,937,559	90,032	93,574	183,606	3,409,959	1,690,525	5,100,484

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - (CONTINUED)

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

	Notes	(Unaudited) 1 Jan to 30 Jun 2016			(Unaudited) 25 Mar to 30 Jun 2015			(Audited) 10 Apr to 31 Dec 2015		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Basic and Diluted Earnings Per Ordinary Share - USD	6	0.53	0.14	0.67	0.01	0.01	0.02	0.25	0.12	0.37
Basic and Diluted Earnings Per Ordinary Share – GBP	6	0.40	0.11	0.51	0.00	0.01	0.01	0.17	0.08	0.25

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

The total column of this Statement of Comprehensive Income was prepared in accordance with International Financial Reporting Standards ("IFRS"). The supplementary revenue and capital columns are both prepared under the guidance published by the AIC. All items in the above Statement derive from continuing operations.

Other comprehensive income

There were no items of other comprehensive income in the current period or prior periods therefore the profit for the period is also the total comprehensive income for the period.

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016 (UNAUDITED)

Notes	Called-up Share Capital (USD)	Share Premium (USD)	Other Reserves (USD)	Realised capital profits (USD)	Unrealised capital losses (USD)	Revenue Reserves (USD)	Total (USD)
Balance at 1 January 2016	228,201	20,989,992	204,225,570	2,573,965	(883,440)	1,710,176	228,844,464
Dividends 5	-	-	-	(1,752,613)	-	(5,731,151)	(7,483,764)
Reclassification of realised capital items	-	-	-	(883,440)	883,440	-	-
Total comprehensive income/(loss) for the period	-	-	-	2,549,726	(526,579)	7,914,412	9,937,559
Balance at 30 June 2016	228,201	20,989,992	204,225,570	2,487,638	(526,579)	3,893,437	231,298,259

FOR THE PERIOD FROM 25 MARCH 2015 TO 30 JUNE 2015 (UNAUDITED)

	Called-up Share Capital (USD)	Share Premium (USD)	Realised capital profits (USD)	Unrealised capital losses (USD)	Revenue Reserves (USD)	Total (USD)
Balance at 25 March 2015	-	-	-	-	-	-
Amounts receivable on issue of management shares	74,500	-	-	-	-	74,500
Management shares redeemed	(74,500)	-	-	-	-	(74,500)
Issue of Ordinary shares - net	207,819	204,225,570	-	-	-	204,433,389
Total comprehensive income/(loss) for the period	-	-	123,750	(30,176)	90,032	183,606
Balance at 30 June 2015	207,819	204,225,570	123,750	(30,176)	90,032	204,616,995

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - (CONTINUED)

FOR THE PERIOD FROM 10 APRIL 2015 TO 31 DECEMBER 2015 (AUDITED)

	Notes	Called-up Share Capital (USD)	Share Premium (USD)	Other Reserves (USD)	Realised capital profits (USD)	Unrealised capital losses (USD)	Revenue Reserves (USD)	Total (USD)
Balance at 10 April 2015		74,500	-	-	-	-	-	74,500
Management shares redeemed		(74,500)	-	-	-	-	-	(74,500)
Issue of Ordinary shares - net		228,201	225,215,562	-	-	-	-	225,443,763
Cancellation of share premium		-	(204,225,570)	204,225,570	-	-	-	-
Dividends	5	-	-	-	-	-	(1,699,783)	(1,699,783)
Total comprehensive income/(loss) for the period		-	-	-	2,573,965	(883,440)	3,409,959	5,100,484
Balance at 31 December 2015		228,201	20,989,992	204,225,570	2,573,965	(883,440)	1,710,176	228,844,464

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

RANGER DIRECT LENDING FUND PLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

		(Unaudited) 01 Jan to 30 Jun 2016 (USD)	(Unaudited) 25 Mar to 30 Jun 2015 (USD)	(Audited) 10 Apr to 31 Dec 2015 (USD)
Profit for the period		9,937,559	183,606	5,100,484
Adjustments for:				
Foreign exchange loss		569,089	-	-
Dividend income		-	(24,461)	(56,123)
Net gain on financial asset at fair value through profit or loss	3	(4,427,544)	(123,750)	(2,683,300)
Gain on revaluation of derivative financial instruments		(228,851)	-	-
Investment income		(10,172,427)	(302,120)	(6,369,680)
Amortisation of transaction fees – net		57,373	-	77,989
Loans written-off	4	1,888,633	-	109,335
(Reversal of)/Provision for default	4	(296,814)	30,176	683,455
Operating cash flows before movements in working capital		(2,672,982)	(236,549)	(3,137,840)
Increase in other current assets and prepaid expenses, excluding receivable from issuance		(565,912)	(201,150)	(110,742)
Increase in accrued expenses and other liabilities		110,070	195,150	2,784,718
Decrease/(Increase) in funds receivable from direct lending platforms – net		2,966,815	(4,869,464)	(3,083,109)
Net cash flows used in operating activities		(162,009)	(5,112,013)	(3,546,973)
Investing activities				
Acquisition of financial asset at fair value through profit or loss	3	(3,000,000)	(10,000,000)	(52,100,000)
Acquisition of loans	4	(82,979,015)	(29,870,508)	(155,470,932)
Principal repayments	4	44,115,338	624,105	24,966,615
Proceeds from partial redemption of financial asset at fair value through profit or loss	3	4,510,983	-	2,059,833
Investment income received		9,280,777	198,452	5,617,288
Net settlement on derivative positions		(323,193)	-	-
Dividend income received		-	24,461	56,123
Net cash flows used in investing activities		(28,395,110)	(39,023,490)	(174,871,073)
Financing activities				
Proceeds on issue of shares		-	207,818,984	229,116,913
Costs paid in connection with share issue		-	(3,385,595)	(3,673,150)
Dividends paid	5	(7,483,764)	-	(1,699,783)
Net cash flows (used in)/from financing activities		(7,483,764)	204,433,389	223,743,980
Net change in cash and cash equivalents		(36,040,883)	160,297,886	45,325,934
Cash and cash equivalents at the beginning of the period		45,325,934	-	-
Effect of foreign exchange rates		(351,017)	-	-
Cash and cash equivalents at the end of the period		8,934,034	160,297,886	45,325,934

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

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 premium segment of the Official List of the Financial Conduct Authority and the admission of its Ordinary Shares to the London Stock Exchange Main Market. The registered office of the Company is 40 Dukes Place, London, EC3A 7NH. The condensed consolidated financial statements ("condensed financial statements") include the results of Ranger Direct Lending Fund Trust (the "Trust") and Ranger Direct Lending ZDP plc (the "ZDPco").

The half year results for the six months ended 30 June 2016 are unaudited. The comparative figures for the period from 10 April 2015 to 31 December 2015 have been extracted from the Group's 31 December 2015 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 and included the report of the auditor which was unqualified and did not note attention to any matters by way of emphasis. The auditor's report did not contain a statement under either section 498(2) or 498(3) of Companies Act 2006. The comparative figures for the period from 25 March 2015 to 30 June 2015 have been extracted from the Group's 30 June 2015 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 in accordance 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.

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published annual financial statements for the period ended 31 December 2015. There are no new standards or amendments to standards effective for the periods presented that have a material impact on the Group.

Basis of measurement and consolidation

The 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 subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

2. SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Use of estimates, judgements and assumptions

The preparation of interim financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies at the date of the interim financial statements and the reported amounts of income and expense during the period. Actual results could differ from those estimates. The interim financial statements, which are in a condensed format, do not include all the information and disclosures required in the Group's annual report, and should be read in conjunction with the Group's annual report for the period ended 31 December 2015.

Critical judgements in applying the Group's accounting policies – financial asset at fair value through profit or loss

The Group holds a 100% equity interest in Princeton Alternative Income Offshore Fund, Ltd. ("Princeton"). The Group expects to profit from the total return in the form of distributions from Princeton. The Directors have considered the requirements of IFRS 10 – "*Consolidated Financial Statements*" as disclosed in note 3 and are of the opinion that the Group does not control Princeton. Accordingly, Princeton is not consolidated in these financial statements and the Group's equity interest in Princeton is instead accounted for as a financial asset at fair value through profit or loss.

Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, being a period not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

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. 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. 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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.

3. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 Jun 2016 USD	(Audited) 31 Dec 2015 USD
Opening balance	52,723,467	-
Purchases	3,000,000	52,100,000
Redemptions	(4,510,983)	(2,059,833)
Net gain for the period	4,427,544	2,683,300
Closing balance	55,640,028	52,723,467

The Group's financial asset at fair value through profit or loss represents its investment in Princeton. The Group has assessed whether or not the Group has control over Princeton based on its voting rights and practical ability to direct the relevant activities of Princeton unilaterally. In making their judgement the Directors considered Princeton's Private Placement Memorandum and subscription arrangement and concluded that the Group does not have control over Princeton.

Fair value estimation

The Group's investment in Princeton is valued on the basis of the Statement of Fund Performance received on a monthly basis from Princeton, less a provision for potential defaults of USD 136,917 (31 December 2015: USD 88,917). The fair value as at the reporting date was checked for reasonableness by comparing the amount against Princeton's discounted projected future cash flows. In the absence of an active market for this investment, a mark-to-model approach has been adopted by the Investment Manager to determine the valuation. During the period, the Group initiated discussions with Princeton to restructure the current investment arrangements to enable the income distributions from Princeton to be classified consistently with the income from other Direct Lending Platforms. As of 30 June 2016 and up to the date of this report, no formal decision has yet been reached.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

4. LOANS HELD AT AMORTISED COST

	(Unaudited) 30 Jun 2016 <i>USD</i>	(Audited) 31 Dec 2015 <i>USD</i>
Opening balance	130,572,462	-
Purchases	82,979,015	155,470,932
Principal repayments	(44,115,338)	(24,966,615)
Amortisation of transaction fees	(57,373)	(77,989)
Accrued interest	891,650	938,924
Loans written-off	(1,888,633)	(109,335)
Effect of foreign exchange	(218,072)	-
	168,163,711	131,255,917
Reversal of/(Provision for) default allowance	296,814	(683,455)
Closing balance	168,460,525	130,572,462

The Group's loans (Debt Instruments) are accounted for at amortised cost using the effective interest method. The carrying value of such instruments includes assumptions that are based on market conditions existing at each reporting date. Such assumptions include application of default rate and identification of effective interest rates taking into account the credit standing of each underlying borrower as assessed by each Direct Lending Platform. At the period end, the Directors estimate that the carrying value approximates the fair value.

The main factor considered by the Board in determining whether or not amounts due are impaired is if the underlying borrower's source of income has decreased or is unlikely to continue. The following table shows the age of the receivables which are considered to be at risk of default:

	(Unaudited) 30 Jun 2016 <i>USD</i>	(Audited) 31 Dec 2015 <i>USD</i>
Up to 3 months	17,681,460	1,095,328
3 to 6 months	1,873,635	2,754,993
Over 6 months	3,850	1,581,543
	19,558,945	5,431,864

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

4. LOANS HELD AT AMORTISED COST – (CONTINUED)

The movement in the provision for default allowance is as follows:

	(Unaudited) 30 Jun 2016 <i>USD</i>	(Audited) 31 Dec 2015 <i>USD</i>
Balance at the beginning of the period	683,455	-
Provision for the period	1,591,819	792,790
Amount written-off during the period	(1,888,633)	(109,335)
Balance at the end of the period	386,641	683,455

5. DIVIDENDS

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

	Per share pence	(Unaudited) 1 Jan to 30 Jun 16 <i>USD</i>	(Unaudited) 25 Mar to 30 Jun 15 <i>USD</i>	(Audited) 10 Apr to 31 Dec 15 <i>USD</i>
Ordinary dividends declared and paid:				
Interim dividends in 2016 (in respect of 31 Mar 2016 results)	20.45	4,423,133	-	-
Interim dividends in 2016 (in respect of 31 Dec 2015 results)	14.62	3,060,631	-	-
Interim dividend paid on 11 December 2015 (in respect of 30 Sept 2015 results)	8.36	-	-	1,699,783
Total dividends paid during the period		7,483,764	-	1,699,783

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

The Company intends to distribute at least 85% of its distributable income earned in each financial year by way of dividends. The Company paid its first dividend in December 2015 in respect of the period to 30 September 2015. At the Company's annual general meeting on 24 May 2016, the Company's Shareholders approved the Company's dividend policy of paying quarterly dividends in March, June, September and December in each year in respect of dividend declarations made in February, May, August and November.

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

RANGER DIRECT LENDING FUND PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED) FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

6. EARNINGS PER SHARE

	(Unaudited) 1 Jan to 30 Jun 16 <i>USD</i>	(Unaudited) 25 Mar to 30-Jun-15 <i>USD</i>	(Audited) 10 Apr to 31-Dec-15 <i>USD</i>
Profit for the period:			
Revenue return	7,914,412	90,032	3,409,959
Capital return	2,023,147	93,574	1,690,525
Total profit for the period	9,937,559	183,606	5,100,484
Weighted average number of ordinary shares	14,848,650	13,500,000	13,668,581
Basic and Diluted Earnings Per Ordinary Share – USD:			
Revenue return per share	0.53	0.01	0.25
Capital return per share	0.14	0.01	0.12
	0.67	0.02	0.37
Basic and Diluted Earnings Per Ordinary Share – GBP:			
Revenue return per share	0.40	0.00	0.17
Capital return per share	0.11	0.01	0.08
	0.51	0.01	0.25

7. RELATED PARTY TRANSACTIONS

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Group.

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

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

	(Unaudited) 1 Jan to 30 Jun 16 <i>USD</i>	(Unaudited) 25 Mar to 30 Jun 15 <i>USD</i>	(Audited) 10 Apr to 31 Dec 15 <i>USD</i>
Chairman	10,619	5,037	17,259
Other directors	18,406	8,712	29,730
Total	29,025	13,749	46,989

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

7. RELATED PARTY TRANSACTIONS – (CONTINUED)

As at 30 June 2016, Directors' fees payable of USD 13,601 (30 June 2015: USD 13,956 and 31 December 2015: USD 15,268) remains outstanding.

As at 30 June 2016 Mr C. Waldron has a share interest in the Company, in the form of 500 Ordinary Shares, representing 0.003% interest in voting rights (31 December 2015: 500 Ordinary Shares). The remaining Directors do not have any interests in the Company's shares. None of the Directors hold any share options nor are any receivables due or payable to them under any long term incentive plan.

The Company has not made any contribution to any Director's 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 2016 and the date of this report.

The Group does not have any employees.

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 six months period ended 30 June 2016 amounted to USD 1,153,580 (25 March to 30 June 2015: USD 42,808; and 10 April 2015 to 31 December 2015: USD 726,844).

The performance fee for the six months period ended 30 June 2016 amounted to USD 1,104,173 (25 March to 30 June 2015: USD nil; and 10 April 2015 to 31 December 2015: USD 534,770).

The Company entered into a Trust Agreement with the Trust on 22 April 2015. The Company, being the sole unitholder, has sole discretion to declare distributions from the Trust. As of 30 June 2016, the amount distributable to the Company was USD 13,824,186 (31 December 2015: USD 7,766,090).

The Company incorporated the ZDPco on 23 June 2016 as a public 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 to ensure, or to otherwise ensure, that the ZDPco has sufficient assets to satisfy its obligations to the ZDP Shareholders on the winding-up of ZDPco and to pay any operational costs incurred by the ZDPco. As of 30 June 2016, the amount payable to the ZDPco relates to the Company's investment in ordinary shares of USD 74,050 (GBP 50,000).

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

8. DERIVATIVE FINANCIAL INSTRUMENTS

	Notional Amount	(Unaudited) 30 Jun 2016	(Audited) 31 Dec 2015
	<i>USD</i>	<i>USD</i>	<i>USD</i>
Derivative assets/(liabilities):			
Forward foreign currency contracts	11,875,740	(193,875)	-
Foreign currency swap contracts	12,046,643	745,919	-
	23,922,383	552,044	-

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.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The fair values of the financial asset held at fair value through profit and loss was derived from the NAV of Princeton as at 30 June 2016.

The fair values of the derivative financial instruments have been provided to the Directors by the counterparty, BNP Paribas S.A., on whom the Directors rely as an expert provider 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.

IFRS 13 "Fair Value Measurement" ("IFRS 13") defines a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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.
- Level 3: Inputs that are not based upon observable market data.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

9. FAIR VALUE OF FINANCIAL INSTRUMENTS – (CONTINUED)

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), the discount rate (the value rises when the discount rate is lower, and drops when discount rate is higher) and foreign exchange rates. 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 2016	Level 1	Level 2	Level 3	Total
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Financial assets	-	745,919	55,640,028	56,385,947
Financial liabilities	-	(193,875)	-	(193,875)
31 Dec 2015	Level 1	Level 2	Level 3	Total
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Financial assets	-	-	52,723,467	52,723,467
Financial liabilities	-	-	-	-

There were no transfers between Levels during the period.

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

10. COMMITMENTS

As at 30 June 2016, the Company had no outstanding commitments (31 December 2015: none).

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

11. SUBSEQUENT EVENTS

On 10 August 2016, the Directors proposed the payment an interim dividend for Q2 2016 of USD 35.09 cents (GBP 26.87 pence) per Ordinary Share at a total amount of USD 5,210,318. This dividend will be paid in September 2016 and split as follows: USD 3,898,307 from revenue reserves and USD 1,312,011 from realised capital profits.

On 1 August 2016, the ZDPco raised gross proceeds of GBP 30 million through the issuance of 30 million ZDP Shares at a placing price of GBP 1.00 each. The total gross proceeds were then loaned to the Company pursuant to the Loan Agreement.

COMPANY INFORMATION

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