

RANGER DIRECT LENDING FUND PLC
(THE "COMPANY")
AIFMD DISCLOSURE DOCUMENT
12 February 2019

Overview

This AIFMD disclosure document (the "Document") is being provided to certain prospective investors as an information-only document for the purpose of providing certain summary information about an investment in the Company as required pursuant to Articles 23(1), 23(2), 23(4) and 23(5) of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures (the "AIFMD").

This Document refers to the prospectus published by the Company on 14 April 2015 (the "Prospectus") and the shareholder circular published by the Company on 29 October 2018 (the "Circular"), both of which are available to view on the Company's website, www.rdlrealisationplc.co.uk. Terms used but not defined in this document have the meaning ascribed to them in the Circular and the Prospectus.

This Document does not update any information except as specifically described herein. Capitalised terms, unless otherwise defined herein, are used as defined in the Prospectus.

Regulatory Status

International Fund Management Limited (the "Manager") is now the investment manager of the Company (as opposed to Ranger Alternative Management II, LP, as described in the Prospectus and the Circular) and is subject to the AIFMD only to the limited extent applicable when a non-EEA Alternative Investment Fund Manager (an "AIFM") offers or markets an EEA Alternative Investment Fund (an "AIF") in the EEA. For the purposes of the AIFMD, the Company is the AIF and the Manager is the AIFM. Since the Manager is a non-EEA AIFM, certain of the disclosure requirements set forth in the AIFMD must be read, and have been addressed, in that context.

Limited Purpose

This Document is not itself a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This Document does not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in or disposal of the Company's Shares. This Document should be read in conjunction with, and is qualified in its entirety by, the Prospectus, the Articles of Association and the AIFM Agreement related thereto (as defined below) and related documentation.

No Advice

None of the Company, its Directors or the Manager are advising any person in relation to any investment or other transaction involving Shares in the Company. Recipients must not treat the contents of this Document or any subsequent communications from the Company, the Manager or any of their respective affiliates, officers, directors, partners or employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment, financial and any other related matters concerning the Company and an investment in the Company's Shares.

Potential investors in the Company's Shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas Investors

The distribution of this Document in certain jurisdictions will be restricted and accordingly any persons into whose possession this Document comes are required to inform themselves about and to observe such restrictions. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, Japan or the Republic of South Africa. Accordingly, the Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, Japan or the Republic of South Africa. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer and other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares.

Article	Disclosure Requirement	Disclosure
23(1) (A)	INVESTMENT STRATEGY	

1	Description of the investment strategy and objectives of the Company	<p>The Company is pursuing a realisation strategy and a Managed Wind-Down. Its investment objective and policy therefore, reflects a strategy to realise all of the Company's assets and pursue a Managed Wind-Down of the Company's affairs.</p> <p>Investment Objective</p> <p>The Company will be managed with the intention of realising all remaining assets in the Portfolio, in a prudent manner consistent with the principles of good investment management with a view to returning cash to its Shareholders in an orderly manner and meeting the obligations of the Company to ZDPco in respect of the ZDP Shares or purchasing ZDP Shares to reduce those obligations in advance of the final date for payments on the ZDP Shares.</p> <p>Investment Policy</p> <p>The Company will pursue its Investment Objective by effecting a Managed Wind-Down with a view to realising all of the Investments in a manner that achieves a balance between maximising the value received from Investments and making timely returns to Shareholders. The Company may sell its Investments either to co-investors in the relevant Investment or to third parties, but in all cases with the objective of achieving the best available price in a reasonable time scale.</p> <p>As part of the realisation process, the Company may also exchange existing Debt Instruments issued by any Direct Lending Platform for equity securities in such Direct Lending Platform where, in the reasonable opinion of the Board, the Company is unlikely to be able to otherwise realise such Debt Instruments or will only be able to realise them at a material discount to the outstanding principle balance of that Debt Instrument.</p> <p>Investment Restrictions</p> <p>The Company will cease to make any new investments or to undertake capital expenditure except, with the prior written consent of the Board and where:</p> <ul style="list-style-type: none"> • the Investment is a follow-on Investment made in connection with an existing Investment made in order to comply with the Company's pre-existing obligations; or • failure to make the follow-on Investment may result in a breach of contract or applicable law or regulation by the Company; or • the Investment is considered necessary by the Board to protect or enhance the value of any existing Investments or to facilitate orderly disposals. <p>Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or as cash equivalents.</p>
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2	Description of the types of assets in which the Company may invest	Please refer to box 23(1)(A)1 above.
3	Techniques the Company may employ	Please refer to the section titled "Investment Approval and Management Process" in Part IV of the Prospectus.

4	Risks associated with those types of assets and those techniques	<p>As described in the Circular, the following risks apply to the Company and the investment objective and policy it is deploying:</p> <ul style="list-style-type: none"> • In a Managed Wind-Down, the value of the Portfolio will be reduced and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly. • The Company might experience increased volatility in its Net Asset Value and/or its Share price as a result of possible changes to the Portfolio structure following the approval of the Proposals. • The Company's assets may not be realised at their fair market value, and it is possible that the Company may not be able to realise some assets at any value. • Sales commissions, liquidations cost, taxes and other costs associated with the realisation of the Company's assets will reduce the cash available for distribution to Shareholders. • Due to the time it would typically take to repatriate the proceeds from the sale of assets to the United Kingdom, it is expected that there could be potentially significant time lags between sales made by the Company and any subsequent returns of capital to Shareholders. Further, the timing and ultimate amount of any returns will be impacted by the tax regimes of the countries in which the Company invests. • The liquidity profile of the Portfolio is such that Shareholders may have to wait a considerable period of time before receiving all of their distributions pursuant to the Managed Wind-Down. During that time, the concentration of the value of the Portfolio in fewer holdings will reduce diversification and the spread of risk. This may adversely affect the Portfolio's performance. • The maintenance of the Company as an ongoing listed vehicle will entail administrative, legal and listing costs, which will decrease the amount ultimately distributed to Shareholders. Although the Board intends to maintain the Company's listing for as long as the Directors believe it to be practicable during the Managed Wind-Down period, the Directors shall immediately notify the FCA and may seek suspension of the listing of the Shares pursuant to the requirements of the Listing Rules (which may include Shareholder approval prior to any suspension or de-listing) if the Company can no longer satisfy the continuing obligations for listing set out therein including, but not limited to, the requirements in respect of Shares held in "public hands" (as such phrase is defined in the Listing Rules) and in relation
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5	Applicable investment restrictions	Please refer to box 23 (1)(A) above.
6	Use of leverage	
a.	Circumstances in which the Company may employ leverage	The Company is not permitted to employ any further leverage other than for short-term working capital purposes.
b.	Types and sources of leverage permitted	There are no restrictions on the type or source of leverage that the Company is permitted to incur.
c.	All risks associated with the use of leverage	Please refer to the "Risk Factors" section of the Prospectus for a description of the risks associated with the Company's use of leverage, and in particular, the paragraph titled "The Company May Borrow in Connection with its Investment Activities Which Subjects it to Interest Rate Risk and Additional Losses When the Value of its Investments Fall".
d.	Any restrictions on the use of leverage and any collateral and asset reuse arrangements	The Company is not permitted to employ any further leverage other than for short-term working capital purposes. There are no collateral or asset reuse arrangements.
e.	Maximum level of leverage which the Investment Manager is entitled to employ on behalf of the Company	The Company will not undertake new borrowing other than for short-term working capital purposes, but there is no restriction on the amount of borrowings that may be used for such purposes.
23(1)(B)	CHANGE OF INVESTMENT STRATEGIES OR INVESTMENT POLICY	
	Description of the procedures by which the Company may change its investment strategies or investment policy, or both	Any material change to the investment policy of the Company will be made only with the approval of Shareholders in accordance with the Listing Rules. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.
23(1)(C)	CONTRACTUAL RELATIONSHIPS	

	<p>Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established</p>	<p>The Company was established under the laws of England and Wales. Its registered office is at 6th Floor, 65 Gresham Street London EC2V 7NQ. An investor in the Company will acquire Ordinary Shares in the Company and accordingly, any disputes between an investor and the Company will be resolved by the courts of England and Wales in accordance with English law and having regard to the Company's Articles of Association which constitute an agreement between the Company and its Shareholders. A Shareholder shall have no direct legal or beneficial interest in the assets of the Company. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.</p> <p>Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with its investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>Regulation (EC) 593/2008 ("Rome I") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of the relevant member state, the choice of governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that country which cannot be derogated from by agreement.</p> <p>The United Kingdom is party to the following instruments which provide for the recognition and enforcement of foreign judgments in England and Wales:</p> <ul style="list-style-type: none"> • Regulation (EC) 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Brussels Regulation); • Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters 2007 (the new Lugano Convention); • Regulation (EC) 805/2004 creating a
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23(1) (D)	SERVICE PROVIDERS	
1	Identity of the Investment Manager, the Company's depository, auditor and other service providers	International Fund Management Limited, which is registered in Guernsey with registered number 17484 with its registered office at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA, has been appointed as the investment manager of the Company. .The identity of the Auditor and other service providers of the Company are set out in the section of the Prospectus titled "Directors, Investment Manager and Advisers". No depository is required to be appointed, or has been appointed, by the Company
2	Description of the duties of each of those service providers	<p>The duties of the Administrator, Company Secretary, Registrar and Auditor are set out in Part III of the Prospectus and the agreements entered into with each of these service providers are described in more detail in paragraph 9, "Material contracts and related party transactions" of Part VII of the Prospectus.</p> <p>The duties of the Manager are to provide customary services of a discretionary investment manager that is also appointed as a non-EU AIFM to the Company. The Manager has entered into an alternative investment fund management agreement with the Company (the "AIFM Agreement"), pursuant to which the Manager is entitled to a launch fee, together with an annual management fee, and reimbursement of documented expenses incurred by it in the performance of its duties. The AIFM Agreement may be terminated by either party giving not less than three months' notice, provided such notice does not expire before 12 February 2020. The AIFM Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Company has also agreed to indemnify the Manager for losses that the Manager may incur in the performance of its duties other than those arising directly from the fraud, wilful default or gross negligence of the Manager.</p> <p>The Company's Registrar is now "Link Asset Services" and the Company's Company Secretary is now "Link Company Matters Limited" after "Capita Asset Services" was acquired by the Link Group.</p>

3	Description of the investors' rights in respect of those service providers	<p>Without prejudice to any potential right of action in common law that a Shareholder may have to bring a claim against a service provider to the Company, each Shareholder's contractual relationship in respect of its investment in Ordinary Shares in the Company is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect of such service provider's default pursuant to the terms of the agreement that it has entered into with the Company.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 13D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 13D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company should consult their legal adviser.</p>
23(1)(E)	PROFESSIONAL INDEMNITY LIABILITY	
	Description of how the Investment Manager covers professional liability risks	<p>The Manager is a non-EEA AIFM for the purposes of the AIFMD and so is not required to comply with Article 9(7) of the AIFMD, which relates to the maintenance of professional indemnity insurance or additional capital to cover professional liability risks. However, the Manager has agreed, pursuant to the AIFM Agreement, to maintain professional indemnity cover of not less than £5 million until the earlier of a period expiring not less than six months after the winding up of the Company and termination of the AIFM Agreement.</p>
23(1)(F) 23(2)	DELEGATIONS	

23(1)(F)	Description of any delegated management functions as referred to in Annex I of the AIFMD by the Investment Manager and of any safekeeping function delegated by the Depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	As a non-EEA AIFM, the Manager is not subject to the detailed rules concerning delegation under Article 20 of the AIFMD. In that context, the Company has appointed the Manager as investment manager (subject to the oversight and approval of the Board) with sole responsibility to manage the assets of the Company and to advise the Company on a day to day basis, in each case in accordance with the Company's investment policy. The Manager is permitted, with the prior consent of the Company (such consent not to be unreasonably withheld or delayed in respect of any delegation to any associate of the Manager) to delegate any of its functions under the AIFM Agreement. The Manager has agreed that, in the event of a conflict of interest arising, it will take reasonable steps to ensure that the conflict is resolved fairly. During the term of its appointment under the AIFM Agreement, the Manager will notify the Company of any actual or potential conflict of interest which it identifies in relation to the performance of its duties under the AIFM Agreement and will discuss with the Company how such conflicts of interest are to be managed. As described above, no depository is required to be appointed, or has been appointed, by the Company.
23(2)	A description of any arrangement made by the depository to contractually discharge itself of liability	As described above, no depository is required to be appointed, or has been appointed, by the Company.
23(1)(G)	VALUATIONS	
	Description of the Company's valuation procedure and of the pricing methodology for valuing assets, including methods used to value hard-to-value assets	As a non-EEA AIFM, the Manager is not subject to the provisions concerning valuation procedures in Article 19 of the AIFMD. The Administrator will calculate the unaudited Net Asset Value per Share based on a valuation point of 5.00 pm (UK time) on 30 June and 31 December in each year, and the Net Asset Value per Share will be published accordingly. All assets of the Company will be valued in accordance with the methods set out in the Prospectus. The Company's accounts and the annual report will be drawn up in US Dollars and in accordance with IFRS.
23(1)(H)	LIQUIDITY RISK MANAGEMENT	

1	Description of the Company's liquidity risk management, including redemption rights both in normal and exceptional circumstances and the existing redemption arrangements with investors	<p>There are no redemption rights for Shareholders since the Company is closed-ended and has no fixed life.</p> <p>Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. In managing the Company's assets, the Manager will seek to ensure that the Company holds at all times a portfolio of assets (including cash) to enable the Company to discharge its payment obligations. The Company may also maintain a short-term overdraft facility that it may utilise from time to time for short-term liquidity purposes.</p>
23(1)(I)	FEES AND EXPENSES	
	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	<p>Please refer to the section entitled "Fees and Expenses" in Part III of the Prospectus. Since all such fees and expenses will be borne by the Company, they will be borne indirectly by investors.</p> <p>No fees or expenses of the Company will be directly borne by the investors.</p> <p>Given that the amount of the fees payable by the Company following Admission are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p>
23(1)(J)	FAIR TREATMENT OF INVESTORS	
	Description of how the Investment Manager ensures a fair treatment of investors and a description of any preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the Investment Manager	<p>As a company listed on the premium listing segment of the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p> <p>The Manager:</p> <ul style="list-style-type: none"> • will treat investors fairly; • will not allow any investor to obtain preferential treatment; and • has not entered into any agreement to allow any investor to be treated preferentially.
23(1)(K)	ANNUAL REPORTS	
	The latest annual report of the Company	Annual reports of the Company can be found on the Company's website: www.RangerDirectLending.uk .
23(1)(L)	TERMS AND CONDITIONS	

	The procedure and conditions for the issue and sale of interests in the Company	The procedures for conditions applying to any further issue or sale of Shares will be set out in a prospectus or RNS announcement at the time any relevant offer is made. Certain restrictions apply to the sale and transfer of the Ordinary Shares. These are described in Part V of the Prospectus under the paragraph titled "Purchase and Transfer Restrictions".
23(1) (M)	NET ASSET VALUE	
	The latest net asset value of the Company, or the latest market price of the interests of the Company	The Net Asset Value per Share (cum-income) as at the close of business on 30 November 2018 was US\$10.95 (Sterling equivalent amount being £8.59). When published, Net Asset Value announcements of the Company can be found on the Company's website: www.RangerDirectLending.uk .
23(1) (N)	HISTORICAL PERFORMANCE	
	Where available, the historical performance of the Company	The annual and interim financial statements of the Company can be found on the Company's website: www.RangerDirectLending.uk .
23(1) (O)	PRIME BROKERS	
1	The identity of the prime broker and a description of any material arrangements of the Company with its prime brokers	Not applicable, the Company has not appointed any prime broker.
2	The way conflicts of interest in relation to any prime brokers are managed	Not applicable, the Company has not appointed any prime broker.
3	The provision in the contract with the depositary on the possibility of transfer and reuse of Company assets	Not applicable, the Company has not appointed any depositary. The terms of the Custodian Agreement do not permit the Custodian to transfer or use the Company's assets.
4	Information relating to any transfer of liability to the prime broker that may exist	Not applicable, the Company has not appointed any prime broker.
23(1)(P)	PERIODIC DISCLOSURES	

	<p>Description of how and when the information required to be disclosed periodically to investors under articles 23(4) and 23(5) (so far as relevant, leverage and risk profile) of the AIFMD will be disclosed</p>	<p>The Manager is required to disclose periodically to investors:</p> <ol style="list-style-type: none"> 1. the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; 2. any new arrangements for managing the liquidity of the Company; and 3. the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks. <p>The information shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the premium segment of the main market of the London Stock Exchange, or at the same time as the Prospectus and, at a minimum, at the same time as the Company's annual report is made available.</p> <p>The Manager must disclose on a regular basis:</p> <ol style="list-style-type: none"> 1. any changes to: <ol style="list-style-type: none"> a. the maximum level of leverage that the Manager may employ on behalf of the Company; b. any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and 2. the total amount of leverage employed by the Company. <p>Information on changes to the maximum level of leverage and any right of reuse of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay.</p> <p>Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the premium segment of the main market of the London Stock Exchange, or at the same time as the Prospectus and at least at the same time as the annual report is made available to investors.</p> <p>Without limitation to the generality of the foregoing, any of the information specified above may be disclosed:</p> <ol style="list-style-type: none"> 1. in the Company's annual report; 2. in the Company's unaudited interim report; 3. by the issue of an announcement via a regulatory information service (or equivalent); or 4. by the publication of the relevant information on the Company website.
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