



Ranger Fund Management, L.P.

300 Crescent Court, Suite 1100
Dallas, Texas 75201
(214)871-5200
March 25, 2011

This Brochure provides information about the qualifications and business practices of Ranger Fund Management, L.P. If you have any questions about the contents of this Brochure, please contact us at (214) 871-5200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Ranger Fund Management, L.P. has been registered with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940 since January 20, 2006. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Ranger Fund Management, L.P. (CRD # 132276) also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about persons who are both affiliated with Ranger Fund Management, L.P. and registered as investment advisors with the SEC.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that the Firm provides to Clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules and is materially different in structure and requires certain new information that previous brochures did not require.

In the future, this “Item 2” will discuss only specific material changes made to the Brochure and provide Clients with a summary of such changes. The Firm will also reference the date of the last annual update of its Brochure.

In the past, the Firm has offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, the Firm will ensure you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. The Firm may further provide other ongoing disclosure information about material changes as necessary.

The Firm will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 - Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees & Compensation.....	1
Item 6 – Performance-Based Fees & Side-By-Side Management.....	4
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies & Risk of Loss	5
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities & Affiliations.....	7
Item 11 – Code of Ethics, Participation/Interest in Client Transactions & Personal Trading	7
Item 12 – Brokerage Practices	9
Item 13 – Review of Accounts	9
Item 14 – Client Referrals & Other Compensation	10
Item 15 – Custody	10
Item 16 – Investment Discretion.....	10
Item 17 – Voting Client Securities.....	10
Item 18 – Financial Information	11

Item 4 – Advisory Business

Ranger Fund Management, L.P. (“Ranger” or the “Firm”) is an investment adviser that commenced operations in 2004 and registered with the United States Securities and Exchange Commission (the “SEC”) in 2005 in accordance with the Investment Advisers Act of 1940. Ranger was organized as a Texas limited partnership by Ranger Fund Management (GP), L.L.C., a Texas limited liability company which serves as its general partner. Ranger Fund Management (GP), L.L.C. is controlled by Ranger Capital Group Holdings, L.P., a Texas limited partnership which serves as its managing member. As of December 31, 2010, Ranger managed approximately \$5 million of client assets.

Investment Advisory Services

Ranger provides continuous investment management services to a number of pooled investment vehicles (hereinafter, “Private Funds”) and to separate accounts (collectively, the Private Funds and the separate accounts are referred to herein as the “Clients”). Ranger Private Funds rely on registration exemptions available pursuant to Section 3(c)-7 or 3(c)-1 of the Investment Company Act of 1940, and have been established for investment by both legal entities and qualified individuals.

Investment supervisory services include: (1) establishing a client entity’s investment objectives within a fund of funds commingled fund which invest in other Ranger affiliated advisers’ investment strategies; (2) buying or selling portfolio securities on behalf of each client entity; and (3) periodically reporting to each client entity’s investors the applicable client entity’s current investment holdings, valuations, transactions, capital gains or losses, investment income and performance.

Investment Program Summary

The Firm manages fund of fund portfolios which were created on behalf of employees, family members and friends of the Firm to facilitate investment in a variety of strategies advised by other Ranger affiliated investment advisers. Current Ranger affiliated investment advisers and a brief description of the strategies they manage include:

- Ranger Investment Management, L.P. manages investment portfolios which consist of the U.S. exchange traded equity securities of small and/or mid capitalization growth oriented companies.
- Ranger International Management (TX), L.P. manages long-only (i) global equity, (ii) international equity and (iii) global income and growth oriented portfolios.
- Ranger Alternative Management, L.P. serves as a sub advisor to Ad and manages the day-to-day portfolio management activities of the Active Bear ETF (HDGE). Generally, the Ranger Alternatives’ investment team invests, on a short basis only, in the U.S. exchange traded securities of middle to large capitalization companies.

- Ranger Advisors, L.P. manages fund of hedge funds.

The Ranger investment advisers and strategies mentioned above may be subject to change at the sole discretion of the Firm without prior notice to current or prospective investors. Additional information regarding any Ranger adviser or strategy may be obtained by contacting the Firm at (214) 871-5200.

Ranger Private Funds

The Firm serves as a General Partner to the following clients, each of which is a pooled investment vehicle:

- Ranger Family Fund (QP), L.P. is a fund of funds which invests in a variety of investment strategies advised by investment advisers affiliated (through ownership, profits interest, or capital investment) with Ranger Capital Group, L.L.C.
- Ranger Family Insurance Fund, L.P. is a fund of funds which invests in a variety of investment strategies advised by investment advisers affiliated (through ownership, profits interest, or capital investment) with Ranger Capital Group, L.L.C.

The Firm solicits investors for each of the Private Funds mentioned above. In accordance with Rule 506 of Regulation D, the Private Funds are available to a limited number of accredited and qualified investors who are knowledgeable and experienced in financial and business matters. In addition, current and prospective investors should be capable of evaluating the merits and risks of an investment in a Private Fund.

Item 5 – Fees and Compensation

The Firm charges Clients administration fees which are a fixed percentage of assets under management (“Administrative Fees”). Administrative Fees are generally charged in accordance with the schedule set forth in this Brochure, and in the case of a Private Fund, the offering documents of such Private Fund.

Ranger reserves the right to negotiate Administrative Fees with Clients which differ from the standard schedule, based on specific circumstances and on a case by case basis. Examples of these circumstances include, without limitation: the relative size of a Client account, a Client’s affiliation to Ranger, and/or a Client’s status as a seed investor. Accordingly, Administrative Fees incurred by Clients may vary substantially. In addition, with respect to Separate Accounts, all other terms of such investment, including terms relating to expenses and redemption terms, may also be negotiable on a case by case basis. As such, client investments in Separate Accounts may provide flexibility with respect to investment terms which are not afforded to investors in the Private Funds.

Administrative Fees are generally referenced at an annual rate, but are generally calculated and charged in advance on a quarterly basis. To the extent that a Client redeems its investment, the Firm will promptly refund all fees paid in advance for periods after such applicable redemption date.

Standard Fee Schedule for Private Funds

Commingled Fund	Annual Administrative Fee
Ranger Family Fund (QP), L.P.	Twenty Five Basis Points (0.25%)
Ranger Family Insurance Fund, L.P.	Fifty Basis Points (0.50%)

Additional information with respect to fees and other materials terms and conditions is further detailed in each Private Fund's private placement memorandum, which may be obtained by contacting the Firm at (214) 871-5200.

Multiple Layers of Fees and Expense

An investment in a Private Fund managed by the Firm is subject to multiple layers of fees and expenses. In addition to the administrative fee charged by the Firm, the investment managers of the pooled investment vehicles or separate accounts in which the Firm's Private Funds invest are generally entitled to a management fee which typically, but not exclusively, ranges from an annual rate of eighty basis points (0.80%) to one percent (1%) annually. Currently, one of the Fund's underlying investment advisers is also entitled to a performance fee or allocation which typically, but not exclusively, ranges from five percent (5.00%) to ten percent (10.00%) of net profits. In addition, with respect to underlying investments which are fund of hedge funds, there are additional fees and expenses associated with investments made by such Private Funds. Private placement memorandums and brochures are available for each of the Firm's portfolio investments by contacting the Firm at (214) 871-5200.

Enhanced Interests or Shares

Certain limited partnership interests or shares in the underlying investments of the Private Funds are designated as "enhanced" limited partnership interests or shares. These enhanced interests and shares employ leverage. Management and performance fees are charged on assets under management attributable to such leverage. When leverage is employed on behalf of the enhanced interests and shares, assets under management attributable to the enhanced interests and shares increase, thereby increasing the management and performance fees to which an investor is subject in direct proportion to the amount of leverage employed. For example, the Firm's use of 100% leverage on a \$1,000 investment increases the assets under management to \$2,000. Accordingly, management and performance fees are charged on the \$2,000 leveraged capital amount instead of the original \$1,000 investment. A portion of the assets the Firm manages is subject to the use of leverage.

Investment Objectives and Conflict of Interest

The investment objectives of the Funds the Firm advises involves investing all, or the majority of, its assets in the limited partnerships and separate accounts managed by Ranger affiliated investment advisers. In accordance with these guidelines, the Firm invests in investment products or services in which Ranger affiliates and/or related persons will receive direct and indirect benefit, creating an inherent conflict of interest. For example, such a conflict may influence investment allocations that favor Ranger products or services that incur the highest fees.

Management Fees Exclusive of Expenses

Management Fees are exclusive of expenses associated with investments in the Separate Accounts and/or Private Funds. Although, the Firm is responsible for its general overhead expenses, Clients bear the cost attributable to their investment activities and operations, including without limitation, expenses associated with trading and operations. Such expenses may include: (i) expenses incurred in connection with the evaluation, acquisition or disposition of a Portfolio investment, including brokerage fees, due diligence expense, travel costs, taxes, and legal, accounting, consulting, information services and professional fees; (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iii) fees relating to the administration of a Separate Account or Private Fund, including fees of a third party administrator, (iv) fees and expenses associated with and/or paid to Portfolio investments and their investment advisers, including management and performance fees; (v) expenses incurred in connection with a Private Fund's financial statements and/or tax returns; (vi) attorneys' and accountants' fees and disbursements; (vii) taxes and other governmental charges or fees levied against a Private Fund, including registration or filing fees; and (viii) insurance (including with respect to errors or omissions of the Firm, its Affiliates and related entities, and any other persons acting on behalf of a Private Fund), regulatory or litigation expenses (and damages), including regulatory expenses of the investment Manager.

Item 6 – Performance-Based Fees and Side-By-Side Management

In rare circumstances, the Firm may enter into performance fee arrangements with qualified clients. Performance based fee arrangements may create an incentive for the Firm to invest in securities which may be riskier or more speculative than the securities it would invest in under a different fee arrangement. In addition, performance fee arrangements may create an incentive for the Firm to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Ranger employs procedures designed to ensure all clients are treated fairly and equally, and to prevent this potential conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

The Firm engages in portfolio management for Investment Companies exempt from registration under the Investment Company Act of 1940. Investors in the Firm's limited partnerships generally include insurance companies, other business entities and high net-worth individuals. Typically, these investors must be "accredited investors", as defined in the Securities Act of 1933 and/or "qualified purchasers" as defined in the Investment Company Act of 1940, and must satisfy other eligibility requirements.

Generally, the minimum investment required is one million dollars (\$1,000,000.00) for an interest or share in a Ranger limited partnership. However, the Firm may accept lesser amounts at its sole discretion.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The Firm manages fund of funds portfolios which were created on behalf of employees, family and friends to facilitate investment in a variety of strategies advised by other Ranger affiliated investment advisers. Current Ranger affiliated investment advisers and a brief description of the strategies they manage include:

- Ranger Investment Management, L.P. manages investment portfolios which consist of the U.S. exchange traded equity securities of small and/or mid capitalization growth oriented companies.
- Ranger International Management (TX), L.P. manages long-only (i) global equity, (ii) international equity and (iii) global income and growth oriented portfolios.
- Ranger Alternative Management, L.P. serves as a sub advisor to AdvisorShares Investments, LLC and manages the day-to-day portfolio management activities of the Active Bear ETF (HDGE). Generally, the Ranger Alternatives' investment team invests, on a short basis only, in the U.S. exchange traded securities of middle to large capitalization companies.
- Ranger Advisors, L.P. manages fund of hedge funds which invest a majority, if not all, of the Firm's assets in pooled investment vehicles which are advised by Signet Capital Management, an affiliate of the Signet Group.

The Ranger investment advisers and strategies listed above may be subject to change at the sole discretion of the Firm without prior notice to current or prospective investors. Additional information about any Ranger adviser or strategy may be obtained by contacting the Firm at (214) 871-5200.

RISK FACTORS

AN INVESTMENT IN ONE OF THE FIRM'S PRIVATE FUNDS OR SEPARATELY MANAGED ACCOUNTS ENTAILS A SIGNIFICANT DEGREE OF RISK, INCLUDING THE POTENTIAL FOR LOSS OF ALL OR PART OF AN INVESTMENT. THEREFORE, ONLY INVESTORS CAPABLE OF EVALUATING AND BEARING THE RISKS SHOULD UNDERTAKE AN INVESTMENT IN A RANGER PRIVATE FUND OR SEPARATE ACCOUNT. THERE CAN BE NO ASSURANCE THAT SUCH AN INVESTMENT WILL BE ABLE TO ACHIEVE ITS OBJECTIVE, REALIZE A POSITIVE RETURN OR AVOID LOSSES. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN CONNECTION WITH OPENING AN INVESTMENT ACCOUNT WITH THE FIRM. PLEASE NOTE THAT THE FOLLOWING LIST IS NOT A COMPLETE LIST OF ALL RISKS INVOLVED IN CONNECTION WITH AN INVESTMENT IN A PRIVATE FUND OR SEPARATE ACCOUNT ADVISED BY THE FIRM. WITH RESPECT TO THE PRIVATE FUNDS, ADDITIONAL RISK DISCLOSURES MAY BE FOUND IN THE PRIVATE PLACEMENT MEMORANDUM OF SUCH APPLICABLE PRIVATE FUND.

Concentration of Investments-

The Firm has broad discretion over each partnership's investment program and may choose to allocate substantial portions of each partnership's assets to a particular underlying investment (a "Portfolio Fund") or security. In addition, the Firm's portfolios have a limited number of investment options, thereby creating concentration within the Firm's portfolio. Concentration may tend to result in more rapid changes in the portfolio, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Portfolios' capital.

Risk Management Strategy-

There can be no assurance that any risk management process employed by the Firm's will be effective in controlling or mitigating the risks inherent in the Private Funds or their underlying investments. Categorically, past returns may not forecast future performance, and there can be no assurances regarding the reliability of the Firm's attempts to construct portfolios with low forecast risk, since the technique relies on historical data and subjective evaluations by the Firm. In addition, the underlying investments' returns are potentially subject to rare and unforeseen economic events or shocks that are inherently unpredictable and outside the Firm's and the Managers' control. Therefore, the underlying investments are exposed to risk of loss of capital arising from the unpredictable nature of economics and capital markets.

Potential Conflicts of Interest

Other Client Accounts; Affiliated Activities

Certain Portfolio Fund Managers may engage in other forms of related and unrelated activities in addition to advising a Portfolio Fund. They may also make investments in securities for their own account. Activities such as these could detract from the time a manager devotes to the affairs of a Portfolio Fund. In addition, certain of the managers may engage affiliated entities to furnish brokerage services to a Portfolio Fund and others may themselves provide market-making services, including those of counterparty in stock and OTC transactions. As a result, in such instance the choice of broker, market-maker or counterparty and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

The Firm may manage other client accounts, some of which have objectives similar to those of the Private Funds, including other collective investment vehicles which may be managed by the Firm or any of its affiliates and in which the Firm or any of its affiliates may have an equity interest.

Personal Trading Policy-

The principals of the Firm, as well as the employees and officers thereof and of organizations affiliated with the Firm, may in limited circumstances and only upon approval by the Firm's compliance officer, buy and sell equity securities for their own account or the account of others, but may not buy securities from or sell securities to the Partnership.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management. The Firm has no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Ranger Fund Management, L.P. is affiliated with the following four investment advisers by virtue of common control and ownership by Ranger Capital Group Holdings, L.P.

- Ranger Investment Management, L.P. manages investment portfolios which consist of the U.S. exchange traded equity securities of small and/or mid capitalization growth oriented companies.
- Ranger International Management (TX), L.P. manages long-only: (i) global equity, (ii) international equity and (iii) global income and growth oriented portfolios.

- Ranger Alternative Management, L.P. serves as a sub advisor to and has day-to-day portfolio management responsibilities with respect to a short only actively managed exchange traded fund. Portfolio investments generally include short sales of domestically traded mid- and large-cap U.S. exchange-traded equity securities.
- Ranger Advisors, L.P. manages fund of hedge funds which invest a majority, if not all, of the Firm's assets in pooled investment vehicles which are advised by Signet Capital Management, an affiliate of the Signet Group.

All Ranger investment advisers are registered with the U.S. Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training.

Item 11 – Code of Ethics, Participation/Interest in Client Transactions and Personal Trading

As a fiduciary, the Firm has an affirmative duty to act in the best interests of its investors and to make full and fair disclosure of all material facts, particularly where the Firm's interests may conflict with those of its investors. The Firm's Code of Conduct and Code of Ethics (the "Codes") serve as behavior benchmarks from which the Firm's compliance program is built. Briefly, the Codes requires each Ranger employee to act with integrity, competence, diligence, respect, and in an ethical manner when dealing with current and prospective clients, the Firm, other employees, colleagues in the investment profession, and other participants in the global capital markets.

Employees are expected to place the interests of clients and the Firm above their own personal interest and to avoid any actual or potential conflicts of interest. In addition, the Firm's Code of Ethics requires, among other things, that all employees to comply with applicable provisions of the federal securities laws and to promptly report any potential violations of the Firm's compliance policies and procedures to the Chief Compliance Officer.

Personal Trading Policy

The Firm has implemented a personal trading policy which prohibits employees from purchasing individual securities which the Firm may invest in for the benefit of its clients. Employees may continue to hold investments initiated prior to the adoption of the policy or their employment with the firm, and may sell such securities only after all anticipated clients' purchases or sales of such securities are completed, if any.

In addition, the Firm requires that all employees receive pre-clearance from the Chief Compliance Officer by submitting a written request prior to the sale of individual securities transactions. Employees may invest in pooled investment vehicles, ETFs, Closed End Mutual Funds and SEC non-restricted securities, such as open-end mutual funds, certain U.S. government securities and cash equivalents. Preclearance and reporting requirements vary for a

number of these investments. The Firm's personal trading policy require employees to provide the Chief Compliance Officer with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

In addition to personal trading activities, other policies and procedures found in the Code of Ethics provide guidelines the Firm and/or employees follow with respect to:

- Insider Trading
- Outside Business Activities
- Political Contributions
- Gifts and Entertainment

A copy of the Firm's Code of Ethics is available to current or prospective clients upon written request.

Alignment of Interests

In addition, the Firm, as indirect Firm of certain private limited partnerships, may hold an interest in the same securities invested in by such investment funds for the benefit of its investors. The Firm does not deem that any conflict of interest arises from holding an indirect interest in such limited partnerships. Rather, the interest of the Firm, as indirect Firm, and investors, as limited partners, are aligned.

Item 12 – Brokerage Practices

Subject to the individual terms of the private placement memorandum, the Firm generally retains complete investment and brokerage discretion. While infrequent if not rare, the Firm selects brokers for direct securities transactions based on a number of factors, including, but not limited to, the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; other services considered by the Firm to be of value; and, the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. In good faith, however, the Firm may pay a broker commissions that are higher than another broker might have charged for the same transaction, in recognition of the Firm's assessment of the value of services provided to the Firm by the broker. However, the Firm must believe that commission costs borne by client accounts are reasonable in relation to the overall services provided.

Item 13 – Review of Accounts

Each account will be reviewed and valued on a monthly basis or more frequently if triggered by market or economic conditions. As of December 31, 2010, there are two (2) accounts requiring review. The investment team reviews each account in a manner consistent with the investment goals of each client entity or separately managed account. The Firm's Chief Financial Officer reviews account valuations, including net asset value calculations, securities positions and pricing information, interest accrual calculations, and cash balance reports from the managers of

the pooled investment vehicles in which the Firm's clients invest, the Firm's accounting system, prime brokers, custodians, administrators and brokerage firms on a monthly basis. The Firm's independent public accountants perform an annual audit of the books and records of the Firm's clients.

The Firm typically remits quarterly and annual reports to its clients which set forth various financial data and information. The Chief Financial Officer will review account valuations, including net asset value calculations, securities positions and pricing information, interest accrual calculations, and cash balance reports from the managers of the pooled investment vehicles in which the Firm's clients invest, the Firm's accounting system, prime brokers, custodians, administrators and/or brokerage firms. An investor in a client of the Firm receives the client's audited annual financial report and the information necessary for the investor to complete its annual federal income tax return.

Item 14 – Client Referrals and Other Compensation

The Firm does not and will not enter into client referral agreements with affiliated or non-affiliated marketing groups or persons.

Item 15 – Custody

The Firm does not take possession of investor funds or securities. However, the Firm serves as a General Partner and/or attorney in fact with full discretion over the portfolios of pooled investment vehicles it advises. As a result, the Firm is deemed to have indirect access to the funds and securities of its limited partnerships. Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, the Firm is deemed to have custody of these assets. Accordingly, the Firm has implemented certain policies and procedures to safeguard investor assets on behalf of all its limited partnerships. The Firm must also comply with additional bookkeeping, auditing and disclosure requirements. All investors are encouraged to closely monitor the account statements, audited financial statements and any other important investment related materials they may receive from the Firm. Any potential discrepancies should be promptly brought to the Firm's attention by contacting (214) 871-5200.

Item 16 – Investment Discretion

Generally, the Firm has complete discretion over the selection and amount of securities to be bought or sold for investor accounts without obtaining their consent or approval within the parameters established by the private placement memorandum. Discretionary authority will only be authorized upon full disclosure to the client and by that client specifically authorizing said authority through the execution of a private placement memorandum or investment management agreement. All trades made by Ranger on behalf of its discretionary accounts will be in accordance with that client's investment objectives and goals.

Item 17 – Voting Client Securities

Generally, the Firm invests in private pooled investment vehicles and does not have the right to vote proxies for investment partnerships it advises.

Item 18 – Financial Information

Ranger Fund Management, L.P. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. In addition, the Firm has never been the subject of a bankruptcy petition.