

## Item 1 – Cover Page



### Ranger Matador Latin America Management, LP

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March 31, 2015

Part 2A of the Form ADV (the “Brochure”) provides information about the qualifications and business practices of Ranger Matador Latin America Management, LP (the “Investment Manager” or the “Firm”). 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 (the “SEC”) or by any state securities authority.

The Investment Manager is registered with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. Registration with the SEC as an investment adviser does not imply any level of skill or training.

Additional information about the Investment Manager (CRD # 173560) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about persons who are both affiliated with the Firm and registered as investment advisers with the SEC.

## Item 2 – Material Changes

SEC rules require the Firm, and other registered investment advisers, to provide its clients with a copy of the Brochure within 120 days of the close of its fiscal year, as well as on an ongoing basis when material changes make such disclosures necessary. The Firm's Brochure is intended to provide its clients with a clearly written and meaningful disclosure, in plain English, about the Firm's business practices, conflicts of interest and advisory personnel.

The Firm's Form ADV is divided into two parts, *Part 2A* (the "Brochure") and *Part 2B* (the "Brochure Supplement"). The Brochure provides information about a variety of topics relating to the Firm's business practices and conflicts of interest. The Brochure Supplement provides information about the Firm's advisory personnel.

The effective date of this Brochure is March 31, 2015, which replaces the Brochure dated February 4, 2015.

*There have been no material changes made to this brochure from the previous version.*

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## **Item 4 – Advisory Business**

The Firm is an investment adviser that commenced operations on October 1, 2014. The Firm was organized as a Texas limited partnership by Ranger Latin America Group, LLC, a Texas limited liability company which serves as its general partner. Ranger Latin America Group, LLC is controlled by (i) Ranger Capital Group Holdings, L.P. (“RCGH”), a Texas limited partnership which serves as its managing member, (ii) Ranger Capital Group, LLC, a Texas limited liability company which serves as the general partner of RCGH, (iii) Jason Elliott, who serves as the manager of Ranger Capital Group, LLC, (iv) Zevallos JV, LLC which owns a greater than twenty five percent limited partnership interest in the Firm, and (v) Pedro Zevallos, who serves as the managing member of Zevallos JV, LLC.

The Firm registered with the United States Securities and Exchange Commission (the “SEC”), in accordance with the Investment Advisers Act of 1940, on November 4, 2014. As of December 31, 2014, the Firm managed \$0 of client assets.

The Firm will serve as adviser to and provides continuous investment advisory services on a discretionary basis to separately managed accounts (“Separate Accounts”). The Firm does not currently participate in wrap fee programs.

Investment supervisory services include: (1) establishing investment objectives within each client’s applicable investment strategy; (2) buying or selling portfolio securities on behalf of each client account; and (3) periodically reporting to clients and investors with respect to current investment holdings, valuations, transactions, capital gains or losses, investment performance, and/or outlook.

The investment portfolios (the “Portfolios”) the Firm advises generally invests, on long basis only, in a targeted number of the equity securities of companies which are either based in Latin America or whose main operations are in the Latin America region. The Firm seeks to uncover quality companies by implementing a bottom-up, fundamental research driven security selection process. The objective of the strategy is to identify equity securities of Latin American companies characterized by accelerating revenue and earnings growth, high recurring revenues, strong balance sheets and strong free cash flow generation.

Separate Account investors may impose additional restrictions on the portfolios the Firm advises. Additional information regarding the Firm’s investment approach may be obtain in **Item 8 – Methods of Analysis, Investment Strategies & Risk of Loss.**

## **Item 5 – Fees and Compensation**

The Firm directly or indirectly charges clients management fees which are a fixed percentage of assets under management (“Management Fees”). Terms, conditions and investment guidelines for each Separate Account the Firm manages are contained in the investment management agreement (“IMA”). As such, Management Fees, investment guidelines and other material terms and conditions for each Separate Account may vary from the general descriptions presented herein.

The Management Fee presented herein is considered the highest Management Fee clients in a Separate Account will incur. However, the Firm reserves the right to negotiate Management 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's account, a client's affiliation to the Firm, and/or a client's status as a seed investor. As such, Fees incurred by clients may vary significantly.

#### Management Fees

The Firm generally charges Management Fees at an annual rate of one percent (1%) of assets under management. Management Fees are generally referenced at an annual rate, but are typically calculated and charged in advance on a daily, monthly or 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.

#### Performance Based Fee

The Firm does not charge a performance based fee (a "Performance Fee"). However, upon request from an investor, the Firm would consider a Performance Fee arrangement on a case-by-case basis.

#### Management Fees Exclusive of Expenses

Management Fees are exclusive of expenses associated with investments in the Separate Accounts. Although, the Firm is responsible for its general overhead expenses, Investors bear the cost attributable to their investment activities and operations, including without limitation, expenses associated with trading, administration/custody and operations. Such expenses may include: (i) expenses incurred in connection with the evaluation, acquisition or disposition of a portfolio investment, including brokerage fees, taxes, 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, including fees of a third party administrator or custodian; (iv) litigation expenses (and damages), as may be relevant to indemnification rights held by the Firm.

#### Compensation to Third Parties

Please see **Item 14 – Client Referrals and Other Compensation** for information regarding compensation paid to affiliated and unaffiliated persons for the solicitation of clients for the Funds.

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

As referenced in **Item 5 – Fees and Compensation** above, the Firm does not currently charge Performance Fees. However, to the extent a client negotiates a performance based fee, such Performance 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 with respect to the allocation of investment opportunities. However, to the extent that additional clients are undertaken by the Firm, the Firm shall adopt compliance procedures which will seek to (i) treat all investors equitably, and (ii) mitigate potential conflicts of interest that may influence the allocation of investment opportunities among clients.

## **Item 7 – Types of Clients**

The Firm will provide investment advisory services for Separate Accounts, which may include, but are not limited to, institutional clients such as mutual funds, collective investment trusts, private pooled investment vehicles, public and private pension plans, insurance companies, foundations, and endowments. In addition, the Firm may provide services to non-institutional clients such as qualified high net worth individuals.

Generally, the minimum subscription amount for an investment in a Separate Account is five million dollars (\$5,000,000), although the Firm may accept lesser amounts in its sole discretion.

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

The Firm's investment objective seeks long-term capital appreciation by investing in securities of companies either based in Latin America or whose main operations are in the Latin America region. Ranger Matador seeks to generate investment returns that exceed the MSCI EM Latin America index on a total return and risk-adjusted basis over a full market cycle. Ranger Matador's investment team further seeks to capture and compound returns, manage risk and preserve capital by employing a disciplined, consistent approach to both security selection and risk management. The investment team selects individual companies by implementing a bottom-up, fundamental research driven security selection process.

The Investment Manager conducts a significant percentage of its research internally by employing fundamental research on potential Portfolio companies and their underlying securities prior to making investment decisions. As part of the bottom-up fundamental research process, the Investment Manager considers a variety of sources of information, all publicly available. This includes information produced by publicly traded companies such as, audited financial statements and other financial reports. The Investment Manager also considers information obtained through its industry contacts, Wall Street firms, financial news feeds, third party research companies and other publicly available sources. Discussions with company management are also an important source of information.

Potential clients should note that no assurance can be given, and it should not be assumed, that an investment in a Separate Account managed by the Firm will achieve its objectives or generate a positive return. In addition, there is the potential for loss. Accordingly, an investment in a Separate Account managed by the Firm should only be considered by individual and institutional investors who can afford a loss of all or a portion of their investment.

## **RISK FACTORS**

THE FIRM'S AND ITS INVESTMENT PROGRAM ENTAIL A SIGNIFICANT DEGREE OF RISK, INCLUDING WITHOUT LIMITATION, THE RISK THAT A PROSPECTIVE INVESTOR MAY LOSE ALL OR A PORTION OF ITS INVESTMENT CAPITAL. THERE CAN BE NO ASSURANCE THAT THE FIRM WILL BE ABLE TO AVOID LOSS, ACHIEVE ITS INVESTMENT OBJECTIVE OR RECEIVE A POSITIVE RETURN ON INVESTMENT CAPITAL. AS SUCH, AN INVESTMENT IN A SEPARATE ACCOUNT MANAGED BY THE FIRM SHOULD ONLY BE UNDERTAKEN BY CLIENTS CAPABLE OF (I) EVALUATING THE RISKS ASSOCIATED WITH SUCH INVESTMENT, AND/OR (II) BEARING THE LOSS OF ALL OR A PORTION OF THEIR INVESTMENT CAPITAL.

AN CLIENT IN A SEPARATE ACCOUNT MANAGED BY THE FIRM WILL ALSO BE SUBJECT TO A NUMBER OF INVESTMENT, STRUCTURAL, OPERATIONAL AND TAX RISKS, INCLUDING WITHOUT LIMITATION, RISKS ATTRIBUTABLE TO MARKET CONDITIONS, SECURITY SELECTION, SEPARATE ACCOUNT TERMS, LIMITED OPERATIONAL HISTORY OF THE FIRM, AND A VARIETY TAX RELATED FACTORS.

### **Material Risks Involved in the Method of Analysis or Significant Investment Strategy**

Security Selection and Market Risk. Security Selection risk is defined as the risk that the Firm may not select and size positions appropriately within the portfolio. An associated market risk arises from the influence of the movements of the overall market or the value of the individual securities in the portfolio. The profitability of a significant portion of the Firm's investment program depends to a great extent upon correctly assessing the future course of the price movements and/or general value of securities and other investments. There can be no assurance that the Firm will be able to accurately predict these price movements or future valuation, nor can assurance be given that the Firm's investment portfolio will generate any income or appreciate in value. With respect to the investment strategy utilized by the Firm, there is also a degree of market risk. For these reasons, the portfolio may also incur losses, and a Limited Partner should not invest in the Firm unless he or she is in an adequate fiscal position to sustain a loss of part or all of his capital account in the Firm.

Trading on Non-U.S. Exchanges. A client's Portfolio will engage in trading on exchanges outside the United States. Trading on such exchanges is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United States exchanges. For example, some foreign exchanges are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a trade and not of an exchange or clearing organization. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums and investment controls, or political or diplomatic events that might adversely affect the Firm's trading activities. The risks of investing in non-U.S. securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets and higher brokerage commissions and custody fees. Furthermore, foreign

trading is also subject to the risk of changes in the exchange rate between United States dollars and the currencies in which securities traded on such exchanges are settled.

Investments in International Markets, including Emerging Markets. A client's Portfolio will invest a substantial portion, or the entirety, of its portfolio in investments which are non-U.S. based. A client's Portfolio will therefore be subject to certain additional risks that are not usually associated with similar investments in the U.S. and other industrialized democracies including fluctuation in currency exchange rates, the imposition of exchange control regulations, the possibility of expropriation decrees, more limited information about issuers and their operations, different accounting standards, sub-standard regulatory environment and smaller, less liquid markets. Furthermore, political and economic risk may be substantial, especially in Emerging Markets. Emerging Markets in particular have a history of imposing unfriendly controls on foreign investors during times of economic stress. Investment in international markets, and especially emerging market countries, therefore carry a higher degree of risk than investment in securities based in the U.S.

Incremental Uncertainty of Foreign Laws. Legal systems abroad may differ in a number of respects from the United States legal system, including requiring transfer taxes and value added taxes on certain transfers, imposing limits on usurious interest rates and subjecting lenders to liability for inappropriate lending. Non-U.S. investments are subject to certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, heightened risks of economic, political or social instability in certain geographic locations and the possibility of expropriation or confiscatory taxation or the imposition of foreign taxes, including withholding tax, on income and gains recognized with respect to investments.

Reduced Level of Financial Information. Foreign companies are subject to accounting, auditing and financial reporting requirements that may differ, in some cases significantly, from those applicable to U.S. companies. In many countries, reporting requirements are considerably less strict than those in the United States. Also, there is generally less publicly available information about non-U.S. companies than there are reports and ratings published about comparable U.S. companies, and companies in these jurisdictions are often less willing to provide potential investors the types of financial and other disclosures customary for U.S. issuers.

Risk of Sector Concentration. Although the Firm will seek client Portfolio diversification across a range of securities, the exposure of the Portfolio likely will be concentrated in specific industry groups. As such, the aggregate return of the Portfolio may be substantially adversely affected by the unfavorable performance of the overall relative performance of the individual securities. Concentration in specific industry groups may subject the Portfolio to greater volatility than a more diversified portfolio of investments.

Currency and Exchange Rate Risks. The Firm may invest in securities denominated in currencies other than the U.S. Dollar or in securities which are determined with references to currencies other than the U.S. Dollar. The Firm, however, will value its assets in U.S. Dollars. The Firm may elect to hedge against currency exposure, and at its sole discretion. Moreover, there can be no assurances that such hedging, even if undertaken, will insulate client Portfolio



from currency risks and hedging techniques may give rise to certain costs and additional risks. To the extent that currency exposure is not hedged, the value of the Firm's assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of their investments in the various local markets and currencies. Thus, an increase in the value of the U.S. Dollar compared to the other currencies in which the Firm may make investments will reduce the effect of increases and magnify the U.S. Dollar equivalent of the effect of decreases in the prices of Firm's securities in their local markets. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Firm's non-U.S. Dollar securities. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The value of a portfolio investment may also be affected by developments relating to controls and restrictions on foreign currency remittance of the proceeds of investments in a non-U.S. jurisdiction.

Discretion and Changes in Investment Strategy The Firm may have considerable discretion in choosing the securities that will be acquired and has the right to modify the selection criteria used by the Firm without the consent of the client. Any of these trading techniques or analytical models may have operational or theoretical shortcomings, which could result in unsuccessful trades and, ultimately, losses to a client's portfolio. In addition, any new investment strategy developed may be more speculative than earlier techniques and may increase the risk of an investment with the Firm.

Limited Liquidity. The investments made by the Firm may become illiquid, and consequently the Firm may not be able to sell such investments at prices that reflect the Firm's assessment of their value or the amount paid for such investments by the Firm. Illiquidity may result from limited daily trading volumes in any particular equity investment or the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the Firm and/or other factors. Furthermore, the nature of the Firm's investments may require a long holding period prior to profitability.

Concentration Risk. Although on a relative basis, the Firm expects to reasonably diversify its holdings among Latin American securities, investors should note that the broad market diversification within Latin American equity markets is significantly less than the broad market diversification within developed economies such as the United States. As such, the Firm's portfolio may similarly be less diversified and more concentrated than a portfolio of securities oriented towards developed markets. Likewise, the Firm's portfolio will be concentrated in specific industry groups and the aggregate return of the Firm's portfolio may be substantially adversely affected and subject to sharper changes in value or other types of volatility than would be the case with a less concentrated portfolio.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be purchased and traded by the Firm on behalf of client Portfolios and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. While the Firm will devote its best efforts to the management of client Portfolios, there can be no assurance that such Portfolios will not incur losses. Many unforeseeable events,

including but not limited to actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Portfolio Turnover. The Firm will not be restricted in effecting transactions by any specific limitations with regard to their portfolio turnover rate and the Firm's investment policies might result in substantial portfolio turnover. Portfolio investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments.

Brokerage Firms and Custodians May Fail. The institutions, including the brokers with which the Firm does business or to which client assets have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Firm or the client Portfolios. Economic events may challenge the financial stability of a number of established financial institutions. In the event that one of the Firm's brokers becomes bankrupt and fails to segregate Portfolio assets on deposit as required, the Portfolios may be subject to a risk of loss for any deficiency. Even if the Portfolios do not lose assets on deposit with the Firm's brokers (or other financial institutions with which the Firm may deal), the client Portfolios could incur market losses as a result of financial difficulties at such institutions (including, but not limited to, in situations where the Firm may be unable to access the assets of the client Portfolios and/or execute transactions through its brokers or other financial institutions in a timely manner). In addition, non-U.S. institutions, including non-U.S. Brokers and banks, may be subject to different bankruptcy or other regulatory regimes than those applicable to U.S. institutions, and in doing business with such non-U.S. institutions, the Firm may not be afforded certain of the protective measures provided by the SEC and FINRA in the case of certain U.S. brokers. Although the Firm will attempt to minimize their risk in this area, there is no action that it can take which is completely risk-free.

Effectiveness of Risk Reduction Techniques. The Firm may employ various risk reduction strategies designed to minimize the risk of its trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If the Firm analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with the Firm's investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

Event Driven Investments. The Firm may make investments in securities of companies facing a major corporate event such as a ratings upgrade, an exchange offer, a recapitalization, asset sales, spin-offs, merger or acquisition, or debt buy back. The Firm may invest in such situations with the expectation that the event will be successfully consummated. However, if the event under consideration is not consummated or is delayed, such investments may incur significant losses.

Investments in Undervalued Assets. One of the primary objectives of the Portfolio is to identify and invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired by the Portfolio. While investments in undervalued assets offer the

opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Portfolio's investments may not adequately compensate clients for the business and financial risks assumed. The Portfolio may be forced to sell, at a substantial loss, assets which it believes are undervalued, if they are not in fact undervalued. In addition, the Portfolio may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of a client's Portfolio would be committed to such assets, thus possibly preventing the Portfolio from investing in other opportunities.

Key Personnel of the Firm. The client Portfolios' success will depend substantially on the skill and acumen of the key employees of the Investment Manager. If the Investment Manager or its key employees should cease to participate in the Firm's business, the ability to select attractive investments and manage its Portfolio could be impaired. Such employees of the Investment Manager will devote as much time to the Portfolio as is necessary to assist the Firm in achieving its investment objective.

Risk of Minority Positions. Client Portfolios are likely to hold a number of minority positions in issuers. Accordingly, the Portfolio may have limited ability to exercise control over such issuers.

Tax Risks. The tax consequences to investors of an investment with the Firm may be complex. Legal, tax, and regulatory changes could occur during the term of a client's investment with the Firm, which may adversely affect such client Portfolio. For example, foreign legislation could impose burdens on portfolio investments, including by way of example increasing tax liability or withholding. Prospective clients are urged to consult their tax advisors in this regard and are encouraged to monitor this and any other potential amendments to relevant tax law.

#### Potential Conflicts of Interest

##### Trade Allocation

The Firm expects to manage other client accounts, including the long/short hedge fund managed by Matador Capital Management, LLC, an investment advisory affiliate. Generally, the Firm has discretionary authority over the investment Portfolios for which it manages on behalf of clients. As a general matter, the Firm believes that aggregation of orders for multiple clients is consistent with its duty to seek best execution. However, in any case in which the Firm believes that aggregation is not consistent with its duty to seek best execution for its clients, it will not affect the transaction on an aggregated basis.

Generally, the Firm invests in liquid equity securities and anticipates that the purchase and sale of securities will be aggregated and then allocated on a *pro rata* basis in accordance with each account's investment guidelines as determined exclusively by the Portfolio Manager or his designee. Differences in allocation proportions may occur due to tax considerations, avoidance of odd lots or *de minimis* numbers of shares, and client specific restrictions of the accounts. In

order to verify compliance with these policies and procedures, the Firm conducts periodic reviews of the order allocation process.

### Personal Trading

Potential conflicts may arise with respect to Firm employees personal trading activities in relation to trading on behalf of the Firm's clients. An employee trading securities in his or her account prior to trading the same security on behalf of clients (commonly known as "front-running") is an example of such a conflict. To mitigate this conflict, the Firm prohibits employees from purchasing individual securities for their own accounts. Employees are required to receive pre-clearance from a Compliance Team member prior to selling an individual security owned in a personal account prior to adoption of the Firm's current Personal Trading Policy. Additional information regarding the Firm's Personal Trading Policy is included in **Item 11 – Code of Ethics**.

## **Item 9 – Disciplinary Information**

This section requires registered investment advisers to disclose all material facts regarding any legal or disciplinary events that would be material to an investors' evaluation of the Firm or the integrity of its management. The Firm has no known legal or disciplinary events to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### Ranger Affiliated Investment Advisers

The Firm is affiliated with five investment advisers by virtue of common control and ownership by Ranger Capital Group Holdings, L.P. ("RCGH"). With the exception of the Firm, each RCGH investment advisory affiliate mentioned below maintains an independent investment team and processes; and focus on differing investment strategies.

- Ranger Alternative Management, L.P. serves as a sub adviser to and has day-to-day portfolio management responsibilities with respect to a short only actively managed exchange traded fund known as the Ranger Equity Bear (*ticker symbol: HDGE*). Portfolio investments generally include short sales of domestically traded mid- and large-cap U.S. exchange-traded equity securities.
- Ranger Alternative Management II, L.P. manages investment portfolios which consist of consumer and business loans originated by "Peer-to-Peer" lending platforms.
- Ranger Investment Management, L.P. manages investment portfolios which consist of the U.S. exchange traded equity securities of primarily small and/or mid capitalization growth oriented companies.
- Ranger International Management, L.P. manages investment portfolios which consist of long-only (i) global income and growth, and (ii) international equity portfolios.

- Ranger Advisors, L.P. manages fund-of-funds investment portfolios which primarily invest in Ranger affiliated strategies and to a lesser extent unaffiliated long/short hedge funds, on behalf of a closely held group of accredited investors.

All RCGH affiliated investment advisers are registered with the U.S. Securities and Exchange Commission (the “SEC”) in accordance with the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training. Additional information regarding the Firm’s investment advisory affiliates may be found on-line at [www.rangercap.com](http://www.rangercap.com).

#### Matador Capital Management, LLC

In addition to RCGH investment advisers, the Firm is affiliated with Matador Capital Management, LLC (“Matador”), an investment adviser which manages a long/short hedge fund comprised of securities of companies which are either based in Latin America or whose main operations are in the Latin America region, by virtue of common control by Pedro Zevallos. Pedro Zevallos serves as the Portfolio Manager and founding principal of both Matador and the Firm.

### **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 clients and to make full and fair disclosure of all material facts, particularly where the Firm’s interests may conflict with those of its clients. The Firm’s Code of Conduct and Code of Ethics (the “Codes”) serve as behavioral benchmarks from which the Firm’s compliance program is built. Briefly, the Codes require 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 that all employees comply with applicable provisions of the federal securities laws and promptly report any violations or potential violations of the Firm’s compliance policies and procedures to the Chief Compliance Officer (the “CCO”).***

#### Personal Trading Policy

The Firm has implemented a personal trading policy which prohibits employees from purchasing individual securities for their personal accounts or the accounts of family members living in their immediate household. 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 the completion of all anticipated client purchases or sales of such securities. In addition, the Firm requires that all employees receive pre-clearance from the CCO 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. Pre-clearance

and reporting requirements vary for these investments. In addition, the Firm's personal trading policy requires employees to provide the CCO 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 to [info@rangercap.com](mailto:info@rangercap.com).

## **Item 12 –Brokerage Practices**

The Firm has complete investment and brokerage discretion over many of its client accounts.

### Broker Selection and Transactions

The Firm selects brokers for its 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 an order and the difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research products or other services the Firm considers to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria.

The Firm may enter into soft-dollar arrangements with respect to obtaining research and brokerage services provided by brokers dealers. Regarding such arrangements, the Firm will seek to maintain a soft-dollar policy that falls within the safe harbor established by Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Research and brokerage services, as that term is used in Section 28(e), may include both services generated internally by a broker's own research staff and services obtained by the broker from a third party research firm. The research and brokerage services obtained may include a broad variety of financial and related information and services, including written or oral research and information relating to the economy, industries or industry segments, a specific company or group of companies, software or written financial data, electronic or other quotations or market information systems, financial or economic programs or seminars, or other similar services or information believed to assist the Firm and its advisory functions and services. The Firm believes that its ability to obtain such products and services is an integral factor in the level of the advisory fees charged to clients.

Generally, the Firm will attempt to place portfolio transactions with broker dealers who, in its opinion, provide the best combination of price and execution (including brokerage commissions). However, the Firm may pay a broker-dealer a commission for effecting a



transaction in excess of a commission charged by another broker or dealer as long as the Firm makes a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer.

The Firm maintains formal and informal internal allocation procedures to identify brokers dealers who provide it with research, execution and other services that the Firm considers useful to its investment decision-making process. The amount of commission allocated to any broker will be based, in part, on the cost of such services to the broker, and the amount allocated may be higher than that which the Firm would pay for the research were it to pay for it in cash using its own funds.

Clients should consider that there is a potential conflict of interest between their interests in obtaining best execution and the Firm's receipt of and payment for research through brokerage allocations as described above. To the extent the Firm obtains brokerage and research services that it otherwise would acquire at its own expense, the Firm may have incentive to place a greater volume of transactions or pay higher commissions than would otherwise be the case.

The soft dollar research and brokerage services the Firm may obtain normally benefits many accounts rather than just the one(s) for which the order is being executed, and not all research may be used by the Firm in connection with the account(s) which paid commissions to the broker providing the research.

#### Best Execution Reviews

On at least a quarterly basis, the Firm holds a best execution review meeting to determine the value each broker dealer brought to the Firm over the previous three (3) month period. In attendance at the meeting are members of the Firm's investment team and the CCO. At the meeting, the participants address issues such as: execution quality, research quality, broker responsiveness, and access to analysts and company management. The meeting participants generally discuss issues with respect to the active broker-dealers on the approved list to determine whether the commissions earned are commensurate with the value received from the broker-dealers. Following the review, the CCO, documents the results of the best execution review.

Periodically, as part of the best execution review, members of the investment team and the CCO may discuss general soft dollar activities and possible changes, if any, to the list of all soft dollar services. Examples of soft dollar issues discussed during the best execution review may include:

- Changes to the current level of service
- Prospective products and services being considered
- Services that are not being fully utilized, are obsolete or redundant and should be eliminated
- Whether the soft-dollar budget targeted for the current quarter or year are in line with the budgeted amounts

The CCO documents and maintains information discussed during the best execution review.

### Order Aggregation

The Firm will aggregate and allocate orders of securities for multiple accounts with similar investment guidelines on a *pro rata* basis prior to making a trade. Once a trade is complete, the Operations Manager confirms client orders. All accounts with similar investment guidelines will be managed *pari passu*. Trading is not segmented across product platforms. Generally, the Firm aggregates trade orders to seek best execution. However, in any case in which the Firm believes that aggregation is not consistent with its duty to seek best execution for its clients, it will not affect the transaction on an aggregated basis.

### Directed Brokerage

A client may instruct the Firm to effect securities transactions for its account through a specific broker-dealer. The Firm considers this instruction to be a “directed brokerage arrangement.” In such circumstances, the client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. The Firm will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the client’s transactions for execution through other broker-dealers with orders for other accounts advised or managed by the Firm. As a result, the Firm may place a directed trade following aggregated trading activity for a particular security. In addition, the Firm may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

### Soft Dollar Reviews

In addition to periodic reviews, the Firm will conduct an annual evaluation of its soft dollar products and services as applicable to, (1) ensure the products and services continue to provide the value to the investment manager which was originally established upon initial evaluation; and, (2) prepare an annual soft dollar product review which it believes is in the best interest of the Firm’s clients. The CCO will document the annual soft dollar review.

Each month, a member of the accounting department reviews and verifies all invoices for soft dollar products and services and then submits them to an Operations Manager for verification. The invoices are time stamped and dated, and then forwarded to the soft dollar broker for payment. The soft dollar broker(s) submits a monthly summary of all payments made for research, as well as a detailed listing of commissions generated with the executing soft dollar brokers. A member of the accounting department reviews all research payments and the Operations Team reviews commissions to ensure payments between the commission list submitted by the soft dollar broker and a commission report generated by the firm’s portfolio management system has been properly reconciled. The soft dollar broker resolves any issues, and any unresolved disputes will be promptly brought to the attention of the CCO and Chief Financial Officer.



### Mixed-Use Soft Dollar Products and Services

In some instances, brokerage and research products or services the Firm receives may also be used by the Firm for functions that are not entirely brokerage or research related (i.e. not related to the investment decision-making process). Where a research or brokerage product or service has a mixed-use, the Firm will make a reasonable allocation according to its use and will pay for the non-research or non-brokerage portion in cash using its own funds. The Firm generally bases its mixed-use allocation decisions on a reasonable combination of factors such as:

- The percentage of time devoted to the Firm's use of the product for research or brokerage in relation to non-research or non-brokerage applications;
- The relative value of the product for each use as the CCO determine to be reasonable and appropriate; and,
- The availability and value of comparable products and services.

### **Item 13 – Review of Accounts**

Each Separate Account will be reviewed and valued on a daily, weekly or monthly basis, as deemed appropriate by the Firm. The Portfolio Manager will review each account in a manner consistent with the investment goals of each account. Under the supervision of the Chief Financial Officer, members of the Firm's accounting and operations staff will review the accounts' valuation, including net asset value calculations, principal and interest accrual calculations, and cash balance reports from applicable lending platforms and/or the Firm's administrator.

The Firm will prepare written reports to clients on a quarterly basis. Such quarterly reports include unaudited financial information to investors.

### **Item 14 – Client Referrals and Other Compensation**

The Firm may enter into written agreements with an affiliated or unaffiliated marketing group or individuals that will solicit investors for the Firm's investment advisory services. As compensation for their solicitation services, such marketing groups or individuals may receive a percentage of the Firm's Management as attributable to such client. The fees paid to such marketing groups or individuals are not charged back to the clients who have been solicited by these groups or individuals. Clients pay the same fees to the Firm as they would have had they not been referred by such marketing groups or individuals.

The Firm's arrangements with an affiliated or unaffiliated marketing group or individuals may result in a potential conflict of interest by creating an incentive for the marketing group to recommend Ranger's investment advisory products and services based on compensation received rather than the investor's needs. The Firm has implemented procedures to ensure compensation arrangements with an affiliated or unaffiliated third-party for client or investor referrals will comply with Rule 206(4)-3 under the Adviser's Act. Ranger pays a referral fee with respect to

any one investor and the Firm will provide disclosure to said investor prior to subscription date of such investor.

## **Item 15 – Custody**

The Firm provides investment advisory services to Separate Account clients. Typically, such clients select a custodian of their choice. As such, the Firm is not considered to have custody of client cash or securities.

*The Firm strongly encourages clients to closely monitor their account statements, disclosure documents and important investment related materials they 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 without obtaining consent or approval from clients (within the parameters established by each investment management agreement of a Separate Account). Discretionary authority only occurs upon full disclosure to the client and authorization by such client pursuant to the IMA of a Separate Account. Trades or transactions made by the Firm on behalf of client accounts for which it has discretion will be in accordance with that account's investment objectives and goals.

## **Item 17 – Voting Client Securities**

Generally, the Firm has the right to vote proxies for the Separate Accounts it advises. The Firm seeks to vote such proxies in the interest of maximizing shareholder value. To that end, the Firm takes great care to vote proxies in a way that it believes is consistent with its fiduciary duty. It is the Firm's policy to review each proxy statement on an individual, case-by-case basis and give consideration to both the short and long term implications of each proposal in which it votes. The Portfolio Manager is responsible for identifying the proxies upon which the Firm will vote, voting the proxies in the best interest of the investors, and submitting the proxies promptly and properly.

The Firm's written proxy voting policies and procedures are available for review by investors of each Separate Account advised by the Firm. In addition, the Firm maintains a record of all proxy votes cast on behalf of Separate Accounts it advises; such records are available for review by the investors in Separate Accounts the Firm manages upon written request.

### Class Action Law Suits

From time to time, the Firm may receive notices regarding class action lawsuits involving securities that are or were held by the portfolio of a Separate Account it advises or advised. As a matter of policy, the Firm refrains from serving as the lead plaintiff in class action matters and

also refrains from submitting proofs of claim where the Firm believes, in its sole discretion, which either the recovery amounts are likely to be negligible or such participation is not in the interest of the applicable account. As a result, the Firm, in many cases, may not participate in class action law suits.

## **Item 18 – Financial Information**

The Firm has no known 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.