

Key Fund characteristics

Monthly NAV total return	+0.57%	Ticker	SMEF:LN
NAV per ordinary share	101.26 GBp	ISIN	GB00BYMK5S87
Mid-Price	95.00 GBp	Domicile	UK
Premium / discount	-6.2%	Listing	LSE SFS
Dividend frequency	Monthly	Ordinary shares in issue	52,660,350
Fund indicated yield *	7.5%	Market capitalisation	50,027,333 GBP
Weighted average coupon	9.0%	NAV	53,375,487 GBP
Gearing	None	Number of direct loans	243
Currency hedged to GBP	100%	Weighted average maturity	2.36 years

*Source Bloomberg

All data as at 31/08/16

Investment Objective

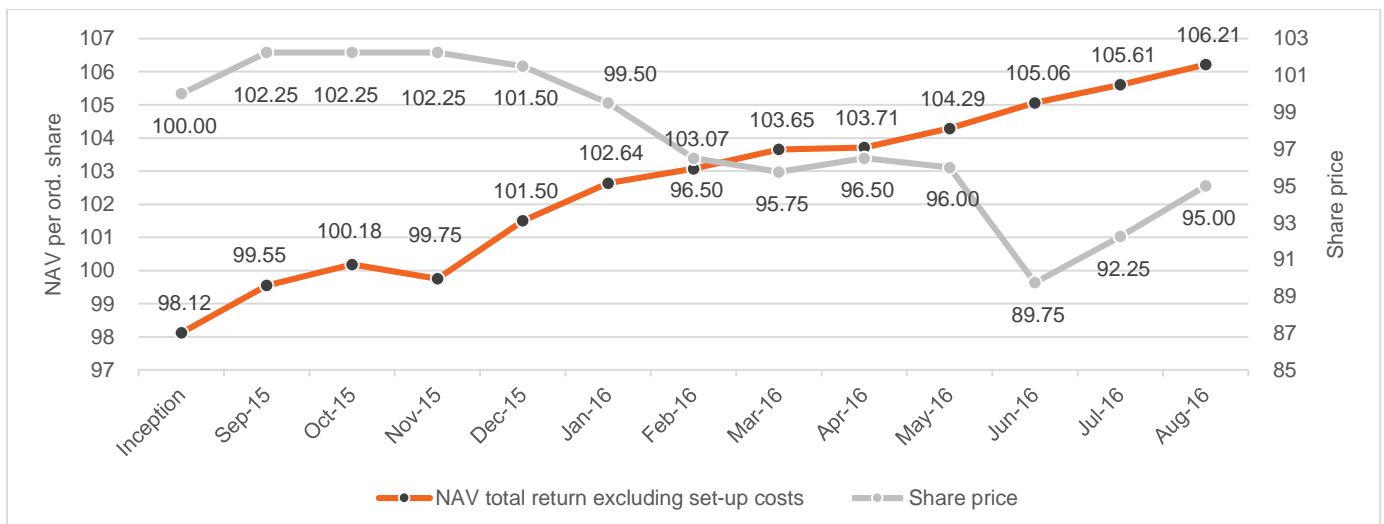
The SME Loan Fund PLC is a UK Investment Trust with the investment objective of providing shareholders with attractive risk adjusted returns through investment, principally via online finance platforms, in a range of SME loan assets, diversified by way of asset class, geography and duration. The Fund pays a monthly dividend and over a rolling twelve-month period, is targeting an outright income level of 8%.

Performance and Dividend History

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Inception to date	
NAV per share total return, including income*	2015									1.46%	0.64%	-0.43%	1.75%	3.44%	8.25%
	2016	1.12%	0.42%	0.57%	0.05%	0.55%	0.74%	0.52%	0.57%					4.64%	
Dividend per share**	2015											0.60p	0.60p	4.95p	
	2016	0.40p	0.55p	0.55p	0.55p	0.55p	0.60p	0.60p					4.35p		
Share price performance total return***	2015									2.25%	0.00%	0.00%	-0.73%	1.50%	-5.00%
	2016	-1.97%	-3.02%	-0.78%	0.78%	-0.52%	-6.51%	2.79%	2.98%				-6.40%		

* Per Ordinary Share excluding set-up costs ** Per Ordinary Share paid from income reserves to date *** Source Bloomberg

NAV Total Return vs. Share Price



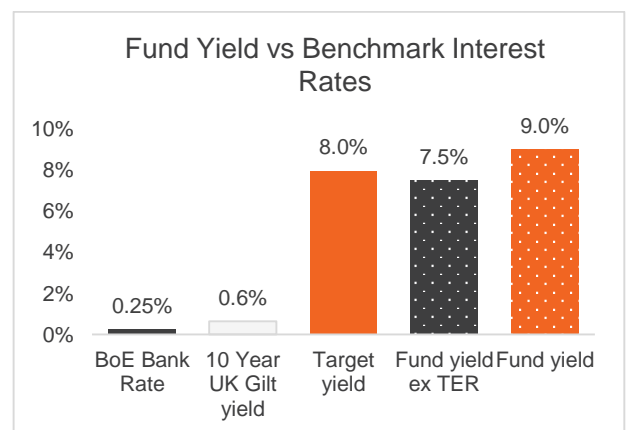
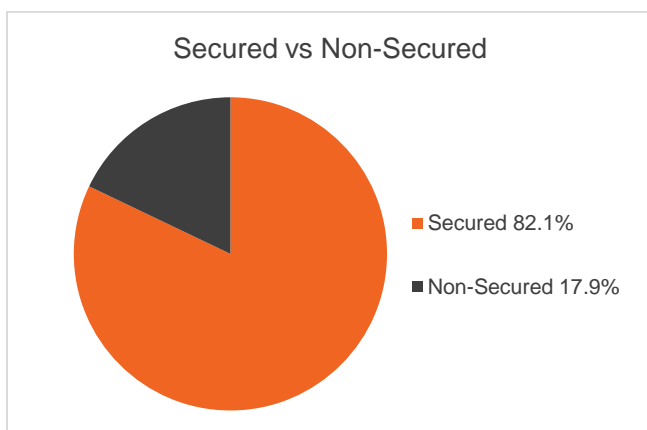
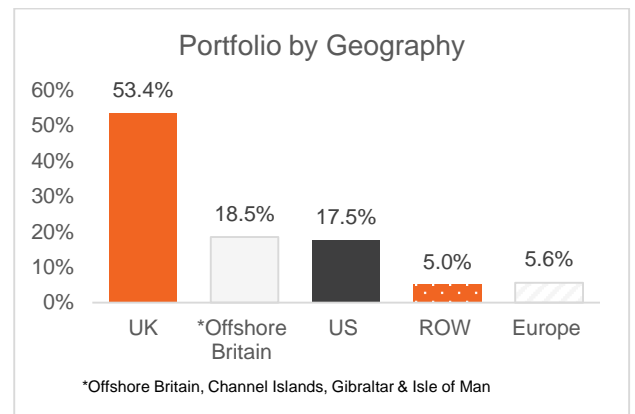
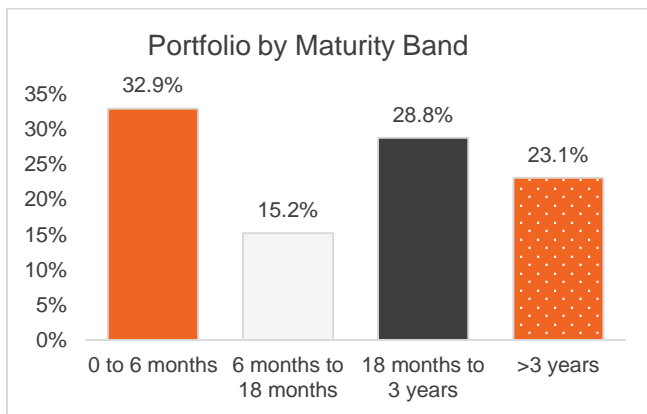
Market Commentary

In spite of fears of a global economic slowdown following the Brexit vote, macro data broadly surprised on the upside in the US, UK and also Europe. In the UK, Retail Sales were up, unemployment was down and inflation actually beat expectations coming in at 0.6% year-on-year vs. the forecast of 0.5%. Indeed, only housing data and business confidence readings disappointed. Worryingly, Home Sales experienced the biggest decline since 2008 with the South East being particularly hard hit. Of benefit to the UK is the fall in the exchange rate with EUR / GBP falling from a peak of 1.4295 in mid-2015 to its month-end close of 1.1775. The US has enjoyed a continuation of its good economic performance and there is no doubt that all eyes will be on the Federal Reserve to see when the next increase in the Fed Funds rate may take place. The Eurozone also released some impressive macro data, with the expansion accelerating to its fastest pace in seven months, according to Markit PMI data. The services sector was particularly strong offsetting a slight contraction in manufacturing.

The AltFi sector continued to power ahead with total UK volumes exceeding £7.8 Billion, a jump of £250 Million in the month. This is slightly contradictory to some anecdotal information that suggested poor origination during the month. The SME Loan Fund had no such problem in deploying capital into high quality loans with exposure being taken in a variety of sectors including horticulture, leisurewear and property financing. The refinancing of several property loans saw cash end the month at 9.5%, an increase of 3.2%. Property exposure fell from 12.6% to 9.9% whilst exposure to renewable energy fell from 17.2% to 16.1%. Correspondingly the gross yield snapshot at month end was 9%, down from 9.4% however a good pipeline of new loans has been identified which will lead to a more normalised cash level and a pick-up in gross yield.

Following the change in name from GLI Alternative Finance plc to The SME Loan Fund plc, the Company website has been changed and can be seen at www.thesmeloanfund.com. The Board are also delighted to advise that Cantor Fitzgerald Europe have been appointed as the new corporate broker and financial advisor.

Portfolio Analytics



Top-Ten Loan Exposure

Asset	Coupon	Maturity	Currency	Geographic region	Weighting
Loan 1	8.00%	Mar 17	GBP	Offshore Britain	2.32%
Loan 2	9.00%	Oct 19	GBP	UK	2.23%
Loan 3	9.50%	May 18	GBP	UK	2.12%
Loan 4	7.30%	Dec 19	GBP	UK	2.00%
Loan 5	9.75%	Sep 18	GBP	UK	1.96%
Loan 6	9.95%	Mar 17	GBP	Offshore Britain	1.85%
Loan 7	8.00%	Dec 16	GBP	Offshore Britain	1.85%
Loan 8	9.75%	Jul 18	GBP	UK	1.85%
Loan 9	9.50%	Mar 18	GBP	UK	1.83%
Loan 10	7.50%	Sep 18	GBP	UK	1.81%

For more information, please contact:

Manager: Amberton Asset Management Limited, PO Box 296 Suite W5, Sarnia House, Le Truchot, St Peter Port, GY1 4NA

Email info@thesmeloanfund.com

Web www.thesmeloanfund.com

Phone +44 (0) 14 8170 8240



Financial Advisor & Broker: Cantor Fitzgerald Europe Limited, One Churchill Place, Canary Wharf, E14 54RB

Ben Heatley

Email bheatley@cantor.com

Phone +44 (0) 20 7894 8229



TERMS AND CONDITIONS

The information contained in this document has been prepared by Amberton Asset Management Limited ("Amberton") in respect of The SME Loan Fund plc (the "Fund"). It has not been verified and is subject to material revision and further amendment without notice.

This document has not been approved by an authorised person in accordance with section 21 of the Financial Services and Markets Act 2000. As such this document is being made available only to and is directed at: (a) persons outside the United Kingdom; (b) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (c) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) (A) to (C) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any failure to comply with these restrictions constitutes a violation of the laws of the United Kingdom. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction. This document and its contents are confidential and are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose.

This document does not constitute or form any part of, and should not be construed as, an offer or invitation or other solicitation or recommendation to purchase or subscribe for any securities. Prospective investors should only subscribe for shares in the Fund on the basis of information contained in any prospectus to be published by the Fund in due course in connection with the admission of the Fund's shares to the Official List and to trading on the London Stock Exchange. No reliance may be placed for any purpose whatsoever on the information, representations or opinions contained in this document, and no liability is accepted for any such information, representations or opinions. This document does not constitute either advice or a recommendation regarding any securities. Any person who is in any doubt about the subject matter of this document should consult a duly authorised person.

None of the Fund, Amberton, Cantor Fitzgerald Europe ("Cantor Fitzgerald" ("Cantor Fitzgerald") or any other person makes any guarantee, representation or warranty, express or implied as to the accuracy, completeness or fairness of the information and opinions contained in this document, and none of the Fund, Amberton, Cantor Fitzgerald or any other person accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In preparing this document, Amberton has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by Amberton. The information presented in this document may be based upon the subjective views of Amberton or upon third party sources subjectively selected by Amberton. Amberton believes that such third party sources are reliable, however no assurances can be made in this regard.

This document includes forward-looking statements. These forward-looking statements include all matters that are not historical facts, statements regarding the Fund's intentions, beliefs or current expectations concerning, among other things, the Fund's results of operations, financial condition, liquidity, prospects, growth, strategies, and the sectors in which the Fund intends to operate. By their nature, forward-looking statements involve risks and uncertainties. You are cautioned that forward looking statements are not guarantees of future performance and that the Fund's actual results of operations, financial condition and the development of the sectors in which the Fund intends to operate may differ materially from those made in or suggested by the forward-looking statements contained in this document. No representation, express or implied, is made that any changes to the information herein will be provided to you.

Neither this document nor its contents may be distributed, published or reproduced, in whole or in part, by you or any other person for any purpose. In particular, neither this presentation nor any copy of it may be: (i) taken or transmitted into the United States of America; (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended); (iii) taken or transmitted into or distributed in any member state of the European Economic Area (other than the United Kingdom), Canada, Australia, the Republic of Ireland or the Republic of South Africa or to any resident thereof; or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

By accepting this document or by attending any presentation to which this document relates you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person; (ii) you have read and agree to comply with the contents of this notice; and (iii) you will treat and safeguard as strictly private and confidential all the information contained herein and take all reasonable steps to preserve such confidentiality.