

The Fund's objective is to generate steadily compounding returns for income and growth orientated investors with a long term investment horizon. It utilises LGB's expertise in secured SME lending and fixed income investing.

Key Facts

Price at 30-Nov-18	£114.72 (Starting at £100.00 1/6/16)	Minimum Investment	£20,000
Fund Currency	GBP	Investment Advisor	LGB Investments
Fund Size	£4,617,480	Investment Manager	Heritage Fund Managers Ltd
Management Fees	1% p.a. + 5% of increase in NAV	Custodian	ABN AMRO (Guernsey) Ltd
Dealing (see Risk Factors below)	Monthly (Redemptions at NAV -1%)	Fund Domicile	Guernsey
Portfolio Composition	Loan notes, shares and cash	Auditor	PWC CI LLP, Guernsey
Fund Status	Non-distributor ("roll-up")	Pricing Information	lgbc.com
Subscriptions	Heritage Capital Management Ltd	ISIN	GG00BG44XG61

Performance & Commentary

The NAV was up 67bps this month to £114.72 which gives a one year performance of the fund's net asset value of 6.37%. Out of the total assets of the fund, 90.1% were invested in secured loan notes at the end of the month with a gross weighted average yield of 8.17%.

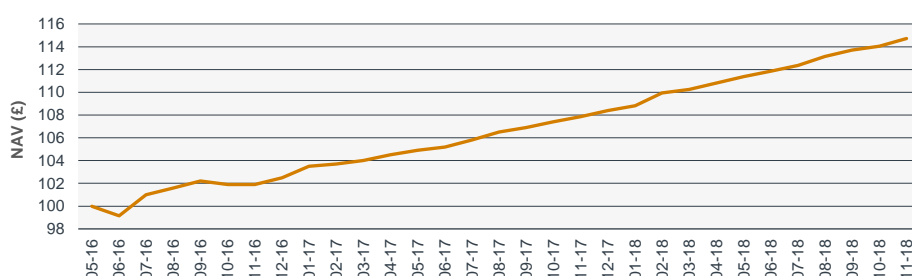
The portfolio is kept very liquid with 8% in cash and 65% of the portfolio invested in notes maturing within 2 years. During November the fund made no new investments.

The fund continues to hold some small legacy AIM positions, currently 1.2% of the total fund, which it seeks to exit opportunistically. It is the intention that the fund will invest only in loan note issues going forward.

NAV Performance

3 months	1.39%
6 months	3.01%
12 months	6.37%
Since establishment	14.72%

LGB SME Fund NAV



Please note that past performance is not a guide to future performance.

Asset Allocation as of 30 Nov 2018

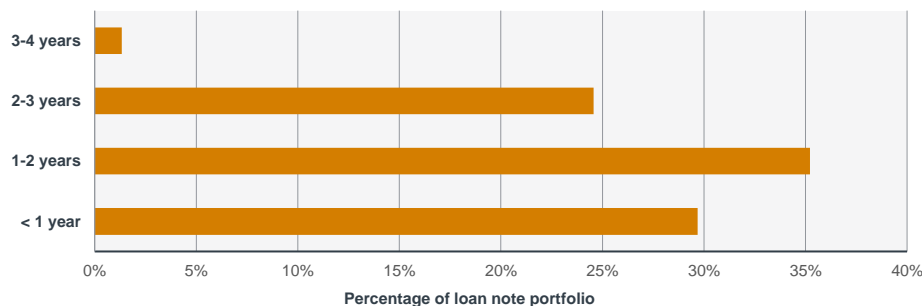
Form of Investment

Loan notes:	91%
AIM quoted shares:	1%
Cash:	8%

Portfolio fund: **£4.7m**

Loan note issues:	34
Loan note issuers:	10
AIM shares:	4

Duration Profile of Loan Notes



Loan Note Portfolio as of 30 November 2018

Issuer	Sector	Interest Rate	Portfolio Weighting
SRT Marine Systems plc	Technology Hardware & Equipment	8.00% p.a.	11.0%
AnCellTek Holdings Limited	Consumer Goods	9.00% p.a.	10.9%
Acamar Films Limited	Licensing	8.50/9.00% p.a.	10.6%
Rivers Leasing Limited	Leasing	8.00/8.50% p.a.	10.1%
Sema Lease UK Limited	Leasing	8.00% p.a.	9.9%
1pm plc	Specialty Finance	6.50/7.00% p.a.	9.3%
Windmill Extrusions Limited	Industrial Manufacturing	10.00% p.a.	8.2%
600 Group plc	Industrial Engineering	8.00% p.a.	7.7%
CLS Finance Limited	Vehicle Financing	9.00% p.a.	6.5%
SciSys plc	Software	7.00% p.a.	6.5%
Weighted Average Yield/Total		8.17% p.a.	90.1%

Equity Portfolio as of 30 November 2018

Issuer	Sector	AIM Ticker	Dividend Yield	Portfolio Weighting
Collagen Solutions plc	Healthcare	COS		0.4%
Scancell Holdings plc	Biotechnology	SCLP		0.4%
Dillistone Group plc	Technology	DSG	0.9%	0.3%
Avingtrans plc	Industrial Engineering	AVG	1.6%	0.2%
Weighted Average Yield/Total			0.5%	1.2%

LGB SME Fund Sector Allocation



■ Licensing	11%
■ Industrial Engineering	9%
■ Industrial Manufacturing	8%
■ Leasing	29%
■ Software	7%
■ Specialty Finance	10%
■ Technology Hardware & Equipment	12%
■ AIM Equities	1%
■ Consumer Goods	12%

UK Tax Reporting

Upon a realisation or other disposal of shares UK resident investors are liable for income tax on any increase in NAV. There are no UK tax reporting requirements for a tax year in which there have not been any disposals of shares.

Risk Factors

The fund seeks to reduce portfolio risk through diversification of investments, robust security arrangements in the terms of loan notes and limited investment in shares on AIM. However, investors should note that:

- There is no market for loan notes and liquidity is limited on AIM. Consequently investors may experience delays in redeeming shares if redemption requests exceed the cash resources of the fund.
- Loan notes may experience events of default, in which case the fund may incur a capital loss or be required to enter a re-structuring process to recover its capital.
- AIM quoted shares can experience significant price fluctuations at times of market volatility or upon the announcement of company specific developments. These may affect the NAV of the fund.