

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your accountant, legal, professional or financial adviser.

The document comprises a supplementary prospectus relating to Funding Circle SME Income Fund Limited (the “**Company**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of the FSMA and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

This document is supplemental to, and should be read in conjunction with, the prospectus of the Company dated 06 February 2017 (the “**Prospectus**”) published in connection with the share issuance programme of up to 500 million ordinary Shares and/or C Shares in aggregate in the capital of the Company.

The Company and the Directors accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Funding Circle SME Income Fund Limited

(A company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no.60680)

SUPPLEMENTARY PROSPECTUS

Sole Global Co-ordinator, Bookrunner and Sponsor
NUMIS SECURITIES LIMITED

Numis Securities Limited (“**Numis**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sole Global Co-ordinator and Sponsor and is acting exclusively for the Company in connection with the Share Issuance Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis or for advising any such person in connection with the contents of this Supplementary Prospectus or any other matters referred to in this Supplementary Prospectus.

Neither this Supplementary Prospectus nor the Prospectus constitutes an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements or undue burden on the Company, Funding Circle or the Sponsor, and in particular, this Supplementary Prospectus may not be published, distributed or transmitted by any means or media, directly or indirectly in whole or in part, in or into Australia, Canada, Japan, the Republic of South Africa or the United States.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or with any securities regulatory authority of any State or other jurisdiction of the United States and the Shares may not at any time be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act). The Shares are being offered and sold solely outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors will not be entitled to the benefits of the US Investment Company Act.

This Supplementary Prospectus is dated 5 June 2017.

Purpose of this Supplementary Prospectus

This document constitutes a Supplementary Prospectus required under Prospectus Rules 3.4.1 and 3.4.2 and is being published to note a significant new factor relating to the information included in the Prospectus. The significant new factor relates to a change in the constitution of the board of directors of the Company (the “**Board**”).

A. Significant new factor

Change of constitution in the Board

As set out in the Services Agreement, Funding Circle UK may, in its discretion, nominate one of its employees, directors, officers or professional advisers for election as a Director (and may re-nominate any such nominee who has come up for re-election).

With effect from 17 May 2017, Sachin Patel was appointed to the Board as a non-executive Director as a replacement for Samir Desai (the previous appointee pursuant to the terms of the Services Agreement). He will be subject to re-election at the next annual general meeting of the Company.

In addition and with effect from 31 May 2017, Phillip Hyett was appointed by Sachin Patel to act as alternate Director for him, as necessary or desirable. Such appointment shall remain valid until revoked by Sachin Patel or Sachin Patel ceases to be a Director.

Details of New Director

Sachin Patel, Chief Capital Officer at Funding Circle, leads the Global Capital Markets group and is responsible for investor strategy. Previously, Sachin was Vice President in the cross-asset structured products and solutions businesses at Barclays Capital and, prior to this, at J.P. Morgan, advising a wide variety of investors including insurance companies, pension funds, discretionary asset managers and private banks.

By virtue of Sachin’s role as Chief Capital Officer at Funding Circle Limited, Sachin is not an independent Director. Notwithstanding this, Sachin has undertaken in his service contract with the Company to communicate to the Board any actual or potential conflict of interest arising out of his position as a Director and the other Directors have satisfied themselves that procedures are in place to address potential conflicts of interest.

Sachin is not entitled to any fee for the services provided and to be provided in relation to his directorship, although the Company shall, during the course of his appointment, reimburse all properly incurred out-of-pocket expenses incurred in the execution of his duties as a Director.

Details of Alternate

Phillip Hyett is a Director in the Capital Markets team at Funding Circle. Previously, Phillip Hyett was Finance Director at Pemberton Asset Management, a European private debt manager, where he was responsible for financial management of the group and oversight of fund operations. Before that he was Finance Director at Cerno Capital Partners where he managed finance, compliance and operations across a range of UCITS and AIFs. Phillip started his career as a Chartered Accountant, providing a range of audit, tax and advisory services to FCA-authorised firms. He holds an MA from the University of Oxford and an MSc from Imperial College, London.

Remuneration and Nominations Committee and Risk Committee

Sachin Patel will sit on the Remuneration and Nominations Committee and Risk Committee along with each of the other Directors.

Other Directorships

In addition to Sachin Patel’s directorship of the Company, Sachin is also a director of Funding Circle Global Partners Limited. Phillip Hyett is a director of Finch Lending Designated Activity Company.

No other information is required to be disclosed pursuant to item 14.1 of Annex 1 of the Prospectus Rules in relation to Sachin Patel or Phillip Hyett.

Shareholdings

Neither Sachin Patel nor Phillip Hyett (nor either of their connected persons, the existence of which is known to, or could with reasonable diligence be ascertained by, each of Sachin Patel or Phillip Hyett and whether or not held through another party) hold any shares in the Company as at the date of this Supplementary Prospectus.

B. Additional Information

1. Responsibility

The Company, whose registered office address appears below, and the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors are:

Richard Boleat
Richard Burwood
Jonathan Bridel
Frederic Hervouet
Sachin Patel

The registered office of the Company is:

Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG.

2. Documents available for inspection

Copies of this Supplementary Prospectus and the Prospectus are available for inspection on the Company's website www.fcincomefund.com and, until the closing of the Share Issuance Programme, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office and at the offices of Simmons & Simmons LLP.

3. Definitions

Words or expressions defined in the Prospectus shall have the same meaning when used in this Supplementary Prospectus unless the context requires otherwise.

4. General

To the extent that there is any inconsistency between any statement in, or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in, or incorporated by reference in, this Supplementary Prospectus shall prevail.

Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

5 June 2017