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This announcement is an advertisement and not a prospectus. It does not constitute an offer of securities for sale or subscription in any jurisdiction. Investors should not subscribe for or purchase any securities referred to in this announcement except in compliance with applicable securities laws and only on the basis of information in the prospectus (the "**Prospectus**") expected to be published by Funding Circle SME Income Fund Limited (the "**Company**") in due course in connection with the Issue (as defined below) and the proposed admission of its ordinary shares (the "**Ordinary Shares**") to listing on the Premium Segment of the Official List (the "**Official List**") of the Financial Conduct Authority (the "**FCA**") and to trading on the main market for listed securities of the London Stock Exchange plc (the "**London Stock Exchange**") (together, "**Admission**"). The Prospectus will be, following publication, available for inspection, subject to applicable securities laws, from the Company's website at www.fcsmeif.com.

26 October 2015

FUNDING CIRCLE SME INCOME FUND LIMITED
Launch of a new London-listed fund
investing in loans originated by Funding Circle, the leading marketplace for small business loans

Following the announcement by Funding Circle SME Income Fund Limited on 24 September 2015 of its intention to raise £150 million via an initial placing and offer for subscription, Funding Circle SME Income Fund Limited today announces the launch of the transaction and confirms the expected timetable of events.

Overview of the transaction

- Funding Circle SME Income Fund intends to raise £150 million via an initial placing and offer for subscription.
- The Company will provide investors with access to a diversified pool of loans originated through Funding Circle's marketplaces (the "**Marketplaces**").
- The Company's investment policy will focus on small business lending in the UK and US.
- Funding Circle SME Income Fund will become a strategic lender to the Funding Circle marketplaces and is intended to grow in line with those marketplaces.
- The target NAV total return will be 8-9% per annum.¹
- The target dividend yield will be 6-7% per annum.¹
- There will be no fund management or performance fees charged at the Company level.
- Funding Circle is in discussion with the European Investment Bank in connection with a project to provide financing to UK SMEs via the UK marketplace. It is envisaged that the Company may participate in this financing project, subject to board and EIB approval.

Expected timetable of events

Latest time and date for receipt of applications under the Offer for Subscription	11.00 a.m. on 20 November 2015
Latest time and date for placing commitments under the Placing	3.00 p.m. on 24 November 2015
Result of Issue announced	8.00 a.m. on 25 November 2015

¹ These targets are applicable once the IPO proceeds are fully deployed and, in respect of the NAV total return, also once the Company's leverage policy has been implemented. These are targets only and not forecasts. There can be no assurance that these targets can or will be met, and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the Ordinary Shares, or assume that the Company will make any distributions at all.

Admission and commencement of unconditional dealings in the Ordinary Shares	8.00 a.m. on 30 November 2015
Crediting of CREST accounts in respect of the Ordinary Shares	8.00 a.m. on 30 November 2015
Share certificates despatched	w/c 7 December 2015

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About Funding Circle SME Income Fund

Following the announcement by Funding Circle SME Income Fund Limited on 24 September 2015 of its intention to offer up to 150 million² Ordinary Shares of no par value each at an issue price of £1.00 per Ordinary Share pursuant to a placing and offer for subscription (together the “**Issue**”), Funding Circle SME Income Fund Limited today announces the launch of the transaction and confirms the expected timetable of events. It is intended that the Company will seek admission of the Ordinary Shares to the premium listing segment of the Official List and for all such Shares to be admitted to trading on the main market of the London Stock Exchange.

The Company is intended to be a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2015 issued by the Guernsey Financial Services Commission. The Company has applied for such registration, although this has not yet been granted.

The Company will pursue its Investment Objective and implement the Investment Policy as described in the Company’s announcement of 24 September 2015. It is intended that the aggregate proceeds of the issue of the Ordinary Shares, less the fees and expenses of the Issue (the “**Net Issue Proceeds**”) will be substantially fully invested in accordance with the Investment Policy within nine months from Admission.

The Company will be self-managed by its board of directors (the “**Board**”).

Market Opportunity

- Funding Circle is a technology platform that connects investors directly with small businesses looking for finance. Since launching in 2010, more than 10,000 small businesses have borrowed over \$1 billion from investors in the UK and US.
- The Company has identified the platform as a leader in the growing marketplace lending space. It is the largest UK marketplace lending platform to small businesses, and investors through the UK marketplace are, in aggregate, the fifth highest net lender to SMEs in the UK in each case in the second quarter of 2015.
- The Company believes that certain marketplace lending platforms with established infrastructure, scale of origination volumes and expertise in accurately assessing loan applications, are well placed to compete for originations against traditional financial institutions, challenger banks, direct lending funds and other forms of alternative lending platforms.
- The Funding Circle marketplaces have now become well established in their respective markets, and present a broad (and potentially growing) range of products. Funding Circle’s technology-driven origination platform and experienced credit team has enabled Funding Circle to offer a transparent

² If commitments and applications are received for more than 150 million Ordinary Shares, the directors of the Company reserve the right to increase the maximum number of Ordinary Shares issued to 200 million on the basis set out in the Prospectus.

financing option to a diverse and growing borrower base, and attractive, stable returns to a broad range of investors.

Important information

The contents of this announcement, which have been prepared by and are the sole responsibility of the Company, have been approved by Goldman Sachs solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended (the "FSMA"). This announcement is not intended for distribution to, or use by, any person in any jurisdiction where such distribution or use would be contrary to local laws or regulations.

Each of Goldman Sachs International ("Goldman Sachs") and Numis Securities Limited ("Numis") (together the "Banks") and their respective affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement whether as a result of new information, future developments or otherwise.

This announcement contains "forward-looking" statements, beliefs or opinions. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on its directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "projects", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events, assumptions or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Board or the Company with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business concerning, amongst other things, the financial performance, liquidity, prospects, growth and strategies of the Company. These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. Nothing in this announcement is, or should be relied on as, a promise or representation as to the future. The Company disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure Rules and Transparency Rules of the FCA. No statement in this announcement is intended as a forecast or profit estimate.

Neither this announcement nor any copy of it may be made or transmitted into the United States of America (including its territories or possessions, any state of the United States of America and the District of Columbia) (the "United States"), or distributed, directly or indirectly, in the United States or to US Persons (as such term is defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")). Neither this announcement nor any copy of it may be taken or transmitted directly or indirectly into Australia, Canada, Japan or South Africa or to any persons in any of those jurisdictions, except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian, Japanese or South African securities laws. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for

securities in the United States, Australia, Canada, Japan or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"), and investors will not be entitled to the benefits thereof. In addition, the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, in or into the United States or to or for the account or benefit of US persons (as such terms are defined in Regulation S under the Securities Act ("Regulation S")). There will be no public offer of the Ordinary Shares in the United States.

The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or South Africa or to any national, resident or citizen of Australia, Canada, Japan or South Africa.

The securities to which this announcement relates have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Marketing for the purposes of the Directive 2011/61/EU (the "AIFMD") by the Company and/or any third party on its behalf will only take place in an EEA Member State if the Company is appropriately registered or has otherwise complied with the requirements under AIFMD (as implemented in the relevant EEA Member State) necessary for such marketing to take place.

This announcement is only addressed to and is only directed at persons in EEA Member States who are "qualified investors" within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended including by Directive 2010/73/EU, (the "**Prospectus Directive**"). Any person who is not a qualified investor should not act or rely on this document or any of its contents.

Any purchase of Ordinary Shares in the Issue should be made solely on the basis of the information contained in the Prospectus, which will contain detailed information about the Company and its management, as well as financial statements. Before purchasing any Ordinary Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Ordinary Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

This announcement does not constitute a recommendation concerning the Issue. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Issue cannot be relied upon as a guide to future performance. The IPO timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company's intentions in relation to Admission at this stage. Potential investors should consult a professional advisor as to the suitability of the Issue for the entity concerned.

Goldman Sachs is authorised by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the FCA, and Numis is authorised and regulated by the FCA. Each of the Banks is acting exclusively for the Company and no one else in connection with the Issue. None of the Banks will regard any other person (whether or not a recipient of this document) as a client in relation to the issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for the giving of advice in relation to the Issue or any transaction, matter or arrangement referred to in this announcement.

In connection with the Issue, each of the Banks and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Banks or any of their respective affiliates acting as investors for their own accounts. Goldman Sachs and Numis and their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks or any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Issue and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Banks and their respective affiliates accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above) in respect of this announcement or any such statement.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.