

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 19 July 2017.

Events arising since publication of the Original Documents

This Supplementary Prospectus is being published in relation to the Share Issuance Programme. This Supplementary Prospectus is a regulatory requirement under the Prospectus Rules following the publication of the Company's annual report and audited accounts for the period ended 31 March 2017. This Supplementary Prospectus has been approved for publication by the FCA.

A. Significant new factors

Annual report and accounts for the period ended 31 March 2017

On 14 July 2017, the Company published its annual report and audited consolidated accounts for the period from 1 April 2016 to 31 March 2017 (the "2017 Annual Report"). By virtue of this Supplementary Prospectus, the 2017 Annual Report is incorporated into, and forms part of, the Original Documents. The non-incorporated parts of the 2017 Annual Report are either not relevant to investors or are covered elsewhere in the Original Documents.

Historical financial information incorporated by reference

Historical financial information relating to the Company and its subsidiaries (together, the "Group") on the matters referred to below is included in the 2017 Annual Report as set out in the table below and is expressly incorporated by reference into this Supplementary Prospectus and the Original Documents.

	Report and accounts for the year ended 31 March 2017(audited) Page No (s)
Nature of information	
Strategic Report	5-11
Consolidated statement of comprehensive income	30
Consolidated statement of financial position	31
Consolidated statement of changes in shareholders' equity	32
Consolidated statement of cash flows	33
Notes to the consolidated financial statements	34-51
Independent auditor's report	25-29
Chairman's statement	3-4
Directors' report	12-15

	As at 31 March 2017 (audited) (£)
Assets	
Cash and cash equivalents	12,331,519
Margin account held with bank	270,000
Other receivables and prepayments	371,919
Fair value of currency derivatives	239,253
Loans advanced	155,881,911
Total assets	169,094,602
Equity and liabilities	
Capital and reserves	
Share capital	161,916,399
Retained earnings	2,835,892
Total shareholders' equity	164,752,291
Liabilities	
Accrued expense and other liabilities	4,342,311
Total liabilities	4,342,311
Total shareholders' equity and liabilities	169,094,602
Net asset value per Ordinary Share (pence)	99.87

Operating and financial review

The 2017 Annual Report includes, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms); details of the Group's investment activity and portfolio exposure; and changes in its financial condition for that year.

	Report and accounts for the year ended 31 March 2017 (audited)
Nature of information	Page No (s)
Financial highlights	1
Summary information	2
Chairman's statement	3-4
Strategic report	5-11

B. Supplements to the Summary

As a result of the publication of the 2017 Annual Report, the Summary is hereby supplemented as follows:

B.7	Key financial information	The key figures that summarise the Group's financial condition in respect of the financial period ended 31 March 2017 is set out below. This information has been extracted without material adjustment from audited financial statements for the financial period ended 31 March 2017. As at 31 March 2017 (audited) (£) ASSETS Cash and cash equivalents 12,331,519 Margin on account held with bank 270,000 Other receivables and prepayment 371,919 Fair value of currency derivatives 239,253 Loans advanced 155,881,911 TOTAL ASSETS 169,094,602 EQUITY AND LIABILITIES Capital and reserves Share capital 161,916,399 Retained earnings 2,835,892 TOTAL SHAREHOLDERS' EQUITY 164,752,291 LIABILITIES Accrued expense and other liabilities 4,342,311 TOTAL LIABILITIES 4,342,311 TOTAL EQUITY AND LIABILITIES 169,094,602 Net asset value per Ordinary Share (pence) 99.87 In April 2017, the Company issued 142 million C Shares at a price of £1 per C Share raising net proceeds of £139,870,000 after issue costs of £2,130,000. The C Share class are listed separately on the Premium section of the London Stock Exchange (ISIN: GG00BYNV2672). Other than as disclosed above, there has been no significant change in the financial condition or operating results of the Group during the period covered by the historical financial information shown above or since 31 March 2017, being the last date to which the Company published information, .
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C. Additional Information

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 Boléat
Richard Burwood
Jonathan Bridel
Frederic Hervouet
Samir Desai (resigned 18 May 2018)
Sachin Patel (appointed 18 May 2018)

The registered office of the Company is:
Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG.

Documents available for inspection

Copies of this Supplementary Prospectus, the 2017 Annual Report, the supplementary prospectus relating to the Company and the Prospectus are available for inspection on the Company's website www.fcincomefund.com and at the Company's registered office.

Definitions

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

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.