

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document or the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser authorised under the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, another appropriately authorised professional adviser.

If you have sold or transferred all of your shares in the Company please forward this document without delay to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected.

SME CREDIT REALISATION FUND LIMITED

(Incorporated in Guernsey, registered number 60680)

Notice of Annual General Meeting

Notice of the fourth Annual General Meeting SME Credit Realisation Fund Limited (formerly Funding Circle SME Income Fund Limited) to be held at De Catapan House, 1 Grange Terrace, St Peter Port, Guernsey GY1 2QG, Channel Islands on 5 September 2019 at 12.00pm (London time) is set out in this document at pages 5 to 9. Whether or not you propose to attend the Annual General Meeting, please submit your vote using the options set out in the notes of this document, by no later than 12.00.0pm (London time) on 3 September 2019.

The distribution of this document, together with accompanying documents, into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession such documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States, Canada, Australia, the Republic of South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

Please be aware that SME Credit Realisation Fund Limited will no longer provide a paper proxy form with its meeting documents; the options to vote will be online via www.signalshares.com or the CREST system as explained in the notes of this Notice.

SME CREDIT REALISATION FUND LIMITED

(Incorporated in Guernsey, registered number 60680)

Directors:

Richard Boleat (Chairman)
Richard Burwood
Jonathan Bridel
Frederic Hervouet
Sachin Patel

Registered office:

Sanne Group (Guernsey) Limited
De Catapan House
1 Grange Terrace
St Peter Port GY1 2QG

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

1. Introduction

I am pleased to invite you to the Company's fourth Annual General Meeting ("**AGM**") which will be held on 5 September 2019 at the Company's registered office, De Catapan House, 1 Grange Terrace, St Peter Port, Guernsey GY1 2QR, Channel Islands, at 12.00pm (London time).

The business to be conducted at the AGM is set out in the Notice of Annual General Meeting at pages 5 to 9 of this document. You will be asked to consider and vote on the resolutions set out in the Notice, which relate to the usual business conducted at an annual general meeting of the Company and also include proposals to renew the share buy-back authority. An explanation of all the resolutions is given in paragraph 2 below.

2. Summary of resolutions to be proposed at the AGM

(i) Receive the Annual Report and Consolidated Audited Financial Statements of the Company (Resolution 1).

Shareholders are being asked to receive, consider and approve the Annual Report and Consolidated Audited Financial Statements of the Company for the year ended 31 March 2019 with the reports of the Directors and auditors therein. The Annual Report is available from www.smecreditrealisation.com

(ii) Appointment of Auditor (Resolutions 2 and 3)

The Company is required to appoint an auditor at each general meeting at which accounts are presented to shareholders. PricewaterhouseCoopers CI LLP have been the Company's auditor since the Company's inception. Shareholders are being asked to re-appoint PricewaterhouseCoopers CI LLP as auditor to the Company to hold office until the conclusion of the next general meeting at which accounts are presented to shareholders (Resolution 2) and to authorise the directors to fix their remuneration (Resolution 3).

(iii) Re-election of Directors (Resolutions 4 to 8)

Each of the Company's directors will stand for annual re-election. Biographical details of each director standing for re-election are set out on pages 58 to 59 of the Annual Report.

(iv) Directors' Remuneration Report (Resolution 9)

Shareholders are being asked to approve the Director's Remuneration Report for the year ended 31 March 2019 which is set out on pages 22 to 23 of the Annual Report.

(v) Dividend Policy (Resolution 10)

Following feedback received from the Company's major shareholders, the Company proposes to maintain quarterly dividend payments of 5.25 pence per Ordinary Share on an annualised basis for at least the period to 31 March 2020, which are expected to be partially uncovered by income (which would have the effect of reducing the amount of capital available for distribution to shareholders). The Directors will continue to periodically review the Company's approach to dividend policy in response to shareholder feedback and the progression of the managed wind-down.

Subject to the foregoing, shareholders are being asked to approve the Company's dividend policy as follows:

The Company expects to pay dividends on a quarterly basis, and to pay in line with the London Stock Exchange Dividend Procedure Timetable

Declaration and payment of dividends is subject to the Company being able to satisfy the solvency test, as defined under the Companies (Guernsey) Law, 2008.

The Company is currently not offering a scrip dividend.

(vi) Share buy-backs (Resolution 11)

The existing buy-back authority, granted by a resolution of the Company passed at the third AGM of the Company held on 6 September 2018, permits the Company to make market purchases of up to 14.99 per cent. of the Company's issued ordinary share capital in issue at the date of that Annual General Meeting and expires at the conclusion of the next AGM. Resolution 11 is being proposed to renew the authorisation of the Board to buy-back on market up to 14.99 per cent. of the Company's issued share capital (approximately 45,839,202 shares), subject to a maximum of 14.99 per cent. of the issued ordinary share capital of the Company. Such authority shall expire at the conclusion of the next annual general meeting of the Company unless such authority is renewed, varied or revoked prior to such time. The Directors noted in the Company's half year report published on 18 December 2018, that in response to the Company's ordinary shares trading at a discount to NAV it had resolved to commence ordinary share repurchases in the secondary market. The Company holds 28,485,250 Ordinary Shares in treasury as at 30 July 2019. Ordinary Shares will only be purchased pursuant to this resolution at prices which are less than the Company's estimate of the prevailing Net Asset Value per existing Ordinary Share.

3. Action to be taken

It is important to the Company that shareholders have the opportunity to vote even if they are unable to attend the AGM.

To be effective, the proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars. no later than 9.00 am (London time) on 3 September 2019. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:

- cast your vote
- change your dividend payment instruction
- update your address
- select your communication preference.

If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction to Link Asset Services (ID RA10) as soon as possible and so that it is received by no later than 12.00pm (London time) on 3 September 2019.

Full details provided in the notes of the Notice.

Voting via Signal Shares transmission of a CREST Proxy Instruction will not affect your right to attend and vote in person at the AGM if you wish.

4. Recommendation

As required by the Listing Rules the Board confirms that it considers the Special Resolution to be proposed at the AGM as being in the best interests of the Company's shareholders as a whole. Your Board will be voting in favour of it in respect of their entire beneficial holdings of ordinary shares which amount, in aggregate, to 122,000 ordinary shares (representing approximately 0.04 per cent. of the share capital of the Company in issue), and unanimously recommends that you do as well.

Yours faithfully,

Richard Boleat (Chairman)

Date: 31 July 2019

NOTICE OF ANNUAL GENERAL MEETING

In accordance with the Company's Articles of Incorporation (the "Articles"), notice is hereby given that the Annual General Meeting ("AGM") of the Company will be held at the Company's registered office, De Catapan House, 1 Grange Terrace, St Peter Port, Guernsey GY1 2QG, Channel Islands, at 12.00pm (London time) on Thursday, 5 September 2019.

This is for the purpose of considering, and if thought fit:

- (i) passing resolutions 1 to 10 which are being proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution; and
- (ii) passing resolution 11 which is being proposed as a special resolution. This means that for that resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

AGENDA

Ordinary Resolutions

1. To receive, consider and approve the Annual Report and Consolidated Audited Financial Statements of the Company for the year ended 31 March 2019 with the reports of the Directors and auditors therein (the "Annual Report").
2. To re-appoint PricewaterhouseCoopers CI LLP of Royal Bank Place, 1 Gategny Esplanade, St Peter Port, Guernsey GY1 4ND as the Company's auditor ('auditor') to hold office from the conclusion of the meeting until the conclusion of the next AGM at which financial statements are laid before the Company.
3. To authorise the Board to negotiate and fix the remuneration of the auditor in respect of the year ending 31 March 2020.
4. To re-elect Richard Boleat as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Boleat, please refer to page 58 of the Annual Report.
5. To re-elect Jonathan Bridel as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Bridel, please refer to page 58 of the Annual Report.
6. To re-elect Richard Burwood as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Burwood, please refer to page 58 of the Annual Report.
7. To re-elect Frederic Hervouet as an Independent Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Hervouet, please refer to page 58 of the Annual Report.
8. To re-elect Sachin Patel as a Director of the Company in accordance with article 27.2 of the Articles who offers himself for re-election. For further information on Mr Patel, please refer to page 59 of the Annual Report.
9. To approve the Directors' Remuneration Report for the year ended 31 March 2019
10. To approve the Company's Dividend Policy

Special Resolution

11. To renew the authorisation of the Company unconditionally and generally for the purposes of Article 8.1 of the Articles and Section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make market acquisitions (as defined in the Law) of Ordinary Shares (as defined in the Articles) in the Company provided that:-

- (a) The maximum number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent. per annum of the Company's share capital in issue at the date of the AGM;
- (b) The minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be £0.01;
- (c) The maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be an amount equal to the higher of: (i) five (5) per cent. above the average of the middle market quotations of Ordinary Shares taken from the London Stock Exchange Daily Official List for the five (5) trading days before the purchase is made; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (Commission Regulation (EC) No.2273/2003);
- (d) Such authority shall expire at the conclusion of the next AGM of the Company unless such authority is renewed, varied or revoked prior to such time;
- (e) The Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed in whole or in part after the expiration of such authority and may make an acquisition of Ordinary Shares pursuant to any such contract; and
- (f) Any Ordinary Shares bought back may be held in treasury in accordance with the Law or be subsequently cancelled by the Company at the discretion of the Board.

Date:

By Order of the Board

.....

Anna Storey - Authorised Signatory
Sanne Group (Guernsey) Limited as Company Secretary

Registered Office:

De Catapan House
1 Grange Terrace
St Peter Port
Guernsey
GY1 2QG

Notes

Entitlement to attend and vote

1. Only those investors holding Ordinary Shares as at Close of business on 3 September 2019 shall be entitled to attend and/or exercise their voting rights attached to such shares at the AGM.

Appointment of proxies

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM in accordance of the Articles and section 222 of the Law. You can only appoint a proxy using the procedures set out in these notes.
3. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, it will be necessary to notify the registrar in accordance with Note 7 below. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
4. A proxy need not be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy are set out in the notes of the Notice. If you wish your proxy to speak on your behalf at the AGM, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
6. Voting via Signal Shares or the transmission of a CREST Proxy Instruction will not affect your right to attend and vote in person at the AGM if you wish.

Appointment of proxy

7. A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they may do so at www.signalshares.com.

To be effective, the proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars, no later than 12.00pm (London time) on 3 September 2019. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:

- cast your vote
- change your dividend payment instruction
- update your address
- select your communication preference.

Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. If a paper form of proxy is requested from the registrar, it should be completed and returned to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF to be received not less than 48 hours before the time of the meeting.

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services contact details below. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 48 hours before the time appointed for the AGM (excluding any part of a non-working day). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

Appointment of proxies through CREST

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Asset Services (ID RA10) no later than 48 hours before the time appointed for the AGM (excluding and part of a non-working day). No such CREST Proxy Instruction received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Proxy Instruction by the CREST Applications Host) from which our registrar are able to retrieve the CREST Proxy Instruction by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 if calling from the

UK, or +44 (0) 371 664 0391 if calling from outside of the UK. We are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Submission of a Proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

Appointment of proxy by joint members

15. In the case of joint members, the signature of only one of the joint members is required on the form of proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint members.

Attendance

16. If you wish to attend the AGM in person you should make sure that you arrive at the venue for the AGM in good time before the commencement of the AGM. You may be asked to provide proof of identity in order to gain admission.

Issued shares and total voting rights

17. As at 5.00pm on 30 July 2019 the Company's issued share capital consists of 305,798,543 Ordinary Shares (excluding 28,485,250 shares held in treasury). Each Ordinary Share carries the right to one vote at a general meeting of the Company and therefore, the total voting rights in the Company, as at 30 July 2019 (being the last business day prior to the publication of this Notice of Meeting) are 305,798,543.

Voting

18. Voting on all resolutions will be conducted by a show of hands whereby every member present in person or by proxy shall have one vote subject to any special voting powers or restrictions unless a poll is otherwise demanded.

Information regarding the AGM is available from www.smecreditrealisation.com