

SUMMARY

1 INTRODUCTION, CONTAINING WARNINGS

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole. An investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of any sovereign state which is a member of the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities which the Company intends to issue are ordinary shares of no par value ("**Ordinary Shares**") whose ISIN is GG00BV54HY67. The ISIN of the Basic Entitlements is GG00BJN6TJ92 and the ISIN of the Excess CREST Open Offer Entitlement is GG00BJN6TH78. The Company's LEI is 2138006OW12FQHJ6PX91.

Sequoia Economic Infrastructure Income Fund Limited (the "**Company**"), can be contacted by writing to its registered office, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR or by calling, within business hours, + 44 (0) 1481 737600.

This document was approved on 10 February 2020 by the FCA of 12 Endeavour Square, London, E20 1JN (telephone: 0800 111 6768 (freephone) or 0300 500 8082 from the UK or +44 207 066 1000 from outside the UK). Further contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

Sequoia Economic Infrastructure Income Fund Limited is a Guernsey-domiciled, non-cellular company limited by shares with an unlimited life, incorporated under the Companies (Guernsey) Law, 2008, as amended (the "**Guernsey Companies Law**") on 30 December 2014 with registered number 59596. Its registered office is situated at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The Company's LEI is 2138006OW12FQHJ6PX91.

The Company has been registered by the Guernsey Financial Services Commission ("**GFSC**") as a registered closed-ended collective investment scheme and invests in economic infrastructure private loans and bonds across a range of industries in stable, low-risk jurisdictions, creating equity-like returns with the protections of debt. The Company's investment objective is to provide investors with regular, sustained long term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. The Company is advised by Sequoia Investment Management Company Limited (the "**Investment Adviser**"). The Company has a wholly owned subsidiary, Sequoia IDF Assets Holdings S.A. (the "**Subsidiary**", and together with the Company, the "**Group**").

As at the close of business on 7 February 2020 (being the latest practicable date before publication of the Prospectus), the following parties were known to be the Company's major shareholders:

Shareholder	Number of Existing Ordinary Shares	Percentage of existing issued ordinary share capital
Investec Wealth & Management	105,310,317	7.59
Rathbones	73,384,082	5.29
Smith & Williamson Wealth Management	73,059,681	5.27
Danske Bank Asset Management	66,236,639	4.78
Quilter Cheviot Investment Management	65,030,699	4.69
BNP Paribas Asset Management	62,952,945	4.54
Fidelity International	55,119,004	3.98
Kleinwort Hambros	49,153,566	3.54
Baillie Gifford	42,120,920	3.04

The Company's board of directors ("**Board**") is comprised of the following non-executive directors: Robert Jennings (Chairman), Sandra Platts (Senior Independent Director), Jan Pethick and Jonathan Bridel.

The Company's key service providers are (i) International Fund Management Limited (the Alternative Investment Fund Manager to the Company), (ii) the Investment Adviser, (iii) Praxis Fund Services Limited (the administrator and company secretary to the Company), (iv) Computershare Investor Services (Guernsey) Limited (the Company's registrar and receiving agent in respect of the Offer for Subscription and Open Offer), (v) Bank of New York Mellon (the account bank, custodian, portfolio administrator and depositary to the Company), (vi) Pricewaterhouse Coopers LLP (the independent valuation agent to the Company) and (vii) Jefferies International Limited ("**Jefferies**"), (the broker, sponsor and sole bookrunner to the Company.) The auditors of the Company for the financial year ended 31 March 2019 were KPMG Channel Islands Limited of Glatigny Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WR.

2.2 What is the key financial information regarding the issuer?

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited financial statements of the Company for the two financial periods ended 31 March 2018 and 2019 and, where applicable, from the unaudited financial statements for the Company for the six-month periods ended 30 September 2018 and 2019:

Table 1: additional information relating to closed ended funds

Share class	Total NAV*	Number of shares*	NAV per share*	Historical performance of the Company
Ordinary Shares	£1,474,193,711	1,386,579,013	106.32 pence	<p><i>Financial period ended 31 March 2018</i></p> <p>During the year, the Company delivered a total shareholder return of 4.1 per cent., measured as the movement in NAV plus dividends over the year. Dividends for the year totalled 6.0 pence per share. The Company's underlying portfolio of bonds and loans was independently valued on 31 March 2018 at £715.9 million with a yield to maturity of 8.2 per cent.. As at 31 March 2018, the Company's NAV per share was 101.32 pence and its share price was 106.00 pence.</p> <p><i>Financial period ended 31 March 2019</i></p> <p>During the year, the Company delivered a total shareholder return of 8.0 per cent., measures as the movement in NAV plus dividends over the year. Dividends for the year totalled 6.0 pence per share. The Company's underlying portfolio of bonds and loans was independently valued on 31 March 2019 at £1,139.3 million with a yield to maturity of 8.6 per cent.. As at 31 March 2019, the Company's NAV per share was 103.41 pence and its share price was 113.00 pence.</p>

* This information is accurate as at 31 December 2019.

*Table 2: income statement for closed ended funds***

	31 March 2019	31 March 2018	30 September 2019	30 September 2018
Total net income/net investment income or total income before operating expenses	82,123,775	38,657,114	57,046,945	33,166,436
Net profit/(loss)	69,170,832	30,414,366	47,909,430	27,139,311
Performance fee	Nil	Nil	Nil	Nil
Investment management fee	7,312,391	4,826,658	4,849,982	3,307,798
Any other material fees to service providers	Nil	Nil	Nil	Nil
Earnings per share	7.48 pence	4.21 pence	4.10 pence	3.37 pence

*Table 3: balance sheet for closed ended funds***

	31 March 2019	31 March 2018	30 September 2019	30 September 2018
Total net assets	1,097,139,421	758,170,202	1,459,847,194	837,810,267
Leverage ratio***	10.9%	5.4%	5.7%	16.6%

** The key figures set out in tables 2 and 3 above and below that summarise the Company's financial condition in respect of the periods covered by the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts have been extracted without

material adjustment from the Company's historical financial information.

*** Total liabilities divided by total net assets.

2.3 What are the key risks that are specific to the issuer?

- 2.3.1 The Company's target return and target dividend yield are targets only and based on estimates and assumptions which are subject to numerous inherently unpredictable factors beyond the control of the Company. The actual return and dividend yield may therefore be materially lower than the targets.
- 2.3.2 Changes to currency exchange rates may affect the NAV of the Company, which is denominated in sterling, as investments are made across a range of currencies. It is also possible that the Group may be required to post collateral with hedging counterparties in order to enter into hedging contracts which may result in cash drag or investments being sold in order to finance such collateral deposits.
- 2.3.3 The availability of investments in assets of the type that the Group intends to invest in is not guaranteed. There can be no guarantee that sufficient investments will exist and be made in a timely manner, or at all, to allow the Company to achieve its targeted returns.
- 2.3.4 The Group may be unable to realise value from its investments on an insolvency of a borrower. The Group's recovery of amounts outstanding in insolvency proceedings may be affected by the insolvency regimes in force in the jurisdiction of incorporation of such borrower and/or in the jurisdiction in which it mainly conducts its business, and/or in the jurisdiction in which the assets of such borrower are located.
- 2.3.5 The investment strategy employed by the Group involves substantial risk of loss in the event of a failure or deterioration in the infrastructure debt sector.
- 2.3.6 Valuations of the Group's assets will be estimates. Any changes to the value of any of the Group's assets will affect the NAV of the Company.
- 2.3.7 Infrastructure debt investments in loan form are unlikely to be publicly traded or freely marketable, whilst those in bond form may have limited or no secondary market liquidity. They may therefore be difficult to value or sell.
- 2.3.8 The Group will make investments based on estimates or projections of an investment's future cashflows. There is no assurance that an investment's actual cashflow will equal or exceed those predicted by the Group.
- 2.3.9 The Company may utilise borrowings for investment purposes, short term liquidity or other purposes, subject to a maximum permitted leverage of 20 per cent, of the Company's NAV. Entry into leverage agreements may involve granting of security by the Company over its portfolio. On any insolvency of the Company, Shareholders could rank behind the Company's financing counterparties, whose claims will be considered as indebtedness of the Company and may be secured. In addition, the Company's financings may be relatively short-term, whereas the investments of the Group are medium to long-term. To the extent that refinancing facilities are not available at economic rates or at all, the Company may be required to sell assets at disadvantageous prices.
- 2.3.10 On 23 June 2016, UK citizens voted in favour of the UK leaving the EU ("**Brexit**") with Brexit subsequently occurring on 31 January 2020 under the terms of a withdrawal treaty which largely maintains the status quo in terms of the UK's relationship with the EU until 31 December 2020. There remains uncertainty around the UK's future relationship with the EU beyond 31 December 2020 and it is therefore difficult for the Company to assess what the impact of Brexit and the UK's future relationship with the EU will be on the Group's business.
- 2.3.11 The ability of the Group to achieve its investment objectives significantly depends on the expertise of key personnel at the Investment Adviser. A failure by the Investment Adviser to retain and/or recruit alternative suitable individuals may negatively affect the performance of the Investment Adviser and therefore, the Group.

3 KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

3.1.1 Ordinary Shares

The securities which are being offered are Ordinary Shares of no par value in the capital of the Company issued and designated as "**New Ordinary Shares**", whose ISIN is GG00BV54HY67. The ISIN of the Basic Entitlements is GG00BJN6TJ92 and the ISIN of the Excess CREST Open Offer Entitlement is GG00BJN6TH78. The Ordinary Shares will be offered pursuant to an open offer, placing and offer for subscription (the "**Initial Issue**"). The Company is targeting a fundraising of approximately £250 million (before expenses) pursuant to the Initial Issue (in the event of sufficient demand, the Directors may increase the size to £300 million). The Company also intends to put in place a share issuance programme with the flexibility to issue up to 300,000,000 Ordinary Shares calculated by reference to the NAV per Ordinary Share at the time of allotment together with a premium intended to cover at a minimum the costs and expenses of the relevant issuance of Ordinary Shares (including without limitation any placing commissions) (the "**Share Issuance Programme**"). As at the close of business on 7 February 2020, the latest practicable date before the publication of the Prospectus, the Company had 1,386,814,306 fully paid Ordinary Shares in issue. The Ordinary Shares are denominated in Sterling. The Company has no partly paid Ordinary Shares in issue.

3.1.2 The rights attaching to the Ordinary Shares

- (1) Dividends and other distributions: Shareholders are entitled to participate in any dividends and other distributions of the Company other than in relation to assets attributable to any C Shares in issue. As at the date of the Prospectus, there are no C Shares in issue;
- (2) Voting Rights: the Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company and each holder being present in person or by proxy has, on a show of hands, one vote and, on a poll, one vote in respect of every Ordinary Share held;
- (3) Return of Capital: Shareholders will be entitled to participate in a winding-up of the Company or a return of capital (other than by way of purchase of own shares by the Company) in relation to the surplus assets attributable to the Ordinary Shares.
- (4) Pre-emption rights: the Company is not permitted to allot (for cash) "equity securities" (which include Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any such equity securities held in treasury, without first offering such shares to Shareholders (within the same class) on a pro rata basis. These pre-emption rights may be excluded, disapplied or modified by special resolution of the Shareholders.

3.1.3 Restrictions on free transferability of Ordinary Shares

The Directors may only decline to register a transfer of an uncertificated Ordinary Share in the circumstances set out in the regulations applicable to Euroclear UK and Ireland Limited ("**Euroclear**") and/or the CREST relevant system from time to time in force or such as may otherwise from time to time be adopted by the Directors on behalf of the Company or the rules of any relevant system, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Ordinary Share is to be transferred exceeds four. In addition, the Directors may decline to transfer, convert or register a transfer of any Ordinary Share in certificated form or (to the extent permitted by such rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Reference Manual, the CREST Central Counterparty Duty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and CREST Glossary of Terms) uncertificated form: (a) if it is in favour of more than four joint transferees; (b) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Directors may decide, and it is not accompanied by the certificate for the Ordinary Shares to which it relates or such other evidence of title as the Directors may reasonably require; or (c) if the transfer is in favour of any Non-Qualified Holder.

For these purposes a "Non Qualified Holder" means any person: (a) whose ownership of Ordinary Shares may cause the Company's assets to be deemed "plan assets" for the purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations

thereunder or the U.S. Internal Revenue Code of 1986, as amended; (b) whose ownership of the Ordinary Shares may cause the Company to be required to register as an "investment company" under the U.S. Investment Company Act (including because the holder of the Ordinary Shares is not a "qualified purchaser" as defined in the U.S. Investment Company Act); (c) whose ownership of Ordinary Shares may cause the Company to be required to register under the U.S. Exchange Act or any similar legislation; (d) whose ownership of Ordinary Shares may result in the Company not being considered a "Foreign Private Issuer" as such term is defined in rule 3b 4(c) under the U.S. Exchange Act; (e) whose ownership may result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any offering memorandum or prospectus published by the Company, from time to time.

3.1.4 *Relative seniority of Ordinary Shares*

The Ordinary Shares are the only instrument that the Company has in issue in its capital structure. The New Ordinary Shares and any Ordinary Shares issued under the Share Issuance Programme will rank alongside the existing Ordinary Shares in the event of an insolvency. On an insolvency the Shareholders will be entitled to a share in the capital of the Company, in the same proportions as capital is attributable to them, only after the Company has settled all amounts owed to its creditors.

3.1.5 *Dividend Policy*

Subject to sufficient cash being available for distribution and taking into account the working capital and liquidity requirements of the Group, the Company currently intends to target an ongoing dividend for Shareholders of 6.25 pence per annum per Ordinary Share, payable quarterly.

3.2 **Where will the securities be traded?**

Application will be made for the New Ordinary Shares issued pursuant to the Initial Issue to be admitted to the premium listing segment of the Official List and to trading on the Main Market (the "**Initial Admission**").

Application will be made for the Ordinary Shares issued pursuant to the Share Issuance Programme to be admitted to the premium listing segment of the Official List and to trading on the Main Market.

3.3 **What are the key risks that are specific to the securities?**

- 3.3.1 An active and liquid trading market for the Ordinary Shares may not be maintained.
- 3.3.2 The market price of the Ordinary Shares may fluctuate significantly and investors may not be able to sell their Ordinary Shares at or above the price at which they purchased them.
- 3.3.3 Should market conditions change, if there is a deterioration in the Investment Adviser's pipeline or if the Investment Adviser is unable to deploy proceeds into suitable opportunities, Shareholders may experience "cash drag" which may impact the Company's ongoing dividend target.
- 3.3.4 The Ordinary Shares could trade at a discount to their NAV per share.

4 **KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

4.1 **Under which conditions and timetable can I invest in this security?**

4.1.1 *Conditions of the Initial Issue and Share Issuance Programme*

The Initial Issue is being implemented by way of an Open Offer, offer for subscription ("**Offer for Subscription**") and placing ("**Placing**"). Pursuant to the Initial Issue, New Ordinary Shares will be issued at a price of 112.0 pence per New Ordinary Share (the "**Issue Price**").

Under the Open Offer, up to 184,908,574 New Ordinary Shares will be made available to holders of New Ordinary Shares on the register of members of the Company on the Record Date (as set out in the timetable below) except to Excluded Shareholders ("**Eligible Shareholders**") at the Issue Price pro rata to their holdings of Ordinary Shares on the basis of 2 New Ordinary Shares for every 15 existing Ordinary Shares held at the Record Date (the "**Open Offer**").

Shareholders that (subject to certain exceptions) have a registered address in, are incorporated in,

registered in, or otherwise resident or located in the United States, Canada, Japan, Australia, New Zealand, the Republic of South Africa or any jurisdiction where the extension or availability of the Initial Issue (and any other transaction contemplated thereby) would breach any applicable laws or regulations are excluded from participating in the Initial Issue ("**Excluded Shareholders**"),

Eligible Shareholders that take up all of their entitlements under the Open Offer may also apply for additional Ordinary Shares under an excess application facility ("**Excess Application Facility**"). The Directors may also (at their sole discretion) make additional New Ordinary Shares available under the Excess Application Facility by re-allocating New Ordinary Shares from the Placing and/or Offer for Subscription in favour of the Excess Application Facility. Applications for additional New Ordinary Shares under the Excess Application Facility will be allocated in such a manner as the Directors (in their absolute discretion and following consultation with Jefferies) determine. The Open Offer is not a rights issue and Open Offer application forms cannot be traded.

To the extent that Eligible Shareholders do not take up their entitlements under the Open Offer and such entitlements are not taken up under the Excess Application Facility, the Directors may (at their sole discretion), re-allocate New Ordinary Shares from the Open Offer and Excess Application Facility to the Placing and Offer for Subscription.

The Initial Issue is conditional upon:

- Initial Admission occurring by 8.00 a.m. on or around 3 March 2020 (or such later time or date, not being later than 8.00 a.m. on 24 March 2020, as the Company and Jefferies may agree);
- the issue agreement entered into with Jefferies on 10 February 2020 (the "**Issue Agreement**") not being terminated in accordance with its terms before Initial Admission occurs;
- the passing of a resolution to disapply pre-emption rights in respect of up to 223,214,285 New Ordinary Shares to be proposed at an extraordinary general meeting of the Company to be held at 2.00 p.m. on 25 February 2020 (the "**EGM**"); and
- Net Issue Proceeds of at least £100 million (or such other amount as the Company and Jefferies may determine and notify to potential investors via publication of an RNS notice (the "**Minimum Net Proceeds**")) having been raised.

The Directors and Jefferies reserve the right to proceed with the Initial Issue if the Net Issue Proceeds are less than the Minimum Net Proceeds. If the Initial Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant and the costs of the Initial Issue will be borne by the Company. The Initial Issue will not be revoked after Initial Admission.

Subject to the passing of the resolutions to (i) disapply pre-emption rights in respect of 223,214,285 New Ordinary Shares and (ii) disapply pre-emption rights in respect of 300,000,000 Ordinary Shares for the purposes of the Share Issuance Programme at the EGM, the Company will also put in place the Share Issuance Programme giving the Company flexibility to issue new Ordinary Shares to subscribers over the next 12 months at an issue price calculated by reference to the prevailing NAV per Ordinary Share together with a premium intended to cover the costs and expenses of the subscription (including, without limitation, any placing commissions). For the avoidance of doubt, where an issuance includes either an offer for subscription or an open offer component, the Company shall publish a new securities note and summary which shall contain the relevant details in connection with such offer. Where an issuance constitutes a placing only, an announcement will be released through an RNS advising of all applicable details.

Further Ordinary Shares will only be issued under the Share Issuance Programme at times when the Company considers that suitable investments in accordance with the Company's investment policy will be capable of being secured. The Directors intend that any material issue under the Share Issuance Programme shall include a material pre-emptive element consistent with the approach in the Initial Issue.

Each issue of Ordinary Shares pursuant to a subsequent issue under the Share Issuance Programme will be conditional on, inter alia, the admission of the Ordinary Shares to premium listing segment of the Official List and to trading on the Main Market.

4.1.2 *Expected Timetable of the Initial Issue*

Record Date for entitlements to participate in the Open Offer

6.00 p.m. on 6 February 2020

Placing and Offer for Subscription opens

8.00 a.m. on 10 February 2020

Open Offer opens	8.00 a.m. on 11 February 2020
Latest date/time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 21 February 2020
Latest date/time for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 26 February 2020
Latest time and date for receipt of completed Offer for Subscription Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 26 February 2020
Latest time and date for receipt of placing commitments under the Placing	11.00 a.m. on 27 February 2020

4.1.3 *Initial Admission*

It is expected that Initial Admission will become effective and that dealings in the New Ordinary Shares will commence on the Main Market at 8.00 a.m. (London time) on 3 March 2020.

4.1.4 *Dilution under the Initial Issue*

The percentage holding of an existing Shareholder will be diluted to the extent that they do not participate in the Initial Issue. Where a Shareholder does not participate in the Placing or in the Offer for Subscription but the Initial Issue is (i) fully subscribed and the Shareholder takes up his full entitlement under the Open Offer assuming the target Initial Issue size, the dilution of the percentage holding for such an existing Shareholder would be approximately 2.4 per cent.; and (ii) fully subscribed but the Shareholder has not participated in the Open Offer assuming a target Initial Issue size, such an existing Shareholder's percentage holding will be diluted by approximately 13.9 per cent..

4.1.5 *Expenses*

The total costs and expenses of, and incidental to the Initial Issue, are estimated to amount to approximately £3.4 million (excluding VAT). These costs are expected to be approximately 1.4 per cent, of the gross proceeds of the Initial Issue (assuming that it is fully subscribed). These expenses will be paid on or around Initial Admission (unless stated otherwise) and will include fees payable under the Issue Agreement, the fees and expenses of any sub-placing agents, registration, listing and admission fees, settlement arrangements, printing, advertising and distribution costs, legal fees and any other application expenses. These costs and expenses will be funded from the proceeds of the Initial Issue or borne by the Company should the Initial Issue not proceed. No expenses will be charged to investors by the Company in connection with the Initial Issue.

The issue price of Ordinary Shares issued pursuant to the Share Issuance Programme will include a premium intended, *inter alia*, to cover the costs and expenses incurred in connection therewith (including, without limitation, any placing commissions).

4.2 Why is this document being produced?

4.2.1 *Use of proceeds and amount of proceeds*

Assuming that the gross proceeds of the Initial Issue are approximately £250 million, the net cash proceeds of the Initial Issue (after deduction of all expenses and commissions relating to the Initial Issue and payable by the Company) ("**Net Issue Proceeds**") are expected to be approximately £247 million.

Primarily the Net Issue Proceeds will be used to repay the Revolving Credit Facility (which as at 7 February 2020 was drawn down by £225 million) and thereafter in investment opportunities in line with the Company's investment policy. To the extent that the Company raises an amount lower than the amount drawn under its Revolving Credit Facility on Initial Admission, the Net Issue Proceeds will be used to pay down the Revolving Credit Facility as far as possible.

4.2.2 *Underwriting*

Neither the Initial Issue nor the Share Issuance Programme is being underwritten.

4.2.3 *Material conflicts of interest*

There are no material conflicts of interest in relation to the Initial Issue and the Share Issuance Programme.