

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED
(the "Company")

**SUPPLEMENTAL DOCUMENT FOR POTENTIAL INVESTORS IN
THE EUROPEAN ECONOMIC AREA**

IMPORTANT NOTICE

This supplemental document (the "**Supplement**") accompanies, and must be read in conjunction with, the prospectus of the Company dated 6 May 2016 (the "**Prospectus**") and other materials relating to the Company which are being supplied by Stifel Nicolaus Europe Limited ("**Stifel**") to potential investors in the Company (such Prospectus, application forms and other materials being the "**Fund Materials**").

This Supplement contains information required by the European Union's Alternative Investment Fund Managers Directive ("**AIFMD**") to be provided to potential investors in the Company who are located in the European Economic Area and has not been prepared, and should not be relied upon, for any other purpose. All potential investors, including those located in the European Economic Area, should review all of the Company Materials in connection with any decision to invest in the Company and not rely on this Supplement. The Fund Materials contain significant information regarding an investment in the Company, including risk factors, that is not required to be included in this Supplement.

This Supplement does not constitute an offer of securities in the Company and shall not, nor shall any part of it, form the basis of or act as any inducement in relation to a decision to purchase or subscribe for or enter into any contract or commitment whatsoever with respect to the placement of interests in the Company. Any offering of interests in the Company may only be made pursuant to the Company Materials.

This Supplement is not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial, business, investment or tax advice.

This Supplement is only for distribution in those member states of the European Economic Area in which its distribution is lawful, and in each such member state, only for distribution to such persons in that member state as is permitted by applicable national law. Any other person in possession of this Supplement should not act on it. This Supplement (and all other Fund Materials) may not be forwarded to any person without the prior consent of Stifel.

Potential investors located in the European Economic Area should note that the Company does not have a manager which is authorised under the AIFMD. Accordingly, the Company, and investors in the Company, are not entitled to the benefits and protections provided by the AIFMD.

Capitalised terms used in this Supplement have the meaning given to those terms in the Prospectus unless otherwise defined herein.

The information contained in this Supplement is current as at 6 May 2016.

1. LOCATION OF DISCLOSURES AND OTHER RESPONSES REQUIRED BY ARTICLE 23 OF THE AIFMD

| Disclosure Item | Location of Disclosure/Other Response |
|--|---|
| 1.(a) a description of the investment strategy and objectives of the AIF; | Refer to section "Investment Objective and Policy" on pages 64-65 of the Prospectus. |
| (b) if the AIF is a feeder AIF, information on where the master AIF is established; | Not applicable. |
| (c) if the AIF is a fund of funds, information where the underlying funds are established; | Not applicable. |
| (d) a description of the types of assets in which the AIF may invest; | Refer to sections "Investment Objective and Policy" on pages 64-65, "The Group" - 12. "Investment Strategy", 13. "Investments", 14. "Diversification" and 15. "Investment Process" on pages 72-78 of the Prospectus. |
| (e) the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks; | Refer to sections "Investment Objective and Policy" on pages 64-65, "The Group" - 12. "Investment Strategy", 13. "Investments", 14. "Diversification" and 15. "Investment Process" on pages 72-78 of the Prospectus. |
| (f) any applicable investment restrictions; | Refer to sections "Investment Objective and Policy" on pages 64-65, "The Group" - 12. "Investment Strategy", 13. "Investments", 14. "Diversification" and 15. "Investment Process" on pages 72-78 of the Prospectus. |
| (g) the circumstances in which the AIF may use leverage; | Refer to sections "Summary", item B.35 on page 9, "Risk Factors – Use of Leverage by the Company" on page 32, "Investment Objective and Policy" – Gearing and maximum exposures on page 65 "The Group" – 18. "Debt facilities of the Company" on page 80 of the Prospectus. |
| (h) the types and sources of leverage permitted and the associated risks; | Refer to sections "Summary", item B.35 on page 9, "Risk Factors – Use of Leverage by the Company" on page 32, "Investment Objective and Policy" – Gearing and maximum exposures on page 65, "The Group" – 18. "Debt facilities of the Company" on page 80 of the |

Prospectus.

- (i) any restrictions on the use of leverage and any collateral and asset reuse arrangements; and; Refer to sections "Summary", item B.35 on page 9, item D.1 on page 21, "Risk Factors – Use of Leverage by the Company" on page 32, "Gearing and maximum exposures" on page 65 and "The Group" – 18. "Debt facilities of the Company" on page 80 of the Prospectus.
- (j) the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF; Refer to sections "Summary", item B.35 on page 9, "Investment Objective and Policy – 4. Gearing and maximum exposures" on page 65 of the Prospectus.
- (2) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both; Refer to section "Investment Objective and Policy" - 5. "Material Change" on page 65 of the Prospectus.
- (3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established; Investors will be required to apply for C Shares of no par value in the Company on the basis of (i) an Application Form attached to the Prospectus on page 229 et seq. on the terms of, and subject to, the Prospectus including the terms and conditions set out in Part 10 "Terms and Conditions of the Offer for Subscription" on page 136 et seq. of the Prospectus; (ii) an Application Form attached to the Prospectus on the terms of, and subject to, the Prospectus including the terms and conditions set out in Part 11 "Terms and Conditions of the Open Offer" on page 142 et seq. of the Prospectus; and (iii) through a C Share Placing on the terms of, and subject to, the Prospectus including the terms and conditions set out in Part 9 "Terms and Conditions of the C Share Placing" on page 124 et seq. of the Prospectus.
- Investors will be required to apply for Placing Programme Shares of no par value in the Company on the terms of, and subject to, the Prospectus including the terms and conditions set out in Part 17 "Terms and Conditions of the Placing Programme" on page 208 et seq. of the Prospectus.
- The Prospectus is subject to English law, the Listing Rules and subject to the Memorandum and Articles governed by Guernsey law as to which reference is

made to section "Additional Information on the Company – 3. Memorandum and Articles of Incorporation" on pages 173-186 and "Additional Information on the Company – 20. Documents Available for Inspection" on page 202 of the Prospectus.

The Terms and Conditions of the Issue include representations, warranties and undertakings to be made by the investor (refer to sections "Terms and Conditions of the Offer for Subscription" on page 136 et seq., "Terms and Conditions of the Open Offer" on page 142 et seq., "Terms and Conditions of the C Share Placing" on page 124 et seq. and "Terms and Conditions of the Placing Programme" on page 208 et seq. of the Prospectus).

Once a valid application has been accepted, investors will become C Shareholders (or in the case of a Placing Programme placing, Ordinary Shareholders) in the Company on the terms of the Company's Memorandum and Articles.

See "Enforcement of Judgments in the jurisdiction of establishment of the Company" below for a description of the enforcement of judgments in Guernsey.

(4) the identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;

Refer to "Service providers to the Company and description of their duties" below.

Investors in the Company have no direct rights against any service provider to the Company.

(5) a description of how the AIFM is complying with the requirements of Article 9(7);

Refer further to section "Management and Administration – 10. The Investment Manager" on page 89.

(6) a description of any delegated management function as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations;

Refer to sections "Summary, item B.40 - The Investment Advisory Agreement" on page 10, "Risk Factors - The Directors, the Investment Manager, the Investment Adviser and the Administrator may have conflicts of interest in the course of their duties" on page 29, "Risk Factor - The Investment Manager, the Investment Adviser and their respective principals are involved in other businesses and

investment which may create conflicts of interest" on page 38, "The Group - 15.4 Investment approval" on page 78, "Management and Administration – 8. Management Engagement Committee and 15. Potential conflicts of interest" on pages 88 and 93, and "Additional Information on the Company – 9.4 Investment Management Agreement, 9.5 The Investment Advisory Agreement" on pages 191-196 of the Prospectus.

- (7) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19;
- Refer to sections "Investment Policy and Objective – 4. Gearing and maximum exposures" on page 65 and "The Group – 17. Monthly net asset valuation" on page 79 of the Prospectus.
- (8) a description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors;
- Refer to sections "The Group – 1. Introduction" on page 66, "Risk Factors – Use of Leverage by the Company" on page 32, "The Group - 21. Discount Control" on pages 81-82, "The Group – 25. Liquidity Risk Management" on page 84 and "Additional Information on the Company – 9.4 The Investment Management Agreement" on pages 191-194 of the Prospectus.
- Redemption rights are not applicable.
- (9) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors;
- Refer to sections "Summary", item B.40 on pages 10-12, "The Group – 22. Fees and expenses" on pages 82-84, "Additional Information on the Company – 6. Directors' remuneration and service agreements" on page 188-189 of the Prospectus and, in respect of the Depositary, "Material Contracts – 9.12" on page 199.
- (10) a description of how the AIFM ensures a fair treatment of investors;
- Investors in the Company will have the rights and obligations as C Shareholders and/or Ordinary Shareholders as set out in the Articles. The C Shares rank pari passu with one another. On Conversion, the new Ordinary Shares will rank pari passu with the outstanding Ordinary Shares. The Placing Programme Shares will rank pari passu with the Ordinary Shares.
- Also refer to sections "Management and Administration – 16. Interest in Shares"

- on page 93, "Terms and Conditions of the Offer for Subscription" on pages 136-141 and "Additional information on the Company – 1. Incorporation and Status of the Company, 2. Share Capital of the Company, 3. Memorandum and Articles of Incorporation" on pages 170-186 of the Prospectus.
- (11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:
- (a) that preferential treatment;
- (b) the type of investors who obtain such preferential treatment; and
- (c) where relevant, their legal or economic links with the AIF or AIFM;
- (12) the procedure and conditions for the issue and sale of units or shares;
- (13) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in accordance with Article 19;
- (14) the latest annual report referred to in Article 22;
- (15) where available, the historical performance of the AIF;
- N/A
- Refer to sections "The Issue" on pages 112-119, "Terms of the C Shares" on pages 120-123, "Terms and Conditions of the C Share Placing" on pages 124-135, "Terms and Conditions of the Offer for Subscription" on pages 136-141, "Terms and Conditions of the Open Offer" on pages 142-164 and "Terms and Conditions of the Placing Programme" on pages 208-214 of the Prospectus.
- The Net Asset Value of the Company, as at 13 April 2016 is 99.16 pence per Ordinary Share.
- As the Company's financial year does not end until 31 March 2016, the Company has not yet prepared an annual report. One will be made available as soon as it has been prepared which is expected to be on or around 30 June 2016.
- Please see section "Additional Information on the Company, 1.5 – Incorporation and status of the Company" on page 170 and "The Group – 25.2 Liquidity Risk Management" on page 84 of the Prospectus.
- Refer to last monthly investor reports which are available at

<http://www.seqifund.com>.

Refer to sections "Summary", item B.7 on pages 5-6, "Financial Information on the Company" on page 203 and "Documentation incorporated by reference" on page 204 of the Prospectus.

- (16)(a) the identity of the prime broker;
- (b) a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest are managed;
- (c) the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets; and
- (d) information about any transfer of liability to the prime broker that may exist; and

The Company does not have a prime broker.

- (17) a description of how and when the information required under paragraphs 4 and 5 (liquidity risk and leverage disclosures) will be disclosed.

Monthly reports are announced to the market and available on the Investment Adviser's website (<http://www.seqifund.com/>). Interim and annual financials will disclose risk management process and mitigants.

The Investment Manager will periodically (and on at least an annual basis) make available to the Shareholders the following information in the Company's annual report and audited accounts

Please see "The Group – 25. Liquidity Risk Management" on page 84 of the Prospectus

- (18) Any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13).

Please see "Additional information on the Company – 9.12. Depositary Agreement" on page 199 of the Prospectus

2. SERVICE PROVIDERS TO THE COMPANY AND DESCRIPTION OF THEIR DUTIES

Investment Manager: The investment manager is International Fund Management Company.

The Investment Manager provides investment management and administrative services to the Company in connection with its investments.

Refer further to sections "Summary", item B.40 on page [10], "Management and Administration – 10. The Investment Manager" on page [89] and, "Additional Information on the Company – 9.4 The Investment Management Agreement" on pages [191-194] of the Prospectus.

Investment Adviser: The investment advisor is Sequoia Investment Management Company.

The Investment Manager has delegated certain portfolio management duties in connection with its investments to the Investment Advisor. The Investment Advisor provides these services to the Company under the Investment Advisory Agreement.

Refer further to sections "Summary", item B.40 on pages [10-11], "Management and Administration – 10. The Investment Adviser" on page [90] and "Additional Information on the Company – 9.5 The Investment Advisory Agreement" on pages [194-196] of the Prospectus.

Sponsor, Sole Bookrunner and Broker: The sponsor and sole bookrunner is Stifel Nicolaus Europe Limited, 150 Cheapside, London, EC2V 6ET, United Kingdom.

Refer further to section "Additional Information on the Company - 9.1 Issue Agreement" on page [190] and "Additional Information on the Company - 9.6 Broking Agreement" on page [196] of the Prospectus.

Depository: The depository of the Company is Bank of New York Mellon SA/NV, Asset Servicing (the "Depository"), a public limited company (société anonyme/naamloze vennootschap) acting through its Frankfurt branch, having its registered address at Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.

Refer further to sections "Summary", item B.40 on page [12], "Management and Administration – 10. Depository" on pages [92-93] and "Additional Information on the Company – 9.12 Depository Agreement" on pages [199-200] of the Prospectus.

Portfolio Administrator, Account Bank and The Custodian and Account Bank is Bank of New York Mellon, London Branch, the Portfolio Administrator is

- Custodian:** Bank of New York Mellon SA/NV.
- Refer further to sections "Summary", item B.40 on page [11], "Management and Administration – 13. Custodian" on page [92] and "Additional Information on the Company - 9.11 Subsidiary Portfolio Administration and Agency Agreement" on pages [198-199] of the Prospectus.
- Independent Auditor:** The auditors of the Company are KPMG Channel Islands Limited, Gategny Court, Gategny Esplanade, St. Peter Port, Guernsey, GY1 1WR.
- Refer further to sections "Directors, Agents and Advisers – Auditors" on page [59] and "Additional Information on the Company - 10 Auditors" on page [200] of the Prospectus.
- Administrator:** The administrator of the Company is Praxis Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR.
- The Administrator performs certain functions relating to the administration of the Company pursuant to the Administration Agreement.
- Refer further to sections "Summary", item B.40 on page [10], "Management and Administration – 12. Administrator of the Company" on page [92] and "Additional Information on the Company - 9.7 The Administration Agreement" on page [197] of the Prospectus.
- Accountants:** The accountants of the Company are KPMG Channel Islands Limited, Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WR.
- Refer further to section "Directors, Agents and Advisers – Auditors" on page [59] of the Prospectus.
- Receiving Agent:** The receiving agent is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
- Refer further to sections "Summary", item B.40 on page [11] and "Additional Information on the Company - 9.9 The Receiving Agent Agreement" on page [198] of the Prospectus.
- Registrar:** The (share) registrar is Computershare Investor Services (Guernsey) Limited, 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1DB.
- Refer further to sections "Summary", item B.40 on page [11] and "Additional Information on the Company - 9.7 The Share Registration Services Agreement" on page [197] of the Prospectus.
- Valuation Agent:** The valuation agent is Mazars, LLP, Tower Bridge House,

St Katherine's Way, London, E1W 1DD.

Refer further to sections "Summary", item B.42 on pages [12-13] and "Additional Information on the Company - 9.10 The Subsidiary Valuation Engagement Letter" on page [198] of the Prospectus.

3. ENFORCEMENT OF JUDGMENTS IN THE JURISDICTION OF ESTABLISHMENT OF THE COMPANY

The Company is established under the laws of Guernsey.

As a matter of Guernsey law, the choice of English law to govern a document will generally be upheld as a valid choice of law and English law, accordingly, be applied by the Guernsey courts if such documents or any contractual claims thereunder come under their jurisdiction upon proof of the relevant provisions of English law (subject to certain qualifications similar to those applicable under the Regulation (EC) No. 593/2008 of the European Parliament and of the Council on the law applicable to contractual obligations ("Rome I") and Regulation (EC) No. 1215/2012 of the European Parliament and of the Council). Likewise, a Guernsey court may decline to accept jurisdiction in any action where they determine that there is another more appropriate forum.

Guernsey have adopted the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 (as amended). Under the Law, a judgment of a Superior Court can be reciprocally enforced by way of registration. Not all judgments given by a superior court can be registered and there are certain qualifications to registration. The Guernsey courts would recognise any final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) obtained against a Guernsey company in a Superior Court if deemed to have jurisdiction in accordance with the principles of private international law as applied by Guernsey law (which are broadly similar to the principles accepted under English law) and such judgment would be sufficient to form the basis of proceedings in the Guernsey courts for a claim for liquidated damages in the amount of such judgment. In such proceedings, the Guernsey courts would not re-hear the case on its merits save in accordance with such principles of private international law.