

### Overview

Sequoia Economic Infrastructure Income Fund Limited (the “Company”) is a Guernsey-incorporated closed-ended investment company whose shares are traded on the main market of the London Stock Exchange. The Company’s investment strategy is to provide shareholders with long-term distributions by owning debt exposures to economic infrastructure projects across a diversified range of jurisdictions, sectors and sub-sectors. The total net annual return target of the company is 7-8% (by reference to the IPO price of £1 per Ordinary Share).

### Ordinary Share class update

As of the 30<sup>th</sup> October 2015, the Ordinary share class held 14 infrastructure bonds and 13 private debt investments, collectively valued at £137.3m including accrued interest, with an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 7.8% and a weighted average life across the acquired portfolio of approximately 6.8 years.

Acquisitions in October comprised a French Renewables HoldCo Loan (directly originated by Sequoia) and a bond issued by a Canadian waste management company, as well as additions to existing positions including a UK Waste company, Australian Rolling Stock and a US electricity generation loan.

In aggregate, the price of these 27 transactions represents approximately 94.5% of the Net Asset Value of the Company. The Company is now materially fully invested. The investments

are across the UK, Western Europe, Australia, Canada and the US and include the road, rail, shipping, utility, elderly care and aircraft leasing sectors. The Company has not disposed of any investments since the IPO apart from participating in a tender for £1.6m of bonds, where the issuer bought the bonds back at par, resulting in a modest gain of circa 3%. The weighted average purchase price of the Company’s acquired investments is less than 94% of par.

### New capital raise

The Company is pleased to announce it raised a further £147m through a C share offering which closed on 2<sup>nd</sup> November 2015. As a result, the overall size of the Company has almost doubled.

### NAV performance

The decrease in the Company’s NAV to 95.95p per share in the month arises through:

- Positive market movements, including marking investments purchased for the portfolio to the bid price, of 0.9p per share; plus
- Interest income net of expenses of 0.3p per share; less
- The cost of writing acquired assets to the bid price, of 0.2p; and
- FX losses, net of hedge movements, of 1.3p per share

### Market summary

October showed some activity in the infrastructure debt sector with nine transactions closing across the UK and Western Europe. Notable deals included the £1.7bn financing for the Galloper

UK Offshore Wind Farm and the €1.1bn notes issue for Autostrade Per L’Italia. In addition, Octopus Investments acquired a 522MW senior secured UK Solar portfolio for £400mm.

Senior secured infrastructure debt for core assets, particularly having availability payment mechanisms, continues to be aggressively bid with margins approaching +100 bps with both bank and institutional investors active. In demand driven transactions, the Fund has continued to see opportunities to achieve yields in excess of 7% in both primary originations and continued bank deleveraging.

Sterling strengthened materially against both the US dollar and the euro in October, with the dollar moving from \$1.51 to \$1.54 and the euro ending at €1.40 compared with €1.35 at the end of September.

US news flow was dominated by the Federal Reserve raising the likelihood of an interest rate hike in December. In Europe, rising speculation over ECB monetary stimulus with the hint of expanding the quantitative easing programme helped to boost corporate bond returns. The Bloomberg USD High Yield Corporate Bond Index rose by 3% over the month, following a sharp decline in September.

10-year US Treasury rates rose by approximately 11 bps to 2.14%. Euro term rates remained steady over the month with 10-year Bund yields unchanged at approximately 51 bps.

Company Overview		Ordinary Share Class		NAV Summary	
Listing date	3 <sup>rd</sup> March 2015	Shares in issue	150,039,862	Investments	£137.3m
Ticker	SEQI	Share price	103.00p	Cash	£6.7m
Website	www.seqifund.com	NAV per share	95.95p	Accruals and prepayments	£(0.2)m
Next expected dividend	Nov. (ex dividend)	Premium	7.3%	Hedging MTM	£0.2m
	Nov. (payment)	Total net assets	£144.0m	NAV	£144.0m
Financial year end	31 <sup>st</sup> March	Market cap	£154.5m		

### Management, Administration and Advisory

Directors	Investment Adviser	Administration	
Robert Jennings (Chair)	<b>Sequoia Investment Management Company</b>	Custodian	BoNY
Jan Pethick	Randy Sandstrom 020 7079 0483 <a href="mailto:r.sandstrom@seqimco.com">r.sandstrom@seqimco.com</a>	Administrators	Praxis
Jon Bridel	Greg Taylor 020 7079 0486 <a href="mailto:g.taylor@seqimco.com">g.taylor@seqimco.com</a>	Auditors	KPMG
Sandra Platts	Dolf Kohnhorst 020 7079 0482 <a href="mailto:d.kohnhorst@seqimco.com">d.kohnhorst@seqimco.com</a>	Brokers	Stifel
	Steve Cook 020 7079 0481 <a href="mailto:s.cook@seqimco.com">s.cook@seqimco.com</a>	AI/IFM	IFM

## Portfolio Summary (settled trades)

### Ten largest investments

Transaction name	Currency	Type	Ranking	Value £mm	% of NAV	Sector	Sub-sector	Yield to maturity / worst (%)
Neoen Production 1 S.A.S.U.	EUR	Private	HoldCo	13.9	9.7%	Renewables	Solar & Wind	7.00
Biffa TL A	GBP	Private	Senior	11.7	8.1%	Utility	Waste	6.78
Exeltium Mezzanine	EUR	Private	Mezz	11.4	7.9%	Power	PPA	8.50
Danaos Snr Secured 2018	USD	Private	Senior	8.6	6.0%	Transport assets	Shipping	6.41
Dulles Greenway 2029	USD	Public	Senior	7.7	5.4%	Transport	Road	6.82
North Las Vegas Water 6.572% 2040	USD	Public	Senior	7.0	4.9%	Utility	Water	7.53
Global Ship Lease 10% 2019	USD	Public	Senior	6.5	4.5%	Transport assets	Shipping	9.64
Invenergy TL B	USD	Private	Senior	6.4	4.5%	Power	Electricity Generation	6.63
Green Plains TL B	USD	Private	Senior	6.4	4.5%	Other	Alternative Fuel	6.15
Ascendos Rail 2nd lien	EUR	Private	Mezz	5.1	3.6%	Transport assets	Rail	4.81
Sub-total / average				<u>84.9</u>	<u>59.0%</u>			<u>7.12</u>
Positions outside top ten				51.1	35.5%			8.92
<b>Portfolio total / average</b>				<b><u>135.9</u></b>	<b><u>94.5%</u></b>			<b><u>7.79</u></b>

### Portfolio Overview

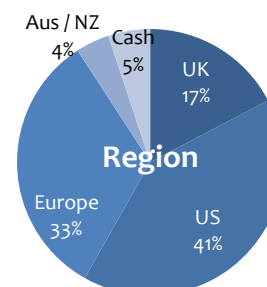
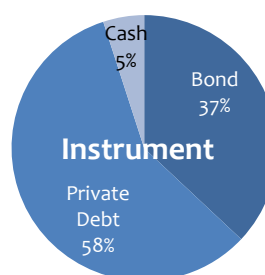
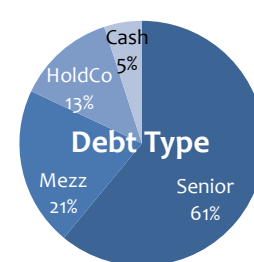
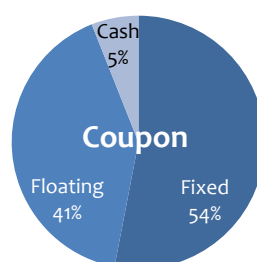
Number of investments	27
Largest / average size (£ million)	13.9 / 5.0
Average maturity / ave. life (years)	8.6 / 6.8
Portfolio modified duration	4.1

### Estimated Portfolio Sensitivities

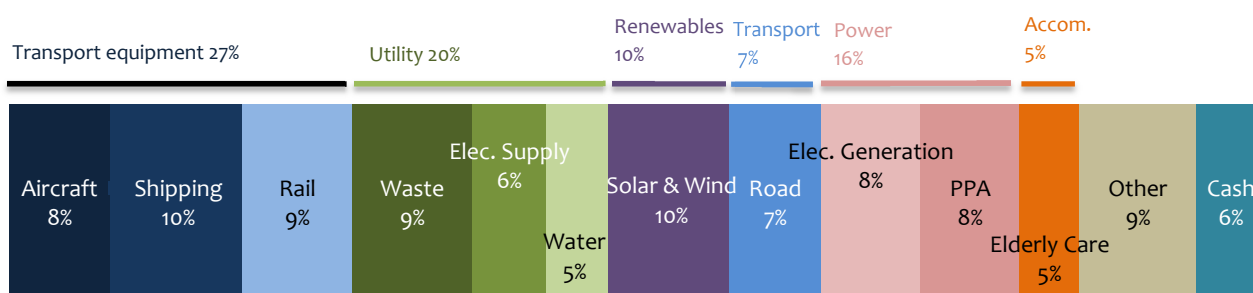
	Effect on NAV
Interest rates +0.5%	-2.0%
Interest rates -0.5%	+2.1%
Interest rates +1.0%	-3.8%
Interest rates -1.0%	+4.3%
Euro +/- 5% (against GBP)	-/+ 1.1%
Dollar +/- 5% (against GBP)	-/+ 1.7%
Euro down 5% and dollar up 5%	-0.7%

N.B. Estimated Interest rate movements refer to simultaneous parallel shift in EUR, GBP and USD yield curves

### Portfolio Characteristics



### Sectors and Sub-sectors



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