

Sequoia Economic Infrastructure Income Fund

Monthly Investor Report 30th September 2016



Summary	Ordinary Shares	C Shares	Company information	
Ticker	SEQI	SEQC	Website	www.seqifund.com
Listing date	3 rd March 2015	10 th June 2016	Year end	31 st March
Shares in issue	302,811,586	175,171,834	Inv. Adviser	Sequoia Investment Mgmt
Share price (pence)	112.75	108.50	Custodian	Bank of New York Mellon
NAV per share (pence)	101.29	99.21	Administrator	Praxis Fund Services Limited
Premium	11.3%	9.4%	Auditors	KPMG
Total net assets	£306.7m	£173.8m	Brokers	Stifel Nicolaus Europe
Market capitalisation of share class	£341.4m	£190.1m	AIFM	International Fund Mgmt Ltd
Invested portfolio as a % of NAV	96.7%	76.4%	Directors	
Including assets in process of settlement or drawdown	96.7%	93.2%	Robert Jennings (Chair)	
Portfolio yield-to-maturity / yield-to-worst	8.3%	9.0%	Jan Pethick	
Next expected dividend declaration	18 October 2016	18 October 2016	Jon Bridel	
			Sandra Platts	

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 LSE. 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%.

The Company's policy is not to invest any of its assets in equity products, including of other listed closed-ended investment funds. As such, the Company considers its shares to be eligible investments, under the FCA's Listing Rule 15.4.5, for other listed closed-ended investment funds.

Ordinary Share update

As of the 30th September 2016, the Ordinary share class held 17 private debt investments and 11 infrastructure bonds, collectively valued at £300.4m including accrued interest, with an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.3% and a weighted average life across the acquired portfolio of approximately 5.1 years.

Approximately 52% of the Ordinary Share portfolio comprises floating rate assets, with only two LIBOR floors above current LIBOR levels (of which one is Sterling and the other is Euros). As such, the portfolio's yield is likely to rise over time as LIBOR increases.

The investments are across the UK, Western Europe, Australia, Canada and the US and include a wide range of asset types including road, rail, utility, power, shipping, renewables and aircraft and ship leasing.

Ordinary Share NAV performance

The increase in the Ordinary Share NAV (cum dividend) to 101.29p from 100.44p per share arose primarily through:

- Interest income net of expenses of 0.43p;
- A decline of 0.07p in asset valuations; and
- An increase of 0.49p in FX movements.

C Share update

As of the 30th September 2016, the C Share class held 8 private debt investments and 2 infrastructure bonds, with one further private debt position settled, but remains undrawn. Including undrawn assets the C share class was 93.2% invested as at 30 September 2016.

These assets are collectively valued at £133.7m including accrued interest, with an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 9.0% and a weighted average life across the acquired portfolio of approximately 3.6 years.

The investments are geographically diverse and cover the power, aircraft leasing, renewable, utility and health care sectors.

Investments in September include a senior secured bridge loan to fund the acquisition of two renewable projects from SunEdison through a private sale process.

The Investment Adviser continues to see attractive opportunities for the deployment of capital in the economic infrastructure debt sector and expects the overall yield on the C

Share portfolio to remain 8% or higher. The C Share Conversion Ratio will be announced alongside the September monthly NAV and Conversion will be effective as at 1 November 2016.

C Share NAV performance ⁽¹⁾

The increase in the C Share NAV (cum dividend) to 99.21p from 98.49p per share arose primarily through:

- Interest income net of expenses of 0.26p;
- An increase of 0.18p in asset valuations; and
- An increase of 0.27p in FX movements.

Market summary

September was another active month for European renewable projects with the 309MW Rentel Offshore Wind Farm in Belgium reaching financial close with €850m of debt and €250m of equity.

Sterling fell sharply against the US Dollar at \$1.29, and fell slightly against the Euro, ending the month at €1.15.

During September, the Bloomberg USD High Yield Corporate Bond Index rose slightly from 166 to 167.

Contact information

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Performance since launch

Share class	1 month	3 months	6 months	1 year	ITD ⁽³⁾
Share price (SEQI)	-0.2%	4.9%	6.1%	10.3%	12.8%
Total return (SEQI)	-0.2%	6.3%	9.1%	16.2%	20.0%
NAV (SEQI) ⁽²⁾	0.8%	1.5%	6.0%	10.9%	10.0%

(1) The 31st August 2016 investor report incorrectly swapped the C Share FX movement and asset valuations, which should have shown declines in -0.06p and -0.42p, respectively

(2) NAV performance includes dividends paid; (3) From inception-to-date (ITD)

Ordinary Share portfolio summary (10 largest settled investments)

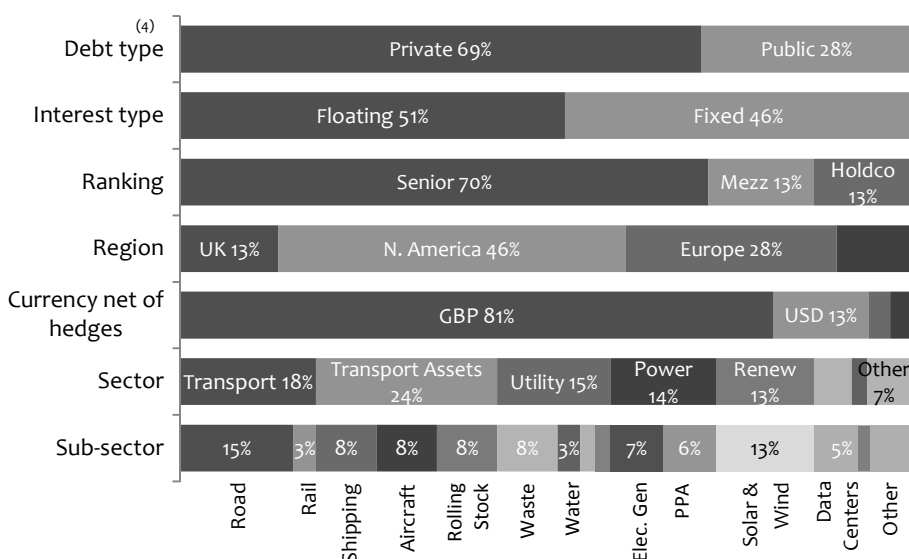
Transaction name	Currency	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
A'lienor S.A.S. (A65)	EUR	Private	Senior	32.6	Transport	Road	4.96
Infinis Bridge	GBP	Private	HoldCo	24.0	Renewables	Solar & Wind	10.00
Exeltium Mezzanine	EUR	Private	Mezz	19.3	Power	PPA	9.14
Danaos Snr Secured 2018	USD	Private	Senior	17.1	Transport assets	Shipping	16.44
Neoen Production	EUR	Private	HoldCo	16.9	Renewables	Solar & Wind	6.99
IO Data Centers LLC	USD	Private	Senior	15.4	TMT	Data centers	7.50
Biffa TL A	GBP	Private	Senior	13.1	Utility	Waste	5.90
GFL 9.875% 2021	USD	Public	Senior	12.7	Utility	Waste	6.01
Reliance Rail Finance 2018	AUD	Private	Senior	11.1	Transport assets	Rolling Stock	5.96
Green Plains TL B	USD	Private	Senior	11.0	Other	Alternative Fuel	7.38

Portfolio characteristics ⁽³⁾

Number of investments	28
Largest / average size (£ million)	32.6 / 10.6
Average maturity / avg. life (years)	6.6 / 5.1
Portfolio modified duration	2.8

Estimated portfolio sensitivities

	Change in NAV
Interest rates +0.5% ⁽⁵⁾	-1.5%
Interest rates -0.5%	1.5%
Interest rates +1.0%	-2.8%
Interest rates -1.0%	3.2%
Euro +/- 5% (against GBP)	0.1%
Dollar +/- 5% (against GBP)	0.6%
Euro down 5% and dollar up 5%	0.5%



C Share portfolio summary (all settled investments)

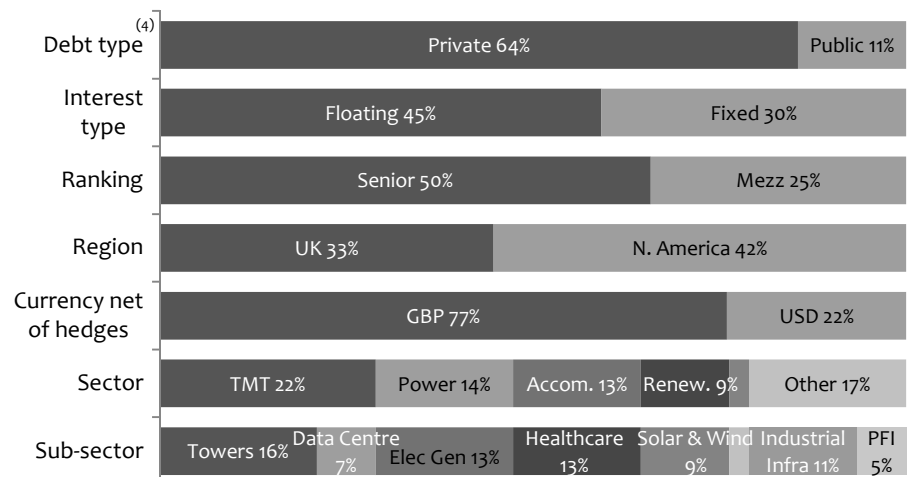
Transaction name	Currency	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
AP Wireless Infrastructure	GBP	Private	Senior	27.0	TMT	Towers	6.63
Regard Group Mezzanine	GBP	Private	Mezz	22.6	Accommodation	Health care	12.00
Natgasoline Senior Unsecured	USD	Private	Mezz	19.5	Other	Industrial infra	9.51
Mount Signal Solar	USD	Private	Senior	14.9	Renewables	Solar & Wind	8.49
Longview Power TL B	USD	Private	Senior	13.2	Power	Elec. Generation	7.50
IO Data Centers LLC	USD	Private	Senior	11.6	TMT	Data centers	10.40
Talen Energy Supply 4.6% 2021	USD	Public	Senior	11.3	Power	Elec. Generation	11.11
Peterborough Progress Health	GBP	Public	Senior	9.0	Other	PFI	5.73
Castlelake 2016-1 C	USD	Private	Mezz	3.0	Transport assets	Aircraft	8.37
DBB Jack-up Services 2019	EUR	Private	Senior	0.5	Other	Renew. Equip.	9.60

Portfolio characteristics ⁽³⁾

Number of investments	10
Largest / average size (£ million)	27.0 / 13.3
Average maturity / avg. life (years)	4.4 / 3.6
Portfolio modified duration	2.0

Estimated portfolio sensitivities

	Change in NAV
Interest rates +0.5% ⁽⁵⁾	-0.8%
Interest rates -0.5%	0.8%
Interest rates +1.0%	-1.5%
Interest rates -1.0%	1.6%
Euro +/- 5% (against GBP)	0.0%
Dollar +/- 5% (against GBP)	1.1%
Euro down 5% and dollar up 5%	1.1%



(1) Excluding accrued interest; (2) Yield to maturity / worst; (3) All information based on settled investments only; (4) Percentage of NAV. Cash is excluded from the charts apart from currency analysis; (5) A simultaneous parallel shift in EUR, GBP and USD yield curves.

DISCLAIMER

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