

LSE Ticker	SEI
LSE index constituency	FTSE 250
Listing date	03/03/2015
Year end	31 March
Total net annual return target	7-8%
Shares in issue	748,635,067
Share price (pence)	107.50
Market Cap	£804.8m

Directors	
Robert Jennings (Chairman)	
Jan Pethick	
Jon Bridel	
Sandra Platts	
www.seqifund.com	

Sequoia Economic Infrastructure Income Fund Limited (“SEQI” or “the Company”) seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a high-quality portfolio of private debt and bond investments diversified across eight mature jurisdictions and a range of sectors & subsectors.

SEQI NAV movements

The NAV for SEQI, the specialist investor in economic infrastructure debt, increased to 100.39p from 99.82p per share (being the 29 March cum-income NAV less the dividend declared in respect of the quarter ended 29 March). The changes in NAV arose primarily through:

- Interest income net of expenses of 0.72p;
- A decrease of 0.11p in asset valuations;
- A decrease of 0.04p from FX movements.⁽³⁾

On 19 April 2018, the Company declared a dividend of 1.5p per share to shareholders on the register as at 27 April 2018, in respect of the quarter ended 29 March 2018.

Company update

During April, the Company drew an additional £35.0m on its revolving credit facility, resulting in gross leverage of £75.0m representing c. 10.0% of NAV, and total gross assets of £838.5m. The Company's total net assets after deducting net borrowings were therefore £751.5m as at 30 April 2018. The Company also had undrawn commitments and one additional investment in the process of settlement collectively valued at £29.9m.

On 4 May 2018, the Company completed its successful, oversubscribed equity placing, raising approximately £75.7m of gross proceeds. The proceeds have principally been used to repay approximately £70.7m of the Company's £75.0m gross leverage.

The Company's invested portfolio comprised of 36 private debt investments and 20 infrastructure bonds across 8 sectors and 23 subsectors, and had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.2% and a weighted average life of approximately 5.1 years. Private debt investments represented 80.0% of the total portfolio and 68.8% of it comprised floating rate assets. The weighted average purchase price of the Company's investments was c.95.2% of par. Investments which are pre-operational represented 14.6% of total assets.

The Company's invested portfolio remains geographically diverse with 45% located across the US, 25% in the UK, 23% in Europe, and 8% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy, but is considering selective opportunities in Spain.

As at 30 April 2018, approximately 94% of NAV consisted of either Sterling assets or was hedged into Sterling. The Company has adequate resources to cover the cash costs associated with its hedging activities.

The Company's settled investment activities during April include:

- A \$65.0m primary loan to Salt Creek Midstream, a midstream gas gathering and processing plant in West Texas;
- A final disbursement of \$28.0m, a portfolio of US rooftop solar systems;
- A £13.7m primary loan to Elysium Healthcare, a UK behavioural health services provider; and
- An additional £4.0m of Theatre Hospitals plc bonds.

Lastly, two loans repaid during the month in line with the Company's expectations:

- The £36.0m bridge loan to Active Assistance; and
- The \$28.9m loan to Natgasoline.

Market summary

A total of 28 project finance transactions closed in April throughout the Company's eligible jurisdictions, worth \$6.5bn in aggregate. Notable transactions during the month include:

- A €434m refinancing of the A355 motorway in Strasbourg, France, comprised of a bank loan and an EIB loan;
- A \$210m financing of the construction and development of the 161.3MW Pine River Wind Farm in Michigan, United States;
- A €78m EIB loan for the construction of the Kajaani hospital in North East Finland, intended to replace the current, outdated hospital;

In April, the estimate of Q1 GDP growth in the US had slowed to 0.6%, down from 0.7% growth in Q4 2017. Unemployment fell to a 17-year low of 3.9% at the end of the quarter.

Eurozone economic growth in Q1 2018 slowed to 0.4% across the bloc, down from 0.7% in Q4 2017, and the lowest growth rate seen since summer 2016.

The UK economy grew at an even slower pace, posting only 0.1% growth for the first quarter 2018, the lowest in five years.

Company information

SEQI seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio, across a range of jurisdictions, sectors and sub-sectors, of senior and subordinated economic infrastructure debt investments.

SEQI's policy is not to invest any of its assets in equity products, including 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.

Portfolio information

NAV per share (pence)	100.39
Premium	7.1%
Total gross assets	£838.9m
Total net assets	£751.5m

Invested portfolio as a % of NAV	99.0%
Total portfolio, including committed amounts, as a % of NAV	103.0%
Portfolio yield-to-maturity / yield-to-worst	8.2%

Dividend	Quarterly
Next expected dividend declaration	July 2018

Ongoing charge ratio ⁽²⁾	0.94%
Of which, the Investment Adviser's fee ⁽²⁾	0.66%

Investment Adviser

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Fund Service Providers

Administrator	Praxis Fund Services Limited
AIFM	International Fund Mgmt Ltd
Auditors	KPMG
Brokers	Stifel Nicolaus Europe Ltd
Custodian	Bank of New York Mellon

(1) For the FTSE UK Index Rebalance cut-off period beginning 28 November 2017

(2) For the twelve months ending 29/03

(3) Net of currency hedges

Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD ⁽²⁾
Share price	1.4%	-1.4%	-4.0%	-3.2%	2.9%	7.5%
Total share price return	2.8%	0.0%	-1.4%	2.2%	14.6%	25.7%
NAV ⁽¹⁾	0.4%	0.7%	2.4%	4.8%	14.4%	19.7%

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

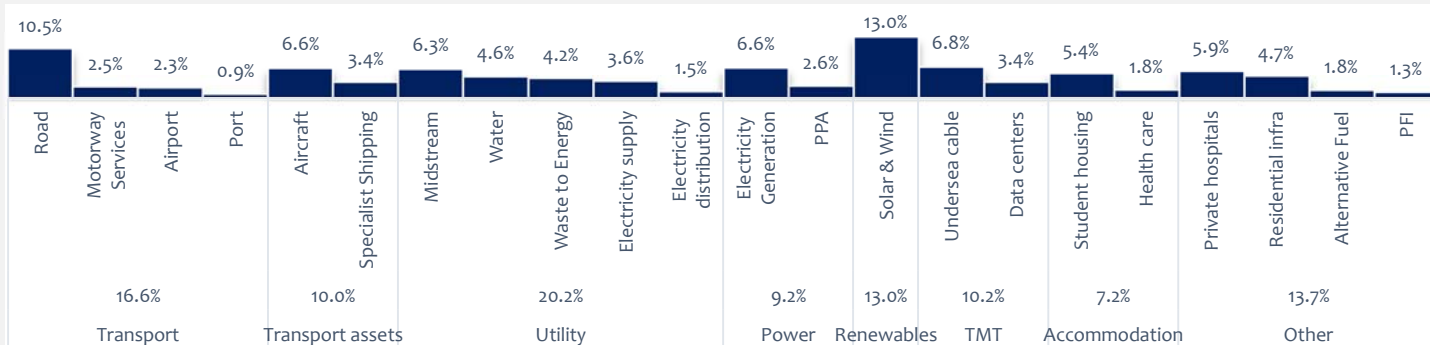
Portfolio summary (settled investments only)

56 Investments	£50.6m Largest investment	£13.3m Average size	7.4 years Average maturity	5.1 years Average life	1.3 Portfolio mod. duration	31% Average equity cushion	16.2% Construction risk
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Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO ⁽¹⁰⁾	Pence per share
Interest rates +0.5% ⁽⁵⁾	-0.9%	Interest income ⁽⁶⁾	19.70
Interest rates -0.5%	0.9%	Expenses	-3.51
Interest rates +1.0%	-1.7%	Market movements	-0.76
Interest rates -1.0%	2.0%	Acquisition costs ⁽⁷⁾	-1.98
Euro +/- 5% (against GBP)	± 0.2%	FX movements ⁽⁸⁾	4.74
Dollar +/- 5% (against GBP)	± 0.1%	Dividends	-17.00
Dollar up 5% and Euro down 5%	± -0.1%	Subscriptions	1.17

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
Hawaiki Mezzanine Loan	USD	Private	Mezz	50.6	TMT	Undersea cable	11.9
Salt Creek Midstream	USD	Private	Senior	47.2	Utility	Midstream	6.8
A'lienor S.A.S. (A65)	EUR	Private	Senior	38.9	Transport	Road	3.8
Tracy Hills TL 2025	USD	Private	Senior	34.8	Other	Residential infra	10.3
Cory Environmental	GBP	Private	HoldCo	31.3	Utility	Waste-to-energy	8.5
Sunrun Hera 2017-B	USD	Private	Mezz	29.1	Renewables	Solar & wind	7.4
Bulb Energy Senior Secured	GBP	Private	Senior	26.9	Utility	Electricity supply	9.0
Aquaventure	USD	Private	Senior	25.4	Utility	Water	8.2
Abteen Ventures	USD	Private	Senior	25.4	TMT	Data centers	8.0
Warnow Tunnel	EUR	Private	Senior	25.3	Transport	Road	6.9
Terra-Gen Power TL B	USD	Private	Senior	22.6	Renewables	Solar & wind	9.8
Exeltium Mezzanine	EUR	Private	Mezz	19.3	Power	PPA	9.4
Clyde Street Glasgow	GBP	Private	Senior	19.2	Accomm.	Student housing	8.0
Welcome Break No.1 Ltd	GBP	Private	Mezz	18.3	Transport	Motorway services	8.7
Theatre 2007-1 D	GBP	Public	Mezz	15.4	Other	Private hospitals	12.0



- (1) Excluding accrued interest;
- (2) Yield to maturity / worst;
- (3) All information based on settled investments only;
- (4) Percentage of invested assets (excluding cash);
- (5) A simultaneous parallel shift in EUR, GBP and USD yield curves;
- (6) Net of currency hedges;
- (7) Non-cash cost of marking the acquired position to the "bid" side of the price. Assumed to be 0.5% for bonds and 1.0% for loans.
- (8) PIK interest and fee income were previously recorded as capital gains, and have been retroactively applied up and including this month's NAV movements.

Debt type	Private 80%	Public 20%		
Interest type	Fixed 31%	Floating 69%		
Ranking	Senior 58%	Mezz 36%	HoldCo 6%	
Region	UK 25%	N. America 45%	Europe 23%	Aus/NZ 8%
Currency net of hedges	GBP 93%	USD 3%		

Disclaimer

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