

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	821,435,067
Share price (pence)	113.00
Market Cap	£928.2m

SEI	SEI
FTSE 250	FTSE 250
03/03/2015	03/03/2015
31 March	31 March
7-8%	7-8%
821,435,067	821,435,067
113.00	113.00
£928.2m	£928.2m

Directors
Robert Jennings (Chairman)
Jan Pethick
Jon Bridel
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Sequoia Economic Infrastructure Income Fund Limited (“SEI” 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 twelve mature jurisdictions and a range of sectors & subsectors.

SEI NAV movements

The NAV for SEI, the specialist investor in economic infrastructure debt, increased to 101.66p from the prior month’s NAV of 101.10p per share. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.53p;
- An increase of 0.04p in asset valuations; and
- A decrease of 0.01p from FX movements.⁽³⁾

Company update

During June, the Company drew c. £80.6m from its revolving credit facility to acquire a number of attractive new economic infrastructure debt opportunities, resulting in gross leverage of £85.6m at month end. The Company’s total net assets after deducting net borrowings were £835.1m at month end. The Company also had undrawn commitments and three additional investments in the process of settlement, collectively valued at £145.3m.

The Company’s invested portfolio comprised of 41 private debt investments and 20 infrastructure bonds across 8 sectors and 24 subsectors, and had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.3% and a weighted average life of approximately 4.8 years. Private debt investments represented 84.0% of the total portfolio and 64.1% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was c.96.5% of par. Investments which are pre-operational represented 14.3% of total assets.

The Company’s invested portfolio remains geographically diverse with 38% located across the US, 21% in the UK, 30% in Europe, and 11% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy, but has invested in selective opportunities in Spain.

As at 29 June 2018, the Company’s NAV consisted entirely 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 June include:

- A €50.0m primary loan to Scandlines, a ferry operator serving one of the strategic connections between Scandinavia and Germany;
- A €40.0m primary loan to Bizkaia Holdings, an operational CCGT power plant in the Basque region of Spain;
- An AUD 75.0m primary holdco loan to Adani Abbot, a coal export terminal located in Queensland, Australia;
- An additional €20.2m primary loan disbursed to ReneSola, a portfolio of solar assets in Poland;
- An additional \$10.0m secondary purchase of a loan to Panda Patriot, an operator of an 829MW CCGT power plant in Pennsylvania;
- An \$8m primary participation in class C bonds issued by STARR 2018-1, a portfolio of 24 aircraft on lease to 16 different airlines; and
- An additional €600k disbursement to Project Hatch, the student housing transaction in Cork, Ireland.

There were no called/prepaid positions or scheduled repayments during the month of June.

Market summary

A total of 64 project finance transactions closed in June throughout the Company’s eligible jurisdictions, worth \$32.0bn in aggregate. Notable transactions during the month include:

- A €1.6bn refinancing of the 396MW Merkur Offshore Wind Farm in Germany;
- A \$1.5bn PPP financing of an Automated People Mover system in Los Angeles International Airport;
- A \$1.2bn acquisition financing for the renewable energy firm Saeta Yield in Spain by Bookfield Asset Management;
- A €1.2bn financing of the Ankara-Nigde Motorway in Turkey.

The Federal Reserve raised interest rates by 0.25% in June, to 2.0%. Although fears of a trade war continue to linger over the US economy, 213,000 jobs were added in June, keeping unemployment at 3.8%.

The Eurozone economy had an indicated Q2 2018 growth of 0.5%, although there is little indication that eurozone interest rates will be raised in the near future.

The UK economy achieved its Q2 growth target of 0.4%, trailing slightly behind the eurozone, but above the 0.1% seen in Q1. The probability of an interest rate rise has increased as evidence suggested that the prior slowdown may prove temporary.

Company information

SEI 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.

SEI’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)	101.66
Premium	11.2%
Total gross assets	£897.1m
Total net assets	£835.1m

Invested portfolio as a % of NAV	109.1%
Total portfolio, including committed amounts, as a % of NAV	126.5%
Portfolio yield-to-maturity / yield-to-worst	8.3%

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	3.7%	6.6%	0.0%	1.3%	5.1%	13.0%
Total share price return	3.7%	8.1%	2.8%	7.0%	17.1%	32.1%
NAV ⁽¹⁾	0.6%	1.7%	2.6%	5.9%	11.9%	21.3%

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

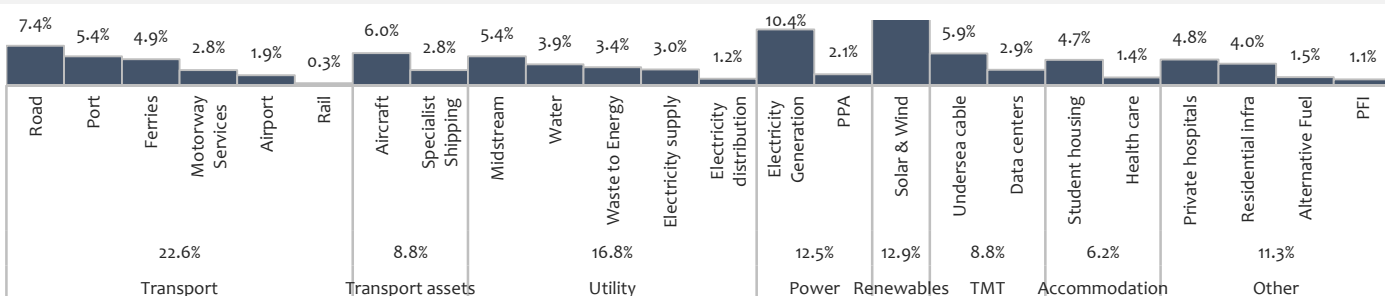
Portfolio summary (settled investments only)

61 Investments	£53.9m Largest investment	£14.9m Average size	7.1 years Average maturity	4.8 years Average life	1.4 Portfolio mod. duration	30% Average equity cushion	14.3% 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⁾	-1.1%	Interest income ⁽⁶⁾	20.84
Interest rates -0.5%	1.1%	Expenses	-3.73
Interest rates +1.0%	-2.1%	Market movements	-0.42
Interest rates -1.0%	2.4%	Acquisition costs ⁽⁷⁾	-2.12
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	4.71
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-17.00
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	1.36

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
Hawaiki Mezzanine Loan	USD	Private	Mezz	53.9	TMT	Undersea cable	12.0
Salt Creek Midstream	USD	Private	Senior	49.3	Utility	Midstream	6.8
Scandlines Mezzanine 2032	EUR	Private	HoldCo	44.3	Transport	Ferries	6.5
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	42.0	Transport	Port	6.7
A'lienor S.A.S. (A65)	EUR	Private	Senior	39.1	Transport	Road	5.8
Tracy Hills TL 2025	USD	Private	Senior	36.3	Other	Residential infra	10.3
Bizkaia TL 2021	EUR	Private	HoldCo	35.4	Power	Elec. generation	7.7
Cory Environmental	GBP	Private	HoldCo	30.6	Utility	Waste-to-energy	8.5
Sunrun Hera 2015-B	USD	Private	Mezz	30.3	Renewables	Solar & wind	7.4
Bulb Energy Senior Secured	GBP	Private	Senior	26.9	Utility	Electricity supply	8.9
Aquaventure	USD	Private	Senior	26.5	Utility	Water	8.3
Abteen Ventures	USD	Private	Senior	26.4	TMT	Data centers	7.9
Warnow Tunnel	EUR	Private	Senior	25.3	Transport	Road	6.9
Terra-Gen Power TL B	USD	Private	Senior	23.7	Renewables	Solar & wind	9.8
Panda Patriot	USD	Private	Senior	22.0	Power	Elec. generation	8.6



- (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) PIK interest and fee income were previously recorded as capital gains, and have been retroactively applied up and including this month's NAV movements;
- (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) Net of currency hedges.

Debt type (4)	Private 84%	Public 16%		
Interest type	Floating 64%	Fixed 36%		
Ranking	Senior 51%	Mezz 30%	HoldCo 18%	
Region	UK 21%	N. America 38%	Europe 29%	Aus/NZ 11%
Currency net of hedges	GBP 100%			

Disclaimer

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