

LSE Ticker	SEI
LSE index constituency	FTSE 250 <sup>(1)</sup>
Listing date	03/03/2015
Year end	31 March
Annual dividend target	6 pence p.a.
Shares in issue	1,060,793,997
Share price (pence)	110.00
Market Cap	£1.17bn

<b>Directors</b>
Robert Jennings (Chairman)
Sandra Platts
Jan Pethick
Jon Bridel
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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 twelve mature jurisdictions and a range of sectors & subsectors.

### SEQI NAV movements

The NAV for SEQI, the specialist investor in economic infrastructure debt, decreased to 101.34p from the prior month’s NAV of 101.42p. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.62p;
- A decrease of 0.63p in asset valuations; and
- A decrease of 0.07p from FX movements.<sup>(4)</sup>

The decrease in the Company’s NAV in November is primarily a result of widening credit spreads. The Bloomberg Barclays Global High Yield Index fell by 1.17% during the month, but the Company’s assets experienced only a 0.63p decrease in valuations suggesting infrastructure debt is, to a significant extent, insulated from the wider volatility in the credit markets.

### Company update

At month end, the Company’s total net assets were £1.1bn. The Company also had undrawn commitments, and two additional investments, collectively valued at £151.1m.

Following investments that were called or repaid during the month, the Company’s invested portfolio comprised of 42 private debt investments and 19 infrastructure bonds across 8 sectors and 23 sub-sectors and had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.5% and a weighted average life of approximately 4.9 years. Private debt investments represented 85.7% of the total portfolio and 64.7% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was c. 97.2% of par. Investments which are pre-operational represented 13.8% of total assets.

The Company’s invested portfolio remains geographically diverse with 45% located across the US, 15% in the UK, 29% in Europe, and 10% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy but has invested in selective opportunities in Spain. The Company’s pipeline of economic infrastructure debt investments remains strong and is diversified by sector, sub-sector, and jurisdiction.

As at 30 November 2018, approximately 98% of the Company’s 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 November include:

- A \$40m primary loan to Seaport Financing LLC, a midstream oil and gas terminal located in the Pacific Northwest;
- A \$20m primary purchase of Bluewater Holding BV’s 10% 2023 bonds, a midstream oil and gas processing, storage, and offloading facility in Norway;
- A \$20m primary loan to vXchng Investment, an operator of 14 data centres in the US;
- A £15m secondary purchase of Electricite de France’s variable rate 2029 bonds, a Paris-based utility group involved in the generation, transmission, distribution, supply, and marketing of electricity;
- A PLN 21.5m primary loan to Project Warsaw to finance up to 80% of the VAT payments for the construction of their 55 solar PV assets, which are expected to be reimbursed by the Polish Government;
- A £3.4m secondary purchase of Voyage Care 5.875% 2023 bonds; a leading care provider for patients with complex health needs in the UK;
- An additional £5m secondary purchase of National Grid’s 2073 bonds;
- An additional \$5m secondary purchase of Paradigm Midstream’s term loan;
- An additional £4m secondary purchase of Heathrow 3.875% 2027 bonds; and
- An additional €900k secondary purchase of Ziton AS variable rate 2021 bonds.

The investments that were sold, called, or prepaid during November were:

- The \$17.8m repayment of Green Plains Processing’s term loan B;
- The €6.7m repayment of the Seabiscuit term loan;
- The partial £13.6m mezzanine loan repayment to Welcome Break; and
- The €10.9m call of DBB Jack-up Services variable rate 2019 bonds.

All repayments during November were in-line with the Company’s expectations.

### Market summary

A total of 51 project finance transactions closed in November throughout the Company’s eligible jurisdictions, worth \$21.3bn in aggregate. Notable transactions during the month include:

- A £2.8bn financing for the construction of the 950MW Moray East Offshore Wind Farm; and
- CAD 167m financing for phase one of the Royal Inland Hospital Patient Care Tower PPP in British Columbia, Canada.

### 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

<b>NAV per share (pence)</b>	<b>101.34</b>
Premium	8.6%
Total gross assets	£1.1bn
<b>Total net assets</b>	<b>£1.1bn</b>
Invested portfolio as a % of NAV	94.2%
Total portfolio, including committed amounts, as a % of NAV	108.3%
Portfolio yield-to-maturity / yield-to-worst	8.5%
Dividend	Quarterly
Next expected dividend declaration	18 Jan 2018
Ongoing charge ratio <sup>(2)(3)</sup>	1.06%
Of which, the Investment Adviser’s fee <sup>(2)</sup>	0.74%
% of Investment Adviser’s fee relative to Invested Assets <sup>(2)</sup>	0.77%

### Investment Adviser

**Sequoia Investment Management Company**  
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### Fund Service Providers

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

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

<sup>(2)</sup> For the twelve months ending 30/09

<sup>(3)</sup> The Ongoing Charge Ratio (“OCR”) is up principally due to investment advisory fees being paid on ‘invested assets’ which includes assets financed by the revolving credit facility (“RCF”), this results in invested assets being materially greater than the NAV of the Company. As stated in the AIC guidance for the calculation of the OCR, Company costs are divided by average NAV over the period resulting in a rise in the OCR when Invested assets are greater than NAV. It is intended that the RCF be used to optimise the Company’s deployment activities by reducing the negative effect of cash drag on the Company’s NAV.

<sup>(4)</sup> Net of currency hedges.

## Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD <sup>(2)</sup>
Share price	0.5%	0.5%	0.9%	1.7%	3.5%	10.0%
Total share price return	0.5%	1.8%	3.7%	7.3%	15.3%	32.1%
NAV <sup>(1)</sup>	-0.1%	1.5%	2.9%	5.5%	11.3%	24.2%

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

## Portfolio summary (settled investments only)

61 Investments	£54.9m Largest investment	£16.6m Average size	6.8 years Average maturity	4.9 years Average life	1.5 Portfolio mod. duration	33% Average equity cushion	13.8% Construction risk
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### Estimated portfolio sensitivities

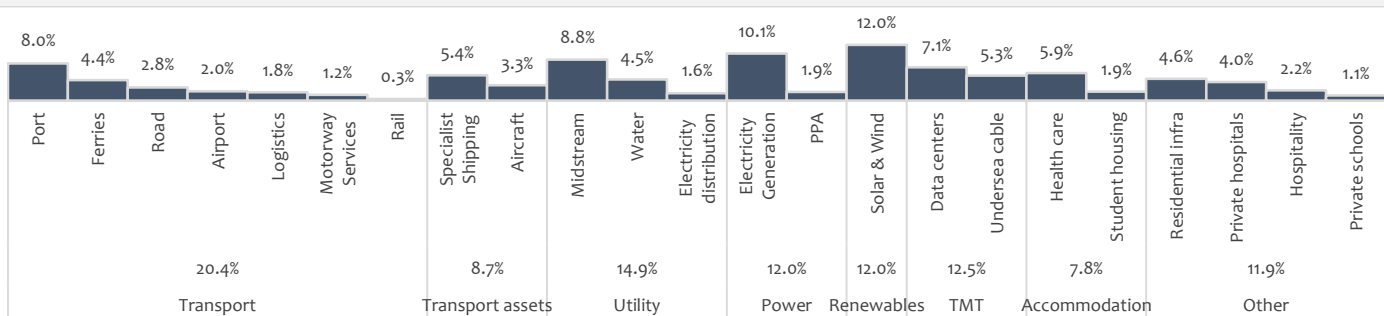
	Change in NAV
Interest rates +0.5% <sup>(5)</sup>	-0.9%
Interest rates -0.5%	0.9%
Interest rates +1.0%	-1.7%
Interest rates -1.0%	1.9%
Euro +/- 5% (against GBP)	± 0.0%
Dollar +/- 5% (against GBP)	± 0.1%
Dollar up 5% and Euro down 5%	± 0.1%

### NAV movements since IPO <sup>(10)</sup>

	Pence per share
Interest income <sup>(6)</sup>	24.13
Expenses	-4.33
Market movements	-0.45
Acquisition costs <sup>(7)</sup>	-2.42
FX movements <sup>(8)</sup>	4.43
Dividends	-20.00
Subscriptions	1.94

## Top holdings

Investment name	Ccy	Type	Ranking	Value £m <sup>(1)</sup>	Sector	Sub-sector	Yield <sup>(2)</sup>
Salt Creek Midstream	USD	Private	Senior	54.9	Utility	Midstream	7.8
Hawaiki Mezzanine Loan	USD	Private	Mezz	54.0	TMT	Undersea cable	11.3
Tracy Hills TL 2025	USD	Private	Senior	47.0	Other	Residential infra	10.3
Scandlines Mezzanine 2032	EUR	Private	HoldCo	44.4	Transport	Ferries	6.5
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	42.9	Transport	Port	9.0
Bannister Senior Secured	GBP	Private	Senior	42.0	Accomm.	Health care	7.9
Bizkaia TL 2021	EUR	Private	HoldCo	35.5	Power	Elec. generation	7.7
Aquaventure	USD	Private	Senior	35.3	Utility	Water	8.2
Project Warsaw	EUR	Private	Senior	31.8	Renewables	Solar & wind	5.9
Sunrun Hera 2017-B	USD	Private	Mezz	31.4	Renewables	Solar & wind	7.5
Seaport TL B	USD	Private	Senior	31.3	Transport	Port	8.2
Sacramento Data Centre	USD	Private	Senior	28.6	TMT	Data centers	11.0
Abteen Ventures	USD	Private	Senior	27.8	TMT	Data centers	5.1
EIF Van Hook TL B 2024	USD	Private	Senior	26.7	Utility	Midstream	8.4
Warnow Tunnel	EUR	Private	Senior	25.9	Transport	Road	6.9



- (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 86%	Public 14%		
Interest type	Floating 65%	Fixed 35%		
Ranking	Senior 61%	Mezz 26%	HoldCo 14%	
Region	UK 15%	N. America 45%	Europe 29%	Aus/NZ 10%
Currency net of hedges	GBP 98%	USD 2%		

## *Disclaimer*

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