

LSE Ticker	SEQI
LSE index constituency	FTSE 250
Listing date	03/03/2015
Year end	31 March
Annual dividend target	6.25 pence p.a.
Shares in issue	1,261,353,491
Share price (pence)	116.80
Market Cap	£1.47bn

<b>Directors</b>
Robert Jennings (Chairman)
Sandra Platts
Jan Pethick
Jon Bridel
<a href="http://www.seqifund.com">www.seqifund.com</a>

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 portfolio of private debt and bond investments diversified across fourteen mature jurisdictions and a range of sectors & subsectors.

### SEQI NAV movements

The NAV for SEQI, the specialist investor in economic infrastructure debt, increased to 104.62p from the prior month’s NAV of 104.03p per share. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.64p;
- An increase of 0.01p in asset valuations; and
- Unhedged FX losses of 0.06p.<sup>(3)</sup>

### Company update

As at 30 August 2019, the Company had cash of £46.5m and outstanding drawings on its Revolving Credit Facility of £161.7m. The Company also had undrawn commitments, and one additional investment in settlement, collectively valued at £83.1m.

The Company’s invested portfolio comprised 63 private debt investments and 16 infrastructure bonds across 8 sectors and 29 sub-sectors 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 4.3 years. Private debt investments represented 88.2% of the total portfolio and 69.5% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 95.4% of par. Investments which are pre-operational represented 16.0% of total assets.

The Company’s invested portfolio remains geographically diverse with 46% located across the US, 16% in the UK, 31% in Europe, and 8% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy but has selectively invested in opportunities in Spain. The Company’s pipeline of economic infrastructure debt investments remains strong and is diversified by sector, sub-sector, and jurisdiction.

At month end, approximately 97% 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 August include:

- A \$40m primary loan to Heritage Power, a holding company that owns a portfolio of 16 power plants located across Pennsylvania, Ohio, and New Jersey;
- A \$30m primary loan to Prometheus Energy, a leading independent fuel distributor and convenience store retailer in the US;
- A €25m primary loan to Swissport, the world’s leading independent ground and cargo handling service provider to the aviation industry;
- A £16.5m primary loan to Nottingham Student Housing, a 229-unit purpose-built student accommodation development in Nottingham, UK;
- A \$10m secondary bond purchase of GE’s 5% perpetual bonds, an equipment manufacturer that is shifting its focus to the power, renewables, and aviation sectors;
- A €2m secondary bond purchase of Naviera Armas SA’s variable rate 2023 bonds backed by a fleet of twenty-three ferries which provide passenger and freight maritime transportation services in Spain;
- An additional €541k disbursement to Hatch Student Housing in Cork, Ireland.

The following investments were sold or called/repaid in August in line with expectations:

- \$22.5m of Sunrun Scorpio’s TL A and B loans back of a residential solar portfolio; and
- £550k of Heathrow Airport’s 5.75% 2025 bonds.

### Market summary

A total of 51 project finance transactions closed in August throughout the Company’s eligible jurisdictions, worth \$7.4bn in aggregate. Notable transactions outside of the Company’s investment activities during the month include:

- A \$1.30bn financing of the 1,863MW CCGT plant in Guernsey, Ohio;
- A €434m financing of the development of an 864MW solar PV portfolio in Spain; and
- A CAD \$699m financing for the development of an acute care hospital in Corner Brook, Newfoundland and Labrador, Canada.

The US manufacturing sector contracted in August, likely in response to tariffs imposed on US imports by the Chinese government. In August, the US economy added 130,000 jobs, below expectations for 158,000, likely weighed down by fears over tariffs. Unemployment remains at 3.7%.

Eurozone economic growth is expected to be just 1.0% for all of 2019, although growth rates vary across the continent, with Spain expected to have 2.0% growth for the year and Germany less than 0.5%.

The UK economy is struggling amid Brexit uncertainty and is at risk of moving into a recession, with Q3 2019 expected to be the second straight quarter of contracted growth.

### 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>104.62</b>
Premium	11.6%
Total gross assets	£1.5bn
<b>Total net assets</b>	<b>£1.3bn</b>
Invested portfolio as a % of NAV	109.9%
Total portfolio, including committed amounts, as a % of NAV	116.2%
Portfolio yield-to-maturity / yield-to-worst	8.3%
Dividend	Quarterly
Next expected dividend declaration	Oct 2019
Ongoing charge ratio <sup>(1)(2)</sup>	0.99%
Of which, the Investment Adviser’s fee <sup>(1)</sup>	0.75%
% of Investment Adviser’s fee relative to Invested Assets <sup>(1)</sup>	0.74%

### Investment Adviser

**Sequoia Investment Management Company**  
[www.seqimco.com](http://www.seqimco.com)

Randy Sandstrom	<a href="mailto:r.sandstrom@seqimco.com">r.sandstrom@seqimco.com</a> +44 (0)20 7079 0483
Dolf Kohnhorst	<a href="mailto:d.kohnhorst@seqimco.com">d.kohnhorst@seqimco.com</a> +44 (0)20 7079 0482
Greg Taylor	<a href="mailto:g.taylor@seqimco.com">g.taylor@seqimco.com</a> +44 (0)20 7079 0486
Steve Cook	<a href="mailto:s.cook@seqimco.com">s.cook@seqimco.com</a> +44 (0)20 7079 0481

### 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

- (1) For the twelve months ending 28/06/19.  
(2) The OCR is calculated in line with AIC guidance and will differ from the PRIIP’s OCR as defined under the PRIIPs regulation due to borrowing costs being included under PRIIPs and as disclosed in the KID document which is available on the Company’s website.  
(3) Net of currency hedges.

## Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD <sup>(2)</sup>
Share price	3.0%	4.1%	5.2%	6.7%	2.7%	16.8%
Total share price return	3.0%	5.5%	8.1%	12.6%	14.4%	46.0%
NAV <sup>(1)</sup>	0.6%	2.9%	4.6%	9.1%	15.6%	33.4%

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

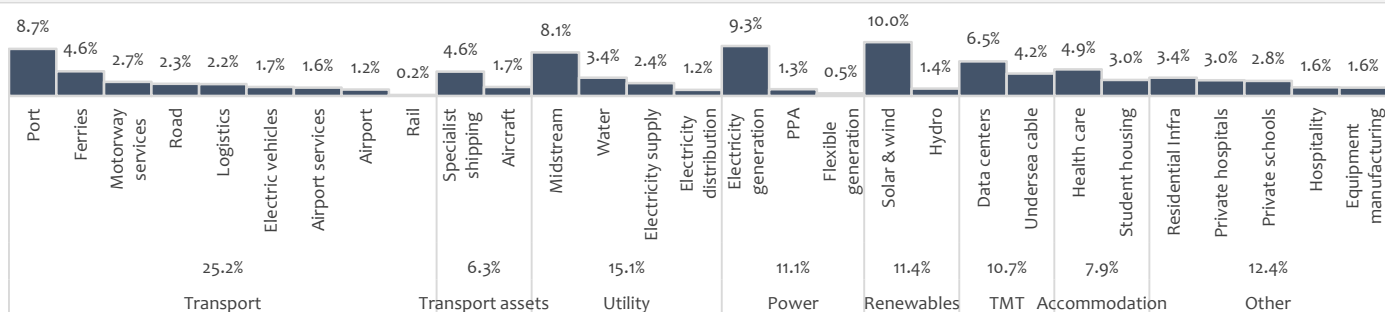
## Portfolio summary <sup>(3)</sup>

<b>79</b> Investments	<b>£61.0m</b> Largest investment	<b>£18.3m</b> Average size	<b>5.8 years</b> Average maturity	<b>4.3 years</b> Average life	<b>1.3</b> Portfolio mod. duration	<b>37%</b> Average equity cushion	<b>16.0%</b> Construction risk
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Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO	Pence per share
Interest rates +0.5% <sup>(5)</sup>	-0.8%	Interest income <sup>(6)</sup>	30.56
Interest rates -0.5%	0.8%	Expenses	-5.42
Interest rates +1.0%	-1.5%	Market movements	2.29
Interest rates -1.0%	1.7%	Acquisition costs <sup>(7)</sup>	-2.84
Euro +/- 5% (against GBP)	± 0.1%	FX movements <sup>(8)</sup>	4.06
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-24.56
Dollar up 5% and Euro down 5%	± -0.1%	Subscriptions	2.50

## Top holdings

Investment name	Ccy	Type	Ranking	Value £m <sup>(1)</sup>	Sector	Sub-sector	Yield <sup>(2)</sup>
Hawaiki Mezzanine Loan	USD	Private	Mezz	61.0	TMT	Undersea cable	11.6
Salt Creek Midstream	USD	Private	Senior	56.7	Utility	Midstream	8.3
Tracy Hills TL 2025	USD	Private	Senior	49.3	Other	Residential infra	10.2
Scandlines Mezzanine 2032	EUR	Private	HoldCo	47.2	Transport	Ferries	5.8
Euroports 2nd Lien 2026	EUR	Private	Mezz	45.1	Transport	Port	7.8
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	41.5	Transport	Port	8.9
Bannister Senior Secured	GBP	Private	Senior	41.2	Accomm.	Health care	8.4
Kaveh Senior Secured TL 2021	USD	Private	Senior	41.1	TMT	Data centers	7.9
Whittle Schools B	USD	Private	Senior	40.9	Other	Private schools	11.1
Bizkaia TL 2021	EUR	Private	HoldCo	38.6	Power	Electricity gen.	7.7
Aquaventure	USD	Private	Senior	37.0	Utility	Water	8.1
Bulb Senior TL 2021	GBP	Private	Senior	35.0	Utility	Electricity supply	7.2
Sunrun Hera 2017-B	USD	Private	Mezz	32.4	Renewables	Solar & wind	7.8
Project Warsaw Senior	EUR	Private	Senior	32.4	Renewables	Solar & wind	5.9
Heritage Power	USD	Private	Senior	32.3	Power	Electricity gen.	8.5



- (1) Excluding accrued interest;  
(2) Yield to maturity / worst;  
(3) All information based on settled investments only;  
(4) Percentage of invested assets (excluding cash), due to rounding this may not total 100%;  
(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 <sup>(4)</sup>	Private 88%	Public 12%		
Interest type	Floating 69%	Fixed 31%		
Ranking	Senior 62%	Mezz 21%	HoldCo 18%	
Region	UK 16%	N. America 46%	Europe 31%	Aus/NZ 8%
Currency net of hedges	GBP 97%	EUR 2%		

## Disclaimer

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