

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	1,386,579,013
Share price (pence)	114.00
Market Cap	£1.60bn

<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 thirteen mature jurisdictions and a range of sectors & subsectors.

### SEQI NAV movements

The NAV for SEQI, the specialist investor in economic infrastructure debt, increased to 104.08p from the prior month’s NAV of 103.74p per share (being the 30 September cum-income NAV of 105.30p less the dividend of 1.5625p per share declared in respect of the quarter ended 30 September 2019). The changes in NAV arose primarily through:

- Interest income net of expenses of 0.59p;
- A decrease of 0.30p in asset valuations; and
- Unhedged FX gains of 0.04p.<sup>(3)</sup>

### Company update

As at 31 October 2019, the Company had cash of £55.8m and outstanding drawings on its Revolving Credit Facility of £114.2m. The Company also had undrawn commitments, and four additional investments in settlement, collectively valued at £158.8m.

The Company’s invested portfolio comprised of 65 private debt investments and 15 infrastructure bonds across 8 sectors and 30 sub-sectors. It 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 4.0 years. Private debt investments represented 89% of the total portfolio and 73% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 94.2% of par. Investments which are pre-operational represented 15.3% of total assets.

The Company’s invested portfolio remains geographically diverse with 46% located across the US, 19% in the UK, 28% in Europe, and 7% 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 100% 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 October include:

- A £28.0m primary loan to Base Student Housing, a student accommodation building in Glasgow, Scotland;
- A £25.0m primary loan to NewCold Wakefield, a cold storage facility in Wakefield, UK;
- A \$25.0m primary participation in Raptor 2019-1C bonds backed by a portfolio of aircraft;
- An initial €13.5m primary loan to Project Swordfish, a company that operates waterbus passenger transport systems in Antwerp, Belgium;
- A \$10.0m secondary acquisition of EIF Van Hook Midstream, a midstream oil & gas company that operates primarily in North Dakota, USA; and
- An additional \$2.2m disbursement to Bourzou Equity LLC, a company created for the construction of a data center in Virginia, USA.

The following investments were sold in October:

- \$12.0m of North Las Vegas Water 6.572% 2040 bonds; and
- \$10.0m of Adani Abbot Point Terminal 4.45% 2022 bonds.

### Market summary

A total of 41 project finance transactions closed in October throughout the Company’s eligible jurisdictions, worth \$5.6bn in aggregate. Notable transactions outside of the Company’s investment activities during the month include:

- €780m financing of the construction of the Frysland Offshore Wind Farm in the Netherlands;
- A £450m refinancing of Ark Data Centres’ senior debt in the UK; and
- A €580m refinancing of the Liefkenshoek Rail Tunnel in Belgium.

In October, the US economy added 128,000 new jobs, with the unemployment rate up to 3.6%, as 325,000 people started looking for work. At the end of the month, the Federal Reserve cut interest rates by a quarter of a point, in line with expectations.

The Eurozone economy remains weak, with low expectations for growth and warnings from outgoing ECB president Draghi that further stimulus is needed.

The UK economy also remains weak, with continued Brexit uncertainty and challenging global conditions.

### 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>104.08</b>
Premium	9.5%
Total gross assets	£1.6bn
<b>Total net assets</b>	<b>£1.4bn</b>
Invested portfolio as a % of NAV	101.6%
Total portfolio, including committed amounts, as a % of NAV	112.5%
Portfolio yield-to-maturity / yield-to-worst	8.3%
Dividend	Quarterly
Next expected dividend declaration	Jan 2020
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

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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

(1) For the twelve months ending 30/09/19.  
(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	-1.4%	0.5%	0.2%	4.1%	1.8%	14.0%
Total share price return	-0.7%	1.2%	2.2%	9.1%	12.6%	43.5%
NAV <sup>(1)</sup>	-0.5%	0.7%	3.5%	7.5%	14.3%	33.7%

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

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

<b>80</b> Investments	<b>£57.4m</b> Largest investment	<b>£18.3m</b> Average size	<b>5.6 years</b> Average maturity	<b>4.0 years</b> Average life	<b>1.1</b> Portfolio mod. duration	<b>36%</b> Average equity cushion	<b>15.3%</b> Construction risk
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### Estimated portfolio sensitivities

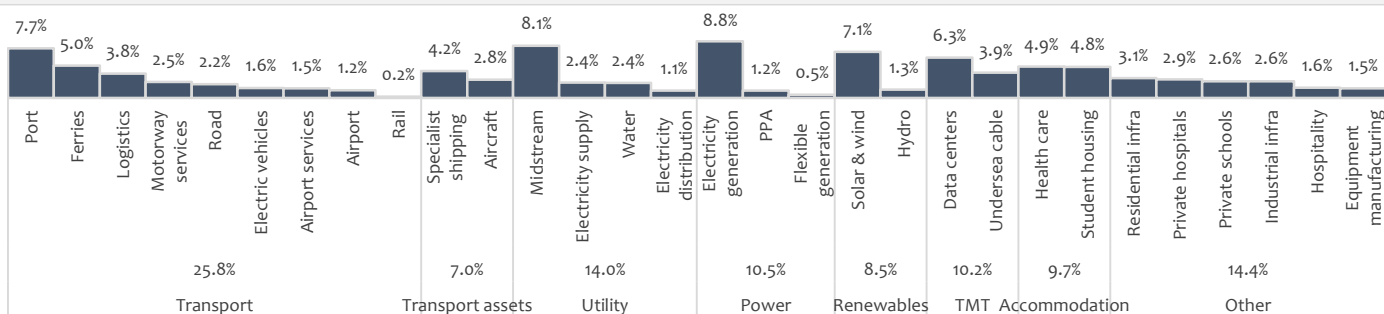
	Change in NAV
Interest rates +0.5% <sup>(5)</sup>	-0.7%
Interest rates -0.5%	0.7%
Interest rates +1.0%	-1.3%
Interest rates -1.0%	1.4%
Euro +/- 5% (against GBP)	± 0.1%
Dollar +/- 5% (against GBP)	± 0.1%
Dollar up 5% and Euro down 5%	± 0.2%

### NAV movements since IPO

	Pence per share
Interest income <sup>(6)</sup>	31.84
Expenses	-5.63
Market movements	2.17
Acquisition costs <sup>(7)</sup>	-2.93
FX movements <sup>(8)</sup>	3.82
Dividends	-26.12
Subscriptions	2.91

## 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	57.4	TMT	Undersea cable	11.6
Salt Creek Midstream Senior Debt	USD	Private	Senior	53.1	Utility	Midstream	7.9
Tracy Hills TL 2025	USD	Private	Senior	45.4	Other	Residential infra	9.8
Scandlines Mezzanine 2032	EUR	Private	HoldCo	45.1	Transport	Ferries	5.8
Euroports 2nd Lien 2026	EUR	Private	Mezz	43.0	Transport	Port	7.8
Bannister Senior Secured 2025	GBP	Private	Senior	41.2	Accommodation	Health care	8.4
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	39.9	Transport	Port	9.2
Kaveh Senior Secured TL 2021	USD	Private	Senior	38.6	TMT	Data centers	7.6
Whittle Schools B	USD	Private	Senior	38.5	Other	Private schools	10.8
Nasco Senior Secured 2020	USD	Private	Senior	38.2	Other	Industrial infra	7.5
Bizkaia TL 2021	EUR	Private	HoldCo	36.8	Power	Electricity generation	7.7
Bulb Senior TL 2021	GBP	Private	Senior	35.0	Utility	Electricity supply	7.2
Aquaventure Senior Secured	USD	Private	Senior	34.8	Utility	Water	7.8
Heritage Power Senior Secured	USD	Private	Senior	34.0	Power	Electricity generation	8.3
EIF Van Hook TL B 2024	USD	Private	Senior	31.4	Utility	Midstream	8.8



(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.

(9) Currently over-hedged in EUR by c. 2.0% of NAV

Debt type <sup>(4)</sup>	Private 89%	Public 11%		
Interest type	Floating 73%	Fixed 27%		
Ranking	Senior 61%	Mezz 23%	HoldCo 17%	
Region	UK 19%	N. America 46%	Europe 28%	Aus/NZ 7%
Currency net of hedges <sup>(9)</sup>	EUR -2%	GBP 100%		

## Disclaimer

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