

LSE Ticker	SEI
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)	115.60
Market Cap	£1.62bn

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

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

SEI NAV movements

The NAV for SEI, the specialist investor in economic infrastructure debt, increased to 104.87p from the prior month’s NAV of 104.08p per share. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.65p;
- An increase of 0.16p in asset valuations; and
- Unhedged FX losses of 0.02p.⁽³⁾

Company update

As at 29 November 2019, the Company had cash of £38.5m and was fully drawn on its £200m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £41.1m.

In light of the Company’s increased scale, its deployment level and its pipeline of opportunities, the Board intends to imminently increase the size of the RCF by entering into a £80 million incremental facility tranche, resulting in a total capacity of £280 million under the RCF. The lending group remains unchanged.

The Company’s invested portfolio comprised of 68 private debt investments and 13 infrastructure bonds across 8 sectors and 32 sub-sectors. It 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 4.1 years. Private debt investments represented 92% of the total portfolio and 72% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 94.9% of par. Investments which are pre-operational represented 13.7% of total assets.

The Company’s invested portfolio remains geographically diverse with 47% located across the US, 19% in the UK, 28% in Europe, and 6% 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 November include:

- A €68.0m primary loan to AP Wireless, a worldwide leading cell site lease investment firm;
- A \$50.0m primary loan to Corral Petroleum Holdings, a Swedish refiner and distributor of oil and petroleum products. Corral is the first refiner in Sweden to produce renewable fuels and has become a strategic asset for Sweden as they look to convert 50% more of its transport fuels to renewables-based fuels by 2030;
- A £20.0m primary loan to Atlas Smart Metering, an independent UK smart-meter provider;
- A €14.75m secondary acquisition of American Tanker Inc’s 9.25% 2022 bonds, which are backed by a ship finance company focused on the intercoastal U.S. Jones Act shipping market; and
- An additional €12.5m secondary acquisition of term loans to Warnow Tunnel, a tolled tunnel in Rostock, Germany.

The following investments were sold in November:

- £15.0m of National Grid’s variable rate 2073 bonds;
- £15.0m of Electricite de France’s variable rate 2029 bonds;
- £6.0m of Euro Garages TL B; and
- \$3.4m of Teekay Shuttle Tankers’ 7.125% 2022 bonds.

Market summary

A total of 45 project finance transactions closed in November throughout the Company’s eligible jurisdictions, worth \$8.65bn in aggregate. Notable transactions outside of the Company’s investment activities during the month include:

- €59.5m financing of the 108.5MW Solaria Energia solar PV portfolio in Spain;
- A \$314m acquisition facility for the Choctaw Energy Gas-Fired power plant in Mississippi, USA; and
- A £1.1bn financing of the Silvertown Tunnel in London, UK.

In October, the US economy added 266,000 new jobs, with the unemployment rate back down to 3.5%. Q3 2019 GDP growth was estimated at 2.1% for the quarter.

The Eurozone economy grew 0.3% across the 28 member states in Q3 2019, with Germany and Italy still at 0.1% growth for the quarter.

The UK economy also remains weak, with 0% estimated growth in October 2019 and estimates of continued minimal growth for the rest of 2019.

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)	104.87
Premium	10.2%
Total gross assets	£1.66bn
Total net assets	£1.45bn
Invested portfolio as a % of NAV	107.3%
Total portfolio, including committed amounts, as a % of NAV	110.1%
Portfolio yield-to-maturity / yield-to-worst	8.2%
Dividend	Quarterly
Next expected dividend declaration	Jan 2020
Ongoing charge ratio ⁽¹⁾⁽²⁾	0.99%
Of which, the Investment Adviser’s fee ⁽¹⁾	0.75%
% of Investment Adviser’s fee relative to Invested Assets ⁽¹⁾	0.74%

Investment Adviser

Sequoia Investment Management Company
www.seqimco.com

Randy Sandstrom	r.sandstrom@seqimco.com +44 (0)20 7079 0483
Dolf Kohnhorst	d.kohnhorst@seqimco.com +44 (0)20 7079 0482
Greg Taylor	g.taylor@seqimco.com +44 (0)20 7079 0486
Steve Cook	s.cook@seqimco.com +44 (0)20 7079 0481

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 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 ⁽²⁾
Share price	1.4%	-1.0%	3.0%	5.1%	6.8%	15.6%
Total share price return	1.4%	0.3%	5.9%	10.9%	19.0%	46.5%
NAV ⁽¹⁾	0.8%	1.6%	4.6%	9.2%	15.2%	35.6%

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

Portfolio summary ⁽³⁾

81 Investments	£57.9m Largest investment	£19.3m Average size	5.6 years Average maturity	4.1 years Average life	1.2 Portfolio mod. duration	36% Average equity cushion	13.7% Construction risk
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Estimated portfolio sensitivities

Change in NAV

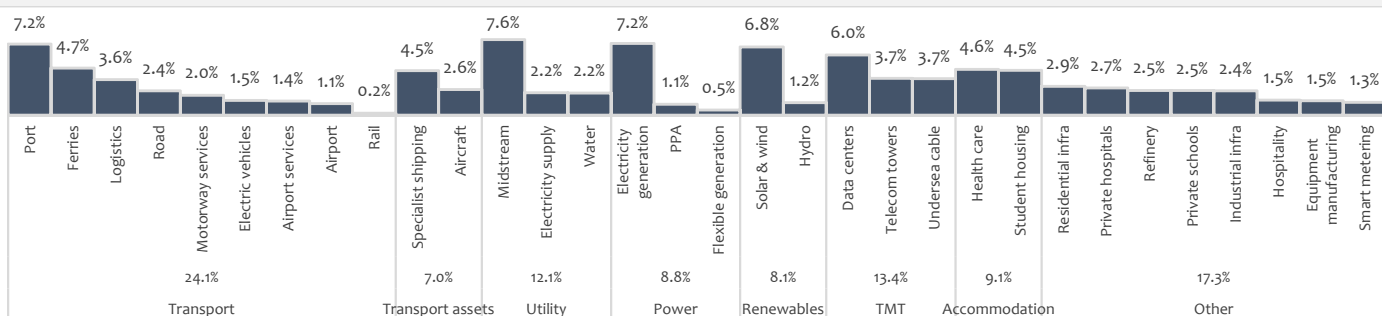
NAV movements since IPO

Pence per share

Interest rates +0.5% ⁽⁵⁾	-0.7%	Interest income ⁽⁶⁾	33.03
Interest rates -0.5%	0.8%	Expenses	-5.75
Interest rates +1.0%	-1.4%	Market movements	1.98
Interest rates -1.0%	1.6%	Acquisition costs ⁽⁷⁾	-3.00
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.81
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-26.12
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	2.91

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
AP Wireless Junior	EUR	Private	Mezz	57.9	TMT	Telecom towers	6.2
Hawaiki Mezzanine Loan	USD	Private	Mezz	57.4	TMT	Undersea cable	11.7
Salt Creek Midstream	USD	Private	Senior	53.4	Utility	Midstream	7.6
Tracy Hills TL 2025	USD	Private	Senior	45.4	Other	Residential infra	9.7
Scandlines Mezzanine 2032	EUR	Private	HoldCo	44.2	Transport	Ferries	5.9
Euroports 2nd Lien 2026	EUR	Private	Mezz	42.6	Transport	Port	7.7
Bannister Senior Secured	GBP	Private	Senior	41.2	Accomm.	Health care	8.4
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	39.2	Transport	Port	9.3
Kaveh Senior Secured TL 2021	USD	Private	Senior	38.7	TMT	Data centers	7.5
Corral HoldCo 2024	USD	Private	HoldCo	38.7	Other	Refinery	9.2
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	5.6
Bizkaia TL 2021	EUR	Private	HoldCo	36.4	Power	Elec. generation	7.7
Warnow Tunnel	EUR	Private	Senior	35.7	Transport	Road	6.7
Bulb Senior TL 2021	GBP	Private	Senior	35.0	Utility	Electricity supply	7.1



(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 ⁽⁴⁾	Private 92%	Public 8%		
Interest type	Floating 72%	Fixed 28%		
Ranking	Senior 58%	Mezz 23%	HoldCo 20%	
Region	UK 19%	N. America 47%	Europe 28%	Aus/NZ 6%
Currency net of hedges	GBP 99%	EUR 0.4%		

Disclaimer

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