

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)	116.60
Market Cap	£1.62bn

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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 106.32p from the prior month’s NAV of 104.87p per share. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.92p;
- An increase of 0.55p in asset valuations; and
- Unhedged FX losses of -0.02p.⁽³⁾

Company update

As at 31 December 2019, the Company had cash of £55.8m and had drawn £224m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £92.7m.

The Company’s invested portfolio comprised of 69 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 4.0 years. Private debt investments represented 92% of the total portfolio and 71% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 96.5% of par. Investments which are pre-operational represented 13.1% of total assets.

The Company’s invested portfolio remains geographically diverse with 44% located across the US, 20% in the UK, 30% 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 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 December include:

- A €40.0m primary senior loan to Care4U Invest, an Irish residential and day services provider for adults with an intellectual disability;
- A €30.0m primary holdco loan to Kenai Capital Markets, a German logistics and industrial park owner;
- A £20.0m primary senior loan to Prism Bidco Ltd, a portfolio of ten neurorehabilitation care homes in the UK;
- An initial \$5.0m primary holdco loan to Sunrun Radcliffe, a leader in the US residential solar market;
- An additional \$2.8m disbursement to Bourzou Equity, a company created for the construction of a data centre in Virginia; and
- An additional \$2.8m disbursement to Project Swordfish, a company that operates waterbus passenger transport systems in Antwerp.

The following investments were sold or prepaid in December:

- \$24.5m of Midcoast Energy’s TL B;
- €14.2m of Neoen Production’s mezzanine loan; and
- £8.3m of Euro Garages TL B.

Market summary

A total of 72 project finance transactions closed in December throughout the Company’s eligible jurisdictions, worth \$30.46 bn in aggregate. Notable transactions outside of the Company’s investment activities during the month include:

- €2.4bn acquisition of a 36% stake in Brussels Airport, Belgium;
- A \$326.3m financing for the development and construction of a 217MW portfolio of solar PV assets around the United States; and
- A €38.5m refinancing of Blue Elephant Energy’s 26MW solar PV portfolio in Italy.

The US economy is believed to have added 160,000 jobs in December, with an unemployment rate of 3.5%. GDP growth for Q3 remained unrevised, at 2.1%, and the Fed believes GDP growth for Q4 2019 was 2.3%.

The Eurozone economy is estimated to have grown 1.1% in 2019, with the ECB continuing its program of quantitative easing through to 2020.

The UK economy is estimated to have grown 0.2% in Q4 2019, for total 2019 growth of 1.3% and predicted growth in 2020 of 1.0%.

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)	106.32
Premium	9.7%
Total gross assets	£1.7bn
Total net assets	£1.5bn
Invested portfolio as a % of NAV	107.9%
Total portfolio, including committed amounts, as a % of NAV	114.1%
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	Jefferies International Limited
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	0.9%	0.9%	2.6%	2.7%	3.2%	16.6%
Total share price return	0.9%	2.2%	5.5%	8.4%	14.9%	47.7%
NAV ⁽¹⁾	1.4%	2.3%	4.8%	10.2%	16.3%	37.5%

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

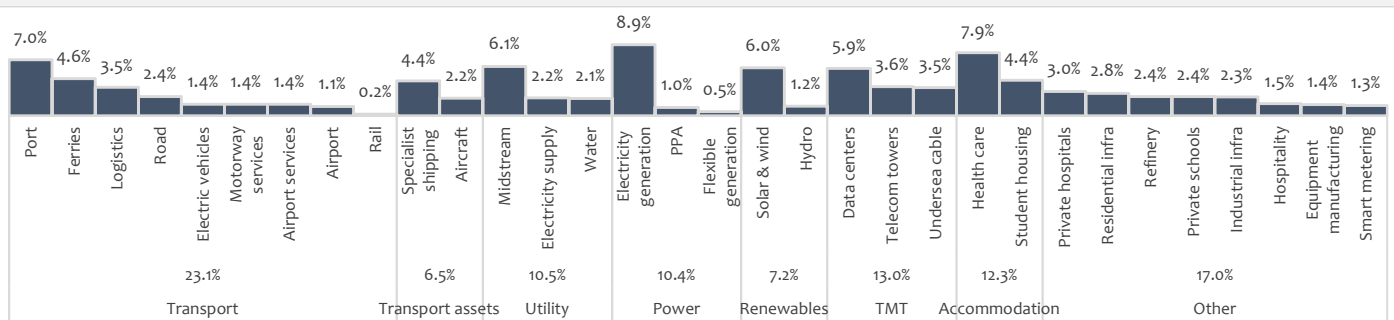
Portfolio summary ⁽³⁾

82 Investments	£57.6m Largest investment	£19.4m Average size	5.4 years Average maturity	4.0 years Average life	1.1 Portfolio mod. duration	35% Average equity cushion	13.1% 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⁾	33.61
Interest rates -0.5%	0.7%	Expenses	-5.88
Interest rates +1.0%	-1.4%	Market movements	3.06
Interest rates -1.0%	1.5%	Acquisition costs ⁽⁷⁾	-3.06
Euro +/- 5% (against GBP)	± 0.1%	FX movements ⁽⁸⁾	3.79
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	57.6	TMT	Telecom towers	6.2
Hawaiki Mezzanine Loan	USD	Private	Mezz	56.0	TMT	Undersea cable	11.7
Salt Creek Midstream	USD	Private	Senior	51.7	Utility	Midstream	7.8
Tracy Hills TL 2025	USD	Private	Senior	44.3	Other	Residential infra	9.8
Scandlines Mezzanine 2032	EUR	Private	HoldCo	43.9	Transport	Ferries	5.9
Euroports 2nd Lien 2026	EUR	Private	Mezz	42.2	Transport	Port	7.8
Bannister Senior Secured	GBP	Private	Senior	41.2	Accomm.	Health care	8.4
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	39.7	Transport	Port	9.4
Kaveh Senior Secured TL 2021	USD	Private	Senior	37.7	TMT	Data centers	7.5
Corral HoldCo 2024	USD	Private	HoldCo	37.7	Other	Refinery	11.2
Bizkaia TL 2021	EUR	Private	HoldCo	37.6	Power	Elec. generation	7.7
Whittle Schools B	USD	Private	Senior	37.5	Other	Private schools	10.8
Nasco Senior Secured 2020	USD	Private	Senior	37.1	Other	Industrial infra	7.6
Warnow Tunnel	EUR	Private	Senior	35.6	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	71%	Fixed	29%			
Ranking	Senior	58%	Mezz	22%	HoldCo	20%		
	Region	UK	20%	N. America	44%	Europe	30%	Aus/NZ
Currency net of hedges		GBP	98%	USD	1%			

Disclaimer

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