

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	1,386,814,306
Share price (pence)	114.40
Market Cap	£1.59bn

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Directors
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Sandra Platts
Jan Pethick
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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 105.55p from the prior month’s NAV of 104.76p per share (being the 31 December 2019 cum-income NAV of 106.32p less the dividend of 1.5625p per share declared in respect of the quarter ended 31 December 2019). The changes in NAV arose primarily through:

- Interest income net of expenses of 0.70p;
- An increase of 0.25p in asset valuations; and
- Unhedged FX losses of -0.16p.⁽³⁾

Company update

As at 31 January 2020, the Company had cash of £131.8m and had drawn £224m on its £280m Revolving Credit Facility (“RCF”). The Company also had undrawn commitments on existing investments collectively valued at £83.8m. The Investment Adviser has identified potential near-term investments available for purchase, with a total value of £380m.

The Company’s invested portfolio comprised of 61 private debt investments and 13 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 8.1% 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 95.1% of par. Investments which are pre-operational represented 13.2% of total assets.

The Company’s invested portfolio remains geographically diverse with 45% located across the US, 18% in the UK, 31% 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 99% 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 January include:

- An initial \$12.5m primary holdco disbursement to Sierra financing 2024, the financing of a portfolio of nine Californian gas turbines;
- An additional \$17.0m disbursement to Sunrun Radcliffe, a leader in the US residential solar market; and
- An additional \$5.0m secondary acquisition of EIF Van Hook Midstream, a midstream oil & gas company that operates primarily in North Dakota, USA.

The following investments were sold or prepaid in January:

- \$49m Nasco Senior Secured 2020, the bridge financing of a helium extraction and processing plant in the USA; and
- £47m Theatre (Hospital) plc bonds, the financing of operating hospitals in the UK.

On 10 February 2020, the Company announced a proposed partially pre-emptive issue of Ordinary Shares seeking to raise £250 million of gross proceeds before expenses. The Board have determined that the New Ordinary Shares will be issued at a price of 112.0 pence per New Ordinary Share. The results of the initial issue will be announced on 28 February 2020. The Company intends to use the proceeds raised from the issue to repay the drawn commitments under its £280m RCF. Any Net Issue Proceeds raised in excess of the amount drawn or committed under its RCF are expected to be deployed into the Company’s near-term pipeline.

Market summary

A total of 7 project finance transactions closed in January throughout the Company’s eligible jurisdictions, worth \$1.23 bn in aggregate. Notable transactions outside of the Company’s investment activities during the month include:

- A £57m financing for the construction and operation of three solar PV projects in Spain;
- A £575m refinancing of Empark, a Spanish car park operator’s debt; and
- Van Oord’s 50% acquisition of the 600MW Saare Offshore Wind farm off the coast of Estonia.

The US economy grew 2.3% in 2019, with 0.5% quarter on quarter growth for Q4 2019.

The Eurozone economy’s final 2019 growth numbers was 1.0%, with 0.1% growth in Q4.

The UK economy was confirmed to have had 0.0% growth in Q4 2019, leading to 1.1% growth for the year.

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)	105.55
Premium	8.4%
Total gross assets	£1.7bn
Total net assets	£1.5bn
Invested portfolio as a % of NAV	104.7%
Total portfolio, including committed amounts, as a % of NAV	110.4%
Portfolio yield-to-maturity / yield-to-worst	8.1%
Dividend	Quarterly
Next expected dividend declaration	April 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

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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⁾
S/price	-1.9%	0.4%	0.9%	2.6%	5.0%	14.4%
TR	-0.6%	1.7%	3.6%	8.3%	16.9%	46.9%
NAV	0.6%	2.8%	4.2%	9.9%	16.4%	38.3%

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

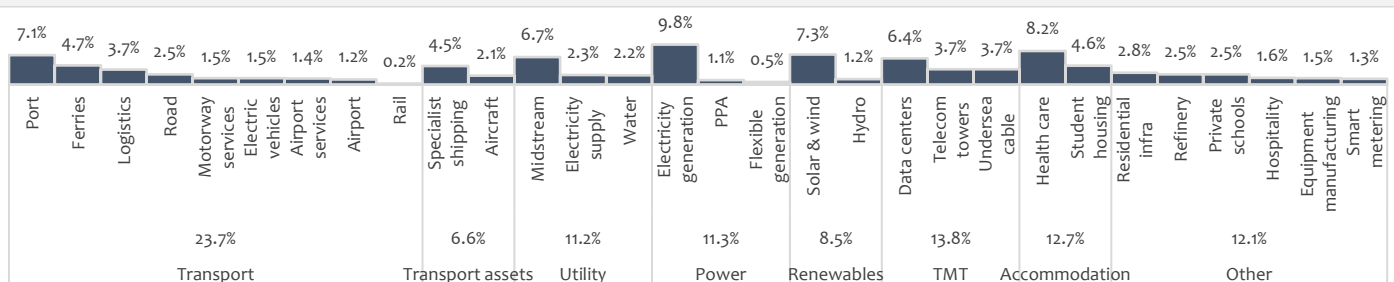
Portfolio summary ⁽³⁾

74 Investments	£57.1m Largest investment	£20.7m Average size	5.4 years Average maturity	4.0 years Average life	1.1 Portfolio mod. duration	35% Average equity cushion	13.2% 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⁾	34.44
Interest rates -0.5%	0.7%	Expenses	-6.02
Interest rates +1.0%	-1.3%	Market movements	3.32
Interest rates -1.0%	1.5%	Acquisition costs ⁽⁷⁾	-3.07
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.62
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-27.68
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	57.1	TMT	Telecom towers	6.3
Hawaiki Mezzanine Loan	USD	Private	Mezz	56.2	TMT	Undersea cable	11.7
Salt Creek Midstream	USD	Private	Senior	52.0	Utility	Midstream	7.6
Scandlines Mezzanine 2032	EUR	Private	HoldCo	43.6	Transport	Ferries	5.9
Tracy Hills TL 2025	USD	Private	Senior	43.6	Other	Residential infra	9.6
Euroports 2nd Lien 2026	EUR	Private	Mezz	42.0	Transport	Port	7.7
Bannister Senior Secured	GBP	Private	Senior	41.3	Accomm.	Health care	8.4
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	38.1	Transport	Port	9.6
Corral HoldCo 2024	USD	Private	HoldCo	37.9	Other	Refinery	11.2
Kaveh Senior Secured TL 2021	USD	Private	Senior	37.9	TMT	Data centers	8.4
Whittle Schools B	USD	Private	Senior	37.7	Other	Private schools	10.8
Bizkaia TL 2021	EUR	Private	HoldCo	37.3	Power	Elec. generation	7.7
Warnow Tunnel	EUR	Private	Senior	35.4	Transport	Road	6.6
EIF Van Hook TL B 2024	USD	Private	Senior	35.4	Utility	Midstream	8.0
Bulb Senior TL 2021	GBP	Private	Senior	35.0	Utility	Electricity supply	7.2



- (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 under-hedged in each of EUR and USD by c. 0.5% of NAV

Debt type ⁽⁴⁾	Private 92%	Public 8%		
Interest type	Floating 71%	Fixed 29%		
Ranking	Senior 58%	Mezz 20%	HoldCo 22%	
Region	UK 18%	N. America 45%	Europe 31%	Aus/NZ 6%
Currency net of hedges ⁽⁹⁾	GBP 99.0%	USD 0.5%		

Disclaimer

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