

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	1,261,153,014
Share price (pence)	113.60
Market Cap	£1.43bn

SEI	SEI
FTSE 250	FTSE 250
03/03/2015	03/03/2015
31 March	31 March
6.25 pence p.a.	6.25 pence p.a.
1,261,153,014	1,261,153,014
113.60	113.60
£1.43bn	£1.43bn

<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 104.22p from the prior month’s NAV of 103.04p per share. The changes in NAV arose primarily through:

- Interest income net of expenses of 0.57p;
- An increase of 0.08p in asset valuations;
- A loss from FX of 0.02p;<sup>(3)</sup> and
- A gain of 0.55p from issuing shares at a premium to NAV.

### Company update

As at 28 June 2019, the Company had cash of £216.3m and outstanding drawings on its Revolving Credit Facility of £195.1m. On 04 July 2019, the Company announced that £170.1m of the Revolving Credit Facility was repaid using proceeds from the recent equity issue, resulting in a cash surplus of £21.2m (net of outstanding leverage). The Company also had undrawn commitments, and one additional investment in settlement, collectively valued at £72.3m.

The Company’s invested portfolio comprised 52 private debt investments and 21 infrastructure bonds across 8 sectors and 26 sub-sectors and had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.4% and a weighted average life of approximately 4.4 years. Private debt investments represented 84.8% of the total portfolio and 69.6% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 95.7% of par. Investments which are pre-operational represented 15.2% of total assets.

The Company’s invested portfolio remains geographically diverse with 45% located across the US, 17% in the UK, 30% 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.

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 June include:

- A £50m primary mezzanine loan to Euroports, a leading international ports operator;
- A €20m secondary loan acquisition to Project Serrezuela, a portfolio of operational solar PV plants in the Murcia region of Spain;
- A \$20m primary loan to Salt Creek Midstream TopCo, a midstream oil & gas company located in the Permian Basin in Texas, USA;
- An additional \$8.0m secondary bond purchase of GenOn’s variable rate 2039 bonds backed by a portfolio of power generation assets in the US;
- An additional €1.8m secondary bond purchase of Naviera Armas SA’s variable rate 2023 bonds backed by a fleet of twenty-three passenger and freight ferries in Spain;
- An additional €800k disbursement to Hatch Student Housing in Cork, Ireland; and
- An additional \$630k disbursement to Bourzou Equity LLC, a company created for the construction of a data center in Virginia.

The following investments were called/repaid in June:

- NOK 139m (£12.9m) and \$4.8m of 2019 bonds issued by Exmar, an operator of LNG and LPG vessels.

### Market summary

A total of 79 project finance transactions closed in June throughout the Company’s eligible jurisdictions, worth \$18.7bn in aggregate. Notable transactions, outside of the Company’s investment activities, during the month include:

- A \$284m financing of the 243MW El Campo wind project in Texas;
- A \$1.6bn financing for 1.2GW Jackson Generation CCGT plant in Illinois.

The US June jobs report was positive, with 224,000 additional jobs added and expectations for GDP growth of 1.5% for Q2 2019. The unemployment rate has risen slightly, to 3.7%. The Federal Reserve will next meet at the end of July, when they are expected to cut interest rates in response to slowing global growth.

Overall, the Eurozone economy remains fragile despite the German economy posting positive GDP growth of 0.4% in Q1 2019 but is expected to contract in Q2 2019. Unemployment in the Eurozone has fallen to 7.5%, the lowest level since July 2008, but this has not translated into inflation growth, with the ECB leaning towards more monetary stimulus.

The UK economy has experienced its first quarter of contracted growth since 2012, with estimates that UK GDP contracted by 0.1% for Q2 2019.

### 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>104.22</b>
Premium	9.0%
Total gross assets	£1.5bn
<b>Total net assets</b>	<b>£1.3bn</b>
Invested portfolio as a % of NAV	98.9%
Total portfolio, including committed amounts, as a % of NAV	104.4%
Portfolio yield-to-maturity / yield-to-worst	8.4%
Dividend	Quarterly
Next expected dividend declaration	July 2019
Ongoing charge ratio <sup>(1)(2)</sup>	1.02%
Of which, the Investment Adviser’s fee <sup>(1)</sup>	0.77%
% of Investment Adviser’s fee relative to Invested Assets <sup>(1)</sup>	0.76%

### 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 31/03/19.  
(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	1.2%	0.5%	0.1%	0.5%	1.9%	13.6%
Total share price return	1.2%	1.9%	2.8%	6.0%	13.4%	40.1%
NAV <sup>(1)</sup>	1.1%	2.1%	5.1%	8.1%	14.5%	31.1%

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

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

<b>73</b> Investments	<b>£58.5m</b> Largest investment	<b>£17.8m</b> Average size	<b>5.8 years</b> Average maturity	<b>4.4 years</b> Average life	<b>1.3</b> Portfolio mod. duration	<b>36%</b> Average equity cushion	<b>15.2%</b> Construction risk
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### Estimated portfolio sensitivities

### Change in NAV

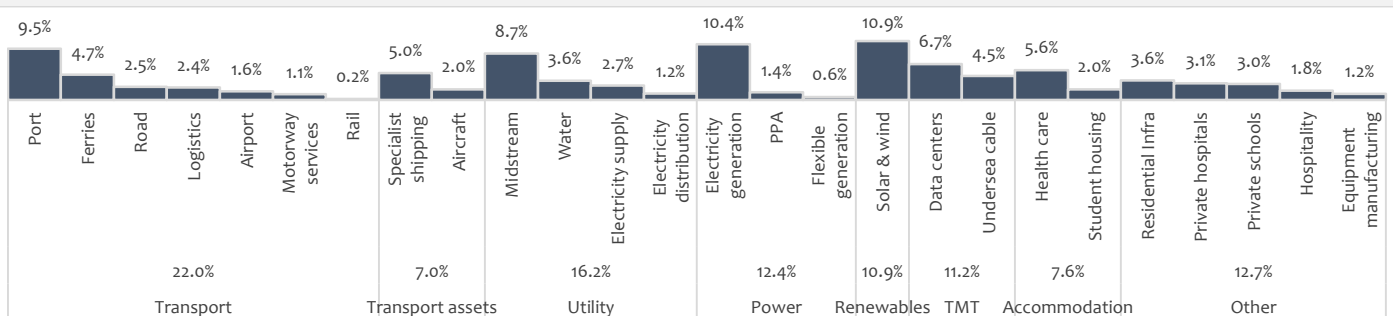
### NAV movements since IPO

### Pence per share

Interest rates +0.5% <sup>(5)</sup>	-0.7%	Interest income <sup>(6)</sup>	29.25
Interest rates -0.5%	0.8%	Expenses	-5.16
Interest rates +1.0%	-1.4%	Market movements	1.44
Interest rates -1.0%	1.6%	Acquisition costs <sup>(7)</sup>	-2.70
Euro +/- 5% (against GBP)	± 0.1%	FX movements <sup>(8)</sup>	3.87
Dollar +/- 5% (against GBP)	± -0.1%	Dividends	-22.99
Dollar up 5% and Euro down 5%	± -0.2%	Subscriptions	2.49

## 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	58.5	TMT	Undersea cable	11.6
Salt Creek Midstream	USD	Private	Senior	54.3	Utility	Midstream	8.5
Tracy Hills TL 2025	USD	Private	Senior	47.3	Other	Residential infra	10.4
Scandlines Mezzanine 2032	EUR	Private	HoldCo	46.0	Transport	Ferries	6.0
Euroports 2nd Lien 2026	EUR	Private	Mezz	44.3	Transport	Port	7.9
Bannister Senior Secured	GBP	Private	Senior	42.1	Accomm.	Health care	8.0
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	41.4	Transport	Port	8.7
Kaveh Senior Secured TL 2021	USD	Private	Senior	39.4	TMT	Data centers	8.1
Whittle Schools B	USD	Private	Senior	39.2	Other	Private schools	11.1
Bizkaia TL 2021	EUR	Private	HoldCo	36.8	Power	Electricity gen.	7.7
Aquaventure	USD	Private	Senior	35.4	Utility	Water	8.1
Bulb Senior TL 2021	GBP	Private	Senior	35.0	Utility	Electricity supply	7.2
Genon Energy Senior Secured	USD	Private	Senior	33.7	Power	Electricity gen.	8.8
Project Warsaw	EUR	Private	Senior	32.1	Renewables	Solar & wind	5.9
Sunrun Hera 2017-B	USD	Private	Mezz	31.1	Renewables	Solar & wind	8.1



(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.

(9) USD over-hedged by c. 2% of NAV.

Debt type <sup>(4)</sup>	Private 85%	Public 15%		
Interest type	Floating 70%	Fixed 30%		
Ranking	Senior 61%	Mezz 24%	HoldCo 15%	
Region	UK 17%	N. America 45%	Europe 30%	Au\$/NZ 8%
Currency net of hedges <sup>(9)</sup>	GBP 98%			

## Disclaimer

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