THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the Form of Proxy as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise have transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer will be, or was effected. If you receive this document from another shareholder, please contact Computershare Investor Services (Guernsey) Limited for a Form of Proxy.

This document is not a prospectus but a shareholder circular and it is being sent to you solely for your information in connection with the Resolutions to be proposed at an extraordinary general meeting of the Company. It does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security, including any C Shares to be issued in connection with the Open Offer, C Share Placing or Offer for Subscription or any Ordinary Shares to be issued in connection with the Placing Programme.

The Prospectus containing details of the Issue will not be posted to Shareholders and will be published on the Company's website on www.seqifund.com. Shareholders will be able to access the Prospectus by clicking on the link in the Downloads section of the website. Investors should not subscribe for any C Shares or Ordinary Shares except on the basis of the information and the terms and conditions of the Issue and/or Placing Programme contained in the Prospectus, and, if applicable, the accompanying Application Form.

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED

(a company incorporated in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered no. 59596)

Open Offer, C Share Placing and Offer for Subscription for a target issue of 150 million new C Shares at an issue price of 100 pence per C Share

and

Placing Programme in respect of up to 120 million Ordinary Shares

and

Notice of EGM

This document should be read as a whole. Nevertheless your attention is drawn to the "Letter from the Chairman" set out in Part I of this document which contains a recommendation from the Board of the Company that you vote in favour of the Resolutions to be proposed at the EGM referred to below.

This document contains a notice of an extraordinary general meeting of the Company to be held at 10.00 a.m. on 25 May 2016 which is set out at the end of this document. A Form of Proxy for use at the EGM is enclosed with this document. Whether or not you intend to attend the EGM in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY to arrive by no later than 10.00 a.m. on 23 May 2016.

Alternatively, you may register your proxy appointment and voting instruction electronically at https://www.investorcentre.co.uk/eproxy in accordance with the procedures set out in the notes accompanying the notice of the EGM. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Computershare Investor Services PLC (under CREST participant 3RA50) by no later than 10.00 a.m. on 23 May 2016. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes accompanying the notice of the EGM. A summary of the action to be taken by Shareholders is set out in paragraph 5 of Part I of this document. The electronic registration of your proxy appointment, or the return of a completed Form of Proxy or CREST Proxy Instruction will not prevent you from attending the EGM and voting in person (in substitution for your proxy vote) if you wish to do so and are so entitled.

EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, NEITHER THIS DOCUMENT NOR THE FORM OF PROXY CONSTITUTE AN OFFER OF C SHARES OR ORDINARY SHARES TO ANY PERSON.

Neither the United States Securities and Exchange Commission nor any other federal or state securities commission has approved or disapproved of the C Shares or the Ordinary Shares or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence.

Stifel Nicolaus Europe Limited ("**Stifel**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting solely for the Company and for no one else in connection with the proposed Issue and Placing Programme and will not be responsible to any person other than the Company for providing the protections afforded to clients of Stifel or for providing advice in relation to the matters described in this document. This does not exclude or limit any responsibility which Stifel may have under FSMA or the regulatory regime established thereunder.

The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). In addition, neither the C Shares nor the Placing Programme Shares have been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction in the United States. Consequently, none of the C Shares or the Placing Programme Shares may be offered or sold or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the Company to register under the Investment Company Act. The C Shares and the Placing Programme Shares may only be resold or transferred in accordance with the restrictions which will be set forth in the Prospectus. Subject to certain exceptions, this document should not be distributed, forwarded, transferred or be otherwise transmitted to any persons within the United States or to any U.S. Persons.

The proposals in this document are conditional on, amongst other things, the approval of the Resolutions by the Shareholders at the EGM.

Capitalised and certain technical terms contained in this document have the meanings set out in Part III of this document.

This document is dated 6 May 2016.

CONTENTS

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" that are based on estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements are all statements other than statements of historical fact or statements in the present tense, and can be identified by words such as "targets", "aims", "aspires", "assumes", "believes", "estimates", "anticipates", "expects", "intends", "hopes", "may", "outlook", "would", "should", "could", "will", "plans", "potential", "predicts" and "projects" as well as the negatives of these terms and other words of similar meaning. These may include, among other things, statements relating to the intentions, beliefs or current expectations of the Group and/or the Directors concerning the Group's plans or objectives for future operations, products, financial condition and results of operations.

These statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those otherwise expressed. The forward-looking statements in this document are made based upon the Company's expectations and beliefs concerning future events affecting the Group and therefore involve a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate, which may prove not to be accurate. The Company cautions that these forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in these forward-looking statements. Undue reliance should, therefore, not be placed on such forward-looking statements.

Any forward-looking statements contained in this document apply only as at the date of this document and are not intended to give any assurance as to future results. The Company will update this document as required by applicable law, including the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the London Stock Exchange and any other applicable law or regulations, but otherwise expressly disclaims any obligation or undertaking to update or revise any forward-looking statements after the date on which the forward-looking statement was made, whether as a result of new information, future developments or otherwise. In light of these risks, uncertainties and assumptions, the events outlined in this document might not occur and actual results may differ materially from those described in the forward-looking statements.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.[1]

Publication of the Prospectus	6 May 2016
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 23 May 2016
EGM	10.00 a.m. on 25 May 2016

Notes:

(1) The times set out in the expected timetable of principal events above and mentioned throughout this document are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of Stifel, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Shareholders.

PART I

LETTER FROM THE CHAIRMAN

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED

(a company incorporated in Guernsey under the Companies (Guernsey) Law, 2008, (as amended) with registered no. 59596)

Directors:

Robert Jennings (*Chairman*)
Jan Pethick
Jonathan Bridel
Sandra Platts

Registered Office:

Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

Tel: +44 (0)1481 737600

6 May 2016

To Shareholders

Dear Sir or Madam

Recommended proposals to: (i) approve the potential Issue Related Party Transaction; (ii) approve the potential Placing Programme Related Party Transaction; (iii) approve amendments to the Articles; (iv) approve the continuation of the Company; and (v) approve the disapplication of pre-emption rights in respect of up to a maximum of 200 million C Shares pursuant to the Issue and up to 120 million Ordinary Shares pursuant to the Placing Programme.

1. INTRODUCTION

Sequoia Economic Infrastructure Income Fund Limited is a Guernsey-incorporated closed-ended investment company whose Ordinary Shares are traded on the Main Market of the London Stock Exchange. The Company's investment strategy is to provide shareholders with long-term distributions by owning debt exposures to economic infrastructure projects across a diversified range of jurisdictions, sectors and sub-sectors. The Company targets an ongoing quarterly dividend equivalent to six per cent. per annum on its Ordinary Shares. The total net annual return target of the Company is seven to eight per cent.[1].

The Company's Ordinary Shares were admitted to trading on the Main Market of the London Stock Exchange on 3 March 2015, following a successful oversubscribed IPO. Following the IPO, on 2 November 2015 the Company carried out the 2015 C Share Issue through which the Company raised gross proceeds of approximately £147 million. The Board has been pleased with the Company's continued development and level of deployment of funds to date. Since the Company's launch, the Investment Adviser has successfully deployed substantially all of the net proceeds raised at IPO and the subsequent 2015 C Share Issue into a diverse portfolio of infrastructure debt investments.

The Investment Adviser has developed a portfolio which is spread over 36 investments across the UK, Western Europe, Australia and the U.S.. These investments are spread across 8 sectors and 19 sub-sectors (as at 29 April 2016). The Investment Adviser has been able to deploy proceeds ahead of the deployment target in relation to the IPO and the subsequent 2015 C Share Issue and, encouragingly, continues to see a growing and attractive pipeline of investment opportunities.

[1] Note: all dividend and return targets by reference to the IPO price of £1 per Ordinary Share.

On 15 July 2015, the Company declared an interim dividend of 1.0 pence per Ordinary Share which was paid on 14 August 2015. On 4 November 2015, the Company declared an interim dividend of 1.0 pence per Ordinary Share which was paid on 30 November 2015. On 21 January 2016, the Company declared a further interim dividend of 1.5 pence per Ordinary Share which was paid on 29 February 2016. On 20 April 2016, the Company declared a dividend of 1.5 pence per Ordinary Share, to be paid to Shareholders on the Company's share register as at 29 April 2016. Since incorporation the Company has paid an aggregate of 5 pence per Ordinary Share in dividends. The Company is confident of meeting its ongoing dividend target of six per cent.. The unaudited NAV of the Company was 99.16 pence per Ordinary Share as at 13 April 2016. The NAV as at 13 April 2016 includes a dividend of 1.5 pence per Ordinary Share declared on 20 April 2016 (but which is not yet paid).

On 14 April 2016, the Board announced that it was considering raising new capital in order to take advantage of the growing set of attractive investment opportunities accessible to the Company for the benefit of existing investors. The Board values the support provided to it from its existing Shareholders and as such it intends to have a material element of pre-emption in the equity issue. The Company will seek admission of the C Shares to the standard segment of the Official List and to trading on the Main Market. The Company has today announced that it intends to proceed with the Open Offer, C Share Placing and Offer for Subscription for a target issue of 150 million new C Shares at an issue price of 100 pence per C Share. Under the terms of the Open Offer, up to approximately 121,069,686 million C Shares will be made available to existing Qualifying Shareholders on the basis of 2 C Shares for every 5 Ordinary Shares held. The Directors may, at their discretion, issue up to a maximum number of 200 million C Shares pursuant to the Issue if the Directors, in consultation with the Investment Adviser and Stifel, believe that appropriate opportunities exist for the deployment of additional Issue proceeds in accordance with the Company's investment objectives and policy. The minimum size of gross proceeds of the Issue for the Issue to proceed is £60 million. The costs of the Issue borne by the Company are not expected to exceed two per cent. of the Gross Issue Proceeds. Further details of the Issue are included in the Prospectus. The Investment Adviser is confident that the proceeds of the Issue will be deployed within nine months of Initial Admission.

The Company also intends to issue up to 120 million Placing Programme Shares at an issue price calculated by reference to the Net Asset Value per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme. It is the intention of the Directors, however, that no Placing Programme Shares will be issued until after Conversion.

The maximum aggregate number of Placing Programme Shares that may be made available under the Placing Programme is 120 million. The net proceeds of the Placing Programme are dependent on the number of Placing Programme Shares issued pursuant to the Placing Programme. On the assumption that the Company issues the maximum number of Placing Programme Shares available for issue under the Placing Programme at an average Placing Programme price, for illustrative purposes only, of £1.025 per Ordinary Share the gross proceeds from the Placing Programme will be approximately £123 million and the expenses payable by the Company in relation to the Placing Programme including the costs of establishment and publication of the documentation of the Placing Programme, fees for commissions and registration and Placing Programme Admission fees are estimated at approximately £1.8 million, resulting in net proceeds of approximately £121 million.

To the extent that an existing Shareholder holds or, in the previous 12 months has held, Ordinary Shares representing 10 per cent. or more of the current issued share capital of the Company, such a Shareholder is considered a related party of the Company for the purposes of the Listing Rules. As a substantial shareholder of the Company, SEB Pensionsforsikring A/S and any of its Associates is considered a Related Party. Whilst the Related Party has not yet agreed to participate in the Issue or the Placing Programme, in the event that the Related Party participates in the C Share Placing, Offer for Subscription and/or the Placing Programme its participation would be expected to be treated as a related party transaction for the purposes of the Listing Rules. Consequently, should the Related Party wish to participate in the C Share Placing, Offer for Subscription and/or the Placing Programme above certain amounts, its participation will be dependent upon the prior approval of the independent Shareholders of the Company.

Accordingly and in compliance with the Companies Law and the Listing Rules, the Board is seeking Shareholder approval in connection with certain matters relating to the proposed Issue and Placing Programme. An EGM of the Company is being convened at which Shareholders will be asked to:

(A) approve the potential Issue Related Party Transaction, that may arise with respect to the Related Party that may wish to participate in the C Share Placing and/or Offer for Subscription ("**Resolution 1**");

(B) approve the potential Placing Programme Related Party Transaction which may arise with respect to the Related Party wishing to participate in the Placing Programme ("**Resolution 2**");

(C) approve the disapplication of pre-emption rights in respect of up to 200 million C Shares for the purposes of the Issue and up to 120 million Ordinary Shares for the purposes of the Placing Programme ("**Resolution 3**");

(D) approve amendments to the existing Articles in order to amend the definition of 'Calculation Time' (as currently set out in the existing Articles) to allow Conversion to take place as it is described in paragraph 3.4 below ("**Resolution 4**"); and

(E) approve the continuation of the Company in accordance with article 35.4 of the Articles ("**Resolution 5**").

The proposed Issue and Placing Programme are conditional upon, amongst other things, the Company obtaining Shareholders' approval of the Resolution 3 and Resolution 5.

The purpose of this document is to provide Shareholders with details of, and to seek Shareholder approval for, the Resolutions. This document includes a notice of the EGM to be held at 10.00 a.m. on 25 May 2016 at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR.

The Board believes that the Resolutions are in the best interests of the Company and its Shareholders as a whole and recommends that you vote in favour of the Resolutions at the EGM. You are therefore urged to complete and return your Form of Proxy without delay, whether or not you intend to attend the EGM.

2. BACKGROUND TO AND RATIONALE FOR THE ISSUE AND PLACING PROGRAMME

2.1 ***Benefits of the Issue***

The Investment Adviser continues to see significant opportunities in the economic infrastructure debt market, which the Directors consider to be due to the withdrawal of banking capacity from the sector as a consequence of the financial crisis. The Board believes that it would be in the interests of the Company to raise further funds to take advantage of these opportunities. Specifically, the Board believes that the Issue will have the following benefits:

(A) provide the Company with additional capital to take advantage of the currently available pipeline opportunities which should enable the Company to further diversify its existing portfolio;

(B) spread the Company's fixed running costs across a wider base of shareholders, thereby reducing the Company's ongoing charges and allowing the potential for better returns to investors;

(C) a greater number of Shares in issue and a wider base of shareholders is likely to improve liquidity in the market;

(D) increase the size of the Company which should help make the Company more attractive to a wider base of investors;

(E) the issue of further equity in the form of C Shares is designed to overcome the potential disadvantages for existing Shareholders which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

(1) by holding the net proceeds of the Issue as a distinct pool of assets until Conversion, existing Shareholders will not be exposed to a portfolio containing a substantial amount of uninvested cash before Conversion, thereby mitigating the risk of cash drag for those existing Shareholders;

(2) assuming that the Issue proceeds the NAV of the existing Ordinary Shares will not be diluted by the expenses directly associated with the Issue, which will be borne by the subscribers for C Shares; and

(3) the basis on which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which the holders of C Shares will become entitled will reflect the relative Net Asset Value of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share will not be adversely affected by the Conversion; and

(F) the availability of C Shares to new investors under the C Share Placing and Offer for Subscription, offers the prospect of a more diversified shareholder base, and an increased opportunity to grow the Company with the benefits of scale and liquidity for existing Shareholders.

The Directors believe that the Investment Adviser has developed a strong presence in the economic infrastructure debt market through its activity since the inception of the Company as well as its prior experience in the sector. The economic infrastructure market is a large market and is estimated to be approximately five times larger than the social infrastructure market.

By investing in debt as opposed to equity of economic infrastructure projects, the Investment Adviser is able to focus on projects which have an equity cushion of typically at least 20 per cent.. This provides the Group with a lower risk profile than equity infrastructure investments. However the Group is still able to access investments with "equity-like" infrastructure return profiles. The yield to maturity (or Yield to Worst) on the existing portfolio is 8.18 per cent. as at 13 April 2016. With more limited sources of bank funding available for demand dependent projects, the Investment Adviser has been able to build a target portfolio in excess of £250 million.

The Directors believe that a C Share offering is the most attractive structure to existing investors for a significant single fundraise. Such a structure will allow the proceeds from the Issue to be accounted for and managed in a separate pool of capital of the Company which will convert into Ordinary Shares once deployed. By accounting for and managing these assets separately, holders of existing Ordinary Shares would not be exposed to a portfolio containing a substantial amount of uninvested cash as the C Shares will not convert into Ordinary Shares before the earliest of:

(A) the close of business on the date to be determined by the Directors after the day on which at least 85 per cent. of the Net Issue Proceeds have been invested or committed to be invested in accordance with the Investment Policy;

(B) the close of business on the Business Day immediately before the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation; and

(C) the close of business or such other date as the Directors may determine in their sole discretion which in any event shall not be later than the close of business on the first anniversary of Initial Admission,

(the "**Calculation Time**"). This definition of 'Calculation Time' reflects the revised definition as set out in the proposed amendments to the Articles as more fully described in paragraph 3.4 of this Part I.

The Board recognises the importance of avoiding material cash drag to holders of Ordinary Shares and therefore, in the event that Conversion occurs when less than 85 per cent. of the Net Issue Proceeds have been invested, the Directors will, at their sole discretion, consider returning to C Shareholders (prior to such a Conversion) any uninvested Net Issue Proceeds. For the avoidance of doubt, any unsettled trades or orders will be considered 'invested' proceeds and any return to C Shareholders will exclude cash required for the Company's working capital purposes. Returns to C Shareholders may be made by way of the redemption procedure described in the Articles (whereby, at any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with the relevant holder(s) of such C Shares) or such other manner that the Directors may, in their sole discretion, determine.

The C Shares will carry no rights to attend or vote at meetings of the Company (save in certain limited circumstances where the consent of the holders of the C Shares as a class is required) and would only be entitled to receive, and to participate in, any dividends declared in relation to the C Shares that they hold. Holders of C Shares would be entitled to participate in a winding-up of the Company or on a return of capital (other than by way of a purchase of its own Shares by the Company) in relation to the net assets of the Company attributable to the C Shares (less expenses but including income arising from or relating to the relevant assets) less such proportion of the Company's liabilities as the Directors may determine to be attributable to the C Shares.

Following the Calculation Time, the admission of the new Ordinary Shares arising from the Conversion of the C Shares to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange will become effective in accordance with the Articles. The C Shares will convert into Ordinary Shares on a NAV for NAV basis at the Calculation Time by multiplying the number of C Shares in issue by the ratio of the Net Asset Value per C Share divided by the Net Asset Value per Ordinary Share (calculated in accordance with the Articles), with any fractions of Ordinary Shares being rounded down. Shareholders will, following Conversion, have the rights attaching to the Ordinary Shares and will rank *pari passu* with the outstanding Ordinary Shares in issue at the Conversion Time.

2.2 ***Benefits of the Placing Programme***

The Placing Programme is being created to enable the Company to raise further capital on an ongoing basis as new investment opportunities arise, post-conversion of the C Shares. The Directors believe that instituting the Placing Programme will:

(A) create the potential to enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to NAV per Ordinary Share, after the related costs have been deducted;

(B) grow the Company, thereby spreading operating costs over a larger capital base, which should reduce the total expense ratio;

(C) partially satisfy market demand from time to time for Ordinary Shares and improve liquidity in the market for Ordinary Shares; and

(D) enable the Company to raise additional capital quickly, in order to take advantage of investment opportunities that have been identified and which may be identified in the future.

2.3 ***Risks of the Issue and Placing Programme***

There are risks associated with the Issue and the Placing Programme. The Directors believe that the key risks relating to the Issue of C Shares and the Placing Programme include the following:

(A) the percentage holding of an existing Shareholder will be diluted to the extent that they do not participate in the Issue and/or the Placing Programme. Where a Shareholder does not participate in the C Share Placing or in the Offer for Subscription and the Issue is fully subscribed but the Shareholder (i) takes up his full entitlement under the Open Offer assuming

the maximum Issue size, the dilution of the percentage holding for an existing Shareholder would be approximately 15.7 per cent.; or (ii) has not participated in the Open Offer, such an existing Shareholder's percentage holding will be diluted by approximately 39.8 per cent assuming the maximum Issue size. However, the NAV of Ordinary Shareholders will not be diluted because the costs associated with the C Share class will be borne by C Shareholders. Where 120 million Placing Programme Shares (being the maximum number of Placing Programme Shares available under the Placing Programme) are issued pursuant to the Placing Programme, there would be a dilution of approximately 28.4 per cent. in existing Shareholders' voting control of the Company (assuming no C Shares are issued under the Issue);

(B) in the event that the Related Party subscribes for a significant number of C Shares under the Issue or a significant number of Placing Programme Shares under the Placing Programme, they may individually be able to exercise a material amount of influence over the Company by virtue of their voting rights;

(C) Ordinary Shareholders will be exposed to the C Share investment portfolio at Conversion. While this increases diversification and is in accordance with the Investment Policy, the underlying investments will be different;

(D) an active and liquid trading market for the C Shares may not develop or be maintained. Similarly, an active and liquid trading market for the Ordinary Shares may not be maintained. The Company cannot predict the effect on the price of the Shares if a liquid and active trading market for the Shares does not develop;

(E) the C Shares will carry no rights to attend or vote at meetings of the Company (save in certain limited circumstances where the consent of the holders of the C Shares as a class is required);

(F) the holders of the C Shares will only be entitled to receive, and to participate in, any dividends declared in relation to the C Shares that they hold;

(G) the Standard Listing of the C Shares will afford C Shareholders a lower level of regulatory protection than a Premium Listing;

(H) the market price of the C Shares and/or the Ordinary Shares may fluctuate significantly and investors may not be able to sell their C Shares and/or Ordinary Shares at or above the price at which they purchased them, meaning that they could lose all or part of their investment; and

(I) the C Shares and the Ordinary Shares could trade at a discount to the respective Net Asset Value per share of the C Shares. There is no guarantee that any attempts by the Company to mitigate such a discount will be successful, nor that the use of discount control mechanisms will be possible or advisable.

3. RESOLUTIONS

In order for the Issue to proceed, the Resolutions require the approval of Shareholders at the EGM. In order to be passed, the Resolutions to be proposed at the EGM will require:

- in the case of Resolutions 1, 2 and 5 which are to be proposed as ordinary resolutions, the approval of Shareholders representing more than 50 per cent. of the votes cast at the EGM; and
- in the case of Resolutions 3 and 4 which are to be proposed as special resolutions, the approval of Shareholders representing at least 75 per cent. of the votes cast at the EGM.

3.1 *Issue Related Party Transaction*

Principal terms of the Issue Related Party Transaction

The approval of the Issue Related Party Transaction by Shareholders is required pursuant to Chapter 11 of the UK Listing Authority's Listing Rules. As a substantial shareholder of the Company,

the Related Party is a related party for the purposes of the Listing Rules and the Board anticipates that it may potentially wish to subscribe for C Shares.

Therefore, any participation by the Related Party in the C Share Placing and/or Offer for Subscription would be treated as an Issue Related Party Transaction and would require the approval of independent Shareholders, to the extent that such participation breaches, in terms of size, certain specified thresholds under the Listing Rules.

Although the Related Party has not yet agreed to participate in the Issue, it is proposed that the Related Party will be able to subscribe for C Shares issued pursuant to the C Share Placing and/or Offer for Subscription, provided that their shareholding in the Company, in aggregate with any shareholding in the Company of any relevant concert parties (as defined in the City Code on Takeovers and Mergers) following their individual participation in the Issue, represents no more than 29.99 per cent. of the issued share capital of the Company following Initial Admission. Should the Related Party choose to participate in the C Share Placing and Offer for Subscription, its participation will be on the same terms as other subscribers (i.e. it shall pay £1.00 per C Share for which it subscribes). In the event that applications under the C Share Placing and/or Offer for Subscription cannot be satisfied in full, applications from the Related Party will be scaled back under the same methodology as is applicable to other Shareholders in each of the C Share Placing and the Offer for Subscription. The participation by the Related Party in the C Share Placing and/or Offer for Subscription may dilute the percentage holding of an existing Shareholder to the extent that the existing Shareholder does not participate in the Issue.

The Directors believe that the approval of the Issue Related Party Transaction is beneficial to the overall Issue.

Approval of the Issue Related Party Transaction

The Shareholders will approve the Issue Related Party Transaction through Resolution 1, which is to be proposed as an ordinary resolution at the EGM.

The Related Party will not vote on Resolution 1, and has undertaken to take all reasonable steps to ensure that its Associates will not vote on Resolution 1.

The Issue is not conditional on the passing of Resolution 1.

If Resolution 1 is not passed, the Related Party may still participate in the Issue via the Open Offer. The Related Party will have the same pro rata entitlements as the other Shareholders to subscribe for C Shares under the terms of the Open Offer.

3.2 ***Placing Programme Related Party Transaction***

The approval of the Placing Programme Related Party Transaction by Shareholders is required pursuant to Chapter 11 of the UK Listing Authority's Listing Rules. As a substantial shareholder of the Company, the Related Party is a related party for the purposes of the Listing Rules and the Board anticipates that it may potentially wish to subscribe for Placing Programme Shares.

Therefore, any participation by the Related Party in the Placing Programme would be treated as a Placing Programme Related Party Transaction and would require the approval of independent Shareholders, to the extent that such participation breaches, in terms of size, certain specified thresholds under the Listing Rules.

Although the Related Party has not yet agreed to participate in the Placing Programme, it is proposed that the Related Party will be able to subscribe for Ordinary Shares pursuant to the Placing Programme, provided that their shareholding in the Company, in aggregate with any shareholding in the Company of any relevant concert parties (as defined in the City Code on Takeovers and Mergers) following their individual participation in the Issue and Placing Programme, represents no more than 29.99 per cent. of the issued share capital of the Company following admission of the Placing Programme Shares. Should the Related Party choose to participate in the Placing Programme, its

participation will be on the same terms as other subscribers. The participation by the Related Party in the Placing Programme may dilute the percentage holding of an existing Shareholder to the extent that the existing Shareholder does not participate in the Placing Programme.

The Directors believe that the approval of the Placing Programme Related Party Transaction is beneficial to the overall Placing Programme.

Approval of the Placing Programme Related Party Transaction

The Shareholders will approve the Placing Programme Related Party Transaction through Resolution 2, which is to be proposed as an ordinary resolution at the EGM.

The Related Party will not vote on Resolution 2, and has undertaken to take all reasonable steps to ensure that its Associates will not vote on Resolution 2.

The Placing Programme is not conditional on the passing of Resolution 2.

3.3 ***Pre-emption rights***

The Articles contain pre-emption rights in respect of the allotment or sale for cash of "equity securities" (which include Ordinary Shares or C Shares or rights to subscribe for or to convert securities into Ordinary Shares or C Shares), which can be disapplied by way of a special resolution. The pre-emption rights have been disapplied up to an aggregate amount not exceeding 10 per cent. of the Ordinary Shares from time to time in issue until the conclusion of the first annual general meeting of the Company (the "**General Disapplication**"). The Directors intend to request that the General Disapplication is renewed at the first annual general meeting of the Company and, thereafter, at each general meeting of the Company. Resolution 3 proposes that the pre-emption rights are disapplied in accordance with the Articles in respect of up to 200 million C Shares to be issued pursuant to the Issue. Resolution 3 will not affect the General Disapplication.

Notwithstanding the disapplication of pre-emption rights, the Directors recognise the importance of existing Shareholders' protections and consequently the Issue is being structured to include a material element of pre-emption via the Open Offer on the basis of 2 C Shares for every 5 Ordinary Shares (which, if fully subscribed, would represent approximately 61 per cent. of the C Shares available under the Issue, assuming a maximum number of 200 million C Shares are issued pursuant to the Issue).

Resolution 3 also proposes that the pre-emption rights are disapplied in accordance with the Articles in respect of up to 120 million Ordinary Shares for the purposes of the Placing Programme. To the extent that a Shareholder does not participate in any such issue of Ordinary Shares under the Placing Programme, their existing shareholding may be diluted. For example, if 120 million Placing Programme Shares (being the maximum number of Placing Programme Shares available under the Placing Programme) are issued pursuant to the Placing Programme, there would be a dilution of approximately 28.4 per cent. in existing Shareholders' voting control of the Company (assuming no C Shares are issued under the Issue).

The allotment of Placing Programme Shares is at the discretion of the Directors and may take place at any time prior to the final closing date of 5 May 2017. An announcement of each issue of Placing Programme Shares pursuant to the Placing Programme will be released through a Regulatory Information Service, including details of the number of Placing Programme Shares issued and the applicable Placing Programme price.

3.4 ***Amendments to Existing Articles***

Resolution 4 will be proposed as a special resolution to make amendments to the existing Articles in order to amend the definition of 'Calculation Time'. The existing Articles include a definition of 'Calculation Time' which is defined as follows:

"Calculation Time means the earliest of:

(a) the close of business on the NAV Calculation Date on or immediately prior to the day on which at least 85 per cent. of the Net Proceeds (or such other percentage as the directors shall determine as part of the terms of issue of any tranche of C Shares or otherwise and for these purposes where more than one tranche of C Shares has been issued on the same date the directors may aggregate the Net Proceeds for each tranche in determining the percentage which has been invested or committed to be invested) have been invested or committed to be invested in accordance with the Company's investment policy;

(b) the close of business on the business day immediately before the day on which Force Majeure Circumstances have arisen or the directors resolve that they are in contemplation; and

(c) the close of business on such other date as the directors may determine at the date of issue of that tranche of C Shares."

The Directors consider that it would simplify and be of benefit to the overall process of Conversion of C Share if the Articles are more flexible thereby enabling the Directors to have further discretion regarding determining the Calculation Time. Accordingly, if Resolution 4 is approved by the requisite majority of Shareholders, the definition of Calculation Time will be amended to read as follows:

"Calculation Time means the earliest of:

(a) the close of business on the date to be determined by the directors after the day on which at least 85 per cent. of the Net Proceeds (or such other percentage as the directors shall determine as part of the terms of issue of any tranche of C Shares or otherwise and for these purposes where more than one tranche of C Shares has been issued on the same date the directors may aggregate the Net Proceeds for each tranche in determining the percentage which has been invested or committed to be invested) have been invested or committed to be invested in accordance with the Company's investment policy;

(b) the close of business on the business day immediately before the day on which Force Majeure Circumstances have arisen or the directors resolve that they are in contemplation; and

(c) the close of business on such other date as the directors may determine in their sole discretion."

3.5 ***Continuation of the Company***

Following the Company's successful IPO and the 2015 C Share Issue and in accordance with the Articles, the Directors are required to convene a general meeting of the Company on or before 3 September 2016 in order to propose an ordinary resolution that the Company continues its business as a closed-ended investment company (the "**Continuation Resolution**"). If the Continuation Resolution is passed, the Directors are required to convene a general meeting to propose a further Continuation Resolution every three years thereafter. The Company intends to put forth the Continuation Resolution at the EGM.

If a Continuation Resolution is not passed, the Directors are required to put forward proposals within six months for the reconstruction or reorganisation of the Company to the Shareholders for approval. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

4. APPLICATION OF THE INVESTMENT ADVISER FEE ATTRIBUTABLE TO THE C SHARE CLASS

The fee earned by the Investment Adviser under the Investment Advisory Agreement includes a proportion of fees to be applied in either acquiring or subscribing for Ordinary Shares in the capital of the Company equivalent to 25 per cent. of its aggregate fees. To the extent that the fee relates to assets managed under the C Share class, such fees will be applied in subscribing for or acquiring Ordinary Shares, with the cost of issuing such Ordinary Shares to be borne by the holders of the C Shares. Following Initial Admission, if the Ordinary Shares are trading at a premium to the Net Asset Value per Ordinary Share, the relevant Investment Adviser fee will be applied in subscribing for new Ordinary Shares to be issued by the Company at the most recent closing C Share price. To the extent that the Ordinary Shares may trade at a discount to the prevailing Net Asset Value per Ordinary Share from time to time, the relevant Investment Adviser's fee, attributable to the C Share class, will be applied in acquiring existing Ordinary Shares in the market at the prevailing Ordinary Share market price.

Pursuant to an existing authority granted by the Shareholders on 27 January 2015, the Company is authorised to apply the relevant Investment Adviser fee to make market purchases for the benefit of the Investment Adviser pursuant to the terms of the Investment Advisory Agreement, provided that (i) the maximum aggregate number of C Shares to be purchased by the Company represents no more than 14.99 per cent. of the total number of C Shares then in issue; (ii) the minimum price (exclusive of expenses) which may be paid by the Company for a C Share shall be £0.01; (iii) the maximum price (exclusive of expenses) which may be paid by the Company for a C Share shall be not more than five per cent. above the average of the mid-market quotations of a C Share as derived from the London Stock Exchange for the five business days prior to the date of the market acquisition; and (iv) such authority shall expire on the earlier of (a) 27 July 2016; or (b) the conclusion of the next annual general meeting of the Company.

5. ACTION TO BE TAKEN

The only action that you need to take is to complete the accompanying Form of Proxy.

Whether or not you intend to attend the EGM, you should ensure that your Form of Proxy (enclosed with this document) is returned to the Registrar, by one of the following means:

- in hard copy form by post, by courier or by hand to, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the EGM.

In each case, the Form of Proxy must be received by the Company not less than 48 hours before the time for holding of the EGM. In calculating such 48 hour period, no account shall be taken of any part of a day that is not a Business Day. To be valid, the relevant Form of Proxy should be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Completion and return of the Form of Proxy will not affect a Shareholder's right to attend, speak and vote at the EGM.

A quorum consisting of two Shareholders holding five per cent. of the total voting rights of the Company present in person or by proxy is required for the EGM.

The notice convening the EGM is set out on pages 37 to 39 of this document.

6. DOCUMENTS ON DISPLAY

Copies of the Articles (including the existing Articles and a form of the Articles as amended pursuant to Resolution 4) and the monthly NAV announcements are available for inspection at: (i) the registered office of the Company at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR; and (ii) the offices of Jones Day at 21 Tudor Street, London, EC4Y 0DJ during normal business hours on any Business Day from the date of this document until the conclusion of the EGM, and at the place of the EGM for at least 15 minutes prior to, and during, the EGM.

7. TIMETABLE

Application will be made for the C Shares to be issued pursuant to the Issue to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Main Market for listed securities of the London Stock Exchange. The Prospectus containing further details of the Issue has been published on the Company's website on www.seqifund.com. It is currently expected that Initial Admission will become effective, and dealings in C Shares will commence, on 10 June 2016.

Application will be made for the Placing Programme Shares to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Placing Programme Admissions will occur, and that dealings in the Placing Programme Shares will commence, not later than 5 May 2017.

8. RECOMMENDATION TO THE SHAREHOLDERS

The Board, which in respect of the Issue Related Party Transaction and Placing Programme Related Party Transaction has been so advised by Stifel, considers the Issue Related Party Transaction and the Placing Programme Related Party Transaction to be fair and reasonable so far as the Shareholders are concerned. In providing its advice to the Board, Stifel has taken into account the commercial assessment of the Board.

The Board considers that the Proposals and the Resolutions are in the best interests of the Company and its Shareholders as a whole. The Board accordingly recommends all Shareholders vote in favour of the Resolutions to be proposed at the EGM.

Yours faithfully,

Robert Jennings
Chairman

PART II

ADDITIONAL INFORMATION

1. MATERIAL CONTRACTS

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group or which are expected to be entered into prior to Initial Admission and which are, or may be, material to the Group:

1.1 ***Issue Agreement***

The Company, the Investment Adviser and Stifel have entered into an Issue Agreement dated 6 May 2016 pursuant to which, subject to certain conditions, Stifel has agreed to use reasonable endeavours to procure subscribers for the C Shares to be issued pursuant to the C Share Placing and to use reasonable endeavours to procure subscribers for the Placing Programme Shares to be issued pursuant to the Placing Programme. Neither the C Share Placing nor the Placing Programme is being underwritten by Stifel.

The Issue Agreement is conditional upon, amongst other things, Initial Admission occurring by 8.30 a.m. on 10 June 2016 (or such later date, not being later than 8.30 a.m. on 31 July 2016, as the Company and Stifel may agree) and the Issue raising the Minimum Net Proceeds.

In consideration for its services under the Issue Agreement, Stifel will receive fees and commissions of: (a) £100,000 plus 1.00 per cent. of the Gross Issue Proceeds where the Gross Issue Proceeds from the Issue are up to and including £74,999,999; or (b) £100,000 plus 1.20 per cent. of the Gross Issue Proceeds where the Gross Issue Proceeds are equal to or greater than £75,000,000 but less than £100,000,000; or (c) 1.40 per cent. where the Gross Issue Proceeds are equal to or greater than £100,000,000. In respect of the Placing Programme, Stifel will receive fees and commission of 1.25 per cent. of the gross proceeds raised (before any deductions or payment of fees or commissions) under any placing pursuant to the Placing Programme. The fee payable pursuant to the Issue or the Placing Programme is not a blended average but will be based on a single commission rate dependent upon the total amount of gross proceeds raised in each case.

Stifel is entitled under the Issue Agreement to retain agents and may pay commission in respect of the C Share Placing and/or the Placing Programme to any or all of these agents out of its own resources.

The Company and the Investment Adviser have, in the Issue Agreement, given customary warranties and undertakings to Stifel and the Company has agreed to provide customary indemnities to Stifel.

Under certain circumstances, including for material breach of a warranty, Stifel may terminate the Issue Agreement (and any related arrangements) prior to Initial Admission or any subsequent Placing Programme Admission (but in the latter case, only in respect of any further issue of Placing Programme Shares or any subsequent Placing Programme Admission).

1.2 ***Placing and Offer Agreement***

The Company, the Directors, the Investment Adviser and Stifel entered into a Placing and Offer Agreement dated 28 January 2015 pursuant to which, subject to certain conditions, Stifel agreed to use reasonable endeavours to procure subscribers for the Ordinary Shares to be issued pursuant to the placing of the Ordinary Shares at a price of 100 pence per Ordinary Share ("**Initial Placing**"). The Initial Placing was not underwritten by Stifel.

The Initial Placing and Offer Agreement was conditional upon, amongst other things, admission of the Ordinary Shares to the Main Market of the London Stock Exchange ("**IPO Admission**") occurring by 8.00 a.m. on 3 March 2015 (or such later date, not being later 8.30 a.m. on 1 April 2015, as the Company and Stifel may agree) and the issue raising minimum net proceeds of £73.5 million.

In consideration for its services under the Initial Placing and Offer Agreement, Stifel received fees and commissions of two per cent. of the gross issue proceeds of £150 million less certain agreed expenses paid or payable by the Company in connection with the Initial Placing and the offer for subscription to the public in the UK of the Ordinary Shares at a price of 100 pence per Ordinary Share and the IPO Admission.

The Company, the Directors and the Investment Adviser gave customary warranties and undertakings to Stifel and the Company agreed to provide customary indemnities to Stifel.

The Directors and the Investment Adviser have undertaken that they will not dispose of any Ordinary Shares other than with the prior consent of Stifel, until the date falling 12 months after IPO Admission and thereafter for a further period of 12 months only to dispose of Ordinary Shares in accordance with the requirements of Stifel in order to maintain an orderly market in the Ordinary Shares. In addition, the Investment Adviser has undertaken to Stifel to comply with the rolling lock-up provisions in respect of Ordinary Shares subsequently subscribed for under the Investment Advisory Agreement.

1.3 ***October Placing and Offer Agreement***

The Company, the Investment Adviser and Stifel entered into a placing and offer agreement ("**October Placing and Offer Agreement**") dated 5 October 2015 pursuant to which, subject to certain conditions, Stifel agreed to use reasonable endeavours to procure subscribers for C Shares to be issued pursuant to a C Share placing as part of the 2015 C Share Issue ("**October Placing**"). The October Placing was not underwritten by Stifel.

The October Placing and Offer Agreement was conditional upon, amongst other things, admission of the C Shares to the Main Market ("**October Admission**") occurring by 8.30 a.m. on 2 November 2015 (or such later date, not being later than 8.30 a.m. on 30 November 2015, as the Company and Stifel may agree) and the 2015 C Share Issue raising minimum net proceeds of £75 million.

In consideration for its services under the October Placing and Offer Agreement, Stifel received fees and commissions of (i) two per cent. of the gross proceeds of approximately £147 million; less (ii) certain agreed expenses paid or payable by the Company in connection with the 2015 C Share Issue and October Admission.

The Company, the Directors and the Investment Adviser gave customary warranties and undertakings to Stifel and the Company agreed to provide customary indemnities to Stifel.

1.4 ***The Investment Management Agreement***

The Company and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Investment Policy.

(A) *Powers and duties*

The Investment Manager is responsible for portfolio management of the Company, including the following services: (i) identifying potential Group investments and facilitating the acquisition and sale of investments by the Group; (ii) carrying out due diligence in the selection of the Investments and selecting counterparties, in accordance with Investment Manager's due diligence policies and procedures; (iii) ensuring investment decisions are carried out in connection with the Company's objectives, investment strategy, Investment Criteria (as set out in paragraph 2 of Part 1 of the Prospectus), Investment Concentration Limits and other applicable risk limits; (iv) carrying out ongoing monitoring of the Group's assets under management; (v) carrying out prompt and expeditious execution of orders in accordance with the Investment Manager's policy for best execution; (vi) exercising all rights and remedies of the Company or the Subsidiary in its capacity as holder of, or the person beneficially entitled to any Investments in the Portfolio, including attending or voting at any meeting of the holders

of Investments in the Portfolio and giving consents or waivers in relation to Investments on behalf of the Company or the Subsidiary; (vii) assisting the Board with a hedging strategy to mitigate currency risk in respect of the Portfolio and implementing appropriate hedging transactions in accordance with the hedging strategy; (viii) arranging for any borrowings by the Company (subject to the Company's Borrowing Limit) and calculating the Company's exposures and leverage; (ix) submitting marketing notifications to relevant competent regulatory authorities in accordance with Article 42 of the AIFMD; and (x) arranging for uninvested cash balances to be invested in appropriate short term investments.

The Investment Manager has delegated all of its powers and obligations in relation to the provision of portfolio management services to the Investment Adviser pursuant to the Investment Advisory Agreement.

Under the terms of the Investment Management Agreement, the Investment Manager is required to provide risk management services to the Company, including (i) assisting the Board with the establishment of a risk reporting framework; (ii) monitoring the Company's compliance with Investment Criteria (as set out in paragraph 2 of Part 1 of the Prospectus), Investment Concentration Limits and other risk limits in accordance with the Investment Manager's risk management policies and procedures and providing regular updates to the Board; (iii) carrying out a risk analysis of the Company's exposures, leverage, counterparty and concentration risk; and (iv) analysing market risk and liquidity risk in relation to the Portfolio.

The Investment Manager will be required to record details of executed Portfolio transactions, carry out reporting obligations to the FCA and other applicable UK AIFMD reporting obligations and prepare investor reports.

In addition, the Investment Manager is required to assist the Board in establishing, maintaining and reviewing valuation policies for calculating NAV.

(B) *Fees*

The Investment Manager is entitled to receive a management fee which shall be calculated and accrue monthly at a rate equivalent to: (a) where the Net Asset Value is less than or equal to £200 million, 0.075 per cent. of the Net Asset Value per annum; (b) where the Net Asset Value is more than £200 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value; and (c) where the Net Asset Value is more than £400 million, 0.04 per cent. of the Net Asset Value, in each case subject to an annualised minimum of £80,000 applied on a monthly basis. The management fees are calculated without regard to VAT. If there is any VAT payable on the fees then this shall be added to the fee amount. The minimum investment management fee will be subject to an annual review on 1 May of each year, the first review commencing in 2016. The investment management fees are payable monthly in arrears.

(C) *Term and Termination*

The Investment Management Agreement is for an initial term of 18 months from 28 January 2015 and thereafter will be terminable by either party on not less than six months' notice in writing.

The Investment Management Agreement may be terminated earlier by the Company with immediate effect if (i) an order has been made or an effective resolution passed for the liquidation of the Investment Manager; (ii) the Investment Manager ceases or threatens to cease to carry on its business; (iii) the Investment Manager commits a material breach of the Investment Management Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so; (iv) the Investment Manager has committed a breach of its obligation to ensure that its obligations under the Investment Management Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board who have experience of managing a portfolio of comparable size, nature and complexity to the Portfolio (which obligation may be satisfied by

delegating to a third party such as the Investment Adviser) and such breach is not remedied within 90 days of receipt of notice requiring it to do so; (v) the Investment Manager ceases to hold any required authorisation to carry out its services under the Investment Management Agreement; (vi) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing or trading of the C Shares in the Official List and on the Main Market being suspended or terminated; (vii) a representation or warranty given by the Investment Manager fails to be correct in any material respect where such failure (a) has a material adverse effect of the Company and (b) is not corrected within 30 days; (viii) an act occurs constituting fraud or criminal activity by the Investment Manager or its affiliates in the performance of its obligations under the Investment Management Agreement or any of its senior officers being indicted for a criminal offence in the performance of his or her investment management duties; (ix) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing or trading of the C Shares on the Official List and on the Main Market of the London Stock Exchange being suspended or terminated; or (x) the Company is required to do so by a competent regulatory authority or the Investment Manager ceases to be a person permitted by applicable laws to act as such.

The Investment Management Agreement may be terminated by the Investment Manager with immediate effect if (a) an order has been made or an effective resolution passed for the winding-up of the Company; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Investment Policy such that the Investment Manager in its reasonable opinion can no longer meet the service standard requirements.

In addition, upon the Investment Adviser's appointment under the Investment Advisory Agreement being terminated, the Investment Manager may terminate the Investment Management Agreement, subject to a 60 day "handover period", during which no investments shall be acquired or disposed of by the Investment Manager on behalf of the Company and no other portfolio management shall be undertaken by the Investment Manager save to the extent required by applicable law or regulation.

(D) *Standard of Care*

In managing the Portfolio, the Investment Manager has agreed to act in good faith in the best interests of the Company and its investors, and in a manner consistent with practices and procedures generally followed by prudent institutional asset managers of international standing managing assets of the nature and character of the Portfolio.

(E) *Indemnities*

The Investment Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Manager in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct or fraud of or by the Investment Manager.

(F) *Delegation*

The Investment Manager has delegated its portfolio management responsibilities under the Investment Management Agreement to the Investment Adviser pursuant to the Investment Advisory Agreement. Delegation of these responsibilities does not relieve the Investment Manager of any of its duties or liabilities under the Investment Management Agreement.

(G) *Conflicts of interest*

Whenever conflicts of interest arise in relation to the activities of the Investment Manager, including with regard to the allocation of investment opportunities to different clients, the Investment Manager will endeavour to ensure that such conflicts are identified, managed,

resolved and any relevant investment opportunities allocated, fairly, in accordance with the Investment Manager's conflict of interest policy.

(H) *Governing Law*

The Investment Management Agreement is governed by English law.

1.5 ***The Investment Advisory Agreement***

The Investment Manager, the Company, the Subsidiary and the Investment Adviser have entered into the Investment Advisory Agreement, under which the Investment Manager delegated its portfolio management duties under the Investment Management Agreement to the Investment Adviser, subject to the terms and conditions set out in the Investment Advisory Agreement.

(A) *Delegation of portfolio management to the Investment Adviser*

The Investment Adviser is also required to provide the Investment Manager with monthly reports in respect of the Portfolio and its management, including reports on (i) executed Portfolio transactions (ii) the current composition of the Portfolio and compliance with risk limits; (iii) hedging transactions and counterparties; (iv) drawings and redemptions under the note issuance facility between the Company and the Subsidiary; (v) borrowings by the Company; and (vi) investment of cash balances.

In addition, the Investment Adviser shall advise the Investment Manager in relation to valuation policies for calculating NAV and on the appropriateness of any hedging strategy proposed by advisers to the Company or the Investment Manager and shall assist where required in providing input for investor reports.

The Investment Manager shall have the right to instruct the Investment Adviser how to implement the Investment Policy and to monitor how the Investment Adviser complies with it on an ongoing basis as described above.

(B) *Fees*

Under the Investment Advisory Agreement, the Investment Adviser is entitled to receive from the Company a fee of (a) 0.5 per cent. per annum of the value of listed bonds owned by the Group; plus (b) other than bonds and cash holdings, in relation to which no fees are payable to the Investment Adviser, where Group NAV (excluding cash) is (i) less than £250 million, 0.9 per cent. per annum of the value of the Group's other investments; (ii) between £250 million and £500 million, as in (b)(i) plus 0.8 per cent. on the total value of assets not included in (b)(i); (iii) between £500 million and £750 million, as in (b)(ii) plus 0.7 per cent. on the total value of assets not included in (b)(ii); and (iv) in excess of £750 million, as in (b)(iii) plus 0.6 per cent. on the total value of assets not included in (b)(iii), in each case, payable quarterly.

One quarter of the Investment Adviser's fee will be applied in subscribing for Ordinary Shares. Effective from Initial Admission, one quarter of the Investment Adviser's fee relating to the C Shares will be applied in subscribing for further Ordinary Shares, with the cost of issuing such Ordinary Shares to be borne by the C Shareholders. All such Ordinary Shares subscribed by the Investment Adviser will be subject to a three year rolling lock up (such that those Ordinary Shares may not be sold or otherwise disposed of by the Investment Adviser without the prior consent of the Company before the third anniversary of the date of issue of the relevant Ordinary Shares). If the Company raises further capital or otherwise grows its Net Asset Value, the Investment Adviser will be entitled to a reduced percentage fee.

(C) *Term and termination*

The Investment Adviser's appointment is for an initial term equal to the initial term of the Investment Manager's appointment. Thereafter the Investment Adviser's appointment will be

automatically terminated upon the termination of the Investment Manager's appointment under the Investment Management Agreement, such termination to take effect at the end of the Investment Manager's appointment under the Investment Management Agreement.

The Investment Advisory Agreement may only be terminated earlier by the Investment Manager with immediate effect, if (i) an order has been made or an effective resolution passed for the liquidation of the Investment Adviser (ii) the Investment Adviser ceases or threatens to cease to carry on its business; (iii) the Investment Adviser commits a material breach of the Investment Advisory Agreement and fails to remedy such breach within 21 days of receiving written notice requiring it to do so; (iv) the Investment Adviser has committed a breach of its obligation to ensure that its obligations under the Investment Advisory Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Investment Manager who have experience of managing a portfolio of comparable size, nature and complexity to the Portfolio and such breach is not remedied within 21 days of receipt of notice requiring it to do so; (v) the Investment Adviser breaches any provision of the Investment Advisory Agreement and such breach results in listing or trading of the C Shares on the Official List and on the Main Market of the London Stock Exchange being suspended or terminated and such suspension or termination is not remedied within 21 days; (vi) the Investment Adviser ceases to hold any required authorisation to carry out its services under the Investment Advisory Agreement; (vii) the Investment Manager is required to do so by a competent regulatory authority; or (viii) the Investment Manager reasonably determines that such termination is in the best interests of investors in the Company.

The Investment Advisory Agreement may be terminated by the Investment Adviser (i) at any time by not less than 90 days prior written notice to the Investment Manager; or (ii) with immediate effect if (a) an order has been made or an effective resolution passed for the winding up of the Investment Manager; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Investment Policy such that the Investment Adviser in its reasonable opinion can no longer meet the service standard requirements.

(D) *Fees and expenses on termination*

If notice to terminate the Investment Advisory Agreement is served by the Investment Manager on the Investment Adviser at any time during the 18 month period from 3 March 2015, the Investment Adviser shall be entitled to be paid by the Company an amount equal to any costs and expenses incurred by the Investment Manager in connection with the issue that are borne by the Investment Adviser.

In addition, if the appointment of the Investment Adviser is terminated without cause (including where the Investment Manager's appointment is terminated by the Investment Manager as described under paragraph (viii) above under "Term and Termination" or if the Investment Manager's appointment is terminated under the Investment Management Agreement and the Investment Adviser is not retained by the Company to provide portfolio management services on equivalent terms to those set out in the Investment Advisory Agreement), the Company will be required to pay to the Investment Adviser a termination fee in an amount equal to (a) 0.5 per cent. per annum of the value of listed bonds owned by the Group; plus (b) 0.9 per cent. of the value of the Group's other investments (other than cash holdings), as such percentage fee may be reduced.

(E) *Standard of Care*

In managing the Portfolio, the Investment Adviser has agreed to act in the best interests of the Company and its investors, and in a manner consistent with practices and procedures generally followed by institutional asset managers of international standing managing assets of the nature and character of the Portfolio.

(F) *Indemnities*

The Investment Adviser has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Adviser in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct, fraud or breach of agreement of or by the Investment Adviser or any party to whom it has delegated any of its functions under the Investment Advisory Agreement.

(G) *Sub delegation*

Sub delegation may only take place with the prior written consent of the Investment Manager. Sub delegation will not relieve the Investment Adviser of any of its duties or liabilities under the Investment Advisory Agreement.

(H) *Conflicts of Interest*

The Investment Adviser is required to implement a conflicts of interest policy to address potential conflicts of interest.

(I) *Governing Law*

The Investment Advisory Agreement is governed by English law.

1.6 ***Broking Agreement***

Stifel has been appointed as retained broker to the Company pursuant to the terms of an engagement letter dated 2 March 2015, as amended by a side letter dated 15 April 2015.

The services under the engagement include (i) providing share price, market information and analysis on the Company and its market peer group; and (ii) assisting the Company in marketing of the Company's Shares. Under the terms of the engagement, Stifel will receive an annual fee ranging from £30,000 to £75,000. The Company and Stifel have agreed that, where Stifel acts as sole bookrunner to the Company, the annual fee will be reimbursed on a pound for pound basis by any commission paid by the Company in connection with an equity capital raise above £20 million (save that any reimbursement will be capped at the total annual fee amount).

Stifel has been engaged for an initial period ending 2 March 2017, during which time the agreement is terminable only on the occurrence of certain events. Following the initial term, the agreement is terminable at any time by either Stifel or the Company with one month's written notice.

Pursuant to the agreement, the Company has provided customary indemnities to Stifel.

1.7 ***The Administration Agreement***

The Administrator has been appointed, pursuant to the Administration Agreement between the Company and the Administrator, to provide ongoing accounting, company secretarial, compliance and administration services to the Group.

Under the terms of the Administration Agreement, the Administrator will receive a sliding annual fee which is charged: (a) at 0.07 per cent. of NAV where NAV is less than or equal to £300 million; (b) 0.05 per cent. of NAV where NAV is more than £300 million but less than or equal to £400 million; and (c) 0.04 per cent. of NAV where NAV is more than £400 million. The administration fee may be varied by agreement between the parties and will be subject to a minimum annual fee of £65,000 and a fee for company secretarial services based on time costs.

The Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Administration Agreement) against the Administrator resulting or arising from the Company's breach of the Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the

Administrator. Further, the liability of the Administrator to the Company under the Administration Agreement is limited (in the absence of fraud) to an amount equal to one times the annual fee paid to the Administrator thereunder.

The Administration Agreement is terminable, *inter alia*, (a) upon 90 days' written notice; or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

1.8 ***The Share Registration Services Agreement***

The Registrar (a company incorporated in Guernsey with registered number 50855) has been appointed pursuant to the Share Registration Services Agreement to provide certain share registration and online services to the Company. The Share Registration Services Agreement provides for the payment by the Company of the fees and charges of the Registrar.

Under the Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £6,000 per annum in respect of basic registration, together with any additional registrar activity not included in such basic registration services.

The Share Registration Services Agreement contains provisions whereby the Company indemnifies the Registrar, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Share Registration Services Agreement. In addition, any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Share Registration Services Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

The Share Registration Services Agreement is terminable, *inter alia*, (a) upon three months' written notice in the event of a disagreement over fees; (b) upon service of written notice if the other party commits a material breach of its obligations under the Share Registration Services Agreement which that party has failed to remedy within 21 days of receipt of a written notice to do so from the first party; or (c) upon service of written notice if a resolution is passed or an order made for the winding up, dissolution or administration of the other party.

1.9 ***The Receiving Agent Agreement***

The Receiving Agent (a company incorporated under the laws of England and Wales with registered number 03498808) has been appointed pursuant to the Receiving Agent Agreement to provide certain share registration and online services to the Company.

The Receiving Agent Agreement provides for the payment by the Company of the fees and charges of the Receiving Agent.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to fees including, in connection for the Offer for Subscription: (a) a set up management fee of £6,000; (b) processing fees per item processed per application form; and (c) various other fees in relation to certain matters. The fees for the Issue will be capped at £15,000.

The Receiving Agent Agreement contains provisions whereby the Company indemnifies the Receiving Agent, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Receiving Agent Agreement. In addition, the Company indemnifies the Receiving Agent against any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the

Receiving Agent Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

1.10 ***The Subsidiary Valuation Engagement Letter***

The Valuation Agent has been appointed by the Subsidiary pursuant to the Subsidiary Valuation Engagement Letter. The Valuation Agent is responsible for the following:

(A) providing a monthly valuation report to the Subsidiary updating the monthly valuation of each class fund's portfolio of Investments; and

(B) valuing assets acquired as at acquisition.

The Valuation Agent will be paid a fee of approximately £165,000 where there are £400 million of assets under management.

The Subsidiary Valuation Engagement Letter is terminable by 21 days' notice in writing given by either party.

1.11 ***Subsidiary Portfolio Administration and Agency Agreement***

The Subsidiary has appointed the Portfolio Administrator as portfolio administrator, the Custodian as custodian and the Account Bank as account bank, pursuant to a portfolio administration and agency agreement to provide certain portfolio administration and custodian services to the Group in relation to all assets forming part of the Portfolio and acceptable to the Custodian, and in each case any sums received in respect thereof which are held from time to time by the Custodian. Pursuant to an amendment agreement dated 6 October 2015, the Custodian will open a separate custody account in the name of the Subsidiary in respect of the assets attributable to the C Shares.

The duties of the Portfolio Administrator include (i) preparing and compiling daily reports on all assets comprising the Portfolio and delivering such reports to the Subsidiary and the Investment Adviser; (ii) preparing and compiling investment reports on a monthly basis as of the last Business Day of each calendar month, and delivering such reports to the Subsidiary and the Investment Adviser; (iii) maintaining records of the Portfolio and the obligors thereof based on information received from agent banks and the Investment Adviser; (iv) performing a comparison of the records of the Portfolio held by it with information received from agent banks; and (v) manage the receipt of periodic payments on the Portfolio into certain account(s).

The Custodian, Account Bank and Portfolio Administrator are entitled to NAV based fees of 2.5 bps per annum, with the annual fee, based on a £400 million NAV expected to be approximately £100,000 for services provided relating to portfolio administration and cash management.

The duties of the Custodian include (i) administration of the custody account including settlement of purchases and sales of custodial assets and process other transactions; and (ii) taking actions necessary to settle transactions in connection with futures or options contracts, short-selling programs, foreign exchange or foreign exchange contracts, swaps and other derivative investments.

The duties of the Account Bank include (i) holding such moneys as may be deposited from time to time with the account bank in certain accounts; (ii) applying such moneys as it may from time to time be directed in writing by the Subsidiary or by the Investment Adviser on behalf of the Subsidiary; and (iii) accepting receipt of all income and other payments made to it with respect to the Portfolio.

The Portfolio Administration and Agency Agreement is terminable on (i) 60 days notice by either party; or (ii) immediately upon the occurrence of certain events including the insolvency of any party. Any of the Custodian, the Account Bank and the Portfolio Administrator is also able to, without giving any reason, resign its appointment at any time by giving the Subsidiary at least 45 days' written notice to that effect, and would incur no responsibility for loss or liability by reason of such resignation.

The Portfolio Administration and Agency Agreement includes a provision whereby the company agrees to indemnify and hold harmless the Custodian, the Account Bank and the Portfolio Administrator against all liabilities, losses, actions, proceedings, claims, costs, demands and expenses (including legal and professional expenses).

1.12 ***Depositary Agreement***

The Company, the Investment Manager and the Depositary have entered into a Depositary Agreement, pursuant to which the Depositary has agreed to provide certain depositary services including oversight, dealings with securities and cashflow monitoring in accordance with the Articles.

(A) *Powers and duties*

Upon receipt of proper instructions from the Company or Investment Manager and in accordance with AIFMD requirements, the Depositary is responsible for:

- monitoring of the cash flow of the Company;
- safe/record keeping of the Company's assets;
- ownership verification for other assets of the Company; and
- oversight duties regarding fulfilment of regulatory and contractual requirements, control of valuation of shares/units of the Company, control of subscriptions and redemptions.

(B) *Fees*

In consideration for the provision of certain depositary services (being services which are subject to the lighter depositary requirements under Article 36 of the AIFMD), the Depositary will receive fees as follows: (i) ad valorem fees of 3.00 bps per sub-fund per annum (subject to a minimum fee of EUR 52,000 to be calculated and invoiced monthly); (ii) legal fees of EUR 13,000; and (iii) a set up fee of EUR 13,000. The annual fee, based on a £400 million NAV is expected to be approximately £120,000 for services provided relating to depositary services.

(C) *Term and Termination*

The agreement has effect from the date of the agreement and continues unless terminated on at least 90 days' notice in writing or on the occurrence of certain other terminable events.

(D) *Delegation*

The Depositary has the full power and authority to delegate whole of part of its functions. The liability of the Depositary is not affected by such delegation.

(E) *Governing Law*

The Depositary Agreement is governed by German law.

2. INTERESTS IN SHARES

2.1 ***Major Shareholders***

As at the date hereof, insofar as is known to the Company, the following persons are directly or indirectly interested in five per cent., or more of the Company's total voting rights:

Name	*Number of Ordinary Shares*	*% of Company's total voting rights*
SEB Pensionsforsikring A/S	55,902,539	18.47%
Investec Wealth & Investment Management	23,964,538	7.92%
EFG Harris Allday Clients	18,544,555	6.13%
Fondförsäkringsaktiebolaget SEB Trygg Liv	18,451,250	6.10%
Smith and Williamson Investment Management	17,344,043	5.73%
Rathbone Investment Management	15,557,589	5.14%

2.2 ***Directors' interests in shares***

As at the date hereof, insofar as is known to the Company, the interests of each Director (including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party) in the share capital of the Company are as follows:

Name	*Number of Ordinary Shares*	*% of Company's total voting rights*
Robert Jennings	115,000*	0.038
Jan Pethick	157,500*	0.052
Jonathan Bridel	7,500*	0.002
Sandra Platts	7,500	0.002

*These holdings include Ordinary Shares held by family members of the relevant Directors.

3. DISAPPLYING PRE-EMPTION RIGHTS

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares but the Articles contain pre-emption rights in relation to allotment of Shares for cash similar (with certain exceptions) to those contained in the UK Companies Act 2006. In order for the Issue and Placing Programme to proceed, resolutions to approve the disapplication of pre-emption rights in respect of up to 200 million C Shares for the purposes of the Issue and up to 120 million Ordinary Shares for the purposes of the Placing Programme will be proposed at the EGM.

4. DIRECTORS' REMUNERATION AND SERVICE CONTRACTS

All of the Directors are non executive directors.

Each of the Directors has entered into a letter of appointment with the Company dated 6 January 2015, which is, in respect of (i) Jan Pethick, Jonathan Bridel and Sandra Platts, terminable on two months' notice served by either party; and (ii) Robert Jennings, terminable on four months' notice by either party. The annual base remuneration payable to each Director is as follows:

Name	*Remuneration (£)*
Robert Jennings	£52,000 £5,000 as a listing fee payable subject to Initial Admission
Jan Pethick	£35,000 £5,500 for role as Management and Engagement Committee Chairman £5,000 as a listing fee payable subject to Initial Admission
Jonathan Bridel	£35,000 £5,500 for role as Risk Committee Chairman £5,000 as a listing fee payable subject to Initial Admission
Sandra Platts	£35,000 £5,500 for role as Audit and Remuneration Committee Chairman £5,000 as a listing fee payable subject to Initial Admission

Each Director received a listing fee of £7,500 in respect of the IPO, and a listing fee of £5,000 in respect of the 2015 C Share Issue.

In addition to the Directors' base annual fees set out above, the Company has agreed to pay the following special remuneration:

(A) Following the IPO, if the Company issues a new prospectus (not being a supplementary prospectus) in connection with the issue of further new shares in the Company, each Director shall be entitled to a further fee of £5,000 gross or an alternative fee as approved by the Remuneration and Nomination Committees that reflects market rates.

(B) If exceptional or unusual situations require (i) any of Jan Pethick, Jonathan Bridel or Sandra Platts to devote more than 18 Business Days per year; or (ii) Robert Jennings to devote more than 20 Business Days per year (in each case calculated on the basis of an eight hour day) to their role, the Company will in good faith negotiate an additional fee or per diem allowance reflecting the additional commitment of time.

None of the Directors is entitled to any pension, retirement or similar benefits.

5. SIGNIFICANT CHANGE STATEMENT

Save in respect of:

(A) the issue of C Shares under the 2015 C Share Issue and the issue of Ordinary Shares upon the conversion of such C Shares; and

(B) the resulting increase in trading activity following the 2015 C Share Issue,

there has been no significant change in the financial or trading position of the Group since 30 September 2015, being the end of the period covered by the Historical Financial Information.

6. RELATED PARTY TRANSACTIONS

Save for the agreements described in paragraph 2 of this Part 2, there are no related party transactions that the Group has entered into from its incorporation to the date of this document.

7. CONSENT

Stifel has given and not withdrawn its written consent to the inclusion of the reference to its name in the form and context in which it appears.

PART III

DEFINITIONS

"**2015 C Share Issue**"	means the admission of 146,853,627 C Shares to the standard segment of the Official List and admission to trading on the Main Market which took place on 2 November 2015;
"**Account Bank**"	means The Bank Of New York Mellon, London Branch, a banking corporation organised pursuant to the laws of the State of New York and, acting through its London branch at One Canada Square, London E14 5AL, United Kingdom, acting as account bank for the Subsidiary;
"**Administration Agreement**"	means the administration agreement dated 28 January 2015, as amended by supplemental fee letters dated 2 September 2015 and 5 May 2016 between the Company and the Administrator;
"**Administrator**"	means Praxis Fund Services Limited or such administrator as may be appointed from time to time by the Company;
"**AIFMD**"	means the Alternative Investment Fund Managers Directive 2011/61/EU;
"**Application Form**"	means the application form for use by Qualifying Shareholders in connection with the Open Offer, which will form part of the Prospectus;
"**Articles**"	means the articles of incorporation of the Company as amended from time to time (including where the context so requires, the amendments to be proposed at the EGM as more particularly described in this document);
"**Associates**"	has the meaning given in the Listing Rules;
"**Board**" or "**Directors**"	means the board of directors of the Company;
"**Borrowing Limit**"	means a maximum of 20 per cent. Of the Company's Net Asset Value immediately after any draw down of debt;
"**Business Day**"	means any day (other than a Saturday or Sunday) on which commercial banks are open for business in London and Guernsey;
"**C Share**"	means a share of no par value in the capital of the Company issued as a C Share carrying the rights and being subject to the restrictions set out in the Articles;
"**C Shareholder**"	means a holder of C Shares;
"**C Share Placing**"	means the proposed placing of C Shares at 100 pence per C Share;
"**Calculation Time**"	has the meaning given in paragraph 2 in Part I of this document;
"**Circular**"	means this document, which constitutes a circular in accordance with the Listing Rules;
"**Companies Law**"	means the Companies (Guernsey) Law, 2008 (as amended);

"**Company**"	means Sequoia Economic Infrastructure Income Fund Limited, a company incorporated in Guernsey under the Companies Law with registered no. 59596;
"**Continuation Resolution**"	has the meaning given in paragraph 3.5 in Part II of this document;
"**Conversion**"	means in relation to the C Shares, the conversion (and where relevant, subdivision and/or consolidation and/or a combination of both or otherwise as appropriate) of C Shares into new Ordinary Shares on the basis set out in the Articles;
"**Conversion Time**"	means in relation to the C Shares, a time following the Calculation Time, at which the admission of the new Ordinary Shares arising from the conversion of C Shares to trading on the London Stock Exchange becomes effective being the opening of business on such Business Day as may be selected by the Directors and falling not more than 30 Business Days after the Calculation Time or (in the case of Force Majeure Circumstances having arisen or the Directors having resolved that they are in contemplation) such earlier date as the Directors may resolve;
"**CREST**"	means the computerised settlement system operated by Euroclear UK and Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
"**CREST Proxy Instruction**"	means a proxy appointment or instruction made using CREST;
"**Custodian**"	means The Bank of New York Mellon, London Branch, a banking corporation organised pursuant to the laws of the State of New York and, acting through its London branch at One Canada Square, London E14 5AL, United Kingdom, acting as Custodian for the Subsidiary;
"**Depositary**"	means The Bank of New York Mellon SA/NV, a public limited company (société anonyme/naamloze vennootschap), with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Frankfurt branch, having its registered address at Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany;
"**Depositary Agreement**"	means the agreement between the Investment Manager, the Company and the Depositary dated 21 December 2015;
"**Disclosure and Transparency Rules**"	means the Disclosure and Transparency Rules (as amended from time to time) made by the UKLA under Part VI of FSMA;
"**EGM**"	means the extraordinary general meeting of the Company to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR at 10.00 a.m. on 25 May 2016 (or any adjournment thereof), notice of which is set out at the end of this document;
"**Excluded Territory**"	means Canada, Japan, Australia, New Zealand, the Republic of South Africa and the U.S. and any jurisdiction where the extension or availability of the Issue (and any other transaction contemplated thereby) would breach any applicable laws or regulations, and Excluded Territories shall mean any of them;

"**Excluded Shareholders**"	means, subject to certain exceptions, Shareholders who have a registered address in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory;
"**Financial Conduct Authority**" or "**FCA**"	means the Financial Conduct Authority of the United Kingdom in its capacity as the competent authority for the purposes of FSMA;
"**Force Majeure Circumstances**"	means in relation to the C Shares: (a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable (and notwithstanding that less than the appropriate percentage of the Net Issue Proceeds have been invested or committed to be invested in accordance with the Investment Policy); (b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest;
"**Form of Proxy**"	means the form of proxy enclosed with this document for use by Shareholders at the EGM;
"**FSMA**"	means the United Kingdom Financial Services and Markets Act 2000, as amended;
"**Gross Issue Proceeds**"	means the aggregate value of the C Shares issued under the Issue at the Issue Price;
"**Group**"	means the Company and the Subsidiary;
"**Historical Financial Information**"	means the published audited financial information of the Group for the period from 30 December 2014 to 28 August 2015 and the published unaudited financial information of the Group for the period from 30 December 2014 to 30 September 2015;
"**Initial Admission**"	the admission of the C Shares (offered pursuant to the Issue) to the Official List and to trading on the Main Market of the London Stock Exchange;
"**Investment Adviser**"	means Sequoia Investment Management Company Limited, a limited liability company incorporated in England and Wales (registered number: 05902847) with registered address 11-13 Market Place, London, W1W 8AH;
"**Investment Advisory Agreement**"	mean the investment advisory agreement dated 28 January 2015 (as amended pursuant to an amendment agreement dated 6 October 2015 and a further amendment agreement dated 5 May 2016) between the Investment Manager, the Company, the Subsidiary and the Investment Adviser;
"**Investment Concentration Limits**"	has the meaning given in paragraph 3 of Part 1 of the Prospectus;
"**Investment Criteria**"	has the meaning given in paragraph 2 of the Part 1 of the Prospectus;

"**Investment Management Agreement**"	means the management agreement dated 28 January 2015, as amended pursuant to an amendment agreement dated 6 October 2015 between the Company and the Investment Manager;
"**Investment Manager**"	means International Fund Management Limited, a limited liability company incorporated in Guernsey (registered number 17484) with registered address Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA;
"**Investments**"	means investments made by the Group in accordance with the Investment Policy;
"**Investment Policy**"	means the Group's investment policy;
"**IPO**"	means the admission of 150 million Ordinary Shares to the premium segment of the Official List and admission to trading on the Main Market which took place on 3 March 2015;
"**Issue**"	means the Open Offer, C Share Placing and Offer for Subscription;
"**Issue Agreement**"	means the Issue Agreement dated 6 May 2016 between the Company, the Investment Adviser and Stifel;
"**Issue Price**"	means 100 pence per C Share;
"**Issue Related Party Transaction**"	means any transaction in connection with the Issue between the Company and the Related Party which would be considered a related party transaction under Chapter 11 of the Listing Rules;
"**Listing Rules**"	means the Listing Rules made by the UKLA under section 73A of FSMA;
"**London Stock Exchange**" or "**LSE**"	means London Stock Exchange PLC;
"**Main Market**"	means the London Stock Exchange's Main Market for listed securities;
"**Minimum Net Proceeds**"	means £60 million (or such other amount as the Company and Stifel may determine and notify to investors via publication of an RIS);
"**NAV**" or "**Net Asset Value**"	means the unaudited value of the assets of the Company less its liabilities as determined in accordance with the procedure determined by the Directors or such other procedure as may be determined by the Directors from time to time and, where the context requires, the part of that amount attributable to a particular class of shares;
"**Net Issue Proceeds**"	means the net cash proceeds of the Issue (after deduction of all expenses and commissions relating to such Issue and payable by the Company);
"**Offer for Subscription**"	means the proposed offer for subscription to the public in the UK of C Shares at 100 pence per C Share;
"**Official List**"	means the official list maintained by the Financial Services Authority for the purposes of Part VI of the FSMA;
"**Open Offer**"	means the proposed conditional offer to Qualifying Shareholders, constituting an invitation to apply for C Shares at 100 pence per Share and otherwise on the terms and subject to the conditions set out in the Prospectus and, in the case of those Qualifying

	Shareholders who hold their Shares in certificated form only, the Application Form;
"**Ordinary Share**"	means an ordinary share of no par value in the capital of the Company carrying the rights and obligations set out in the Articles;
"**Placing Programme**"	means the placing programme of up to 120 million Placing Programme Shares;
"**Placing Programme Admission**"	means the admission of any Ordinary Shares to be issued pursuant to the Placing Programme to the Premium Listing segment of the Official List and to trading on the Main Market;
"**Placing and Offer Agreement**"	means the placing agreement dated 28 January 2015 between the Company, the Investment Manager, the Directors and Oriel Securities Limited;
"**Placing Programme Related Party Transaction**"	means any transaction in connection with the Placing Programme between the Company and the Related Party which would be considered a related party transaction under Chapter 11 of the Listing Rules;
"**Placing Programme Shares**"	means the new Ordinary Shares proposed to be issued pursuant to the Placing Programme;
"**Portfolio**"	means, at any time, the portfolio of Investments in which the assets of the Group are directly and/or indirectly invested;
"**Portfolio Administrator**"	means The Bank of New York Mellon SA/NV, a banking corporation organised pursuant to the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin Branch, (registered in Ireland with branch number 907126) and having its registered branch office at Hanover Building, Windmill Lane, Dublin 2, Ireland, in its respective capacities as portfolio administrator for the Subsidiary;
"**Portfolio Administration and Agency Agreement**"	means the portfolio administration and agency agreement dated 27 February 2015 as amended pursuant to an amendment agreement dated 6 October 2015 between the Subsidiary, the Investment Adviser, the Portfolio Administrator, the Account Bank and the Custodian;
"**Premium Listing**"	means a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing;
"**Proposals**"	means the recommended proposals by the Board to (i) approve the potential related party transaction in connection with the Issue; (ii) approve the potential related party transaction in connection with the Placing Programme; (iii) approve the disapplication of pre-emption rights in respect of, up to a maximum of 200 million C Shares pursuant to the Issue and up to 120 million Ordinary Shares pursuant to the Placing Programme; (iv) approve amendments to the Articles; and (v) approve the continuation of the Company;
"**Prospectus**"	means the prospectus of the Company published in connection with the Issue and Placing Programme on 6 May 2016;

"**Prospectus Rules**"	means the prospectus rules made by the Financial Services Authority for the purposes of Part VI of the FSMA;
"**Qualifying Shareholders**"	means holders of Ordinary Shares in the Company as at a date shortly before publication of, and to be set out in, the Prospectus, with the exclusion of Excluded Shareholders;
"**Receiving Agent**"	means Computershare Investor Services PLC;
"**Receiving Agent Agreement**"	means the receiving agent agreement dated 28 January 2015 between the Company and the Receiving Agent of the Company;
"**Registrar**"	means Computershare Investor Services (Guernsey) Limited or such other person or persons from time to time appointed by the Company;
"**Regulatory Information Service**" or "**RIS**"	means a regulated information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA;
"**Related Party**"	means SEB Pensionsforsikring A/S and any of its Associates, which is a related party (as such term is defined in LR11.1.4 of the Listing Rules) to the Company for the purposes of the Issue and/or Placing Programme ;
"**Resolution 1**"	has the meaning given in paragraph 1 of Part I of this Circular;
"**Resolution 2**"	has the meaning give in paragraph 1 of Part I of this Circular;
"**Resolution 3**"	has the meaning given in paragraph 1 of Part I of this Circular;
"**Resolution 4**"	has the meaning given in paragraph 1 of Part I of this Circular;
"**Resolution 5**"	has the meaning given in paragraph 1 of Part I of this Circular;
"**Resolutions**"	means Resolution 1, Resolution 2, Resolution 3, Resolution 4 and Resolution 5;
"**Shareholders**"	means the holders of C Shares and/or Ordinary Shares as the context requires;
"**Shares**"	means C Shares and/or Ordinary Shares, as the context requires;
"**Share Registration Services Agreement**"	means the company share registration services agreement dated 28 January 2015 between the Company and the Registrar;
"**Standard Listing**"	means a listing on the Official List which complies with the requirements of the Listing Rules for a standard listing;
"**Sterling**" or "**£**"	means the current lawful currency of the United Kingdom;
"**Stifel**"	means Stifel Nicolaus Europe Limited;
"**Subsidiary**"	means Sequoia IDF Asset Holdings S.A., a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg and subject to, as an unregulated securitisation entity, the Securitisation Act 2004, having its registered office at 46A Avenue J.F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies;

"**Subsidiary Valuation Engagement Letter**"	means the valuation engagement letter dated 28 January 2015 between the Subsidiary and the Valuation Agent;
"**UK"** or "**United Kingdom**"	means the United Kingdom of Great Britain and Northern Ireland;
"**UKLA**" or "**UK Listing Authority**"	means the FCA acting in its capacity as the competent authority for the purposes of FSMA;
"**U.S. Person**"	has the meaning given in Regulation S;
"**Valuation Agent**"	means Mazars LLP or such valuation agent as may be appointed from time to time by the Company;
"**VAT**"	means value added taxation or a similar or replacement tax; and
"**Yield to Worst**"	means, for bonds with call dates, the lowest of the yield-to-call rates for each call date and the yield to maturity.

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED

(a company incorporated in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered no. 59596)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Sequoia Economic Infrastructure Income Fund Limited (the "**Company**") will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR at 10.00 a.m. on 25 May 2016 to consider and, if thought fit, pass the following resolutions, of which Resolutions 1, 2 and 5 will be proposed as ordinary resolutions and Resolutions 3 and 4 will be proposed as special resolutions. Defined terms in this notice will have the meaning given to them in the circular to shareholders published by the Company on 6 May 2016 ("**Circular**"), a copy of which has been produced to this meeting and initialled by the Chairman for the purposes of identification.

Ordinary Resolutions

1. **THAT** the issue of any new C Shares to SEB Pensionsforsikring A/S and any of its Associates (the Related Party) pursuant to the C Share Placing and/or Offer for Subscription of C Shares on the basis described in the Circular be and is hereby approved, provided that its shareholding in the Company following its participation in the Issue in aggregate with any shareholding in the Company of any of its concert parties (as defined in the City Code on Takeovers and Mergers) represents no more than 29.99 per cent. of the issued share capital of the Company following admission of the C Shares.

2. **THAT** the issue of any Placing Programme Shares to SEB Pensionsforsikring A/S and any of its Associates (the Related Party) pursuant to the Placing Programme be and is hereby approved, provided that its shareholding in the Company following its participation in the Placing Programme in aggregate with any shareholding in the Company of any of its concert parties (as defined in the City Code on Takeovers and Mergers) represents no more than 29.99 per cent. of the issued share capital of the Company following admission of the Placing Programme Shares.

Special Resolutions

3. **THAT** in substitution for the existing authority to disapply pre-emption rights for the issue of C Shares pursuant to a special resolution of the Company dated 5 October 2015 the Directors be and are hereby authorised to allot and issue (or sell from treasury) equity securities (within the meaning of the Articles) for cash, as if Article 5.1 of the Articles did not apply to any such allotment and issue, each of the following:

   (A) up to 200 million C Shares for the purposes of the Issue; and

   (B) up to 120 million Ordinary Shares for the purposes of the Placing Programme;

   provided that the authority for the C Shares shall expire on 30 September 2016 and the authority for the Ordinary Shares shall expire on the later of: (a) 12 months following Initial Admission; and (b) the conclusion of the 2017 annual general meeting, unless, in each case, such authority is renewed, varied or revoked by the Company, save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such Shares to be issued (or sold from treasury) or rights to be granted after such expiry and the Directors may issue (or sell from treasury) such Shares (or to grant rights to subscribe for or to convert any securities into Shares) in pursuance of any such offer or agreement as if the authority conferred hereby had not expired and provided further that this authority is without prejudice to the existing authority to disapply pre-emption rights up to an aggregate amount not exceeding 10 per cent. of the Ordinary Shares from time to time in issue pursuant to a special resolution of the Company dated 5 October 2015.

4. **THAT** the definition of "Calculation Time" in article 1 of the Articles be amended by deleting the existing definition in its entirety and replacing it with the following:

"Calculation Time means the earliest of:

(A) the close of business on the date to be determined by the directors after the day on which at least 85 per cent. of the Net Proceeds (or such other percentage as the directors shall determine as part of the terms of issue of any tranche of C Shares or otherwise and for these purposes where more than one tranche of C Shares has been issued on the same date the directors may aggregate the Net Proceeds for each tranche in determining the percentage which has been invested or committed to be invested) have been invested or committed to be invested in accordance with the Company's investment policy;

(B) the close of business on the business day immediately before the day on which Force Majeure Circumstances have arisen or the directors resolve that they are in contemplation; and

(C) the close of business on such other date as the directors may determine in their sole discretion."

Ordinary Resolution

5. **THAT** pursuant to article 35.4 of the Articles the Company continues its business as a closed-ended investment company.

By order of the Board

Sequoia Economic Infrastructure Income Fund Limited

Registered Office:

Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

Date: 6 May 2016

NOTES:

Proxies

1. A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the EGM. A shareholder may appoint more than one proxy in relation to the EGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not also be a shareholder of the Company.

2. Shareholders will find enclosed a form of proxy for use in connection with the EGM (and any adjournment). The form of proxy should be completed in accordance with the instructions. To be valid, the form of proxy (together with the power of attorney or other authority, if any, under which it is executed or a notarially certified copy of such power or authority) must be deposited at the offices of the Company's Registrars, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY or at the email address: info@computershare.co.gg or by fax to +44(0)370 873 5851 by 10.00 a.m. on 23 May 2016. Where a form of proxy is given by email or fax the power of attorney or other authority, if any, under which it is executed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Registrars at the above address by the appointed time. A space has been included in the form of proxy to allow shareholders to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the form of proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrar, Computershare Investor Services PLC on their helpline number: 0370 707 4040 from within the UK or on +44 370 707 4040 if calling from outside the UK for additional forms of proxy, or you may photocopy the form of proxy provided with this document indicating on each copy the name of the proxy you wish to appoint and the number of ordinary shares in the Company in respect of which the proxy is appointed. All forms of proxy should be returned together in the same envelope.

   In the case of joint holders, any one holder may vote. If more than one holder is present at the meeting, only the vote of the senior will be accepted, seniority being determined in the order in which the names appear on the register of shareholders of the Company.

3. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

Corporate representatives

4. Corporate shareholders may by resolution of its board or other governing body, authorise such person or persons as it thinks fit to act as its representative at the EGM. Where a person is authorised to represent a corporate shareholder, he may be required to produce a certified copy of the resolution from which he derives his authority.

Right to attend and vote

5. To be entitled to attend and vote at the EGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at the close of business on 23 May 2016 or, in the event of any adjournment, close of business on the date which is two days before the time of the adjourned meeting. Changes to entries on the register of shareholders after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.

CREST members

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the EGM (and any adjournments thereof) by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar, by the latest time for receipt of proxy appointments specified in this notice of EGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST members is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.