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|------------------------|---------------|
| LSE Ticker | SEI |
| LSE index constituency | FTSE 250 |
| Listing date | 03/03/2015 |
| Year end | 31 March |
| Annual dividend target | 6 pence p.a. |
| Shares in issue | 1,060,975,849 |
| Share price (pence) | 113.80 |
| Market Cap | £1.21bn |

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

Sequoia Economic Infrastructure Income Fund Limited (“SEI” or “the Company”) seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a high-quality portfolio of private debt and bond investments diversified across thirteen mature jurisdictions and a range of sectors & subsectors.

SEI NAV movements

The NAV for SEI, the specialist investor in economic infrastructure debt, increased to 102.62p from the prior month’s NAV of 101.91p per share (being the 31 March cum-income NAV of 103.41 less the dividend of 1.5 pence per share declared in respect of the quarter ended 31 March 2019). The changes in NAV arose primarily through:

- Interest income net of expenses of 0.72p; and
- A combined decrease of -0.01p in asset valuations and FX movements⁽³⁾

Company update

As at 30 April 2019, the Company had cash of £25.5m and outstanding drawings on its Revolving Credit Facility of £113.9m, resulting in net leverage of £88.4m. The Company also had undrawn commitments, and one additional investment in settlement, collectively valued at £84.2m. On 14 May 2019, the Company announced the successful close of an additional £50m accordion tranche of its Revolving Credit Facility, increasing the maximum facility amount to £200m.

As at 30 April 2019, the Company’s invested portfolio comprised of 50 private debt investments and 21 infrastructure bonds across 8 sectors and 26 sub-sectors and had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.6% and a weighted average life of approximately 4.3 years. Private debt investments represented 84.9% of the total portfolio and 69.1% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 94.8% of par. Investments which are pre-operational represented 17.7% of total assets.

The Company’s invested portfolio remains geographically diverse with 47% located across the US, 18% in the UK, 26% in Europe, and 9% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy but has invested in selective opportunities in Spain. The Company’s pipeline of economic infrastructure debt investments remains strong and is diversified by sector, sub-sector, and jurisdiction. The Investment Advisor is using current market conditions to position the portfolio more defensively and with a higher credit quality which it aims to achieve over time.

As at 30 April 2019, approximately 99% of the Company’s NAV consisted of either Sterling assets or was hedged into Sterling. The Company has adequate resources to cover the cash costs associated with its hedging activities.

The Company’s settled investment activities during April include:

- A \$15.0m combined secondary acquisition of NewCold USA’s Burley and Tacoma mezzanine loans, fully automated cold storage facilities with anchor tenants on long-term contracts.
- An additional €6.7m secondary acquisition of term loans to Warnow Tunnel, a tolled tunnel in Rostock, Germany;
- An additional \$5.0m secondary loan acquisition to Terra-Gen, a renewable energy company;
- An additional €5.0m secondary bond purchase of Naviera Armas SA’s variable rate 2023 bonds;
- An additional €2.0m secondary bond purchase of Naviera Armas SA’s variable rate 2024 bonds; and
- An additional €2.4m secondary bond purchase of Teekay Shuttle Tankers’ 7.125% 2022 bonds.

No investments were prepaid or sold during April.

The Company also announced on 14 May 2019 that it is considering a further issue of equity to take advantage of a strong pipeline of investment opportunities. Further details of the possible equity issue will be announced in due course.

Market summary

A total of 33 project finance transactions closed in April throughout the Company’s eligible jurisdictions, worth \$6.7bn in aggregate. Notable transactions during the month include:

- A \$1bn financing of the development of the Indeck Niles CCGT Facility in Michigan, US; and
- A CAD \$663m financing of the construction of the extension to Ottawa’s LRT Trillium Line in Canada.

The US economy added 263,000 jobs in April 2019, with the unemployment rate at 3.6%. The economy has added jobs for 103 months in a row, the longest period of sustained job creation since records began.

The Eurozone economic numbers are more positive for Q1 2019, with Italy emerging from recession with growth of 0.2%, France with growth of 0.3%, and Spain posting 0.7% growth. Overall, Eurozone GDP growth was 0.4%, the highest it had been since Q2 2018.

The UK economy remains heavily impacted by Brexit. The UK’s exit from the EU has been pushed back to a potential date of 31st October, which has had a positive impact on the UK’s economic forecast. Expected growth for Q1 2019 has been revised upwards to 0.5% and expected growth for 2019 is now 1.6%, up from 1.2%.

Company information

SEI seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio, across a range of jurisdictions, sectors and sub-sectors, of senior and subordinated economic infrastructure debt investments.

SEI’s policy is not to invest any of its assets in equity products, including other listed closed-ended investment funds. As such, the Company considers its shares to be eligible investments, under the FCA’s Listing Rule 15.4.5, for other listed closed-ended investment funds.

Portfolio information

| | |
|--|---------------|
| NAV per share (pence) | 102.62 |
| Premium | 10.9% |
| Total gross assets | £1.2bn |
| Total net assets | £1.1bn |
| Invested portfolio as a % of NAV | 108.1% |
| Total portfolio, including committed amounts, as a % of NAV | 115.8% |
| Portfolio yield-to-maturity / yield-to-worst | 8.6% |
| Dividend | Quarterly |
| Next expected dividend declaration | July 2019 |
| Ongoing charge ratio ⁽¹⁾⁽²⁾ | 1.02% |
| Of which, the Investment Adviser’s fee ⁽¹⁾ | 0.77% |
| % of Investment Adviser’s fee relative to Invested Assets ⁽¹⁾ | 0.78% |

Investment Adviser

Sequoia Investment Management Company
www.seqimco.com

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|-----------------|--|
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Fund Service Providers

| | |
|----------------------|------------------------------|
| Administrator | Praxis Fund Services Limited |
| AIFM | International Fund Mgmt Ltd |
| Auditors | KPMG |
| Brokers | Stifel Nicolaus Europe Ltd |
| Custodian | Bank of New York Mellon |

- (1) For the twelve months ending 31/03/19.
(2) The OCR is calculated in line with AIC guidance and will differ from the PRIIPs OCR as defined under the PRIIPs regulation due to borrowing costs being included under PRIIPs and as disclosed in the KID document which is available on the Company’s website.
(3) Net of currency hedges.

Performance since IPO

| SEQI | 1 month | 3 months | 6 months | 1 year | 2 years | ITD ⁽²⁾ |
|--------------------------|---------|----------|----------|--------|---------|--------------------|
| Share price | 0.7% | 2.1% | 3.9% | 5.9% | 2.5% | 13.8% |
| Total share price return | 0.7% | 2.1% | 5.3% | 10.2% | 12.6% | 38.5% |
| NAV ⁽¹⁾ | -0.8% | 1.2% | 2.5% | 6.4% | 11.5% | 27.4% |

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

Portfolio summary ⁽³⁾

| | | | | | | | |
|-------------------|------------------------------|------------------------|-------------------------------|---------------------------|--------------------------------|-------------------------------|----------------------------|
| 71 Investments | £56.2m Largest investment | £16.6m Average size | 6.0 years Average maturity | 4.3 years Average life | 1.3 Portfolio mod. duration | 35% Average equity cushion | 17.7% Construction risk |
|-------------------|------------------------------|------------------------|-------------------------------|---------------------------|--------------------------------|-------------------------------|----------------------------|

Estimated portfolio sensitivities

Change in NAV

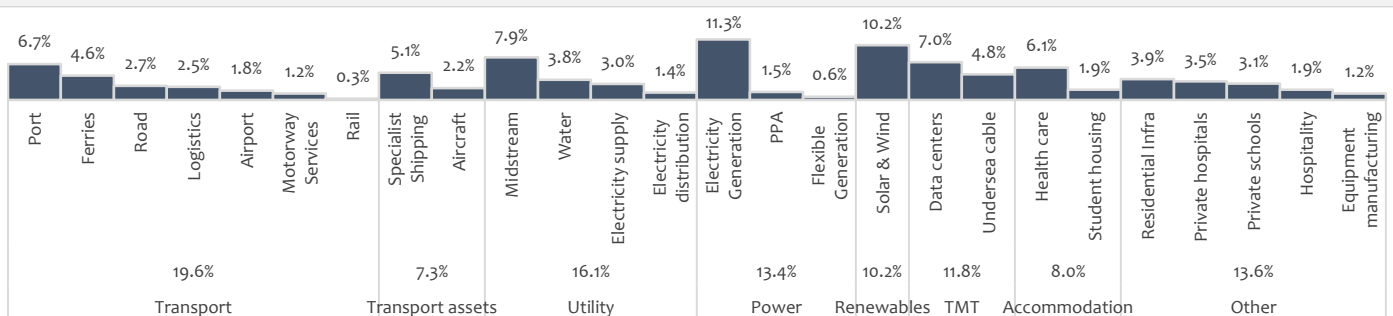
NAV movements since IPO

Pence per share

| | | | |
|-------------------------------------|--------|----------------------------------|--------|
| Interest rates +0.5% ⁽⁵⁾ | -0.9% | Interest income ⁽⁶⁾ | 27.69 |
| Interest rates -0.5% | 0.9% | Expenses | -4.91 |
| Interest rates +1.0% | -1.7% | Market movements | 1.46 |
| Interest rates -1.0% | 1.9% | Acquisition costs ⁽⁷⁾ | -2.61 |
| Euro +/- 5% (against GBP) | ± 0.0% | FX movements ⁽⁸⁾ | 4.01 |
| Dollar +/- 5% (against GBP) | ± 0.0% | Dividends | -23.00 |
| Dollar up 5% and Euro down 5% | ± 0.0% | Subscriptions | 1.95 |

Top holdings

| Investment name | Ccy | Type | Ranking | Value £m ⁽¹⁾ | Sector | Sub-sector | Yield ⁽²⁾ |
|------------------------------|-----|---------|---------|-------------------------|------------|--------------------|----------------------|
| Hawaiki Mezzanine Loan | USD | Private | Mezz | 56.2 | TMT | Undersea cable | 11.1 |
| Salt Creek Midstream | USD | Private | Senior | 52.9 | Utility | Midstream | 8.5 |
| Tracy Hills TL 2025 | USD | Private | Senior | 46.0 | Other | Residential infra | 10.5 |
| Scandlines Mezzanine 2032 | EUR | Private | HoldCo | 44.2 | Transport | Ferries | 6.1 |
| Bannister Senior Secured | GBP | Private | Senior | 42.1 | Accomm. | Health care | 8.0 |
| Adani Abbot HoldCo 2021 | AUD | Private | HoldCo | 40.5 | Transport | Port | 9.5 |
| Kaveh Senior Secured TL 2021 | USD | Private | Senior | 38.3 | TMT | Data centers | 8.2 |
| Whittle Schools B | USD | Private | Senior | 36.1 | Other | Private schools | 11.1 |
| Bizkaia TL 2021 | EUR | Private | HoldCo | 35.4 | Power | Electricity gen. | 7.7 |
| Bulb Senior TL 2021 | GBP | Private | Senior | 35.0 | Utility | Electricity supply | 7.2 |
| Aquaventure | USD | Private | Senior | 34.5 | Utility | Water | 8.1 |
| Project Warsaw | EUR | Private | Senior | 30.8 | Renewables | Solar & wind | 5.9 |
| Seaport TL B | USD | Private | Senior | 30.7 | Transport | Port | 8.0 |
| Sunrun Hera 2017-B | USD | Private | Mezz | 30.3 | Renewables | Solar & wind | 8.1 |
| Sacramento Data Centre | USD | Private | Senior | 29.2 | TMT | Data centers | 11.0 |



(1) Excluding accrued interest;

(2) Yield to maturity / worst;

(3) All information based on settled investments only;

(4) Percentage of invested assets (excluding cash), due to rounding this may not total 100%;

(5) A simultaneous parallel shift in EUR, GBP and USD yield curves;

(6) PIK interest and fee income were previously recorded as capital gains, and have been retroactively applied up and including this month's NAV movements;

(7) Non-cash cost of marking the acquired position to the "bid" side of the price. Assumed to be 0.5% for bonds and 1.0% for loans;

(8) Net of currency hedges.

Debt type ⁽⁴⁾

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|------------------------|------------|----------------|------------|-----------|
| Debt type | Public 15% | Private 85% | | |
| Interest type | Fixed 31% | Floating 69% | | |
| Ranking | Senior 64% | Mezz 22% | HoldCo 13% | |
| Region | UK 18% | N. America 47% | Europe 26% | Aus/NZ 9% |
| Currency net of hedges | GBP 99% | USD 1% | | |

Disclaimer

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