

LSE Ticker	SEI
LSE index constituency	FTSE 250
Listing date	03/03/2015
Year end	31 March
Annual dividend target	6.25 pence p.a.
Shares in issue	1,386,814,306
Share price (pence)	113.40
Market Cap	£1.57bn

Directors
Robert Jennings (Chairman)
Sandra Platts
Jan Pethick
Jon Bridel
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Sequoia Economic Infrastructure Income Fund Limited (“SEI” or “the Company”) seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a portfolio of private debt and bond investments diversified across thirteen mature jurisdictions and a range of sectors & subsectors.

SEI NAV movements

The NAV for SEI, the specialist investor in economic infrastructure debt, increased to 106.36p from the prior month's NAV of 105.55p per share.

The changes in NAV arose primarily through:

- Interest income net of expenses of 0.74p;
- A decrease of 0.02p in asset valuations; and
- Unhedged FX gains of 0.09p.⁽³⁾

Company update

As at 28 February 2020, the Company had cash of £68.5m and had drawn £224m on its £280m RCF. The Company also had undrawn commitments on existing investments collectively valued at £116.6m.

The Company's invested portfolio comprised of 60 private debt investments and 14 infrastructure bonds across 8 sectors and 30 sub-sectors. It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.3% and a weighted average life of approximately 4.1 years. Private debt investments represented 91% of the total portfolio and 70% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company's investments was 96.4% of par. Investments which are pre-operational represented 13.0% of total assets.

The Company's invested portfolio remains geographically diverse with 49% located across the US, 15% in the UK, 30% in Europe, and 6% in Australia/New Zealand. Currently the Company is not investing in Portugal or Italy but has selectively invested in opportunities in Spain. The Company's pipeline of economic infrastructure debt investments remains strong and is diversified by sector, sub-sector, and jurisdiction.

At month end, approximately 100% 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 February include:

- An \$65.0m secondary senior loan to Expedient Data Centers Senior Secured 2026 backed by a portfolio of 11 tenanted data centres in the US;
- An \$32.0m primary loan to SAPA 2020-1A, an aircraft securitisation backed by a portfolio of 21 aircraft assets on lease to 19 lessees located in 19 jurisdictions;
- An additional \$2.0m disbursement to Bourzou Equity, a company created for the construction of a data centre in Virginia;
- An additional NOK 2.0m secondary acquisition of Exmar's variable rate bonds maturing in 2022, backed by LNG and LPG vessels; and
- An additional \$14.2m disbursement to Sunrun Radcliffe, a leader in the US residential solar market.

The following investments were sold or prepaid in February:

- £20m Prism BidCo Senior Secured 2020, a portfolio of ten neurorehabilitation care homes in the UK; and
- \$2m Apollo Aviation 2016-2 B, a USD aircraft securitization.

Post 28 February 2020 NAV Date activity

On 9 March 2020, the Company received £296.6m of net proceeds from the recent oversubscribed equity issue. The Board is therefore pleased to confirm that 267,857,142 new Ordinary Shares have since been issued at a price of 112.0 pence per share.

On 9 March, the Company repaid the outstanding £224m RCF balance in full using proceeds from the Initial Issue, and as of 13 March, the Company will have deployed an additional £44.2m in its pipeline of opportunities since closing, resulting in a net cash balance as at publication of this report of £28.4m. The total liquidity currently available to the Company is therefore £308.4m which includes cash and undrawn amounts on the Company's Revolving Credit Facility.

Update on COVID-19 and market summary

In light of the fluid COVID-19 situation, the Investment Adviser continues to assess its potential effect on the Company's portfolio. At the time of the publication of this report, the Investment Adviser has not observed any material negative impacts on the valuation of the portfolio. The Investment Adviser and the Board are monitoring the situation closely and any potential impact on the portfolio on an ongoing basis. In terms of deployment, the Investment Adviser is continuing to see attractive economic infrastructure debt opportunities into which the remaining cash will be deployed.

Yet as more than 119,000 people have been infected by COVID-19 worldwide, global markets have struggled to find even footing after a rough month that hit the equity markets particularly hard with US stocks halting trading after falling 7% on 9 March.

Both the Federal Reserve and the Bank of England have announced emergency rate cuts of 50 bps to cushion the economic impact of COVID-19, yet the UK economy was showing signs of stagnation before the virus impact took hold with flat GDP growth in January compared to December.

The ECB has recently suggested that further loosening of monetary policy would only be effective in conjunction with coordinated fiscal stimulus by EU governments, but there has yet to be agreement amongst member states as to the best course of action to prevent further economic declines.

Company information

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

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

Portfolio information

NAV per share (pence)	106.36
Premium	6.6%
Total gross assets	£1.7bn
Total net assets	£1.5bn
Invested portfolio as a % of NAV	110.0%
Total portfolio, including committed amounts, as a % of NAV	117.9%
Portfolio yield-to-maturity / yield-to-worst	8.3%
Dividend	Quarterly
Next expected dividend declaration	April 2020
Ongoing charge ratio ⁽¹⁾⁽²⁾	0.98%
Of which, the Investment Adviser's fee ⁽¹⁾	0.75%
% of Investment Adviser's fee relative to Invested Assets ⁽¹⁾	0.71%

Investment Adviser

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Fund Service Providers

Administrator	Praxis Fund Services Limited
AIFM	International Fund Mgmt Ltd
Auditors	KPMG
Brokers	Jefferies International Limited
Custodian	Bank of New York Mellon

- (1) For the twelve months ending 31/12/19.
(2) The OCR is calculated in line with AIC guidance and will differ from the PRIIP's OCR as defined under the PRIIPs regulation due to borrowing costs being included under PRIIPs and as disclosed in the KID document which is available on the Company's website.
(3) Net of currency hedges.

Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD ⁽²⁾
S/price	-0.9%	-1.9%	-2.9%	2.2%	6.5%	13.4%
TR	-0.9%	-0.6%	-0.3%	7.8%	18.6%	45.6%
NAV	0.8%	2.8%	4.4%	9.2%	16.8%	39.4%

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

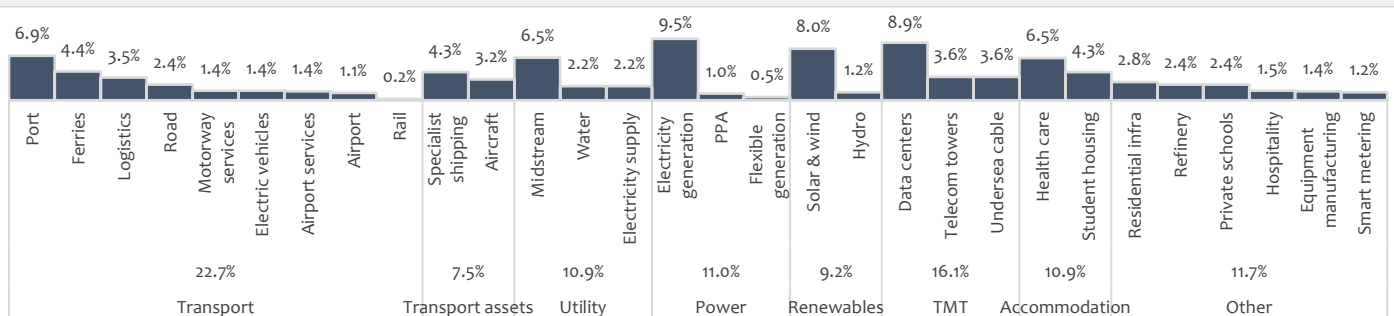
Portfolio summary ⁽³⁾

74 Investments	£58.6m Largest investment	£21.9m Average size	5.7 years Average maturity	4.1 years Average life	1.2 Portfolio mod. duration	35% Average equity cushion	13.0% Construction risk
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Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO	Pence per share
Interest rates +0.5% ⁽⁵⁾	-0.8%	Interest income ⁽⁶⁾	35.25
Interest rates -0.5%	0.8%	Expenses	-6.14
Interest rates +1.0%	-1.5%	Market movements	3.43
Interest rates -1.0%	1.6%	Acquisition costs ⁽⁷⁾	-3.13
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.71
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-27.68
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	2.91

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield ⁽²⁾
AP Wireless Junior	EUR	Private	Mezz	58.6	TMT	Telecom towers	6.2
Hawaiki Mezzanine Loan	USD	Private	Mezz	58.2	TMT	Undersea cable	11.7
Salt Creek Midstream	USD	Private	Senior	53.7	Utility	Midstream	7.6
Expedient Data Centers	USD	Private	Senior	50.9	TMT	Data centers	7.9
Tracy Hills TL 2025	USD	Private	Senior	45.1	Other	Residential infra	9.6
Scandlines Mezzanine 2032	EUR	Private	HoldCo	44.7	Transport	Ferries	5.9
Euroports 2nd Lien 2026	EUR	Private	Mezz	42.9	Transport	Port	7.8
Bannister Senior Secured	GBP	Private	Senior	41.3	Accomm.	Health care	8.4
Corral HoldCo 2024	USD	Private	HoldCo	39.2	Other	Refinery	10.9
Whittle Schools B	USD	Private	Senior	39.0	Other	Private schools	10.8
Bizkaia TL 2021	EUR	Private	HoldCo	38.3	Power	Elec. generation	7.7
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	38.1	Transport	Port	9.8
Warnow Tunnel	EUR	Private	Senior	36.6	Transport	Road	6.6
EIF Van Hook TL B 2024	USD	Private	Senior	36.3	Utility	Midstream	7.9
Aquaventure Senior Secured	USD	Private	Senior	35.3	Utility	Water	7.4



- (1) Excluding accrued interest;
(2) Yield to maturity / worst;
(3) All information based on settled investments only;
(4) Percentage of invested assets (excluding cash), due to rounding this may not total 100%;
(5) A simultaneous parallel shift in EUR, GBP and USD yield curves;
(6) PIK interest and fee income were previously recorded as capital gains, and have been retroactively applied up and including this month's NAV movements;
(7) Non-cash cost of marking the acquired position to the "bid" side of the price. Assumed to be 0.5% for bonds and 1.0% for loans;
(8) Net of currency hedges

Debt type ⁽⁴⁾	Private 91%	Public 9%		
Interest type	Floating 70%	Fixed 30%		
Ranking	Senior 58%	Mezz 20%	HoldCo 22%	
Region	UK 15%	N. America 49%	Europe 30%	Aus/NZ 6%
Currency net of hedges	GBP 100%			

Disclaimer

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