

31 July 2020

## **SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED**

### **ANNUAL GENERAL MEETING TRANSCRIPT OF SHAREHOLDER QUESTIONS AND RESPONSES**

Following circulation of the Notice of Annual General Meeting (the "AGM") of the Company to shareholders on 30 June 2020 which invited investors to provide questions in advance of the meeting, the Company received one question from a shareholder in advance of the AGM to which a response was provided by the Company prior to the voting deadline for the AGM. No shareholders attended the AGM which was held at Sarnia House, Le Truchot, St Peter Port, Guernsey on 31 July 2020 at 10:00 a.m. in person and no further questions from shareholders were submitted to the Company.

A transcript of the questions received and the Company's response(s) , are set out below.

#### **Question received from the shareholder:**

I observe from Note 5 to the accounts, that the Fund appears to be running a material net short position against the Euro (£47.66m). Why is this, as I had understood that the purpose of the forward currency contracts was simply to hedge non-sterling currency exposures?

#### **Response provided by the Company:**

In response to your query, the net EUR exposure as at the 31st March 2020 is a result of a significant fall in the value of the EUR assets after year-end. For many of the EUR assets, they were acquired at par which was matched by a corresponding EUR hedge. As the value of the EUR investments fell, those corresponding hedges remained in place at the original par amounts. We will often rebalance the hedging book by putting new contracts in place or closing out contracts early as required to ensure the portfolio is close to 100% hedged, but this is harder to do in periods of significant market volatility. This, coupled with the fact that the values of the assets weren't actually confirmed until after month-end, meant that there was a net short EUR position at year-end.

No further queries were received either in advance of, or at the AGM.

For further information please contact:

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#### **About Sequoia Economic Infrastructure Income Fund Limited**

The Company is a Guernsey registered closed-ended investment company that seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. The Company is advised by Sequoia Investment Management Company Limited.

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