

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	1,654,940,816
Share price (pence)	105.00
Market Cap	£1.74bn

<b>Directors</b>
Robert Jennings (Chairman)
Sandra Platts
Jan Pethick
Jon Bridel
<a href="http://www.seqifund.com">www.seqifund.com</a>

Sequoia Economic Infrastructure Income Fund Limited (“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.

The NAV for SEI, the specialist investor in economic infrastructure debt, increased to 98.02 pence per share from the prior month’s NAV of 97.72 pence per share (being the 30 June 2020 cum-income NAV of 99.28 pence less the dividend of 1.5625 pence per share declared in respect of the quarter ended 30 June 2020), representing an increase of 0.30 pence per share.

The small gain in asset valuations of 0.06p can be attributed primarily by spread tightening of comparable investments across the portfolio and continued positive credit developments in the wake of the ongoing COVID-19 pandemic (+0.52p), but partially offset by the result of the Salt Creek restructuring (-0.28p) and a further reduction in the value of the portfolio’s public debt investments (-0.19p).

A full attribution of the changes in the NAV per share is as follows:

	pence per share
<b>June NAV</b>	<b>99.28</b>
Dividend declared for quarter ending 30 June 2020	-1.56
<b>Adjusted opening NAV</b>	<b>97.72</b>
Interest income, net of expenses	0.49
FX movements, net of hedges	-0.25
Increase in asset valuations	0.06
<b>July NAV</b>	<b>98.02</b>

### Update on the effects of COVID-19 on the Portfolio

The Investment Adviser, the Investment Manager, and PWC, the independent valuation agent have continued analysing the effect of COVID-19 on the Company’s portfolio which also includes a market benchmarking exercise to conclude on spread and yield adjustments for each of the investments.

In summary, the spread widening across the portfolio during the second half of March 2020 continued its reversal throughout July, with several of the Company’s investments performing better than expectations throughout the lockdown. However, the gains from continued spread tightening have been partially offset by a slightly lower-than-expected equity valuation in the restructuring of Salt Creek Midstream.

The Salt Creek Midstream (SCM) restructuring closed on 13 July 2020. As a result of the restructuring, SEI’s existing opco and holdco debt were cancelled and replaced by a combination of new debt, preferred shares, common shares, and warrants as well as participations in two joint ventures. Sequoia expects material upside should crude oil prices and activity in the Permian basin recover materially.

### Further Portfolio update

As at 31 July 2020, the Company had cash of £102.5m and had drawn £80.3m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £55.8m. As of 31 July 2020, the Company’s invested portfolio comprised of 62 private debt investments and 12 infrastructure bonds across 8 sectors and 28 sub-sectors. It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 10.1% and a weighted average life of approximately 5.6 years. Private debt investments represented 94% of the total portfolio and 64% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 96.7% of par. Investments which are pre-operational represented 11.2% of total assets.

The Company’s invested portfolio remains geographically diverse with 52% located across the US, 16% in the UK, 26% 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.

### 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)	98.02
Premium / (Discount)	7.1%
Total gross assets	£1.7bn
<b>Total net assets</b>	<b>£1.6bn</b>
Invested portfolio as a % of NAV	97.3%
Total portfolio, including committed amounts, as a % of NAV	100.8%
Portfolio yield-to-maturity / yield-to-worst	10.0%
Dividend	Quarterly
Next expected dividend declaration	July 2020
Ongoing charge ratio <sup>(1)(2)</sup>	0.96%
Of which, the Investment Adviser’s fee <sup>(1)</sup>	0.73%
% of Investment Adviser’s fee relative to Invested Assets <sup>(1)</sup>	0.70%

### Investment Adviser

**Sequoia Investment Management Company**  
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### Fund Service Providers

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

(1) For the twelve months ending 31/03/20.

(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.

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### Further Portfolio update (continued)

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 margin calls on its hedging book.

The Company’s settled investment activities during July include:

- A primary purchase of \$45m American Tanker Inc’s 7.75% 2025 bonds, which are backed by a ship finance company focused on the intercoastal U.S. Jones Act shipping market; and
- An additional \$1.5m loan to Bourzou Equity, a company created for a data centre in Virginia.

The following Company’s investments were sold or prepaid in July:

- \$45m of American Tanker Inc’s 9.25% 2022 bonds, which are backed by a ship finance company focused on the intercoastal U.S. Jones Act shipping market; and
- A €23.0m loan to Mainsite Logistik Holding, a logistics service provider to market leading industrial companies in Germany.

### Company information

SEQL 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.

SEQL’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.

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## Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD <sup>(2)</sup>
S/price	1.0%	6.1%	-8.2%	-7.4%	-7.1%	5.0%
TR	2.5%	7.7%	-5.4%	-2.0%	3.8%	39.0%
NAV	0.2%	2.8%	-4.3%	-0.2%	9.0%	32.4%

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

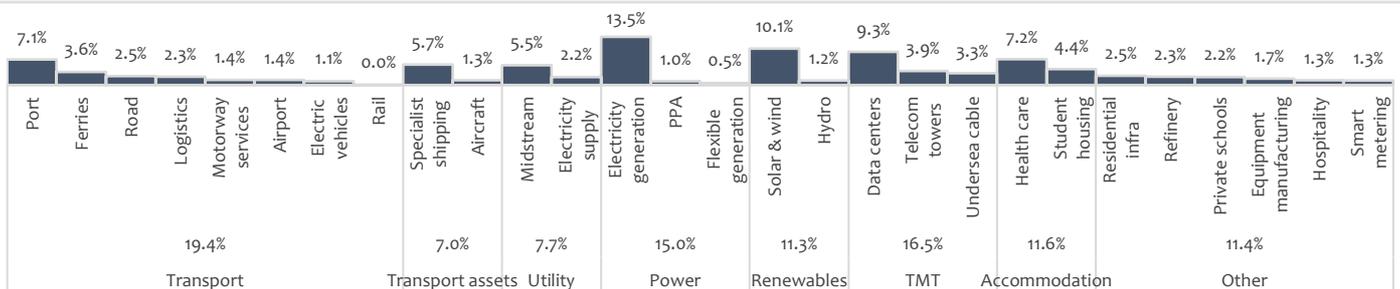
## Portfolio summary <sup>(3)</sup>

74 Investments	£61.9m Largest investment	£21.3m Average size	6.8 years Average maturity	5.6 years Average life	1.7 Portfolio mod. duration	34% Average equity cushion	11.2% Construction risk
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Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO	Pence per share
Interest rates +0.5% <sup>(5)</sup>	-0.9%	Interest income <sup>(6)</sup>	38.26
Interest rates -0.5%	0.9%	Expenses	-6.59
Interest rates +1.0%	-1.8%	Market movements	-4.49
Interest rates -1.0%	1.8%	Acquisition costs <sup>(7)</sup>	-3.28
Euro +/- 5% (against GBP)	± 0.0%	FX movements <sup>(8)</sup>	3.32
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-30.81
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	3.58

## Top holdings

Investment name	Ccy	Type	Ranking	Value £m <sup>(1)</sup>	Sector	Sub-sector	Yield <sup>(2)</sup>
AP Wireless Junior	EUR	Private	Mezz	61.9	TMT	Telecom towers	6.3
Hawaiki Mezzanine Loan	USD	Private	Mezz	51.6	TMT	Undersea cable	15.0
Expedient Data Centers Senior Secured	USD	Private	Senior	49.0	TMT	Data centers	5.9
Terra-Gen Power TL B	USD	Private	Senior	43.8	Renewables	Solar & wind	7.6
Euroports 2nd Lien 2026	EUR	Private	Mezz	43.6	Transport	Port	8.8
Scandlines Mezzanine 2032	EUR	Private	HoldCo	42.7	Transport	Ferries	8.0
Hawkeye Solar HoldCo 2030 1, 2, and 3	USD	Private	HoldCo	41.2	Renewables	Solar & wind	8.2
Bizkaia TL 2021	EUR	Private	HoldCo	41.2	Power	Elec. generation	8.7
Bannister Senior Secured	GBP	Private	Senior	41.2	Accomm.	Health care	7.8
Jetpeaks HoldCo 2027	USD	Private	HoldCo	40.7	Power	Elec. generation	7.8
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	40.2	Transport	Port	13.0
Tracy Hills TL 2025	USD	Private	Senior	40.2	Other	Residential infra	8.9
GenOn Bowline Senior Secured 2026	USD	Private	Senior	38.2	Power	Elec. generation	8.0
Warnow Tunnel	EUR	Private	Senior	37.4	Transport	Road	8.5
Corral HoldCo 2024	USD	Private	HoldCo	36.1	Other	Refinery	11.5



- (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 <sup>(4)</sup>	Private 94%	Public 6%	
Interest type	Floating 64%	Fixed 36%	
Ranking	Senior 53%	Mezz 19%	HoldCo 28%
Region	UK 16%	N. America 52%	EuropeAus/NZ 26% 6%
Currency net of hedges <sup>(9)</sup>	GBP 100%		

## Disclaimer

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