

LSE Ticker	SEQI
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	1,656,353,931
Share price (pence)	104.40
Market Cap	£1.73bn

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

Sequoia Economic Infrastructure Income Fund Limited (“SEQI” 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 twelve mature jurisdictions and a range of sectors & subsectors.

The NAV for SEQI, the specialist investor in economic infrastructure debt, increased to 100.17 pence per share from the prior month’s NAV of 98.98 pence per share, representing an increase of 1.19 pence per share.

The gain in asset valuations can be attributed primarily to the material market value increase of a €61.2m transport position after the Borrower initiated a refinancing process to repay the debt at par. The position was previously marked at a significant discount to par and the refinancing is expected to close before year end.

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

	<i>pence per share</i>
August NAV	98.98
Interest income, net of expenses	0.70
FX movements, net of hedges	0.02
Increase in asset valuations	0.47
September NAV	100.17

Update on the effects of COVID-19 on the Portfolio

The Investment Adviser, the Investment Manager, and PWC, the independent valuation agent, have continued their close analysis of the effects 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 August and remained flat throughout September, with several of the Company’s investments performing better than expectations throughout the lockdown. The Investment Adviser is also closely watching the Company’s assets that have not been performing as expected during the pandemic to ensure that current market conditions are managed adequately.

Further Portfolio update

As at 30 September 2020, the Company had cash of £82.6m and had drawn £80.5m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £18.3m. As of 30 September 2020, the Company’s invested portfolio comprised of 61 private debt investments and 13 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 10.2% and a weighted average life of approximately 5.6 years. Private debt investments represented 93% of the total portfolio and 63% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 96.5% of par. Investments which are pre-operational represented 11.6% of total assets.

The Company’s invested portfolio remains geographically diverse with 51% located across the US, 15% in the UK, 28% 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 98% 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 September include:

- A primary purchase of \$25m Navigator Holdings’ 8% 2025 bonds, a leading player within the transportation of liquified gases;
- An additional €20.0m holdco disbursement to Kenai Capital Markets, a German logistics and industrial park owner, under its existing facility agreement;
- An additional \$1.8m disbursement to Bourzou Equity, a company created for a data centre in Virginia; and
- An additional \$7.0m disbursement to Salt Creek, a midstream company located in the Permian Basin in Texas, USA.

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

- Nottingham Student Housing’s £16.5m construction loan, which was backed by a 229-unit purpose-built student accommodation development in Nottingham, UK repaid at 102.5% of par.

Company information

SEQI 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.

SEQI’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)	100.17
Premium / (Discount)	4.2%
Total gross assets	£1.7bn
Total net assets	£1.7bn

Invested portfolio as a % of NAV	98.4%
Total portfolio, including committed amounts, as a % of NAV	99.5%
Portfolio yield-to-maturity / yield-to-worst	10.2%

Dividend	Quarterly
Next expected dividend declaration	Oct 2020

Ongoing charge ratio ⁽¹⁾⁽²⁾	0.93%
Of which, the Investment Adviser’s fee ⁽¹⁾	0.71%
% of Investment Adviser’s fee relative to Invested Assets ⁽¹⁾	0.69%

Investment Adviser

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Fund Service Providers

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

(1) For the twelve months ending 30/06/20.

(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.

Performance since IPO

SEQI	1 month	3 months	6 months	1 year	2 years	ITD ⁽²⁾
S/price	-3.9%	0.4%	11.1%	-9.7%	-5.5%	4.4%
TR	-3.9%	1.9%	14.5%	-4.4%	5.6%	38.2%
NAV	1.2%	2.4%	6.8%	0.7%	9.9%	35.3%

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

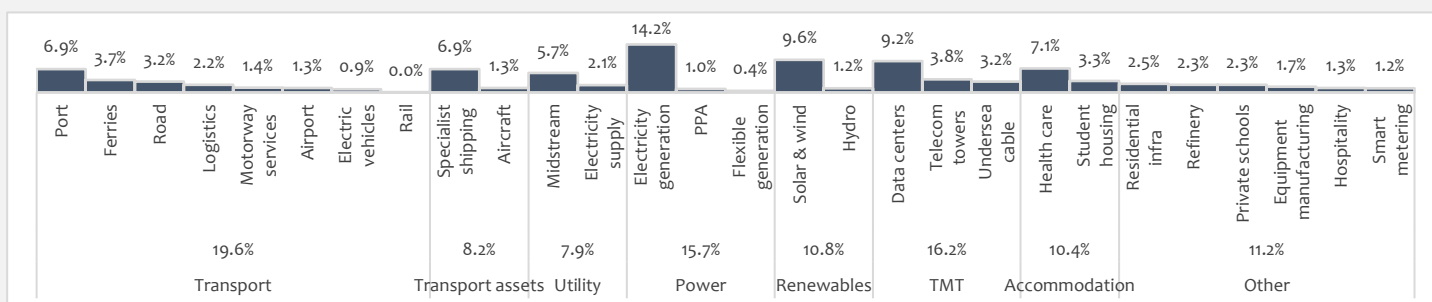
Portfolio summary ⁽³⁾

74 Investments	£62.6m Largest investment	£22.1m Average size	6.7 years Average maturity	5.6 years Average life	1.7 Portfolio mod. duration	34% Average equity cushion	11.6% Construction risk
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Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO	Pence per share
Interest rates +0.5% ⁽⁵⁾	-0.9%	Interest income ⁽⁶⁾	39.37
Interest rates -0.5%	0.9%	Expenses	-6.77
Interest rates +1.0%	-1.7%	Market movements	-3.31
Interest rates -1.0%	1.9%	Acquisition costs ⁽⁷⁾	-3.30
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.38
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-30.81
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	3.59

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Yield (%) ⁽²⁾
AP Wireless Junior	EUR	Private	Mezz	62.6	TMT	Telecom towers	6.2
Hawaiki Mezzanine Loan	USD	Private	Mezz	52.4	TMT	Undersea cable	13.0
Warnow Tunnel	EUR	Private	Senior	50.1	Transport	Road	4.3
Expedient Data Centers Senior Secured	USD	Private	Senior	49.7	TMT	Data centers	5.8
Terra-Gen Power TL B	USD	Private	Senior	45.3	Renewables	Solar & wind	6.1
Scandlines Mezzanine 2032	EUR	Private	HoldCo	44.6	Transport	Ferries	7.4
Euroports 2nd Lien 2026	EUR	Private	Mezz	44.5	Transport	Port	8.6
Hawkeye Solar HoldCo 2030 1, 2, and 3	USD	Private	HoldCo	42.5	Renewables	Solar & wind	8.2
Bannister Senior Secured	GBP	Private	Senior	41.6	Accomm.	Health care	7.1
Bizkaia TL 2021	EUR	Private	HoldCo	41.6	Power	Elec. generation	8.6
Tracy Hills TL 2025	USD	Private	Senior	41.5	Other	Residential infra	8.3
Jetpeaks HoldCo 2027	USD	Private	HoldCo	41.3	Power	Elec. generation	7.8
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	40.4	Transport	Port	16.4
Kenai HoldCo 2024	EUR	Private	HoldCo	39.8	Power	Elec. generation	11.5
GenOn Bowline Senior Secured 2026	USD	Private	Senior	38.7	Power	Elec. generation	8.0



(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

(9) USD over hedged by c.2%

Debt type ⁽⁴⁾

Private 93%
Public 7%

Interest type

Floating 63%
Fixed 37%

Ranking

Senior 53%
Mezz 18%
HoldCo 28%

Region

UK 15%
N. America 51%
Europe 28%
Aus/NZ 6%

Currency net of hedges ⁽⁹⁾

GBP 98%
USD 2%

Disclaimer

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