

LSE Ticker	SEQL
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)	104.60
Market Cap	£1.73bn

Directors
Robert Jennings (Chairman)
Sandra Platts
Jon Pethick
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Sequoia Economic Infrastructure Income Fund Limited (“SEQL” 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 SEQL, the specialist investor in economic infrastructure debt, increased to 98.96 pence per share from the prior month’s NAV of 98.61 pence per share (being the 30 September 2020 cum-income NAV of 100.17 pence less the dividend of 1.5625 pence per share declared in respect of the quarter ended 30 September 2020), representing an increase of 0.35 pence per share.

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

	pence per share
September NAV	100.17
Dividend declared for quarter ending 30 September 2020	-1.56
Adjusted opening NAV	98.61
Interest income, net of expenses	0.45
FX movements, net of hedges	0.25
Decrease in asset valuations	-0.35
October NAV	98.96

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. The Investment Adviser is also closely monitoring the Company’s assets that have not been performing as expected. The decline in asset valuations can be attributed primarily to PWC adjusting the marks of certain private loans where Borrowers continue to face challenges associated with the COVID-19 crisis, including for example where reduced demand or sales have impacted the Borrowers’ short term liquidity positions. This reduction has been partially offset by gains on assets in the telecommunications sector that have been performing better than expected throughout this period and have seen valuations improve significantly.

Broadly speaking, the spread widening across the portfolio during the second half of March 2020 continued its reversal until August and remained stable since then, with several of the Company’s investments performing better than expectations after the initial lockdown.

Further Portfolio update

As at 30 October 2020, the Company had cash of £116.5m and had drawn £80.5m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £18.1m. As of 30 October 2020, the Company’s invested portfolio comprised of 60 private debt investments and 12 infrastructure bonds across 8 sectors and 27 sub-sectors. It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 9.6% and a cash yield of 6.3%. Based on the Investment Adviser’s analysis of our current portfolio we continue to believe that our annual dividend remains fully cash covered, net of all expenses. The weighted average portfolio life is approximately 5.5 years. Private debt investments represented 94% of the total portfolio and 62% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 97.0% of par. Investments which are pre-operational represented 11.1% 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.

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 October include:

- An additional \$0.1m disbursement to Bourzou Equity, a company created for a data centre in Virginia.

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

- A £8.5m loan to Forsa Energy, a company with a portfolio of gas-fired flexible generation assets in the UK, at 106.5% of purchase price; and
- A €30.6m loan to Aliwin Plus SL, a portfolio of operational solar PV plants in the Cáceres region of Spain.

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.

Portfolio information

NAV per share (pence)	98.96
Premium / (Discount)	5.7%
Total gross assets	£1.7bn
Total net assets	£1.6bn
Invested portfolio as a % of NAV	96.7%
Total portfolio, including committed amounts, as a % of NAV	97.8%
Portfolio yield-to-maturity / yield-to-worst	9.6%
Dividend	Quarterly
Next expected dividend declaration	Jan 2021
Ongoing charge ratio ⁽¹⁾⁽²⁾	0.89%
Of which, the Investment Adviser’s fee ⁽¹⁾	0.69%
% of Investment Adviser’s fee relative to Invested Assets ⁽¹⁾	0.68%

Investment Adviser

Sequoia Investment Management Company

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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 30/09/20.

(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	0.2%	-0.4%	5.7%	-8.2%	-4.5%	4.6%
TR	1.7%	1.1%	8.8%	-2.8%	6.8%	40.5%
NAV	0.2%	2.4%	5.3%	0.8%	9.1%	35.6%

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

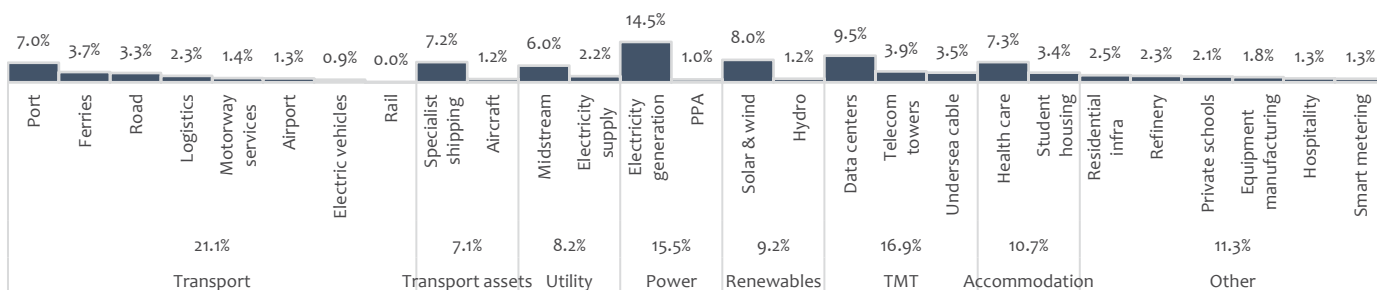
Portfolio summary ⁽³⁾

72 Investments	£62.4m Largest investment	£22.0m Average size	6.5 years Average maturity	5.5 years Average life	1.7 Portfolio mod. duration	34% Average equity cushion	11.1% 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⁾	39.79
Interest rates -0.5%	0.9%	Expenses	-6.85
Interest rates +1.0%	-1.7%	Market movements	-3.55
Interest rates -1.0%	1.9%	Acquisition costs ⁽⁷⁾	-3.30
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.63
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-32.37
Dollar up 5% and Euro down 5%	± 0.1%	Subscriptions	3.59

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Cash-on-cash yield (%)	Yield (%) ⁽²⁾
AP Wireless Junior	EUR	Private	Mezz	62.4	TMT	Telecom towers	4.25	6.25
Hawaiki Mezzanine Loan	USD	Private	Mezz	55.1	TMT	Undersea cable	9.01	11.31
Warnow Tunnel	EUR	Private	Senior	49.7	Transport	Road	1.54	4.30
Expedient Data Centers	USD	Private	Senior	49.6	TMT	Data centers	5.67	5.84
Euroports 2nd Lien 2026	EUR	Private	Mezz	44.1	Transport	Port	8.06	8.60
Scandlines Mezzanine 2032	EUR	Private	HoldCo	43.5	Transport	Ferries	6.95	7.67
Bannister Senior Secured	GBP	Private	Senior	42.1	Accommodation	Health care	6.58	6.77
Hawkeye Solar HoldCo 2030	USD	Private	HoldCo	42.1	Renewables	Solar & wind	9.25	9.25
Bizkaia TL 2021	EUR	Private	HoldCo	41.2	Power	Electricity generation	7.80	8.57
Jetpeaks HoldCo 2027	USD	Private	HoldCo	40.7	Power	Electricity generation	7.49	8.02
Terra-Gen Power TL B	USD	Private	Senior	40.5	Renewables	Solar & wind	5.34	6.75
Tracy Hills TL 2025	USD	Private	Senior	39.9	Other	Residential infra	8.15	8.15
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	39.6	Transport	Port	6.72	17.20
Kenai HoldCo 2024	EUR	Private	HoldCo	39.4	Power	Electricity generation	0.00	11.60
GenOn Bowline	USD	Private	Senior	38.6	Power	Electricity generation	8.00	8.00



- (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) 100% GBP hedge

Debt type ⁽⁴⁾	Private 94%	Public 6%	
Interest type	Floating 62%	Fixed 38%	
Ranking	Senior 53%	Mezz 19%	HoldCo 28%
Region	UK 16%	N. America 52%	EuropeAus/NZ 26% 6%
Currency net of hedges ⁽⁹⁾	GBP 100%		

Disclaimer

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