

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	1,657,237,553
Share price (pence)	105.60
Market Cap	£1.75bn

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 102.04 pence per share from the prior month’s NAV of 101.23 pence per share representing an increase of 0.81 pence per share.

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

	<i>pence per share</i>
January NAV	101.23
Interest income, net of expenses	0.57
FX movements, net of hedges	-0.13
Increase in asset valuations	0.37
February NAV	102.04

Portfolio update

Spreads tightening, driven by credit improvements, was evident across various sectors in the portfolio which resulted in uplifts to valuations of the assets where Covid-19 has impacted performance and are still closely monitored by the Investment Manager.

As at 26 February 2021, the Company had cash of £104.7m and had drawn £208.8m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £119.1m. The Company’s invested portfolio comprised of 62 private debt investments and 10 infrastructure bonds across 8 sectors and 29 sub-sectors. It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 8.7% and a cash yield of 5.5%. The weighted average portfolio life is approximately 4.5 years. Private debt investments represented 95% of the total portfolio and 61% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 97.3% of par. Investments which are pre-operational represented 8.2% of total assets.

The Company’s invested portfolio remains geographically diverse with 46% located across the US, 19% in the UK, 30% in Europe, and 5% 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.

On 3 March, the Company announced a Placing of new ordinary shares raised £110m of gross proceeds. The proceeds of the issue were used to partially repay the Company’s outstanding debt on 8 March. The effects of this issue will be reflected in the March investor report.

As announced on 10 March, the Company is pleased to publish its ESG policy, setting out the criteria and principles applied to its investing activities. The Board looks forward to providing an update on progress in implementing these in the Company’s 2021 annual report.

The Company’s settled investment activities during February include:

- A €45.0m primary Holdco loan to Camden B.V., a holding company with stakes in a portfolio of CCGT power assets in the Netherlands;
- An additional disbursement of \$2.7m to Prime Data Centres for the development of a data centre campus in Sacramento, California;
- An additional \$1.6m disbursement to Sunrun Safe Harbour, a leader in the US residential solar market; and
- An additional \$0.6m disbursement to Bourzou Equity, a company created for a data centre in Virginia.

The following assets sold or prepaid in February:

- A \$15.0m combined secondary acquisition of NewCold USA’s Burley and Tacoma mezzanine loans, fully automated cold storage facilities with anchor tenants on long-term contracts;
- A €39.0m primary loan to Bizkaia Holdings, an operational CCGT power plant in the Basque region of Spain;
- A \$0.1m term loan to Castlelake, an aircraft leasing company.

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)	102.04
Premium / (Discount)	3.5%
Total gross assets	£1.9bn
Total net assets	£1.7bn
Invested portfolio as a % of NAV	101.5%
Total portfolio, including committed amounts, as a % of NAV	108.6%
Portfolio yield-to-maturity / yield-to-worst	8.7%
Dividend	Quarterly
Next expected dividend declaration	April 2021
Ongoing charge ratio ⁽¹⁾⁽²⁾	0.89%
Of which, the Investment Adviser’s fee ⁽¹⁾	0.68%
% of Investment Adviser’s fee relative to Invested Assets ⁽¹⁾	0.68%

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 31/12/20.

(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	-2.4%	-0.6%	-2.8%	-6.9%	-4.9%	5.6%
TR	-2.4%	0.9%	0.1%	-1.2%	6.5%	43.8%
NAV	0.8%	3.2%	6.1%	1.7%	11.1%	41.8%

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

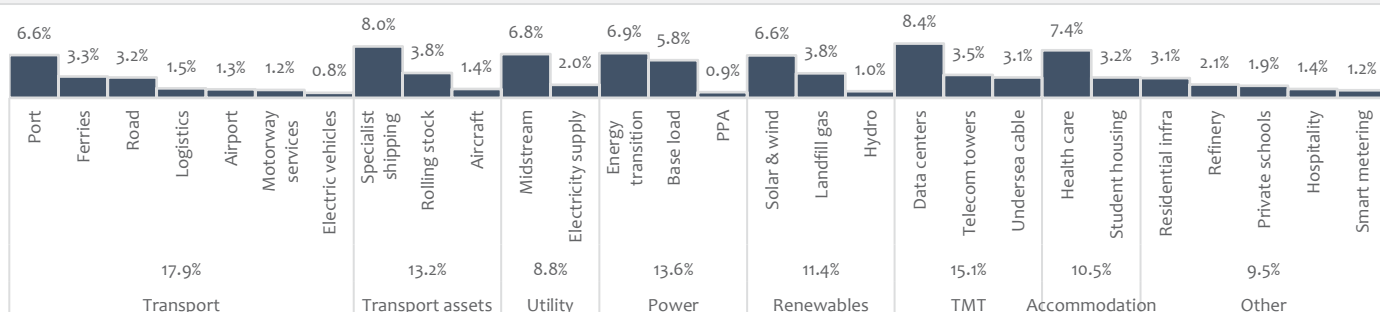
Portfolio summary ⁽³⁾

72 Investments	£66.0m Largest investment	£23.8m Average size	6.2 years Average maturity	4.5 years Average life	2.1 Portfolio mod. duration	34% Average equity cushion	8.2% 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⁾	41.89
Interest rates -0.5%	1.0%	Expenses	-7.24
Interest rates +1.0%	-1.8%	Market movements	-0.20
Interest rates -1.0%	2.0%	Acquisition costs ⁽⁷⁾	-3.45
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.36
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-33.93
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	Cash-on-cash yield (%)	Yield (%) ⁽²⁾
Madrid Metro	EUR	Private	HoldCo	66.0	Transport assets	Rolling stock	1.30	5.40
Infinis Energy	GBP	Private	Senior	65.0	Renewables	Landfill gas	5.00	5.00
AP Wireless Junior	EUR	Private	Mezz	60.9	TMT	Telecom towers	4.22	6.12
Hawaiki Mezzanine Loan	USD	Private	Mezz	53.9	TMT	Undersea cable	8.54	9.56
Tracy Hills TL 2025	USD	Private	Senior	52.8	Other	Residential infra	8.11	8.11
Warnow Tunnel	EUR	Private	Senior	52.1	Transport	Road	1.34	1.34
Expedient Data Centers	USD	Private	Senior	46.1	TMT	Data centers	5.68	5.85
Euroports 2nd Lien 2026	EUR	Private	Mezz	43.9	Transport	Port	7.80	7.88
Care4U Senior Secured	EUR	Private	Senior	43.8	Accomm.	Health care	6.00	6.00
Scandlines Mezzanine	EUR	Private	HoldCo	42.8	Transport	Ferries	0.00	9.13
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	42.4	Transport	Port	5.62	15.80
Bannister Senior Secured	GBP	Private	Senior	41.6	Accomm.	Health care	6.54	6.75
Project Camden	EUR	Private	HoldCo	39.0	Power	Base load	7.50	7.50
Hawkeye Solar HoldCo	USD	Private	HoldCo	38.5	Renewables	Solar & wind	8.25	8.25
Jetpeaks HoldCo 2027	USD	Private	HoldCo	37.9	Power	Energy transition	7.48	8.02



(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) c.100% GBP hedged

Debt type ⁽⁴⁾	Private 95%	Public 5%		
Interest type	Floating 61%	Fixed 39%		
Ranking	Senior 56%	Mezz 17%	HoldCo 27%	
Region	UK 19%	N. America 46%	Europe 30%	Aus/NZ 5%
Currency net of hedges ⁽⁹⁾	GBP 100%			

Disclaimer

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