

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 102.41 pence per share from the prior month’s NAV of 102.28 pence per share, representing an increase of 0.13 pence per share.

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

	pence per share
April NAV	102.28
Interest income, net of expenses	0.48
FX movements, net of hedges	0.01
Decrease in asset valuations	-0.36
May NAV	102.41

The decrease in asset valuations in the NAV attribution this month is primarily due to several sizeable US power positions being marked down as a result of the negative impact of the lower than expected 2022/2023 Base Residual Auction (BRA) PJM capacity results that were released this month and a significant price decline in one of our least liquid positions based on a small secondary trade in the bond near the end of May.

Portfolio update

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. The Investment Adviser expects the previously identified uplift in valuations of the assets where COVID-19 has impacted performance to continue. This trend is expected to persist as economies continue to recover and lockdowns start to further ease globally.

As at 28 May 2021, the Company had cash of £84.7m and had drawn £83.6m on its £280m Revolving Credit Facility. The Company also had undrawn commitments on existing investments collectively valued at £72.6m. The Company’s invested portfolio comprised of 63 private debt investments and 11 infrastructure bonds across 8 sectors and 30 sub-sectors. It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 9.0% and a cash yield of 5.6%. The weighted average portfolio life is approximately 4.3 years. Private debt investments represented 94% of the total portfolio and 55% of the portfolio comprised floating rate assets. The weighted average purchase price of the Company’s investments was 98.9% of par. Investments which are pre-operational represented 11.1% of total assets.

The Company’s invested portfolio remains geographically diverse with 48% located across the US, 20% 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 99% 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 May include:

- An additional £20.0m loan to Bulb Energy, an electricity supplier in the UK;
- An additional disbursement of \$8.0m to Prime Data Centres for the development of a data centre campus in Sacramento, California;
- A €5.77m primary loan in Madrid Metro, a refinancing facility for rolling stock to the Madrid Metro;
- An additional \$1.5m disbursement to Kaveh Ventures, a leading developer of hyperscale data centres in Ashburn, Virginia; and
- A €1.0m primary purchase of Zitron AS’ Super Senior WCF 2022 loan backed by four offshore wind maintenance vessels.

None of the Company’s investments were sold or prepaid in May.

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.

SEQL’s [ESG policy](#) which sets out the ESG criteria and principles applied to its investing activities can be found on its website.

Portfolio information

NAV per share (pence)	102.41
Premium / (Discount)	5.5%
Total gross assets	£1.9bn
Total net assets	£1.8bn
Invested portfolio as a % of NAV	97.5%
Total portfolio, including committed amounts, as a % of NAV	101.6%
Portfolio yield-to-maturity / yield-to-worst	9.0%
Dividend	Quarterly
Next expected dividend declaration	July 2021
Ongoing charge ratio ^{(1) (2)}	0.87%
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 31/03/21.

⁽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	1.1%	2.3%	1.7%	6.5%	-3.7%	8.0%
TR	1.1%	3.8%	4.7%	12.9%	7.9%	49.3%
NAV	0.1%	1.8%	5.1%	10.5%	11.4%	44.5%

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

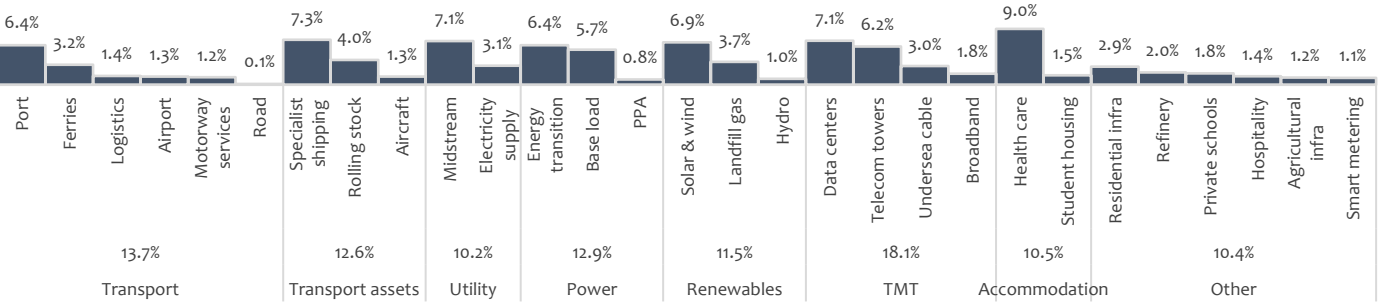
Portfolio summary ⁽³⁾

74	£65.5m	£23.8m	5.4 years	4.3 years	2.2	33%	11.1%
Investments	Largest investment	Average size	Average maturity	Average life	Portfolio mod. duration	Average equity cushion	Construction risk

Estimated portfolio sensitivities	Change in NAV	NAV movements since IPO	Pence per share
Interest rates +0.5% ⁽⁵⁾	-1.0%	Interest income ⁽⁶⁾	43.76
Interest rates -0.5%	1.0%	Expenses	-7.51
Interest rates +1.0%	-2.0%	Market movements	0.21
Interest rates -1.0%	2.1%	Acquisition costs ⁽⁷⁾	-3.55
Euro +/- 5% (against GBP)	± 0.0%	FX movements ⁽⁸⁾	3.26
Dollar +/- 5% (against GBP)	± 0.0%	Dividends	-35.49
Dollar up 5% and Euro down 5%	± 0.0%	Subscriptions	3.71

Top holdings

Investment name	Ccy	Type	Ranking	Value £m ⁽¹⁾	Sector	Sub-sector	Cash-on-cash yield (%)	Yield (%) ⁽²⁾
Madrid Metro	EUR	Private	HoldCo	65.5	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	60.6	TMT	Telecom towers	4.22	6.12
Bulb Senior TL 2021	GBP	Private	Senior	54.6	Utility	Electricity supply	6.59	7.79
Hawaiki Mezzanine Loan	USD	Private	Mezz	53.0	TMT	Undersea cable	8.57	9.61
Tracy Hills TL 2025	USD	Private	Senior	51.9	Other	Residential infra	8.09	8.09
Hawkeye Solar Holdco	USD	Private	HoldCo	51.9	Renewables	Solar & wind	8.25	8.25
AP Wireless US Holdco	USD	Private	HoldCo	48.7	TMT	Telecom towers	6.00	6.00
Expedient Data Centers	USD	Private	Senior	45.3	TMT	Data centers	5.63	5.80
Euroports 2nd Lien 2026	EUR	Private	Mezz	43.7	Transport	Port	7.78	7.83
Care4U Senior Secured	EUR	Private	Senior	43.5	Accommodation	Health care	6.00	6.00
Adani Abbot HoldCo 2021	AUD	Private	HoldCo	42.9	Transport	Port	5.45	5.32
Sacramento Data Centre	USD	Private	Senior	42.9	TMT	Data centers	0.00	11.00
Scandlines Mezzanine 2032	EUR	Private	HoldCo	42.5	Transport	Ferries	0.00	9.10
Bannister Senior Secured	GBP	Private	Senior	41.3	Accommodation	Health care	6.54	6.54



(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) Underhedged EUR and AUD by 0.4% and 0.2% respectively

Debt type (4)	Private 94%			Public 6%
Interest type	Floating 55%		Fixed 45%	
Ranking	Senior 52%		Mezz 16%	HoldCo 32%
Region	UK 20%	N. America 48%		Europe 26%
	Aus/NZ 6%			
Currency net of hedges (9)	GBP 99%			

Disclaimer

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