

SEQI

Interim Report 2026

Diversified Sustainable Income

Our purpose

Our purpose is to generate attractive and sustainable returns for a wide range of investors through responsible and disciplined investment into a growing portfolio of diverse economic infrastructure debt. These assets would otherwise be difficult for investors to access, given the specialist nature of the origination and credit assessment skills needed. Our investments support the provision of infrastructure on a sustainable basis and create social and economic benefits across the range of geographies in which we invest.

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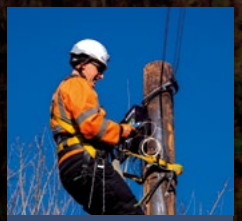
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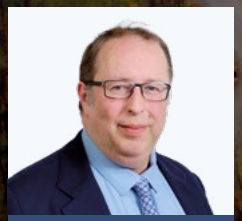
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Highlights

- Fully covered dividend maintained, offering an attractive annualised yield of 8.1% (31 March 2026: 9.0%)
  - Dividend cash cover of 1.06x (31 March 2026: 1.06x), fully covered by the net cash income generated by the portfolio
  - Dividend yield of 8.1% compares with 3.3% for the FTSE All-Share Index and 5.9% for iShares Global High Yield Bonds
- Strong share price total return of 15.6% (30 September 2025: 3.8%), outperforming the FTSE All-Share Index, which returned 7.2% during the same period
- Resilient net asset value ("NAV") total return[1] of 0.7% (30 September 2025: 5.0%) in the period
- Discount to NAV narrowed from 17.8% to 6.1% over the six month period to 30 September 2026, reflecting strong demand for shares and a NAV-accretive share buyback
- Further positive "pull-to-par" upside due over time: potential pull-to-par of 4.5p per share, largely due by 30 September 2029
- Putting capital to work with £198 million committed during the period to new loans in digitalisation, transport – systems, power and other sectors, at a weighted average yield to worst of 10.2%
- Diversified portfolio of 51 investments across eight sectors, 25 sub-sectors and 12 mature jurisdictions as at 30 September 2026 with:
  - 94.3% of investments in private debt (31 March 2026: 94.1%)
  - 60.8% in senior secured loans (31 March 2026: 63.5%)
  - 55.5% fixed-rate investments (31 March 2026: 58.5%), locking in current interest rates
  - Short weighted average life of 3.1 years (31 March 2026: 3.4 years), creating reinvestment opportunities
  - Weighted average equity cushion[1] of 39% (31 March 2026: 38%)

1. See Appendix for Alternative Performance Measures ("APMs")
2. Cum dividend

£1.33bn
Total net assets
(31 March 2026: **£1.38bn**)

£1.25bn
Market capitalisation
(31 March 2026: **£1.13bn**)

90.43p
NAV per Ordinary Share[1,2]
(31 March 2026: **93.17p**)

0.59p
Earnings per Ordinary Share
(30 September 2025: **4.40p**)

84.90p
Ordinary Share price[2]
(31 March 2026: **76.60p**)

3.4375p
Dividends paid
(30 September 2025: **3.4375p**)

(6.1)%
Ordinary Share discount to NAV[1]
(31 March 2026: **(17.8)%**)

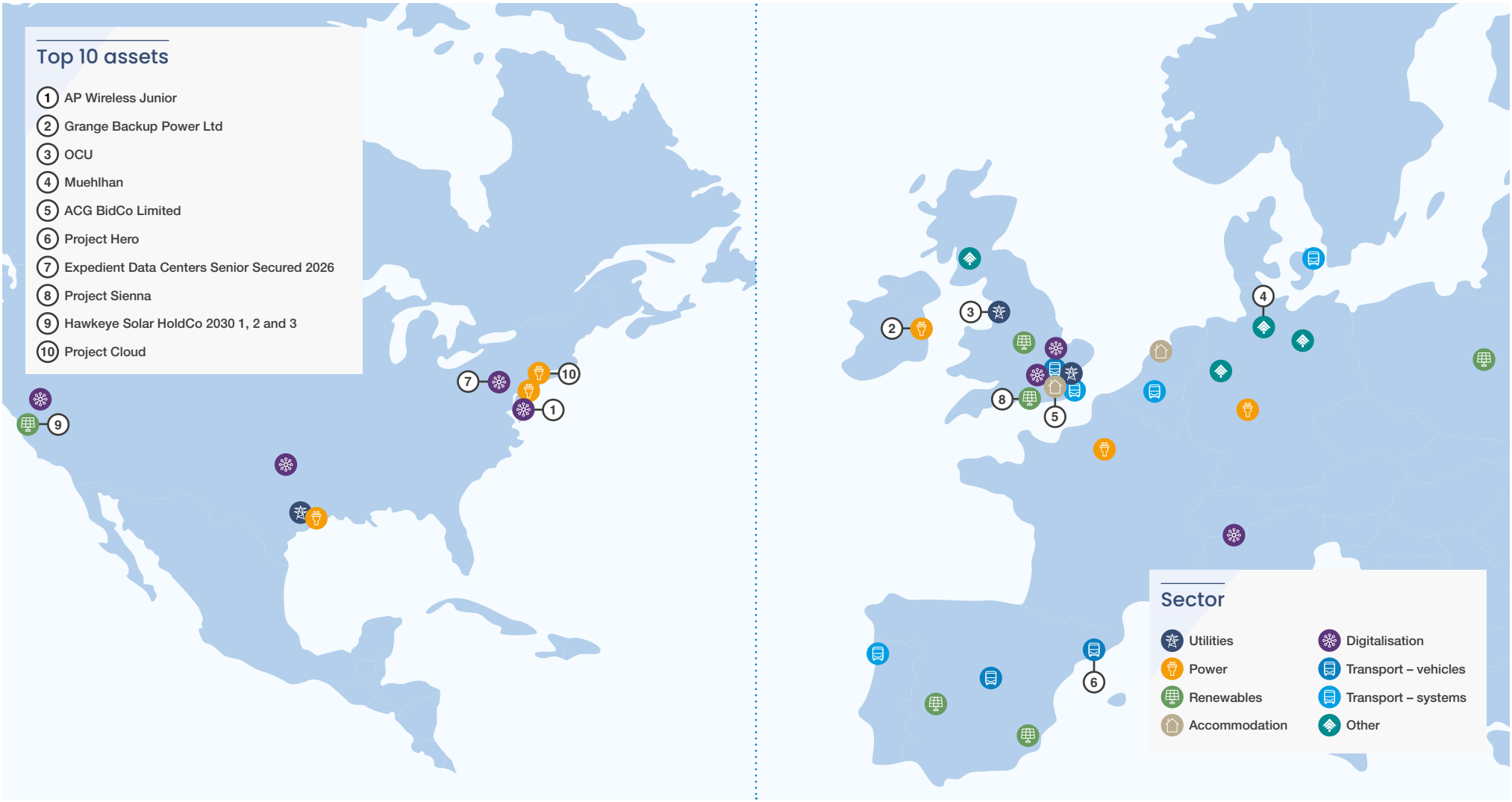
8.1%
Annualised dividend yield[1]
(30 September 2025: **8.8%**)



As described in the sustainability report on page 17, SEQI has introduced a new dual-scoring sustainability methodology which came into effect on 1 April 2026. The Company's intention is to complete the full portfolio reassessment to be able to report on the new ESG Risk and Externality Scores in SEQI's upcoming 2027 Sustainability Report and in its 2027 Annual Report. Hence no scores have been included in this highlights page.

At a glance

Following Shareholder approval in July 2026, SEQI's investment policy was expanded to include OECD member countries and investment-grade jurisdictions beyond its established markets of the UK, Western Europe, North America and Australasia, subject to applicable investment limits, ensuring strong geographic diversification and access to resilient, high-quality infrastructure credit.



Objectives and policies

Principal activity

Sequoia Economic Infrastructure Income Fund Limited (the "Company" or "SEQI") invests in a diversified portfolio of senior and subordinated economic infrastructure debt investments through Sequoia IDF Asset Holdings S.A. (the "Luxembourg Subsidiary"), Yotta BidCo Limited and Wigeon Holdings Limited (the "UK Subsidiaries") (all together the "Fund"). SEQI controls the UK Subsidiaries and the Luxembourg Subsidiary (together the "Subsidiaries") through holdings of 100% of their shares. The Company's investment in the Luxembourg Subsidiary is principally achieved through the acquisition of Variable Funding Notes ("VFNs") issued by the Luxembourg Subsidiary. For further details of the structure of the group, please refer to note 1 on page 33 and to note 16 on pages 51 to 52.

Investment objective

SEQI's investment objective is to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments, subject to the investment criteria as set out in the investment policy.

Investment policy

SEQI's investment policy is to invest in a portfolio of loans, notes and bonds in which no more than 10% by value of the Fund's investments (at the time of investment) relates to any one individual infrastructure asset. In addition, the Fund intends to only invest directly or indirectly in investments that satisfy the following criteria, such investments to constitute a minimum of 80% by value of the Fund's investments at the time of investment:

- all or substantially all of the associated underlying revenues to be from business activities in the following market sectors: transport – systems, transport – vehicles, utilities, power, renewables, accommodation and digitalisation;
- all or substantially all of the revenues to derive from certain eligible jurisdictions (defined as being either members of the Organisation for Economic Co-operation and Development ("OECD") or rated at least BBB- by Standard & Poor's or Baa3 by Moody's);
- at least 40% of total portfolio assets to be floating-rate or inflation-linked debt (floating-rate instruments converted to fixed-rate instruments through interest rate swaps will be deemed to be fixed-rate);
- no more than 20% of total portfolio assets to comprise pre-operational projects (typically projects in construction);
- no single sector to represent more than 40% of total portfolio assets;
- no single sub-sector to represent more than 15% of total portfolio assets, other than a major sub-sector (as defined in the Registration Document), which may represent up to 25% of total assets;
- no more than 60% of total portfolio assets to be located in the United States;
- no more than 50% of total portfolio assets to be located in Europe (excluding the UK);
- no more than 40% of total portfolio assets to be located in the United Kingdom;
- no more than 30% of total portfolio assets to be located in Asia Pacific; and
- no more than 10% of total portfolio assets to be located in any other jurisdictions.

Sustainability policy

The Company is committed to responsible investing. As part of its sustainability strategy, it has a long-established sustainability policy, which the Board reviews regularly and ensures is kept up to date. The policy describes the Company's sustainability principles that underpin its approach and its three corresponding sustainability goals that it measures and reports its progress against.

It also details how sustainability is integrated throughout the investment process, in particular the negative and positive screening, as well as the proprietary dual-scoring methodology. Once a loan is made, there are various methods of engagement with borrowers that may feature as part of our monitoring of assets that is set out in the sustainability policy. There is also provision of how the policy is governed through Board oversight and delivered upon by the Company's Investment Adviser. For more detail, please refer to the website where the sustainability policy is published in full: **www.seqi.fund/sustainability/publications/**.

Dividend policy

SEQI's dividend policy is to pay dividends in accordance with its annual dividend target. The annual dividend target is 6.875p (2025: 6.875p). Accordingly, in the absence of any significant restricting factors, the Board believes the current dividend totalling 6.875p per Ordinary Share per annum can, and will, be maintained. The Company pays dividends on a quarterly basis.

For further details, please see note 5 to these Unaudited Condensed Interim Financial Statements.



Chair's statement



> The portfolio's income has remained resilient and fully covered our dividend despite continued geopolitical uncertainty and market volatility. With substantial demand for essential infrastructure and a broader investment policy, we remain confident in delivering a reliable, attractive dividend for Shareholders.

James Stewart
Chair

It is my pleasure to present the Interim Report and Financial Statements for the six-month period to 30 September 2026.

The first half of this financial year, which began just after the start of the US-Iran war, has been marked by continued economic and geopolitical uncertainty, evolving interest rate expectations and ongoing market volatility. Against this backdrop, the Company's portfolio has continued to demonstrate the resilience and income-generating characteristics that have long underpinned SEQI's investment strategy.

SEQI's share price total return[1] between 31 March 2026 and 30 September 2026 was 15.6%, outperforming 10-year gilts, which returned 10.3% during the same period. SEQI also outperformed the FTSE All-Share Index, which increased by 7.2% during the same period.

Income generation and dividend

A key attraction of the Company for many Shareholders is a compelling dividend yield and the provision of a reliable income stream through market cycles. Our carefully selected portfolio is diversified through a broad range of targeted sectors, geographies and borrowers, and investments are typically supported by either contractual or predictable revenue streams, generating strong cash flows from infrastructure businesses that provide essential services. These characteristics continue to support the stable and attractive income profile that Shareholders expect from the Company. This has enabled the Company to pay out dividends totalling 3.4375p per Share in the period, in line with the policy of paying an annual dividend of 6.875p. This dividend is fully covered by the net income the portfolio generates, with cash dividend cover[1] of 1.06x for the six-month period, the same as for the prior financial year to 31 March 2026, and represents a dividend yield[1] of 8.1% as at 30 September 2026. This compares favourably with yields of 3.3% for the FTSE All-Share Index and 5.9% for iShares Global High Yield Bonds (GBP-hedged).

NAV performance

The NAV per Share[1] of the Company as at 30 September 2026 was 90.43p (31 March 2026: 93.17p). The NAV total return[1] of 0.7% during the six-month period is disappointing and below our target. The positive impact of the strong income returns plus NAV-accretive share buybacks was offset by valuation decreases. The valuation decreases mainly centred around two loans. One of these is Active Care Group ("ACG") and I comment on this further below. The Investment Adviser's report also provides more detail on this and on our two non-performing loans. Over the longer term, the Company has provided an attractive return with a NAV total return[1] of 71.6% over 10 years, which outperforms the NAV total return on iShares Global High Yield Bonds (GBP-hedged) of 41.5% over the same period.

The Board is mindful that capital preservation remains a critical consideration for Shareholders. The portfolio is constructed with a strong emphasis on downside protection. Investments are typically backed by resilient cash flows, and secured against tangible infrastructure assets, while the Company itself maintains a conservative approach to balance sheet management and relatively low levels of structural gearing. The Company's revolving credit facility ("RCF") balance was £87.9 million as at period end (31 March 2026: £nil), which represents just 6.6% of NAV. Taken together, these features help create a risk profile that compares favourably with many other income-oriented investment strategies while continuing to support attractive returns.

Focus on Shareholders

The Board welcomes the narrowing of the discount to NAV over the period, but believes it remains too wide and does not fully reflect the portfolio's ability to deliver attractive risk-adjusted returns through periods of economic uncertainty. Further reducing the discount remains a top priority for the Board, and the Board will continue to pursue a number of strategies to achieve this.

These include NAV-accretive share buybacks where appropriate, taking into account available portfolio liquidity, the relative discount to NAV and other relevant factors.

The share price as at 30 September 2026 was 84.90p (31 March 2026: 76.6p), representing an increase of 10.8% in the period. Encouragingly, the Company has seen strong demand for its Shares in the period from both retail and institutional investors which, along with £9.8 million of NAV-accretive share buybacks, helped drive the share price total return. This resulted in the discount to NAV[1] narrowing to 6.1% as at 30 September 2026 (31 March 2026: 17.8%) compared to a sector[2] average of 10.6%. The Company has also delivered a strong share price performance over the longer term, generating a total return[1] of 48.1% over the past 10 years, compared to 40.9% for iShares Global High Yield Bonds (GBP-hedged) over the same period.

In relation to the wider shareholder base, the Company is a constituent of the FTSE 250 and has a unique proposition as one of the leading listed infrastructure debt specialists globally. The Board aims to continue broadening the shareholder base by increasing access to this attractive asset class which many retail investors, in particular, would otherwise be unable to access directly. The Pension Schemes Act 2026 has created opportunities for pension schemes to gain exposure to private assets such as infrastructure funds through investment companies. This has already proved beneficial and we have seen a significant increase in pension fund holdings in the reporting period. The Company has also appointed a new PR Adviser, Sodali & Co, a company that has significant knowledge of the closed-ended fund market, as it seeks to create more demand and liquidity for the Company's Shares both at a retail and institutional level.

1. See Appendix for Alternative Performance Measures ("APMs")
2. AIC Infrastructure funds sector

Chair's statement continued

Portfolio

The Board believes that the Company's extensive portfolio diversification remains one of its greatest strengths. The portfolio is invested across a broad range of assets, sectors, sub-sectors and geographies with low levels of correlation, which has helped support resilience throughout economic cycles and varying market conditions, resulting in the attractive returns over longer time periods mentioned earlier.

As at 30 September 2026, the portfolio had the following characteristics:

- yield to worst[1] of 9.6%;
- 51 loans with 60.8% invested in senior debt, which has less risk than other more subordinated loans;
- covers eight sectors, 25 sub-sectors and 12 countries;
- 55.5% fixed-rate loans (net of interest rate swaps) protecting the income streams from any sudden downward movements in interest rates;
- weighted average equity cushion[1] of 39% (being the average amount of equity capital in the businesses that we lend to, expressed as a percentage of their total capital); and
- currency hedging minimising the risk of any major currency movements adversely impacting valuation movements.

In the period, our Investment Adviser remained active in the market, committing £198.0 million in new loans, while a total of £52.5 million was either repaid or sold. The number of non-performing loans stood at two as at 30 September 2026, representing 1.4% of NAV (31 March 2026: two representing 1.2% of NAV)[2].

In addition, the Board continues to closely monitor the investment in ACG, which now stands at 6.6% of NAV[1]. This investment is different from others in the portfolio in that the Company now owns 100% of the equity as well as various debt tranches. As a result, the Investment Adviser's oversight and involvement is greater, reflecting our equity position. The Board supports the strategy of the Investment Adviser to provide further investment to support ACG in implementing its new business strategy, which includes divesting non-core areas and focusing on the more profitable private patient model. The Board is mindful of the execution risks associated with delivering its exit strategy at ACG and takes assurance from the rigour of the portfolio valuation process, including the independent review, underpinning the monthly valuation figure.

Portfolio performance and composition is discussed in more detail in the Investment Adviser's report, but I would like to highlight the meaningful role the Company continues to fulfil in the real economy. Through its investments, Shareholder capital supports critical services and infrastructure that individuals and businesses depend upon every day, including transportation networks, renewable energy facilities, communications infrastructure and other economic assets. As a result, Shareholders benefit not only from attractive income opportunities but also from exposure to investments that serve a tangible and important economic purpose.

Investment policy

At the Annual General Meeting on 28 July 2026, Shareholders overwhelmingly supported a resolution to widen the geographic parameters within the investment policy. This change allows the Investment Adviser to increase investment allocations to Eastern Europe, Asia Pacific and many other jurisdictions around the globe and has the benefit of increasing the Company's addressable investment universe and enhancing diversification across countries and economic cycles. Any expansion into new jurisdictions will remain subject to stringent investment due diligence and risk assessment process.

Board and Investment Adviser

The Board has previously participated in a non-executive Director ("NED") apprentice scheme based in Guernsey and is delighted to announce it has appointed Susan Watson as a NED apprentice through this scheme. Susan has a background in AI and digital transformation, both of which are a key focus at both a Board and portfolio level, and we look forward to working closely with Susan over the term of her apprenticeship.

I would also like to thank Dolf Kohnhorst for everything that he has done for SEQI. Dolf was one of the founder partners of Sequoia Investment Management Company Limited ("SIMCo") and will step back from his executive responsibilities at the end of this calendar year. I am delighted that he will be staying involved as a non-executive director of SIMCo.

Outlook

While financial markets may continue to experience periods of uncertainty and challenges, including increasing interest rates and inflation, we remain confident in the long-term fundamentals supporting infrastructure debt. Demand for investment in energy security, digital connectivity, transportation and other essential infrastructure remains substantial across both developed and developing economies. We believe these structural requirements will continue to create attractive investment opportunities for specialist investors, such as SEQI, with the deep expertise and relationships required to access them.

On behalf of the Board, I would like to thank Shareholders for their continued support. We remain committed to maintaining a sustainable income stream that supports an attractive dividend yield, protecting Shareholder capital, and ensuring that the Company continues to provide access to a differentiated portfolio of infrastructure debt investments that back essential infrastructure around the world.

James Stewart
Chair

24 November 2026

1. See Appendix for Alternative Performance Measures ("APMs")
2. When calculating non-performing loans as a percentage of NAV, SEQI includes the clean loan valuation together with accrued interest. In the 31 March 2026 financial statements, in respect of this disclosure alone, it excluded accrued interest and hence the comparative percentage has been restated from 0.3% of NAV to 1.2% of NAV. For the avoidance of doubt, there has been no change to the valuation of the non-derivative financial assets at 31 March 2026

Investment Adviser's report



> In volatile markets, our focus on operational assets, senior secured debt and non-cyclical sectors has kept the portfolio resilient and well positioned to capture attractive reinvestment opportunities.

Steve Cook
Partner and Head of Portfolio Management

SIMCo

The Investment Adviser's objectives for the year

Over the course of the first half of the financial year, Sequoia Investment Management Company Limited ("SIMCo" or the "Investment Adviser") has had the following objectives for the Fund:

Gross portfolio return of 8-9%

- 9.6% portfolio yield
- 0.7% NAV total return for the six-month period
- 8.1% dividend yield

Manage the portfolio responsibly through a volatile interest rate environment

- 44.5% floating-rate
- 55.5% fixed-rate (net of interest rate swaps)

Manage portfolio credit quality in the face of economic uncertainty

- 60.8% senior debt
- 39% weighted average equity cushion

Provide transparent reporting on the new ESG dual-scoring framework

- To date, 89% of the portfolio by NAV has been assigned with a new ESG Risk Score and new Externality Score

Timely and transparent investor reporting

- Six monthly NAV updates

Dividend target of 6.875p per Ordinary Share per annum

- 3.4375p per Ordinary Share paid during the six-month period

Investment Adviser's report continued

Economic infrastructure is a diverse and highly cash-generative asset class

Economic infrastructure debt is now an established asset class, and it attracts a broad mix of investors looking for reliable income. The businesses we lend to tend to operate in sectors that are expensive to enter and typically heavily regulated, which protects the established investors and, by extension, us as their lenders. Since the services they provide are essential, demand holds up well and cash flows are generally steady and predictable. In addition, many investments have contracted or inflation-linked revenues, which has historically helped infrastructure assets to perform through periods of macro-economic stress. Notably, behind the debt we provide, there are usually real, physical assets, which provide us with a further layer of security.

Our core sectors are transport-related infrastructure, utilities, power, digitalisation and renewables. Many of our borrowers operate under long-term concessions or licences, where revenues are linked to usage or demand. If investments are exposed to demand risk, we look to protect ourselves via lower leverage, conservative credit metrics and strong covenants.

The evolving geopolitical conflicts over the last six months have highlighted the benefits several of these essential sectors can provide to its investors. In these acutely volatile markets, we continue to focus on operational assets, senior secured debt and non-cyclical sectors. In line with this positioning, our current portfolio is resilient and in a good position to take advantage of reinvestment opportunities as they arise while providing a stable return to our Shareholders.

The market environment during the period

While the Company's underlying assets continue to benefit from stable, long-term contracted revenues, valuations remain sensitive to wider market conditions. The six months to 30 September 2026 were dominated by the conflict in the Middle East.

While the US-Iran conflict started in late February 2026, a short-lived two-week ceasefire was agreed between the US and Iran in April. In June there followed a memorandum to end the conflict, which both parties declared as having been breached less than a month after being signed. All the while, hostilities continued and shipping through the Strait of Hormuz remained disrupted. Oil prices swung sharply, with Brent oil peaking in April 2026 at USD118 a barrel and climbing back above USD100 a barrel in September 2026. Similarly, gas prices rose steeply, mostly affecting Europe, given the dependence on imported liquefied natural gas. Surprisingly, credit markets held up better than one would have expected. High-yield spreads, which had widened sharply in March 2026 at the start of the conflict, were back at pre-conflict levels by the summer. This was not the case for government bond yields: they moved higher as markets priced in tighter monetary policy, leading to the US 10-year Treasury yield crossing the 5% threshold in September 2026 – a level last seen in 2007.

Higher energy prices kept inflation well above target. In the US, headline inflation was 3.7% in September 2026 (March 2026: 3.3%). In the UK, it rose to 3.5% in September 2026 (March 2026: 3.3%), with price growth expected to peak in early 2027 before gradually unwinding. In the Eurozone, inflation rose to 3.8% (March 2026: 2.6%). This is in contrast to the start of the year, when markets had expected inflation to settle back towards target and interest rates to keep falling. Instead, the US Federal Reserve and the European Central Bank ("ECB") both raised rates during the period and while the Bank of England kept its rate on hold, it signalled that it may need to tighten in the future. Overall, the markets are now pricing in further rate hikes in all three jurisdictions.

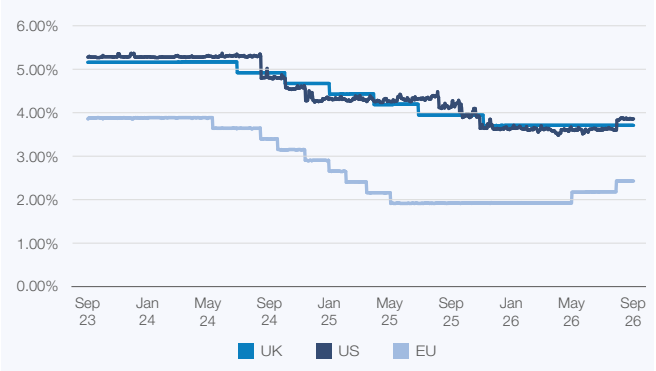
As a result of these developments, since the valuations of the Fund's fixed-rate investments are affected by movements in interest rates, there has been a negative impact on their valuations. Notably, however, these mark-downs are temporary and reverse over time as loans approach maturity.



Investment Adviser's report continued

Market backdrop and impact on SEQI

Overnight interest rates (%)



Source: S&P Capital IQ

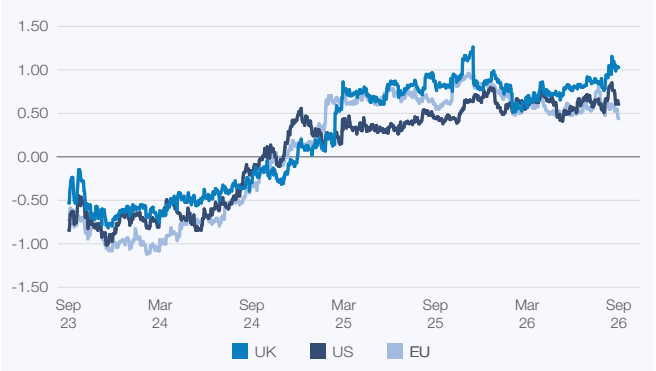
What is happening?

Following the reductions seen during 2024 and 2025, overnight interest rates diverged across the Fund's principal investment currencies during the six months to 30 September 2026. Sterling rates remained broadly stable, while euro rates increased during the period and US dollar rates rose in September. At the half-year end, overnight interest rates stood at approximately 3.9% in the US (SOFR), 3.7% in the UK (SONIA) and 2.4% in the Eurozone (€STR).

Why this matters to SEQI

Elevated overnight rates support income from the Fund's floating-rate investments, contributing to dividend coverage, while also increasing the cost of its floating-rate borrowings. The balance between fixed- and floating-rate exposure helps manage the sensitivity of portfolio income to changes in short-term rates. The Investment Adviser also monitors borrowers' interest coverage and hedging arrangements to assess their capacity to service debt across different rate environments.

Difference between 10-year and 1-year government bond yield (%)



Source: S&P Capital IQ

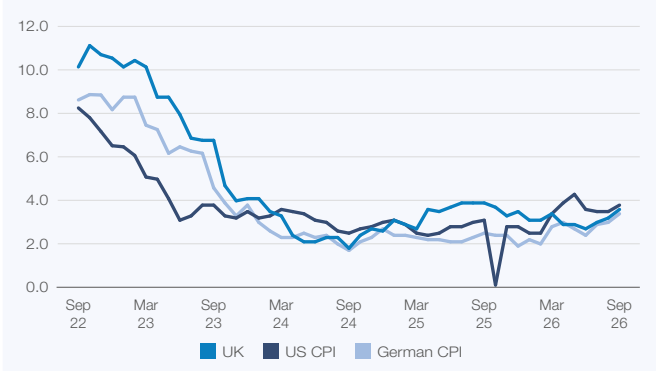
What is happening?

The difference between 10-year and 1-year government bond yields remained positive across the UK, US and Europe and widened over the period, most notably in the UK. Longer-term yields increased across all three markets, particularly towards the half-year end. This highlights that higher long-term borrowing costs can persist even where short-term policy rates remain relatively stable.

Why this matters to SEQI

Higher government bond yields place downward pressure on the valuations of fixed-rate investments by increasing the discount rates applied to their future cash flows. These unrealised mark-to-market losses attributable to interest rate movements are expected to unwind as investments approach repayment, provided contractual cash flows are received in full. Higher yields can also create attractive reinvestment opportunities, assessed alongside borrowers' refinancing capacity and underlying credit quality.

Consumer price index year-on-year (%)



Source: S&P Capital IQ

What is happening?

After falling steadily from the peaks of 2022, inflation has increased in the US and Eurozone over the past year and remains high in the UK. Annual CPI in September 2026 was 3.7% in the US and 3.8% in Eurozone, up from 3.0% and 2.2% respectively in September 2025. UK CPI was 3.5%, slightly below the 3.8% recorded a year earlier. However, it has risen again in recent months as the energy price shock that followed the conflict in the Middle East interrupted the gradual disinflation that had been under way in Europe and the UK, raising the risk of second-round effects through wage growth and services inflation. The ECB now expects headline inflation to average 3.0% in 2026, before easing towards target over 2027 and 2028.

Why this matters to SEQI

Infrastructure's defensive characteristics provide relative resilience during periods of elevated inflation. Demand for essential services supports revenues, while contractual inflation linkage and cost pass-through mechanisms can help protect borrowers' operating margins. The extent and timing of these protections vary across investments, making pricing arrangements, operating costs and cash flow resilience central to the Investment Adviser's credit assessment and ongoing monitoring.

Investment Adviser's report continued

NAV performance

Over the last six months, the Company's NAV per Ordinary Share decreased from 93.17p per Ordinary Share to 90.43p per Ordinary Share cum dividend, driven by the following effects:

	Pence
Starting NAV, 31 March 2026	**93.17**
Interest	**4.18**
FX component	**0.23**
Valuations	**(2.88)**
of which ACG Group	(2.04)
of which non-disclosed non-performing loan ("NPL")	(0.84)
of which risk-free rate ("RFR") movements	(0.52)
of which credit spreads (including other)	0.52
IFRS adjustment from mid-price at acquisition to bid price	**(0.12)**
Operating costs	**(0.82)**
Gains from buying back Ordinary Shares	**0.11**
Sub-total before dividends	**0.70**
Dividends	**(3.44)**
Total movement	**(2.74)**
Final NAV, 30 September 2026	**90.43**

The Company delivered a total return on NAV[1] of 0.7% for the six-month period, below its long-term net return objective of 7-8% per annum, and behind high-yield bonds which returned 1.0% during the same period.

The decline in NAV reflected valuation adjustments to ACG, as outlined in the "Higher scrutiny loan" section below, alongside markdowns on a non-disclosed NPL and lower valuations of fixed-rate loans following a material rise in risk-free rates during September. Five-year sovereign yields increased from 2.7% to 3.3% in the EU, from 4.4% to 5.0% in the UK and from 4.0% to 5.1% in the US. The resulting unrealised mark-to-market losses are expected to unwind as investments approach repayment, subject to continued credit performance. As at 30 September 2026, the portfolio's potential pull-to-par stood at 4.5p per Share. Over time, and absent any credit losses, as loans approach maturity, their value will accrete towards par value, a dynamic commonly referred to as the "pull-to-par" effect.

We continue to believe the portfolio can outperform liquid credit markets in the long term. Private debt typically pays a higher yield than liquid credit of similar quality. In addition, infrastructure debt benefits from the added protection of often being backed by essential physical assets, which is reflected in the Fund's low loss rates. The portfolio is also diversified across sectors, sub-sectors and geographies, which limits the impact of any single credit.

1. See Appendix for Alternative Performance Measures ("APMs")

Share performance

As at 30 September 2026, SEQI had 1,467,333,278 Ordinary Shares in issue (31 March 2026: 1,479,731,915). The closing share price on that day was 84.90p per Ordinary Share (31 March 2026: 76.60p per Ordinary Share), implying a market capitalisation of approximately £1.25 billion, an increase of c.£112 million compared to six months ago, despite the Company's share buyback programme, which has reduced the number of Ordinary Shares in issue.

SEQI's share price total return[1] between 31 March 2026 and 30 September 2026 was 15.6%, outperforming 10-year gilts, which returned 10.3% during the same period. SEQI also outperformed the FTSE All-Share Index, which increased by 7.2% during the same period. Sentiment towards the listed investment company sector improved over the period. The sector's average discount, which had widened to 19.4% in March 2026 as the US-Iran conflict began, narrowed to 6.9% at the end of August 2026, its narrowest since March 2023, before widening again in September 2026. Higher yields on government bonds and money market funds continue to compete for investors looking for fixed income returns. SEQI's share price rose by 8.30p over the six months, and its discount to NAV narrowed from 17.8% to 6.1%.

Notably, against the backdrop of a narrowing discount to NAV, the Company made no further repurchases of Ordinary Shares after 19 May 2026 through to the half-year end on 30 September 2026. We have found that with a narrower discount to NAV, our investment team can originate assets exceeding the returns achievable by continuing the buyback. Over the past six months, 12,398,637 Ordinary Shares have been repurchased at an average price of 79.10p (excluding costs). From the launch of the buyback programme in July 2022 to 30 September 2026, a total of 300,905,720 Ordinary Shares were repurchased, representing 17.0% of the Ordinary Shares in issue at the outset. Over this period, the programme added 2.6p to NAV per Ordinary Share.

Liquidity and gearing

During the period, the Company moved from a net cash position to modest net borrowing. At 30 September 2026, RCF drawings totalled £87.9 million, equal to 6.6% of NAV (31 March 2026: £nil). Cash held by the Company and its Subsidiaries was £41.2 million (31 March 2026: £49.2 million), resulting in net borrowings of £46.7 million, equivalent to 3.5% of NAV. The invested portfolio represented 105.0% of NAV, compared with 97.7% at the previous year end.

Balance sheet management

At the beginning of the period, the Fund held a cash balance of £49.2 million (including £47.1 million held in the Subsidiaries), with its RCF undrawn. During the six-month period, the Company used up to £120.6 million of its RCF in August 2026, before partially repaying it in September 2026. We use the facility to fund investments ahead of expected repayments, which means that their timing mismatch does not lead to unnecessary cash drag. By the end of the period, the Fund held a cash balance of £41.2 million (including £27.5 million held in the Subsidiaries) and RCF drawings stood at £87.9 million. This leaves sufficient liquidity to continue supporting the investment pipeline. Furthermore, we cancelled £50 million of the £300 million facility with effect from 29 September 2026. The facility was originally sized to 20% of NAV, being the limit set under the investment policy. Since then, due to the large share buyback programme, the NAV has declined and has led to a portion of the facility being non-accessible. The reduction in the facility size also reduces commitment fees on the loan facility by approximately £500,000 per annum.

Repayments and reinvestment remain central to our balance sheet management. Repayments often bring fee income and provide us with the opportunity to reinvest in sectors where we see strong relative value. This lets us rebalance exposures and target attractive risk-adjusted returns.

We will begin the refinancing process of the RCF in the second half of the financial year, in time for the facility's maturity in July 2027.

Investment Adviser's report continued

Dividend cover

The Company paid dividends totalling 3.4375p for the six months to 30 September 2026, in line with its annual dividend target of 6.875p. At the period end, the Company offered a dividend yield of 8.1%, more than 2.5 times the FTSE All-Share Index yield of 3.3% and substantially above the 5.9% yield available from iShares Global High Yield Bonds (GBP-hedged). Dividend cash cover[1] was 1.06x for the half year, the same as for the prior year ended 31 March 2026. For the purposes of this calculation, expenses incurred to protect or enhance the value of the investments are regarded as being of a capital nature and are excluded.

During the period, the Company entered into a swap agreement to smooth the timing of cash interest receipts from loans with payment-in-kind ("PIK") interest, where some or all of the interest is added to the outstanding principal rather than paid in cash. Only well-performing assets may be considered for this arrangement, which is expected to reduce volatility in dividend cash cover.

Fund metrics

		30 September 2026	31 March 2026	30 September 2025
NAV[1]	per Ordinary Share	**90.43p**	93.17p	93.67p
	£ million	**1,326.9**	1,378.6	1,440.8
Cash held (including in the Subsidiaries)	£ million	**41.2**	49.2	84.9
RCF utilisation	£ million	**87.9**	0.0	33.2
Invested portfolio	percentage of NAV	**105.0%**	97.7%	96.6%
Total portfolio	including investments in settlement	**109.0%**	103.6%	112.5%

Portfolio characteristics[2]

		30 September 2026	31 March 2026	30 September 2025
Number of investments		**51**	50	53
Valuation of investments	£ million	**1,379.0**	1,320.6	1,366.2
ESG score		**N/A[3]**	66.12	65.44
Largest exposure	£ million	**85.8**	97.8	90.2
	percentage of NAV	**6.6%**	7.1%	6.6%
Single largest investment	£ million	**60.0**	62.3	65.0
	percentage of NAV	**4.5%**	4.5%	4.8%
Average investment size	£ million	**27.0**	26.4	25.3
Sectors	by number of invested assets	**8**	8	8
Sub-sectors		**25**	27	28
Jurisdictions		**12**	11	11
Private debt	percentage of invested assets	**94.3%**	94.1%	94.6%
Senior debt		**60.8%**	63.5%	57.2%
Floating rate		**44.5%**	41.5%	38.3%
Construction risk[1]		**9.7%**	12.8%	11.7%
Weighted average maturity	years	**3.2**	3.6	3.4
Weighted average life	years	**3.1**	3.4	3.2
Yield to worst[1]		**9.6%**	9.6%	9.7%
Modified duration[1]		**1.9**	2.3	2.1

1. See Appendix for Alternative Performance Measures ("APMs")
2. Relates to the portfolio of investments held in the Subsidiaries
3. As of 1 April 2026, SEQI introduced a new ESG dual-scoring methodology for assessing investment opportunities and assets, as part of its updated sustainability policy. The proprietary methodology replaces the previous single ESG scoring system. Progress on the rollout of the new framework is described in the sustainability section of this report on page 17

The reduction in the weighted average maturity and life of the portfolio enhances reinvestment flexibility and enables the Fund to capture attractive spreads as opportunities arise, strengthening its positioning in the current market environment. Over the six-month period, the Investment Adviser has also maintained an average of nearly 60% for fixed-rate investments (net of interest rate swaps), in order to capitalise on elevated term rates. The Fund's fixed-rate investment target remains unchanged at 60%.

Investment Adviser's report continued

Credit performance

Overall, the portfolio's credit performance remained generally resilient over the six months, although valuation adjustments to ACG and Gadwall Holdings Limited ("Gadwall", an ACG Group entity) and a non-disclosed NPL reduced the NAV by 2.04p and 0.84p per Ordinary Share, respectively. Separately, higher risk-free rates reduced the valuations of fixed-rate investments by 0.52p per Ordinary Share. These interest-rate-related movements do not, in themselves, reflect a deterioration in underlying credit quality. The resulting unrealised mark-to-market losses are expected to unwind as investments approach repayment, provided contractual cash flows are received in full.

The Company's non-compounded annual loss rate was 0.52%, compared with 0.54% in the previous year, reflecting that the proportion of write-downs on NPLs compared to repayments in the period was slightly reduced.

Updates on the Fund's two non-performing loans can be found below. The Company is unable to disclose the loans' identities for commercial reasons.

Non-performing loan 1

SEQI continues with legal proceedings on an asset equal to 1.0% of the NAV[1] (31 March 2026: 1.2%) which is being classed as non-performing. The loan is backed by a recently revalued property asset and is marked in line with a conservative estimate of a recovery backed by that asset.

Non-performing loan 2

The borrower continues to remain in a Chapter 11 process. The Investment Adviser is actively engaged with all stakeholders including the United States Bankruptcy Court for the recovery of the Company's senior secured loan. This non-performing loan represents 0.4% of NAV.

Higher scrutiny loan

Active Care Group, the Company's largest single-name exposure, remains a key focus for the Investment Adviser.

ACG is a leading UK provider of specialist complex care, employing more than 5,000 people and supporting over 2,000 individuals each day. Its services include neurological rehabilitation, brain and spinal injury, learning disabilities and autism, and adult mental health, delivered through specialist hospitals, residential facilities and care in the home. Since taking ownership, the Company has provided funding to support clinical care, operational improvements and the development of the business.

Following the restructuring in May 2024, the Company owns the entire equity interest alongside certain debt investments. Since then, the Company has provided funding to improve the quality of clinical care at ACG, as evidenced by materially better Care Quality Commission ratings across its estate.

At 30 September 2026, the Company's operating-company loans represented 5.3% of NAV. These loans are secured against ACG's underlying assets and supported by its cash flows, with differing repayment priorities between facilities and relative to third-party lenders. The Company also holds a HoldCo loan (referred to as "Gadwall"), representing 1.3% of NAV. This instrument is economically equity-like, with its value dependent on the residual value of the business after repayment of the operating-company debt.

The Board supports the Investment Adviser's strategy, which combines the development of ACG's specialist rehabilitation services with a phased disposal programme. Through its Active Neuro division, ACG is increasing its focus on neurological rehabilitation and growing the proportion of privately funded patients. This segment serves an under-resourced area of the UK healthcare market and offers the potential for stronger margins and greater resilience to cost pressures. Priorities include increasing occupancy, strengthening relationships with private medical insurers and other referral sources, and opening or repositioning selected facilities.

Further investment is required to support this transition and strategic shift at ACG, including capital expenditure on facilities and operating costs while new capacity and services become established. As outlined in the September NAV announcement, the Company estimated this additional funding would amount to approximately £12.5 million, equivalent to 0.9% of NAV, to support the programme. Funding requirements and deployment remain subject to close monitoring by the Alternative Investment Fund Manager ("AIFM") on behalf of the Board.

In parallel, ACG is pursuing the sale of selected non-core and lower-growth divisions. The disposal programme began with the sale of Remeo, its specialist ventilator weaning and respiratory rehabilitation business, in May 2026. Further disposals are intended to reduce group indebtedness and provide funding for investment in the remaining business. The Company's objective remains a full exit from ACG following the development of the Active Neuro division and completion of the disposal programme. Third-party financing may provide an opportunity to reduce the Company's exposure before that point.

While trading currently remains below plan, the strategy being implemented at ACG is intended to improve its profitability and thereby support the recovery of the Company's investment over time. The Board and Investment Adviser remain mindful of the execution risks of ACG's strategy, particularly the timing and proceeds of disposals, the growth of private patient revenues and the business's continuing funding requirements. Progress is assessed through regular reviews of trading, occupancy, liquidity and performance against forecasts.

The valuation of the ACG investment reflects a probability-weighted range of potential recovery outcomes, discounted to present value, and incorporates the risks associated with delivering the strategy. Assumptions are reassessed each month as operational performance, funding requirements and disposal prospects develop.

Asset valuations, including the ACG investment, are independently reviewed every month by PricewaterhouseCoopers LLP ("PwC").

1. When calculating non-performing loans as a percentage of NAV, SEQI includes the clean loan valuation together with accrued interest. In the 31 March 2026 financial statements, in respect of this calculation alone, it excluded accrued interest and hence the comparative percentage has been restated from 0.3% of NAV to 1.2% of NAV. For the avoidance of doubt, there has been no change to the valuation of the non-derivative financial assets at 31 March 2026

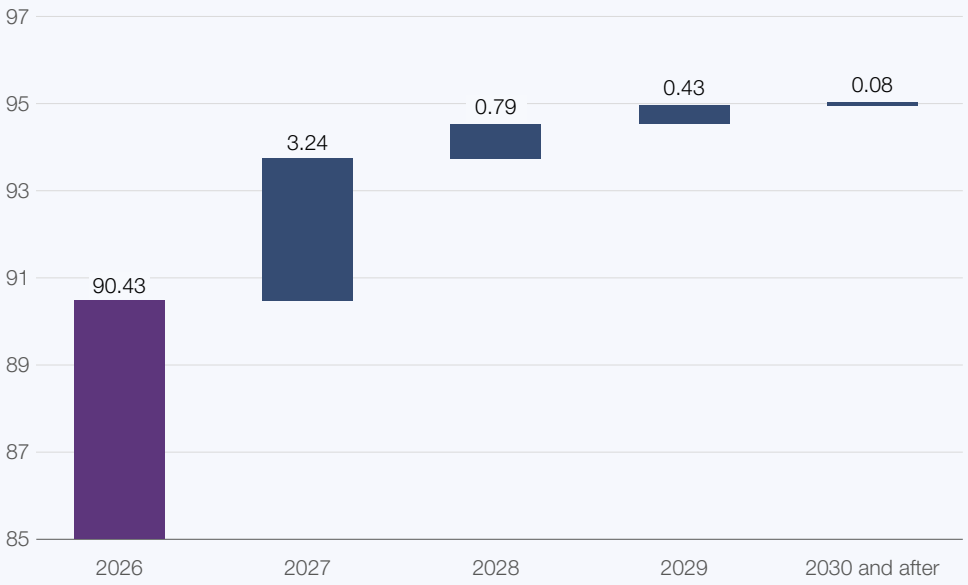
Investment Adviser's report continued

Portfolio valuation

Currently, the average loan in the portfolio rated single-B or higher is valued at approximately 97.2p in the pound. This discount mainly reflects the impact of higher rates, relative to the market conditions prevailing at origination.

Our NAV estimates are calculated on the assumption that interest rates and bond yields remain constant and they do not factor in NAV-accretive mechanisms beyond the pull-to-par effect; the only variable considered being the passage of time. Non-performing loans are excluded from the pull-to-par calculation, while recoveries on underperforming loans are based on internal credit ratings. The pull-to-par effect is expected to have a material positive impact on NAV over the next three years.

Pull-to-par over time



Period	Pull-to-par (£ million)	Pull-to-par (pence per Ordinary Share)
1 October 2026 to 30 September 2027	47.49	3.24
1 October 2027 to 30 September 2028	11.56	0.79
1 October 2028 to 30 September 2029	6.25	0.43
1 October 2029 and after	1.22	0.08



Investment Adviser's report continued

Portfolio update: putting capital to work

The first half of the financial year saw active deployment across a broad range of infrastructure sectors. The Fund committed £198.0 million to new loans in digitalisation, transport – systems, power and other sectors, at a weighted average yield to worst[1] of 10.2%. Over the same period, £52.5 million was repaid or sold, providing capital for reinvestment and opportunities to rebalance the portfolio.

Our focus remains on businesses providing essential services, supported by established cash flows, appropriate security and robust lending terms. Exposure to European jurisdictions increased from 28.0% to 33.2% through four loan acquisitions, extending diversification across borrowers, sectors and economies.

At 30 September 2026, the portfolio comprised 51 investments across eight sectors, 25 sub-sectors and 12 countries. Senior debt represented 60.8% of the portfolio, compared with 57.2% 12 months earlier. These investments generally benefit from priority over subordinated creditors and Shareholders, providing an important layer of downside protection. Construction exposure[1] declined from 12.8% to 9.7% during the six-month period, while weighted average life shortened from 3.4 to 3.1 years, supporting more frequent recycling of capital into new investments and creating opportunities to generate additional upfront lending fees, which contribute positively to NAV.

Capital allocation continued to reflect the relative attractions of new lending and share buybacks. The Company repurchased £9.8 million of Ordinary Shares during the period. As the discount to NAV narrowed and attractive lending opportunities emerged, greater emphasis was placed on new investments, with no Shares repurchased between 19 May and 30 September 2026. The buyback programme remains available, with decisions informed by the discount, portfolio liquidity and competing uses of capital.

The RCF supported deployment ahead of anticipated repayments, helping to manage the timing of cash flows. Drawings stood at £87.9 million at period end. We remain selective in committing capital, seeking investments that support sustainable income while maintaining appropriate diversification and credit protection.

Broadening our investment opportunities

Following Shareholder approval at the July 2026 Annual General Meeting, the Company broadened its investment policy from 22 eligible countries across Europe, North America and Australasia to encompass OECD member countries and other jurisdictions with investment-grade sovereign ratings. This expanded investment universe provides greater scope to capture attractive relative value and enhance geographic diversification, while preserving the Company's established underwriting standards and disciplined approach to credit quality, country risk and lender protections.

We will take a selective approach to these opportunities, applying the same underwriting discipline that governs our existing investments. Alongside borrower creditworthiness and asset quality, our assessment will consider the legal and regulatory environment, the enforceability of lender protections and any currency or political risks. The broader mandate increases our choice of investments, with capital deployed only where the expected returns adequately compensate for the risks.

US power markets and data centre demand

Within the US, we see attractive opportunities in power infrastructure, including businesses addressing the electricity requirements of data centres. Our appetite for direct data centre lending has moderated as the sector has become increasingly crowded. In our view, strong investor demand and elevated growth expectations warrant greater caution over pricing, financing structures and assumptions about future utilisation.

The availability and reliability of electricity remain critical to bringing data centre capacity into operation. This creates opportunities to finance power solutions serving these facilities, alongside utilities, energy and other commercial and industrial customers. Our assessment focuses on the strength of underlying cash flows, customer creditworthiness and the contractual and structural protections available to lenders.

During the period, the Fund invested approximately £90.5 million across two US power transactions: a second-lien loan to Life Cycle Power, a mobile power generation platform serving a range of customers, including data centres; and a senior secured loan to Project Cloud, financing the acquisition of six operating power generation assets in New York State with approximately 1.55GW of combined capacity. Including upfront fees, the loans both offer yields to worst of 10.4%. These investments provide exposure to demand for reliable electricity across multiple end markets.

Origination activities

The Company's investment strategy spans both primary and secondary debt markets, each offering distinct advantages. In the primary market, the Fund benefits from upfront lending fees, the ability to structure investments to specific requirements, and the additional return available through the illiquidity premium. In the secondary market, acquisitions facilitate the rapid deployment of capital into seasoned assets with established performance histories, supporting efficient portfolio management.

Primary market origination

The Fund remains mainly focused on the primary loan market, which continues to offer attractive returns. The Investment Adviser targets bilateral transactions, participates in selective "club" deals with small groups of lenders, and also invests in broadly syndicated infrastructure loans. Primary market lending is particularly attractive given its favourable economics, including upfront fees and greater scope to negotiate bespoke terms. Over time, the Fund's primary market activity has grown to account for the majority of the portfolio (88.6%).

1. See Appendix for Alternative Performance Measures ("APMs")

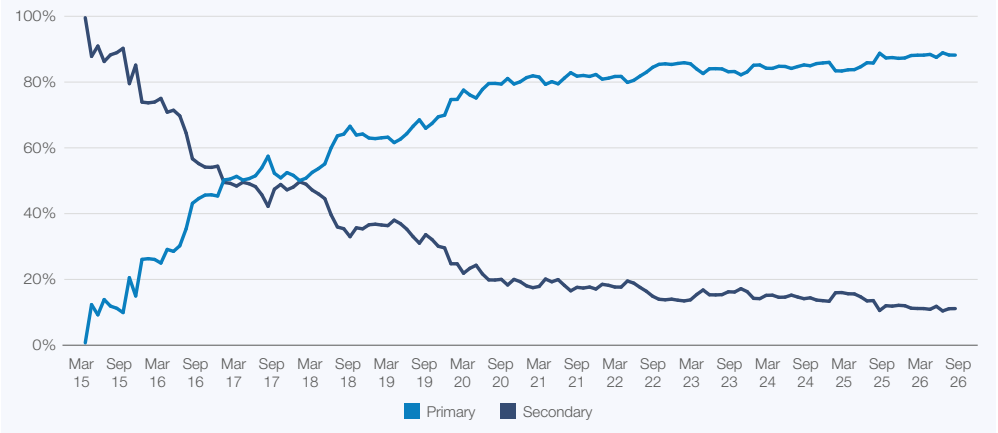
Investment Adviser's report continued

Origination activities continued

Secondary market origination

Secondary market activity complements our primary lending. Buying loans from banks and other lenders provides us with an agile method of redeploying capital or adjusting the portfolio composition in an optimal manner by adding to a particular sector or region, without going through the typical months it takes for a primary deal to close given their bespoke nature. In addition, these loans are usually easier to sell, which adds to the Fund's liquidity. Infrastructure credits also tend to get stronger with age, as projects move from construction into operation and borrowers de-lever, meaning a loan bought in the secondary market can carry less risk than it did when it was first issued.

Primary and secondary investments since IPO (%)

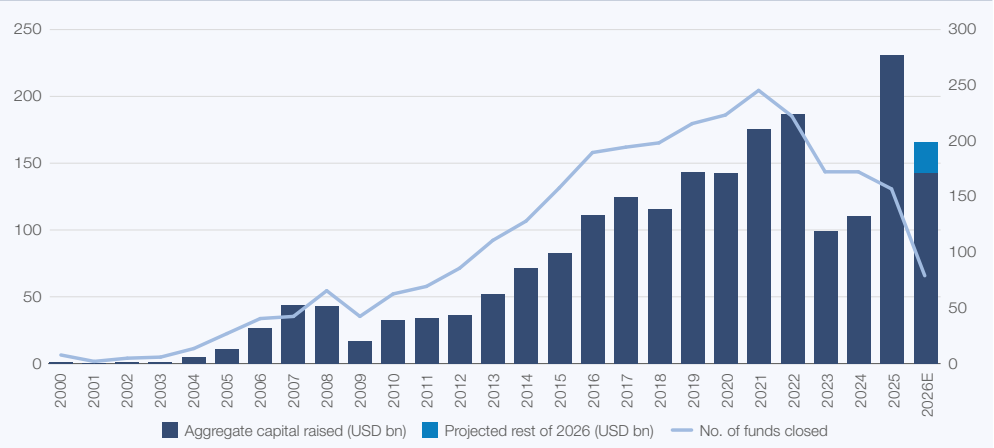


Strong pipeline of opportunities

The pipeline of investment opportunities remains strong, supported by the financing requirements of digital infrastructure, energy security and more resilient supply chains. The Investment Adviser is also seeing opportunities to finance power generation and related infrastructure serving AI data centres. In its October 2026 outlook, Preqin forecasts global infrastructure assets under management to approach USD3 trillion by 2031, highlighting the anticipated expansion of the asset class. Against this backdrop, the Investment Adviser continues to pursue opportunities selectively, focusing on resilient cash flows, robust lender protections and attractive risk-adjusted returns.

Global infrastructure private funds AUM (USD billion)

Historical fundraising[1]



Global infrastructure fundraising reached a record USD224.1 billion in 2025 and is projected to raise approximately USD160 billion in 2026, exceeding the full-year totals for both 2023 and 2024. These substantial capital commitments provide a strong foundation for future investment activity and associated demand for debt financing. The Investment Adviser believes SEQI is well positioned to capture these opportunities through its established origination network and flexible investment mandate.

A compelling market opportunity

- **Structural demand:** digitalisation, energy security and supply-chain resilience are creating substantial requirements for long-term infrastructure finance
- **Powering digitalisation:** opportunities extend beyond data centres to the power generation, electricity networks and supporting infrastructure needed to serve them
- **Attractive entry yields:** elevated market rates provide opportunities to secure attractive contractual returns, with flexibility to invest across fixed- and floating-rate instruments
- **Specialist lending advantage:** complex financing requirements create scope for experienced lenders to negotiate bespoke structures, appropriate pricing and robust contractual protections
- **Defensive characteristics:** essential services, asset backing and contractual revenues support infrastructure debt's relative resilience and diversification benefits

The Fund's flexible mandate and established origination network position it to pursue opportunities across sectors, jurisdictions and the capital structure. The Investment Adviser remains focused on translating this breadth of opportunity into investments offering resilient cash flows, strong lender protections and attractive risk-adjusted returns.

1. Source: Preqin

Investment Adviser's report continued

Strong pipeline of opportunities continued

The Investment Adviser continues to combine active portfolio management and enhanced monitoring with disciplined origination. During the six months to 30 September 2026, the Fund committed £198.0 million to new loans across the digitalisation, transport – systems, power and other sectors, at a weighted average yield to worst[1] of 10.2%.

Alongside these commitments, the Investment Adviser has identified a further £165 million of potential new investments in the near to medium term. While not all pipeline opportunities are expected to materialise, they provide further opportunities to deploy capital selectively and enhance portfolio diversification.

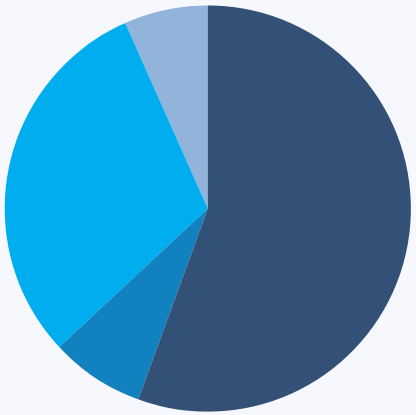
The breadth of recent commitments and prospective investments demonstrates the continued strength of the Fund's origination capabilities. The Investment Adviser remains focused on securing attractive risk-adjusted returns through investments supported by resilient cash flows, robust lender protections and disciplined underwriting.

Team

Staff turnover at the Investment Adviser was low over the period. Our long-term incentive plan remains in place to help us hold on to the experience and knowledge the team has built up.

Dolf Kohnhorst will step back from his executive responsibilities at the end of 2026, following a 46-year career in finance, and will remain involved with SIMCo in a non-executive role. As a co-founder, Dolf has played an important role in building the business since 2010, and we thank him for his considerable contribution.

Pipeline of investments by sector



Georgi Teofilov will lead origination as Managing Director and Head of Credit/Origination, supported by an experienced team, ensuring continuity as Dolf moves into his new role.

Sequoia Investment Management Company Limited
Investment Adviser

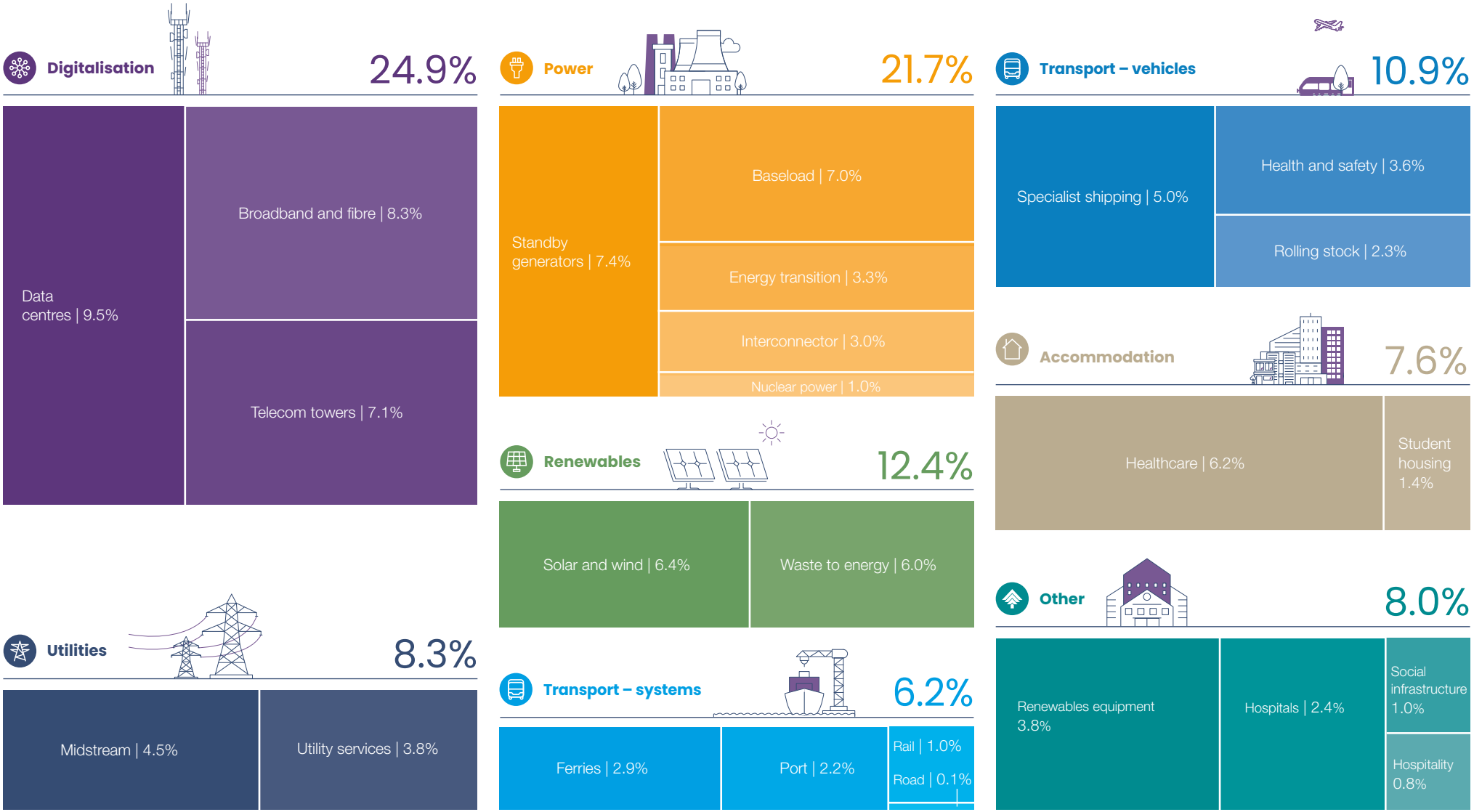
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1. See Appendix for Alternative Performance Measures ("APMs")

Investment Adviser's report continued

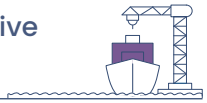
The chart below illustrates the sector and sub-sector allocation as at 30 September 2026:



Sustainability

The Company continues to adhere to and progress its comprehensive sustainability strategy and methodology that is fully integrated into its investment process. Below is an update on the Company's three sustainability goals over the last half year.

1. Comply with negative screening criteria



During the period, 100% of projects were compliant with the Company's negative screening criteria.

This has been maintained since the adoption of the exclusion policy in the 2021/22 financial year.

2. Progress thematic investing (positive screening)



Averaged over the first two quarters of the financial year, 70% of the investment portfolio meets the Company's positive screening criteria.

These investments are split across the three sustainability themes as follows:

- 7% in renewable energy;
- 32% enabling the transition to a lower carbon world; and
- 31% in infrastructure with social benefits.

The overall percentage of the portfolio that falls within a thematic category has dropped slightly from 74% for the year ended 31 March 2026. This is primarily due to the decrease in capital invested in renewable energy investments over the period, following the exit from a solar investment.

3. Provide transparent reporting on SEQI's scoring framework



During the prior financial year, the Company conducted a comprehensive review of its sustainability framework, informed by a materiality assessment and analysis and engagement with Shareholders and other key stakeholders. Following this, SEQI introduced a new dual-scoring sustainability methodology for assessing investment opportunities and assets, as part of its updated sustainability policy. This new methodology came into effect on 1 April 2026.

More detail on the updated sustainability framework is contained within SEQI's latest sustainability policy and 2026 Sustainability Report, both available online on the Company's website: **https://www.seqi.fund/sustainability/publications/**.

In summary, the proprietary methodology replaces the previous single ESG score approach and comprises two complementary measures:

- an **ESG Risk Score**, assessing how effectively ESG-related risks appear to be being managed by the borrower; and
- an **Externality Score**, assessing the positive and negative environmental and social impacts associated with an investment.

Both scores and analyses are included in new credit and monitoring memos for the Investment Committee's review, whereby a borrower's performance in managing ESG-related risks may affect the decision whether or not to lend to it.

In calculating the ESG Risk Score, ESG factors are first assessed for their materiality to the borrower's financial performance and credit quality, with greater weight given to the ESG factors that give rise to the most material risks. The borrower's performance in managing each identified material risk is then assessed against defined evidence requirements.

The Externality Score separately considers the external effects of the borrower's business, practices and products on the environment and society, ranging from significant harm to significant benefit. Under the new methodology, the impact factors have been weighted taking account of the priorities of SEQI's stakeholders as expressed in the survey and engagement programme.

Both scores are normalised on a scale of 0–100, with 50 serving as a reference threshold below which an investment may be prioritised for engagement or warrant further scrutiny by the Investment Committee and escalation.

During this half-year period, the new methodology has been progressively rolled out and trialled across the portfolio, with 89% of the portfolio by NAV having been assigned a new ESG Risk Score and a new Externality Score at the time of reporting. Given the breadth and diversity of SEQI's investments, this has been an extensive exercise, providing a valuable opportunity to assess how the framework is operating in practice and identify areas requiring further calibration and refinement before its finalisation. Initial results are encouraging and indicate that the two scores are capturing meaningfully different characteristics. In particular, the framework is providing greater visibility over investments where a borrower may manage its financially material ESG risks effectively while nevertheless having more negative external impacts, and vice versa – distinctions which could have been obscured under the previous single, blended ESG score.

Observations from the rollout and feedback from the Company's governance bodies will inform this methodology that will be integrated into the Company's investment process.

Alongside this work, the Fund's Sustainable Finance Disclosure Regulation ("SFDR") disclosures have been reviewed and will be updated to reflect the revised sustainability policy and finalised new scoring methodology.

Following these key steps, the borrower Sustainability Questionnaire will be revised to align with the new scoring methodology and will be issued to portfolio companies to obtain the additional information and supporting evidence needed to assist with the new scoring assessments.

The intention is to complete the full portfolio reassessment to be able to report on the new ESG Risk and Externality Scores in SEQI's upcoming Sustainability Report 2027 and in its 2027 Annual Report.

Principal and emerging risks and uncertainties

The Risk Committee is responsible for reviewing the Company's overall risks and monitoring the risk control activity designed to mitigate these risks. The Risk Committee has carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, reputation, solvency or liquidity.

As the Company is an externally managed non-EU Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"), the Directors have appointed FundRock Management Company (Guernsey) Limited ("FRMCG" or the "Investment Manager") as AIFM to the Company to provide risk management services compliant with AIFMD and to prepare the relevant disclosures to be made to investors and regulators. On 30 January 2015, the Financial Conduct Authority ("FCA") confirmed that the Company was eligible to be marketed via the FCA's National Private Placement Regime and the Company has complied with Articles 22 and 23 of the AIFMD for the period ended 30 September 2026.

Under the instruction of the Risk Committee, FRMCG is responsible for the implementation of a risk management policy and for ensuring that appropriate risk mitigation processes are in place: for monitoring risk exposure; preparing quarterly risk reports to the Risk Committee; and otherwise reporting on an ad hoc basis to the Board as necessary.

Risk classification and review process

The Company maintains a risk register that maps all the identified key risks that can potentially impact its performance. This risk register also details risks that have the potential to threaten the business in the future but are not yet entirely clear in terms of their nature or impact. These risks are referred to as emerging risks.

All key risks are rated by four factors: likelihood of occurrence, potential impact, pre-mitigation risk and post-mitigation risk. Key risks scoring high combinations of likelihood of occurrence and potential impact are identified as potential principal risks. An additional screen removes from the list risks that have been rated as having a very low level of risk post-mitigation. The resulting list of principal risks is highlighted on the following pages along with major mitigants.

The risk register is actively maintained and is updated at least annually or as otherwise required by the Risk Committee, with new key and emerging risks added and existing key risks re-rated based on prevailing circumstances.

Principal risks

Geopolitical risk

Jurisdictional risk

Unexpected and significant political, economic or social events that can impact the performance of the Fund's portfolio.

Mitigation

- The list of eligible countries has recently increased. All jurisdictions must be members of the OECD or rated investment grade by Moody's or S&P Global at the time of approval.
- Portfolio diversification requirements limit potential exposure to individual jurisdictions.
- Before approving any loan to a company in a new jurisdiction, extensive country-specific due diligence will be completed and presented to the Investment Committee for approval.
- Resources who are familiar with many of the new markets that the Company may look to lend in have been added to the Investment Adviser's team.

Evolution

- The addition of new countries to the list of eligible jurisdictions potentially increases risk by exposing the portfolio to potentially less mature markets for infrastructure debt.
- The availability of new jurisdictions can help the Investment Adviser meet diversification objectives.

Macro strategy risk

Infrastructure debt availability

Insufficient access to suitable investment opportunities could limit the Company's ability to maintain appropriate portfolio diversification and achieve its target return.

Mitigation

- The Investment Adviser has extensive experience and a strong track record in sourcing infrastructure loans and bonds.
- The Fund's ongoing need for assets is only a small percentage of the overall infrastructure debt market.
- The wide range of eligible jurisdictions, sectors and risk profiles provides an expansive universe of potential targets.

Evolution

- The recent broadening of the investment mandate to include jurisdictions outside the original guidelines further enhances the Company's opportunity set.
- Ongoing demand for infrastructure debt from new and existing market participants continues to drive credit spread tightening.
- An increase in benchmark risk-free rates has helped to offset the overall impact of credit spread tightening on absolute yields.
- The recent expansion of the Company's jurisdictional mandate increased the number of potential investment targets.

Principal and emerging risks and uncertainties continued

Principal risks continued

Macro strategy risk

Competing investments

A significant increase in returns available from other investment options (typically due to an increase in interest rates) or a decrease in the attractiveness of investment companies backed by alternative asset classes may make the Company's Shares look relatively unattractive.

Mitigation

- The Company's attractiveness is monitored relative to its peers and other investment opportunities on an ongoing basis.
- In higher interest rate environments, the Company's interest income is likely to rise, which may allow it to either increase its dividend or enjoy NAV growth. In falling rate environments, a proactive duration management programme can help preserve income levels.
- A history of strong performance, active investor engagement and support for Shareholders, for example in the form of buyback programmes, can help position the Company positively relative to other investment companies.

Evolution

- A significant increase in medium-term risk-free rates (gilts, US Treasuries) has hurt the relative attractiveness of existing fixed-rate assets.

Investment strategy execution risk

Investment allocation

Poor allocation decisions between different jurisdictions and sectors can negatively impact the Company's performance. Failure to consider the relative attractiveness of share buybacks versus new investments may lead to sub-optimal returns.

Mitigation

- Portfolio diversification requirements provide a first layer of protection against sub-optimal allocation decisions between different jurisdictions and sectors.
- Within the diversification framework, the Company's Investment Adviser uses its experience to help avoid investing in sectors susceptible to underperformance.
- Portfolio and sector performance is reviewed regularly at Board meetings. Future direction is debated and modified if required.
- Weighing returns available from share buybacks versus new investments is included as part of the investment process, with potential costs associated with any shrinkage of the portfolio taken into consideration (e.g. reduced diversification).

Evolution

- Risk unchanged.

Investment strategy execution risk

Loan underwriting process

Use of inaccurate or fraudulent data, over-optimistic projections or poor decision making during the underwriting process can lead to higher-than-expected default rates and credit losses.

Mitigation

- Due diligence and underwriting are performed by an experienced team of credit analysts with a strong track record.
- When needed, new resources are recruited to help evaluate the potential impact of new and emerging risks on debt under consideration.
- Reputable third-party experts are hired if needed to vet borrowers' assumptions and projections, or to provide specialist input (e.g. engineering reports).
- All loans require approval from the Investment Adviser's Head of Risk and Investment Committee, and the AIFM. On high-risk loans, the AIFM solicits and considers the views of the Risk Committee prior to providing a final decision.

Evolution

- Risk unchanged.

Capital markets risk

Targeted dividend

Setting the dividend target too low can make the Company's Shares look unattractive. Setting it too high can increase the risk of the Company's dividend cash coverage falling below 1x.

Mitigation

- The dividend target set by the Company is only a target; however, extensive modelling is undertaken to understand the quantum and volatility of cash flow available in future periods so that it can be set at a level the Board believes can be met under normal circumstances.
- The dividend is set as favourably as possible versus competing investment products while ensuring the availability of a reasonable cushion to protect against dips in performance.

Evolution

- PIK assets, NPLs and equity-like positions continue to impact the Company's ability to predict the exact timing of cash payments.
- An increase in short-term rates will increase interest income on the portfolio's floating rate exposures in the short term.

Principal and emerging risks and uncertainties continued

Principal risks continued

Capital markets risk

Inability to raise new capital

Not being able to access capital to grow the Company diminishes its market relevance to both investors and potential borrowers and reduces its ability to generate incremental returns linked to making new loans. Performance can be further impacted if share buybacks lead to lower portfolio diversification and higher cost ratios.

Mitigation

- The Company looks to carefully balance the use of its available cash, including proceeds from loan repayments, between new originations and share buybacks, recognising that portfolio shrinkage comes at a cost.
- New investments are selected and structured to help mitigate the impact of any potential reduction in portfolio size.
- Most costs are variable, which largely protects the Company from portfolio shrinkage. However, service provider performance is monitored closely as reduced absolute fees may lead to operational challenges.

Evolution

- Risk unchanged.

Capital markets risk

NAV volatility

Assets in the portfolio are valued monthly. As debt products, movements in interest rates, foreign exchange ("FX") and credit spreads can lead to significant changes in NAV.

Mitigation

- Portfolio duration is kept low to avoid significant swings in NAV due to interest rate movements. The Company targets a minimum 40% holding of floating-rate assets (including interest rate swaps), and the maturities of fixed-rate loans and bonds are kept relatively short.
- NAV volatility due to movements in benchmark credit spreads is mitigated by limiting the portfolio's spread duration.
- Volatility due to FX rates is minimal due to the Company's extensive hedging programme.
- Diversification is used to reduce the impact of credit-specific risk on the overall NAV.
- Note: Changes in value due to interest rate and generic credit spread and most FX movements are reversed as the assets approach maturity (pull-to-par).

Evolution

- Recent political and micro/macro-economic events have increased the volatility of rates and credit spreads used to calculate NAVs.
- The equity-like nature of the relatively large ACG Group exposure adds to potential NAV volatility.

Capital markets risk

Share price discount to NAV

Trading at a discount to NAV for a sustained period can limit the ability of the Company to raise new capital, lead to investor dissatisfaction, and trigger corporate activity that may not be in the best interests of all Shareholders.

Mitigation

- The Company is highly focused on its share price discount to NAV and actively seeks out views on the issue from Shareholders and other market participants.
- The Company continues to focus on broadening distribution, working with Kepler Partners to increase demand from retail and smaller wealth management accounts, and J.P. Morgan Cazenove and Jefferies as joint Brokers to help execute marketing and investor engagement strategy.
- While the Company is under no obligation to buy back Shares, in the past it has done so to signal support for the investment strategy, help absorb excess supply in the market and, depending on the size of the discount, provide investors with attractive returns.

Evolution

- While share price discount to NAV tightened from 17.8% to 6.1% over the first half of the year, recent performance has reversed some of the gains, leaving the risk level unchanged.

Macro-economic risk

Macro-economic factors

Movements in macro-economic factors including interest rates, FX, commodity prices and inflation can impact the pricing and credit quality of individual infrastructure investments as well as the Company's other assets and liabilities including hedges, swaps and borrowings.

Mitigation

- The Company considers the potential impact of significant movements in macro-economic factors on the credit of its borrowers during the underwriting process and builds protections into loan structures.
- Counterparty credit exposure to macro-economic factors is mitigated at the portfolio level by diversification constraints and concentration limits.
- The cap on leverage and relatively short duration of the portfolio limits NAV movements due to interest rate changes.
- FX hedges protect the Company from pricing movements linked to assets denominated in non-Sterling currencies.
- Derivative contracts are structured to minimise the potential impact of margin calls linked to interest rate and FX movements.

Evolution

- Higher medium-term rates may impact some borrowers' credit quality by decreasing asset valuations and reducing the ability to refinance capital structures at maturity.
- A significant spike in energy costs – in particular oil, diesel and other petrochemicals – will directly increase costs for some borrowers and will indirectly impact costs for others via higher inflation.

Principal and emerging risks and uncertainties continued

Principal risks continued

Counterparty credit risk

Borrower counterparty credit

Credit-based borrower underperformance on individual assets can lead to a loss of capital and income, a drop in NAV, and reputational damage due to negative headlines.

Mitigation

- The Investment Adviser has extensive experience underwriting and managing infrastructure debt.
- A detailed credit review and underwriting process requiring multiple levels of approval is in place with additional input provided from the Board on higher-risk loans.
- All assets are monitored semi-annually by the Investment Adviser and AIFM and at least annually by the Board. Loans having credit issues or of particular interest are placed under an enhanced level of surveillance.

Evolution

- Many borrowers' credit risk will have been negatively impacted by the increase in rates, energy-related costs and inflation seen over the first half of the year. A few will have benefited (e.g. the US energy sector).
- ACG Group, the portfolio's largest counterparty exposure at 6.6% of NAV, is underperforming and subject to enhanced monitoring.

Service provider risk

Investment Adviser key person/team

The departure from the Investment Adviser of a single key person or small group of individuals could negatively impact the Company's prospects.

Mitigation

- Key-person and succession risk at the Investment Adviser is discussed regularly in annual meetings and reviews with the Chair, Management Engagement Committee and Audit Committee.
- The Investment Adviser continues to develop its human resources and has a talent pool capable of assuming, if necessary, the roles currently held by the partners and Chief Risk Officer.
- Key team members are managed proactively and are provided with a Long-Term Incentive Plan ("LTIP") and an equity retention plan.

Evolution

- The Investment Adviser has signed new third-party mandates in the period and is actively marketing other advisory products. This has placed additional time demands on the time of key partners and employees.
- New advisory mandates have provided a boost to business activity and team morale.

Liquidity risk

Liquidity

Insufficient liquidity available to pay contractual obligations when due, or to fund non-binding but expected corporate actions (e.g. dividend payments, share buybacks) is a risk.

Mitigation

- Liquidity is monitored by the Company on an ongoing basis with cash flow and dividend cover projections presented and discussed at quarterly Board meetings.
- Cash flow modelling looks at stressed scenarios to estimate the amount of liquidity needed at any point to satisfy demand.
- Headroom under the RCF and a minimum percentage of liquid assets are maintained to supplement balance sheet cash.
- The relatively short-dated debt portfolio is highly cash generative as most of the assets pay cash interest and typically a certain number are repaid within any given three-month period.

Evolution

- Risk unchanged.

Cyber risk

Cyber

The rapidly evolving use of AI by threat actors increases the risk and scale of sophisticated cyber attacks that can lead to operational disruption, data loss, regulatory breaches and reputational damage.

Mitigation

- Key service providers, as regulated entities, are required to have cyber risk prevention policies in place that are reviewed on engagement and periodically thereafter.
- Incidents linked to cyber-related breaches are reported to the AIFM with any serious incidents highlighted immediately to the Board.
- Business continuity policies are in place to help mitigate any impact, should the Company suffer a cyber incident or any information security breach.

Evolution

- Advances in AI are facilitating the development of new tools and techniques that can be used to hack into business systems for nefarious purposes.

Principal and emerging risks and uncertainties continued

Key risks

Along with the principal risks discussed on the previous pages, the Company is highly focused on several other groups of key risks in the risk register. In general, these risks have very low probabilities of occurrence and are therefore not classified as principal risks. However, many of them do score very highly on potential impact and consequently receive significant attention.

Legal structure

Changes to laws, regulations and tax rules governing the structure employed by the Company to carry on its business could impact the viability of the investment strategy by reducing the returns available and/or limiting the ability of investors to hold Ordinary Shares. SEQI's AIFM, Investment Adviser, Administrator, Brokers, legal advisers and accountants in place in the UK, Guernsey and Luxembourg screen the market continually to identify potential changes to local tax and regulatory rules that may have an impact on the Company. The Board reviews the organisational structure on an ongoing basis and retains an external adviser to support its assessment of the viability of the structure and related processes.

Service providers

The Company has no employees and must therefore rely on the performance of third-party service providers. Failure to carry out their obligations to the Company in accordance with the terms of their appointments or the failure of their systems and processes could impact the Company's performance. Due diligence is undertaken before contracts are entered into. Thereafter, service provider oversight is conducted through ongoing interaction with the Management Engagement and Audit Committees, who review control reports delivered by service providers throughout the year.

At year end, the Management Engagement Committee reviews each service provider's overall performance, including a review of the contractual terms upon which the service providers perform their services.

IT failure, money laundering, fraud

The Board remains vigilant to the prevalence and trajectory of risks associated with IT failures, money laundering and fraud that could lead to reputational damage, legal liability or financial losses due to disruption of the Company's continued operations, including the loss or release of commercial or personal data into the public domain. A specialist provider supports the IT environment for the Board and ensures that the environment is managed and monitored, and threats are mitigated. Prior to the engagement of all key service providers, the Board seeks assurance regarding the adequacy of the processes and the controls in place to mitigate the risks associated with their service delivery. The Board monitors the effectiveness of the internal control environment of key service providers through the provision of periodic reporting and formally through an annual review process.

Sustainability risk

Shareholders, regulators and the market in general are increasingly focused on sustainability-related risks and exposures. Failing to meet and maintain the standards and objectives set by the Board on sustainability-related matters, report and disclose as required under all mandatory regulations and directives, and screen and monitor investments to avoid adding undesirable assets can lead to reputational damage, legal liability and loss of income.

The Company established the Sustainability and Stakeholder Engagement Committee to, amongst other things, promote its stated sustainability objectives and goals, monitor progress against these and verify that reporting and disclosure requirements and commitments are being met. At the portfolio level, sustainability considerations have been fully integrated into the Investment Adviser's screening, underwriting and portfolio management processes.

Board governance

Failure to promote the sustainable success of the Company, ensure that necessary resources and controls are in place, and maintain an effective engagement with Shareholders and service providers – while ensuring that SEQI's own policies, practices and behaviours are aligned with its purpose, values and strategy – can impact SEQI's performance. In response to market feedback and in pursuit of continued improvement and enhanced reporting, SEQI has developed a standalone governance policy providing a detailed and transparent outline of governance structures and policies.

There is regular review and assessment of the Board composition, skills, and the adequacy of appropriate resources available to the Board including the need for specific or supplemental consultancy or similar advice. In the event of any Board vacancy a formal and rigorous search is undertaken, with careful consideration given to the appropriate balance of skills, knowledge, experience, independence, time availability and diversity. The Board is also acutely aware of the rapidly developing market and regulatory landscape affecting the Company and its investments and bespoke training is organised for the Board. These measures enable the Directors to discharge their respective duties and responsibilities to a high standard and to contribute positively to overall Board effectiveness.

Board performance continues to be evaluated by an independent third party on a regular basis.

Emerging risks

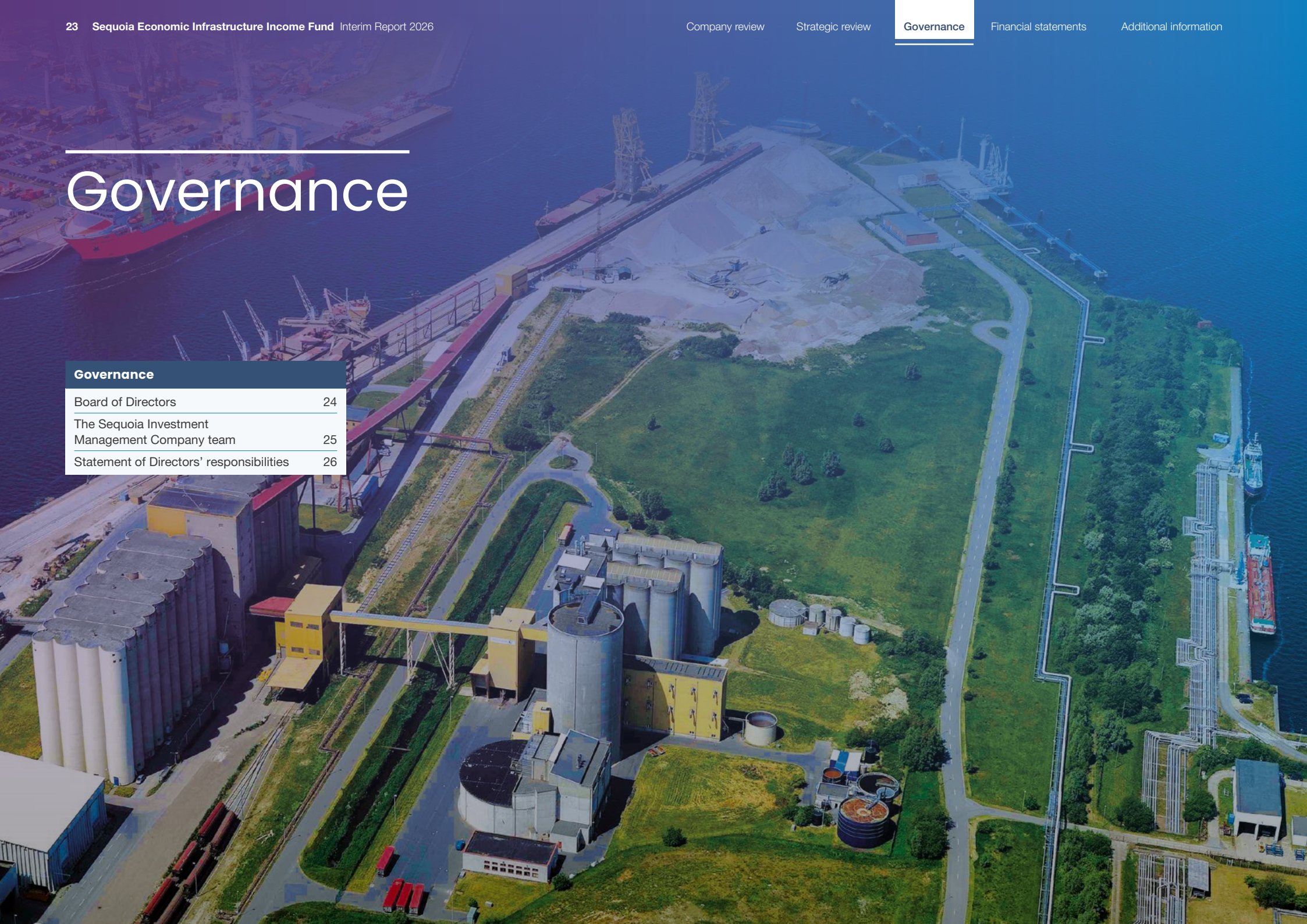
The Board continues to monitor emerging risks that could affect the Company and its portfolio. Where a risk is identified, the Board assesses its likelihood and potential impact and agrees appropriate measures to mitigate or manage it. Emerging risks are recorded in the risk register and reviewed at Risk Committee meetings, Board meetings and Board strategy days, as appropriate.

The Board remains alert to heightened geopolitical tensions, fiscal pressures and changing political priorities in the jurisdictions in which the Company and its borrowers operate. In addition, it is paying close attention to emerging risks to the Company and its borrowers from technological developments. These risks include possible market dislocations resulting from the ambitious buildout of the AI ecosystem, opportunity costs linked to the failure to adopt technological advances quickly enough, and operational, regulatory, and reputational risks if tools based on new technology are adopted without appropriate governance, controls, expertise and oversight.

In the United States, changes in the balance of congressional power following the November 2026 mid-term elections could increase policy uncertainty. Potential implications include greater scrutiny of government-related contracts and corporate transactions; a more challenging environment for M&A; changes in federal spending priorities; and renewed debate over fiscal sustainability and the debt ceiling. A greater emphasis on foreign policy could also add to geopolitical tensions.

These developments could contribute to interest rate volatility and a widening of credit spreads from historically tight levels. The Investment Adviser continues to monitor their potential impact on the portfolio.

Governance



Governance

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Board of Directors

The Directors of the Company, all of whom are non-executive and independent, are as follows:



James Stewart
Chair
(M) (N) (R) (S)

Over 30 years of leadership experience in infrastructure across public and private sectors.

Chair of KPMG Global Infrastructure; non-executive member of KPMG LLP board.

Chief executive of Infrastructure UK and Partnerships UK.

16 years in investment banking focused on infrastructure lending, equity and advisory.

Currently trustee of the Shaw Trust; chair and trustee of Power for the People.

Author of the Stewart Review on HS2 and wider lessons for major infrastructure projects.



Tim Drayson
Non-executive Director
(A) (M) (N) (R)

Over 40 years of experience in US and European debt capital markets.

Global head of Corporate Sales and deputy head of European Corporate Loan and DCM platform at BNP Paribas.

Global head of Securitization at BNP Paribas, managing all origination and infrastructure structuring teams.

Senior roles at Morgan Stanley as head of Securitized Products Syndication and at Paine Webber trading mortgage products.

Member of BNP Paribas Fixed Income Transaction Approval Committee.



Paul Le Page
Non-executive Director
(A) (M) (N) (R)

Over 20 years of board-level experience in investment funds.

Executive director and senior portfolio manager at FRM Investment Management (Man Group).

Non-executive director of TwentyFour Income Fund and of NextEnergy Solar Fund.

Audit chair of RTW Biotech Opportunities.

Former audit chair of Bluefield Solar, UK Mortgages and other listed funds.

Chartered engineer with MBA from Heriot Watt University.



Selina Sagayam
Non-executive Director
(A) (M) (N) (S)

Over 30 years of corporate finance legal experience in M&A, capital markets and governance.

Former senior counsel and chair of ESG practice at Gibson, Dunn & Crutcher. Law firm partner.

Former secretary to the UK Panel on Takeovers and Mergers.

Expert in public M&A, corporate governance and ESG.

Non-executive director of The Renewables Infrastructure Group; chair of ESG committee.

Former non-executive director of Hastings Group and risk committee chair of Hastings Insurance Services; chair of Cranstoun, vice chair of Refuge, trustee of Changeworks.



Nicola Paul
Non-executive Director
(A) (M) (N) (S)

Over 30 years of experience working in the finance industry in the Channel Islands.

Fellow of the Institute of Chartered Accountants in England and Wales.

Former associate partner of Deloitte LLP.

Specialist in advising on accounting, corporate governance and risk management and control matters.

Non-executive director of Partners Group Private Equity Limited.

Key

- (A) Audit Committee
- (M) Management Engagement Committee
- (N) Remuneration and Nomination Committee
- (R) Risk Committee
- (S) Sustainability and Stakeholder Engagement Committee
- Chair

The Sequoia Investment Management Company team

Sequoia Investment Management Company Limited ("SIMCo") is an experienced investment adviser, which has acted as Investment Adviser to the Company from its inception. SIMCo's management team and Investment Committee are as follows:



Randall Sandstrom
Director and CEO/CIO

Over 30 years of experience in the international and domestic credit markets and infrastructure debt markets.

Has managed global high yield and investment grade bonds, leveraged loans, ABS and money market securities.

Board of Directors, LCF Rothschild and MD of Structured Finance. Former CEO/CIO, Eiger Capital.

Head of Euro Credit Market Strategy, Morgan Stanley. Institutional Investors "All-American" senior Industrial Credit Analyst, CS First Boston (energy and transportation). Has worked in London, New York and Tokyo.



Steve Cook
Director and Head of Portfolio Management

Over 20 years of infrastructure experience.

European Head of Whole Business Securitisation and CMBS and Co-Head of Infrastructure Finance at UBS.

Head of European Corporate Securitisation at Morgan Stanley with lending and balance sheet responsibility.

Wide variety of infrastructure projects in the UK and across Europe as a lender, arranger and adviser.



Dolf Kohnhorst
Director and Co-Head of Infrastructure Debt

Over 40 years of experience in investment banking, debt capital markets and project finance commercial lending.

Head of Société Générale's Financial Institutions Group covering UK, Irish, Benelux and Scandinavian banks, insurance companies, pension funds and investment management companies.

16 years at Morgan Stanley heading Benelux and Scandinavian sales teams and DCM Structured Solutions Group.

Commercial lending to shipping, construction and project finance sectors.



Anurag Gupta
Director and Chief Risk Officer

Over 25 years of experience in project finance, infrastructure investment and appraisal, risk management, M&A and financial advisory.

Extensive transactional experience across infrastructure sectors such as transportation, power and utilities, renewables, digitalisation and social infrastructure.

Former KPMG in Canada Infrastructure Advisory Partner and Global Sector Head of Power within the KPMG Global Infrastructure Practice; previous infrastructure industry roles in both public and private sectors in multiple geographies.

Consultant to the Board



Graeme McDonald
Finance Consultant

Chartered Accountant with over 25 years' post-qualified experience, mainly in FTSE-listed investment trusts.

Former CFO for a boutique private equity fund manager and Financial Controller for the Scottish National Investment Bank and Fund Finance Director for two FTSE-listed REITs working at Aberdeen/Standard Life.

Extensive experience advising investment trust boards on strategy in relation to finance, debt, dividend policy and risk management.

Statement of Directors' responsibilities

We confirm that to the best of our knowledge:

- the Unaudited Condensed Interim Financial Statements (the "Interim Financial Statements") have been prepared in accordance with IAS 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Interim Report, together with the Interim Financial Statements, meet the requirements of an interim management report, and include a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules ("DTR") of the UK's FCA, being an indication of important events that have occurred during the period ended 30 September 2026 and their impact on the Interim Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the DTR of the UK's FCA, being related party transactions that have taken place during the period ended 30 September 2026 and have materially affected the financial position or performance of the Company during that period, and any changes since the related party transactions described in the last Annual Report that could do so.

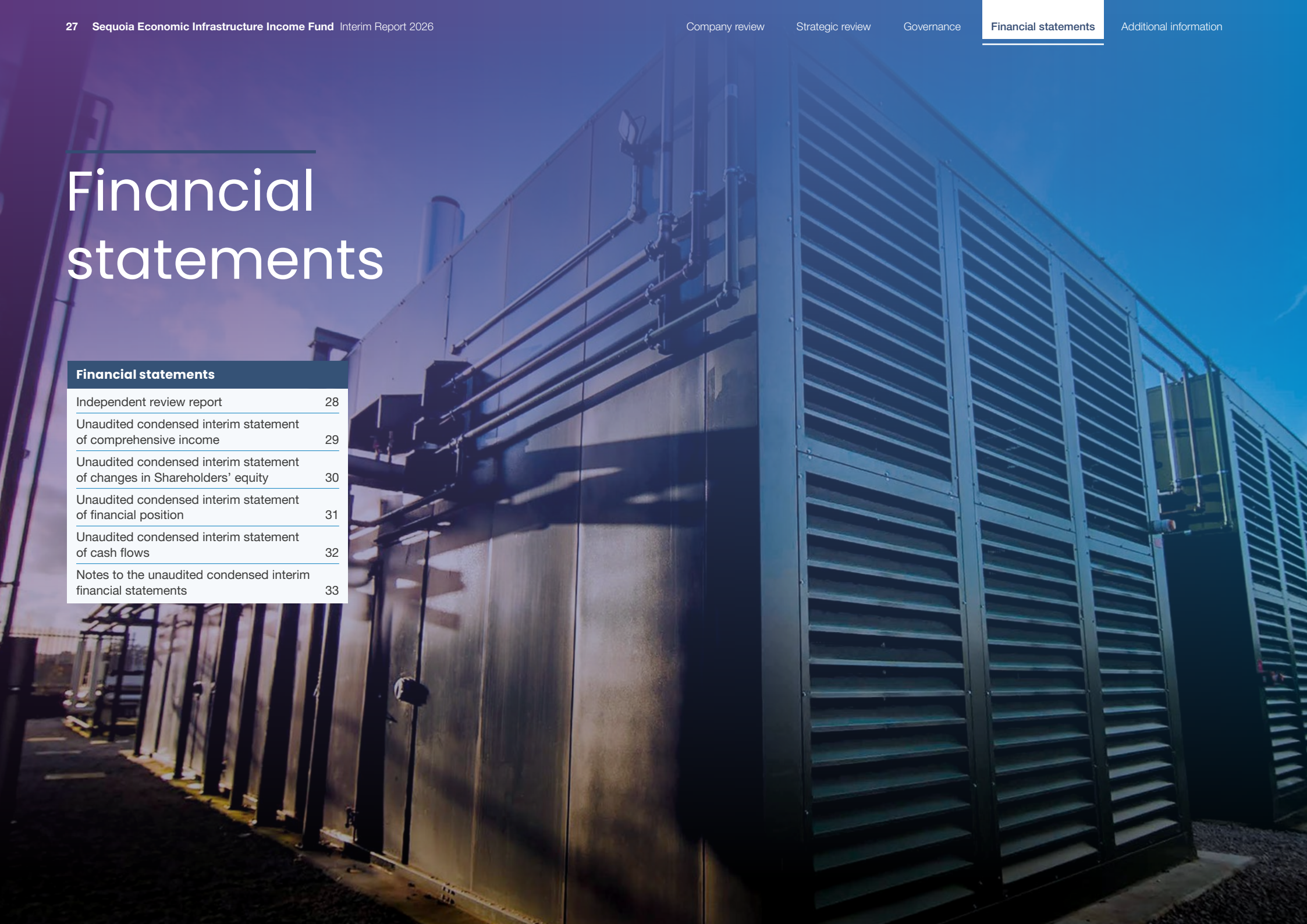
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board by:

Nicola Paul
Director

24 November 2026

Financial statements



Financial statements

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Independent review report

to Sequoia Economic Infrastructure Income Fund Limited on Interim Financial Information

Conclusion

We have reviewed the accompanying Unaudited Condensed Interim Statement of Financial Position of Sequoia Economic Infrastructure Income Fund Limited (the "Company") as of 30 September 2026 and the related Unaudited Condensed Interim Statement of Comprehensive Income, Unaudited Condensed Interim Statement of Changes in Shareholders' Equity, the Unaudited Condensed Interim Statement of Cash Flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company as at 30 September 2026 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board ("IASB").

Basis for Conclusion

We conducted our review in accordance with the International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the Annual Financial Statements of the Company are prepared in accordance with IFRS Accounting Standards as issued by the IASB. The Unaudited Condensed Interim Financial Statements included in this Interim Report have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management has inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however, future events or conditions may cause the Company to cease to continue as a going concern.

Responsibilities of Directors

The Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Unaudited Condensed Interim Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Information

In reviewing the Unaudited Condensed Interim Financial Statements, we are responsible for expressing to the Company a conclusion on the Unaudited Condensed Interim Financial Statements. Our conclusions, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in ISRE (UK) 2410 issued by the Financial Reporting Council. Our review work has been undertaken so that we might state to the Company's Directors those matters we have agreed to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors as a body, for our review work, for this report, or for the conclusions we have formed.

Grant Thornton Limited

Chartered Accountants

St Peter Port, Guernsey

24 November 2026

Unaudited condensed interim statement of comprehensive income

For the period from 1 April 2026 to 30 September 2026

	Note	**Period ended 30 September 2026 (unaudited) £**	Period ended 30 September 2025 (unaudited) £
Income			
Net losses on non-derivative financial assets at fair value through profit or loss	6	**(73,127,045)**	(9,748,117)
Net gains on derivative financial assets at fair value through profit or loss	8	**14,395,575**	7,655,980
Investment income	9	**78,010,779**	80,993,486
Net foreign exchange gains/(losses)		**822,352**	(266,825)
Total income		**20,101,661**	78,634,524
Expenses			
Investment Adviser's fees	10	**4,859,876**	4,901,958
Investment Manager's fees	10	**228,088**	219,247
Directors' fees and expenses	10	**196,252**	196,385
Administration fees	10	**357,045**	293,873
Custodian fees		**107,413**	111,412
Auditor's fees		**110,274**	110,819
Legal and professional fees		**1,208,364**	296,156
Valuation fees		**370,020**	372,100
Listing, regulatory and statutory fees		**92,534**	80,270
Other expenses		**454,465**	417,814
Total operating expenses		**7,984,331**	7,000,034
Loan finance costs	14	**3,502,745**	3,717,659
Total expenses		**11,487,076**	10,717,693
Profit and total comprehensive income for the period		**8,614,585**	67,916,831
Basic and diluted earnings per Ordinary Share	13	**0.59p**	4.40p

All items in the above statement derive from continuing operations.

The accompanying notes on pages 33 to 52 form an integral part of the Unaudited Condensed Interim Financial Statements.

Unaudited condensed interim statement of changes in Shareholders' equity

For the period from 1 April 2026 to 30 September 2026

Unaudited	Note	Share capital £	Retained losses £	Total £
At 1 April 2026		**1,605,088,614**	**(226,448,799)**	**1,378,639,815**
Total comprehensive income for the period		**—**	**8,614,585**	**8,614,585**
Share buybacks	12	**(9,817,680)**	**—**	**(9,817,680)**
Dividends paid during the period	5	**—**	**(50,501,324)**	**(50,501,324)**
At 30 September 2026		**1,595,270,934**	**(268,335,538)**	**1,326,935,396**

For the period from 1 April 2025 to 30 September 2025

Unaudited	Note	Share capital £	Retained losses £	Total £
At 1 April 2025		1,664,593,419	(225,404,819)	1,439,188,600
Total comprehensive income for the period		—	67,916,831	67,916,831
Share buybacks	12	(13,203,100)	—	(13,203,100)
Dividends paid during the period	5	—	(53,139,727)	(53,139,727)
At 30 September 2025		1,651,390,319	(210,627,715)	1,440,762,604

The accompanying notes on pages 33 to 52 form an integral part of the Unaudited Condensed Interim Financial Statements.

Unaudited condensed interim statement of financial position

At 30 September 2026

	Note	30 September 2026 (unaudited) £	31 March 2026 (audited) £
Non-current assets			
Non-derivative financial assets at fair value through profit or loss	6	**1,421,248,375**	1,396,025,452
Current assets			
Cash and cash equivalents		**13,689,093**	2,076,117
Trade and other receivables	7	**940,432**	1,566,407
Derivative financial assets at fair value through profit or loss	8	**12,778,199**	4,732,642
Total current assets		**27,407,724**	8,375,166
Total assets		**1,448,656,099**	1,404,400,618
Current liabilities			
Trade and other payables	15	**4,331,330**	4,057,973
Derivative financial liabilities at fair value through profit or loss	8	**29,464,965**	21,702,830
Loan payable	14	**87,924,408**	—
Total liabilities		**121,720,703**	25,760,803
Net assets		**1,326,935,396**	1,378,639,815
Equity			
Share capital	12	**1,595,270,934**	1,605,088,614
Retained losses		**(268,335,538)**	(226,448,799)
Total equity		**1,326,935,396**	1,378,639,815
Number of Ordinary Shares	12	**1,467,333,278**	1,479,731,915
Net asset value per Ordinary Share		**90.43p**	93.17p

The Unaudited Condensed Interim Financial Statements on pages 29 to 52 were approved and authorised for issue by the Board of Directors on 24 November 2026 and signed on its behalf by:

Nicola Paul
Director

The accompanying notes on pages 33 to 52 form an integral part of the Unaudited Condensed Interim Financial Statements.

Unaudited condensed interim statement of cash flows

For the period from 1 April 2026 to 30 September 2026

	Note	Period ended 30 September 2026 (unaudited) £	Period ended 30 September 2025 (unaudited) £
Cash flows from operating activities			
Profit for the period		**8,614,585**	67,916,831
Adjustments for:			
Net losses on non-derivative financial assets at fair value through profit or loss	6	**73,127,045**	9,748,117
Net gains on derivative financial assets at fair value through profit or loss	8	**(14,395,575)**	(7,655,980)
Investment income	9	**(78,010,779)**	(80,993,486)
Net foreign exchange (gains)/losses		**(822,352)**	266,825
Loan finance costs	14	**3,502,745**	3,717,659
Decrease/(increase) in trade and other receivables (excluding prepaid loan finance costs)		**124,605**	(203,677)
Increase/(decrease) in trade and other payables (excluding accrued finance costs and share buybacks)		**104,317**	(50,909)
		(7,755,409)	(7,254,620)
Cash received on settled forward contracts		**3,610,210**	22,552,172
Cash paid on settled forward contracts		**(1,377,839)**	(829,404)
Cash received on disposal of interest rate swaps		**12,186,072**	—
Interest rate swap interest paid		**(306,290)**	(509,701)
Cash investment income received		**43,067,771**	48,041,384
Purchases of investments	6	**(330,819,456)**	(251,427,683)
Sales of investments	6	**267,412,496**	280,996,114
Net cash (outflow)/inflow from operating activities		**(13,982,445)**	91,568,262

	Note	Period ended 30 September 2026 (unaudited) £	Period ended 30 September 2025 (unaudited) £
Cash flows from financing activities			
Proceeds from loan drawdowns	14	**137,185,453**	129,694,283
Loan repayments	14	**(48,208,670)**	(153,540,476)
Payments of loan finance costs		**(2,287,251)**	(3,396,757)
Share buybacks		**(10,361,700)**	(13,050,412)
Dividends paid	5	**(50,501,324)**	(53,139,727)
Net cash inflow/(outflow) from financing activities		**25,826,508**	(93,433,089)
Net increase/(decrease) in cash and cash equivalents		**11,844,063**	(1,864,827)
Cash and cash equivalents at beginning of period		**2,076,117**	7,523,136
Effect of foreign exchange rate changes on cash and cash equivalents during the period		**(231,087)**	(51,976)
Cash and cash equivalents at end of period		**13,689,093**	5,606,333

The accompanying notes on pages 33 to 52 form an integral part of the Unaudited Condensed Interim Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period from 1 April 2026 to 30 September 2026

1. General information

Sequoia Economic Infrastructure Income Fund Limited was incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 on 30 December 2014. The Company's registration number is 59596 and it is regulated by the Guernsey Financial Services Commission as a registered closed-ended collective investment scheme under The Registered Collective Investment Scheme Rules and Guidance 2021. The Company began trading on the Main Market of the London Stock Exchange on 3 March 2015 and is now mapped into the Equity Shares (Commercial Companies) ("ESCC") category.

The Company makes its investments principally through its subsidiary domiciled in Luxembourg, Sequoia IDF Asset Holdings S.A. (the "Luxembourg Subsidiary"). The Company controls the Luxembourg Subsidiary through a holding of 100% of its shares. The Company further invests in the Luxembourg Subsidiary through the acquisition of Variable Funding Notes ("VFNs") issued by the Luxembourg Subsidiary.

The Company has also established two direct subsidiaries domiciled in the United Kingdom, Yotta Bidco Limited and Wigeon Holdings Limited (the "UK Subsidiaries") in order to hold equity stakes arising from restructuring of borrower groups in which the Luxembourg Subsidiary had invested. The Company controls these subsidiaries through direct and indirect holdings of 100% of their shares.

Through the Luxembourg Subsidiary and the UK Subsidiaries (together "the Subsidiaries"), the Company invests in a diversified portfolio of senior and subordinated economic infrastructure debt investments. For further details of the Company's unconsolidated subsidiaries, please refer to note 16.

With effect from 28 January 2015, Sequoia Investment Management Company Limited (the "Investment Adviser") was appointed as the Investment Adviser and FundRock Management Company (Guernsey) Limited (the "Investment Manager") was appointed as the Investment Manager.

2. Material accounting policies

Basis of preparation and statement of compliance

These Unaudited Condensed Interim Financial Statements (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", as required by DTR 4.2.4R of the UK's FCA, with the Listing Rules of the London Stock Exchange ("LSE") and with applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 March 2026.

The accounting policies applied in these Interim Financial Statements are consistent with those applied in the Annual Financial Statements for the year ended 31 March 2026, which were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Going concern

The Directors have reviewed the Fund's holdings in cash and cash equivalents and investments, including a consideration of the impact on the portfolio of the market uncertainty related to the continuing conflicts in Ukraine and the Middle East and of the economic policies of the current US administration. The Directors reassess the Company's principal and emerging risks on an ongoing basis and have considered the impact on the Company's liquidity arising from margin calls relating to its forward foreign exchange positions.

In conducting this review, the Board has also considered the sustainability of the environmental and social impact of the Company's activities. SEQI has a strong balance sheet, with a low level of gearing. Whilst the higher interest rate environment of recent years has had an impact on the fair values of fixed-rate investments, such losses are unrealised and are expected to reverse as the investments move closer to maturity and their valuations accrete to par, and therefore have no direct effect on the solvency of the business. The risk of realised losses arising through loans defaulting is limited to a few specific investments, representing a small proportion of the Company's investment portfolio. The Directors also note that the interest income cash flow of the Company continues to be sufficient to cover operating costs and to pay its target dividend.

The RCF is due to mature in July 2027. While the existing RCF matures within the next 12 months, the Investment Adviser has a reasonable expectation that the facility will be successfully refinanced prior to its maturity. This expectation is supported by the Group's strong financial performance, historical relationship with its lenders, and preliminary constructive discussions with lenders.

In accordance with the Company's Articles of Incorporation, the Directors are required to propose an ordinary resolution for the continuation of the Company (the "Continuation Resolution") every three years. The Directors have considered the possibility that the next Continuation Resolution, to be proposed at the AGM in August 2027, may not be passed by Shareholders. The Directors note a number of factors in this regard:

- the overwhelming majority vote in favour of the Continuation Resolutions passed in May 2016, August 2018, August 2021 and August 2024;
- the Company is the largest listed debt fund on the LSE and has a unique investment proposition. As such, it serves a valuable diversification role in many investors' portfolios that cannot easily be replicated;
- the portfolio has demonstrated sustained resilience to the wider market volatility;
- the Company has a high level of liquidity, with a low level of gearing at the period end;
- the share price discount to NAV has narrowed significantly during the period; and
- the Company has consistently provided a stable, fully cash-covered dividend in line with its target.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

2. Material accounting policies continued

Going concern continued

The Directors are confident in the strength of the portfolio and the investment pipeline and believe the Company remains relevant and well placed to deliver its investment objective in the current market environment. Based on ongoing engagement with Shareholders by the Board and the Investment Adviser, the Directors have a reasonable expectation that the Continuation Resolution will pass. Should the Continuation Resolution not be passed, the Directors are required, within six months, to put forward proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval. The Interim Financial Statements do not reflect any adjustments arising from a potential vote failure.

As a result of this review, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the Interim Financial Statements, as SEQI, despite the current challenging economic environment, retains a strong balance sheet and adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these Interim Financial Statements and to meet its liabilities as they fall due.

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in SEQI's Annual Financial Statements for the year ended 31 March 2026.

Amended accounting standards effective and adopted

- IFRS 7 (amended), "Financial Instruments: Disclosures" (effective for accounting periods commencing on or after 1 January 2026); and
- IFRS 9 (amended), "Financial Instruments" (effective for accounting periods commencing on or after 1 January 2026).

The amendments clarify the classification of financial assets with contractual cash flow characteristics linked to environmental, social and governance ("ESG") related features and other contingent events. The amendments also introduce additional disclosure requirements relating to such financial instruments and to investments in equity instruments designated at fair value through other comprehensive income.

The Directors have assessed the impact of these amendments and do not consider that their adoption has had a material impact on the Financial Statements of the Company.

New and amended accounting standards applicable to future reporting periods

The following relevant standard, which has not been applied in these Interim Financial Statements, was in issue at the reporting date but not yet effective:

- IFRS 18, "Presentation and Disclosures in Financial Statements" (effective for accounting periods commencing on or after 1 January 2027).

IFRS 18 was issued in April 2024 and replaces IAS 1, "Presentation of Financial Statements". The new standard introduces revised presentation requirements for the primary financial statements, including new categories and required subtotals in the statement of profit or loss, enhanced aggregation and disaggregation principles, and new disclosure requirements for management-defined performance measures. The Company will apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. The Company does not intend to adopt the standard early. The Directors anticipate that the adoption of this new standard may have an impact on the Company's Financial Statements in future periods. IFRS 18 does not change the measurement of items in the Financial Statements; however, it introduces significant changes to the presentation of financial performance and related disclosures, with the objective of enhancing comparability and transparency in financial reporting.

In addition, the International Sustainability Standards Board ("ISSB") published the following Sustainability Disclosure Standards in June 2023:

- IFRS S1, "General Requirements for Disclosure of Sustainability-related Financial Information"; and
- IFRS S2, "Climate-related Disclosures".

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities.

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities.

The purpose of both standards is to provide information that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

In February 2026, the UK government endorsed the ISSB Standards and issued UK Sustainability Reporting Standards ("UK SRS") UK SRS S1 and UK SRS S2, based on IFRS S1 and IFRS S2 respectively. UK SRS are currently available for voluntary adoption. The FCA has introduced requirements for in-scope listed entities to report against UK SRS on a comply-or-explain basis for accounting periods beginning on or after 1 January 2027. As these requirements are not applicable to the current reporting period, the Company has not voluntarily adopted UK SRS.

3. Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that SEQI is engaged in a single segment of business, through its investment in the Subsidiaries, being investment in senior and subordinated infrastructure debt instruments and related and/or similar assets, with the aim of providing sustained long-term distributions and capital appreciation. The financial information used by the Chief Operating Decision Maker to manage the Fund presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of SEQI's Annual Financial Statements for the year ended 31 March 2026.

The Fund receives no revenues from external customers. Other than the UK Subsidiaries, which are United Kingdom companies, the Luxembourg Subsidiary, which is a Luxembourg company, and the Luxembourg Subsidiary's underlying subsidiaries, which are Delaware companies, the Fund holds no non-current assets in any geographical area other than Guernsey.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

4. Financial risk management

SEQI's financial risk management objectives and policies are consistent with those disclosed in its Annual Financial Statements for the year ended 31 March 2026.

5. Dividends

In the absence of any significant restricting factors, the Board expects to pay dividends totalling 6.875p per Ordinary Share per annum. SEQI pays dividends on a quarterly basis.

SEQI declared and paid the following dividends on its Ordinary Shares during the period ended 30 September 2026:

Period to	Payment date	Dividend rate per Ordinary Share (p)	Dividends declared and paid (£)	Record date	Ex-dividend date
31 March 2026	**22 May 2026**	**1.71875**	**25,281,533**	**1 May 2026**	**30 April 2026**
30 June 2026	**21 August 2026**	**1.71875**	**25,219,791**	**24 July 2026**	**23 July 2026**
			50,501,324		

On 16 October 2026, SEQI declared a dividend of 1.71875p per Ordinary Share in respect of the quarter ended 30 September 2026. The dividend will be paid on 27 November 2026.

SEQI declared and paid the following dividends on its Ordinary Shares during the period ended 30 September 2025:

Period to	Payment date	Dividend rate per Ordinary Share (p)	Dividends declared and paid (£)	Record date	Ex-dividend date
31 March 2025	30 May 2025	1.71875	26,636,577	2 May 2025	1 May 2025
30 June 2025	22 August 2025	1.71875	26,503,150	25 July 2025	24 July 2025
			53,139,727		

Under Guernsey law, SEQI can pay dividends in excess of its retained earnings provided it satisfies the solvency test prescribed by the Companies (Guernsey) Law, 2008. The solvency test considers whether SEQI is able to pay its debts when they fall due, and whether the value of its assets is greater than its liabilities. SEQI satisfied the solvency test in respect of all dividends declared or paid in the period.

The Directors are authorised to offer Shareholders a scrip dividend alternative instead of cash. However, during the current and prior periods, due to the continuing discount of SEQI's share price to the NAV, no scrip dividends were paid.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss

SEQI's non-derivative assets at fair value through profit or loss comprise the following:

	30 September 2026 (unaudited) £	31 March 2026 (audited) £
VFNs issued by the Luxembourg Subsidiary	**1,515,252,100**	1,461,237,403
Luxembourg Subsidiary equity at fair value through profit or loss	**48,066,508**	112,242,487
UK Subsidiaries equity at fair value through profit or loss	**1,463,053**	1,021,856
VFN interest paid in advance by the Luxembourg Subsidiary to SEQI	**(143,533,286)**	(178,476,294)
Non-derivative financial assets at fair value through profit or loss at the end of the period/year	**1,421,248,375**	1,396,025,452

The following table provides a reconciliation of the movements in non-derivative assets at fair value through profit or loss during the period:

	Period ended 30 September 2026 (unaudited) £	Year ended 31 March 2026 (audited) £
Cost at the start of the period/year	**1,413,257,926**	1,525,193,587
VFNs purchased during the period/year	**330,819,456**	412,220,987
VFNs redeemed during the period/year	**(267,412,496)**	(524,156,648)
Cost at the end of the period/year	**1,476,664,886**	1,413,257,926
Cumulative net unrealised losses of the Fund on non-derivative financial assets at the end of the period/year (see table on page 37)	**(55,416,511)**	(17,232,474)
Non-derivative financial assets at fair value through profit or loss at the end of the period/year	**1,421,248,375**	1,396,025,452

The following table provides a reconciliation of the financial assets at fair value through profit or loss of the Subsidiaries to SEQI's financial assets at fair value through profit or loss:

	30 September 2026 (unaudited) £	31 March 2026 (audited) £
Subsidiaries' non-derivative financial assets at fair value through profit or loss	**1,378,973,740**	1,320,572,802
Subsidiaries' net current assets	**42,274,635**	75,452,650
Company's non-derivative financial assets at fair value through profit or loss	**1,421,248,375**	1,396,025,452

None of the Subsidiaries' non-derivative financial assets at fair value through profit or loss are subject to any special arrangements arising from their illiquid nature.

SEQI's net gains/(losses) on non-derivative financial assets at fair value through profit or loss in the period comprises the following:

	Period ended 30 September 2026 (unaudited) £	Period ended 30 September 2025 (unaudited) £
Unrealised foreign exchange losses on VFNs	**(9,392,263)**	(12,869,447)
Unrealised (losses)/gains on revaluation of the Subsidiaries	**(63,734,782)**	3,121,330
Net losses on non-derivative financial assets at fair value through profit or loss	**(73,127,045)**	(9,748,117)

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

On a look-through basis, the Fund's cumulative net losses on non-derivative financial assets at fair value through profit or loss as at 30 September 2026 comprises the following:

	Period ended 30 September 2026 (unaudited) £	Year ended 31 March 2026 (audited) £
Subsidiaries		
Investment income during the period/year	**55,938,442**	116,174,128
Net return on financial assets and liabilities during the period/year, including foreign exchange and VFN interest payable	**(87,622,980)**	(102,598,672)
Net other income during the period/year	**2,892,764**	14,600,089
Subsidiaries' (losses)/gains during the period/year	**(28,791,774)**	28,175,545
Subsidiaries' losses brought forward	**(67,211,952)**	(95,387,497)
Subsidiaries' losses carried forward at the end of the period/year	**(96,003,726)**	(67,211,952)
Company		
Unrealised foreign exchange gains on VFNs brought forward	**49,979,478**	49,409,329
Unrealised foreign exchange (losses)/gains on VFNs during the period/year	**(9,392,263)**	570,149
Net losses on non-derivative financial assets at fair value through profit or loss carried forward at the end of the period/year	**(55,416,511)**	(17,232,474)

Fair value measurement

IFRS 13 requires that a fair value hierarchy be established that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuations. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

SEQI's investment in the Subsidiaries, through the acquisition of shares and the issue of VFNs, is classified within Level 3, as it is not traded and contains unobservable inputs. The Board considers that the NAVs of the Subsidiaries are representative of their fair value, as the vast majority of the Subsidiaries' underlying assets are measured at fair value in accordance with IFRS 13, as described later in this note.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

Fair value measurement continued

	30 September 2026 (unaudited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	—	—	1,421,248,375	1,421,248,375
Derivative financial assets at fair value through profit or loss	—	12,778,199	—	12,778,199
Total	—	12,778,199	1,421,248,375	1,434,026,574
Liabilities				
Derivative financial liabilities at fair value through profit or loss	—	29,464,965	—	29,464,965
Total	—	29,464,965	—	29,464,965

	31 March 2026 (audited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	—	—	1,396,025,452	1,396,025,452
Derivative financial assets at fair value through profit or loss	—	4,732,642	—	4,732,642
Total	—	4,732,642	1,396,025,452	1,400,758,094
Liabilities				
Derivative financial liabilities at fair value through profit or loss	—	21,702,830	—	21,702,830
Total	—	21,702,830	—	21,702,830

There have been no transfers between levels of the fair value hierarchy during the period. Such transfers are recognised at the end of the reporting period in which the change has occurred.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

Fair value measurement continued

Movements in the Company's Level 3 financial instruments during the period were as follows:

	Period ended 30 September 2026 £	Year ended 31 March 2026 £
Opening balance	**1,396,025,452**	1,479,215,419
Purchases of VFNs	**330,819,456**	412,220,987
Sales of VFNs	**(267,412,496)**	(524,156,648)
Net (losses)/gains on non-derivative financial assets in the period/year	**(73,127,045)**	8,464,952
Movement in VFN interest balance during the period/year	**34,943,008**	20,280,742
Closing balance	**1,421,248,375**	1,396,025,452

The investments held by the Subsidiaries in the underlying portfolio are classified within the fair value hierarchy as follows:

	30 September 2026 (unaudited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	**—**	**78,827,165**	**1,300,146,575**	**1,378,973,740**

	31 March 2026 (audited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	—	78,477,627	1,242,095,175	1,320,572,802

The Subsidiaries' Level 3 investment valuations are calculated by discounting future cash flows at a yield appropriate to comparable infrastructure loans or bonds (with such yield assessed primarily from publicly available sources and secondarily in consultation with brokers and syndicate desks). Spread data will also be cross-referenced to recently priced primary market transactions if possible. When identifying comparable loans or bonds, for the purpose of assessing market yields, structural and credit characteristics and project type are also considered.

The equity investments arising from the restructuring of a borrower group during the prior year have been fair valued principally on a discounted cash flow basis.

During the period, no investments were transferred between levels of the fair value hierarchy (31 March 2026: none). Any such transfers would be recognised at the end of the reporting period in which the change occurred.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

Fair value measurement continued

30 September 2026 (unaudited)

The following tables summarise the significant unobservable inputs the Company used to value its Subsidiaries' underlying investments categorised within Level 3 at 30 September 2026 and at 31 March 2026. The tables are not intended to be all-inclusive but instead capture the significant unobservable inputs relevant to the determination of fair values.

Type	Sector	Fair value £	Primary valuation technique	Significant unobservable inputs	Range input
Private debt	**Accommodation**	**104,468,534**	**Discounted cash flow**	**Discount rate**	**7.9%-28.0%**
Private debt	**Power**	**298,904,691**	**Discounted cash flow**	**Discount rate**	**4.5%-18.5%**
Private debt	**Renewables**	**171,488,284**	**Discounted cash flow**	**Discount rate**	**4.5%-15.0%**
Private debt	**Digitalisation**	**343,265,489**	**Discounted cash flow**	**Discount rate**	**4.5%-9.2%**
Private debt	**Transport – systems**	**85,615,044**	**Discounted cash flow**	**Discount rate**	**4.4%-8.7%**
Private debt	**Transport – vehicles**	**123,233,661**	**Discounted cash flow**	**Discount rate**	**5.9%-8.1%**
Private debt	**Utilities**	**61,790,569**	**Discounted cash flow**	**Discount rate**	**12.3%-17.0%**
Private debt	**Other**	**111,380,303**	**Discounted cash flow**	**Discount rate**	**4.2%-12.0%**
		1,300,146,575			

31 March 2026 (audited)

Type	Sector	Fair value £	Primary valuation technique	Significant unobservable inputs	Range input
Private debt	Accommodation	117,401,863	Discounted cash flow	Discount rate	7.2%-19.4%
Private debt	Power	252,777,586	Discounted cash flow	Discount rate	4.4%-17.5%
Private debt	Renewables	111,408,883	Discounted cash flow	Discount rate	4.5%-10.6%
Private debt	Digitalisation	348,743,218	Discounted cash flow	Discount rate	4.2%-8.7%
Private debt	Transport – systems	73,342,127	Discounted cash flow	Discount rate	4.4%-8.1%
Private debt	Transport – vehicles	130,636,627	Discounted cash flow	Discount rate	5.8%-7.7%
Private debt	Utilities	56,783,330	Discounted cash flow	Discount rate	11.6%-17.2%
Private debt	Other	150,794,460	Discounted cash flow	Discount rate	4.2%-12.0%
Private debt	Other	208,081	Binding offer received	Offer value	N/A
		1,242,095,175			

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

Fair value measurement continued

The following table shows the Directors' best estimate of the sensitivity of the Subsidiaries' Level 3 investments to changes in the principal unobservable input, with all other variables held constant.

	Possible reasonable change in discount/ interest rate	**30 September 2026 effect on net assets and profit or loss £**	31 March 2026 effect on net assets and profit or loss £
Fixed-rate investments	+3%	**(41,167,733)**	(49,415,842)
Floating-rate investments	+3%	**24,741,285**	21,788,994
		(16,426,448)	(27,626,848)
Fixed-rate investments	-3%	**46,566,283**	56,492,513
Floating-rate investments	-3%	**(24,136,840)**	(21,115,059)
		22,429,443	35,377,454

The sensitivity analysis assumes a change in the level of discount/interest rates of 3% (31 March 2026: 3%), with all other variables unchanged. This possible change in the discount/interest rate is regarded as reasonable in the context of the current economic environment and the levels of global interest rates during the period.

The sensitivity analysis relating to the fixed-rate investments represents a measure of the fair value interest rate risk attached to the Subsidiaries' Level 3 investments, based on changes in the discount rates used to value the investments, whilst the sensitivity analysis relating to the floating-rate investments represents a measure of the cash flow interest rate risk, based on changes in base rates or other interest rate benchmarks attached to the investments.

Valuation techniques for the investment portfolio of the Subsidiaries

With effect from 18 April 2017, SEQI engaged PricewaterhouseCoopers LLP ("PwC") as Valuation Agent, with responsibility for reviewing the valuations applied by the Investment Adviser in relation to the acquisition of loans and bonds on a monthly basis. The principles and techniques utilised by the Investment Adviser and reviewed by PwC during the period in calculating the valuations are described below.

Performing portfolio assets

Valuations of performing portfolio loans and bonds are based on actual market prices (bid-side prices) obtained from third-party brokers and syndicate desks if available (such brokers to be agreed with the Investment Adviser); if such prices are not available, then valuations are calculated by discounting future cash flows at a rate equivalent to a yield appropriate to comparable infrastructure loans or bonds (with such yield assessed primarily from publicly available sources and secondarily in consultation with brokers and syndicate desks). Spread data will also be cross-referenced to recently priced primary market transactions if possible.

When identifying comparable loans or bonds, for the purpose of assessing market yields, the following will be taken into account:

- project type: jurisdiction, sector, project status, transaction counterparties such as construction companies, facility management providers;
- structural characteristics: maturity and average life, seniority, secured/unsecured, amortisation profile, cash sweeps, par versus discount; and
- credit characteristics: credit ratios (e.g. equity cushion, asset cover/LTV, debt service coverage ratios or equivalent, debt/EBITDA), ratings and ratings trajectory.

In calculating the net present value of future cash flows on loans with uncertain cash flows (such as cash-sweep mechanisms), "banking base case" cash flows are used unless there is clear evidence that the market is using a valuation based upon another set of cash flows.

In the case of discount loans with step-up margins, the assumption will be that market discounts are calculated on a yield-to-worst basis, unless there is clear evidence that the market convention for that loan is different.

For variable-rate loans and bonds, for the purposes of projecting cash flows, the market convention of simple compounding to the next interest payment date is used and swap rates for subsequent interest payments, unless there is clear evidence that the market convention for that loan or bond is different.

The equity investments arising from the restructuring of a borrower group during the prior year have been fair valued principally on a discounted cash flow basis.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

6. Non-derivative financial assets at fair value through profit or loss continued

Valuation techniques for the investment portfolio of the Subsidiaries continued

Non-performing portfolio assets

Valuations of non-performing portfolio loans and bonds are based on actual market prices obtained from third-party brokers if available, otherwise the net present value of future expected loan cash flows will be calculated, estimated on the basis of the median outcome and discount rate that reflects the market yield of distressed/defaulted loans or bonds.

In assessing the median outcome cash flows, a project/corporate model that reflects the distressed state of the project will be used in order to assess a range of potential outcomes for expected future cash flows with regard to, for example, interest or principal recoveries and timing. The Investment Adviser will work closely with the Valuation Agent and they will have access to the Investment Adviser's own model, analysis and internal valuations. These valuations are subject to a high degree of management oversight and ultimate approval by the Investment Manager.

In the opinion of the Investment Adviser, as at 30 September 2026, there were two non-performing assets in the portfolio (31 March 2026: two) with a total value of £19.0 million (31 March 2026: £16.1 million[1]). For further details, please refer to the Investment Adviser's report.

Finalising the net asset value

Once the appropriate position price has been determined to be applied to each investment, the calculation of the Subsidiaries' net asset value is finalised through the following steps:

- conversion of each investment into GBP based on month-end foreign exchange rates;
- reconciliation of any interest accrued since issue of the most recent coupon; and
- aggregation of the investments into a single Fund NAV position statement (clean and dirty price).

7. Trade and other receivables

	30 September 2026 (unaudited) £	31 March 2026 (audited) £
Prepaid loan finance costs	**798,447**	1,299,817
Other prepaid expenses	**141,985**	266,590
Total trade and other receivables	**940,432**	1,566,407

8. Derivative financial instruments at fair value through profit or loss

SEQI's derivative financial instruments at fair value through profit or loss comprise the following assets and liabilities:

	30 September 2026 (unaudited) £	31 March 2026 (audited) £
Forward foreign exchange contract assets	**12,778,199**	4,732,642
Forward foreign exchange contract liabilities	**(5,442,254)**	(15,788,990)
Interest rate swap liabilities	**(24,022,711)**	(5,913,840)
Net derivative liabilities at fair value through profit or loss	**(16,686,766)**	(16,970,188)

The net gains on derivative financial instruments during the period comprise both realised and unrealised gains and losses as follows:

	Period ended 30 September 2026 (unaudited) £	Period ended 30 September 2025 (unaudited) £
Net realised gains on forward foreign exchange contracts	**2,232,371**	21,722,768
Net unrealised gains/(losses) on forward foreign exchange contracts	**18,392,293**	(14,047,664)
Net realised gains on interest rate swaps	**12,186,072**	—
Net unrealised (losses)/gains on interest rate swaps	**(18,108,871)**	490,577
Interest paid on interest rate swaps	**(306,290)**	(509,701)
Net gains on derivative financial instruments	**14,395,575**	7,655,980

1. When disclosing the value of non-performing loans, SEQI includes the clean loan valuation together with accrued interest. In the 31 March 2026 financial statements, in respect of this disclosure alone, it excluded accrued interest and hence the comparative amount has been restated from £4.4 million to £16.1 million. For the avoidance of doubt, there has been no change to the valuation of the non-derivative financial assets at 31 March 2026

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

8. Derivative financial instruments at fair value through profit or loss continued

Forward foreign exchange contracts

As at 30 September 2026, SEQI had the following outstanding commitments in respect of open forward foreign exchange contracts, by currency and by counterparty.

30 September 2026 (unaudited)

Selling currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
USD	779,178,878	GBP	585,038,694	3,210,696	(4,561,677)	(1,350,981)
EUR	472,374,000	GBP	415,545,444	7,248,196	(13,800)	7,234,396
CHF	45,000,000	GBP	44,113,322	2,212,293	—	2,212,293
			1,044,697,460	12,671,185	(4,575,477)	8,095,708

Buying currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
USD	70,500,000	GBP	52,078,987	104,744	(866,777)	(762,033)
EUR	11,400,000	GBP	9,858,720	2,270	—	2,270
			61,937,707	107,014	(866,777)	(759,763)
			982,759,753	12,778,199	(5,442,254)	7,335,945

30 September 2026 (unaudited)

Counterparty	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
Goldman Sachs	1,021,618	(2,019,414)	(997,796)
ING	1,227,876	(827,089)	400,787
Macquarie	5,683,017	(1,054,603)	4,628,414
Morgan Stanley	864,124	(318,312)	545,812
Nomura	3,035,900	(1,130,925)	1,904,975
RBSI	945,664	(91,911)	853,753
	12,778,199	(5,442,254)	7,335,945

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

8. Derivative financial instruments at fair value through profit or loss continued

Forward foreign exchange contracts continued

31 March 2026 (audited)

Selling currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
USD	808,178,878	GBP	607,166,909	1,605,794	(10,050,049)	(8,444,255)
EUR	607,674,000	GBP	533,843,866	1,605,521	(4,379,553)	(2,774,032)
CHF	45,000,000	GBP	42,014,453	—	(806,212)	(806,212)
			1,183,025,228	3,211,315	(15,235,814)	(12,024,499)

Buying currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
USD	127,600,000	GBP	95,251,587	1,515,427	(553,176)	962,251
EUR	13,000,000	GBP	11,365,050	5,900	—	5,900
			106,616,637	1,521,327	(553,176)	968,151
			1,076,408,591	4,732,642	(15,788,990)	(11,056,348)

31 March 2026 (audited)

Counterparty	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
Goldman Sachs	—	(4,547,367)	(4,547,367)
ING	1,116,240	(1,622,385)	(506,145)
Macquarie	1,923,715	(2,464,677)	(540,962)
Morgan Stanley	919,943	(3,203,138)	(2,283,195)
Nomura	610,558	(3,747,167)	(3,136,609)
RBSI	162,186	(204,256)	(42,070)
	4,732,642	(15,788,990)	(11,056,348)

All forward foreign exchange positions during the period were held with Goldman Sachs International, ING Bank, Macquarie Bank ("Macquarie"), Morgan Stanley, Nomura Bank International or Royal Bank of Scotland International ("RBSI") as noted above. There are no master netting arrangements in place. The forward foreign exchange positions at the period/year end have various maturity dates ranging from 9 October 2026 to 25 August 2028 (31 March 2026: 14 April 2026 to 10 March 2028).

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

8. Derivative financial instruments at fair value through profit or loss continued

Interest rate swaps

On 23 October 2023, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 4.512% on an amount of USD90 million against three-month CME Term SOFR, commencing on 29 December 2023 and continuing quarterly until the termination date of 20 October 2030. This transaction was repriced on 17 September 2024 with the Company receiving a fixed rate of 2.948%. On 12 December 2024, the transaction was fully offset by a transaction on the same amount with the Fund paying Macquarie 3.8429% and receiving three-month CME Term SOFR, commencing on 31 December 2024 and continuing quarterly until the termination date of 20 October 2030.

On 7 May 2024, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 4.320% on an amount of £30 million against three-month compounded SONIA, commencing on 30 June 2024 and continuing quarterly until the termination date of 7 November 2026.

On 28 March 2025, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 3.617% on USD70 million against weighted average SOFR, commencing on 30 June 2025 and continuing quarterly until the termination date of 31 March 2032.

On 30 June 2025, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 2.1975% on EUR30 million against three-month EURIBOR, commencing on 30 June 2025 and continuing quarterly until the termination date of 30 June 2032.

On 26 September 2025, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 4.026% on an amount of £50 million against three-month compounded SONIA, commencing on 30 September 2025 and continuing quarterly until 30 September 2035. The contract contains a mandatory early termination break effective on 30 September 2032, meaning that on this date the present value of the remaining cash flows is exchanged in lieu of the remaining three years of cash flows.

On 17 October 2025, the Company entered into an interest rate swap transaction with Macquarie to receive a fixed rate of 4.645% on an amount of £70 million against three-month compounded SONIA, commencing on 29 October 2032 and continuing quarterly until 31 October 2040. The contract contains a mandatory early termination break effective on 29 October 2032, meaning that on this date the present value of the remaining cash flows is exchanged in lieu of the remaining eight years of cash flows.

On 22 September 2026, the Company entered into an interest rate swap transaction with Macquarie under which Macquarie pays a fixed rate of 7.50% on an accreting amount of USD51.4 million, increasing each quarter by the amount of the preceding fixed payment, for calculation periods commencing on 12 July 2025 and continuing quarterly until the termination date of 30 June 2027. The amounts relating to the periods from 12 July 2025 to 30 September 2026, totalling USD4.9 million, are payable on 30 September 2026, with subsequent amounts payable quarterly. The Company pays a fixed rate of 0% over the same periods and, on the final exchange date of 12 July 2027, pays Macquarie USD8.4 million.

On 22 September 2026, the Company entered into an interest rate swap transaction with Macquarie under which Macquarie pays a fixed rate of 8.535% on an amount of USD48.9 million for calculation periods from 23 July 2018 to 5 April 2021, with no amounts accruing thereafter. All amounts, totalling USD11.3 million, are payable on 30 September 2026. The Company pays a fixed rate of 0% over the full term of the transaction and, on the termination date of 24 July 2028, pays Macquarie USD12.9 million.

As at 30 September 2026, the interest rate swaps were valued at -£24,022,711 (31 March 2026: -£5,913,840), in accordance with valuations provided by the counterparty.

9. Investment income

	Period ended 30 September 2026 (unaudited) £	Period ended 30 September 2025 (unaudited) £
Investment income on financial assets carried at amortised cost:		
Cash and cash equivalents	**72,930**	169,927
Investment income on non-derivative financial assets at fair value through profit or loss:		
Cash VFN interest income received	**42,994,841**	47,871,457
Movement in VFN interest balance (see note 6)	**34,943,008**	32,952,102
	78,010,779	80,993,486

The Company's investment income on non-derivative financial assets at fair value through profit or loss (VFN interest) is derived from its investment in VFNs issued by its Luxembourg Subsidiary and comprises the net of the Luxembourg Subsidiary's revenue (principally interest on loans and bonds) and realised gains on investments, less expenses, realised investment losses and investment book cost impairment losses.

Movements in the balance of impairments in the Luxembourg Subsidiary to the book costs of certain non-performing and underperforming loans have an impact upon the amount of VFN interest income recognised in the books of the Company. It should be noted, however, that increases or decreases in the balance of such book cost impairments in the books of the Luxembourg Subsidiary have no effect on the Company's NAV – as all of the Subsidiaries' investments are measured at fair value – nor on the VFN interest cash flows arising on the Company's investments in the VFNs.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

10. Related parties and other material contracts

Transactions with Investment Adviser and Investment Manager

Investment Adviser

Sequoia Investment Management Company Limited (the "Investment Adviser") was appointed as the Investment Adviser with effect from 28 January 2015. With effect from 1 September 2018, the Investment Adviser is entitled to receive from the Fund a base fee calculated as follows:

- 0.74% of the market value of the investments (excluding committed but not yet invested investments and cash) owned by the Subsidiaries up to £1 billion; plus
- 0.56% of the market value of the investments (excluding committed but not yet invested investments and cash) owned by the Subsidiaries in excess of £1 billion.

All such fees are payable quarterly. Subject to market conditions, 10% of the Investment Adviser's fee is applied in subscribing for Ordinary Shares in SEQI, which the Investment Adviser shall retain with a three-year rolling lock-up (such that those Ordinary Shares may not be sold or otherwise disposed of by the Investment Adviser without the prior consent of SEQI before the third anniversary of the date of issue of the relevant Ordinary Shares). However, during the current period and the prior year, due to the discount of SEQI's Ordinary Share price to NAV, the Investment Adviser's fees have been paid entirely in cash, with an obligation on the part of the Investment Adviser to use one-tenth of the fee to acquire Ordinary Shares in the market.

During the period, the Investment Adviser also received reimbursement from the Company of £75,808 (2025: £93,338) relating to marketing, travel and other expenses incurred by the Investment Adviser on behalf of the Company.

On 1 May 2026, the Investment Adviser acquired 282,750 Ordinary Shares in the market in relation to fees payable for the quarter ended 31 March 2026.

On 31 July 2026, the Investment Adviser acquired 287,711 Ordinary Shares in the market in relation to fees payable for the quarter ended 30 June 2026.

On 22 October 2026, the Investment Adviser acquired 294,850 Ordinary Shares in the market in relation to fees payable for the quarter ended 30 September 2026.

The Investment Advisory Agreement can be terminated by either party giving not less than six months' written notice. The Investment Adviser's appointment will be automatically terminated upon termination of the Investment Manager's appointment under the Investment Management Agreement.

Investment Manager

FundRock Management Company (Guernsey) Limited (the "Investment Manager") was appointed as the Investment Manager with effect from 28 January 2015. With effect from 1 December 2016, the Investment Manager was entitled to receive a management fee for AIFM services calculated as follows:

- if the Company's NAV is less than £200 million, 0.075% per annum of the value of the Company's NAV; plus
- if the Company's NAV is more than £200 million and less than £400 million, 0.05% per annum of the Company's NAV not included above; plus
- if the Company's NAV is more than £400 million and less than £500 million, 0.04% per annum of the Company's NAV not included above; plus
- if the Company's NAV is more than £500 million, 0.015% per annum of the Company's NAV not included above.

The fee is subject to an annualised minimum of £80,000 applied on a monthly basis and is payable monthly in arrears. With effect from 2 May 2017, the management fee was capped at £320,000 per annum, subject to an annual inflationary increase (with effect from 1 May 2026: £459,119; with effect from 1 May 2025: £441,460).

The Investment Management Agreement can be terminated by either party giving not less than six months' written notice.

Directors' fees

During the period, the Directors' fee entitlements were as follows:

- the Chair of the Board of Directors is entitled to a fee of £93,150 (2025: £90,000) per annum in remuneration for their service as Chair;
- the remaining Directors are entitled to a basic fee of £56,930 each per annum (2025: £55,000 per annum) in remuneration for their services as Directors;
- Nicola Paul is entitled to a fee of £13,460 per annum (2025: N/A) in respect of her role as Chair of the Audit Committee;
- Tim Drayson is entitled to a fee of £7,770 per annum (2025: £7,500) in respect of his role as Chair of the Risk Committee;
- Selina Sagayam is entitled to a fee of £7,770 per annum (2025: £7,500) in respect of her role as Chair of the Sustainability and Stakeholder Engagement Committee; and
- Paul Le Page is entitled to a fee of £7,770 per annum (2025: £7,500) in respect of his roles as Chair of the Remuneration and Nomination Committee and Chair of the Management Engagement Committee, and to a fee of £5,180 per annum (2025: £5,000) in respect of his role as SID.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

10. Related parties and other material contracts continued

Ordinary Shares held by related parties

The shareholdings of the Directors in SEQI were as follows:

	30 September 2026 (unaudited)		31 March 2026 (audited)	
Name	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of Ordinary Shares	Percentage of Ordinary Shares in issue
James Stewart (with his spouse)	**93,658**	**0.01%**	93,658	0.01%
Tim Drayson	**207,000**	**0.01%**	207,000	0.01%
Paul Le Page	**30,000**	**0.00%**	30,000	0.00%
Selina Sagayam	**28,000**	**0.00%**	28,000	0.00%
Nicola Paul	**—**	**—**	—	—

As at 30 September 2026, the Investment Adviser held an aggregate of 5,538,073 Ordinary Shares (31 March 2026: 4,967,612 Ordinary Shares), which is 0.38% (31 March 2026: 0.34%) of the issued share capital.

As at 30 September 2026, the members of the Investment Adviser's founding team held an aggregate of 835,656 Ordinary Shares (31 March 2026: 835,656 Ordinary Shares), which is 0.06% (31 March 2026: 0.06%) of the issued share capital.

As at 30 September 2026, the Investment Manager held an aggregate of 50,000 Ordinary Shares (31 March 2026: 50,000 Ordinary Shares), which is 0.00% (31 March 2026: 0.00%) of the issued share capital.

Other material contracts

Administrator

With effect from 28 January 2015, Apex Fund and Corporate Services (Guernsey) Limited (the "Administrator") was appointed as the Administrator. With effect from 1 June 2016, the Administrator is entitled to receive a base fee, calculated as follows and paid monthly:

- if the Company's NAV is less than £300 million, 0.07% per annum of the value of the Company's NAV; plus
- if the Company's NAV is more than £300 million and less than £400 million, 0.05% per annum of the Company's NAV not included above; plus
- if the Company's NAV is more than £400 million, 0.04% per annum of the Company's NAV not included above.

The base fee is subject to a minimum of £65,000 applied on a monthly basis and was capped at £300,000 per annum, subject to an annual inflationary increase (with effect from 1 May 2026: £408,510; with effect from 1 May 2025: £392,798). The Administrator is also entitled to a fee for company secretarial services based on time costs.

The Administration Agreement can be terminated by either party giving not less than 90 days' written notice.

Luxembourg Subsidiary Administrator

With effect from 28 January 2015, TMF Luxembourg S.A. (the "Luxembourg Subsidiary Administrator") was appointed as the administrator of the Luxembourg Subsidiary. During the calendar year 2026, the Luxembourg Subsidiary Administrator will receive an estimated amount in recurring and ad hoc fees from the Luxembourg Subsidiary of €93,420 (£81,582) (2025: €92,545 (£77,521) during the calendar year 2025).

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

10. Related parties and other material contracts continued

Other material contracts continued

Custodian

With effect from 27 February 2015, The Bank of New York Mellon (the "Custodian") was appointed as the Custodian. The Custodian is entitled to receive fees, as agreed from time to time, for services provided as portfolio administrator, depositary, calculating agent, account bank and custodian.

The Custodian Agreement can be terminated by either party giving not less than 60 days' written notice.

The amounts charged in respect of the above fees during the period ended 30 September 2026, and the amounts outstanding at 30 September 2026, are as follows:

	Charge for the period ended 30 September 2026 (unaudited) £	**Amounts outstanding at 30 September 2026 (unaudited) £**	Charge for the period ended 30 September 2025 (unaudited) £	Amounts outstanding at 31 March 2026 (audited) £
Investment Adviser's fee	**4,859,876**	**2,417,801**	4,901,958	2,303,560
Investment Manager's fee	**228,088**	**—**	219,247	—
Directors' fees and expenses	**196,252**	**—**	196,385	—
Administration fee	**357,045**	**189,344**	293,873	165,000
Sub-administration fee[1]	**77,777**	**1,594**	84,789	457
Fees payable to the Custodian[1]	**299,552**	**134,691**	303,928	184,434
	6,018,590	**2,743,430**	6,000,180	2,653,451

1. Includes expenses of both SEQI and the Subsidiaries

Loan collateral

With effect from 17 July 2024, security for a revolving credit facility of £300 million (see note 14) with JP Morgan Chase Bank, N.A., London Branch was provided by, inter alia, a charge over the bank accounts of the Company, a charge over the shares in the Subsidiaries held by the Company and a charge on the assets of the Company. In September 2026, the Company reduced the facility size from £300 million to £250 million.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

11. Tax status

The Company is exempt from Guernsey income tax and is charged an annual exemption fee of £1,600 (2025: £1,600) under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989.

12. Share capital

The Company's Ordinary Shares and C Shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary Shares and C Shares are recognised as a deduction in equity and are charged to the relevant share capital account. There were no C Shares in issue during either the current period or prior year.

The Company undertakes that it shall ensure that its records and bank accounts are operated in such a way that the assets attributable to the Ordinary Shares and the C Shares can be separately identified. On the conversion of C Shares to Ordinary Shares, C Shareholders shall be allocated an appropriate number of Ordinary Shares, calculated by reference to the conversion ratio.

The Company's authorised share capital is represented by an unlimited number of Shares of nil par value, to which are attached the following rights:

a) Dividends: Ordinary Shareholders and C Shareholders are entitled to receive, and participate in, any dividends or other distributions resolved to be distributed from their respective pools of assets in respect of any accounting period or other period, provided that no calls or other sums due by them are outstanding.

b) Winding up: On a winding up, the Ordinary Shareholders and C Shareholders shall be entitled to the surplus assets remaining in their respective pools of assets after payment of creditors.

c) Voting: Ordinary Shareholders have the right to receive notice of and to attend, speak and vote at general meetings of the Company and each holder being present in person or by proxy shall upon a show of hands have one vote and upon a poll one vote in respect of every Ordinary Share held. C Shareholders have no right to attend or vote at any meeting of the Company, except that the consent of C Shareholders is required for any alteration to the Memorandum or Articles of the Company; for the passing of any resolution to wind up the Company; and for the variation or abrogation of the rights attached to the C Shares.

The Company may acquire its own Ordinary Shares, up to a maximum number of 14.99% per annum of the Ordinary and C Shares in issue.

Issued share capital	Period ended 30 September 2026 (unaudited) Number	Year ended 31 March 2026 (audited) Number
Share capital at the beginning of the period/year	**1,479,731,915**	1,555,061,936
Share buybacks	**(12,398,637)**	(75,330,021)
Total share capital at the end of the period/year	**1,467,333,278**	1,479,731,915

Issued share capital	Period ended 30 September 2026 (unaudited) £	Year ended 31 March 2026 (audited) £
Share capital at the beginning of the period/year	**1,605,088,614**	1,664,593,419
Share buybacks	**(9,817,680)**	(59,504,805)
Total share capital at the end of the period/year	**1,595,270,934**	1,605,088,614

The number of Ordinary Shares in issue disclosed in the above table excludes Ordinary Shares bought back into treasury. As at 30 September 2026, SEQI had a total of 1,614,192,555 Ordinary Shares in issue (31 March 2026: 1,614,192,555), of which 146,859,277 Ordinary Shares were held in treasury (31 March 2026: 134,460,640).

No Ordinary Shares were issued during the period (31 March 2026: no Ordinary Shares issued).

During the period, SEQI acquired 12,398,637 of its own Ordinary Shares at an average cost of 79.10p per Ordinary Share. These Ordinary Shares were taken into treasury.

Subsequent to the period end, SEQI has acquired and taken into treasury a further 5,602,217 of its own Ordinary Shares at an average price of 80.59p per Ordinary Share.

13. Basic and diluted earnings per Ordinary Share

	Period ended 30 September 2026 (unaudited)	Period ended 30 September 2025 (unaudited)
Profit for the financial period	**£8,614,585**	£67,916,831
Weighted average number of Ordinary Shares	**1,468,763,740**	1,544,526,026
Basic and diluted earnings per Ordinary Share	**0.59p**	4.40p

The weighted average number of Ordinary Shares is based on the number of Ordinary Shares in issue during the period under review, excluding Ordinary Shares held in treasury, as detailed in note 12.

There were no dilutive financial instruments in issue during the current period.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

14. Loan payable

The Company has a multi-currency RCF of £250 million (31 March 2026: £300 million), provided by JP Morgan Chase Bank, N.A., London Branch ("JPM"), with an accordion facility of £50 million, maturing in July 2027. The proceeds of the RCF are to be used in or towards the making of investments in accordance with the Company's investment policy.

The loan imposes an interest cover test and is secured by, inter alia, a charge over the bank accounts of the Company, a charge over the shares in the Subsidiaries held by the Company and a charge on the assets of the Company. In accordance with the Company's investment policy, any borrowings undertaken by the Company will not exceed 20% of NAV. Should the value of the underlying assets held in the Subsidiaries fall below a certain level, further margin calls may be made by JPM, however no margin calls were made during the current period.

Period ended 30 September 2026 (unaudited)	**EUR facility £**	**GBP facility £**	**USD facility £**	**Total £**
Balance brought forward	**—**	**—**	**—**	**—**
Cash flows				
Drawdowns	**137,185,453**	**—**	**—**	**137,185,453**
Repayments	**(48,208,670)**	**—**	**—**	**(48,208,670)**
Non-cash changes				
Foreign exchange revaluations	**(1,052,375)**	**—**	**—**	**(1,052,375)**
Balance carried forward	**87,924,408**	**—**	**—**	**87,924,408**

For the year ended 31 March 2026	EUR facility £	GBP facility £	USD facility £	Total £
Balance brought forward	20,438,934	—	36,414,349	56,853,283
Cash flows				
Drawdowns	116,232,654	4,000,000	9,461,629	129,694,283
Repayments	(138,207,549)	(4,000,000)	(44,475,984)	(186,683,533)
Non-cash changes				
Foreign exchange revaluations	1,535,961	—	(1,399,994)	135,967
Balance carried forward	—	—	—	—

Interest on the loan is charged at a rate of SONIA (for Sterling), SOFR (for US Dollars) or EURIBOR (for Euro) (or equivalent) plus 1.9% per annum (31 March 2026: SONIA/SOFR/EURIBOR plus 1.9% per annum). Loan interest of £3,001,375 (2025: £3,216,289) and upfront and facility fees of £501,370 (2025: £501,370) have been charged on the loan during the period.

The carrying value of the loan is considered to be a reasonable approximation of its fair value.

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

15. Trade and other payables

	30 September 2026 (unaudited) £	31 March 2026 (audited) £
Investment Adviser's fee payable	**2,417,801**	2,303,560
Share buybacks payable	**—**	544,020
Loan interest payable	**1,329,498**	616,438
Other payables	**584,031**	593,955
	4,331,330	4,057,973

16. Unconsolidated subsidiaries

The Company has a number of unconsolidated subsidiaries which it, as an investment entity, measures at fair value through profit or loss.

Details of these unconsolidated subsidiaries are as follows:

Luxembourg Subsidiary

Sequoia IDF Asset Holdings S.A. (the "Luxembourg Subsidiary") is the principal subsidiary that directly provides the loans on behalf of the Company that make up the underlying investment portfolio. It is 100% owned and is domiciled in Luxembourg. The Company invests in the Luxembourg Subsidiary through the acquisition of share capital and Variable Funding Notes ("VFNs") issued by the Luxembourg Subsidiary. The details of all such VFNs issued and redeemed by the Luxembourg Subsidiary, the interest on these VFNs and movements in their fair value, including any gains and losses, are set out in notes 6 and 9 of these Financial Statements.

US Subsidiaries

The Luxembourg Subsidiary itself has three wholly owned Delaware, US-domiciled holding entities, namely:

- Bajtos Lane Management, Inc. ("Bajtos")
- Mears Square Advisors, Inc. ("Mears")
- Fussell Circus Capital, Inc. ("Fussell")

together the "US Subsidiaries".

The US Subsidiaries were set up to hold equity instruments (preferred equity, common equity and warrants) received as part of the restructuring of the original Salt Creek debt investments in July 2020.

Bajtos sold its minority interest of 9.37% of the shares in SCM Aggregator HoldCo EPIC Midstream in the prior year, and has held back USD0.2 million of the proceeds to cover potential tax liabilities (31 March 2026: USD0.2 million). It is intended that Bajtos be liquidated during the current financial year.

Fussell continues to hold 0.937% of the Series C common equity of SCM TopCo LLC, plus 9.37% of newly-issued warrants. The total of the new warrants was structured for 5% of the initial share count struck at an equity value of USD750 million. A value of USD1,000 has been attributed to these holdings at the period end (31 March 2026: USD1,000).

Mears holds USD13.1 million of the original Series B preferred equity in SCM TopCo LLC. A value of USD12.3 million has been attributed to this holding at the period end (31 March 2026: USD10.3 million). This holding also has 5% PIK interest from July 2025.

UK Subsidiaries

Yotta Bidco Limited ("Yotta") is 100% owned and is incorporated in the UK. This company was set up as a qualifying asset holding company to hold the equity received via the debt-to-equity swap on the Bulb loan, which comprised 11.3 trillion redeemable preference shares, 660,000 A ordinary shares and 125,000 deferred shares in Clean Energy Labs Limited ("CEL"). The equity is currently valued at £nil (31 March 2026: £nil).

Yotta has inter-company loans payable to both the Company and the Luxembourg Subsidiary.

The loan payable to the Luxembourg Subsidiary effectively represents the transfer to Yotta of the equity holding in CEL and stands at £11.3 million plus loan interest of £4.1 million (31 March 2026: £11.3 million plus loan interest of £3.4 million). The equity holding in CEL has been written down to £nil in Yotta's books (31 March 2026: £nil), though the loan payable to the Luxembourg Subsidiary remains.

The loan payable to the Company was for an amount of £2.0 million, transferred in cash, which was in turn loaned down to CEL. This stands at £2.0 million plus loan interest of £0.4 million (31 March 2026: £2.0 million plus loan interest of £0.3 million). This loan is valued at £1.5 million in the Company's statement of financial position as at 30 September 2026 (31 March 2026: £1.0 million) and was repaid at its approximate valuation on 18 November 2026.

Wigeon Holdings Limited ("Wigeon") is the ultimate UK parent of the Company's investment in the ACG Group and the equity is 100% owned by the Company. Wigeon in turn owns 100% of Pochard Holdings Limited ("Pochard"). Pochard owns 100% of Gadwall Holdings Limited ("Gadwall"). Gadwall owns 100% of ACG Midco Limited, which in turn owns 100% of ACG Bidco Limited. All of these subsidiaries relate to the overall investment in ACG, further details of which are set out in the Investment Adviser's report on page 11. ACG has several further subsidiary companies in which the Company has no direct involvement. A full list of these subsidiaries can be found in the financial statements of ACG BidCo Limited and on the Companies House register. No value is attributed to the equity held in the ACG Group (31 March 2026: £nil).

The loans in place are held through the Luxembourg Subsidiary's investment portfolio and hence are valued as part of the Company's valuation of this subsidiary. The loan values are as follows:

Instrument	Cost £ million	Valuation £ million	Company
Senior secured debt	64.1 (31 March 2026: 50.6)	68.4 (31 March 2026: 62.0)	ACG Bidco Limited
Subordinated debt	52.3 (31 March 2026: 52.3)	17.4 (31 March 2026: 35.8)	Gadwall

Notes to the unaudited condensed interim financial statements continued

For the period from 1 April 2026 to 30 September 2026

16. Unconsolidated subsidiaries continued

UK Subsidiaries continued

The PIK interest rates on the loans are 11.25% + SONIA and 12% + SONIA for the senior secured and subordinated debt respectively. During the period, the Company has advanced £12.5 million of additional senior secured loans to ACG, comprising £2.4 million in April 2026, £5.0 million in July 2026 and £5.1 million in September 2026.

The performance of the Company's investments in the ACG Group is subject to material risks including, but not limited to: the ability of ACG Group to meet its budget, including the rollout of private-pay neuro-rehabilitation services; its ability to dispose of non-core divisions and assets at suitable prices and on a timetable consistent with its business plan; its ability to manage its operating costs; its ability to manage its capital costs, including the cost of refurbishing and/or acquiring and/or redeveloping healthcare facilities; its ability to increase revenues from the public and private sectors in line with or faster than cost inflation; its ability to manage its working capital requirements; its ability to continue to maintain appropriate banking and other financing facilities; its ability to retain and attract high-quality employees; the tax regime in the United Kingdom, including taxes related to payroll; and the general macro-economic conditions of the United Kingdom.

17. Commitments

As at 30 September 2026, £198.0 million (31 March 2026: £387.5 million) was committed by the Subsidiaries to new or existing investments, including £12.5 million earmarked for ACG. These commitments will be settled from the existing cash reserves of the Company and the Subsidiaries or through drawdowns from the RCF.

18. Subsequent events

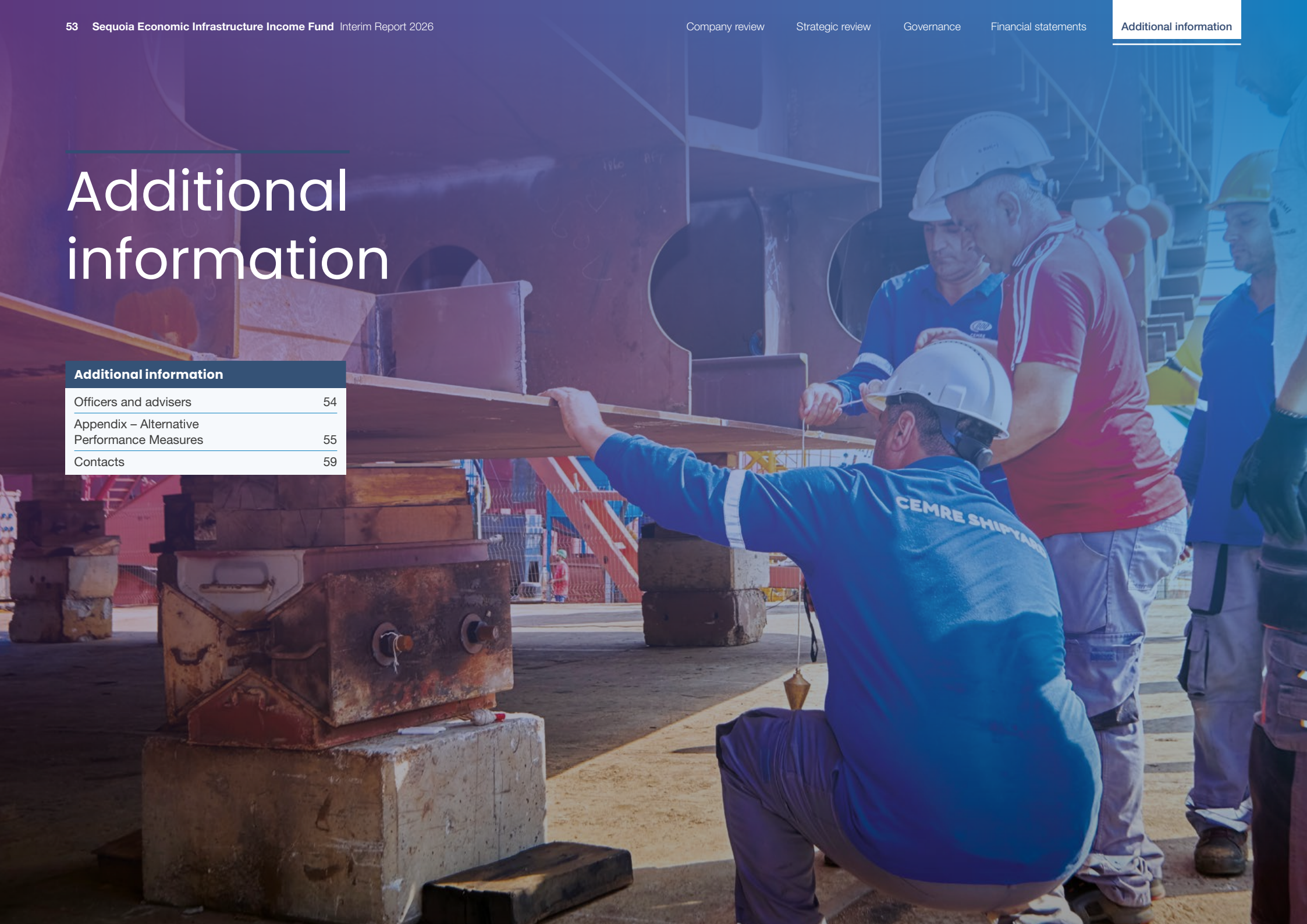
On 16 October 2026, SEQI declared a dividend of 1.71875p per Ordinary Share in respect of the quarter ended 30 September 2026. The dividend will be paid on 27 November 2026.

On 22 October 2026, the Investment Adviser acquired 294,850 Ordinary Shares in the market in relation to fees payable for the quarter ended 30 September 2026.

Subsequent to the period end, the Company has acquired and taken into treasury a further 5,602,217 of its own Ordinary Shares at an average price of 80.59p per Ordinary Share.

There have been no other significant events since the period end which would require revision of the figures or disclosures in these Interim Financial Statements.

Additional information



Additional information

Officers and advisers	54
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Appendix – Alternative Performance Measures

used in the Interim Report

NAV per share

NAV per share is a calculation of a company's NAV divided by the number of shares in issue and provides a measure of the value of each share in issue.

	30 September 2026 (unaudited)	31 March 2026 (audited)
NAV	**£1,326,935,396**	£1,378,639,815
Number of Ordinary Shares in issue	**1,467,333,278**	1,479,731,915
NAV per Ordinary Share	**90.43p**	93.17p

Share (discount)/premium to NAV

Share (discount)/premium to NAV is the amount by which a company's share price is lower/higher than its NAV per share, expressed as a percentage of the NAV per share, and provides a measure of a company's share price relative to the NAV.

	30 September 2026 (unaudited)	31 March 2026 (audited)
NAV per Ordinary Share	**90.43p**	93.17p
Closing share price	**84.90p**	76.60p
Ordinary Share discount	**(6.1)%**	(17.8)%

Total NAV/share price return

Total NAV return/total share price return are calculations showing how the NAV/share price per share of a company has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV/share price on the ex-dividend date. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

		Period ended 30 September 2026	
Unaudited		**Total NAV return**	**Total share price return**
Opening NAV/share price per Ordinary Share	(a)	**93.17p**	**76.60p**
Closing NAV/share price per Ordinary Share	(b)	**90.43p**	**84.90p**
Dividends paid	(c)	**3.4375p**	**3.4375p**
Weighted average NAV/share price per Ordinary Share	(d)	**92.09p**	**79.73p**
Dividend adjustment factor	(e)	**1.0373**	**1.0431**
Adjusted closing NAV/share price per Ordinary Share	(f)	**93.81p**	**88.56p**
Total NAV/share price return for the period (f / a -1)		**0.7%**	**15.6%**
Annualised NAV/share price return		**1.4%**	**31.2%**

Appendix – Alternative Performance Measures continued

used in the Interim Report

Total NAV/share price return continued

Unaudited		Period ended 30 September 2025 Total NAV return	Total share price return
Opening NAV/share price per Ordinary Share	(a)	92.55p	78.3p
Closing NAV/share price per Ordinary Share	(b)	93.67p	77.90p
Dividends paid	(c)	3.4375p	3.4375p
Weighted average NAV/share price per Ordinary Share	(d)	90.42p	77.18p
Dividend adjustment factor	(e)	1.0380	1.0445
Adjusted closing NAV/share price per Ordinary Share	(f)	97.23p	81.37p
Total NAV/share price return for the period (f / a -1)		5.0%	3.8%
Annualised NAV/share price return		10.1%	7.7%

Cash dividend cover

Cash dividend cover is the ratio of operating cash flow divided by total dividend payments, and is used as a measure of the extent to which a company is able to generate sufficient cash flow to pay its dividends.

The dividend cash cover calculation reflects the cash movements of the entire Fund, including the Subsidiaries, and will therefore not reconcile to figures stated in the Company's statement of cash flows on page 32.

Item	**Period ended 30 September 2026 Amount (£m)**	Year ended 31 March 2026 Amount (£m)
Cash interest received	**49.24**	125.59
Swaps	**12.19**	—
Consent fees received in cash	**0.34**	0.84
Prepayment fees	**—**	1.31
Upfront fees/discounts amortised	**1.77**	5.32
Cash expenses (excluding capital costs)	**(10.15)**	(21.20)
Net cash income	**53.39**	111.86
Dividends paid	**50.50**	105.19
Dividend cash cover	**1.06x**	1.06x

Appendix – Alternative Performance Measures continued

used in the Interim Report

Annualised dividend yield

The dividend yield of a company can provide a useful measure of the income yield of an investment in the company, and is calculated by dividing the total annualised dividends per share paid in the period by the company's current share price.

The Company's annualised dividend yield for the period ended 30 September 2026 was as follows:

	Period ended 30 September 2026	Period ended 30 September 2025
Dividends per Share paid in the period	**3.4375p**	3.4375p
Share price at the end of the period	**84.90p**	77.90p
Annualised dividend yield	**8.1%**	8.8%

Portfolio yield to worst

The yield to worst of an individual debt instrument is calculated using a formula involving its annual interest payout, face value, current price, the number of years to maturity and all potential embedded call or prepayment dates which may reduce the yield calculation. Portfolio yield to worst is the weighted average of these yields to worst, in a portfolio of interest-bearing investments, discounted for the time value of money and applying all possible scenarios that would negatively impact the yield on the investments. This provides a useful measure of the minimum possible likely projected returns on a portfolio. This measure is applied in this Interim Report to the portfolio of investments held in the Subsidiaries.

Construction risk

Construction risk is the proportion by value of investments held in a portfolio that relate to construction projects. This provides a useful measure of the degree of exposure of the Fund to the increased risk associated with lending to projects that are pre-operational. This measure is applied in this Interim Report to the portfolio of investments held in the Subsidiaries.

	30 September 2026	31 March 2026
Investments exposed to construction risk	**£133,961,069**	£168,864,014
Total investments held in the Subsidiaries	**£1,378,973,740**	£1,320,572,802
Construction risk	**9.7%**	12.8%

Average equity cushion

An equity cushion exists in relation to a debt investment if there is collateral within the borrower available to the lender that exceeds the amount of the outstanding debt. The average equity cushion percentage of the portfolio of investments held in the Subsidiaries is the percentage of the total excess borrower collateral available divided by the total outstanding portfolio debt. This is a useful quantification of the degree of security available to the Fund in case of default by borrowers.

	30 September 2026	31 March 2026
Total excess borrower collateral available	**£543,589,182**	£504,522,729
Total investments held in the Subsidiaries	**£1,378,973,740**	£1,320,572,802
Equity cushion	**39%**	38%

Appendix – Alternative Performance Measures continued

used in the Interim Report

Modified duration

The modified duration of a debt instrument provides a useful measure of the sensitivity of the debt instrument's value to changes in interest rates, and is calculated by dividing the instrument's price by the change in the instrument's yield caused by a 1% change in interest rates. This measure is applied in this Interim Report to the portfolio of investments held in the Subsidiaries. The modified duration of the portfolio of 1.9 (31 March 2026: 2.3) indicates that a 1% increase in interest rates would cause the value of the portfolio to fall by 1.9% (31 March 2026: 2.3%).

Ongoing charges ratio ("OCR")

The ongoing charges ratio of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges and gains or losses on investments. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

12 months ended 30 September 2026	**The Company £**	**The Subsidiaries £**	**Total £**
Total expenses	**20,325,180**	**1,217,612**	**21,542,792**
Non-recurring and excluded expenses	**(6,868,901)**	**(565,423)**	**(7,434,324)**
Total ongoing expenses	**13,456,279**	**652,189**	**14,108,468**
Average NAV			**1,380,845,184**
Ongoing charges ratio (using AIC methodology)			**1.02%**

12 months ended 30 September 2025	The Company £	The Subsidiaries £	Total £
Total expenses	20,279,799	665,414	20,945,213
Non-recurring and excluded expenses	(6,765,149)	(199,287)	(6,964,436)
Total ongoing expenses	13,514,650	466,127	13,980,777
Average NAV			1,454,130,008
Ongoing charges ratio (using AIC methodology)			0.96%

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About Sequoia Economic Infrastructure Income Fund Limited
SEQI seeks to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. SEQI is advised by Sequoia Investment Management Company Limited.

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Notes

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