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## Sequoia Economic Infrastructure Income Fund Limited ("SEQI" or the "Company")

### Monthly NAV and portfolio update - October 2024

The NAV per share for SEQI, **the largest LSE listed infrastructure debt fund**, increased to 94.37 pence per share from the prior month's NAV per share of 93.31 pence, (being the 30 September 2024 cum-income NAV of 95.03 less the dividend of 1.71875 pence per share declared in respect of the quarter ended 30 September 2024 and payable on 22 November 2024), representing an increase of 1.06 pence per share.

	<i>pence per share</i>
<b>30 September NAV</b>	<b>95.03</b>
Interest income, net of expenses	0.74
Asset valuations, net of FX movements	0.28
Subscriptions / share buybacks	0.04
Dividend	-1.72
<b>31 October NAV</b>	<b>94.37</b>

**No expected material FX gains or losses** as portfolio is 100% currency-hedged. However, the Company's NAV may include unrealised short-term FX gains or losses, driven by differences in the valuation methodologies of its FX hedges and the underlying investments - such movements will typically reverse over time.

**The Investment Adviser is currently locking in higher interest rates**; 63.1% of portfolio is in fixed rate investments as of October 2024, and 53.9% of the portfolio is invested in Defensive sectors (Renewables, Digitalisation, Utility and Accommodation).

**Long-term outlook on inflation and base rates points towards a beneficial tailwind to NAV**: Abating inflation is expected to provide a foundation for steadier credit markets, as falling rates would typically increase asset valuations.

### Market Summary - October 2024

#### US election results

- With Trump being elected as the 47th US President, the Investment Adviser expects the US to streamline permitting processes for energy infrastructure and there will be renewed efforts to deregulate energy production and to build a wide range of sources of electricity, including nuclear and hydropower. Research from the American Society of Civil Engineers also points to a 5.9 trillion overall requirement in infrastructure spending between 2020-2029 in the US, of which 2 trillion is currently unfunded.
- The Investment Adviser therefore expects core infrastructure spending to continue in the US after the outcome of the election results, with added emphasis on energy production, which should provide new opportunities for SEQI (current exposure to the US is 49.1% as of October 2024)

#### Interest rate announcements, inflation data and asset valuations

- During October 2024, the Bank of England held interest rates at 5.00%. On 7 November 2024, it reduced interest rates by 0.25% to 4.75%. The US Federal Reserve held interest rates at 5.00% during October 2024 and also reduced them by 0.25% to 4.75% on 7 November 2024. On 23 October 2024, the European Central Bank reduced rates by 0.25% to 3.25%.
- The most recent data on CPI inflation in the UK shows that it declined from 2.2% during August 2024 to 1.7% during September 2024. The UK inflation rate has now slowed significantly from its peak, dropping below the Bank of England's 2% target for the first time in over three years in September. In the US, CPI inflation rose from 2.4% in September 2024 to 2.7% in October 2024. In the Eurozone, CPI inflation increased from 1.7% in September 2024 to 2.0% in October 2024.
- As at 31 October 2024, 5-year gilt yields rose by 0.5% month-on-month after the Autumn Budget announcement, driven by new fiscal rules and plans for increased borrowing. The Investment Adviser noted a similar upward trend in the US of 0.4% in 5-year treasuries during the same period, influenced by election uncertainties and revised expectations for rate cuts. German 5-year government bond yields also increased by 0.3%, even with a 0.25% rate cut by the ECB. Credit spreads stayed broadly stable across sectors as base rates climbed.

- The Investment Adviser has adjusted the valuation of SEQI's fixed rate instruments to reflect the movement in risk free rates. As such, the portfolio pull-to-par has increased marginally, from 3.4 pence to 3.5 pence month-on-month. Overall, asset valuations (net of FX movements) has increased by 0.28 pence per share, due to further write-ups in the carrying value of Bulb based on expected future receipts.
- Once a downwards trend toward a lower interest rate environment unfolds, this will be supportive of fixed rate loans and bonds. Further, as short-term rates begin to fall, yield curves will become less inverted or turn positive again, supporting a bid for risk in the market.
- As inflation abates in the long run, the likelihood of future interest rate cuts increases, which makes alternative investments such as infrastructure more attractive when compared to liquid debt. The markets have also priced in at least one further rate cut between now and the end of the year across all three regions.

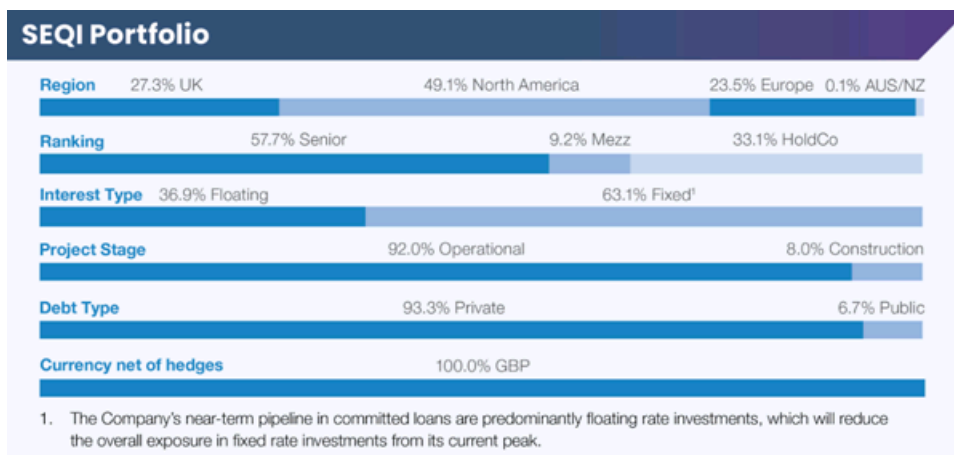
## Portfolio update - October 2024

### Revolving Credit Facility and cash holdings

- The Company is undrawn on its revolving credit facility (RCF) of £300.0 million and currently has cash of £82.4 million (inclusive of interest income), and undrawn investment commitments of £73.7 million.
- The RCF is primarily utilised to manage cashflows through the timing of new investments against the repayment of existing investments.

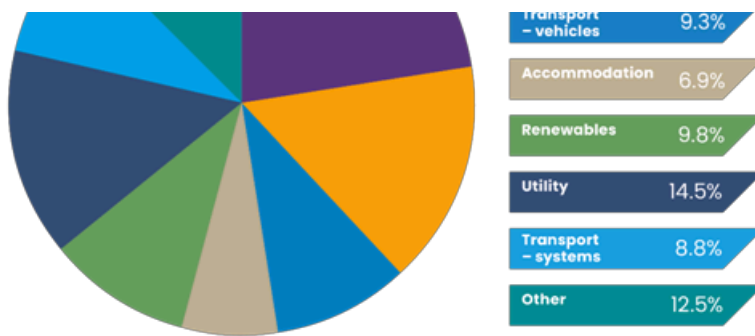
### Portfolio Composition

- The Company's invested portfolio consisted of 54 private debt investments and 4 infrastructure bonds, diversified across 8 sectors and 30 sub-sectors.
- 57.7% of the portfolio comprised of senior secured loans ensuring defensive positioning.
- It had an annualised yield-to-maturity (or yield-to-worst in the case of callable bonds) of 9.95% and a cash yield of 7.50% (excluding deposit accounts).
- The weighted average portfolio life remains short and is approximately 3.4 years. This short duration means that as loans mature, the Company can take advantage of higher yields in the current interest rate environment.
- Private debt investments represented 93.3% of the total portfolio, allowing the Company to capture illiquidity yield premiums.
- The Company's invested portfolio currently consists of 36.9% floating rate investments and remains geographically diversified with 49.1% located across the USA, 27.3% in the UK, 23.5% in Europe, and 0.1% in Australia/New Zealand.
- The portfolio remains highly diversified by sector and size. The average loan represents approximately 1.5% of the total portfolio and the largest loan represents 4.0% of the total portfolio.
- At month end, approximately 100% of the Company's NAV consisted of either Sterling assets or was hedged into Sterling. The Company has adequate liquidity to cover margin calls, if any, on its hedging book.



### Portfolio highly diversified by sector and size





### Share buybacks

- The Company bought back 2,905,315 of its ordinary shares at an average purchase price of 78.18 pence per share in October 2024.
- The Company first started buying back shares in July 2022 and has bought back 194,927,828 ordinary shares as of 31 October 2024, with the buyback continuing into November 2024. This share repurchase activity by the Company continues to contribute positively to NAV accretion.

### New investment activity during October 2024

- SEIQ has committed £45 million of a £125 million financing facility to support Community Fibre's continued expansion across London.
- SEIQ has purchased 12.6 million of a new Issue of Navigator 7.25% - 10/2029 bonds. Navigator Holdings Ltd was founded in 1997 and is a market leading owner and operator of liquefied gas carriers, owning 56 vessels, and 50% of the world's largest ethylene marine export terminal.
- SEIQ has also purchased €10.13 million of Techem bonds (of which €2.13 million settled during October 2024). Techem is a leading provider of energy services headquartered in Eschborn, Germany. The yield presents a premium of around ~210bps over comparable Euro B corporate credit. Techem Term Loan B is rated B1 by Moody's, B+ by S&P, and B by Fitch - all with Stable Outlook.

### Non-performing loans

The Company has now achieved substantive resolution on its loans to Bulb Energy and Clyde Street.

#### Bulb Energy

- The Company received a £16 million paydown on its loan to Bulb Energy and has been able to further write up the carrying value of its loan based on expected future receipts. It is now likely that the Company will receive some or all of the interest that has accrued on the loan since it defaulted (in addition to the remaining principal amount of the loan).

#### Clyde Street

- After month end, the Company sold the entirety of its non-performing loan at a price consistent with its current mark. In addition to the cash consideration received, the Company may receive further sums based upon the performance of the project in the future.

There are no other updates on the non-performing loans.

### Cost disclosures

- The Investment Adviser welcomes the FCA's [forbearance statement](#) on ongoing cost disclosure and notes that SEIQ will amend its KID document to reflect zero costs.

### Top Holdings

15 Largest Investments								Cash-on-cash yield (%)	Yield to maturity/worst %
Transaction name	Currency	% of NAV	Ranking	Value £m	Sector	Sub-sector			
AP Wireless Junior	EUR	4.5%	Mezz	61.3	Digitalisation	Telecom towers	4.38	7.10	
Infinis Energy	GBP	4.4%	Senior	60.4	Renewables	Landfill gas	5.38	6.23	
Workdry	GBP	4.1%	Senior	56.0	Utility	Utility Services	8.94	8.94	
Project Sienna	GBP	4.1%	Senior	55.8	Other	Waste-to-Energy	9.84	10.41	
Hawkeye Solar HoldCo	USD	3.8%	HoldCo	52.5	Renewables	Solar & wind	8.69	9.45	
Kenai HoldCo 2024	EUR	3.8%	HoldCo	52.2	Power	Base load	0.00	11.22	
Project Tyre	USD	3.7%	Senior	51.0	Transport assets	Specialist shipping	10.34	9.96	
Expedient	USD	3.7%	Senior	50.5	Digitalisation	Data centers	11.02	11.02	
Roseton	USD	3.5%	Senior	48.6	Power	Other Electricity Generation	10.32	10.32	
Sacramento	USD	3.2%	Senior	44.0	Digitalisation	Data centers	7.25	8.15	
Project Nimble	EUR	3.2%	HoldCo	44.0	Digitalisation	Data centers	8.35	10.30	
Euroports 2nd Lien 2030	EUR	3.1%	Mezz	42.8	Transport	Port	10.73	10.55	

Scandlines Mezzanine 2032	EUR	3.0%	HoldCo	42.0	Transport	Ferries	6.54	6.64
Project Shark	CHF	2.9%	HoldCo	40.4	Digitalisation	Data centers	8.50	8.50
Tracy Hills TL 2025	USD	2.9%	Senior	40.0	Other	Residential infra	11.35	11.35

Valuations are independently reviewed each month by PWC.

Full list of SEQI's Portfolio Holdings and SEQI Monthly Factsheet

[http://www.rns-pdf.londonstockexchange.com/rns/3221M\\_1-2024-11-14.pdf](http://www.rns-pdf.londonstockexchange.com/rns/3221M_1-2024-11-14.pdf)

[http://www.rns-pdf.londonstockexchange.com/rns/3221M\\_2-2024-11-14.pdf](http://www.rns-pdf.londonstockexchange.com/rns/3221M_2-2024-11-14.pdf)

### About Sequoia Economic Infrastructure Income Fund Limited

- SEQI is the UK's largest listed debt investor, investing in economic infrastructure private loans and bonds across a range of industries in stable, low-risk jurisdictions, creating equity-like returns with the protections of debt.
- It seeks to provide investors with regular, sustained, long-term income with opportunity for NAV upside from its well diversified portfolio. Investments are typically non-cyclical, in industries that provide essential public services or in evolving sectors such as energy transition, digitalisation or healthcare.
- Since its launch in 2015, SEQI has provided investors with nine years of quarterly income, consistently meeting its annual dividend per share target, which has grown from 5p in 2015 to 6.875p per share in 2023, cash-covered with an average annual dividend growth of over 4%.
- The fund has a comprehensive ESG programme combining proprietary ESG goals, processes and metrics with alignment to key global initiatives
- SEQI is advised by Sequoia Investment Management Company Limited (SIMCo), a long-standing investment advisory team with extensive infrastructure debt origination, analysis, structuring and execution experience.
- SEQI's monthly updates are available here: Monthly Updates - [seqi.fund](http://seqi.fund)

Annualised Total Returns <sup>1</sup>				
	6M	1Y	3Y	5Y
NAV TR	11.71%	10.40%	4.24%	4.28%
Share price TR	-1.70%	5.84%	-4.72%	-2.03%

1. Inclusive of dividend income

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