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

### Monthly NAV and portfolio update - December 2024

The NAV per share for SEQI, **the largest LSE listed infrastructure debt fund**, increased to 94.91 pence per share from the prior month's NAV per share of 94.87 pence, representing an increase of 0.04 pence per share.

	<i>pence per share</i>
<b>30 November NAV</b>	<b>94.87</b>
Interest income, net of expenses	0.73
Asset valuations, net of FX movements	-0.71
Subscriptions / share buybacks	0.02
<b>31 December NAV</b>	<b>94.91</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.

**Well positioned to benefit from higher interest rates**; 59.5% of portfolio is in fixed rate investments as of December 2024, and 53.6% of the portfolio is invested in Defensive sectors (Renewables, Digitalisation, Utility and Accommodation).

### Market Summary - December 2024

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

- The European Central Bank ("the ECB") implemented a 0.25% rate cut on 12 December, reducing its policy rate from 3.25% to 3.00%. This followed an earlier rate cut on 23 October 2024 for 0.25% and was part of the ECB's ongoing efforts to stimulate the Eurozone economy amid stabilizing energy markets. On 13 December 2024, the Federal Reserve reduced its policy rate by 0.25%, from 4.75% to 4.50%. In the UK, the Bank of England ("the BoE") made no changes to its policy rate during December 2024 due to elevated inflation (CPI inflation rose to 2.6% during November 2024, surpassing the BoE's 2.0% target).
- Despite interest rate reductions across the Eurozone, UK and US, long-end government bond yields rose by approximately 0.3% across all regions which was mainly due to inflationary pressures. As such, the asset valuation of most fixed rate instruments (59.5% of the portfolio) has declined marginally due to the increase in risk free rates. The portfolio pull-to-par, which is incremental to NAV as loans mature, is 3.7 pence per share as of December 2024.
- The Investment Adviser expects inflation to gradually abate during 2025 across all three regions due to stabilizing energy prices and improved supply chains. Once a downwards trend toward a lower interest rate environment unfolds, this will be supportive of the current fixed rate loans and bond positions. 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 gradually 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. While the pace and size of interest rate cuts will vary across the Company's different investment jurisdictions, the general consensus remains one of declining interest rates throughout the year.

### Portfolio update - December 2024

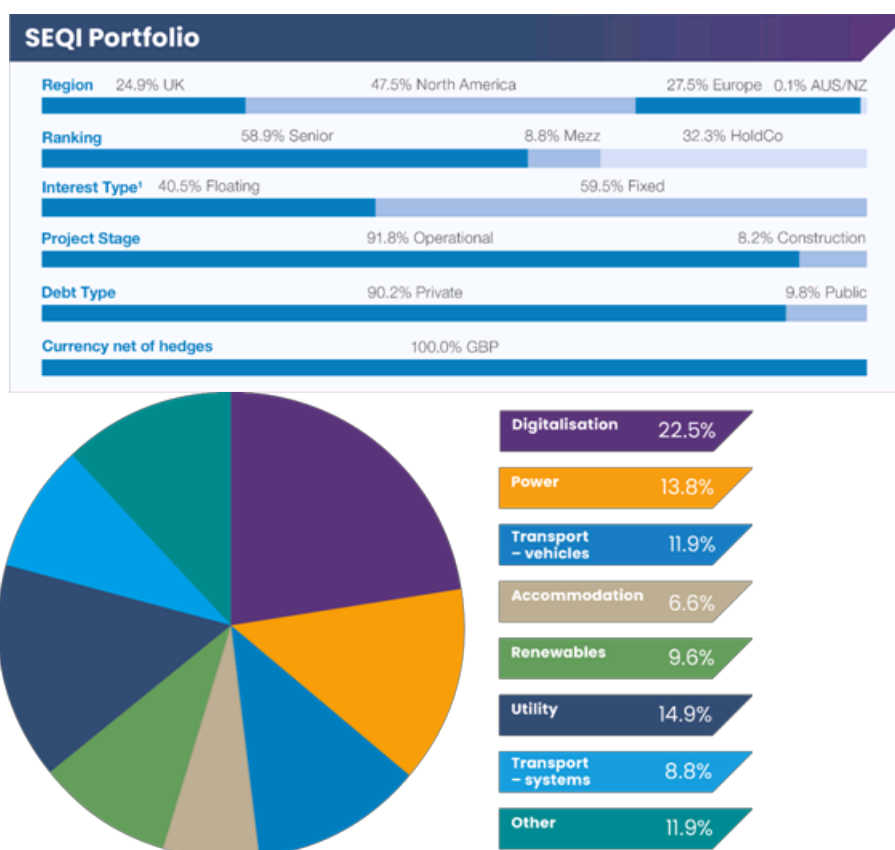
#### Revolving Credit Facility and cash holdings

- The Company is undrawn on its revolving credit facility (RCF) of £300.0 million and currently has cash of £68.7 million (inclusive of interest income), and undrawn investment commitments of £87.1 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.
- 58.9% 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 9.76% and a cash yield of 7.3% (excluding deposit accounts).
- The weighted average portfolio life increased slightly and is approximately 3.5 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 90.2% of the total portfolio, allowing the Company to capture illiquidity yield premiums.
- The Company's invested portfolio currently consists of 40.5% floating rate investments and remains geographically diversified with 47.5% located across the USA, 24.9% in the UK, 27.5% in Europe, and 0.1% in Australia/New Zealand.

#### Portfolio highly diversified by sector and size



#### Share buybacks

- The Company bought back 1,959,885 of its ordinary shares at an average purchase price of 78.5 pence per share in December 2024.
- The Company first started buying back shares in July 2022 and has bought back 201,302,167 ordinary shares as of 31 December 2024, with the buyback continuing into January 2025. This share repurchase activity by the Company continues to contribute positively to NAV accretion.

#### New investment activity during December 2024

- Senior loan to Grange Backup Power Ltd for €15.2 million. The borrower is an Irish power asset linked to a data centre. The YTM on this loan is 9.01%.
- Senior loan to Project Hero for €40 million. The borrower is a Spanish market leader in land-based healthcare transport services. The YTM on this loan is 7.19%.
- Purchased additional €2.0 million of Techem bonds during December 2024 (the overall position on this loan is for €10.1m). 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.

#### Investments that repaid during December 2024

- SEQI received a full repayment from two of its three positions on Project Sienna for £6 million in total. The borrower is a leading wood biomass fuel supplier based in the UK. SEQI's remaining position on this loan is for £50 million. The YTM is 10.05%

## Non-performing loans

There are no updates on the remaining non-performing loans in the portfolio.

## Top Holdings

15 Largest Investments								
Transaction name	Currency	% of NAV	Ranking	Value £m	Sector	Sub-sector	Cash-on-cash yield (%)	Yield to maturity/ worst (%)
Infinis Energy	GBP	4.4%	Senior	60.4	Renewables	Landfill gas	5.38	6.24
AP Wireless Junior	EUR	4.4%	Mezz	60.4	Digitalisation	Telecom towers	4.35	6.94
Workdry	GBP	4.0%	Senior	56.0	Utility	Utility Services	8.94	8.94
Hawkeye Solar HoldCo	USD	3.8%	HoldCo	53.4	Renewables	Solar & wind	8.78	9.72
Expedient	USD	3.7%	Senior	51.9	Digitalisation	Data centers	11.02	11.02
Project Tyre	USD	3.7%	Senior	51.4	Transport assets	Specialist shipping	10.35	9.99
Project Sienna	GBP	3.6%	Senior	49.9	Other	Waste-to-Energy	9.83	10.05
Kenai HoldCo 2024	EUR	3.4%	HoldCo	47.6	Power	Base load	0.00	18.10
Sacramento	USD	3.3%	Senior	45.3	Digitalisation	Data centers	7.24	8.18
Roseton	USD	3.2%	Senior	43.9	Power	Other Electricity Generation	9.30	9.30
Project Nimble	EUR	3.1%	HoldCo	43.3	Digitalisation	Data centers	8.27	9.86
Euroports 2nd Lien 2030	EUR	3.0%	Mezz	41.7	Transport	Port	10.78	10.64
Scandlines Mezzanine 2032	EUR	3.0%	HoldCo	41.3	Transport	Ferries	6.51	6.53
Tracy Hills TL 2025	USD	3.0%	Senior	41.1	Other	Residential infra	11.35	11.35
OCU	GBP	2.9%	Senior	40.0	Utility	Utility Services	9.57	10.22

Valuations are independently reviewed each month by PWC.

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

[http://www.ms-pdf.londonstockexchange.com/ms/4836T\\_2-2025-1-15.pdf](http://www.ms-pdf.londonstockexchange.com/ms/4836T_2-2025-1-15.pdf)

[http://www.ms-pdf.londonstockexchange.com/ms/4836T\\_1-2025-1-15.pdf](http://www.ms-pdf.londonstockexchange.com/ms/4836T_1-2025-1-15.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.
- 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/investors/monthly-updates](http://seqi.fund/investors/monthly-updates)

## Annualised Total Returns<sup>1</sup>

	6M	1Y	3Y	5Y
NAV TR	6.59%	8.01%	4.51%	3.91%
Share price TR	5.90%	0.50%	-3.11%	-1.71%

1. Inclusive of dividend income

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