2018
INTERIM REPORT

Diversified
Sustainable
Growth

SEQUOIA
ECONOMIC
INFRASTRUCTURE
INCOME FUND LIMITED

Portfolio summary

As at 30 September 2018

58 Investments	£54.5m Largest investment	£15.8m Average size	7.0 years Average maturity
5.0 years Average life	1.4 Portfolio mod. duration	32% Average equity cushion	11.2% Construction risk

Contents

Highlights

Highlights for the period from 1 April 2018 to 30 September 2018

- Annualised portfolio yield-to-maturity of 8.4% as at 30 September 2018
- Dividends of 3p per Ordinary Share paid during the period
- Raised gross proceeds of £75.7 million through an over-subscribed Placing of Ordinary Shares in May 2018
- Diversified portfolio of 58 investments made across 8 sectors, 25 sub-sectors and 13 mature jurisdictions
  – 87% of investments in private debt
  – 66% floating rate investments, capturing short-term rate rises
  – Short weighted average life of 5.0 years creating re-investment opportunities
  – Weighted average equity cushion of 32%
- Ongoing charges ratio of 1.06% (calculated in accordance with AIC guidance). The ongoing charges ratio against the average gross value of the portfolio in the period is 0.98%

Post-period-end

- Announced an additional capital raise in August 2018 which closed, significantly over-subscribed, in October 2018 with gross proceeds of £253.0 million
  – Proceeds have been used to repay the outstanding balance of approximately £116.0 million of the £150.0 million multi-currency revolving credit facility ("RCF")
  – Remaining proceeds will be deployed into the strong pipeline of attractive investment opportunities

Financial highlights

£837,121,761

Total net assets

101.86p

Net Asset Value ("NAV") per Ordinary Share*

110.50p

Ordinary Share price*

8.5%

Ordinary Share premium to NAV

**Cum dividend*

Quote from the Chairman

"The Board is pleased with the Company's continued progress in the first half of this financial year. Economic infrastructure debt remains an underinvested and attractive asset class, given its low correlation to the volatility of the wider equity markets and high recovery rates.

The balance of floating rate and shorter term fixed investments means that the portfolio is also well positioned to benefit from a rising interest rate environment. We remain confident in the Investment Adviser's ability to grow the diversified portfolio and source high quality, stable, cash generative economic infrastructure debt investment opportunities that will enable us to maintain portfolio yield at 8% or higher and an annual dividend of 6p per share."

Robert Jennings, Chairman of the Company

Company summary

Principal activity

Sequoia Economic Infrastructure Income Fund Limited (the "Company") invests in a diversified portfolio of senior and subordinated economic infrastructure debt investments through its subsidiary Sequoia IDF Asset Holdings S.A. (the "Subsidiary", together the "Group" or the "Fund"). The Company controls the Subsidiary through a holding of 100% of its shares.

Investment objective

The Company'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. This objective is subject to the Fund having a sufficient level of investment capital from time to time and the ability of the Fund to invest its cash in suitable investments.

Investment policy

The Company's principal investment policy is to invest in a portfolio of loans, notes and bonds where all or substantially all of the associated underlying revenues are from business activities in the following market sectors: transport, transportation equipment, utilities, power, renewable energy, accommodation and telecommunications infrastructure. The revenues should derive from certain eligible jurisdictions, as defined in the Company's Prospectus. In addition, once fully invested, in excess of 50% of the portfolio should be floating rate or inflation-linked debt, and not more than 10% by value of the Fund's investments (at the time of investment) should relate to any one individual infrastructure asset.

Dividend policy

In the absence of any significant restricting factors, the Board expects to pay dividends totalling 6p per Ordinary Share per annum for the foreseeable future. The Company pays dividends on a quarterly basis.

Chairman's statement

It is my pleasure to present to you the Interim Report of Sequoia Economic Infrastructure Income Fund Limited (the "Company") for the six month period of operations ended 30 September 2018.

CONSISTENT GROWTH AND PERFORMANCE

Since the Company's initial public offering ("IPO"), in March 2015, the Company's market capitalisation has grown from approximately £150 million to £908.1 million, with a net asset value ("NAV") of approximately £837.1 million as at 30 September 2018. This growth meant that the Company entered the FTSE 250 Index in September 2017.

The Company's shares have consistently traded at a premium to its NAV, averaging 9.2% over the last six months and standing at 8.5% on 30 September 2018. The Board of Directors of the Company (the "Board") believes that this is a reflection of the Company's strong and consistent dividend policy and the uniqueness of its investment proposition to investors.

Investors in the IPO have received total dividends of 18.5p per share and have seen the share price increase from 100.0p to 110.5p, representing a total gain of 29.0p per share and an annualised return ("IRR") of 7.9% (6.4% calculated on a NAV basis, based on a day-one NAV of 98.0p per share).

NET ASSET VALUE PERFORMANCE

Over the first half of this financial year, the Company's NAV per share has increased modestly from 101.32p to 101.86p. Over the same period, the Company has paid dividends of 3p per share, resulting in a total return of 3.5%.This performance is predominantly the result of three factors: the portfolio consists of stable, cash generative assets which generate an annual return of over 8%; costs and expenses are moderate with an ongoing charges ratio of just over 1%; growing fee income resultant from originated investments; and positive market movements on many of the Company's investments.

Since the Company's IPO, the NAV per share has increased from 98.0p to 101.86p, delivering, with dividends paid, an IRR of 6.4%. Whilst this is slightly lower than the target of 7-8%, the underperformance is largely the result of the significant cash drag in the first eight months of the Company's life: the IRR of NAV since October 2015 has been 8.3%, compared to -2.3% over the initial "ramp up" period.

A DIVERSE AND CASH-GENERATIVE PORTFOLIO

The Board continues to be pleased with the progress made by the Investment Adviser in building a portfolio of attractive infrastructure debt investments. As at 30 September 2018, the invested portfolio comprised 58 investments, diversified by borrower, jurisdiction, sector and sub-sector, and generating an average yield-to-maturity of 8.4% from a portfolio of loans and bonds with an average equity cushion of 32%. The yield on the portfolio has the potential to increase if LIBOR increases, since 66% of the assets have floating-rate interest income.

In constructing the portfolio, the Investment Adviser is mindful of a number of factors. Paramount is credit quality, with each investment subject to rigorous scrutiny and due diligence. In addition, the yield on investments needs to be attractive both in relative terms (when compared to assets of a similar quality) and in absolute terms (to ensure the Company can meet its target of paying a dividend of 6p per share). Finally, a range of other criteria must also be met, including compliance with concentration limits to ensure a well-diversified portfolio, and targeting floating rate investments for at least half the portfolio.

Pleasingly, approximately 87% of the portfolio consists of private debt investments, exceeding the three-year target of 75%. This is important as private debt typically enjoys a higher yield (an "illiquidity premium") compared to rated, listed bonds. Since the Company's fundamental strategy is buy-and-hold, as opposed to a debt trading strategy, it makes sense to capture this illiquidity premium. At the same time, having infrastructure bonds within the portfolio provides the Company with considerable liquidity, and the Directors believe there is value in having the flexibility to raise liquid funds at short notice, should the need arise.

The portfolio is also highly cash generative, the benefits of which are perhaps under-appreciated. The cash arises from not just the investments' regular, contractual and therefore predictable interest payments, but in many cases from either periodic amortisation payments (i.e. the borrower repaying the loan or bond over its life in instalments) or short investment maturities.

The Investment Adviser estimates that the portfolio will, over the next twelve months, generate over £147 million of free cash (c.18% of NAV), after payment of its operating expenses and a dividend of 6p per share. The practical benefit of this cash generation is that, in a rising interest rate environment, the Company will be able to redeploy this cash at new, higher, interest rates.

The Investment Adviser will continue to update you on the Company's progress by way of the monthly Investor Reports.

INTEREST RATE RISK AND CURRENCY RISK

The Company has positioned itself defensively for a rising rate environment to reduce NAV volatility, with 66% of the portfolio comprising floating rate investments at 30 September 2018, and an overall portfolio modified duration of 1.4. As LIBOR rates rise in the Company's eligible jurisdictions, the average cash-on-cash yield of the portfolio will increase. It is worth noting that this potential growth is not relied upon to pay fully-covered dividends, and the Investment Adviser calculates investment yields on a constant LIBOR basis.

The effect of currency exchange rates on the NAV also deserves further explanation. Currently, only about 22% of the portfolio consists of UK assets denominated in Sterling, with the balance diversified across assets denominated in US Dollars, Australian Dollars, Euros and Norwegian Kroner. In order to reduce the potential for NAV volatility arising from movements in the exchange rates, the Company has a large currency hedging position, which is designed to rise in value when Sterling strengthens and fall in value when Sterling weakens. The net effect is that the NAV behaves as though 99% of the Company's assets were denominated in Sterling.

RESULTS OF THE THIRD ANNUAL GENERAL MEETING

On 16 August 2018, shareholders approved a number of different ordinary and non-standard items of business at the Company's third annual general meeting (the "AGM"), not least the Company's continuation and the change to the Investment Adviser's fee basis.

The continuation resolution, which requires proposal every three years, enjoyed the support of 100% of the votes cast, and will allow the Company to continue working towards providing investors with regular, sustained, long-term distributions and capital appreciation from a high-quality portfolio of economic infrastructure debt investments.

Shareholders were also asked to consider a change to the way in which the Investment Advisory fee is calculated. The resolution proposed a simpler and more transparent fee structure with similar overall fee levels whilst maintaining the alignment of interests between the Company and the Investment Adviser and allowing for a modest benefit to the Company as it grows over time. Details of the Investment Adviser's fee basis can be found in note 10.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company announced on 20 August 2018 that it was proposing an additional capital raise to repay existing debt and acquire assets from the strong pipeline of potential investments for the Company, which will maintain the portfolio's yield at 8% or higher, without taking an undue level of credit risk. In general, the market for infrastructure debt remains strong, especially in the US and in mezzanine lending opportunities in the UK and Europe, across a range of sectors including transportation, power and utilities.

The equity issue, which closed in October, was very significantly oversubscribed and the shares were issued at a premium of 4.8% to the prevailing NAV, resulting in total gross proceeds of £253.0 million. Of the total gross proceeds raised, approximately £116.0 million was subsequently used to repay all the sums drawn under the RCF and the accordion facility. It is anticipated that the remaining proceeds will be deployed to acquire investments from the attractive pipeline of opportunities. The Board will continue to be disciplined in its approach to fundraising.

POSITIVE OUTLOOK

Since the Company's listing three-and-a-half years ago, the portfolio has faced bouts of volatility in global capital markets resulting from circumstances including the Brexit vote, uncertainty in US politics, the rise of populist political movements in Europe, and heightened tensions in East Asia and the Middle East. Many of these risks continue to be present, but it is in such periods of volatility that the stability of infrastructure debt has historically demonstrated its real value to investors. Moreover, some macro-economic and political themes may be advantageous to the Company, such as the gradual global unwinding of quantitative easing, which is likely to increase central bank base rates and the yield on debt investments, and a strong US economy in which the Company holds nearly 39% of its investments.

The Board believes that the Company's portfolio and investment pipeline will continue to deliver an attractive risk-adjusted return with a relatively low correlation to the broader financial markets.

I continue to be delighted with the way in which the Board and our advisers have pulled together as a well-balanced team and with how our approach has evolved over the first three-and-a-half years in our Company's life. This has helped the Company to achieve its target dividend yield while also protecting the NAV per share. We see our duty going forward as being to remain as actively focused as we have been to date so that we can sustain the target yield while also advancing NAV per share. In turn this should help to support the premium at which our shares have traded over the period since our admission to listing on 3 March 2015.

I would like to close by thanking you for your commitment and support.

Robert Jennings
Chairman

12 December 2018

Investment Adviser's report

THE INVESTMENT ADVISOR'S OBJECTIVES FOR THE YEAR

Over the course of the first half of 2018, Sequoia Investment Management Company ("Sequoia") has had a number of objectives for the Company:

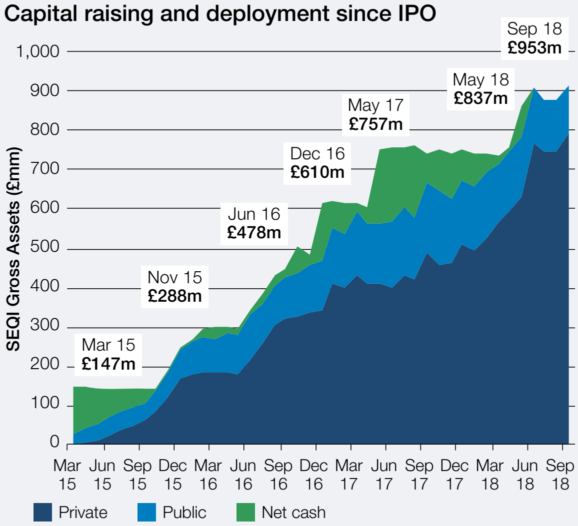
SEQUOIA INVESTMENT MANAGEMENT COMPANY

Goal	Commentary	
Gross portfolio return of 8-9%	The Company is fully invested with a portfolio that yields in excess of 8%	✓
Capital growth to deliver economies of scale and broader benefits	Gross proceeds of £75.7 million raised in May's over-subscribed capital raise	✓
Timely and transparent investor reporting	Factsheet, commentary, and the full portfolio are provided monthly for full transparency	✓
Dividends of 6p per share	The Company paid 3p of dividends in the first half of 2018 and is on track to pay 6p	✓

CAPITAL RAISED AND SHARE PERFORMANCE

The Company completed one capital raise during the half-year ending 30 September 2018: an Ordinary Share placing in May 2018 which raised gross proceeds of £75.7 million and was oversubscribed.

Capital raising and deployment since IPO



As at 30 September 2018, the Company had 821,810,267 Ordinary Shares in issue. The closing share price on that day was 110.50p per share, implying a market capitalisation for the Company of approximately £908.1 million, compared to £843.5 million a year previously.

The Company announced on 20 August 2018 that it was proposing an additional capital raise to repay existing debt and acquire assets from the strong pipeline of potential investments for the Company. The placing, which closed in October, was very significantly oversubscribed and the shares were issued at a premium to NAV, resulting in total gross proceeds of £253.0 million. Of the total gross proceeds raised, approximately £116.0 million was subsequently used to repay all the sums drawn under the RCF and the accordion facility. It is anticipated that the remaining proceeds will be deployed to acquire investments from the attractive pipeline of opportunities.

NAV PERFORMANCE

Over the last six months, the Company's NAV increased from 101.32p per share to 101.86p per share, driven by the following effects:

Factor	NAV effect
Interest income on the Company's investments	4.23p
Losses on foreign exchange movements, net of the effect of hedging	(0.31)p
Positive market movements	0.44p
One-off cost of writing down acquired assets to their bid price	(0.26)p
Operating costs	(0.75)p
Gains from issuing shares at a premium to NAV	0.19p
Gross increase in NAV	**3.54p**
Less: Dividends paid	(3.00)p
Net increase in NAV after payments of dividends	**0.54p**

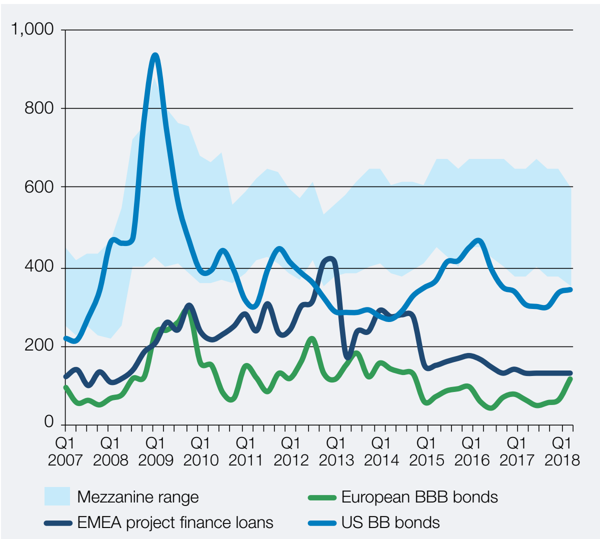
The Company made a loss of 0.31p from foreign exchange movements, largely due to the cost of hedging nearly 100% of non-GBP assets back into Sterling. On 30 September 2018, approximately 99% of the Company's NAV consisted of either Sterling assets or was hedged into Sterling through foreign exchange forward contracts (up from 94% as at 31 March 2018). The value of these contracts are marked-to-market along with the investments on a monthly basis in order to reduce the potential for foreign exchange rate volatility in the Company's NAV over the longer term.

Including the loss arising from foreign exchange movements and the 3p per share of dividends, the net gain over the last six months was 0.54p per share.

THE MARKET ENVIRONMENT DURING THE YEAR

The Company has operated in an increasingly volatile environment over the last six months, with the credit markets especially experiencing wider lending margins and bond spreads resulting from gradual unwinding of quantitative easing in the US and in Europe and increasing interest rates. The infrastructure debt markets are almost entirely insulated from this trend, with sectors such as social infrastructure, core wind and solar projects, and European toll roads continuing to receive funding at historically low interest rates.

This is primarily a result of institutional investors expanding beyond the corporate bond market in the search for yield, however there is still significant value in other areas of the infrastructure debt market. The US markets, the mezzanine lending market, and certain industry sectors in particular continue to offer excellent risk-adjusted returns, relatively stable cash flows, and are often backed by real assets.



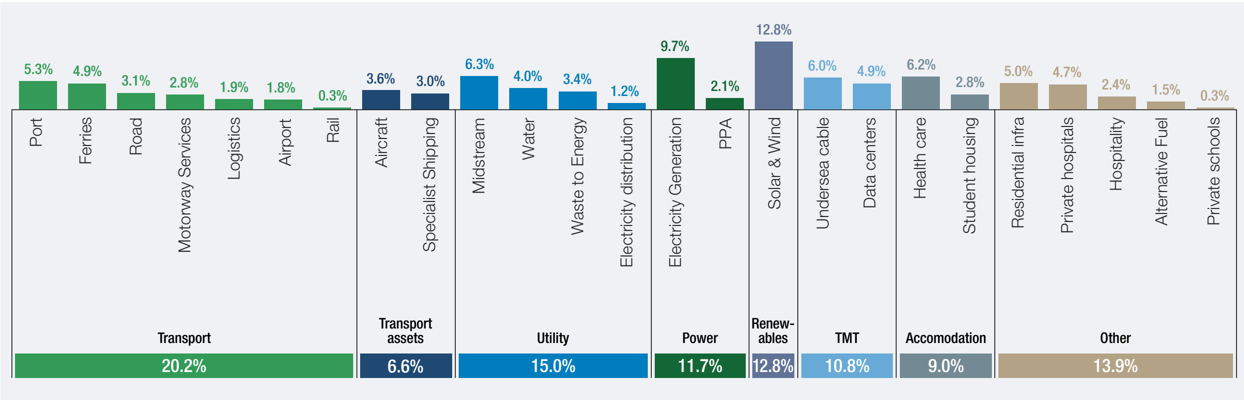
Primary market issuance in the infrastructure loan markets has been exceptionally strong, with deal volumes of USD173 billion over the last six months, split approximately 44% in the Americas, 38% in EMEA and 18% in Asia[1]. In addition, there were significant amounts of infrastructure debt issued in the bond markets, and through bilateral loans and private placements that are not always captured in the market data. The opportunity for the Company to deploy capital, therefore, is exceedingly large.

DIVERSIFIED PORTFOLIO

The Company has taken advantage of these favourable market conditions to assemble a diversified portfolio of infrastructure loans and bonds over its three-and-a-half years of operations. These investments are capable of providing the regular, sustained, and long-term distributions of income which is the primary stated investment objective of the Company. In addition, the Company has acquired in the secondary loan markets a number of assets at a material discount to their par value which offer the potential for appreciation over time.

The Company's focus is in economic infrastructure, which includes transportation, utility, power, telecommunication, renewable and other related sectors that exhibit infrastructure characteristics and typically have demand exposure. Sequoia believes that lending into these sectors is more attractive than lending into availability-based PFI/PPP projects, which are often hotly contested among lenders and therefore offer lower yields. Moreover, economic infrastructure projects usually have much more conservative capital structures than availability-based PFI/PPP projects, with equity cushions of typically 20-30% rather than 10%, and in Sequoia's opinion this compensates for the potentially higher revenue risk. Lending into the economic infrastructure sector has delivered an investment portfolio with equity-like returns but with the protections of debt, including lower volatility and less downside risk than equity. None of the loans or bonds acquired has defaulted and were selected, in part, based on their prospects for high recovery in the event of a default. Each loan and bond in the portfolio is to a borrower with an adequate equity cushion which helps to protect the Company from credit losses. Sequoia believes that diversification is an important risk management tool for an infrastructure debt portfolio, since a large component of credit risk in infrastructure is idiosyncratic or project-specific risk and is typically not highly correlated to exogenous factors such as the broader economy. As such, a properly diversified portfolio ought to have a more stable performance than one which is concentrated in one jurisdiction or sector, e.g. a debt portfolio that was largely focused on financing UK renewable projects might be highly exposed to specific risks such as regulatory changes.

[1] *Preqin Quarterly Infrastructure Update: Q2 and Q3 2018 Data Pack*



The Company's investment portfolio is therefore diversified by borrower, jurisdiction, sector and sub-sector, with strict investment limits in place to ensure that this remains the case. The chart above shows portfolio sectors and sub-sectors on 30 September 2018.

Geographically, the Company invests in stable low-risk jurisdictions. Under the terms of its investment criteria, the Company is limited to investment-grade countries, and has chosen to pursue selected opportunities in Spain, but not in Portugal or Italy, where in addition to the obvious economic challenges, infrastructure projects have also been exposed to regulatory and legal risks. The Company has been focused on the United States, Canada, Australia, the UK, and Northern and Western Europe.

The Company focuses predominantly on private debt, which on 30 September 2018 represented approximately 87% of its portfolio (compared to 73% a year previously). This is because, typically, private debt enjoys an illiquidity premium: i.e. a higher yield than a liquid bond with otherwise similar characteristics. Since the Fund's main investment strategy is "buy and hold", it makes sense to capture this illiquidity premium. Sequoia's research indicates that infrastructure private debt instruments yield approximately 1% more than public, rated bonds. However, in some cases, bonds can also be an attractive investment for three reasons. Firstly, some bonds are "private placements" which, whilst in bond format, have an attractive yield that is comparable to loans. Secondly, some sectors, such as US utility companies, predominantly borrow through the bond markets, and therefore having an allocation to bonds can improve the diversification of the portfolio. Thirdly, having some liquid assets in the portfolio enables the Company to take advantage of future opportunities and can also be used to satisfy the Company's potential obligations under its tender obligations.

The Company remains committed to limiting exposure to greenfield construction risk in the portfolio. Whilst up to 20% of the NAV can consist of lending to such projects, the actual exposure to assets in construction on 30 September 2018 was only 11% of the portfolio. Sequoia is careful to select projects where it believes the Company is well compensated for taking a moderate level of construction risk, and where the underlying strength of the borrower's business or project mitigates the risk.

ORIGINATION ACTIVITIES

The Company's strategy is to invest in both the primary and secondary debt markets. Sequoia believes that this combination delivers a number of benefits: participating in the primary markets allows the Company to generate upfront lending fees and to structure investments to meet its own requirements; and buying investments in the secondary markets can permit the rapid deployment of capital into seasoned assets with a proven track record. As the Company grows in size, Sequoia expects to source an increasing number of opportunities from the primary market.

Primary market origination

The primary loan markets are an increasingly important opportunity for the Company. The Investment Adviser has sourced bilateral loans and participated in "club" deals, where a small number of lenders join together. The Company has also participated in more widely-syndicated infrastructure loans. Primary market loans often have favourable economics because the Company, as lender, benefits from upfront lending fees. As the Company has grown, primary market investment activity has grown to surpass secondary market investments, with 77% of the portfolio comprising primary investments as at 30 September 2018.

CASE STUDY:

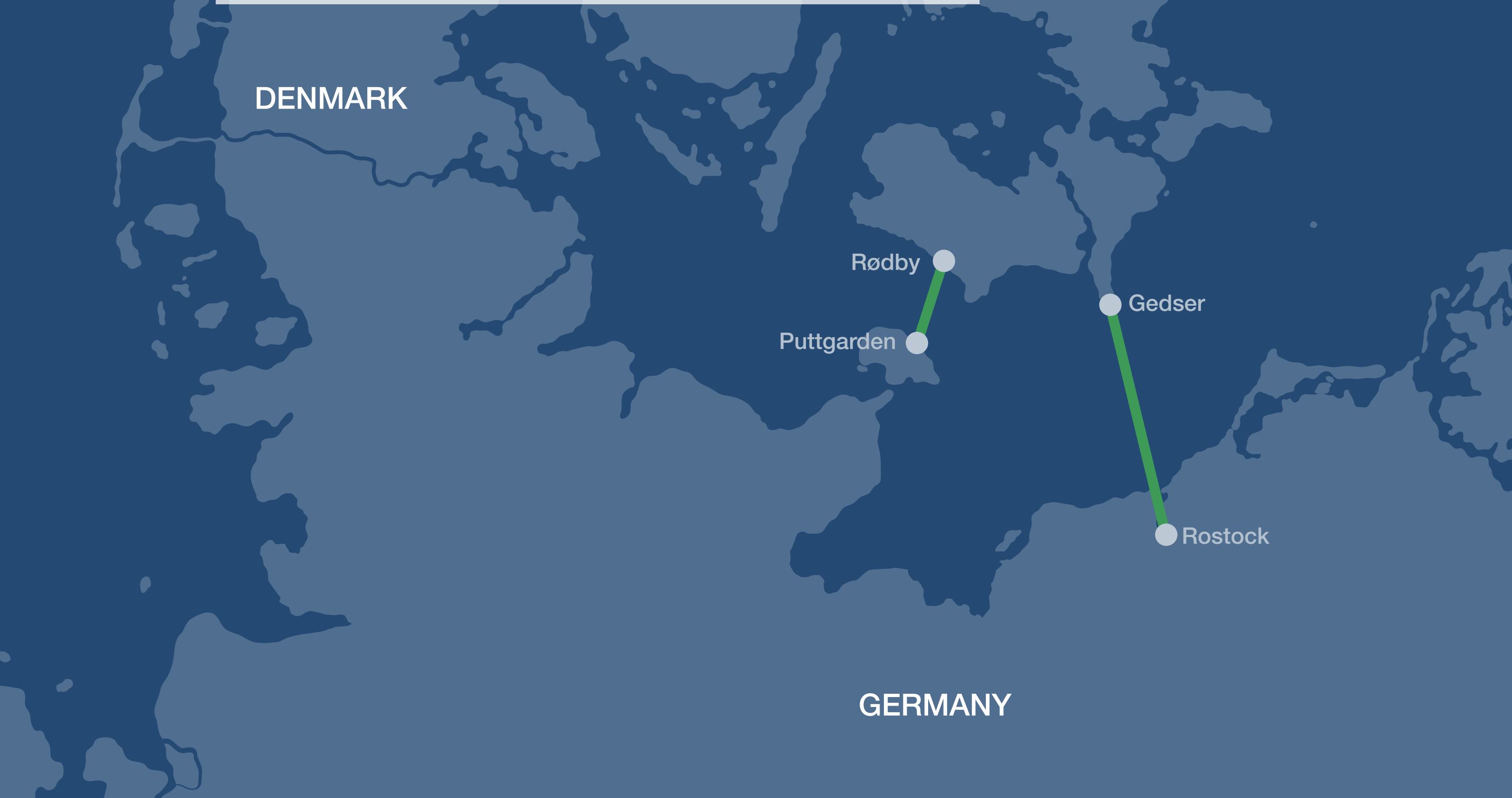
Scandlines

Scandlines operates a fleet of eight ferries across two routes between Puttgarden and Rødby and Rostock and Gedser. The company owns three out of the four ports it services, while the Rostock port is on a long-term lease.

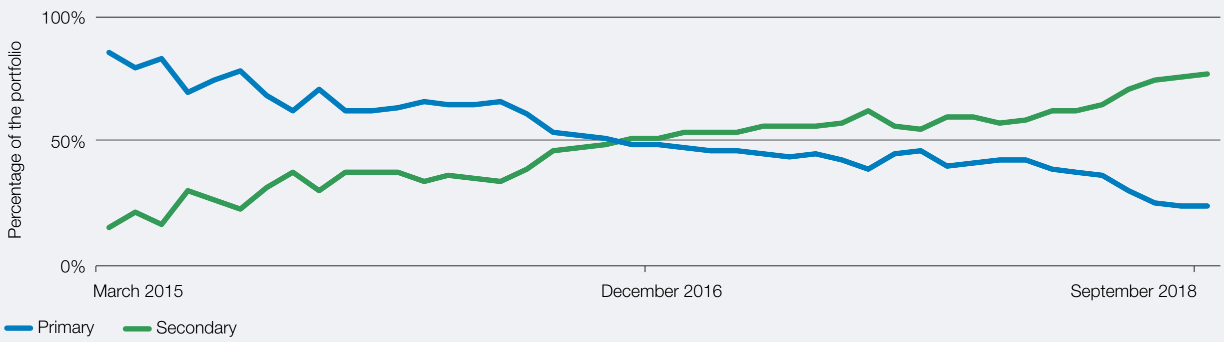
The service transports passengers and commercial traffic between Denmark and Germany, and offers a fully-automated booking, ticketing, and 24/7 check-in service for cars, freight trucks, buses, and rail. Other business segments include on-board catering and retail services as well as shore-based shops.

In June 2018, 3i sold a controlling stake of Scandlines to a consortium between Hermes and First State Investments. Sequoia was part of a club of lenders that financed the acquisition.

Investment: £44.5 million (€50.0 million) at a yield of 6.80%



Primary and secondary investments since IPO



Secondary market origination

Some of the Company's investments were acquired from banks or other lenders in the secondary markets. This enabled a relatively rapid deployment of capital, since primary market transactions in infrastructure debt can often take a considerable time to execute. In addition, secondary market loans have performance history that permits credit analysis on actual results rather than financial forecasts. Finally, research[2] shows that infrastructure loans improve in credit quality over time so secondary loans in many cases have improved in credit quality from the time of their initial origination.

STRONG PIPELINE OF OPPORTUNITIES

Sequoia has developed a very strong pipeline of mostly private debt infrastructure lending opportunities, which are expected to become executable mostly over the next three to nine months. Pricing on these opportunities is consistent with the Company generating a gross return in excess of 8%. The potential investments are widely spread across a range of sectors and jurisdictions. Sequoia is especially excited about potential investments in the transport assets, accommodation and TMT (Telecommunications, Media and Technology) sectors where the current portfolio is arguably underweight, lending opportunities are often attractive and additional investments into these sectors would be desirable.

Sequoia expects project finance senior lending margins, especially in the UK and Europe and for "core" infrastructure projects and availability-based PFI/PPP projects to remain tight, driven by sustained commercial bank appetite for these types of assets and by increasing demand from institutional investors such as continental European insurance companies. However spreads in the mezzanine market, and for senior debt in the US and some asset classes in the UK and Europe, are expected to remain more attractive.

US Dollar LIBOR is continuing to increase and Sequoia expects this trend to continue over time, increasing the average cash-on-cash yield of the portfolio. Note that this potential growth is not being relied upon to pay dividends, and Sequoia's estimations of investment yields are based on constant LIBOR.

Overall, the opportunity for the Company in economic infrastructure debt is strong and the asset class remains under-invested and attractive. Sequoia is optimistic about the prospects for growing the Company while maintaining its track record of sourcing suitable investments and delivering to shareholders a total return of 7-8% over the long term.

[2] *Average annual European broad infrastructure and global project finance default rates. Moody's, "Default and Recovery Rates for Project Finance Bank Loans 1983-2016," Mar 2018 and 1983-2016 Addendum, Sept 2018.*

FUND PERFORMANCE

		30 September 2018	31 March 2018	30 September 2017
Net asset value	*per Ordinary Share*	**101.86p**	101.32p	101.24p
	£ million	**£837.1**	£758.2	£757.0
Invested portfolio	*percentage of net asset value*	**109.2%**	94.4%	88.5%
Total portfolio	*including investments in settlement*	**123.4%**	108.6%	95.4%

PORTFOLIO CHARACTERISTICS

		30 September 2018	31 March 2018	30 September 2017
Number of investments		**58**	56	53
Single largest investment	*£ million*	**£54.5**	£49.2	£38.2
	percentage of NAV	**6.5%**	6.5%	5.0%
Average investment size	*£ million*	**£15.8**	£12.8	£12.6
Sectors	*by number of assets*	**8**	8	8
Sub-sectors		**25**	24	25
Jurisdictions		**13**	10	8
Private debt	*percentage of invested assets*	**86.6%**	79.3%	73.0%
Senior debt		**53.8%**	56.5%	57.0%
Floating rate		**66.5%**	64.3%	57.0%
Construction risk		**11.2%**	17.9%	15.8%
Weighted-average maturity	*years*	**7.0**	7.3	6.7
Weighted-average life		**5.0**	5.1	4.5
Yield-to-maturity		**8.4%**	8.2%	8.1%
Modified duration		**1.4**	1.6	1.9

Sequoia Investment Management Company Limited

12 December 2018

Board of Directors and independent consultants

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

ROBERT JENNINGS, CBE (CHAIRMAN)

Robert Jennings is a resident of the United Kingdom and qualified as a Chartered Accountant in 1979. He has over 30 years' experience in the infrastructure sector. Mr Jennings was a managing director of UBS Investment Bank and was joint head of the Bank's Infrastructure Group until 2007. He has twice acted as a special senior adviser to HM Treasury; in 2001/02 during Railtrack's administration and again in 2007/08 in relation to Crossrail. Mr Jennings is also a non-executive director of Crossrail, and was until February 2017 Chairman of Southern Water. Mr Jennings was appointed to the Board of 3i Infrastructure in a non-executive role with effect from 1 February 2018.

JAN PETHICK

Jan Pethick is a resident of the United Kingdom and has over 35 years' experience in the debt sector. Mr Pethick was chairman of Merrill Lynch International Debt Capital Markets for 10 years, from 2000 to 2010. He had previously been Head of Global Debt Origination at Dresdner Kleinwort Benson which had acquired the credit research boutique, Luthy Baillie which he had co founded in 1990. Prior to that, he worked for 12 years at Lehman Brothers where he was a member of the Executive Management Committee in Europe. Mr Pethick is currently also Chairman of Troy Asset Management and an independent member of the Supervisory Board of Moody's Investor Services Europe.

SANDRA PLATTS (SENIOR INDEPENDENT DIRECTOR)

Sandra Platts is a resident of Guernsey and holds a Masters in Business Administration. Mrs Platts joined Kleinwort Benson (CI) Ltd in 1986 and was appointed to the board in 1992. She undertook the role of Chief Operating Officer for the Channel Islands business and in 2000 for the Kleinwort Benson Private Bank Group – UK and Channel Islands. In January 2007, she was appointed to the position of Managing Director of the Guernsey Branch of Kleinwort Benson and led strategic change programmes as part of her role as Group Chief Operating Officer. Mrs Platts also held directorships on the strategic holding board of the KB Group, as well as sitting on the Bank, Trust Company and Operational Boards. She resigned from these boards in 2010. Mrs Platts is a non executive director of NB Global Floating Rate Income Fund Limited and UK Commercial Property REIT (both listed on the Main Market of the London Stock Exchange) and Investec Bank (Channel Islands) Limited, plus a number of other investment companies. She is a member of the Institute of Directors.

JONATHAN (JON) BRIDEL

Jon Bridel is a resident of Guernsey. Mr Bridel is currently a non-executive director of a number of London-listed investment funds. Mr Bridel was previously Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands.

After qualifying as a Chartered Accountant in 1987, Mr Bridel worked with Price Waterhouse Corporate Finance in London. He subsequently held senior positions in banking, credit and corporate finance, investment management and private international businesses where he was Chief Financial Officer.

Mr Bridel holds a Master of Business Administration and also holds qualifications from the Institute of Chartered Accountants in England and Wales, where he is a Fellow, the Chartered Institute of Marketing, where he is a Chartered Marketer, and the Australian Institute of Company Directors. He is also a Chartered Director and Fellow of the Institute of Directors and is a Chartered Fellow of the Chartered Institute for Securities and Investment.

The independent consultants of Sequoia Economic Infrastructure Income Fund Limited are as follows:

TIM DRAYSON

Tim Drayson has over thirty years' experience in the US and European debt capital markets. He was most recently Global Head of Corporate Sales & Deputy Head of the European Corporate Debt Platform at BNP Paribas and had been a member of the Fixed Income Transaction Approval Committee, screening complex transactions and interacting with the bank's credit committee. He joined BNP Paribas as Global Head of Securitization in 2005, with responsibility for managing all origination and structuring teams, including infrastructure. Prior to joining BNP Paribas, Tim held senior roles at Morgan Stanley in London as Head of Securitized Products Distribution and Paine Webber in New York.

KATE THURMAN

Kate Thurman is a highly experienced and respected credit market professional having spent over 30 years identifying and analysing credit risk in bond and loan instruments for institutional portfolios. Kate has broad experience across industry sectors, credit grades, legal structures and jurisdictions, having special expertise in the assessment of quantitative and qualitative credit factors and downside risks. In recent years, she has been employed as a credit researcher and debt portfolio specialist by Rogge Global Partners, New Bond Street Asset Management, Dresdner Bank and independently as a consultant.

Principal risks and uncertainties

The Board has established a Risk Committee, which 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 risks facing the Company, including those that would threaten the Company's business model, future performance, solvency or liquidity. The Board has appointed International Fund Management Limited ("IFML" or the "Investment Manager") as the Alternative Investment Fund Manager ("AIFM") to the Company. IFML is also responsible for providing risk management services compliant with that defined in the Alternative Investment Fund Managers Directive ("AIFMD") and as deemed appropriate by the Board.

Under the instruction of the Risk Committee, IFML is responsible for the implementation of a risk management policy and 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.

Since their appointment on 30 January 2018, Tim Drayson and Kate Thurman, independent consultants to the Company, have provided guidance to the Board on the overall approach to risk management across the Company's portfolio. Part of their focus has been to assist the Investment Manager in scrutinising certain of the Investment Adviser's credit evaluations.

The principal risks associated with the Company are as follows:

MARKET RISK
The value of the investments made and intended to be made by the Company will change from time to time according to a variety of factors, including the performance of the underlying borrowers, expected and unexpected movements in interest rates, exchange rates, inflation and bond ratings and general market pricing of similar investments will all impact the Company and its Net Asset Value.

CREDIT RISK
Borrowers in respect of loans or bonds in which the Group has invested may default on their obligations. Such default may adversely affect the income received by the Company and the value of the Company's assets.

LIQUIDITY RISK
Infrastructure debt investments in loan form are not likely to be publicly-traded or freely marketable, and debt investments in bond form may have limited or no secondary market liquidity. Such investments may therefore be difficult to value or sell and therefore the price that is achievable for the investments might be lower than the valuation of these assets.

COUNTERPARTY RISK
Counterparty risk can arise through the Company's exposure to particular counterparties for executing transactions and the risk that the counterparties will not meet their contractual obligations.

LEVERAGE RISK
Leverage risk arises where the Company takes on additional exposure to other risks because of the leverage of exposures, along with the specific potential for loss arising from a leverage counterparty being granted a charge over assets. The Board monitors the level of leverage on an ongoing basis as well as the credit ratings of any leverage counterparties.

COMPLIANCE & REGULATORY RISK
Compliance and regulatory risk can arise where processes and procedures are not followed correctly or where incorrect judgement causes the Company to be unable to fulfil its objectives or obligation, exposing the Company to the risk of loss, sanction or action by Shareholders, counterparties or regulators. The Investment Adviser and the Administrator monitor compliance with regulatory requirements and the Administrator presents a report at quarterly Board meetings.

OPERATIONAL RISK
This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This can include, but is not limited to, internal/external fraud, business disruption and system failures, data entry errors and damage to physical assets.

POLITICAL AND ECONOMIC RISK
The Risk Committee reviews risks as they relate to Brexit and the impact of Brexit on the above risks.

These risks, and the way in which they are managed, are described in more detail in note 5 to the Company's Annual Financial Statements for the year ended 31 March 2018. The Company's principal risks and uncertainties have not changed materially since the date of that Report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Directors' responsibilities

We confirm that to the best of our knowledge:

- The Unaudited Condensed Interim Financial Statements (the "Financial Statements") have been prepared in accordance with IAS 34 'Interim Financial Reporting', as required by Disclosure Guidance & Transparency Rule ("DTR") 4.2.4R of the UK's Financial Conduct Agency ("FCA"); and
- The Interim Report, together with the 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 DTR of the UK's FCA, being an indication of important events that have occurred during the period ended 30 September 2018 and their impact on the 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 2018 and have materially affected the financial position or performance of the Company during that period, and any changes since in 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:

Sandra Platts
Director

12 December 2018

Independent review report

to Sequoia Economic Infrastructure Income Fund Limited

CONCLUSION

We have been engaged by Sequoia Economic Infrastructure Income Fund Limited (the "Company") to review the unaudited condensed interim financial statements in the half-yearly financial report for the six months ended 30 September 2018 of the Company which comprises the unaudited condensed interim statement of comprehensive income, the unaudited condensed interim statement of changes in shareholders' equity, the unaudited condensed interim statement of financial position, the unaudited condensed interim statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

THE PURPOSE OF OUR REVIEW WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Dermot Dempsey
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

12 December 2018

Unaudited condensed interim statement of comprehensive income

For the period from 1 April 2018 to 30 September 2018

	Note	For the period from 1 April 2018 to 30 September 2018 (unaudited) £	For the period from 1 April 2017 to 30 September 2017 (unaudited) £
Revenue			
Net gains/(losses) on non-derivative financial assets at fair value through profit or loss	6	12,260,087	(9,342,998)
Net (losses)/gains on derivative financial assets at fair value through profit or loss	8	(34,283,697)	11,179,627
Investment income	9	56,516,886	10,203,743
Net foreign exchange losses		(1,326,840)	(703,502)
Total revenue		33,166,436	11,336,870
Expenses			
Investment Adviser's fees	10	3,307,798	2,264,973
Investment Manager's fees	10	160,000	159,119
Directors' fees and expenses	10	108,458	93,250
Administration fees	10	208,082	179,733
Loan interest	13	1,542,174	596,204
Custodian fees		96,852	83,523
Audit and related non-audit fees		64,876	41,287
Legal and professional fees		65,540	41,467
Valuation fees		268,300	270,200
Listing and regulatory fees		55,521	31,754
Other expenses		149,524	101,825
Total operating expenses		6,027,125	3,863,335
Profit and total comprehensive income for the period		27,139,311	7,473,535
Basic and diluted earnings per Ordinary Share	12	3.37p	1.07p

All items in the above statement derive from continuing operations.

The accompanying notes on pages 21 to 37 form an integral part of the Financial Statements.

Unaudited condensed interim statement of changes in shareholders' equity

FOR THE PERIOD FROM 1 APRIL 2018 TO 30 SEPTEMBER 2018

	Note	Share capital £	Retained earnings £	Total £
At 1 April 2018		746,867,128	11,303,074	758,170,202
Issue of Ordinary Shares during the period, net of issue costs	*11*	75,358,510	–	75,358,510
Total comprehensive income for the period		–	27,139,311	27,139,311
Dividends paid during the period	*5*	–	(23,546,262)	(23,546,262)
At 30 September 2018		**822,225,638**	**14,896,123**	**837,121,761**

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 SEPTEMBER 2017 (UNAUDITED)

	Note	Share capital £	Retained earnings £	Total £
At 1 April 2017		588,354,362	23,472,915	611,827,277
Issue of Ordinary Shares during the period, net of issue costs		157,895,248	–	157,895,248
Total comprehensive income for the period		–	7,473,535	7,473,535
Dividends paid during the period	*5*	–	(20,147,425)	(20,147,425)
At 30 September 2017		746,249,610	10,799,025	757,048,635

The accompanying notes on pages 21 to 37 form an integral part of the Financial Statements.

Unaudited condensed interim statement of financial position

At 30 September 2018

	Note	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Non-current assets			
Non-derivative financial assets at fair value through profit or loss	6	929,743,995	774,427,676
Current assets			
Cash and cash equivalents		3,893,082	2,393,742
Trade and other receivables	7	40,971,377	8,233,132
Derivative financial assets at fair value through profit or loss	8	1,317,043	14,432,392
Total current assets		46,181,502	25,059,266
Total assets		975,925,497	799,486,942
Current liabilities			
Trade and other payables		2,332,605	1,777,767
Derivative financial liabilities at fair value through profit or loss	8	19,961,647	300,905
Total current liabilities		22,294,252	2,078,672
Non-current liabilities			
Loan payable	13	116,288,370	39,238,068
Derivative financial liabilities at fair value through profit or loss	8	221,114	–
Total non-current liabilities		116,509,484	39,238,068
Total liabilities		138,803,736	41,316,740
Net assets		837,121,761	758,170,202
Equity			
Share capital	11	822,225,638	746,867,128
Retained earnings		14,896,123	11,303,074
Total equity		837,121,761	758,170,202
Number of Ordinary Shares	11	821,810,267	748,315,757
Net Asset Value per Ordinary Share		101.86p	101.32p

The Unaudited Condensed Interim Financial Statements on pages 17 to 37 were approved and authorised for issue by the Board of Directors on 12 December 2018 and signed on its behalf by:

Sandra Platts
Director

The accompanying notes on pages 21 to 37 form an integral part of the Financial Statements.

Unaudited condensed interim statement of cash flows

For the period from 1 April 2018 to 30 September 2018

	Note	For the period from 1 April 2018 to 30 September 2018 (unaudited) £	For the period from 1 April 2017 to 30 September 2017 (unaudited) £
Cash flows from operating activities			
Profit for the period		27,139,311	7,473,535
Adjustments for:			
Net unrealised (gains)/losses on non-derivative financial assets at fair value through profit or loss	6	(12,260,087)	9,342,998
Net losses/(gains) on derivative financial assets at fair value through profit or loss	8	34,283,697	(11,179,627)
Net foreign exchange losses		1,326,840	703,502
Investment Adviser's fees settled through equity	11	746,161	501,990
Loan interest and transaction costs	13	1,542,174	596,204
(Increase)/decrease in trade and other receivables		(32,618,536)	4,946,824
Increase in trade and other payables		241,305	131,256
		20,400,865	12,516,682
Net cash received on settled forward contracts	8	2,219,082	4,931,433
Net cash paid on settled forward contracts	8	(3,505,574)	(9,717,405)
Purchases of investments	6	(252,980,099)	(130,381,381)
Proceeds from sales of investments	6	109,923,867	765,345
Net cash outflow from operating activities		(123,941,859)	(121,885,326)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares, net of issue costs	11	74,612,349	157,393,258
Proceeds from loan drawdowns	13	146,047,941	–
Loan repayments	13	(70,584,416)	–
Payments of loan interest and transaction costs		(1,356,793)	(611,021)
Dividends paid	5	(23,546,262)	(20,147,425)
Net cash inflow from financing activities		125,172,819	136,634,812
Net increase in cash and cash equivalents		1,230,960	14,749,486
Cash and cash equivalents at beginning of period		2,393,742	46,734,809
Effect of foreign exchange rate changes on cash and cash equivalents during the period		268,380	(703,502)
Cash and cash equivalents at end of period		3,893,082	60,780,793

The accompanying notes on pages 21 to 37 form an integral part of the Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period from 1 April 2018 to 30 September 2018

1. GENERAL INFORMATION

Sequoia Economic Infrastructure Income Fund Limited (the "Company") 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 2015. The Company is listed and began trading on the Main Market of the London Stock Exchange and was admitted to the premium segment of the Official List of the UK Listing Authority on 3 March 2015.

The Company makes its investments through Sequoia IDF Asset Holdings S.A. (the "Subsidiary"). The Company controls the Subsidiary through a holding of 100% of its shares. The Company further invests in the Subsidiary through the acquisition of Variable Funding Notes ("VFNs") issued by the Subsidiary. The Subsidiary is domiciled in Luxembourg and has no underlying subsidiaries.

Through its Subsidiary, the Company invests in a diversified portfolio of senior and subordinated economic infrastructure debt investments.

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

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These Unaudited Condensed Financial Statements ("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 last Annual Audited Financial Statements for the year ended 31 March 2018.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 31 March 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Having reassessed the principal risks, the Company's financial position as at 30 September 2018 and the factors that may impact its performance in the forthcoming year, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements.

These Financial Statements were authorised for issue by the Company's Board of Directors on 12 December 2018.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 31 March 2018.

NEW ACCOUNTING STANDARDS EFFECTIVE AND ADOPTED

- IFRS 2 (amended) "Share-based Payment" (amendments to clarify the classification and measurement of share-based payment transactions, effective for periods commencing on or after 1 January 2018);
- IFRS 9, "Financial Instruments" (effective for periods commencing on or after 1 January 2018);
- IFRS 15, "Revenue from Contracts with Customers" (effective for periods commencing on or after 1 January 2018).

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

In addition, the IASB completed its Annual Improvements 2014-2016 Cycle project in December 2016. This project has amended a number of existing standards and interpretations effective for accounting periods commencing on or after 1 January 2018.

The adoption of IFRS 2 has had no material impact on these Financial Statements as the Company's share-based payments are already classified as equity settled and are therefore not impacted by the amendments to IFRS 2.

The adoption of IFRS 9 has had no material impact on these Financial Statements, principally for the following reasons:

- the classification and measurement methodology for all of the Company's assets and liabilities has remained the same under IFRS 9 as under IAS 39;
- the Company's VFN investments are measured at fair value, as the Company is an investment entity and the performance of its portfolio of VFN investments is assessed on a fair value basis, and so the changes in IFRS 9 relating to the assessment of credit losses do not apply to these instruments;
- the Company does not apply hedge accounting, and is therefore unaffected by the hedge accounting-related changes introduced in IFRS 9.

The adoption of IFRS 15 has had no material impact on these Financial Statements as the Company has no income within the scope of IFRS 15.

3. SEGMENTAL REPORTING

In the Board's opinion, the Company is engaged in a single segment of business, through its investment in the Subsidiary, being investment in senior and subordinated infrastructure debt instruments and related and/or similar assets.

The Company receives no revenues from external customers, nor holds any non-current assets, in any geographical area other than Guernsey.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's Audited Annual Financial Statements for the year ended 31 March 2018.

5. DIVIDENDS

The Company's dividend policy, in the absence of any significant restricting factors, is to pay dividends totalling 6p per Ordinary Share per annum for the foreseeable future. The Company pays dividends on a quarterly basis.

The Company paid the following dividends during the period ended 30 September 2018:

Period to	Payment date	Dividend rate per Ordinary Share (pence)	Net dividend payable (£)	Record date	Ex-dividend date
31 March 2018	25 May 2018	1.5	11,224,736	27 April 2018	26 April 2018
30 June 2018	24 August 2018	1.5	12,321,526	27 July 2018	26 July 2018

The Company paid the following dividends during the period ended 30 September 2017:

Period to	Payment date	Dividend rate per Ordinary Share (pence)	Net dividend payable (£)	Record date	Ex-dividend date
31 March 2017	24 May 2017	1.5	8,934,633	28 April 2017	27 April 2017
30 June 2017	25 August 2017	1.5	11,212,792	28 July 2017	27 July 2017

Under Guernsey law, the Company can pay dividends in excess of its accounting profit provided it satisfies the solvency test prescribed by the Companies (Guernsey) Law, 2008. The solvency test considers whether the Company is able to pay its debts when they fall due, and whether the value of the Company's assets is greater than its liabilities. The Company satisfied the solvency test in respect of the dividend declared in the period.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Cost at the start of the period/year	**738,117,560**	548,018,390
VFNs purchased during the period/year	**252,980,099**	252,978,738
VFNs redeemed during the period/year	**(109,923,867)**	(66,058,998)
Realised gains on redemptions of VFNs	**–**	3,179,430
Cost at the end of the period/year	**881,173,792**	738,117,560
Net gains on non-derivative financial assets at the end of the period/year	**48,570,203**	36,310,116
Non-derivative financial assets at fair value through profit or loss at the end of the period/year	**929,743,995**	774,427,676

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

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

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Subsidiary's non-derivative financial assets at fair value through profit or loss	914,428,272	715,913,004
Subsidiary's net current assets	15,315,723	58,514,672
Company's non-derivative financial assets at fair value through profit or loss	929,743,995	774,427,676

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

The Company's net gains on non-derivative financial assets at fair value through profit or loss in the period comprises the following:

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Unrealised gains/(losses) on VFNs during the period	33,109,723	(17,657,198)
Unrealised (losses)/gains on revaluation of the Subsidiary in the period	(20,849,636)	8,314,200
Net gains/(losses) on non-derivative financial assets at fair value through profit or loss in the period	12,260,087	(9,342,998)

On a look-through basis, the Fund's cumulative net gains on non-derivative financial assets at fair value through profit or loss as at 30 September 2018 comprises the following:

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Subsidiary		
Investment income during the period/year	30,232,904	44,406,029
Net return on financial assets and liabilities during the year, including foreign exchange and VFN interest payable	(54,092,604)	(35,714,816)
Net income during the period/year	3,010,064	5,679,403
Subsidiary (losses)/gains during the year	(20,849,636)	14,370,616
Subsidiary gains brought forward	23,377,889	9,007,273
Subsidiary gains carried forward at the end of the year	2,528,253	23,377,889
Company		
Unrealised foreign exchange gains on VFNs brought forward	12,932,227	47,775,955
Unrealised foreign exchange gains/(losses) on VFNs in the period/year	33,109,723	(34,843,728)
Net gains on non-derivative financial assets at fair value through profit or loss at the end of the period/year	48,570,203	36,310,116

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

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 instrument's valuation. 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.

The Company's investment in the Subsidiary, 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 NAV of the Subsidiary is representative of its fair value.

	30 September 2018 (unaudited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	–	–	929,743,995	929,743,995
Derivative financial assets at fair value through profit or loss	–	1,317,043	–	1,317,043
Total	–	1,317,043	929,743,995	931,061,038
Liabilities				
Derivative financial liabilities at fair value through profit or loss	–	20,182,761	–	20,182,761
Total	–	20,182,761	–	20,182,761

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

FAIR VALUE MEASUREMENT CONTINUED

	31 March 2018 (audited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	–	–	774,427,676	774,427,676
Derivative financial assets at fair value through profit or loss	–	14,432,392	–	14,432,392
Total	–	14,432,392	774,427,676	788,860,068
Liabilities				
Derivative financial liabilities at fair value through profit or loss	–	300,905	–	300,905
Total	–	300,905	–	300,905

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

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

	30 September 2018 (unaudited) £	31 March 2018 (audited) £
Opening balance	774,427,676	604,801,618
Purchases	252,980,099	252,978,738
Sales	(109,923,867)	(66,058,998)
Net gains/(losses) on non-derivative financial assets at the end of the period/year	12,260,087	(17,293,682)
Closing balance	929,743,995	774,427,676

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

	30 September 2018 (unaudited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	15,000,690	228,970,018	670,457,564	914,428,272

	31 March 2018 (audited)			
	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Non-derivative financial assets at fair value through profit or loss	20,993,660	222,477,821	472,441,523	715,903,004

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

FAIR VALUE MEASUREMENT CONTINUED

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

The Subsidiary's Level 3 investment valuations are calculated by discounting future cashflows 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 following table shows the Directors' best estimate of the sensitivity of the Subsidiary's Level 3 investments to changes in the principal unobservable input, with all other variables held constant.

Unobservable input	Possible reasonable change in input	30 September 2018 (unaudited) effect on net assets and profit or loss £	31 March 2018 (audited) effect on net assets and profit or loss £
Yield	+1%	(9,936,231)	(3,825,307)
	–1%	10,949,794	4,211,632

The possible changes in the yield of 1% are regarded as reasonable in view of the current low level of global interest rates.

The cash and cash equivalents, trade and other receivables and trade and other payables are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

VALUATION TECHNIQUES FOR THE INVESTMENT PORTFOLIO OF THE SUBSIDIARY

With effect from 18 April 2017, the Company 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. The principles and techniques utilised by the Investment Adviser and reviewed by PwC during the year in calculating the valuations are described below.

Performing Portfolio Loans and Bonds

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 cashflows at a yield appropriate to comparable infrastructure loans or bonds (with such yield assessed primarily from publically 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 cashflows on loans with uncertain cashflows (such as cash-sweep mechanisms), "banking base case" cashflows are used unless there is clear evidence that the market is using a valuation based upon another set of cashflows.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

VALUATION TECHNIQUES FOR THE INVESTMENT PORTFOLIO OF THE SUBSIDIARY CONTINUED

Performing Portfolio Loans and Bonds continued

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 cashflows, 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.

Non-performing Portfolio Loans and Bonds

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 cashflows 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 cashflows, 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 cashflows with regards 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.

As at 30 September 2018, there were no non-performing loans or bonds in the portfolio.

Finalising the Net Asset Value

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

- Conversion of each investment into GBP based on month end FX 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 2018 (unaudited) £	31 March 2018 (audited) £
Accrued VFN interest receivable	**39,962,717**	6,967,757
Other receivables	**–**	380,456
Prepaid loan transaction costs	**977,859**	840,075
Other prepayments	**30,801**	44,844
Total trade and other receivables	**40,971,377**	8,233,132

8. DERIVATIVE FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company uses forward foreign exchange contracts to hedge its exposure to currency risk. The net loss on forward foreign exchange contracts in the period comprises both realised and unrealised losses as follows:

	30 September 2018 (unaudited) £	30 September 2017 (unaudited) £
Realised losses on forward foreign exchange contracts during the period	(1,286,492)	(4,785,972)
Unrealised (losses)/gains on forward foreign exchange contracts during the period	(32,997,205)	15,965,599
Net (losses)/gains on forward foreign exchange contracts during the period	(34,283,697)	11,179,627

As at 30 September 2018, the Company had the following outstanding commitments in respect of open forward foreign exchange contracts.

30 September 2018 (unaudited)

Selling currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains £
USD	536,967,700	GBP	393,602,817	860,732	(16,750,330)	(15,889,598)
EUR	293,600,000	GBP	260,127,640	442,892	(2,690,321)	(2,247,429)
AUD	75,000,000	GBP	40,871,935	–	(627,210)	(627,210)
NOK	129,900,000	GBP	12,127,630	13,419	(114,900)	(101,481)
			706,730,022	1,317,043	(20,182,761)	(18,865,718)

Counterparty	Unrealised gains £	Unrealised losses £	Net unrealised losses £
Global Reach	–	(587,481)	(587,481)
Investec Bank	34,574	(6,028,520)	(5,993,946)
Monex	–	(3,502,912)	(3,502,912)
Moneycorp	416,337	(1,245,876)	(829,539)
RBSI	866,132	(8,817,972)	(7,951,840)
	1,317,043	(20,182,761)	(18,865,718)

31 March 2018 (audited)

Selling currency	Currency amount	Buying currency	GBP amount £	Unrealised gains £	Unrealised losses £	Net unrealised gains £
USD	455,367,700	GBP	334,872,532	13,020,231	(59,109)	12,961,122
EUR	144,600,000	GBP	128,370,005	1,260,816	(241,796)	1,019,020
NOK	129,900,000	GBP	11,954,858	151,345	–	151,345
			475,197,395	14,432,392	(300,905)	14,131,487

8. DERIVATIVE FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

31 March 2018 (audited)

Counterparty	Unrealised gains £	Unrealised losses £	Net unrealised gains/(losses) £
Investec Bank	2,698,811	(76,341)	2,622,470
Monex	3,529,601	(224,564)	3,305,037
Moneycorp	3,732,728	–	3,732,728
RBSI	4,471,252	–	4,471,252
	14,432,392	(300,905)	14,131,487

All forward foreign exchange positions at the period end were held with Investec Bank plc, Monex Europe Limited, TTT Moneycorp Limited, the Royal Bank of Scotland International or Global Reach Partners, as noted above. There are no master netting arrangements in place.

The forward foreign exchange positions at the year end have various maturity dates ranging from 9 October 2018 to 16 December 2019 (31 March 2018: 3 April 2018 to 16 December 2019).

9. INVESTMENT INCOME

	30 September 2018 (unaudited) £	30 September 2017 (unaudited) £
Interest income on financial assets carried at amortised cost:		
Cash and cash equivalents	671	88,067
Interest income on the Company's non-derivative financial assets at fair value through profit and loss	56,516,215	10,115,676
	56,516,886	10,203,743

10. RELATED PARTIES AND OTHER MATERIAL CONTRACTS

DIRECTORS' FEES

Robert Jennings is entitled to a fee in remuneration for his services as Chairman of the Board of Directors at a rate payable of £65,000 per annum (increased from £56,000 per annum with effect from 1 April 2018). The remaining Directors are entitled to a fee in remuneration for their services as Directors at a rate of £43,000 each per annum (increased from £36,500 per annum with effect from 1 April 2018).

Jan Pethick, Jon Bridel and Sandra Platts are also each entitled to a fee of £7,000 per annum in respect of their roles as Chairman of the Management Engagement Committee, Chairman of the Risk Committee and Chairman of the Audit and Remuneration Committees respectively.

During the prior period, Robert Jennings, Jan Pethick, Jon Bridel and Sandra Platts each received a listing fee of £6,000, subject to admission, in relation to the Open Offer, Placing and Offer for Subscription on 31 May 2017.

Subsequent to the period end, Robert Jennings, Jan Pethick, Jon Bridel and Sandra Platts each received a listing fee of £6,000, subject to admission, in relation to the Open Offer, Placing and Offer for Subscription on 12 October 2018.

10. RELATED PARTIES AND OTHER MATERIAL CONTRACTS CONTINUED

ORDINARY SHARES HELD BY RELATED PARTIES

The Shareholdings of the Directors' in the Company at 30 September 2018 were as follows:

	30 September 2018 (unaudited)		31 March 2018 (audited)	
Name	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of Ordinary Shares	Percentage of Ordinary Shares in issue
Robert Jennings (Chairman) (with other members of his family)	**217,200**	**0.03%**	217,200	0.03%
Jan Pethick (with his spouse)	**263,820**	**0.03%**	233,440	0.03%
Jon Bridel (with his spouse)	**10,452**	**0.00%**	10,452	0.00%
Sandra Platts (in a family Retirement Annuity Trust Scheme)	**16,139**	**0.00%**	16,139	0.00%

During the period, Jan Pethick acquired an additional holding of 30,380 Ordinary Shares in the Placing of Ordinary Shares on 9 May 2018.

Subsequent to the period end, Robert Jennings and Sandra Platts acquired additional holdings of 22,800 Ordinary Shares and 2,934 Ordinary Shares respectively in the Open Offer, Placing and Offer for Subscription of Ordinary Shares on 12 October 2018.

As at 30 September 2018, the Investment Adviser held an aggregate of 2,586,742 Ordinary Shares (31 March 2018: 1,892,232 Ordinary Shares), which is 0.31% (31 March 2018: 0.25%) of the issued share capital.

As at 30 September 2018, the members of the Investment Adviser's founding team held an aggregate of 681,643 Ordinary Shares (31 March 2018: 681,643 Ordinary Shares), which is 0.08% (31 March 2018: 0.09%) of the issued share capital.

As at 30 September 2018, the Investment Manager held an aggregate of 50,000 Ordinary Shares (31 March 2018: 50,000 Ordinary Shares), which is 0.01% (31 March 2018: 0.01%) of the issued share capital.

TRANSACTIONS WITH INVESTMENT MANAGER AND INVESTMENT ADVISER

Investment Manager

International Fund Management 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.

10. RELATED PARTIES AND OTHER MATERIAL CONTRACTS CONTINUED

TRANSACTIONS WITH INVESTMENT MANAGER AND INVESTMENT ADVISER CONTINUED

Investment Manager continued

During the period, the Investment Manager received a fee of £2,500 for services rendered in connection with the Placing of Ordinary Shares on 9 May 2018. During the prior period, the Investment Manager received a fee of £7,500 for services rendered in connection with the Open Offer, Placing and Offer for Subscription of Ordinary Shares on 31 May 2017.

Subsequent to the period end, the Investment Manager received a fee of £10,000 for services rendered in connection with the Open Offer, Placing and Offer for Subscription of Ordinary Shares on 12 October 2018.

The Investment Management agreement can be terminated by either party giving not less than 6 months' written notice.

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 Company 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 Subsidiary 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 Subsidiary in excess of £1 billion.

Prior to 1 September 2018, and with effect from 5 May 2016, the Investment Adviser was entitled to receive from the Company a base fee calculated as follows:

- 0.5% per annum of the value of the listed debt securities owned by the Subsidiary; plus
- if the Company's NAV is less than £250 million, 0.9% per annum of the value of the Company's other investments (excluding listed debt securities and cash); plus
- if the Company's NAV is more than £250 million and less than £500 million, 0.8% per annum of the value of the Company's other investments (excluding listed debt securities and cash) not included above; plus
- if the Company's NAV is more than £500 million and less than £750 million, 0.7% per annum of the value of the Company's other investments (excluding listed debt securities and cash) not included above; plus
- if the Company's NAV is more than £750 million, 0.6% per annum of the value of the Company's other investments (excluding listed debt securities and cash) not included above.

All such fees are payable quarterly. With effect from 1 September 2018, 10% of the Investment Adviser's fee (prior to 1 September 2018: 25%) is applied in subscribing for Ordinary Shares in the Company, 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 the Company before the third anniversary of the date of issue of the relevant Ordinary Shares).

On 19 April 2018, the Company issued 319,310 Ordinary Shares to the Investment Adviser in relation to fees payable for the quarter ended 31 March 2018.

On 19 July 2018, the Company issued 375,200 Ordinary Shares of no par value to the Investment Adviser, in relation to fees payable for the period ended 30 June 2018.

On 18 October 2018, the Company issued 304,485 Ordinary Shares of no par value to the Investment Adviser, in relation to fees payable for the period ended 30 September 2018.

The Investment Advisory agreement can be terminated by either party giving not less than 6 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.

10. RELATED PARTIES AND OTHER MATERIAL CONTRACTS CONTINUED

OTHER MATERIAL CONTRACTS

Administrator

Praxis Fund Services Limited (the "Administrator") was appointed as the Administrator with effect from 28 January 2015. With effect from 1 June 2016, the Administrator is entitled to receive from the Company a base fee for its services based on the following sliding scale:

- 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 is capped at £300,000 per annum. The Administrator is also entitled to a fee for company secretarial services based on time costs.

During the period, the Administrator received a fee of £5,869 for services rendered in connection with the Placing of Ordinary Shares on 9 May 2018.

Subsequent to the period end, the Administrator received fees amounting to £18,000 for services rendered in connection with the Open Offer, Placing and Offer for Subscription of Ordinary Shares on 12 October 2018.

Subsidiary Administrator

TMF Luxembourg S.A. (the "Subsidiary Administrator") was appointed as the administrator of the Subsidiary with effect from 28 January 2015. With effect from 1 January 2018, the Subsidiary Administrator is entitled to receive an annual fee of €24,935 (prior to 1 January 2018: €24,600 per annum) and, in addition, a fee for NAV reconciliation and reporting services based on time costs but capped at €6,150 per annum.

Custodian

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

The amounts charged for the above-mentioned fees during the period ended 30 September 2018 and outstanding at 30 September 2018 are as follows:

	Charge for the period from 1 April 2018 to 30 September 2018 (unaudited) £	Amounts outstanding at 30 September 2018 (unaudited) £	Charge for the period from 1 April 2017 to 30 September 2017 (unaudited) £	Amounts outstanding at 31 March 2018 (audited) £
Investment advisory fee	3,307,798	1,641,908	2,264,973	1,318,754
Investment management fee	160,000	–	159,119	–
Administration fee	208,082	10,493	179,733	8,453
Directors' fees and expenses	108,458	–	93,250	–
Sub-administration fee*	10,216	9,008	10,511	5,261
Fees payable to the Custodian*	214,688	122,938	181,919	77,043
	4,009,242	1,784,347	2,889,505	1,409,511

** Includes expenses of the Subsidiary*

10. RELATED PARTIES AND OTHER MATERIAL CONTRACTS CONTINUED

OVERDRAFT FACILITY

On 15 February 2016, the Company entered into an overdraft facility with the Royal Bank of Scotland International Limited with a limit of £1,500,000. As at 30 September 2018, this facility had not been utilised.

LOAN COLLATERAL

With effect from 9 August 2018, security for a revolving credit facility of £150 million (with effect from 6 December 2017, £100 million) (see note 13) with the Royal Bank of Scotland International Limited was provided by, inter alia, a charge over the bank accounts of the Company, a charge over the shares in the Subsidiary held by the Company and a charge on the assets of the Subsidiary.

11. 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, including the initial set up costs.

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 authorised share capital of the Company 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 to the Company 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.

11. SHARE CAPITAL CONTINUED

ISSUED SHARE CAPITAL

Ordinary Shares

	30 September 2018 (unaudited) Ordinary Shares Number	31 March 2018 (audited) Ordinary Shares Number
Share Capital at the beginning of the period/year	748,315,757	595,642,196
Share Capital issued and fully paid	73,494,510	152,673,561
Total Share Capital at the end of the period/year	821,810,267	748,315,757

	30 September 2018 (unaudited) Ordinary Shares £	31 March 2018 (audited) Ordinary Shares £
Share Capital at the beginning of the period/year	746,867,128	588,354,362
Share Capital issued and fully paid	76,458,161	161,119,508
Share issue costs	(1,099,651)	(2,606,742)
Total Share Capital at the end of the period/year	822,225,638	746,867,128

On 9 May 2018, the Company issued 72,800,000 new Ordinary Shares at an issue price of £1.04 in respect of the Company's Placing of Ordinary Shares.

During the period, 694,510 Ordinary Shares (30 September 2017: 453,832 Ordinary Shares) have been issued to the Investment Adviser in relation to fees payable for the period from 1 January 2018 to 30 June 2018, at an average issue price of £1.074 per Ordinary Share (see note 10).

On 18 October 2018, 304,485 Ordinary Shares were issued to the Investment Adviser in relation to fees payable for the period from 1 July 2018 to 30 September 2018, at an issue price of £1.09 per Ordinary Share.

There were no C Shares in issue during either the current or prior periods.

12. BASIC AND DILUTED EARNINGS PER SHARE

	For the period from 1 April 2018 to 30 September 2018 (unaudited)	For the period from 1 April 2017 to 30 September 2017 (unaudited)
Ordinary Shares		
Profit for the financial period	£27,139,311	£7,473,535
Weighted average number of Shares	806,036,830	697,019,818
Basic and diluted earnings per Share	3.37p	1.07p

The weighted average number of Ordinary Shares is based on the number of Ordinary Shares in issue during the period under review, as detailed in note 11.

There was no dilutive effect for potential Ordinary Shares during the current period.

13. LOAN PAYABLE

On 17 October 2016, the Company executed an 18 month £40 million loan with JP Morgan Chase Bank, London Branch ("JP Morgan Chase"), the proceeds of which were used in or towards the making of investments in accordance with the Company's investment policy. Interest on the loan was charged at a rate of LIBOR plus 2.5% per annum. Loan interest of £596,204 was incurred on the loan during the prior period. The loan was repaid on 6 December 2017.

On 6 December 2017, the Company executed a 36 month £100 million multi-currency revolving credit facility ("RCF") with the Royal Bank of Scotland International Limited ("RBSI") as lead arranger. On 9 August 2018, the Company exercised a £50 million incremental accordion tranche of the RCF, with the same maturity date as the initial RCF. The proceeds of the loan are to be used in or towards the making of investments in accordance with the Company's investment policy. The loan is secured by, inter alia, a charge over the bank accounts of the Company, a charge over the shares in the Subsidiary held by the Company and a charge on the assets of the Subsidiary. Should the value of the underlying assets held in the Subsidiary fall below a certain level, further margin calls may be made by RBSI, however no margin calls were made during the period. Interest on the loan is charged at a rate of LIBOR (or EURIBOR for any loan denominated in Euro) plus 2.1% per annum. Loan interest of £1,349,461 (2017: £Nil) and upfront fees and break fees of £192,713 (2017: £Nil) have been incurred on the loan during the period.

	For the period from 1 April 2018 to 30 September 2018 (unaudited)		
	GBP facility GBP	USD facility GBP	Total GBP
Balance brought forward	–	39,238,068	39,238,068
Drawdowns	127,532,967	18,514,974	146,047,941
Repayments	(30,000,000)	(40,584,416)	(70,584,416)
	97,532,967	17,168,626	114,701,593
Foreign exchange revaluations	–	1,586,777	1,586,777
Balance carried forward	97,532,967	18,755,403	116,288,370

The carrying value of the loan is considered to be a reasonable approximation of its fair value. The balance of the loan was repaid in full on 17 October 2018.

14. COMMITMENTS

As at 30 September 2018, £128.2 million (31 March 2018: £107.7 million) was committed to new or existing investments. These commitments will be settled from the existing cash reserves of the Company and the Subsidiary and through drawdowns from the Company's revolving credit facility.

15. SUBSEQUENT EVENTS

On 5 October 2018, at an Extraordinary General Meeting ("EGM"), shareholders voted to approve an Open Offer, Placing and Offer for Subscription (the "Initial Issue"), as described in the circular to shareholders published on 19 September 2018) of up to 188,679,245 Ordinary Shares. Shareholders also voted to authorise a Share Issuance Programme of up to 250 million Ordinary Shares, provided that up to 50 million such Shares may be allocated to the Initial Issue.

Subsequent to the EGM, on 12 October 2018, the Company issued a total of 238,679,245 Ordinary Shares at a price of £1.06 per Ordinary Share, raising gross proceeds of £253.0 million.

On 17 October, the Company repaid in full the balance of approximately £116 million of its revolving credit facility.

On 18 October 2018, the Company issued 304,485 Ordinary Shares to the Investment Adviser, in relation to fees payable for the period ended 30 September 2018.

On 18 October 2018, the Company declared a dividend of 1.5p per Ordinary Share. The dividend was paid on 22 November 2018.

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

Officers and advisers

DIRECTORS
Robert Jennings, CBE
(Independent non-executive Chairman)

Sandra Platts
(Independent non-executive Senior Independent Director)

Jan Pethick
(Independent non-executive Director)

Jon Bridel
(Independent non-executive Director)

INVESTMENT ADVISER
Sequoia Investment Management Company Limited
11-13 Market Place
London W1W 8AH

ADMINISTRATOR AND SECRETARY
Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

SUBSIDIARY ADMINISTRATOR
TMF Luxembourg S.A.
46A, Avenue JF Kennedy
L-1855 Luxembourg

VALUATION AGENT
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

LEGAL ADVISER (AS TO GUERNSEY LAW)
Mourant
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4HP

REGISTRAR
Computershare Investor Services (Guernsey) Limited
1st Floor Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

INDEPENDENT CONSULTANTS
Tim Drayson
Kate Thurman

REGISTERED OFFICE
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

INVESTMENT MANAGER
International Fund Management Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

INDEPENDENT AUDITOR
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey GY1 1WR

BROKER
Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

CUSTODIAN
Bank of New York Mellon
1 Canada Square
London E14 5AL

LEGAL ADVISER (AS TO UK LAW)
Jones Day
21 Tudor Street
London EC4Y 0DJ

COMMUNICATIONS ADVISER
Tulchan Communications LLP
85 Fleet Street
London EC4Y 1AE

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SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

www.seqifund.com