

# SQN Asset Finance Income Fund Limited

31 August 2018



## ABOUT

**SQN Asset Finance Income Fund** is the only diversified equipment leasing and asset finance investment company traded on the London Stock Exchange.

The Fund's objective is to provide its Shareholders with regular, sustainable dividends and to generate capital appreciation through investment, directly or indirectly, in business-essential, revenue-producing (or cost-saving) equipment and other physical assets.

### August Investment Highlight

The Company announced the first payment of the full annualised dividend of 7.25 pence per C share for August 2018. Within the month, two new investments were made in the C Share class to two companies based in Northern Ireland; a secured term loan of £5.0 million to a construction and property development company along with a £16.2 million secured loan to support the growth of an organic waste management and waste processing business.

In addition, the Company made three additional advances on existing transactions within the Ordinary Share class.

## FUND INFORMATION

### Share price

Ordinary Shares	94.60p
C Shares	90.03p

### NAV per share<sup>1</sup>

Ordinary Shares	97.18p
C Shares	97.76p

### Gearing

None

### Management Fee

1.0% up to £300m / 0.9% over £300m to £500m / 0.8% over £500m

### Charges

Ongoing charge figure <sup>2</sup>	1.11%
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<sup>1</sup> This figure excludes the dividend for the period to 31 July 2018, which was paid on 17 September 2018.

<sup>2</sup> The ongoing charge figure includes direct costs to the fund, annualised, against its average net asset value.

## TARGETED ASSETS

- ✓ Business essential assets
- ✓ Revenue producing (or cost saving)
- ✓ High in-place value
- ✓ Relatively long economic life
- ✓ Active secondary markets
- ✓ Multiple industry applications
- ✓ Multiple levels of security

## AVOIDED ASSETS

- ✗ Low margin / high volume assets
- ✗ Assets with limited secondary markets
- ✗ Assets tied to cyclical markets
- ✗ Assets subject to technological obsolescence
- ✗ Highly regulated assets
- ✗ Leveraged tax leases

## KEY INFORMATION

- Closed-ended Investment Company
- Domicile: Guernsey
- Launch Date: 14 July 2014
- Main Market of London Stock Exchange
- FTSE Small Cap Index constituent

	Ordinary Share	C Share (2016)
ISIN	GG00BN56JF17	GG00BFXYHJ13
Ticker	SQN	SQNX

### Targeted annual dividend

7.25%



Frequency:  
Monthly

### Targeted annual return

8-10%

This is a target only, not a forecast, based on a number of assumptions which may not materialise. There can be no guarantee that this target can be met and this should be taken as an indication of the Company's expected or actual future results.

# INVESTMENT STATISTICS – 31 AUGUST 2018

Information is unaudited and reflects positions on a combined basis of the Ordinary and 2016 C Shares.

**£462.1m**

Market capitalisation

**£482.0m**

Net asset value

**>9.4%**

Weighted average portfolio yield

**85 months**

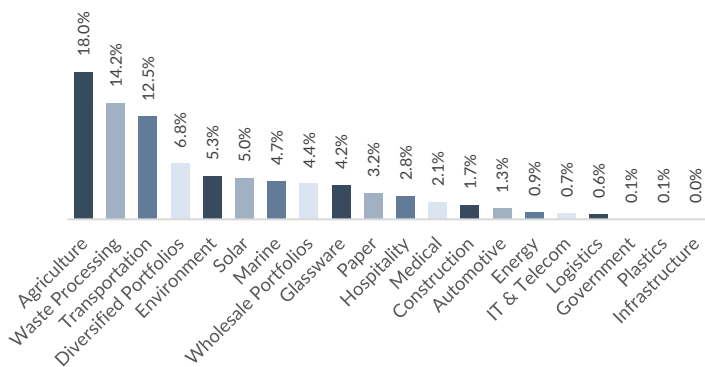
Weighted average remaining term

**£8.3m**

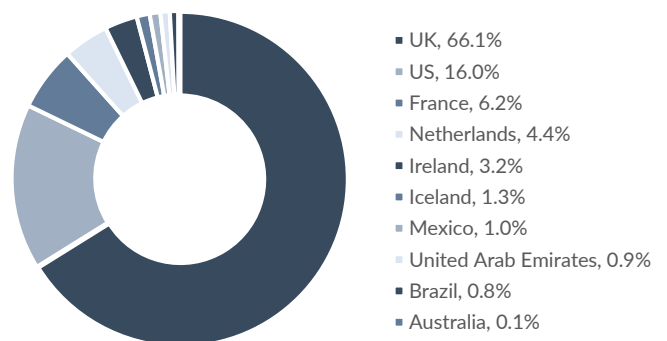
Average investment size

Ten largest group exposures	Principal balance outstanding (£)	% of NAV	Industry
1 Vessels and helicopters	£38,936,345	8.08%	Transportation
2 Anaerobic digestion plant	£33,186,513	6.88%	Waste Processing
3 Portfolio interest	£31,252,092	6.48%	Diversified
4 Anaerobic digestion plant	£27,948,445	5.80%	Waste Processing
5 Glass manufacturing facility	£23,721,644	4.92%	Glassware
6 Combined heat and power centres	£23,563,948	4.89%	Agriculture
7 Solar manufacturing lines	£23,075,214	4.79%	Solar
8 Anaerobic digestion plant	£20,403,756	4.23%	Agriculture
9 Anaerobic digestion plant	£18,916,029	3.92%	Agriculture
10 Waste Processing equipment	£16,367,050	3.40%	Environment
<b>Total</b>	<b>£257,371,036</b>	<b>53.39%</b>	

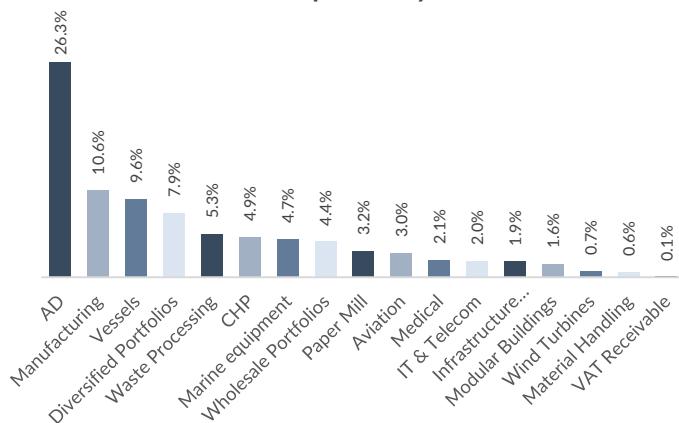
Portfolio Exposure by Industry



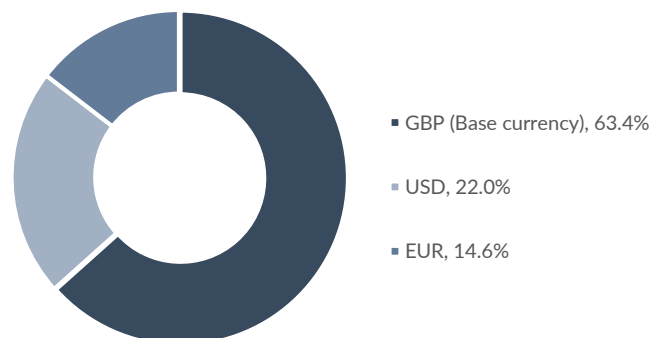
Portfolio Exposure by Geography



Portfolio Exposure by Asset Class



Portfolio Exposure by Currency\*



\*The Company seeks to hedge the principal of investments denominated in non-Sterling currencies.

For more information, please contact the issuer.

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