

SQN Asset Finance Income Fund Limited

31 October 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.

October Investment Highlight

In October, the Company paid the second instalment of a secured term loan for an organic waste management and waste processing business in the C Share class. This investment combined with the initial instalment, which was made in August, brings the total investment amount to £19.4 million.

The Company also made three additional advances on existing transactions within the Ordinary Share class at rates over 9.5%.

The Company continues to pay a dividend of 0.6042 pence per Ordinary Share and per C share for September; reflecting an annualised dividend of 7.25 pence across both Share classes.

FUND INFORMATION

Share price

Ordinary Shares	96.20p
C Shares	94.97p

NAV per share¹

Ordinary Shares	97.58p
C Shares	98.19p

Gearing None

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

Charges

Ongoing charge figure² 1.11%

¹ This figure is quoted before deducting the dividend for the period to 30 September 2018, which was paid on 19 November 2018.

² 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.

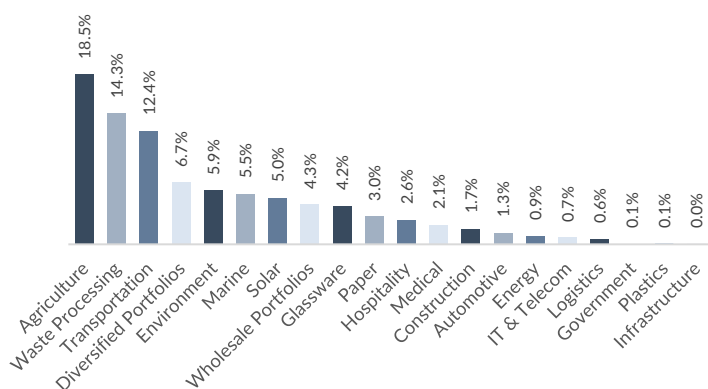
INVESTMENT STATISTICS – 31 OCTOBER 2018

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

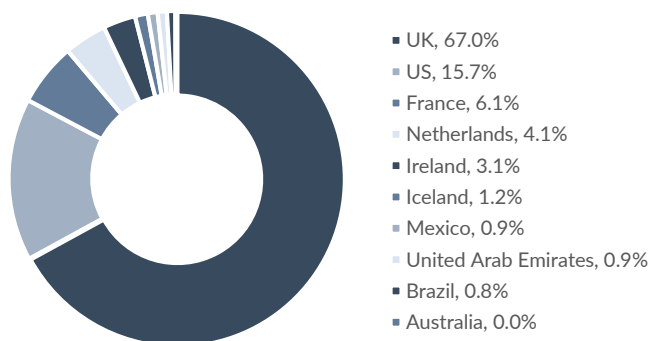
£474.7m Market capitalisation	£484.1m Net asset value	>9.4% Weighted average portfolio yield	85 months Weighted average remaining term	£8.4m Average investment size
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Ten largest group exposures	Principal balance outstanding (£)	% of NAV	Industry
1 Vessels and helicopters	£39,105,994	8.08%	Transportation
2 Anaerobic digestion plant	£33,648,264	6.95%	Waste Processing
3 Portfolio interest	£31,735,327	6.56%	Diversified
4 Anaerobic digestion plant	£27,948,445	5.77%	Waste Processing
5 Glass manufacturing facility	£23,499,042	4.85%	Glassware
6 Solar manufacturing lines	£23,472,991	4.85%	Solar
7 Combined heat and power centres	£23,464,357	4.85%	Agriculture
8 Anaerobic digestion plant	£21,198,783	4.38%	Agriculture
9 Anaerobic digestion plant	£19,720,198	4.07%	Agriculture
10 Waste processing equipment	£19,397,050	4.01%	Environment
Total	£263,190,452	54.37%	

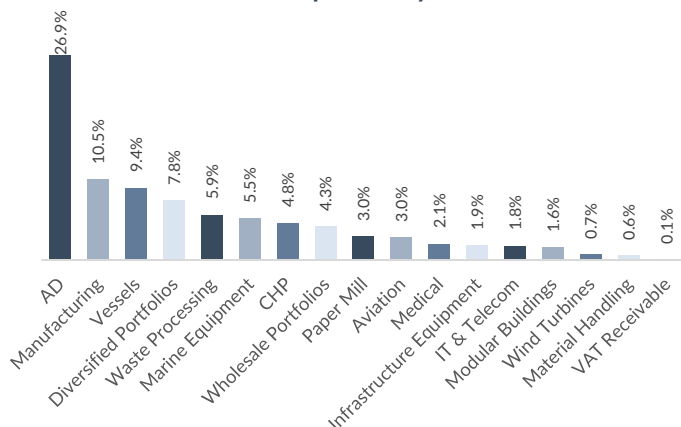
Portfolio Exposure by Industry



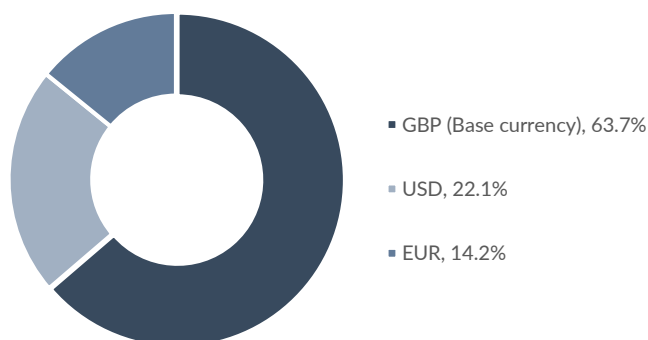
Portfolio Exposure by Geography



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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