

# SQN Asset Finance Income Fund Limited



## Fund Statistics at 31 August 2017

### Share Price

Ordinary Shares	99.00p
C Shares	100.00p

### Market Capitalisation

£534.13m

### NAV per Share (cum-income)

Ordinary Shares	99.25p
C Shares	98.20p

### Dividend Frequency

Monthly

### Targeted Annual Dividend

7.25%

### Targeted Total Return

8% - 10%

### NAV Publication

Monthly

## Fund Information

- Closed-ended Investment Company
- Main Market of London Stock Exchange
- Ticker: SQN / SQNX
- Launch Date: 14 July 2014
- Domicile: Guernsey
- Management Fee: 1.00% up to £300m / 0.90% over £300m to £500m / 0.80% over £500m
- Estimated Annual Charges: 1.18%
- Index Inclusion: FTSE SmallCap Index
- Fully Independent Board

## Investment Manager

SQN Capital Management ("SQN") is a SEC registered investment advisor providing global alternative asset management services to a diverse array of clients including institutional and retail investors, insurance companies, hedge funds, private wealth managers, family offices, and funds of funds.

**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 generate regular income for investors through collateralised investments in business-essential equipment and hard assets and in asset-and-equipment-based project financings.

### Key attributes of the Fund's Investment Strategy

- Direct ownership or security in business essential assets
- Income producing with predictable regular cash flow
- Non-correlated with equity markets
- Non-cyclical
- Focus on capital preservation

### Equipment Lease and Asset Finance Investing Overview

- The Fund finances (leases/loans) assets to a range of corporate counterparties in exchange for payments over the term
- Each payment reflects income and partial capital repayment
- The income provides regular cash flows to cover operating expenses and pay dividends with the capital repayments reinvested
- Under certain leases, the Fund retains the residual value at the end of the lease term
- Residual value is realised through: (i) lease extension; (ii) sales to end user; or (iii) sale in secondary market

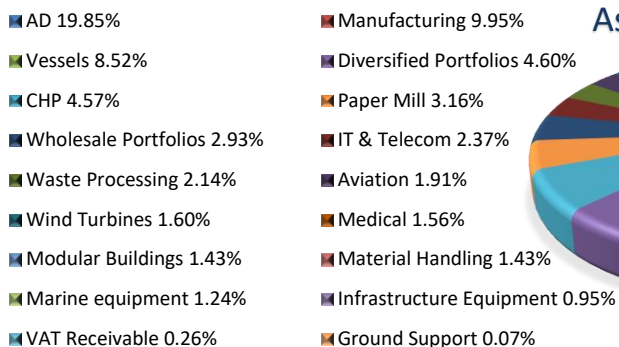
### Target Assets

- ✓ Business essential assets
- ✓ Revenue producing/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
- ✗ Limited secondary markets
- ✗ Tied to cyclical markets
- ✗ Subject to obsolescence
- ✗ Highly regulated assets
- ✗ Tax-driven leases

# SQN Asset Finance Income Fund Limited



Consolidated Investment Statistics at 31 August 2017

Average Investment Size  
£7.68m

Weighted Average Yield  
9.72%

Weighted Average Remaining Term  
82 months

Fund Leverage  
None

Hedged Currency Exposure\*  
US Dollar 21.7%  
Euro 13.5%

Base Currency  
Sterling 64.8%

\*The Company seeks to hedge principal and interest risk where appropriate.

## Contact

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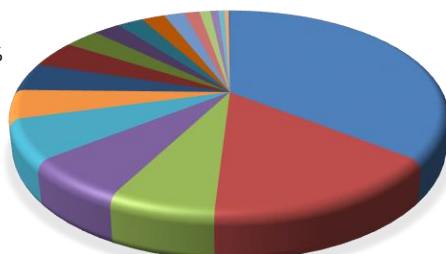
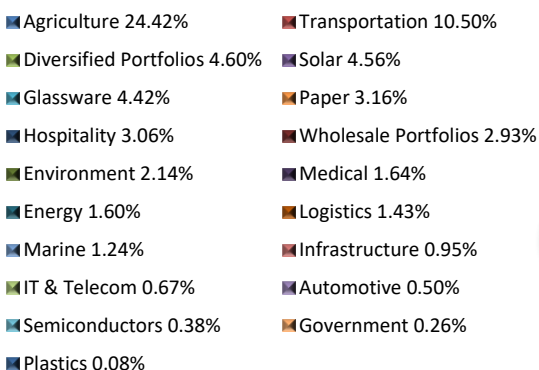
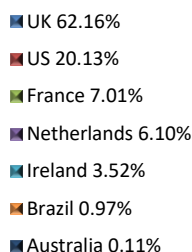
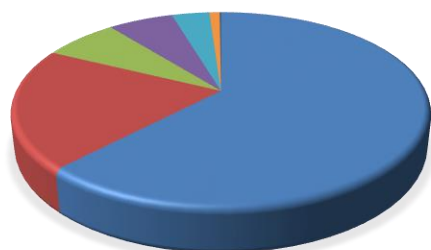
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Top 10 Largest Group Exposures	Investment Amount	% of NAV	Industry
Vessels and Helicopters	£36,743,160	6.91%	Transportation
Anaerobic Digestion Plant	£26,984,053	5.07%	Agriculture
Anaerobic Digestion Plant	£26,447,898	4.97%	Agriculture
Portfolio Interest	£24,462,355	4.60%	Diversified
Combined Heat and Power Centres	£24,306,076	4.57%	Agriculture
Solar Manufacturing Lines	£24,272,873	4.56%	Solar
Glass Manufacturing Facility	£23,510,472	4.42%	Glassware
Paper Production and Processing Plant	£16,789,168	3.16%	Paper
Anaerobic Digestion Plant	£16,452,747	3.09%	Agriculture
Anaerobic Digestion Plant	£15,720,986	2.96%	Agriculture
<b>TOTAL</b>	<b>£235,689,788</b>	<b>44.32%</b>	

## Geographic Diversification



This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. This document was prepared using the financial information available to SQN as at the date of this document. This information is believed to be accurate but has not been audited by a third party.

Information is Unaudited and Reflects Positions on a Combined Basis of the Ordinary and C Shares