

SQN Asset Finance Income Fund Limited



Fund Statistics at 31 March 2018

Share Price

Ordinary Shares	89.00p
C Shares	89.01p

Market Capitalisation

£478.58m

NAV per Share (ex-dividend)

Ordinary Shares	98.28p
C Shares	97.49p

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

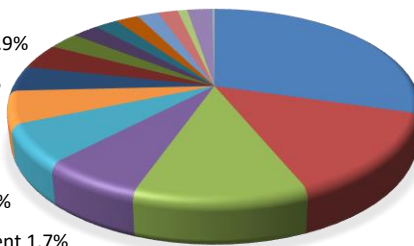
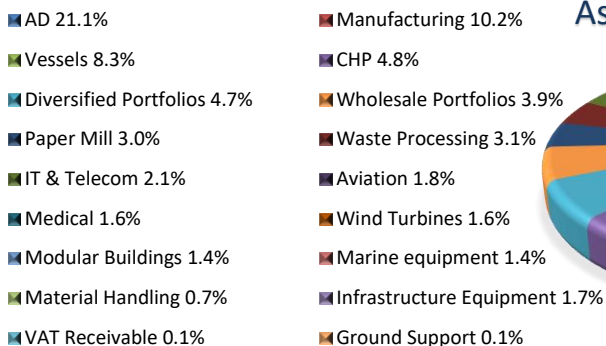
Avoided Assets

- ✗ 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



Asset Class Diversification



Consolidated Investment Statistics
at 31 March 2018

Average Investment Size
£7.20m

Weighted Average Yield
9.67%

Weighted Average Remaining Term
80 months

Fund Leverage
None

Hedged Currency Exposure*
US Dollar 18.9%
Euro 13.0%

Base Currency
Sterling 68.1%

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

Top 10 Group Exposures	Investment Amount	% of NAV	Industry
Vessels and Helicopters	£35,799,872	6.79%	Transportation
Anaerobic Digestion Plant	£31,109,738	5.90%	Agriculture
Anaerobic Digestion Plant	£26,335,494	5.00%	Agriculture
Portfolio Interest	£24,685,205	4.68%	Diversified
Solar Manufacturing Lines	£24,272,873	4.61%	Solar
Combined Heat and Power Centres	£24,076,618	4.57%	Agriculture
Glass Manufacturing Facility	£21,922,992	4.16%	Glassware
Anaerobic Digestion Plant	£17,801,266	3.38%	Agriculture
Anaerobic Digestion Plant	£17,034,489	3.23%	Agriculture
Paper Production and Processing Plant	£16,055,768	3.05%	Paper
TOTAL	£239,094,315	45.37%	

Contact

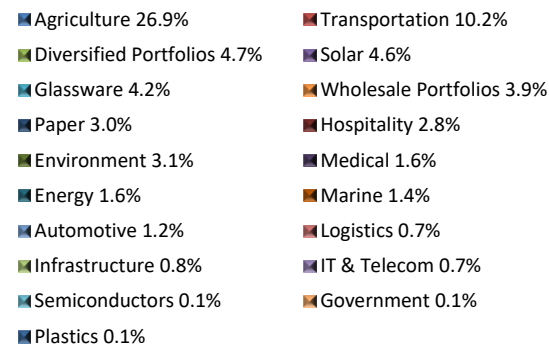
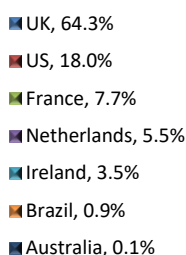
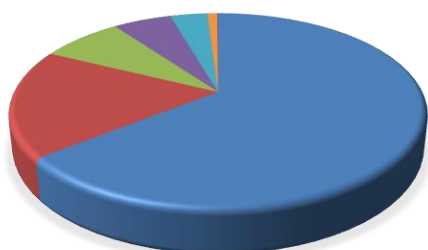
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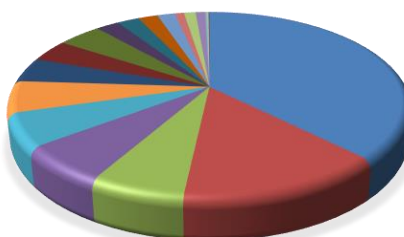
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Geographic Diversification



Industry Diversification



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