

# SQN Asset Finance Income Fund Limited

30 November 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.

### November Investment Highlight

In November, the Company made a follow-on investment, secured against a brand-new helicopter, in the C share class. This investment combined with the initial instalment, which was made in July, brings the total investment amount to €6.4 million.

The Company also made two 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; reflecting an annualised dividend of 7.25 pence for each share class.

## FUND INFORMATION

### Share price

|                 |        |
|-----------------|--------|
| Ordinary Shares | 97.00p |
| C Shares        | 92.23p |

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

|                 |        |
|-----------------|--------|
| Ordinary Shares | 97.49p |
| C Shares        | 98.12p |

**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%

<sup>1</sup> This figure is quoted before deducting the dividend for the period to 31 October 2018, which was paid on 17 December 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 – 30 NOVEMBER 2018

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

**£473.7m**

Market capitalisation

**£483.6**

Net asset value

**>9.4%**

Weighted average portfolio yield

**84 months**

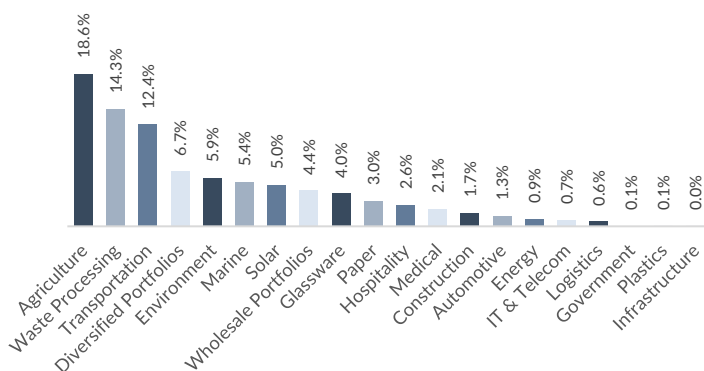
Weighted average remaining term

**£8.4m**

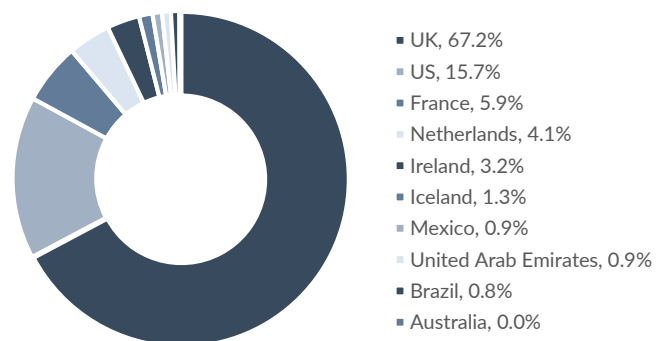
Average investment size

| Ten largest group exposures       | Principal balance outstanding (£) | % of NAV      | Industry         |
|-----------------------------------|-----------------------------------|---------------|------------------|
| 1 Vessels and helicopters         | £39,169,924                       | 8.10%         | Transportation   |
| 2 Anaerobic digestion plant       | £33,919,953                       | 7.01%         | Waste Processing |
| 3 Portfolio interest              | £31,782,820                       | 6.57%         | Diversified      |
| 4 Anaerobic digestion plant       | £27,928,282                       | 5.77%         | Waste Processing |
| 5 Solar manufacturing lines       | £23,508,119                       | 4.86%         | Solar            |
| 6 Combined heat and power centres | £23,464,357                       | 4.85%         | Agriculture      |
| 7 Glass manufacturing facility    | £22,518,707                       | 4.66%         | Glassware        |
| 8 Anaerobic digestion plant       | £21,229,424                       | 4.39%         | Agriculture      |
| 9 Anaerobic digestion plant       | £20,158,939                       | 4.17%         | Agriculture      |
| 10 Waste processing equipment     | £19,397,050                       | 4.01%         | Environment      |
| <b>Total</b>                      | <b>£263,077,575</b>               | <b>54.40%</b> |                  |

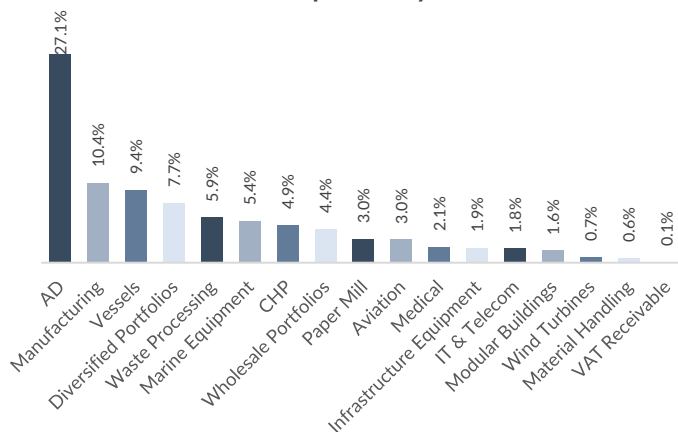
Portfolio Exposure by Industry



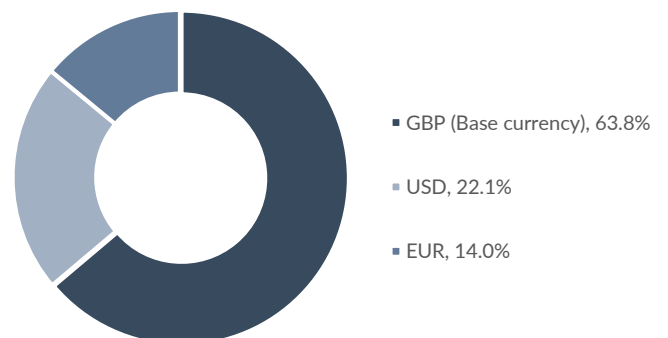
Portfolio Exposure by Geography



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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FINANCE