

SQN Asset Finance Income Fund Limited

31 March 2020



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.

March Investment Highlights

In March, the Company made two additional advances on existing transactions within the Ordinary share class. Within the C Shares, the Company made follow-on investments of \$1.71 million in the senior portion of a diversified portfolio of US dollar manufacturing and industrial leases.

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

FUND INFORMATION

Share price

Ordinary Shares	36.50p
C Shares	57.00p

NAV per share

Ordinary Shares	69.82p
C Shares	97.00p

Gearing

None

Management Fee

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

Charges

Ongoing charge figure ¹	1.20%
------------------------------------	-------

¹ The ongoing charge figure includes direct costs to the fund, annualised, against its average net asset value.

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 March 2020

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

£209.1m

Market capitalisation

£383.3m

Net asset value

>9.3%

Weighted average portfolio yield¹

65 months

Weighted average remaining term¹

£8.7m

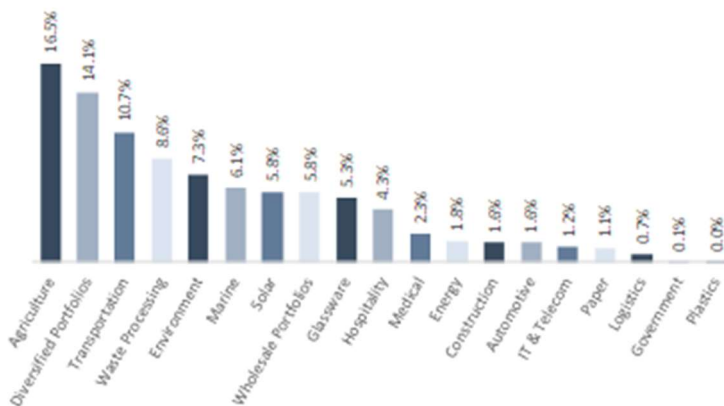
Average investment size

Ten Largest Group Exposures	Total Exposure ²	% of NAV	Industry
1 Vessels and Helicopters	£33,535,706	8.75%	Transportation
2 Equipment Leasing Portfolio - Insurance Company	£33,139,048	8.65%	Diversified Portfolios
3 Solar Manufacturing	£23,458,107	6.12%	Solar
4 Manufacturing	£21,403,598	5.58%	Glassware
5 Marine Equipment	£19,730,694	5.15%	Marine
6 Waste Processing Equipment	£18,832,619	4.91%	Environment
7 Combined Heat and Power Centre	£16,632,455	4.34%	Agriculture
8 Anaerobic Digestion Plant	£15,636,904	4.08%	Agriculture
9 Anaerobic Digestion Plant	£14,081,874	3.67%	Waste Processing
10 Equipment Leasing Portfolio - Leasing Company	£11,751,111	3.07%	Diversified Portfolios
	£208,202,115	54.32%	

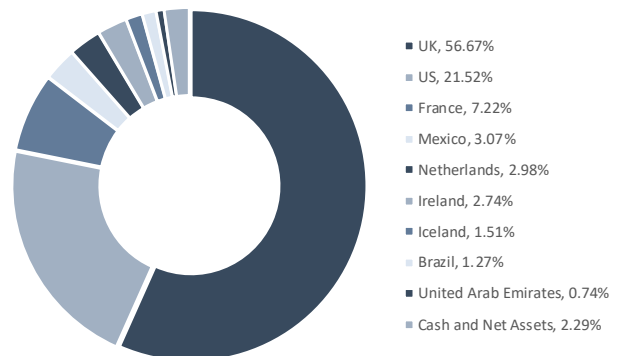
¹ This performance measure is calculated on performing investments only.

² Total Exposure is calculated as the present balance outstanding plus investment receivables less any impairment/expected credit loss provision.

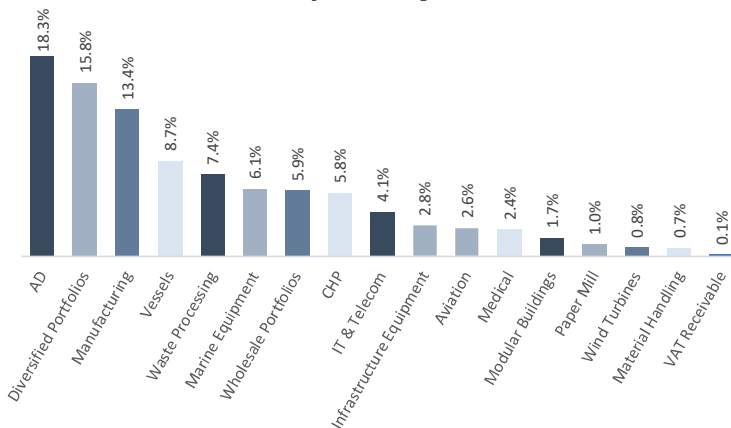
Portfolio Exposure by Industry



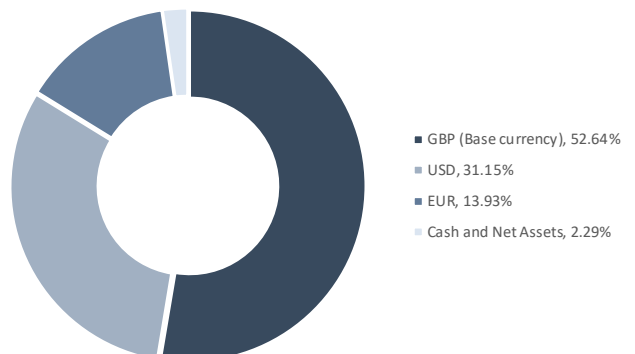
Portfolio Exposure by Geography



Portfolio Exposure by Asset Class



Portfolio Exposure by Currency



For more information, please contact the issuer.

Manager | SQN Capital Management, LLC
Melita House, 124 Bridge Road, Chertsey, Surrey KT16 8LA | +44 (0)1932 575 888
Jeremiah Silkowski | jsilkowski@sqncapital.com

Company Broker | Winterflood Investment Trusts | +44 (0)20 3100 0000

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.

