

SQN Asset Finance Income Fund



Factsheet | 31 May 2020

Investment Objective

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.

Fund Information

Key facts

Ordinary shares

Share Price	34.6p
NAV	£249.1m
NAV per share	69.99p
Dividend cover	N/A
Dividend yield	N/A
Ticker	SQN
ISIN	GG00BN56JF17

C-shares

Share Price	54.7p
NAV	£136.7m
NAV per share	98.41p
Dividend cover	N/A
Dividend yield	N/A
Ticker	SQNX
ISIN	GG00BFXYHJ13

Gearing None

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

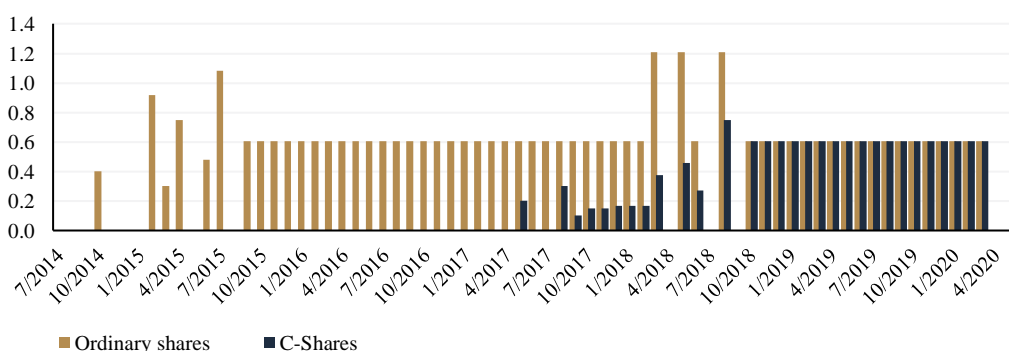
Ongoing charges 1.22% (ORDs)
1.20% (C-Shares)

Key Benefits

1. Diversified exposure to SME borrowers across the UK, Europe and US.
2. Uncorrelated with stocks, bonds, real estate and commodities markets.
3. Lending against business critical assets providing downside protection.

Monthly Dividend History

Pence per share



Performance

NAV Total Return¹, cum income, %

To 31/05/2020	SI	5y	3y	1y	6m
Ordinary shares	0.84	0.23	-4.37	-22.02	-22.73
C-Shares	4.37	N/A	5.00	6.65	2.96

12M discrete	31/5/2015 – 31/5/2016	31/5/2016 – 31/5/2017	31/5/2017 – 31/5/2018	31/5/2018 – 31/5/2019	31/5/2019 – 31/5/2020
Ordinary shares	8.14	6.93	6.81	5.02	-22.02
C-Shares	N/A	N/A	1.75	6.68	6.65

¹ Annualised for periods longer than one year.

Fund Portfolio¹

Top 10 Holdings (%)

Vessels and Helicopters	8.85
Equipment Leasing Portf.	8.49
Solar Manufacturing	6.12
Manufacturing	5.64
Marine Equipment	5.19
Waste Processing Equipm.	4.82
Heat and Power Centre	4.31
Anaerobic Digestion Plant	4.05
Anaerobic Digestion Plant	3.65
Equipment Leasing Portf.	3.21
Total	54.35

Total number of holdings 52

Weighted average yield² 9.33%

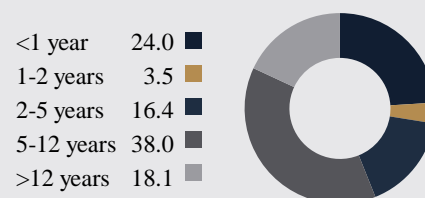
Sector breakdown (%)

AD	18.3
Diversified Portf.	15.8
Manufacturing	13.4
Vessels	8.4
Waste Processing	7.3
Marine Equipment	6.2
Wholesale Portf.	5.8
CHP	5.7
IT & Telecom	4.1
Other	11.9

Geographical breakdown (%)

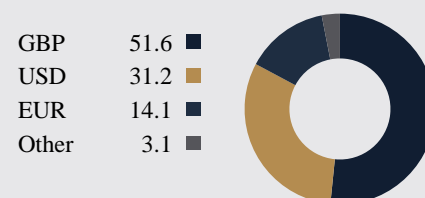
UK	55.8
USA	21.3
France	7.3
Mexico	3.2
Netherlands	3.0
Other	9.4

Maturity breakdown (%)



Weighted average remaining term 97 months

Currency breakdown (%)



Currency hedged to GBP None

¹ Portfolio exposures are calculated as the present balance outstanding plus investment receivables less any impairment/expected credit loss provision. ² Calculated on performing investments only (weighted average yield performing/non performing calculated 5.41%)



Dawn Kendall
CIO & Lead Fund Manager

Dawn has 34 years' experience in financial services, including 25 years' experience managing fixed income portfolios at distinguished financial institutions, including in her role as Partner and Portfolio Manager at TwentyFour Asset Management, as CIO for IAM, a fund of hedge funds, and Portfolio Manager for The Codelouf Trust, a family office.

Additionally, Dawn has held senior investment and management positions at Newton, Axa (Architas) and Investec Wealth. Dawn has a degree in European and English Law and an MBA.

May Investment Highlights

KKV was appointed as the portfolio manager of the SQN Asset Finance Income Fund Limited on June 8th, 2020.

KKV is a newly formed investment management company, majority owned by Kvik Securities Ltd, the UK operating subsidiary of Kvik Banki hf., a Nordic publicly traded commercial bank focusing on asset management and investment services. The investment team at KKV will be led by Dawn Kendall as CIO, supported by Chris Greener and Christian Holder.

KKV offers a strong proposal which combines the expertise and considerable experience of individuals currently within the SQN Group with a newly recruited team of financial services professionals with significant expertise in the fields of credit and risk. Together with the infrastructure and governance associated with Kvik Banki and KSL, this proposition delivers the continuity and enhanced fund management capacity expected by Shareholders.

The immediate focus for KKV will be on the existing portfolio, both to restore shareholder value and work with borrowers that may require assistance as a result of the challenges presented by Covid-19.

The present environment has presented challenges and the business considers it a prudent approach to assess free cash flow as the primary short-term risk indicator for our book of loans. We consider the challenges presented by COVID-19 to be relatively short term and our focus is on supporting these companies so that they are able to recommence their normal trading pattern as soon as possible.

Disclaimer:

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SQN Asset Finance Income Fund

Closed-ended Investment Company | Listing: London Stock Exchange Main Market
Domicile: Guernsey