

SQN Asset Finance Income Fund Limited

30 April 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.

April Investment Highlight

In April, the Fund made five additional advances on existing transactions and concluded four investments with yields between 10% and 12.1%. The paid-out investments included €10,163,913.43 in semiconductor manufacturing equipment, used in part in the solar industry, at a rate of 10% and \$7,299,775 secured by industrial painting and infrastructure support equipment in the United States at a rate 12.1%. Additionally, a small £735,222 lease for ground support equipment went full-cycle at a yield of 11% and an £1,439,250 investment in a combined heat and power unit came off lease at a rate of 10%.

Progress continues on the C Shares with an increased dividend for the month.

FUND INFORMATION

Share price

Ordinary Shares	91.40p
C Shares	93.20p

NAV per share¹

Ordinary Shares	98.15p
C Shares	97.52p

Gearing

None

Management Fee

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

Charges

Ongoing charge figure ²	1.18%
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¹ This figure excludes the dividend for the period to 31 March 2018, which was paid on 21 May 2018.

² 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	GG00BYNJG147
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.

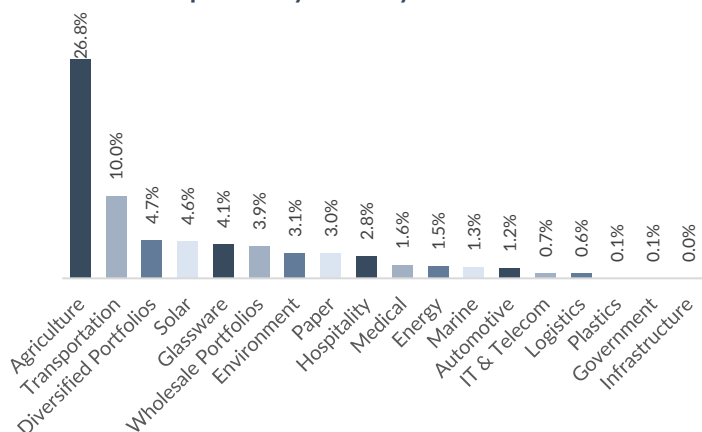
INVESTMENT STATISTICS – 30 APRIL 2018

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

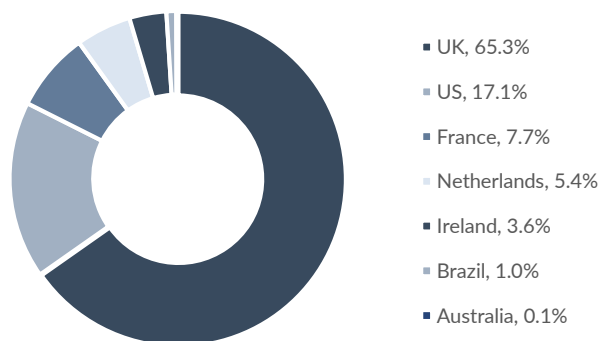
£494.7m Market capitalisation	£529.2m Net asset value	>9.5% Weighted average portfolio yield	80 months Weighted average remaining term	£7.7m Average investment size
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Ten largest group exposures	Principal balance outstanding (£)	% of NAV	Industry
1 Vessels and helicopters	£35,994,793	6.80%	Transportation
2 Anaerobic digestion plant	£31,490,940	5.95%	Agriculture
3 Anaerobic digestion plant	£26,335,494	4.98%	Agriculture
4 Portfolio interest	£25,823,773	4.88%	Diversified
5 Glass manufacturing facility	£25,172,988	4.76%	Glassware
6 Combined heat and power centres	£24,076,618	4.55%	Agriculture
7 Solar manufacturing lines	£21,775,900	4.12%	Solar
8 Anaerobic digestion plant	£18,834,791	3.56%	Agriculture
9 Anaerobic digestion plant	£17,194,489	3.25%	Agriculture
10 Paper production and processing plant	£16,055,768	3.03%	Paper
Total	£242,755,553	45.88%	

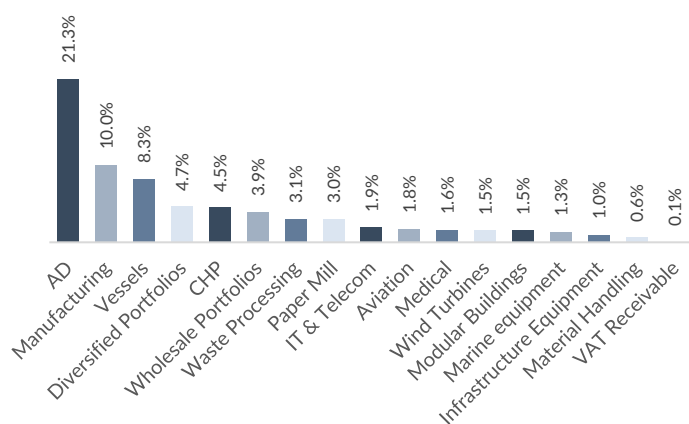
Portfolio Exposure by Industry



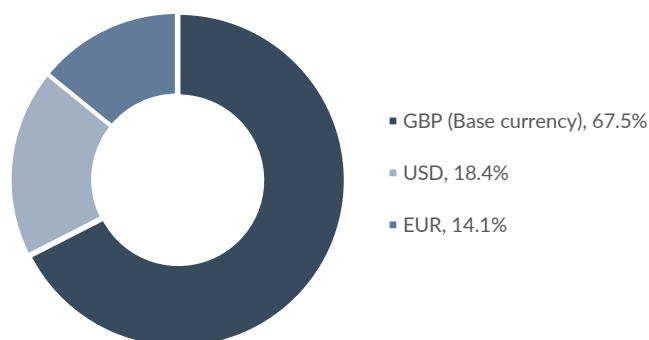
Portfolio Exposure by Geography



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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