

# SQN Asset Finance Income Fund Limited

30 November 2019



## 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 Highlights

In November, the Company made three additional advances on existing transactions within the Ordinary share class at an average rate of over 9.5% p.a. Within the C Shares, the Company made a follow-on investment of \$1.25 million in the senior portion of a diversified portfolio of US dollar manufacturing and industrial leases.

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.

## 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	81.80p
C Shares	87.00p

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

Ordinary Shares	93.68p
C Shares	97.97p

### 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>	1.21%
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<sup>1</sup> This figure is quoted before deducting the dividend for the period to 31 October 2019, which will be paid on 27 December 2019.

<sup>2</sup> 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 – 30 November 2019

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

**£412.3m**

Market capitalisation

**£469.8m**

Net asset value

**>9.4%**

Weighted average portfolio yield

**94 months**

Weighted average remaining term

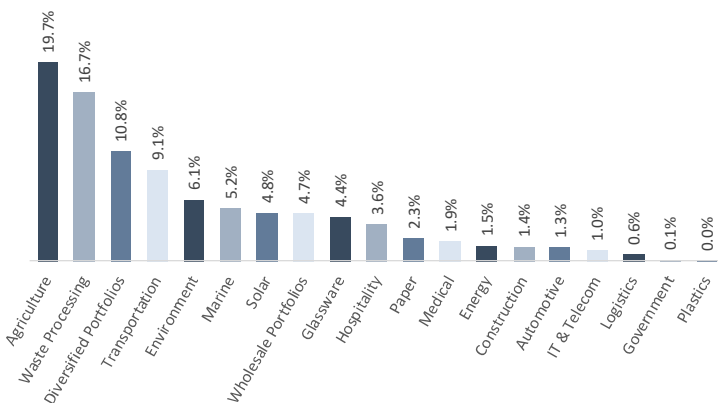
**£8.1m**

Average investment size

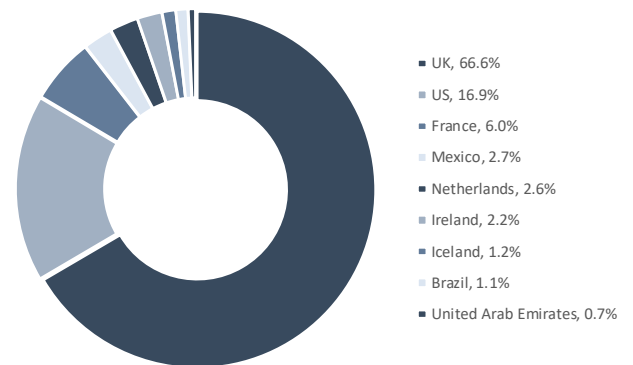
Ten Largest Group Exposures	Total Exposure*	% of NAV	Industry
1 Anaerobic Digestion Plant	£38,704,266	8.24%	Waste Processing
2 Vessels and Helicopters	£32,549,686	6.93%	Transportation
3 Portfolio Interest	£31,332,793	6.67%	Diversified Portfolios
4 Anaerobic Digestion Plant	£31,246,300	6.65%	Waste Processing
5 Anaerobic Digestion Plant	£26,723,768	5.69%	Agriculture
6 Solar Manufacturing	£22,481,943	4.79%	Solar
7 Combined Heat and Power Centres	£22,404,486	4.77%	Agriculture
8 Manufacturing	£20,613,170	4.39%	Glassware
9 Anaerobic Digestion Plant	£20,476,261	4.36%	Agriculture
10 Marine Equipment	£20,113,947	4.28%	Marine
	<b>£266,646,619</b>	<b>56.76%</b>	

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

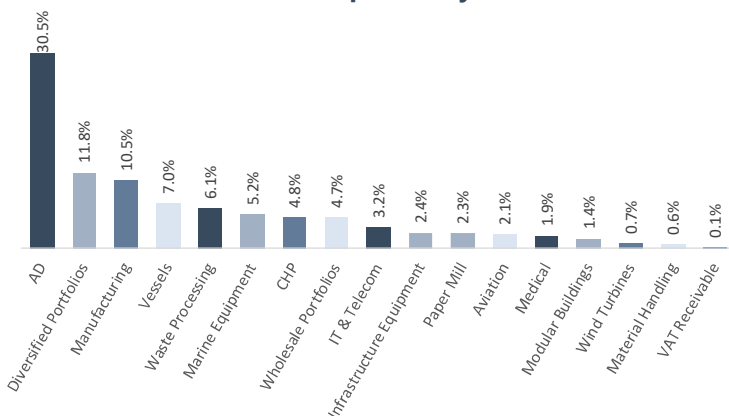
## Portfolio Exposure by Industry



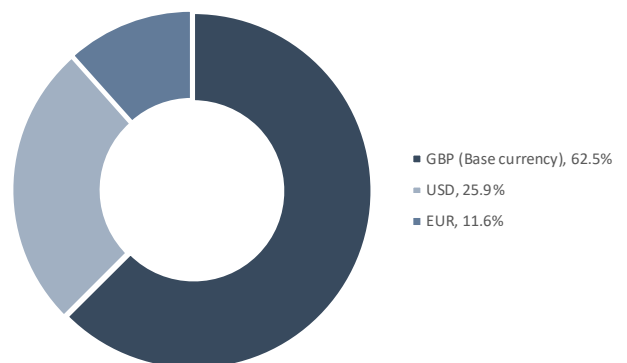
## Portfolio Exposure by Geography



## Portfolio Exposure by Asset Class



## Portfolio Exposure by Currency\*



\*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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SQN ASSET FINANCE