

# SQN Asset Finance Income Fund Limited



## Fund Statistics at 30 June 2016

### Share Price

Ordinary Shares	107.00p
C Shares	104.50p

### Market Capitalisation

£379.61m

### NAV per Share (ex-dividend)

Ordinary Shares	99.45p
C Shares	98.24p

### Dividend Frequency

Monthly

### Targeted Annual Dividend

7.25%

### Targeted Total Return

8% - 10%

### NAV Publication

Monthly

## Fund Information

- Closed-ended Investment Company
- Main Market of London Stock Exchange
- Ticker: SQN / SQNC
- Launch Date: 14 July 2014
- Domicile: Guernsey
- Management Fee: 1.00% up to £300m / 0.90% over £300m to £500m
- Estimated Annual Charges: 1.31%
- Index Inclusion: FTSE SmallCap Index
- Fully Independent Board

## Investment Manager

SQN Capital Management ("SQN") is an SEC registered investment advisor providing global alternative asset management services to a diverse array of clients including institutional and retail investors, insurance companies, hedge funds, private wealth managers, family offices, and funds of funds.

**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 generate regular income for investor through collateralised investments in business-essential equipment and hard assets and in asset-and-equipment-based project financings.

## Key attributes of the Fund's Investment Strategy

- Direct ownership or security in business essential assets
- Income producing with predictable regular cash flow
- Non-correlated with equity markets
- Non-cyclical
- Focus on capital preservation

## Equipment Lease and Asset Finance Investing Overview

- The Fund finances (leases/loans) assets to a range of corporate counterparties in exchange for payments over the term
- Each payment reflects income and partial capital repayment
- The income provides regular cash flows to cover operating expenses and pay dividends with the capital repayments reinvested
- Under certain leases, the Fund retains the residual value at the end of the lease term
- Residual value is realised through: (i) lease extension; (ii) sales to end user; or (iii) sale in secondary market

### Target Assets

- ✓ Business essential assets
- ✓ Revenue producing/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
- ✗ Limited secondary markets
- ✗ Tied to cyclical markets
- ✗ Subject to obsolescence
- ✗ Highly regulated assets
- ✗ Tax-driven leases

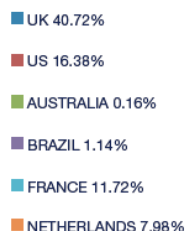
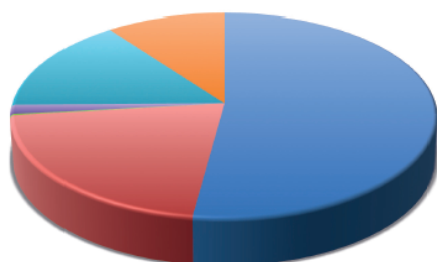
# SQN Asset Finance Income Fund Limited



## Asset Diversification



## Geographic Diversification



## Industry Diversification



## Top Ten Holdings

Asset	Investment (£)	Net Yield per Annum	% of NAV	Industry	Asset Class	Region
Glass Factory	EUR 29,585,307 (I)	9.14%	8.34%	Glassware	Manufacturing	France
AD Plant	GBP 24,608,621	9.81%	6.94%	Agriculture	AD	UK
Manufacturing Equipment	USD 22,946,589 (II)	11.00%	6.47%	Solar	Manufacturing	US
Paper Mill	GBP 19,249,747	9.47%	5.43%	Paper	Paper Mill	UK
Vessels	USD 15,468,380 (II)	10.28%	4.36%	Transportation	Vessels	UK
IT Infrastructure	EUR 14,251,051 (IV)	9.19%	4.02%	Hospitality	IT & Telecom	Netherlands
Vessels	EUR 14,054,708 (V)	10.81%	3.06%	Transportation	Vessels	Netherlands
Diversified Portfolio Interest	USD 13,190,591 (VI)	9.61%	3.72%	Portfolios	Portfolios	US
Medical Equipment	USD 9,690,583 (VII)	11.26%	2.73%	Medical	Medical	US
Combined Heat & Power Unit	GBP 9,301,239	9.41%	2.62%	Agriculture	CHP	UK

## Investment Statistics at 30 June 2016

Average Investment Size  
£6.59m

Weighted Average Yield  
9.83%

Weighted Average Remaining Term  
82.7 months

Fund Leverage  
None

Hedged Currency Exposure\*  
US Dollar 19.28%  
Euro 18.29%

Base Currency  
Sterling 62.43%

\*The Company seeks to hedge principal and interest risk where appropriate.

## Contact

SQN Capital Management  
+44 (0) 1932 575888  
Jeremiah Silkowski:  
[jsilkowski@sqncapital.com](mailto:jsilkowski@sqncapital.com)  
Neil Roberts:  
[nroberts@sqncapital.com](mailto:nroberts@sqncapital.com)

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

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