

## Key Fund Characteristics

Monthly NAV total return	+0.23%	Ticker	SSIF:LN
NAV per ordinary share	99.42p	ISIN	GB00BYMK5S87
Mid-price*	98.25p	Domicile	UK
Premium / discount	-1.18%	Listing	LSE SFS
Dividend frequency	Monthly	Ordinary shares in issue	52,660,350
Dividend yield*	8.3%	Market capitalisation	£51,738,794
Weighted average portfolio gross yield	6.14%	NAV	£52,406,793
Gearing	None	Number of direct loans	176
Currency hedged to GBP	100%	Weighted average maturity	2.6 years

All data as at 30/04/17 \*Source Bloomberg: Dividend anticipated at 0.525p from May 2017 (agreed at General Meeting 27/4/17)

## Investment Objective

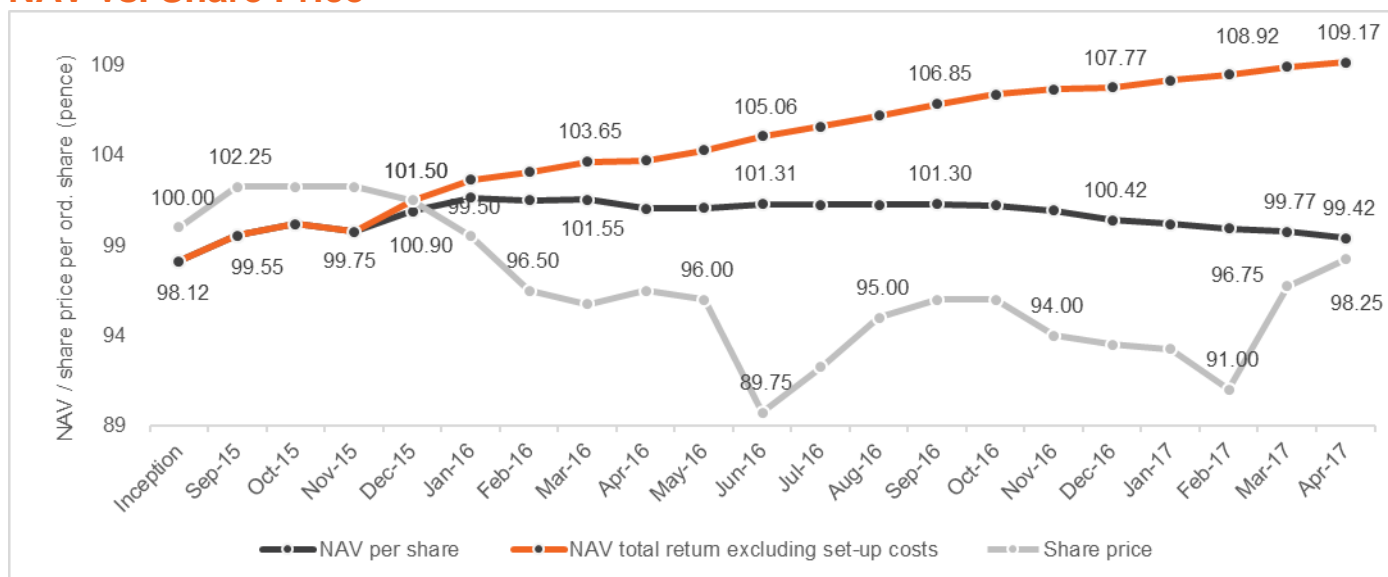
The SQN Secured Income Fund PLC is a UK investment trust with the investment objective of providing shareholders with attractive risk adjusted returns. The Company will invest in a range of secured loan assets mainly through wholesale secured lending opportunities, secured trade, and receivable finance and other collateralised lending opportunities.

## Performance and Dividend History

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Inception to date		
NAV per share total return, including income*	2015										1.46%	0.64%	-0.43%	1.75%	<b>11.27%</b>
	2016	1.12%	0.42%	0.57%	0.05%	0.55%	0.74%	0.52%	0.57%	0.60%	0.51%	0.27%	0.09%		
	2017	0.36%	0.31%	0.40%	0.23%										
Dividend per share**	2015										0.60p			<b>9.75p</b>	
	2016	0.40p	0.55p	0.55p	0.55p	0.55p	0.55p	0.60p	0.60p	0.60p	0.60p	0.60p	0.60p		
	2017	0.60p	0.60p	0.60p	0.60p										
Share price performance total return***	2015										2.25%	0.00%	0.00%	-0.73%	<b>-1.75%</b>
	2016	-1.97%	-3.02%	-0.78%	0.78%	-0.52%	-6.51%	2.79%	2.98%	1.05%	0.00%	-2.08%	-0.53%		
	2017	-0.26%	-2.41%	6.32%	1.55%										

\* Per Ordinary Share excluding set-up costs \*\* Per Ordinary Share\*\*\* Source Bloomberg

## NAV vs. Share Price



## Fund News

The exciting developments within the Fund continued during April as SQN took the chair as the appointed manager to the Fund. Origination within platform loans picked up markedly within the remaining platforms serviced with a significant increase in the number of opportunities being considered by the Credit Committee.

As with many Alternative Finance loans, the lead in time for actual funding draw-down can take time to complete. The cash weighting within the Fund remains at a high level of 29%, although this is expected to drop significantly during the coming months.

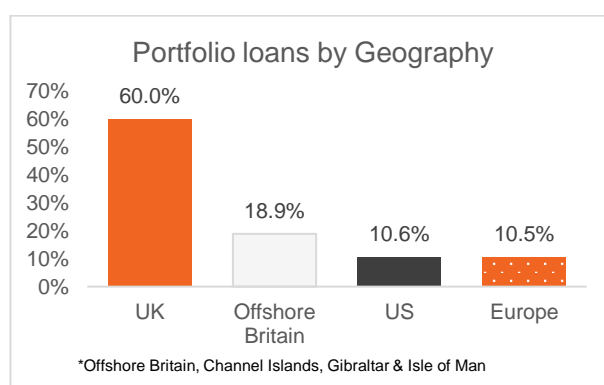
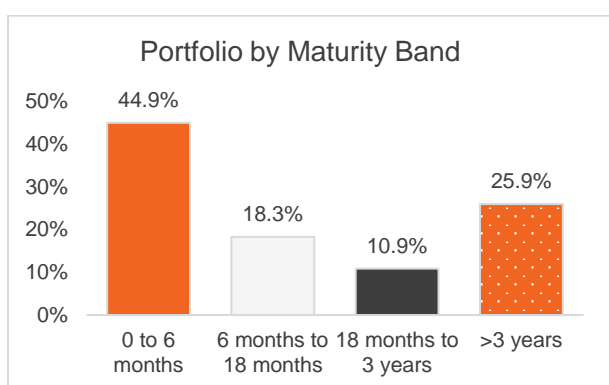
A strong pipeline of directly originated loans is developing with one larger direct loan being considered for an investment yielding 10% in the media sector. The two tranches that would be suitable for the Fund are fully collateralized and whilst there are some minor points that remain for consideration, the likelihood is that this would be the first new direct loan under the management of SQN Capital.

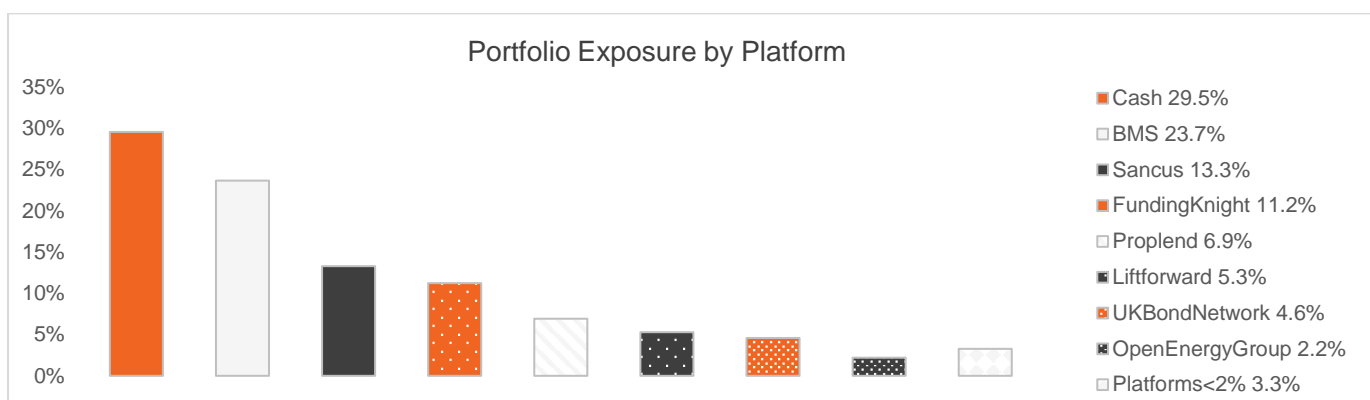
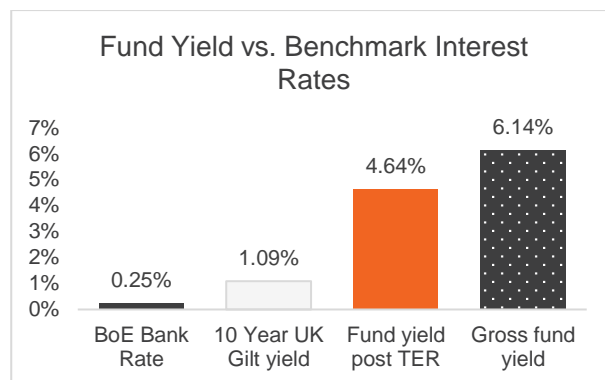
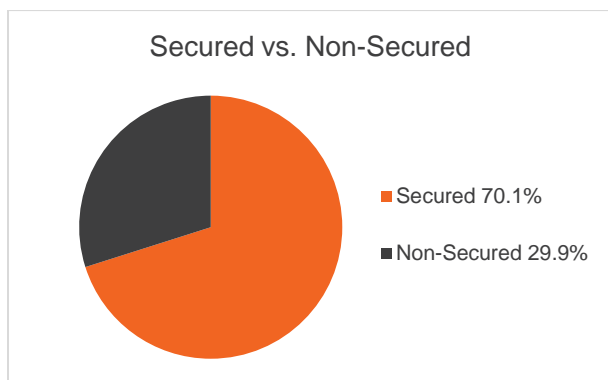
A critical development for the Fund occurred with the passing of proposals within the General Meeting, held on 27<sup>th</sup> April 2017. Amongst the various proposals were an increase in the maximum exposure limit for an individual loan from 2.5% to 10%, a minimum exposure to UK loan assets of 60% and an increase in the maximum exposure to loans with a maturity greater than 36 months at time of purchase, of 50%. In keeping with the Secured Finance investment objective, the minimum exposure to unsecured assets has been reduced from 50% down to 25%, however the investment policy will continue to source secured loans, as it has during recent times. The NAV performance of the fund rose by 23bps (total return including dividend); with nearly 1/3<sup>rd</sup> of the Fund in cash this is likely to rise as the cash is deployed.

## Market Commentary

A snap election was called by Prime Minister Theresa May who wishes to fully establish the commitment of the British people to Brexit. With opinion polls currently forecasting the Conservatives having 45% of the vote with Labour at 28% (Source ICM as at 30th April 2017). The currency markets viewed the political manoeuvring as positive for the Pound, with the currency topping 1.2970, its highest level against the Greenback since October 2016. Markets breathed a sigh of relief as the French Presidential election passed without dramas as Macron was elected, winning almost two-thirds of the vote. Alt Fi markets remain buoyant although yield compression continues to a certain extent. Investor demand in the SQN Secured Income Fund, new ticker SSIF, remains strong and the share price closed the month of April at 98.25p, its highest level in over twelve months.

## Portfolio Analytics





## Top-Ten Loan Exposure

Asset	Coupon	Maturity	Currency	Geographic region	Weighting
Loan 1	8.00%	May 17	GBP	Offshore Britain	2.47%
Loan 2	9.00%	May 17	USD	US	2.20%
Loan 3	7.35%	Dec 19	GBP	UK	1.95%
Loan 4	9.00%	Mar 19	GBP	UK	1.93%
Loan 5	10.00%	Jul 17	GBP	Offshore Britain	1.90%
Loan 6	8.00%	Mar 18	GBP	Offshore Britain	1.90%
Loan 7	9.00%	Mar 18	GBP	Offshore Britain	1.78%
Loan 8	7.50%	Sep 18	GBP	UK	1.58%
Loan 9	8.50%	May 17	GBP	UK	1.48%
Loan 10	6.00%	May 17	GBP	UK	1.39%

## For more information, please contact:

Manager: SQN Asset Management Ltd, Melita House, 124 Bridge Road, Chertsey, Surrey, KT16 8LA

Email [info@thesmeloanfund.com](mailto:info@thesmeloanfund.com)

Web [www.thesmeloanfund.com](http://www.thesmeloanfund.com)

Phone +44 (0) 1932 575888

Financial Advisor & Broker: Cantor Fitzgerald Europe, One Churchill Place, Canary Wharf, E14 54RB

Sue Inglis

Email [singlis@cantor.com](mailto:singlis@cantor.com)

hone +44 (0) 20 7894 8229



## TERMS AND CONDITIONS

The information contained in this document has been prepared by Amberton Asset Management Limited ("Amberton") on behalf of SQN Asset Management in respect of The SQN Secured Income Fund plc (the "**Fund**"). It has not been verified and is subject to material revision and further amendment without notice.

This document has not been approved by an authorised person in accordance with section 21 of the Financial Services and Markets Act 2000. As such this document is being made available only to and is directed at: (a) persons outside the United Kingdom; (b) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (c) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) (A) to (C) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Any failure to comply with these restrictions constitutes a violation of the laws of the United Kingdom. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction. This document and its contents are confidential and are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose.

This document does not constitute or form any part of, and should not be construed as, an offer or invitation or other solicitation or recommendation to purchase or subscribe for any securities. Prospective investors should only subscribe for shares in the Fund on the basis of information contained in any prospectus to be published by the Fund in due course in connection with the admission of the Fund's shares to the Official List and to trading on the London Stock Exchange. No reliance may be placed for any purpose whatsoever on the information, representations or opinions contained in this document, and no liability is accepted for any such information, representations or opinions. This document does not constitute either advice or a recommendation regarding any securities. Any person who is in any doubt about the subject matter of this document should consult a duly authorised person.

None of the Fund, SQN, Cantor Fitzgerald Europe ("**Cantor Fitzgerald**") or any other person makes any guarantee, representation or warranty, express or implied as to the accuracy, completeness or fairness of the information and opinions contained in this document, and none of the Fund, Amberton, Cantor Fitzgerald or any other person accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In preparing this document, Amberton has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by Amberton. The information presented in this document may be based upon the subjective views of Amberton or upon third party sources subjectively selected by Amberton. Amberton believes that such third party sources are reliable, however no assurances can be made in this regard.

This document includes forward-looking statements. These forward-looking statements include all matters that are not historical facts, statements regarding the Fund's intentions, beliefs or current expectations concerning, among other things, the Fund's results of operations, financial condition, liquidity, prospects, growth, strategies, and the sectors in which the Fund intends to operate. By their nature, forward-looking statements involve risks and uncertainties. You are cautioned that forward looking statements are not guarantees of future performance and that the Fund's actual results of operations, financial condition and the development of the sectors in which the Fund intends to operate may differ materially from those made in or suggested by the forward-looking statements contained in this document. No representation, express or implied, is made that any changes to the information herein will be provided to you.

Neither this document nor its contents may be distributed, published or reproduced, in whole or in part, by you or any other person for any purpose. In particular, neither this presentation nor any copy of it may be: (i) taken or transmitted into the United States of America; (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended); (iii) taken or transmitted into or distributed in any member state of the European Economic Area (other than the United Kingdom), Canada, Australia, the Republic of Ireland or the Republic of South Africa or to any resident thereof; or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

By accepting this document or by attending any presentation to which this document relates you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person; (ii) you have read and agree to comply with the contents of this notice; and (iii) you will treat and safeguard as strictly private and confidential all the information contained herein and take all reasonable steps to preserve such confidentiality.