

# Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.



SQN ASSET  
FINANCE

## Product

<b>Name</b>	<b>SQN Asset Finance Income Fund Limited Ordinary Shares</b>
<b>ISIN</b>	GG00BN56JF17
<b>Manufacturer</b>	SQN Capital Management, LLC
<b>Competent Authority</b>	United States Securities and Exchange Commission; there is no EU based regulator or Competent Authority.
<b>Contact Details</b>	<a href="http://www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund">www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund</a> ; call +1 (212) 422 2166 for more information

This key information document is accurate as at 31 December 2019.

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

<b>Type</b>	This product is a closed-ended investment scheme, trading on the Main Market of the London Stock Exchange (within the Premium segment).
<b>Strategy</b>	This product aims 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.
<b>Intended Investor</b>	This product is designed for investors who are seeking exposure to asset finance investments and who are capable themselves of evaluating the merits and risks of the investment or other investors who have been professionally advised, and who have sufficient resources both to invest in potentially illiquid securities and be able to bear any losses (which may equal the whole amount invested) that may result from the investment.
<b>Maturity</b>	This product has an unlimited life although the directors are required to propose a continuation resolution at the annual general meeting to be held in 2020 and at every third annual general meeting thereafter. If the continuation resolution is not passed the directors shall formulate proposals to reorganise or wind up the fund.

## What are the risks and what could I get in return?

### Risk indicator



Lower risk

Higher risk



The risk indicator assumes you keep the product for 5 years.

The summary risk indicator is a guide to the level of risk of this fund compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you.

The following are some of the other risks materially relevant to the PRIIPs which are not taken into account in the summary risk indicator:

The fund is exposed to exchange rate volatility, as it holds assets denominated in multiple currencies. We endeavour to mitigate foreign exchange risk by conducting hedging operations. See prospectus for overall risk information.

The product does not include any protection from future market performance so you could lose all or some of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

## What are the risks and what could I get in return? (continued)

### Performance scenarios

		1 year	3 years	5 years (Recommending holding period)
Stress scenario	What you might get back after costs	£7,316	£5,678	£4,719
	Average return each year	-26.8%	-17.2%	-13.9%
Unfavourable scenario	What you might get back after costs	£8,594	£7,887	£7,528
	Average return each year	-14.1%	-7.6%	-5.5%
Moderate scenario	What you might get back after costs	£10,199	£10,618	£11,055
	Average return each year	2.0%	2.0%	2.0%
Favourable scenario	What you might get back after costs	£12,123	£14,318	£16,258
	Average return each year	21.2%	12.7%	10.2%

The table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## What happens if SQN Capital Management, LLC is unable to pay out?

As a shareholder in the fund, you would not be able to make a claim to the Financial Services Compensation Scheme nor any other compensation body about the product in the event that the manufacturer is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) shows the impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, recurring and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

**Table 1: Costs over time**

The person selling you or advising you on this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment Scenarios (£10,000)	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	£128	£385	£642
Impact on the return (RIY) per year	1.28%	1.22%	1.16%

**Table 2: Composition of costs**

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- The meaning of the different cost categories.

One-off costs	Entry charge	N/A	The impact of the costs you pay when entering your investment.
	Exit charge	N/A	The impact of the costs of exiting your investment when it matures.
Recurring costs	Portfolio transaction costs	0.06%	The impact of costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.22%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance / other incidental fees	N/A	This product does not have any performance or other incidental fees.

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

This product has no required minimum holding period but is designed for long term investment; you should be prepared to stay invested for at least 5 years. You may sell your shares in the product, without penalty, on any day which is a dealing day on the London Stock Exchange.

## How can I complain?

If you have any complaints about the product or the conduct of the manufacturer, you may lodge your complaint in one of three ways:

- You can contact us on +1 (212) 422 2166 where we will log your complaint and explain what to do.
- You may log your complaints via our website [www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund](http://www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund)
- You may send your complaint in writing to SQN Capital Management, LLC, 100 Wall Street, 28th floor, New York, NY 10005

You do not have the right to complain to the UK Financial Ombudsman Service (FOS) about the management of the product.

## Other relevant information

We are required to provide you with further documentation, such as the product's latest prospectus, annual and interim reports. These documents and other product information are available online at [www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund](http://www.sqncapital.com/managed-funds/sqn-asset-finance-income-fund).

This documentation is made available in accordance with the Listing Rules and Disclosure Guidance and Transparency Rules of the United Kingdom Listing Authority and the Alternative Investment Fund Managers Directive (2011/61/EU). The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules.

