

SQL ASSET FINANCE INCOME FUND LIMITED

Alternative Investment Fund Managers Directive - Pre-investment Disclosure Document

Dated: 18 September 2015

Article 23(1) and (2) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "AIFMD") requires that the alternative investment fund manager (the "AIFM") shall, for each of the alternative investment funds ("AIFs") that it markets in the EEA, make available to AIF investors, in accordance with the AIF rules or instruments of incorporation, certain information before the AIF investors invest in the AIF, as well as any material changes thereof.

SQL Asset Finance Income Fund Limited (the "Company") has elected SQL Capital Management LLC to act as its AIFM. This document contains the information required by Article 23(1) and (2) of the AIFMD to be made available to potential investors in the Company.

This document refers to, and should be read in conjunction with, the Company's Annual Report for the year ended 30 June 2015 and the Prospectus issued by the Company on 18 September 2015 which is available on the Company's website at www.sqlassetfinance.com.

Unless otherwise indicated, capitalised terms used in this document have the meanings set out in the Schedule.

1 A description of the investment strategy and objectives of the AIF

The Company's investment 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.

The Company will seek to invest in business-essential, revenue-producing (or cost saving) equipment and other assets with high in-place value and long economic life relative to the investment term.

The Company expects the majority of investments, over time, to be in the specialist segment of the leasing market where, typically, assets provide cash flow during the base term of the leases as well as offering the potential for additional proceeds through lease extensions or sales at the end of the lease. The Company generally does not intend to invest primarily in the large single asset segment of the leasing market, such as aircraft leasing, which is heavily reliant on residual value to meet its return targets, or the high volume, low margin segment of the leasing market, such as photocopier and printer leasing, although it may do so, from time to time, if appropriate opportunities are identified in these segments.

The Company may invest in assets in any industry. However, the Company generally expects to be invested in such industries where the Investment Managers see the potential to make the most attractive risk-adjusted returns which currently include, but are not limited to, Agriculture, Energy, Environmental, Manufacturing, Material Handling, Medical, Technology and Transportation.

The Investment Managers will target transaction sizes below £20 million but, generally, the average transaction size is expected to be £3 million to £6 million, although it may fluctuate based on the market opportunities and portfolio composition that the Investment Managers believe will best achieve the Company's investment objectives. Whilst there is no minimum lease term, it is typical for the initial lease term to be 3 to 10 years depending on the asset. However, where appropriate, the term of the lease may vary significantly from this range reflecting the opportunities available and the needs of the lessee.

It is intended that the Company and/or its subsidiaries will primarily acquire assets directly and function as the lessor under equipment lease contracts. In such situations, the Company will own all rights, title, and interest in and to the assets and will lease them to the end-user. In other situations, the Company may own assets and enter into hire-purchase agreements where the Company will own the assets until all payments are made under the agreement and a pre-agreed nominal purchase price is paid to the Company.

The assets held by the Company will generally be leased to a third party and will be subject to either a direct finance (cash flow) lease or an operating lease. The Company intends to balance the portfolio between direct finance leases, to provide regular cash flow, and operating leases, to provide capital appreciation opportunities. Many, but not all, investments will be structured to provide return of capital and interest during the lease term with an opportunity for additional realisation from the residual value after the initial lease term.

The Investment Managers will generally seek to acquire investments and/or enter into lease arrangements that require the lessee or other counterparty to bear all tax, maintenance, insurance, and other costs related to the lease or the operation of the underlying asset(s). Generally, as a result, the Company will not be required to undertake maintenance on assets but reserves the right to do so on an exceptional basis.

Whilst the Company and/or its subsidiaries will typically seek direct ownership of the assets under lease, the Company also may obtain exposure to such investments through holding securities that have exposure to an underlying asset or assets that meet the Company's investment criteria where it is more advantageous for the Company to do so or a direct investment is not possible. This includes, but is not limited to, holding or entering into debt securities, loan agreements, equity securities, participation agreements, hybrid instruments, or other securities, whilst maintaining the desired economic exposure and level of security.

The Company may invest in residual interests in assets or equipment. When the Company invests in residual interests, it or its subsidiaries will acquire the rights and/or title to equipment, assets, income or proceeds in respect of the period after the end of the initial lease term or other underlying contract term. Cash flow from the residual interests generally will not commence until all of the obligations under the initial term are satisfied. Once those obligations are satisfied, rights and/or title to the underlying equipment, assets, income or proceeds will be transferred to the Company or its subsidiaries. Furthermore, the Company may elect to sell all or part of the lease receivables to a third party investor or bank and retain its exposure to the asset by retaining ownership of the residual value (in addition to any proportion

of the lease receivables retained). Therefore, in relation to certain investments, the Company may be reliant on the residual value to obtain its return on that investment. It is not expected that residual interests would represent more than 35% of the portfolio at the time of investment.

Investments will primarily be made in the United Kingdom, the United States and Europe which is expected to represent at least 75% of the portfolio. The Company may also invest in assets and equipment located or subject to law in Canada and Australia and other countries, regions, or jurisdictions where the Investment Managers believe they can adequately secure the Company's interest in assets and equipment whilst achieving an appropriate risk-adjusted return consistent with the rest of the portfolio.

Diversification

The Company's portfolio will be subject to the diversification policies limiting the maximum amount of capital that can be invested in a single asset, in a single asset class, in assets held by a corporation or group or held by companies in a specific industry, as a percentage of NAV of the portfolio, measured at the time of investment:

Maximum by asset:	15%
Maximum by asset class:	30%
Maximum by corporation or group:	15%
Maximum by industry:	30%

Borrowings

The Company does not intend to utilise borrowings on a portfolio basis, for investment purposes. However, the Company may, from time to time, utilise borrowings for share buybacks and short term liquidity purposes, but such borrowings will not, in any event, exceed 15% of the Company's Net Asset Value at the time of investment. This does not prevent the Company from purchasing the equity or subordinated participation in a special purpose entity set up to own an asset or a pool of assets or equipment, which itself may be geared.

- 2 If the AIF is a feeder, information on where the master AIF is established
Not applicable.
- 3 If the AIF is a fund of funds, information on where the underlying funds are established
Not applicable.
- 4 A description of the types of assets in which the AIF may invest
Please refer to Paragraph 1 above.
- 5 The investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks
Please refer to paragraphs 1 and 4 above.

For further information about the associated risks investors are directed to pages 11 to 12 of the Company's Annual Report 2015 available on the Company's website at www.sqnassetfinance.com.

6 Any applicable investment restrictions

Please refer to paragraph 1 above.

7 The circumstances in which the AIF may use leverage

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

8 The types and sources of leverage permitted and the associated risks

Please refer to paragraph 7 above.

For further information about the associated risks investors are directed to pages 11 to 12 of the Company's Annual Report 2015 which is available on the Company's website at www.sqnassetfinance.com.

9 Any restrictions on the use of leverage and any collateral and asset reuse arrangements

Please refer to paragraph 7 above.

10 The maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF

Please refer to paragraph 7 above.

11 A description of the procedures by which the AIF may change its investment strategy or investment policy, or both

In accordance with the Listing Rules, the Company must obtain the prior approval of its Ordinary Shareholders for any material change to its published investment policy.

12 A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established

The Company is incorporated in Guernsey. Investors who acquire shares in the Company will do so subject to the Company's Articles. The Articles are one of the Company's constitutional documents and contain the rights and restrictions attaching to the Company's shares. The Articles may only be amended by way of a special resolution. A shareholder's liability to the Company will be limited to the value of the shares held by such investor.

Each investor agrees to be bound by the Articles once the shares for which the investor has agreed to subscribe have been acquired by the investor. The contract to

subscribe for shares and all disputes and claims arising out of or in connection with it (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of England and Wales. By subscribing for shares, each investor will irrevocably submit to the jurisdiction of the courts of England and Wales and will waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the investor in any other jurisdiction.

The Judgements (Reciprocal Enforcement) (Guernsey) Law 1957 shall apply and a final and conclusive judgment, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Courts of Guernsey without re-examination of the merits of that case, but will be subject to compliance with procedural and other requirements of Guernsey's reciprocal enforcement legislation.

- 13 The identity of the AIFM, the AIFs depositary, the auditor and any other service providers and a description of their duties and the investors' rights

Investment Managers

The Company has appointed the U.S. Investment Manager and the U.K. Investment Manager to manage its portfolio in accordance with the Investment Management Agreement. The U.S. Investment Manager and the U.K. Investment Manager have day to day responsibility for managing the Company's portfolio and sourcing the Company's investments, subject to the overall supervision of the Board. The U.S. Investment Manager has been appointed as the Company's AIFM and is responsible for compliance with the AIFMD.

The U.S. Investment Manager

The U.S. Investment Manager is a Delaware limited liability company formed on 3 December 2007 with registered number 4466472. Its registered office is situated at 110 William Street, 26th Floor, New York, New York 10038. The U.S. Investment Manager is a Registered Investment Advisor with the United States Securities and Exchange Commission (CRD # 158704) and the parent company of SQN Securities, LLC, an SEC and FINRA registered broker/dealer (CRD # 153322).

The U.K. Investment Manager

The U.K. Investment Manager is a limited liability company incorporated in England and Wales on 12 May 2014 with registered number 9033846. Its registered office is situated at Melita House, 125 Bridge Road, Chertsey, Surrey KT16 8LH. The U.K. Investment Manager is not regulated in the United Kingdom.

History and fund managers

The U.S. Investment Manager is an independent asset manager and registered investment advisor to institutional investors. Headquartered in New York City and specialising in alternative asset management, the U.S. Investment Manager provides investment advisory and portfolio management services to three private offerings and two public direct participation programs, as well as managing institutional accounts for insurance companies, all of which are based in the United States. As at

31 August 2015, the U.S. Investment Manager had assets under advisement of approximately \$900 million. The U.S. Investment Manager's investment strategy is focused on business-essential, revenue-producing or cost-saving assets. Historically, the U.S. Investment Manager has invested in the agricultural, energy, environmental, medical, manufacturing, technology, and transportation industries.

Together, the U.S. Investment Manager and the U.K. Investment Manager have a team of 34 professionals. The principals of the U.S. Investment Manager and the U.K. Investment Manager are experienced in structuring asset-based financing both domestically and internationally with a particular focus on the United States and the United Kingdom, having undertaken over \$1 billion in leasing transactions over the course of their respective careers.

The principals at the U.S. Investment Manager and the U.K. Investment Manager are Jeremiah Silkowski and Neil Roberts.

Jeremiah Silkowski

financing as it relates to investment management. He began his career in 1991 with ICON Capital Corp. which grew to be the largest independent private equipment fund manager in the United States. Jeremiah rose to the rank of Senior Vice President of Operations, reporting directly to the Chairman, before leaving to form SQN Capital Corporation in 2004. SQN Capital Corporation has been exclusively engaged in providing investment opportunities in business-essential assets and equipment. In 2007, SQN Capital Corporation formed SQN Capital Management as a joint venture with Summit Asset Management Limited in the UK to manage asset finance and equipment leasing investment funds for a diverse spread of investors. Jeremiah is the Chief Executive Officer of the group of SQN Companies that today provide equity raising and investment management services through four private funds, two publicly-registered programs, and institutional accounts through the United States, in addition to serving as Investment Manager of the Company. Jeremiah hold Series 7, 24, and 63 securities license with the Financial Regulatory Authority (FINRA) in the United States and operates under the regulation by the US Securities and Exchange Commission as a responsible principal of a Registered Investment Adviser.

Neil Roberts

Since 1972, Neil has held senior positions within the banking and asset finance industry in the U.K. and has international experience in Italy, Germany and the United States. Prior to founding the U.K. Investment Manager, Neil held Managing Directorships of three international finance companies owned respectively by Chemical Bank of New York (now J.P. Morgan Chase), HSBC and, latterly, Kleinwort Benson. Neil joined The Summit Group in 1991 to consolidate its leasing and asset finance activities and built a specialised finance and managed equipment services group.

The U.S. Investment Manager and the U.K. Investment Manager will have responsibility for managing the Company's portfolio. For its services, the U.S. Investment Manager and the U.K. Investment Manager will together be entitled to a management fee at a rate equivalent to the following schedule (expressed as a percentage of NAV per annum):

- 1.0% for assets lower than or equal to £300,000,000;
- 0.9% for assets greater than £300,000,000 and lower than or equal to £500,000,000; and
- 0.8% for assets greater than £500,000,000.

The management fee is payable monthly in arrears on the last calendar day of each month and may be allocated between the U.S. Investment Manager and the U.K. Investment Manager in such proportions as they shall in their discretion determine.

No performance fee is payable by the Company to the U.S. Investment Manager or the U.K. Investment Manager.

The Company may also incur transaction costs for the purposes of structuring investments for the Company. These costs form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Managers when pricing a transaction. When structuring services are provided by the Investment Managers or an affiliate of them, they shall be entitled to charge an additional fee equal to up to one% of the costs to the Company (ignoring gearing and transaction expenses) of acquiring each investment. This cost will not be charged in respect of assets acquired from the Investment Managers, the funds they manage or where they or their affiliates do not provide such structuring advice.

The Investment Managers have agreed to bear all the broken and abortive transaction costs and expenses incurred on behalf of the Company. Accordingly, the Company has agreed that the Investment Managers may retain any commitment commissions charged in respect of acquiring assets on behalf of the Company save that if such commission on any transaction was to exceed one% of the transaction value, the excess would be paid to the Company.

Depository

The Company has not appointed a Depository.

Administrator and Custodian

The Company has appointed BNP Paribas Securities Services, S.C.A., Guernsey Branch to act as its administrator, company secretary and Administrator pursuant to an administration and custody agreement entered into between it and the Administrator. The Administrator is responsible for providing general fund administration services (including calculation of the monthly NAV) and accounts preparation services as well as providing company secretarial and custody services to the Company.

The Company invests, directly or indirectly, in equipment and other physical assets. Where investment is made indirectly, for example through special purpose vehicles, the Administrator, in its capacity as Administrator, provides safekeeping services in respect of such certificates and other documents as may represent investments in accordance with the Company's investment policy.

Auditors

The auditors of the Company are Baker Tilly CI Audit Limited whose registered office is at PO Box 344, Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey GY2 4LH. Baker Tilly CI Audit Limited are chartered accountants and a member firm of the Institute of Chartered Accountants in England and Wales.

The Auditor is responsible for auditing the Company's annual financial statements in accordance with auditing standards and regulations and for providing its report to the Company's shareholders in the annual report and financial statements.

Registrar

The Company has appointed Capita Asset Services to act as the Company's registrar pursuant to the Registrar Agreement between the Company and the Registrar. The Registrar is responsible for providing registration services to the Company and maintaining the necessary books and records (such as the Company's register of Shareholders).

Further details of the agreements between the Company and the Administrator, Administrator and Registrar are set out in the Prospectus.

- 14 A description of how the AIFM complies with the AIFMD's requirements relating to professional liability risk

Not applicable.

- 15 A description of any AIFM management function delegated by the AIFM

Not applicable.

- 16 A description of any safe-keeping function delegated by the Depositary

The Company has not appointed a Depositary.

- 17 A description of the identity of each delegate appointed

Not applicable.

- 18 A description of any conflicts of interest that may arise from such delegations

Conflicts of interest may arise between the Company, the Directors, the Investment Managers, and certain of the directors, members and officers of each. These relationships are described below:

None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties.

The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services

similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest. Further details of the Investment Manager's conflicts of interest policy is set out on in the section of the Prospectus entitled "Risk Factors".

The Company may purchase assets from other funds managed by the Investment Manager. Such assets may be proposed by the Investment Managers, subject to the approval of the Board and will be purchased on arm's length terms.

The Directors have satisfied themselves that each of the Investment Managers has procedures in place to address potential conflicts of interest and that, where a conflict arises, each of the Investment Managers will allocate the opportunity on a fair basis.

Save as disclosed above, there are no potential or actual conflicts of interest between any duties owed to the Company by the Directors or any of the directors of the Investment Managers or any of the directors of the Company and their private interests or other duties.

- 19 A description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets

For information about the Company's valuation procedure investors are directed to paragraph 2 (Accounting Policies) on pages 51 to 57 of the Company's Annual Report 2015 available on the Company's website at www.sqnassetfinance.com.

- 20 A description of the AIF's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances and the existing redemption arrangements with investors

Shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment. The C Shares may trade at a discount to the Net Asset Value per Ordinary Share.

- 21 A description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors

U.S. Investment Manager

Pursuant to an investment management agreement dated 16 June 2014 between the Company, the U.S. Investment Manager and the U.K. Investment Manager, the Investment Managers have been appointed to act as investment manager of the Company with responsibility for the portfolio management and risk management of the Company's investments.

For their services, the Investment Managers are together entitled to a management fee at a rate equivalent to the following schedule (expressed as a percentage of NAV per annum):

- 1.0% for assets lower than or equal to £300,000,000;

- 0.9% for assets greater than £300,000,000 and lower than or equal to £500,000,000; and
- 0.8% for assets greater than £500,000,000.

The management fee is payable monthly in arrears on the last calendar day of each month and may be allocated between the U.S. Investment Manager and the U.K. Investment Manager in such proportions as they shall in their discretion determine.

No performance fee is payable by the Company to the Investment Managers.

The Company may also incur transaction costs for the purposes of structuring investments for the Company. These costs form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Managers when pricing a transaction. When structuring services are provided by the Investment Managers or an affiliate of them, they shall be entitled to charge an additional fee equal to up to one% of the costs to the Company (ignoring gearing and transaction expenses) of acquiring each investment. This cost will not be charged in respect of assets acquired from the Investment Managers, the funds they manage or where they or their affiliates do not provide such structuring advice.

The Investment Managers have agreed to bear all the broken and abortive transaction costs and expenses incurred on behalf of the Company. Accordingly, the Company has agreed that the Investment Managers may retain any commitment commissions charged in respect of acquiring assets on behalf of the Company save that if such commission on any transaction was to exceed one% of the transaction value, the excess would be paid to the Company.

Remuneration of Directors

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other sub-paragraph of the Articles) shall not exceed in aggregate £200,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all reasonable out-of-pocket travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. The Board may at any time appoint one or more of their body (other than a Director in the United Kingdom) to be holder of any executive office including the office of managing Director on such terms and for such periods as they may determine. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

Ongoing operational expenses will include fees payable under the arrangements with the Investment Management Agreement, the Administration Agreement, the Registrar Agreement, Directors' fees and expenses, audit costs, the Company's broker, expenses of publishing reports, notices and proxy materials to Shareholders, expenses of convening and holding meetings of Shareholders, costs of preparing, printing and/or filing all reports and other documents relating to the Company,

expenses of making any capital distributions, insurance premia in respect of directors' and officers' liability insurance for members of the Board, fees of the Commission, London Stock Exchange fees and associated fees of Admission. In respect of the financial year ended 30 June 2015, these costs and expenses represented 1.3% of the Company's Net Asset Value.

The expenses and fees which will be borne by the Company and their investors are limited as set out above, but there is no formal cap on the level of those expenses and fees.

22 A description of how the AIFM ensures fair treatment of investors

The Directors owe fiduciary duties to the Company in accordance with the provisions of Guernsey law. In addition, the Company is required to comply with the listing principles set out in Chapter 7 of the Listing Rules which provide that "A listed company must ensure that it treats all holders of the same class of its listed equity shares that are in the same position equally in respect of the rights attaching to those listed equity shares." If the FCA considers that the Company has contravened the Listing Rules it may do one or more of the following: (i) privately censure the Company; (ii) publicly censure the Company; (iii) impose a financial penalty upon the Company; and/or suspend trading of the Company's securities.

23 Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment

No investor currently obtains preferential treatment or the right to obtain preferential treatment.

24 Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of the type of investors who obtain such preferential treatment

No investor currently obtains preferential treatment or the right to obtain preferential treatment.

25 Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of, where relevant, their legal or economic links with the AIF or AIFM

No investor currently obtains preferential treatment or the right to obtain preferential treatment.

26 The procedure and conditions for the issue and sale of units or shares

The issue of new shares by the Company is subject to the requisite Shareholder authorities being in place and all Listing Rule requirements having been met. Shares in the Company can also be bought in the open market through a stockbroker.

27 The latest net asset value of the AIF or the latest market price of the unit or share of the AIF

The latest NAV per Ordinary Share will be included in the Monthly Factsheets that are available on the Company's website at www.sqnasassetfinance.com.

The Ordinary Shares have been admitted to trading on the London Stock Exchange since 16 June 2014 with the ticker symbol SQN. Conditional on Admission, the C Shares are expected to be admitted to trading on the London Stock Exchange on or around 9 November 2015 with the ticker symbol SQNC. The latest share prices are available on www.londonstockexchange.com as well as on the Company's website at www.sqnassetfinance.com.

28 The latest annual report

The latest annual report of the Company is available on the Company's website at www.sqnassetfinance.com and www.morningstar.co.uk/uk/nsm.

29 The historical performance of the AIF

Historical annual reports of the Company are available on the Company's website at www.sqnassetfinance.com

30 The identity of the prime brokerage firm

Not applicable. The Company has not appointed a prime brokerage firm.

31 A description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed

Not applicable. The Company has not appointed a prime brokerage firm.

32 The provision in the contract with the Depositary on the possibility of transfer and reuse of AIF assets

Not applicable. The Company has not appointed a Depositary.

Neither the Administrator nor any sub-Administrator appointed by it has any right of re-use in respect of the Company's assets.

33 Information about any transfer of liability to the prime brokerage firm that may exist

Not applicable. The Company has not appointed a prime brokerage firm.

34 How and when periodic information required by Article 23(4) and (5) of the AIFMD will be disclosed

Article 23(4) requires the Company to disclose information relating to: (i) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; (ii) any new arrangements for managing the liquidity of the Company; and (iii) the current risk profile of the Company and the risk management systems employed by the Company to manage those risks.

This information shall be disclosed as part of the Company's periodic reporting to investors, as required by the Company's rules or instruments of incorporation or at the same time as the prospectus and offering document and — at a minimum — at the same time as the Company's annual report is made available.

Information on changes to the maximum level of leverage that may be employed on behalf of the Company and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay.

Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required by the Company's rules or instruments of incorporation, or at the same time as the prospectus and offering document and at least at the same time as the Company's annual report is made available.

Without limitation to the generality of the foregoing, any information required under Article 23(4) and (5) of the AIFMD may be disclosed (a) in the Company's annual report, (b) in the Monthly Factsheets that are available on the Company's website at www.sqnassetfinance.com, (c) by the Company issuing an announcement via a Regulatory Information Service or (d) by the Company publishing the relevant information on the Company's website at www.sqnassetfinance.com.

- 35 An AIFM must inform investors before they invest in the AIF of any arrangement made by the Depositary to contractually discharge itself of liability

Not applicable. The Company has not appointed a Depositary. Under the Administration and Custody Agreement dated 16 June 2014 between the Company and the Administrator, the Administrator has agreed to provide certain administration and custody services to the Company.

The Company has agreed to indemnify the Administrator from and against any liabilities, losses, claims, costs, damages, penalties, fines, obligations, or expenses of any kind whatsoever (including reasonable fees and legal expenses) in connection with the provision of its services under the Administration Agreement, other than by reason of negligence, fraud or wilful default on the part of the Administrator or the material breach of the Administration Agreement by the Administrator.

- 36 The AIFM must also inform investors without delay of any changes with respect to Depositary liability

Not applicable. The Company has not appointed a Depositary.

Schedule – Definitions

"Administrator"	BNP Paribas Securities Services, S.C.A, Guernsey Branch
"AIF"	means alternative investment fund, as defined in the AIFMD
"AIFM"	means alternative investment fund manager, as defined in the AIFMD
"AIFMD"	the Alternative Investment Fund Managers Directive, 2011/61/EU
"Articles"	means the articles of incorporation of the Company
"Audit Committee"	means the audit committee established by the board of directors of the Company
"Board"	means the board of directors of the Company
"C Shares"	means the c shares of no par value in the capital of the Company
"Company"	means SQN Asset Finance Income Fund Limited
"Directors"	means the directors of the Company
"FCA"	means the Financial Conduct Authority
"FSMA"	means the Financial Services and Markets Act 2000 (as amended)
"Listing Rules"	means the rules and regulations made by the FCA under Part VI of the FSMA
"London Stock Exchange"	means London Stock Exchange plc
"NAV" or "Net Asset Value"	means net asset value calculated in accordance with the Company's normal accounting policies
"Official List"	means the Official List of the FCA
"Registrar"	means Capita Asset Services
"UK" or "United Kingdom"	means the United Kingdom of Great Britain and Northern Ireland
"UK Investment Manager"	means SQN Capital Management (UK) Limited
"US Investment Manager"	means SQN Capital Management, LLC