



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/01/2024

Performance (to 31 January 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	-4.3	1.8	-8.0	-11.4	10.9	52.2	76.6
Share Price	-6.9	5.6	-13.2	-22.5	-4.4	53.3	95.3
S&P Global Infrastructure Index	-3.1	5.3	-1.8	-5.7	24.1	25.8	36.8
MSCI World Utilities Index	-2.9	1.6	-3.5	-6.1	10.6	28.0	46.1
MSCI World Index	1.6	11.0	6.7	13.9	37.9	81.4	122.2
FTSE All-Share Index	-1.3	6.2	1.0	1.7	27.0	30.0	43.8
FTSE ASX Utilities	-2.2	4.5	3.0	6.5	43.5	63.9	41.3

*26 September 2016.

Source: Bloomberg. Performance is shown on a total return basis, i.e., assuming reinvestment of dividends.

Yield, diversification, low volatility

Ecofin Global Utilities and Infrastructure Trust plc (EGL) is a closed-end investment company domiciled in the UK whose shares are listed and traded on the London Stock Exchange. The Company carries on its business so that it qualifies as an authorised UK investment trust. EGL invests primarily in the equity and equity-related securities of utility and infrastructure companies which are listed on recognised stock exchanges in European countries, the United States and other developed, OECD countries although it may invest up to 10% of its assets in companies whose equity securities are listed on stock exchanges in non-OECD countries. It may also invest up to 10% of its assets in debt securities, which are typically traded on over-the-counter markets.

Investment objective: The Company's investment objectives are to achieve a high, secure dividend yield on its investment portfolio and to realise long-term growth in the value of the portfolio for the benefit of shareholders while taking care to preserve capital.

Yield: The Company targets a dividend yield of 4% on net assets using gearing and, if necessary, reserves to augment the portfolio yield.

Gearing: EGL may borrow up to 25% of its net assets to earn a higher level of dividend income and to offer shareholders a geared return on their investment. The Company pursues a flexible gearing policy, borrowing in major currencies at floating rates of interest under a facility which allows the Company to repay its borrowings at any time without penalty.

Dividends

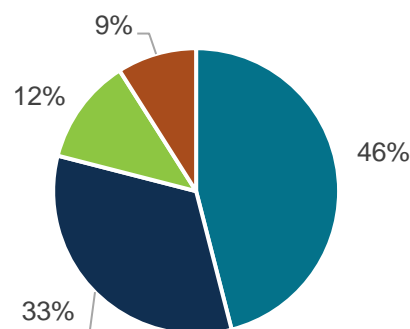
With effect from the interim dividend paid in February 2023, the quarterly dividend rate increased to 1.95p per share (7.80p per annum). With effect from the interim dividend to be paid in February 2024, the quarterly dividend rate will increase to 2.05p per share (8.20p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 January 2024

Net assets	£213,090,733
NAV per share	185.42p
Share price	161.50p
Premium/(Discount)	(12.9)%
Gearing	9.8%
Yield*	4.8%

*Yield is based on dividends paid (last 4 quarterly dividends) as a percent of the share price. Please also see 'Dividends' below.

Geographical allocation (% of portfolio)



- North America
- Cont. Europe
- UK
- Rest of World

Sector allocation

	% of Portfolio
Regulated utilities	31
Integrated utilities	32
Renewables & nuclear	18
Environmental services	5
Transportation infrastructure	<u>14</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy	5.8	US
National Grid	4.9	UK
American Electric Power	4.7	US
Enel	4.1	Italy
SSE	3.9	UK
Edison Int'l	3.8	US
ENAV	3.6	Italy
RWE	3.4	Germany
Xcel Energy	3.3	US
Vinci	<u>3.2</u>	France
Total (39 holdings)	40.8	

Manager's comments

- After the relief of some buoyancy in EGL's sectors and portfolio in the final months of 2023, utilities and broader infrastructure lagged significantly again in January 2024 while equity market momentum was centred around tech-oriented sectors.
- EGL's NAV decreased by 4.3% in January, more than the MSCI World Utilities Index (-2.9%) and the S&P Global Infrastructure Index (-3.1%), mostly attributable to weakness among European power utilities (and the Euro which declined by 1.7% versus sterling) and continuing falls in Chinese names.
- With early 2024 rate cut expectations being reigned in, given still healthy growth data coming from the US in particular, 10-year benchmark bond yields moved higher for most of the month, back above 4% in the US, bringing a halt to the pre-Christmas equity and utility rally. Equally pertinently for EGL, warm-ish winter temperatures and ample supplies led to significant declines in natural gas, carbon and 2024 forward power prices, especially in Europe, which was a headwind for power generators' share prices. The manager has reduced the portfolio's power price exposure, and generally integrated utilities have secured attractive prices for production volumes for 2024 and 2025, and sometimes even for parts of 2026. RWE surprised the market, however, by signalling an impact to 2024 earnings from the now lower commodity prices, guiding analysts toward the lower end of the range for 2024 EPS. This caused weakness more widely in the sector, recognising that for fixed cost generators sustained lower power prices could be reflected in PPA prices, and even though many integrations – EDP, Enel, Endesa, Iberdrola, Engie – will benefit near term as buyers of power. A degree of election cycle pessimism and IRA risk appeared to impact clean-tech in the US and utilities too.
- Relative strength in the portfolio was concentrated in US nuclear specialists Constellation Energy and Vistra, infrastructure names Ferrovial (which delivered another set of solid results and traffic strength) and Vinci, and utilities with significant exposure to regulated networks such as E.ON, Terna and Snam, a newly established position during the month. Snam is an Italian and international gas infrastructure operator investing in asset resilience and the new infrastructure (networks, pipelines, emissions reduction/CCS, storage) required to secure energy supplies and reach climate goals.
- Falling power prices are bound to impact sentiment, as they did last year, but utilities in the portfolio have hedged the majority of power price exposure for the next two years and/or have dominant portions of their businesses involved in regulated activities. Purchases during the month continued to reflect this with increases to holdings in US regulated utilities Southern and Edison International, Vistra (which operates in the tight Texas power market), environmental utilities American Water Works and Veolia, network operators National Grid, E.ON and Snam. We also added to infrastructure giant Vinci (now in the top 10). These were funded by some profit taking in AES, NextEra Energy Partners and Drax which had rallied in the previous weeks and a lightening of the position in Ameren; a small holding in Essential Utilities was sold outright (in favor of American Water Works). Gearing was 9.8% at month end, slightly higher than at year-end.

TICKER: EGL

SEDOL: BD3V464

ISIN: GB00BD3V4641

Key risk factors

All financial investments involve an element of risk. The value of your investment and the income derived from it will vary and there can be no assurance that the investment manager will be able to invest the Company's assets on attractive terms, generate investment returns for investors or avoid investment losses.

The Company focusses on investments in two sectors, the utilities and infrastructure sectors, and accordingly an investment in the Company's shares may be regarded as representing a more concentrated risk than the investment in the shares of a broadly diversified, generalist investment trust or fund.

The Company may employ gearing. Whilst the use of gearing should enhance the NAV per share when the value of the Company's underlying assets is rising, it will have the opposite effect when the underlying asset values are falling.

The Company invests to a considerable extent in securities which are not denominated or quoted in Sterling, the Company's base currency. Movements in exchange rates will, therefore, have an effect, favourable or unfavourable, on the return on an investment in the Company's shares.

Gearing

The Company may make use of gearing to enable the Company to earn a high level of dividend income and to offer Shareholders a geared return on their investment. The Directors believe that the use of gearing is justified given the nature of most of the companies in which the Company invests; that is, companies which provide essential services, operate in regulated markets and within stable regulatory frameworks, and pay dividends. Whilst the use of gearing should enhance the net asset value (NAV) per share when the value of EGL's underlying assets is rising, it will have the opposite effect when the value of its assets is falling. As a result, the volatility of the Company's NAV will increase when gearing is being used which may also increase the volatility of the Company's share price. The nature and term of any borrowings are the responsibility of the Directors, while the amount of any borrowings is at the discretion of the Investment Manager.

EGL may borrow amounts equal to 25% of its net assets. Any borrowings will be flexible, short-term borrowings in major currencies at floating rates of interest under a Prime Brokerage facility with Citigroup which allows the Company to repay its borrowings at any time without penalty.

For more information, please see www.ecofininvest.com

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Company details

Portfolio manager:	Jean-Hugues de Lamaze
Date of admission:	26 September 2016
Traded:	London Stock Exchange
Dealing currency:	Sterling
Issued share capital:	114,920,697 shares
Investment management fee:	1% p.a. of NAV on first £200mn; 0.75% of NAV thereafter

Financial calendar

Year-end:	30 September
Results announced:	May (half-year); December (final)
AGM:	March
Dividends paid:	Last day of February, May, August & November

NMPI status

The Company conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so. The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Individual Savings Account ("ISA")

The Company's shares are eligible to be held in an ISA account subject to HM Revenue & Customs limits.

Released: 8 February 2024