

# Ecofin Global Utilities and Infrastructure Trust plc

Report and Accounts 2020



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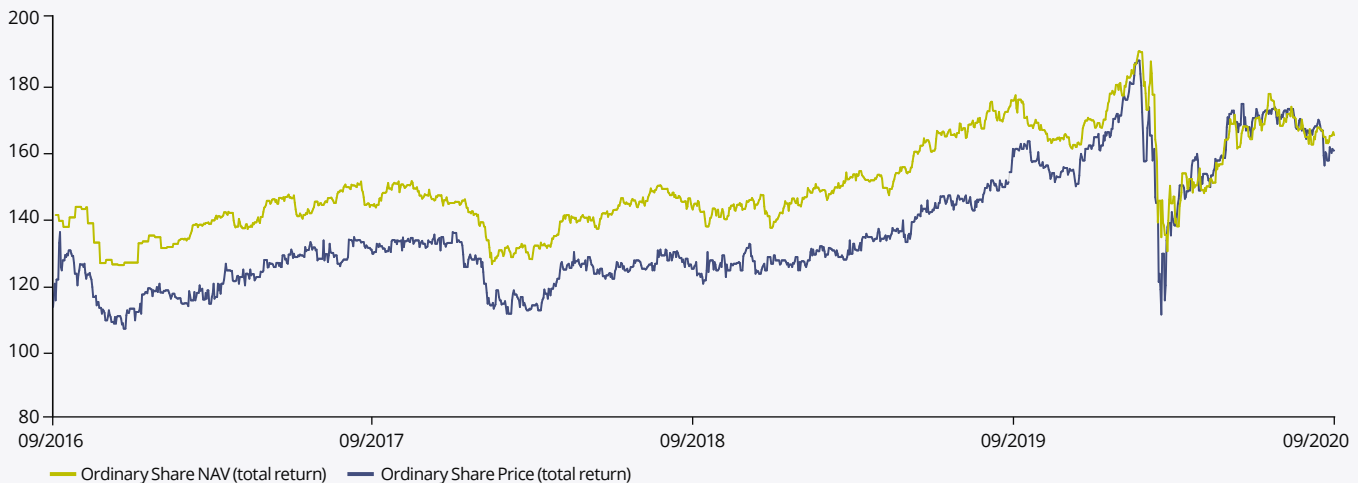
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## NAV and share price

from admission to 30 September, 2020



# Highlights

- During the financial year ended 30 September, 2020 the Company's net asset value ("NAV") per share decreased by 2.6% and the price of an ordinary share increased by 5.6%, both on a total return basis (assuming the reinvestment of dividends). The discount to NAV at which the shares traded narrowed significantly and averaged 2.6% over the year; during the 6 months to 30 September, 2020 the shares traded at an average premium to NAV of 0.4%
- Four quarterly dividends totalling 6.55p were paid – an increase of 2.3% from the previous year, providing a dividend yield (annualised) of 4.1% on 159.25p, the price of the Company's shares as at 30 September, 2020
- The Company's NAV per share increased by 39.4% (8.6% per annum) on a total return basis from admission on 26 September, 2016 until 30 September, 2020 and on the same basis its share price increased by 70.8% (14.3% per annum)
- Subsequent performance has been strong: from the year-end on 30 September, 2020 to 30 November, 2020, NAV per share increased by 10.3% and the share price by 13.2% (both on a total return basis). Over one and three years, the performance of both the portfolio and the share price have been ahead of the MSCI World Index and all the relevant sector indices. Our sector, historically regarded as mature and primarily income generating, is evolving into one offering significant long term growth as well
- The Company's Annual General Meeting on 9 March, 2021 will be closed to shareholders, due to restrictions related to COVID-19, but we invite you to join a webinar which our Investment Manager intends to host on the same day to provide an update on portfolio strategy and to answer your questions.

Summary	As at or year to 30 September 2020	As at or year to 30 September 2019
Net assets attributable to shareholders (£'000)	<b>156,393</b>	161,502
Net asset value ("NAV") per share	<b>164.60p</b>	175.79p
Share price (mid-market)	<b>159.25p</b>	157.00p
Discount to NAV <sup>1</sup>	<b>3.3%</b>	10.7%
Revenue return per share	<b>4.97p</b>	5.48p
Dividends paid per share	<b>6.55p</b>	6.40p
Dividend yield <sup>1,2</sup>	<b>4.1%</b>	4.1%
Gearing on net assets <sup>1,3</sup>	<b>14.8%</b>	6.3%
Ongoing charges ratio <sup>1,4</sup>	<b>1.48%</b>	1.68%

1. Please refer to Alternative Performance Measures on page 63.

2. Dividends paid (annualised) as a percentage of share price.

3. Gearing is the Company's borrowings (including the net amounts due from/to brokers) less cash divided by net assets attributable to shareholders.

4. The ongoing charges ratio is calculated in accordance with guidance issued by the Association of Investment Companies ("AIC") as the operating costs (annualised) divided by the average NAV (with income) throughout the year.

Performance for periods to 30 September 2020	1 year %	3 years %	Since admission on 26 September 2016 <sup>5</sup> %
NAV per share total return <sup>6</sup>	<b>-2.6</b>	30.1	39.4
Share price total return <sup>6</sup>	<b>5.6</b>	41.3	70.8
Indices (total returns in £):			
FTSE All-Share Index	<b>-16.5</b>	-9.3	1.3
FTSE ASX Utilities Index	<b>4.5</b>	2.6	-6.6
MSCI World Index	<b>5.6</b>	31.8	51.4
MSCI World Utilities Index	<b>-6.9</b>	23.7	29.7
S&P Global Infrastructure Index	<b>-18.6</b>	-3.2	4.2

5. The Company was incorporated on 27 June, 2016 and its investment activities began on 13 September, 2016 when the liquid assets of Ecofin Water & Power Opportunities plc ("EWPO") were transferred to it. The formal inception date for the measurement of the Company's performance is 26 September, 2016, the date its shares were listed on the London Stock Exchange.

6. Total return includes dividends paid and reinvested immediately. Please also refer to the Alternative Performance Measures on page 63.

# Chairman's Statement

## Performance

Although the Company's net asset value (NAV) per share decreased by 6.4% during the financial year to 30 September 2020, the total return was only down by 2.6% with the reinvestment of quarterly dividends paid; happily, the price of the Company's shares rose by 1.4% and the total return on the shares was 5.6%. These results compare very favourably with the total returns on the MSCI World Utilities Index and the S&P Global Infrastructure Index of -6.9% and -18.6% respectively in sterling terms.

As reported at the interim stage, the financial year went well for the Company's portfolio until the arrival of the coronavirus pandemic ("COVID-19") marked share prices down sharply. Equity markets and sentiment have since recovered strongly from their lows in March, assisted by stimulus and support measures from central banks and governments, expectations of a vaccine and a growing realisation that, though the impact of the pandemic was severe, it was temporary. Your Company had a low level of gearing going into the market drop and our Investment Manager was able to take advantage of significant share price dislocations by taking on additional borrowings. The second half of the financial year marked a strong recovery in the NAV and the share price.

EGL's performance builds on the strong results that the Company has delivered since its launch just over four years ago. Since then, NAV and share price total returns have been 8.6% and 14.3% per annum respectively; these are in line with our target of delivering total returns over the longer term of 6-12% per annum. The Investment Manager's Report details the major events of the year and the current strategy.

## Dividends

Last December your Board announced an increase in the quarterly dividend rate to 1.65p per share, equivalent to 6.60p per annum (effective from the February 2020 dividend). We have decided to maintain this rate in spite of the reduction to investment income as a result of COVID-19. This reflects our confidence in the resilience of our portfolio and our expectation that income will recover. Total income declined by 7.6% compared to the previous year and our net revenue per share declined by 9.3% year-on-year. In a difficult year for dividends we believe this relatively good result was appreciated by shareholders.

## Discount and Share issuance

Although the Company's shares traded at an average discount to NAV of 2.6% during the full financial year, we are delighted that they regularly traded above NAV in the second half of the financial year. This has enabled us to issue new shares at a premium to NAV in response to demand. Since late April and up to 9 December, 2020, 4,731,176 new shares have been issued.

We plan to continue to issue new shares when we can as we believe that this will increase liquidity, encourage participation by new investors and reduce EGL's cost ratio, which fell from 1.68% to 1.48% in the financial year.

## Ecofin/Tortoise

During the year the ultimate holding company of our Investment Manager, Tortoise Investments, LLC, rebranded itself as TortoiseEcofin to reflect the importance of sustainability-focussed

investments and mandates to its business. Our investment manager, Tortoise Advisors UK Limited, was renamed Ecofin Advisors Limited. As a result of this, we have decided not to recommend the change of name of your Company which was originally suggested in last year's Annual Report.

## Covid-19

The pervasive effects of COVID-19 continue to test the resilience of individuals and businesses. Most work undertaken by the Company's third-party service providers had to be transferred from offices to homes but we are pleased to report that we suffered no disruption or reduced capability. The Board has stayed in close contact with Ecofin and our service providers in order to gauge emerging risks, receive reports, listen to the Investment Manager's views, hear his responses and actions as events unfold, and to provide a sounding board.

## Board

Martin Nègre has said that he does not wish to stand for re-election at our next AGM. Martin has been an invaluable colleague over the years and he will be much missed. I am very pleased to say that Susannah Nicklin has joined the Board, bringing us a new wealth of experience.

## Outlook

Your Company is investing in sectors which are experiencing great change and driving significant progress in terms of the decarbonisation and the modernisation of infrastructure. These are exciting times for us and the companies we invest in.

The fallout from the coronavirus pandemic, Brexit and other global tensions will continue to affect us: these may result in continued market volatility but our Investment Manager remains optimistic about the outlook. The pandemic has galvanised ambitious climate action plans from governments and corporations worldwide which will support the growth trajectory for renewables-focussed companies in the portfolio. It has also prompted policymakers to commit to large monetary and fiscal stimulus programmes which should help the recovery of economic infrastructure shares heavily affected by lockdowns while utility companies outside the energy sector continue to invest, improve efficiency and respond to customer needs.

Our Investment Manager expects significant growth in income from 2020's depressed levels which would improve our dividend cover and permit the Company to resume its strategy of increasing dividends. Performance in the current year has been strong: from the year-end on 30 September, 2020 to 30 November, 2020 NAV per share increased by 10.3% and the share price by 13.2% (both on a total return basis). Over one and three years, the performance of both the portfolio and the share price have been ahead of the MSCI World Index and all the relevant sector indices. Our sector, historically regarded as mature and primarily income generating, is evolving into one offering significant long term growth as well.

**David Simpson**  
Chairman

14 December, 2020

# Investment Manager's Report

The year has delivered tremendous uncertainty and hardship for many individuals and businesses, however the opportunities for investment in our universe have gathered pace as our sectors continue to work towards the environmental improvements that people around the world expect. March marked the trough in equity markets pressured by the global outbreak of the COVID-19 pandemic, and over the summer we experienced a sharp improvement in sentiment along with a snap-back in global trade which provided an impressive tailwind for equity markets. In the US equity market, leadership was concentrated in a handful of mostly technology-focused names pushing several benchmark indices to all-time highs. The mood dimmed during September as infection rates began to rise again and uncertainties relating to the US elections grew but investors were cheered in November, after the year-end, by a balanced electoral outcome and vaccine announcements.

The benchmark 10-year US Treasury yield, which started the Company's financial year at 1.7% and remained steady until early 2020, dropped to under 0.6% by March 2020 and held in a tight range until year-end, closing at 0.65%. We saw a similar pattern and historically low rates in other major markets too. The MSCI World Index, after considerable volatility and an incredibly strong rally between 31 March and 30 September (+24.0%), increased by 5.6% over the Company's full financial year in sterling terms, notwithstanding sterling's 4% appreciation against the US dollar over those 6 months.

During the year, the performance of the Company's reference indices, the S&P Global Infrastructure Index (-18.6%) and the MSCI World Utilities Index (-6.9%), diverged significantly, given the transportation and energy infrastructure exposure included in the former, and neither could keep pace with the MSCI World Index's gains during the 'risk on' recovery rally which lasted from April to August. Performance was uneven within the utility segments too with renewables-focused businesses leading all year, beginning to receive due recognition as growth stocks. Unless indicated otherwise, all equity market, Company and index returns are stated as total returns in sterling.

## Performance summary

The year was a tale of two distinct parts, so we set out the half-year detail here for extra colour:

	First half F2020 %	Second half F2020 %	Full year %
(Total returns in £)			
NAV	-15.3	15.0	-2.6
MSCI World Utilities Index	-12.8	6.8	-6.9
S&P Global Infrastructure Index	-26.5	10.5	-18.6

The Company's results for the first half of the year were defined by the severe falls in equity markets in March 2020 (the NAV declined by 15.2% in March alone). The portfolio, with some modest rearrangements which we describe in this Report, recovered well thereafter, at a considerably stronger pace than the relevant reference indices.

Leverage played an amplifying role on the NAV during the year but had little impact overall (+0.1%); it was actively managed and helpful to the revenue account. The NAV was negatively impacted by currency moves and we estimate that the strength of sterling versus the US dollar over the 12 months (+5.1%) and its weakness against the Euro (-2.2%) combined to remove approximately 1.2 percentage points from the NAV (compared to the performance of the underlying investments).

Portfolio holdings with renewables exposure were by far the best performing stocks in the investment universe and portfolio during the year, before and during the pandemic. The list covers a broad geographical spectrum and a dominant theme: decarbonisation. Environmental shares (Covanta, Suez, Veolia) suffered declines given their sensitivity to commercial and industrial activity levels, transportation infrastructure was generally weak as a result of lockdowns, and several US utility share prices were under pressure during the dreadful fire season in California.

Geographically, with its relatively large allocation to Europe, the portfolio was well positioned. Continental European utilities led the global peer group's recovery from March onwards by a wide margin and the portfolio held a large proportion of the strongest performers of the year in the investment universe. The portfolio's best percentage returns over the year were from UK holdings (+8.1%) but this was entirely owing to their tremendous rally in late 2019 after the UK general election; performance lagged thereafter. US utilities' valuations slid relative to peers, their own history and the US equity market, even while their earnings and overall business models held up in the pandemic, with the ferocious wildfire season and election uncertainty playing a part. The North American allocation was a drag on the NAV over the full year but it outperformed the local sector index, especially over the last six months, thanks to a substantial exposure to Canadian and renewables names. The non-OECD and emerging markets stocks in the portfolio were volatile given the majority are in the transportation infrastructure segment.

## Sector developments

In an incredibly difficult environment, essential assets businesses had a relatively good year, reputationally and financially. Utilities found demand for their services either unaffected or only moderately negatively impacted by lockdowns, except where commercial and industrial services account for a high proportion of revenues, and capital investment plans are intact. As major owners and developers of clean energy sources at a time when the global conscience is fully focussed on climate action, the renewables-focused utilities have an appealing combination of defensive characteristics and, increasingly, higher expectations for growth.



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# Investment Manager's Report

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Greenhouse gas emissions fell dramatically this year, a feature of the pandemic which has received attention. According to Ember, in the first half of 2020, wind and solar power generation increased by 14% (compared with the same period in 2019) in countries representing 83% of global electricity demand, while global power demand fell 3% due to COVID-19 lockdowns. These sources of renewable energy made up nearly 10% of power in most parts of the world, having doubled their share of the global mix over the last 5 years, and BloombergNEF records that solar and wind accounted for more than two-thirds of the additions of new power generation capacity in 2019 globally, up from less than 25% in 2010.

Two primary drivers of decarbonisation across industries clearly emerged this year. One is regulation, which at various levels is setting increasingly ambitious targets for the reduction in greenhouse gas emissions, largely in response to a rising importance of environmental issues in public opinion and consumer choice. Technological improvements too are enabling the implementation of such targets on economically favourable terms. In EGI's sectors, the levelized costs of renewable electricity (wind and solar) have declined so significantly that they are now economically competitive with existing conventional thermal technologies (coal and gas), and regulatory frameworks can therefore seize upon these improvements to accelerate their own goals.

The EU is leading the global efforts to shift to clean energies and cut emissions. It presented the greenest coronavirus recovery package – seeking to make the Green Deal an engine of economic recovery – and in September raised its climate action ambitions with its plan to reduce EU GHG emissions by at least 55% by 2030 (compared to 1990 levels), laying the foundations to reach 'climate neutrality' by 2050. China, by far the world's largest emitter – while also the world's largest installer of renewables, hydro and nuclear – surprised in September with a pledge to become carbon neutral by 2060, marking a decisive step up in its contribution toward the global energy transition.

## Contributions to NAV

The best contributors to NAV during the year were all amongst the largest 10 holdings and again included NextEra Energy, one of the world's largest investors in renewables. Along with two strong quarters, NextEra recently announced the acquisition of a transmission company, which will increase its regulated asset base and therefore its ability to fund growth, and a pilot investment in hydrogen which it sees as a promising emerging renewable energy technology (to sit alongside wind, solar and battery storage). NextEra also reported that its inventory of planned projects (approximately 15,000 MW) is now larger than its existing renewables portfolio. We expect at least 6-8% earnings growth in the coming years supporting annual dividend growth in the region of 10%.

Two holdings, Terraform Power (or TERP, one of the best performing yieldcos this year even prior to this deal) and its parent Brookfield Renewable Partners (which owned 62% of TERP), merged in July to form Brookfield Renewable Corporation,

creating a giant pure-play renewable energy company with 19,000 MW of installed capacity in North America and Europe and an almost equally large pipeline of development opportunities. Brookfield has recently increased its investment target and guided cash flow growth to the top end of its range (6-11% per annum).

EDP was the largest contributor to NAV over the 12 months ending 30 September, with the shares rising nearly 25% (30% total return) as the company delivered on its planned disposals, selling a large portfolio of hydroelectric power plants in Iberia and its supply business in Spain at attractive multiples, while also continuing to realise value (and capital gains) on periodic asset rotations in the renewables portfolio, which this year encompassed wind assets in the US and Spain. In July, EDP also agreed to acquire Viesgo, a Spanish operator of power distribution grids and renewables in a deal financed through a €1 billion rights issue which was more than fully subscribed. The disposals combined with the equity raise brought EDP's leverage down to the lowest level in over a decade, setting a solid basis for the company's planned acceleration in renewables growth.

RWE was the largest contributor to NAV over the last 6 months – and consistently top 5 over the last 3 years – as the shares have re-rated from a deeply discounted valuation thanks to a substantial simplification of the company's portfolio and its radical transformation into a global renewables major. Its €2 billion capital increase this summer, to allow the group to accelerate its expansion in wind and solar projects, was heavily oversubscribed. Enel, majority owner of Endesa, has been comparably impactful on the NAV; Enel has been a pioneer in renewables for decades (in Europe as much as in North and Latin America), and this year moved to dramatically accelerate its exit from coal which should be phased out before 2030, well ahead of the schedule set out only a year ago.

On the other side of the ledger, US waste management and waste-to-energy company Covanta and environmental services companies Veolia and Suez did not perform well as industrial volumes came under real pressure. Covanta cut its dividend in April, citing uncertainties created by COVID-19 and slow growth prospects until UK plants come online at the end of 2022 and in 2023. We believe that Covanta is a structural beneficiary of the shift away from waste disposal to landfills and that it has the potential to become a larger player in the circular economy and material recycling. As the company undergoes a full strategic review (announced in October), we expect it to articulate its capital allocation and growth strategy more clearly, which should be well received by the market. The French government's suggestion that various French companies suspend or reduce their dividends placed additional strain on the share prices of Veolia and Suez, as well as Engie.

In North America, utility valuations fanned out; those with solid green credentials traded to higher relative valuations, while several others traditionally focused on fossil fuel assets began to reorganise their business mix to improve their sustainability profiles, in the hope of shedding their valuation discounts.

Transportation infrastructure businesses immediately felt the force of the economic and traffic downturn as a natural consequence of the lockdowns and their subsequent recovery was patchy. In general, road operators fared better than airports. ENAV, which manages Italy's air traffic services, and Beijing Capital International Airport, both small holdings, together negatively impacted the NAV by c. 1.0% during the year due to the substantial decline in their share prices which only began to revert in November as a result of encouraging results from coronavirus vaccine trials.

### Purchases and sales

As flagged in our monthly reports, there were good opportunities to establish new holdings in April and May, especially in North American utilities which had lagged their global peers' recoveries from the March lows in markets, and add to infrastructure names which had underperformed even pre-lockdowns and were looking set to exceed bearish expectations for traffic.

We established a position in Edison International, an electric utility based in Southern California which is exiting a period of significant underperformance related to uncertainty surrounding its liabilities for wildfire damages in 2017 and 2018. Despite the particularly severe wildfire season in 2020, new legislation introduced last year to immunise utilities' balance sheets from wildfire risks implies no financial impact for Edison this year. California is committed to carbon neutrality by 2045 and Southern California Edison, Edison's largest subsidiary, has committed to decarbonising 100% of retail sales, electrifying transportation and buildings, and migrating to low-carbon fuels for anything that cannot migrate to electricity. Accordingly, the company has a capital spending program for 2020-2023 of c. \$20 billion for distribution and transmission infrastructure mostly, and generation and wildfire mitigation-related spending.

Other new names in the portfolio include TransAlta Renewables, China Longyuan Power, Endesa and Brookfield Renewable. TransAlta Renewables operates in North America and Australia. The company has one of the largest wind power portfolios in North America, a strong balance sheet with sponsorship from its parent, and a highly contracted portfolio (weighted contract life of 11 years). China Longyuan Power is the largest generator of electricity from wind in China and Asia and its shares are undervalued based on our growth expectations for the company. Endesa's shares were added to the portfolio after they were caught up in the indiscriminate coronavirus-induced market sell-off in March and were a strong performance contributor during the second half of the financial year. Brookfield Renewable (discussed above) is a new 'top 10' name given its parent's acquisition of TerraForm Power; this new entity augmented an existing holding in Brookfield Renewable Energy so the portfolio's total exposure to the Brookfield Renewable share classes is currently approximately 4.6%. We also added to Ferrovia, Atlas Arteria and Spark Infrastructure on weakness and made a timely addition to SSE more recently.

At the height of the pandemic, we doubled our position in Drax whose share price had suffered a substantial setback due to the steep decline in power prices as lockdowns were enforced across Europe. We were confident that fundamentals would recover (they did; by the end of September the share price had increased by about 70%) and continue to like the fundamentals, particularly its gearing to higher carbon prices in Europe. The price of carbon dipped briefly to €16/ton in March but was €27/ton again by the end of September, hovering near its all-time highs given increasingly ambitious EU emissions policies and notwithstanding the economic slump.

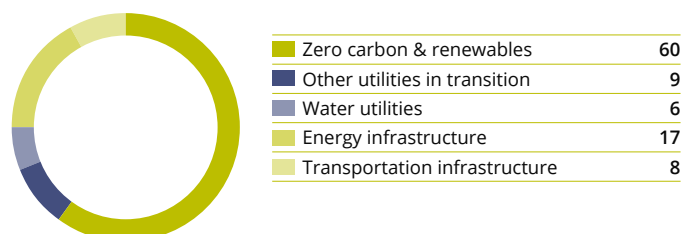
The only meaningful reductions since 31 March were to large holdings in two companies we have long favoured, EDP and NextEra Energy Partners, the yieldco partially owned by NextEra Energy. Both had been very strong performers and were easy places to crystallise profits which we reallocated to positions more significantly affected by the pandemic. In the same period, we also completed the sales of Neoen and Calisen.

### Portfolio themes

Increasingly we are asked about the Company's exposure to renewables and fossil fuels. We have an easy time pointing to, for example, Enel's business transformation away from coal-fired generation and NextEra Energy's renewables credentials. The portfolio has exposure to natural gas too, which remains a major fuel for electricity, and to gas transmission via Williams, Spark Infrastructure and APA Group.

Formal sub-sectors, based on Global Industry Classification Standards ("GICS"), categorise about 23% of the Company's holdings as Renewables, but the portfolio's actual exposure to renewables is much larger once the assets within the big names categorised as Integrated Utilities (the majority of the large Continentals such as EDP, RWE, Iberdrola, Engie) or Regulated Utilities (Algonquin) or Other (Drax) are considered. Renewables-related growth is the backbone of our investment thesis and if we categorise the holdings according to themes – based on current generation profiles and 'direction of travel' too – the portfolio profile is as follows:

### % of investments by Ecofin themes



The portfolio screens well in terms of carbon emissions, i.e. tonnes of CO<sub>2</sub> emitted per megawatt hour of electricity generation. As at 30 September, the portfolio's electricity generators had CO<sub>2</sub> emissions which were 18% below the average emissions of the electricity grid in which the companies operate, largely because of a relatively small reliance on coal (12% of the mix), and 27% lower than those of companies in the global utilities index. EGL's companies screen even better on a forward-looking basis.

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# Investment Manager's Report

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## Gearing and yield

The level of gearing averaged 10% during the year. Borrowings equivalent to 6-8% of NAV were maintained until there was a step-change in May 2020. By then, we had assessed the impact of announced or likely dividend suspensions due to lockdowns and other restrictions, modestly reshaped the portfolio in view of the severity of many share price moves, and our confidence in the resilience of earnings and dividends had been reinforced by our research and communications with companies. From early summer until the end of the financial year, gearing was maintained at 14-15% of NAV. The added gearing was modestly helpful to the revenue account but the motivation for the additional exposure lay principally with conviction for capital appreciation potential. The portfolio yield was 4.9% as at 30 September, 2020.

## Income from investments

We began the financial year expecting 5-7% growth in dividends (year-over-year) from portfolio holdings. This appeared conservative until COVID-19 caused the suspension or cancellation of dividends from a handful of companies in the portfolio, specifically those highly exposed to industrial contracts (e.g., environmental services) and for transportation infrastructure groups (roads and airports). Political intervention to suppress dividends in certain sectors, including where the state is a shareholder, also became a factor in France where EDF's and Engie's dividends for 2019 (due to be paid in 2020) were cancelled.

In the event, income declined by 7.6%, in line with the forecasts we presented to the Board in May. We anticipate a strong rebound in dividend receipts in the current fiscal year – in the order of 10% year-over-year – given the resilience in demand for the majority of the portfolio's essential services, the call for renewable energy even while the pandemic weighs on global energy needs, momentum in cash flow for portfolio holdings and their balance sheet health.

## Outlook

There is little dispute that investment in infrastructure must increase substantially in order to achieve commitments consistent with the Paris Agreement, SDGs, and national and corporate responsibility and climate policies. In Europe, which wants to reach carbon-neutrality by 2050, national energy plans require total investments of €825 billion over the next decade alone according to Goldman Sachs. Myriad initiatives are pulling in the same direction to drive greenhouse gas emissions lower, adopt cleaner and renewable energy sources, and promote more efficient use of those resources. Companies at the sharp end of innovation and strategies that will enable sustainability goals to be accomplished are growing and we expect their shares to be rewarding.

While there may be a pandemic-related pause in infrastructure investment recorded for 2020, the growth trajectory for global investment in clean power and efficiency measures appears secure; cleaner energies should, we believe, continue to capture a greater share of overall energy related investments – due to pure economics and political priorities. Utilities are the specialists, developers, owners and leaders in low carbon energy. It is interesting to note that oil majors BP, Royal Dutch Shell and Total recently pledged to begin spending ambitiously to develop cleaner fuels, potentially eyeing utilities' existing renewables assets and backlogs as an effective way to make quick inroads.

We think that the Company's portfolio, and the sectors it is exposed to, can deliver solid growth in a variety of economic and market environments. The portfolio's companies are proving their resilience and continuing to develop pipelines of development opportunities, thereby providing visibility on cash flow growth over the foreseeable future. Furthermore, valuations in our sectors still largely reflect historical norms rather than the substantial growth we envisage given the course of policy and corporate capital allocation plans.

**Ecofin Advisors Limited**  
Investment Manager

14 December, 2020



# Ten Largest Holdings

as at 30 September, 2020

## NextEra Energy

Largest producer globally of wind and solar energy

### 5.7%<sup>1</sup>

(30 September, 2019: 5.8%<sup>1</sup>)

NextEra Energy is renowned for its sustainability credentials, the \$90 billion invested in clean energy infrastructure over the last decade, and operational excellence. Its principal subsidiaries are Florida Power & Light, a rate-regulated electric utility and NextEra Energy Resources which, with its affiliated entities, is the largest generator of energy from wind and sun in the world. NextEra Energy also develops and builds battery storage projects and is involved in pipeline infrastructure development and management. In its recent results presentation, the company announced a pilot investment in hydrogen which it sees as a promising emerging renewable energy technology; it will test the use of hydrogen at one of its newest, most fuel-efficient generating plants in hopes of replacing a portion of the natural gas consumed with emissions-free hydrogen. NextEra Energy also reconfirmed its capital expenditure budget of \$12-14 billion per year through 2022, in view of its pipeline of development opportunities, shoring up growth prospects.

[www.nexteraenergy.com](http://www.nexteraenergy.com)

## Enel

Italian multinational renewable energy operator

### 5.1%

(30 September, 2019: 4.4%)

Enel was privatised in 1999 (with the Italian government retaining a 25.5% share) and remains Italy's largest producer, distributor and supplier of power. Since the early 2000s, the company has pioneered the development of renewable energy technology, with a focus on wind and solar. With the acquisition of Endesa in 2007, Enel entered the Spanish market as the largest utility in the Iberian Peninsula and gained significant exposure to Latin American markets which today constitute an important region for growth. Enel is the world's largest renewable energy operator (circa 50GW of capacity) and its largest electricity network operator. Approximately 75% of Enel's EBITDA is regulated or quasi-regulated, with a focus on renewables, network infrastructure and customer services. While it continues to operate thermal power plants, all remaining coal exposure is expected to be phased out by 2030 and Enel should become carbon neutral by 2050. Enel has re-confirmed its power infrastructure investment program targeting renewables capacity and networks.

[www.enel.com](http://www.enel.com)

## RWE

German energy supplier in transition

### 4.6%

(30 September, 2019: 3.7%)

RWE, Germany's largest electricity producer, has through a recent acquisition dramatically reshaped its portfolio to become one of the world's largest renewable energy producers and the second largest player in offshore wind. Following completion of the deal in late 2019, RWE committed to a renewables-focused growth strategy in March, leveraging its existing portfolio of nearly 10GW as well as its pipeline of circa 22GW. Only months later, RWE expanded its pipeline through the acquisition of an additional 3GW in early-stage projects and raised €2 billion in new equity to further accelerate its growth in renewables. Meanwhile, the company was able to strike a deal with the German government over the phase-out of its legacy fleet of coal power plants which grants RWE €2.6 billion in compensation, enough to offset most of the associated costs and liabilities. Like its peers and given power production is critical infrastructure, RWE has implemented contingency and pandemic plans to protect employees, maintain power production and contribute to security of supply.

[www.group.rwe](http://www.group.rwe)

## Iberdrola

Spanish multi-national electric utility

### 4.5%

(30 September, 2019: 4.8%)

Iberdrola, the world's largest producer of wind power, is an integrated utility operating across generation, distribution and commercialisation of electricity in the Eurozone, the US, UK, Mexico and Brazil. In Europe, Iberdrola is the second largest generator in Spain (its home market) with a portfolio largely focused on zero carbon fuels such as wind, hydro and nuclear. In the UK, Iberdrola owns Scottish Power, one of the country's largest players in offshore wind and the operator of electricity transmission and distribution networks for the southern half of Scotland. In the US, Iberdrola holds an 81% stake in Avangrid, making it the third largest wind energy producer in the US and a distributor of electricity and gas in several north eastern states. Its Brazilian operation, Neoenergia, provides electricity to over 34 million people from generation 85% derived from clean energies. Iberdrola's strategy is overwhelmingly focused on growing renewable generation across offshore and onshore wind as well as solar PV, and the company recently undertook acquisitions in France, Australia and Japan to increase its global footprint.

[www.iberdrola.com](http://www.iberdrola.com)

## Brookfield Renewable Corporation

Global leader in hydroelectric power

### 3.9%<sup>2</sup>

(30 September, 2019: nil)

Brookfield Renewable is a Canadian company which operates a very large and globally diversified portfolio of renewable power assets. The portfolio has approximately 19.3GW of capacity in North America, South America, Europe and Asia, 64% of which is hydroelectric power with the remaining capacity spread across wind, solar, distributed generation and storage facilities. Brookfield Renewable, part-owned by Brookfield Asset Management, has grown rapidly via acquisition of renewable energy assets and development projects and has an enviable strong track record for cash flow generation. The company is completing one of its largest transactions following the recent acquisition of the outstanding shares of TerraForm Power. It is also in the process of adding one of the world's largest solar development projects, based in Brazil, to its portfolio. Brookfield Renewable's 15GW development pipeline and its history of operational success point to accelerating growth and strong returns.

[www.bep.brookfield.com](http://www.bep.brookfield.com)

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# Ten Largest Holdings

as at 30 September, 2020

continued

## Energias de Portugal (EDP)

Leading renewables player globally

### 3.7%

(30 September, 2019: 4.1%)

EDP, Portugal's largest utility and one of the largest wind power developers in the world, operates in 16 countries and 66% of its energy is produced from renewable resources. EDP was an early mover into renewable energies and since 2006 has invested over €20 billion in renewables, of which 75% has been in onshore wind and 40% in the US, through its listed renewables subsidiary EDPR. As a fully integrated utility, EDP is also heavily involved in distribution and transmission networks in Europe and Brazil where it owns the majority of Energias do Brasil. Since 2019, EDP has been undergoing a strategic restructuring involving the disposal of higher risk, merchant assets and a rotation of mature renewables assets, in favour of new renewables and regulated networks. Disposals have allowed EDP to increase investments in renewables and complete an acquisition to augment its regulated asset base in Iberia, while reducing leverage. EDP will further accelerate investments in renewables with a growing focus on offshore wind and solar PV to diversify its large portfolio of onshore wind assets. EDP expects that 90% of its electricity will be generated from renewable sources by 2030 and has been widely recognised for its sustainability and social responsibility credentials.

[www.edp.com](http://www.edp.com)

## Engie

French multi-national electric utility

### 3.4%

(30 September, 2019: 3.8%)

Engie, France's largest gas utility, has gradually and increasingly committed to play a leading role in the energy transition. Since 2015, a large asset disposal program has accompanied the cessation of investment in coal plants and exploration for fossil fuels, and investments have been directed almost exclusively toward renewable energies and energy efficiency services. Engie is the second largest generator of electricity in France (behind EDF), the fifth largest in Europe and the largest non-state-owned generator in Brazil. It has a diversified energy mix (natural gas, renewables, nuclear, biogas) driving its power generation worldwide; it is also a European leader in gas infrastructure and aims to become a global leader in clean energy solutions for multi-nationals and local authorities worldwide. Further to COVID-19 and direction from the French government, Engie cancelled its 2019 dividend and withdrew guidance given business uncertainties.

[www.engie.com](http://www.engie.com)

## SSE

UK electricity generation, distribution and supply

### 3.4%

(30 September, 2019: 4.0%)

SSE's business is focused on the generation and supply of (largely renewable) electricity in the UK and Ireland. The company also owns and operates the electricity transmission and distribution networks in northern Scotland and holds a 33% stake in UK gas distributor Scottish Gas Networks. Already the UK's leading renewable electricity generator with a portfolio of c. 4GW, by 2030 SSE intends to further reduce its carbon footprint by 50% (versus 2018 levels) by leveraging a 9GW pipeline of development opportunities which could more than treble the size of its renewables portfolio. SSE's electricity networks in northern Scotland are also set to be among the fastest growing in Europe, as the UK pursues an ambitious offshore wind policy to reach 40GW of capacity by 2030 (versus 10GW installed today). SSE's commitment to real dividend growth remains at the core of its financial targets.

[www.sse.com](http://www.sse.com)

## National Grid

Power and gas transmission and US power supply

### 3.3%

(30 September, 2019: 3.1%)

National Grid is a UK-based multinational whose principal activity is the transmission and distribution of energy in the UK and the US. The company owns and operates the high voltage electricity transmission network in England and Wales as well as the gas transmission infrastructure for the whole of Great Britain. National Grid also owns and operates four of the eight regional gas distribution networks in the UK. In the US, National Grid supplies energy to more than 20 million people in five states in the Northeast, and owns and operates gas distribution networks in New York, Massachusetts and Rhode Island. A majority of National Grid's capex will be devoted to its US networks and facilities given the growth in renewable generation and the requirement to upgrade network reliability, underpinning the company's asset and dividend growth.

[www.nationalgrid.com](http://www.nationalgrid.com)

## Exelon

Diversified clean energy generator and supplier

### 3.0%

(30 September, 2019: 3.6%)

As the owner of nearly 19,000 MW of zero-carbon generation capacity at 23 nuclear units Exelon has the cleanest generation fleet of the largest 20 investor-owned power producers in the US and produces 11.1% of US zero-carbon electricity supply. Exelon's six utilities serve 10 million electric and gas customers in 48 states and the company is involved in every part of the energy value chain: power generation (predominantly nuclear and natural gas but also hydro, wind and solar), competitive energy sales, as well as rate-regulated transmission and distribution networks. Its subsidiaries are involved in grid modernization projects and the electrification of transportation to uphold states' commitments to reduce emissions in line with the Paris Climate Accord. Regulated utility earnings and the rate base are expected to grow by circa 7% annually from 2019-2023 and Exelon plans to invest \$26 billion through 2023 in resilience, reliability and infrastructure improvements. This should lead to attractive cash flow and dividend growth metrics.

[www.exelon.com](http://www.exelon.com)

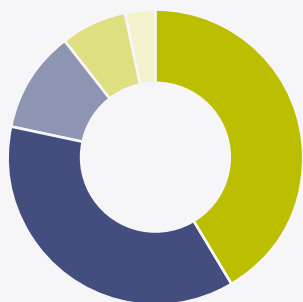
1. 7.3% including common stock and convertible preferred stock (30 September, 2019: 7.5%).

2. Includes Brookfield Renewable Corp. US\$ stock (3.5% of portfolio) plus Brookfield Renewable Corp. CDN\$ stock (0.4% of portfolio). Brookfield Renewable Partners (1.2% of the portfolio) is also held (30 September, 2019: nil).

# Portfolio Analysis

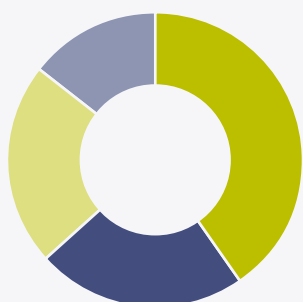
as at 30 September, 2020

## By country or region



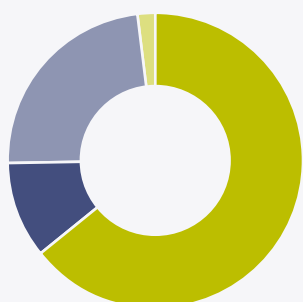
	30 September 2020		30 September 2019	
	Fair value £'000	% of investments	Fair value £'000	% of investments
North America	74,564	41.6	73,727	43.0
Continental Europe	65,887	36.8	66,891	39.0
UK	20,179	11.3	19,842	11.6
Other OECD	12,984	7.2	5,046	3.0
Total OECD	173,614	96.9	165,506	96.6
Emerging markets	5,539	3.1	5,792	3.4
<b>Total</b>	<b>179,153</b>	<b>100.0</b>	<b>171,298</b>	<b>100.0</b>

## By sector



	30 September 2020		30 September 2019	
	Fair value £'000	% of investments	Fair value £'000	% of investments
Integrated utilities	72,517	40.5	73,681	43.0
Renewables	40,948	22.9	39,957	23.3
Regulated utilities	40,219	22.4	36,270	21.2
Transportation	25,469	14.2	21,390	12.5
<b>Total</b>	<b>179,153</b>	<b>100.0</b>	<b>171,298</b>	<b>100.0</b>

## By market capitalisation



	30 September 2020		30 September 2019	
	Fair value £'000	% of investments	Fair value £'000	% of investments
More than £10,000 million	115,498	64.5	104,838	61.2
£5,000 to £10,000 million	18,667	10.4	18,681	10.9
£1,000 to £5,000 million	42,019	23.4	46,572	27.2
£200 to £1,000 million	2,969	1.7	1,207	0.7
<b>Total</b>	<b>179,153</b>	<b>100.0</b>	<b>171,298</b>	<b>100.0</b>

Fair values and sub-totals have been rounded to the nearest thousand.

# Portfolio Holdings

as at 30 September, 2020

Company	Country	Fair value £'000	% of investments
NextEra Energy	United States	10,177	5.7
Enel	Italy	9,124	5.1
RWE	Germany	8,204	4.6
Iberdrola	Spain	7,987	4.5
EDP-Energias De Portugal	Portugal	6,577	3.7
Brookfield Renewable Corp <sup>1</sup>	Canada	6,275	3.9
Engie	France	6,138	3.4
SSE	UK	6,138	3.4
National Grid	UK	5,960	3.3
Exelon	United States	5,407	3.0
<b>Top ten investments</b>		<b>71,987</b>	<b>40.6</b>
Spark Infrastructure Group	Australia	5,399	3.0
EDF	France	5,270	2.9
TransAlta Renewables	Canada	4,679	2.7
Edison International	United States	4,338	2.4
Atlas Arteria	Australia	4,186	2.3
Williams Cos	United States	4,177	2.3
Ferrovial	Spain	4,114	2.3
Evergy	United States	3,896	2.2
China Longyuan Power Group	China	3,819	2.1
Public Service Enterprise Group	United States	3,749	2.1
<b>Top twenty investments</b>		<b>115,614</b>	<b>64.9</b>
A2A	Italy	3,741	2.1
Redes Energeticas Nacionais	Portugal	3,720	2.1
Dominion Energy	United States	3,547	2.0
American Electric Power	United States	3,461	1.9
APA Group	Australia	3,400	1.9
Endesa	Spain	3,346	1.9
Drax Group	UK	3,287	1.8
Covanta Holding Corp	United States	2,969	1.7
Terna	Italy	2,948	1.6
NextEra Energy (4.872% Corporate Units)	United States	2,884	1.6
<b>Top thirty investments</b>		<b>148,917</b>	<b>83.5</b>
Other investments: 13		30,236	16.5
<b>Total number of investments: 43</b>		<b>179,153</b>	<b>100.0</b>

Fair values and sub-totals have been rounded to the nearest thousand.

1. Includes Brookfield Renewable Corp. US\$ stock (3.5% of portfolio) plus Brookfield Renewable Corp. CDN\$ stock (0.4% of portfolio).

# Directors

The Directors are all non-executive and, except for Martin Nègre, are independent. The Directors, apart from Max King and Susannah Nicklin, were appointed at admission on 26 September, 2016.

## David Simpson<sup>1</sup>

### Chairman

David Simpson, the Chairman of the Company, is a qualified solicitor and was a partner at KPMG for 15 years until 2013, culminating as global head of M&A. Before that he spent 15 years in investment banking, latterly at Barclays de Zoete Wedd Ltd. He is chairman of M&G Credit Income Investment Trust plc, a director of the British Geological Survey, and a director of ITC Limited, a major listed Indian company.

## Malcolm (Max) King<sup>1</sup>

### Chairman of the Remuneration Committee

Max King is a chartered accountant and has over 30 years' experience in fund management having worked at Finsbury Asset Management, J O Hambro Capital Management and Investec Asset Management. He is also a columnist for MoneyWeek magazine. Max is currently a non-executive director of Gore Street Energy Storage Fund plc and was previously a non-executive director of Henderson Opportunities Trust plc. He was appointed as a Director of the Company on 11 September, 2017.

## Iain McLaren<sup>1</sup>

### Chairman of the Audit Committee and Senior Independent Director

Iain McLaren is a chartered accountant and was a partner at KPMG for 27 years, including senior partner in Scotland from 1999 to 2004, retiring from the firm in 2008. He is a non-executive director of Wentworth Resources plc and Jadestone Energy Inc. and was previously a non-executive director of Asia Dragon Trust plc. He is a past president of the Institute of Chartered Accountants of Scotland.

## Martin Nègre

Martin Nègre was, until June 2001, the chief executive officer of Northumbrian Water plc, then a subsidiary of Suez Lyonnaise des Eaux, and Suez Lyonnaise's chief corporate representative in the UK. Prior to that, he was Suez Lyonnaise's international director in Paris and then its Asia-Pacific president in Hong Kong and Singapore. Before that, he spent 21 years with Alstom and GEC Alstom, the Anglo/French engineering company, where he was a senior executive and the chief executive officer of the power generation division. He is chairman of the Ecofin Vista Long/Short Fund, a fund managed by the Investment Manager, and a non-executive director of Northumbrian Water Limited and Messrs Hottinger & Cie, Paris. He was the chairman of EWPO until 31 March, 2005.

## Susannah Nicklin<sup>1</sup>

Susannah Nicklin is an experienced non-executive director and financial services professional with 25 years of experience in executive roles in investment banking, equity research and wealth management at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK. She has also worked in the impact investment sector, with Bridges Ventures and the Global Impact Investment Network. She holds the Chartered Financial Analyst qualification. Susannah is currently a non-executive director and senior independent director of Pantheon International plc and a non-executive director of Amati AIM VCT plc, Baronsmead Venture Trust plc, and The North American Income Trust plc. She was previously a non-executive director of Baronsmead VCT plc and City of London Investment Group plc. She was appointed as a Director of the Company on 9 September, 2020.

1. Audit Committee, Management Engagement Committee and Remuneration Committee Member.



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# Strategic Report

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The Directors present their Strategic Report for the Company for the financial year ended 30 September, 2020.

The Strategic Report contains a summary of the Company's business model, a statement of its objectives and investment policy, a review of performance and a description of the principal and emerging risks it faces. Please refer to the Chairman's Statement and the Investment Manager's Report for an analysis of the Company's performance during the financial year and a summary of its future prospects. Pages 2 to 19, together with the sections of this Annual Report and Accounts incorporated by reference, consist of a Strategic Report that has been prepared in accordance with Section 414A of the Companies Act 2006 (the "Act").

## Principal activity and purpose

The Company is an investment company and its principal activity and therefore its purpose is portfolio investment.

## Business model

The Company is an investment trust which allows it to be exempt from paying taxes on capital gains made from the sale of its investments. Investment trusts offer advantages for investors, including access to professional investment skills and opportunities that might not otherwise be available to them, and the ability to borrow money to enhance investment returns. The Company exploits the advantages of its closed-end structure by being fully invested and by borrowing against its assets. The Company employs gearing to enable it to earn a higher level of dividend income and to offer shareholders a geared return on their investment. The Company may borrow, to a limited extent, at floating rates of interest under a prime brokerage facility; these borrowings are variable and can be repaid at any time.

## Investment objectives and policy

The investment objectives of the Company are to achieve a high, secure dividend yield on its investment portfolio and to realise long-term growth in the capital value of the portfolio for the benefit of shareholders while taking care to preserve shareholders' capital. The Company's assets are primarily invested in the equity and equity-related securities of utility and infrastructure companies in developed countries, although up to 10% of the portfolio may be comprised of investments in debt securities and a significant portion of the portfolio may also be comprised of holdings in cash or cash-equivalents from time to time.

For the purposes of investment, utility companies are those involved in the generation, transmission and distribution of electricity including the production of electricity from renewable sources; the transport, storage and distribution of gas; the abstraction, treatment and supply of water and the treatment of waste water; and the provision of environmental services such as recycling and waste management. Infrastructure companies are those that own and operate assets which are essential to the functioning of developed economies and to economic development and growth, notably transportation-related assets such as roads, railways, ports and airports.

The portfolio is diversified with respect to geography and sub-sectors of the global utility and infrastructure investment universe. While the portfolio is comprised principally of investments in companies listed on recognised stock exchanges in the UK, Continental Europe, the US, Canada and other OECD countries, the Company may invest up to 10% of the portfolio, at the time of acquisition, in the securities of companies quoted on recognised stock exchanges in non-OECD countries. The total of the Company's investments in the US may amount to 60% of the portfolio and, with the approval of the Directors, that limit may be increased to 70%. The limit for each other country is 40% although it is highly unlikely that this limit will be reached.

Up to 15% of the portfolio may be comprised of investments in collective investment vehicles, including UK investment companies. The Company does not invest in any collective investment vehicles managed by the Investment Manager or its affiliates.

Other investment restrictions include:

- Single investments by the Company must not exceed 15% of the portfolio;
- No unquoted investments, save for bond or derivative instruments which are typically not listed;
- The Company will not invest in telecommunications companies nor in companies which own or operate social infrastructure assets funded by the public sector such as schools, hospitals or correctional facilities; and
- No early stage listed companies which involve significant technological or business risk.

These restrictions apply as at the time of investment. The Company would, therefore, not be required to effect changes to its investments owing to the appreciation or depreciation in the value of any investment. The size of the Company's holdings as shown in the Ten Largest Holdings, the Portfolio Analysis and the Portfolio Holdings on pages 7 to 10 and references to the size of positions in the Company's investment portfolio elsewhere in this Annual Report and Accounts are expressed in terms of total investments.

Any material change to the Company's investment policy would be subject to Financial Conduct Authority ("FCA") and shareholder approval.

### Diversification

The portfolio of investments is diversified by geographical region, sub-sector of the Company's investment universe, regulatory regime and company size. A description of the Company's Ten Largest Holdings and an analysis of its portfolio can be found on pages 7 to 10, respectively.

### Gearing

The maximum level of gearing utilised and the nature and term of any borrowings are the responsibility of the Directors. They have authorised the Investment Manager to utilise gearing of up to 25%. Gearing is the amount of the Company's borrowings less cash, divided by net assets attributable to shareholders. Cash includes the net amounts due from or owed to brokers. If the Company's gearing were to exceed 25% for any significant length of time, the Investment Manager would take action to reduce gearing by raising cash and repaying borrowings.

Borrowings provide a gearing effect on the NAV. When the Company is geared, a change in the value of the Company's investment portfolio will cause its NAV to change by a larger percentage amount.

The effect of gearing was slightly positive for shareholders during the year. Gearing averaged 10% of net assets over the course of the year, and it varied between approximately 5% and 17%. As at 9 December, 2020 the level of gearing was 14.3%. The effect of gearing on the performance of the NAV could be negative in a year when the value of the portfolio declines.

### Currency exposure and hedging policy

The Company's accounts are maintained in sterling but many of its investments are denominated and quoted in currencies other than sterling. Although the Company does not pursue a policy of hedging such investments back into sterling, it may do so from time to time, depending on market conditions. The Company's exposure to fluctuations in exchange rates is, to some extent, mitigated by any borrowings in currencies other than sterling. During the financial year ended 30 September, 2020 the portfolio was unhedged and, as such, the changes in currency exposure during the year principally reflected portfolio changes.

Currency exposure was as follows:

% currency exposure	30 September 2020	30 September 2019
Sterling	11.4	2.9
US dollar	31.6	46.1
Euro	37.0	37.9
Canadian dollar	9.6	3.4
Other currencies	10.4	9.7

### Use of derivatives

The Company may make use of derivative instruments, such as options, financial futures and contracts for difference, for the management of risk within limits set by the Directors. It is the Company's policy that the total exposure to such derivative instruments (excluding such instruments entered into for cash management purposes or to hedge the currency profile of the portfolio) will not exceed 10% of the Company's investments. Total exposure is the sum of the investments comprising the Company's portfolio and, in the case of derivatives, the value of the underlying securities adjusted for volatility.

The Company's exposure to derivative instruments (excluding such instruments entered into for cash management purposes or to hedge the currency profile of the portfolio) was, at 30 September, 2020, and throughout the year, nil.

### NAV and dividends

The Company's NAV per share decreased by 6.4% during the financial year ended 30 September, 2020 and by 2.6% on a total return basis (which assumes the reinvestment of dividends paid). Over the year, the share price increased by 1.4% and the total return on a share, assuming reinvestment of dividends, was 5.6%. The Investment Manager's Report beginning on page 3 reviews developments in financial markets and the Company's portfolio during the financial year.

Shortly after admission, the Company applied successfully to court to cancel its share premium account in order to establish distributable reserves, thereby enabling the Company immediately to commence dividend distributions to shareholders. On an ongoing basis, these distributable reserves are available to augment the portfolio's yield.

During the financial year, the Directors paid quarterly dividends of:

Interim dividend	Financial year	Payment date	Dividend per share
Fourth	2019	29 November, 2019	1.60p
First	2020	28 February, 2020	1.65p
Second	2020	29 May, 2020	1.65p
Third	2020	28 August, 2020	1.65p

Based on the price of a share at the end of the financial year, the annualised yield on a share was 4.1%.

# Strategic Report

continued

## Key performance indicators

The Company's Directors meet regularly to review the performance of the Company and its shares. Key performance indicators ("KPIs") used to assess the Company's progress and its success in meeting its objectives are set out below. Please also refer to Alternative Performance Measures on page 63.

KPIs	As at or year ended 30 September 2020	As at or year ended 30 September 2019
Change in:		
NAV per share <sup>1</sup>	<b>-2.6%</b>	27.4%
Share price <sup>1</sup>	<b>5.6%</b>	32.3%
Discount to NAV at year-end	<b>3.3%</b>	10.7%
Average discount to NAV during the year	<b>2.6%</b>	12.3%
Revenue return per share	<b>4.97p</b>	5.48p
Dividends paid per share	<b>6.55p</b>	6.40p
Dividend yield	<b>4.1%</b>	4.1%
Dividend cover <sup>2</sup>	<b>75.9%</b>	85.6%
Ongoing charges	<b>1.48%</b>	1.68%

1. Total return, assuming reinvestment of dividends.

2. The dividend cover is the proportion of the dividends paid to shareholders which was covered by net revenues.

The performance of the Company's portfolio is not measured against an equity index benchmark. The Investment Manager's asset allocation process pays little attention to the country and regional compositions of the main global utilities index, and the global listed infrastructure indices which are typically dominated by utilities. The Directors, therefore, review portfolio performance against a number of equity market indices, including the MSCI World Utilities Index and the S&P Global Infrastructure Index which serve as reference points, and ratios to understand the impact of gearing, currencies, sub-sector performance, geographical allocations and stock selection decisions on the Company's overall investment performance. Stock selection is measured against relevant local and regional indices and monitored by the Board. The Directors also review the level of the share price premium/discount to NAV and the level and composition of ongoing charges incurred.

The net revenue return per share for the financial year was 4.97p, a 9.3% decline from the previous year due to the impact of COVID-19 on some companies' ability to pay their dividends as originally intended (please refer to the Investment Manager's Report for detail). Income declined by 7.6% year-over-year, and expenses charged to the Company's revenue account increased slightly during the year. The ongoing charges ratio declined to 1.48% (from 1.68% last year), due primarily to the reduction in the Investment Manager's fee in March 2019.

The ongoing charges figure is calculated in accordance with AIC recommended methodology using the charges for the current year and the average NAV during the year of £153,209,000.

## Principal and emerging risks associated with the Company

The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity, and believe the principal risks facing the Company are summarised below along with, where appropriate, the steps taken by the Board to monitor and mitigate such risks. The specific financial risks associated with foreign currencies, interest rates, market prices, liquidity, credit, valuations and the use of derivatives – which may or may not be material to the Company – are described in note 16 to the Financial Statements. The Board conducts this robust assessment by reviewing a detailed Risk Matrix on at least an annual basis. A full analysis of the Directors' review of internal control is set out in the Corporate Governance Statement on page 27.

### COVID-19

The emerging risk to affect the Company's activities during the year under review was the occurrence of the COVID-19 pandemic. The Board conducted additional diligence and met more frequently to assess the impact on the Company's operational and investment performance and income which is explained in more detail in the Chairman's Statement on page 2 and the Investment Manager's Report on page 3. The Investment Manager and the Company's other third-party service providers moved to remote working with little impact on the Company's operations. The Board is comfortable that the Company's third-party service providers' business continuity plans are sufficient to mitigate ongoing risks posed by COVID-19.

### Performance and market risk

The performance of the Company depends primarily on the investment strategy, asset allocation and stock selection decisions taken by the Investment Manager within the parameters and constraints imposed by the Company's investment policy. The investment policy guidelines can only be materially changed by proposing an ordinary resolution at a General Meeting for shareholders' approval. The Company invests in securities which are listed on recognised stock exchanges so it is regularly exposed to market risk and the value of the Company's portfolio can fluctuate, particularly over the short-term, in response to developments in financial markets. The Board has put in place limits on the Company's gearing, portfolio concentration, and the use of derivatives which it believes to be appropriate to ensure that the Company's investment portfolio is adequately diversified and to manage risk. The Board meets formally at least four times a year with the Investment Manager to review the Company's strategy and performance, the composition of the investment portfolio and the management of risk. The Board examines the sources of investment performance, which are described in attribution analyses prepared by the Investment Manager's Head of Risk for each Meeting, volatility measures, liquidity and currency exposure, and the Company's gearing. The Investment Manager's Head of Risk monitors and helps to manage portfolio risk.

### Income risk

The Company is committed to paying its shareholders regular quarterly dividends and to increasing the level of dividends paid over time. The dividends that the Company can pay depend on the income it receives on its investment portfolio, the extent of its distributable reserves and, to a lesser extent, its level of gearing and accounting policies. Cuts in dividend rates by portfolio companies, a change in the tax treatment of the dividends received by the Company, a significant reduction in the Company's level of gearing or a change to its accounting policies, under which 50% of the investment management fee is currently charged to capital, could adversely affect the net income available to pay dividends.

The Board monitors the net income forecast, including each component revenue and expense line item, prepared by the Administrator for quarterly Board meetings. These are discussed in some detail to assess the Investment Manager's level of confidence in the income growth profile of the portfolio and to mitigate any risk of revenue shortfall relative to expectations.

The Board applied successfully to cancel the Company's share premium account in November 2016 and the resulting special reserve is available, when the Board considers it appropriate, to augment the net income available to pay dividends to shareholders.

### Liquidity risk

While the Company invests principally in highly liquid securities listed on recognised stock exchanges in developed economies, it also invests to a limited extent in securities traded in emerging markets and in securities which are more thinly traded. As the Company is a closed-end investment company it does not run the risk of having to liquidate investments on unattractive terms to meet redemptions by investors although it is exposed to price risk; that is, that it will be unable to liquidate a position in a thinly traded security at the valuation at which it is carried in the Company's accounts. It is also exposed to a risk that its prime broker, Citigroup Global Markets Limited ("Citigroup"), which provides a flexible borrowing facility, could request that borrowings be repaid with three days' notice. The Board reviews the liquidity profile of the Company's portfolio on a regular basis. The Investment Manager's Head of Risk also keeps the liquidity risk profile of the Company's portfolio under close review. The liquidity analysis regularly shows that, if required, 98% of the portfolio could be liquidated within five business days assuming trades to accomplish this accounted for up to 30% of average daily trading volumes.

### Operational risks

In common with most other investment trusts, the Company has no executive directors, no executive management and no employees. The Company delegates key operational tasks to third-party service providers which are specialists in their fields: the management of the Company's investment portfolio to the Investment Manager, Ecofin Advisors Limited; the preparation and maintenance of the Company's Financial Statements and maintenance of its records to the Administrator and Company Secretary, BNP Paribas Securities Services S.C.A and BNP Paribas Secretarial Services Limited, respectively; the worldwide custody of the Company's assets to Citigroup and the safekeeping and oversight services to Citibank International Limited ("Citibank") as Depositary. The Board reviews the performance of these third-party service providers and their risk control procedures on a regular basis as well as the terms on which they provide services to the Company.

### Relationship with the Investment Manager

During the financial year, the Company's Investment Manager, Tortoise Advisors UK Limited, was renamed Ecofin Advisors Limited ("Ecofin UK"). Ecofin UK remains a separate entity that is regulated by the FCA and registered with the SEC, indirectly wholly owned by TortoiseEcofin Investments, LLC, (previously Tortoise Investments, LLC), a US-based firm which owns a family of investment management companies (collectively "TortoiseEcofin") (previously Tortoise). TortoiseEcofin provides support across a variety of functions and integrated teams across the firm allow for collaboration and synergies.

The Directors note the continuity of service from the existing team of investment professionals managing and involved with the Company's assets and continue to monitor the integration of the two businesses and the development of synergies, priorities and relations.

### Viability statement

The UK Financial Reporting Council ("FRC") maintains the UK's Corporate Governance Code (the "Code") to promote high quality corporate governance and reporting. Under the Code, the Directors are required to state that in their opinion the Company's resources are adequate for it to continue in business for at least twelve months from the date of the Financial Statements and, therefore, it is appropriate that the Financial Statements be prepared on a going concern basis. This statement appears on page 22 in the Directors' Report.

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In accordance with provision 31 of the 2018 Code, the Directors are also required to assess the prospects for the Company over a longer period than the twelve months referred to in the going concern guidance and statement. The Directors have elected to review the viability of the Company for a five year period up to the Annual General Meeting ("AGM") of the Company to be held in 2026 principally because they consider that any investment in the shares of the Company should be made on a medium to long-term basis.

In assessing the viability of the Company over this five year period, the Board has performed a robust assessment of controls over the principal risks. The Board considers, on an ongoing basis, each of the principal risks noted in the Strategic Report and set out in note 16 to the Financial Statements. The Board has evaluated scenarios of possible future circumstances, including a significant and prolonged fall in equity markets and a material increase in expenses, and considered the latest assessment of portfolio liquidity. The Board monitors income and expense projections for the Company, with most of the expenses being predictable and modest in comparison with the assets of the Company. A significant proportion of the Company's expenses are investment management fees based on the Company's NAV and these would naturally decline if the market value of the Company's investments were to fall. The Board has also taken into consideration the operational resilience of its service providers during the COVID-19 pandemic.

Based on the above, their assessment of the nature of the Company, its investment policy and financial resources, and with careful consideration given to the current market situation, the Board has concluded that there is a reasonable expectation that the Company will be able to continue to operate and meet its liabilities as they fall due over the next five years.

### **Additional risks**

In the opinion of the Directors, an investment in the shares of the Company entails a greater than average degree of risk, in the context of the investment trust industry, because the Company employs gearing, as explained on page 13. In addition to the risks borne by the Company described above, investors in the shares of the Company are exposed to risks due to the investment policy (described on page 12) of the Company. These are risks that cannot be mitigated without changing the investment policy, and one risk, the risk that the price of a share might trade at a substantial discount to its NAV, reflects the demand for the Company's shares in the secondary market.

### **Gearing and capital structure**

The Board has authorised the Investment Manager to utilise gearing, in the form of borrowings under the Company's prime brokerage facility, although the gearing is not structural in nature and can be reduced at any time. Whilst the use of gearing will enhance the NAV per share when the value of the Company's assets is rising, it will have the opposite effect when the underlying asset value is falling. In the event that the prime brokerage facility were to be renegotiated or terminated, the Company might not be able to finance its borrowings on as favourable terms.

### **Non-OECD or emerging markets**

The Company's policy on diversification, noted on page 13, permits the Investment Manager to invest up to 10% of its investments, measured at the time of acquisition, in the securities of companies incorporated in countries which are not members of the OECD – emerging markets – and quoted on stock exchanges in such countries. Investment in emerging markets may involve a higher degree of risk and expose the Company to, among other things, less well developed legal and corporate governance systems, a greater threat of unilateral government action with respect to regulation and taxation, and a higher risk of political, social and economic instability than an investment in developed, OECD markets. These risks are mitigated through diversification and fundamental analysis.

### **Foreign exchange risk**

As noted in the investment policy on page 12, the Company's Financial Statements are prepared in sterling and its shares are denominated in sterling. Many of the Company's investments, however, are denominated in currencies other than sterling and, as a result, the value of the Company's investment portfolio is exposed to fluctuations in exchange rates. Although the Company may hedge non-sterling exposure from time to time, it is not the Company's policy to try to minimise or eliminate foreign exchange risk as over the long-term this could restrict the investment returns potentially available to sterling-based investors in international securities. There is a risk for the NAV, therefore, if sterling appreciates significantly against foreign currencies.



### Political risk

The Board has considered the political uncertainties prevailing in the UK while the Brexit process evolves and the risks associated with potential changes to regulations, laws and/or taxes. The Board continues to believe that the Company's strategy of investing in an internationally diversified portfolio of companies is the correct model to achieve its investment objectives.

### Share price premium/discount to NAV

While some investors may view the opportunity to purchase a share of the Company at a discount to its NAV as attractive, the volatility of the price of a share and the premium/discount adds to the risks associated with an investment in the Company's shares. The Directors review the level of the premium/discount on a regular basis and will use their ability as granted by shareholders to address any sustained or significant discount or premium to NAV, as and when it is appropriate, through the repurchase or issuance of stock. The repurchase of stock will be subject to, but not limited to, market conditions and availability of cash resources.

### Environmental, social and governance ("ESG") policy

Your Board believes that analysis of ESG factors is an essential element of the investment management process and that companies exhibiting good ESG credentials are more likely to perform well over the longer-term. The Investment Manager's research process integrates traditional fundamental analysis and a study of ESG factors which it believes may affect stock valuations and shareholder value. Engagement and proxy voting are integral parts of active management and a case-by-case assessment is made for decisions relating to all proxies, corporate actions and events relating to portfolio holdings. We endorse the Investment Manager's active stewardship approach and are pleased that its parent company is a signatory of the PRI.

In the power sector, your Company's strategy is to invest predominantly in companies investing to achieve their own or government targets for emissions reductions and greener grids and eventually decarbonisation. The portfolio is oriented, therefore, toward clean generators and suppliers of electricity, and we fully expect that it will be at all times cleaner in terms of carbon emissions (tons of CO<sub>2</sub> emitted per megawatt hour of generation) than the overall power sector (as measured by the MSCI World Utilities Index). Please refer to page 21 for an outline of the Investment Manager's stewardship policy.

The Company is an investment trust with no executive directors or employees and no operating assets. Apart from the need for Directors to travel to Board meetings, the Company has no direct impact on the environment or on the communities in which it carries on its investment activities.

### Modern Slavery Act 2015

The Company does not fall within the scope of the Modern Slavery Act 2015 and the Directors consider the Company's suppliers, which are typically professional advisors, to be low risk. Accordingly, a slavery and human trafficking statement has not been included.

### The Board

The Board comprises five non-executive Directors, four men and one woman. In accordance with best practice, all Directors stand for re-election annually. As discussed in the Chairman's Statement on page 2, Martin Nègre has decided not to stand for re-election this year and will retire at the conclusion of the AGM. During the year the Board appointed Susannah Nicklin as a Director and had engaged Trust Associates to assist with this process. Trust Associates has no other connection with the Company. The Board is committed to ensuring that any vacancies arising are filled by the most qualified candidates and recognises the value of diversity in the composition of the Board.

### Future prospects

The outlook for the Company is described in the Chairman's Statement on page 2 and the Investment Manager's Report on page 6.

### Section 172 Statement

The Board is required to disclose how the Directors have discharged their duties and responsibilities under Section 172 (1) of the Companies Act 2006 (the "Section 172 Statement") during the year ended 30 September, 2020. This statement therefore describes how the Directors have promoted the success of the Company for the benefit of its members as a whole, having regard to the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

# Strategic Report

continued

The following table sets out the Company's key stakeholders and how the Company engages with each of them.

WHO?	WHY?	HOW?
Stakeholder group	Why it is important to engage?	How the Investment Manager and/or Directors engaged?
<b>Investors</b>	<p>To ensure clear communication of the Company's strategy and performance against its objectives to allow investors to make informed investment decisions.</p> <p>Such communication can also help the share price trade at a narrower discount or a wider premium to NAV which benefits shareholders.</p>	<ul style="list-style-type: none"> <li>• Annual/Interim Financial Reports</li> <li>• Monthly portfolio updates</li> <li>• Investment Manager's meetings with shareholders and potential investors and participation at investment conferences and on panels</li> <li>• Meetings with Marten &amp; Co which prepares and publishes research on the Company</li> <li>• Advertorials and marketing campaigns</li> <li>• AGM</li> <li>• RNS announcements to the London Stock Exchange</li> <li>• The Board receives feedback from shareholders and potential investors from its corporate broker and the Investment Manager</li> <li>• The Board is happy to meet shareholders when requested</li> </ul>
<b>Investment manager</b>	<p>To ensure the portfolio is managed in accordance with stated policy, to evaluate performance against KPIs, and to understand any risks or opportunities for the Company.</p>	<ul style="list-style-type: none"> <li>• The Chairman meets and communicates regularly with the Investment Manager</li> <li>• Representatives of the Investment Manager attend Board Meetings</li> </ul>
<b>Service providers</b>	<p>To keep all service providers updated with regards to the Company's strategy so that they can provide their services most effectively.</p>	<ul style="list-style-type: none"> <li>• The Investment Manager has annual service reviews with BNP Paribas Securities Services and Citigroup and is in regular contact with Stifel and Marten &amp; Co</li> <li>• The Company Secretary liaises with the Registrar on a regular basis</li> <li>• Each service provider submits copies of their annual audited internal controls reports to the Audit Committee</li> </ul>
<b>Investee companies</b>	<p>To support the Investment Manager's research-driven stock selection and commitment to strong stewardship.</p> <p>The Company's portfolio is actively managed and stock selection is based on fundamental research.</p>	<ul style="list-style-type: none"> <li>• The Investment Manager meets and engages regularly with investee companies and management teams of companies considered potential investments</li> <li>• The Investment Manager engages on all issues, including on ESG matters, and exercises its votes at all company meetings</li> </ul>
<b>Wider community and the environment</b>	<p>The Board is highly aware of the need to consider the impact of the Company and its investment strategy and policy on the wider community and environment.</p> <p>The Company's portfolio is invested predominantly in companies which are demonstrably committed to the energy transition and have fundamentally strong ESG characteristics.</p>	<ul style="list-style-type: none"> <li>• The Investment Manager considers ESG factors when making investment decisions (see the ESG policy on page 17) and takes these factors into account when voting at company meetings</li> <li>• The portfolio is oriented toward clean generators and suppliers of electricity and the investments required by these companies to accomplish targets for emissions reductions, greener grids and eventually decarbonisation</li> </ul>

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The key decisions taken by the Directors during the year under review are set out below.

### Strategy

The Chairman's Statement on page 2 and the Investment Manager's Report on pages 3 to 6 include details of the Company's strategy, portfolio activity and performance during the year under review. The Strategic Report on pages 12 to 19 also describes the investment strategy undertaken by the Investment Manager. Additional Meetings were held with the Investment Manager this year in order to assess the impact of COVID-19 on the Company's portfolio, income and operations.

These strategic decisions contribute to the long-term success of the Company and are communicated to investors so they may make personal investment decisions.

### Dividend

In accordance with the Dividend Policy approved by shareholders and explained on page 20, quarterly dividends were paid in November 2019 and February, May and August 2020.

Last year, the Board increased the quarterly dividend rate to 1.65p per share with effect from February 2020. In light of the market volatility caused by the COVID-19 pandemic, the Board carefully considered the dividend level and, following review of detailed income forecasts, decided to maintain the dividend at the current rate with an ambition to resume increasing the dividend and dividend cover when circumstances allow.

### Issue of Shares

Strong NAV performance and concerted efforts to raise appreciation of the Company's investment universe and strategy amongst a wider audience have had a beneficial effect on the rating of the Company's shares. The discount to NAV at which the shares traded since the Company's launch narrowed during the year and the shares have since April traded just below at a small premium to NAV. This has enabled the Company to start issuing new shares in response to demand. During the year ended 30 September, 2020, 3,141,176 shares were issued at a premium to NAV. The Board keeps the discount/premium management policy under careful review, in the interest of all shareholders. Increasing the size of the Company can benefit liquidity as well as spread costs.

### Board composition

The Board is attentive to the composition of the Board, its breadth of skills and its diversity and, following a detailed selection process, assisted by Trust Associates, the Board concluded a search for a new Director and Susannah Nicklin joined the Board with effect from 9 September, 2020. Susannah is an experienced non-executive director and financial services professional, having been in executive roles in investment banking, equity research and wealth management at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK. She has also worked in the impact sector with Bridges Ventures and the Global Impact Investment Network, and holds the Chartered Financial Analyst qualification.

On behalf of the Board

### BNP Paribas Secretarial Services Limited

Company Secretary

14 December, 2020

# Directors' Report

The Directors present their Annual Report and Accounts together with the audited Financial Statements of the Company for the year ended 30 September, 2020. The Directors serving during the year were Max King, Iain McLaren, Martin Nègre, Susannah Nicklin and David Simpson and their biographies are provided on page 11.

## Information disclosed in the Strategic Report

The following matters required to be disclosed in this Report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are covered in the Chairman's Statement, the Investment Manager's Report and the Strategic Report on pages 2 to 19: the Company's objectives, policies and financial risk management, the Company's exposure to risks and its prospects, as well as important events affecting the Company since the year-end.

## Status

The Company was incorporated in England and Wales as a public limited company and is domiciled in the UK. It is an investment company as defined by Section 833 of the Act and the Company's ordinary shares are listed on the London Stock Exchange.

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust in accordance with Section 1158 Corporation Tax Act 2010 ("CTA"). In the opinion of the Directors it continues to meet the eligibility criteria to qualify as an investment trust. As an investment trust, the Company is exempt from capital gains tax and, given the Company's current portfolio, its shares are eligible for inclusion in an Individual Savings Account.

## Results and dividends

The net assets of the Company attributable to ordinary shares as at 30 September, 2020 were £156,393,000 (30 September, 2019: £161,502,000). The results for the Company are reviewed in the Chairman's Statement on page 2 and the Investment Manager's Report on page 3 and set out in the Financial Statements on pages 40 to 55.

The net revenue (after taxation) of the Company which was available for dividend payments on ordinary shares for the year ended 30 September, 2020 amounted to £4,607,000 (30 September, 2019: £5,036,000). The Company is able to supplement the revenue account with reserves of distributable capital and it did so during the financial year.

## Dividend policy

The Board believes that a relatively high level of income from a global specialist equity fund should provide an appealing investment proposition for investors searching for yield at a time of low interest rates. The Company targets a dividend yield of 4 per cent. on net assets using gearing and, if necessary, reserves to augment the yield on the portfolio. The Company pays dividends to shareholders on a quarterly basis, payable on the last business day of February, May, August and November each year.

In accordance with best practice, the Board will be seeking shareholder approval of this dividend policy, and a resolution will be put to shareholders at the forthcoming AGM. In respect of the year ended 30 September, 2020, an interim dividend of 1.6p per ordinary share was paid on 29 November, 2019 and interim dividends of 1.65p per ordinary share were paid on 28 February, 2020, 29 May, 2020 and 28 August, 2020. Subsequent to the year-end, an interim dividend of 1.65p per ordinary share was paid on 29 November, 2020. The Directors are not proposing the payment of any final dividend for the year ended 30 September, 2020 (final dividend for the year ended 30 September, 2019: nil).

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Revenue reserves at beginning of year	–	–
Revenue available for dividends	4,607	5,036
Transfer from special reserve for dividends	1,458	844
Dividends paid	6,065	5,880

## Share capital

The issued share capital of the Company as at 30 September, 2020 comprised 95,013,423 (2019: 91,872,247) ordinary shares. At General Meetings of the Company, holders of ordinary shares are entitled to one vote per person on a show of hands and one vote per share on a poll. They are entitled to such dividends as the Directors may from time to time declare and to participate in the Company's capital growth. On a winding-up, after settling amounts due to creditors, ordinary shareholders are entitled to any remaining assets.

There are no restrictions on transfers of the ordinary shares nor special rights regarding control of the securities. Neither the Company nor the Directors are aware of any agreements or arrangements with or between shareholders which restrict the transfer of shares, or which would take effect, alter or terminate in the event of a change of control of the Company.

Following strong NAV performance and concerted efforts to raise appreciation of the Company's investment universe and strategy amongst a wider audience, the discount to NAV at which the shares traded since the Company's launch narrowed during the year and the shares have since April traded just below or at a small premium to NAV. As a result, the Company applied for a Block Listing Facility of 7,837,224 on 15 May, 2020 in order to satisfy investor demand for the Company's shares which could not be met through the secondary market. The Company issued 3,141,176 shares during the year ended 30 September, 2020, and a further 1,590,000 shares subsequent to the year-end and up to 9 December, 2020 at a premium to NAV.

### Management agreement

Ecofin UK provides discretionary fund management services to the Company under an Investment Management Agreement ("IMA") dated 6 July, 2016 and amended on 13 December, 2018. The IMA provides for an investment management fee equal to 1% per annum of the Company's net assets, calculated and payable quarterly in arrears. Details of the fees paid to Ecofin UK during the financial year are given in note 3 to the Financial Statements.

In accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board appointed Ecofin UK as the Company's Alternative Investment Fund Manager ("AIFM").

The AIFM Remuneration Code requires the AIFM to supply the following information in respect of the remuneration paid to relevant staff: For the Company's financial year, the total amount of remuneration paid by the AIFM, Ecofin UK, to its staff was £3,337,688 (2019: £2,421,618). This included £2,112,809 (2019: £1,948,526) in fixed remuneration and £1,224,879 (2019: £473,092) in variable remuneration to 21 (2019: 18) employees. The total remuneration of the seven members of staff of the AIFM who are fully or partly involved in the activities of the AIF, Ecofin Global Utilities and Infrastructure Trust plc, was £1,292,150 (2019: £1,043,436). The proportion of the total remuneration of the staff of the AIFM attributable to the AIF was 39% (2019: 43%). Ecofin UK's professional indemnity insurance policy complies with the enhanced requirements of AIFMD.

The Board has reviewed the performance of the Investment Manager and believes that its continued appointment is in the interests of the Company and shareholders. Such a review is carried out on an annual basis.

### Stewardship

Because of its industry knowledge and extensive company research, the Investment Manager has been granted discretion by the Directors to vote on the shares of investee companies. The Board reviews periodically the provisions of the FRC's Stewardship Code (September 2020) (the "Code") and it reviews on a regular basis the Investment Manager's principles relating to engagement with issuers and their management and proxy voting activities. The Investment Manager's guidelines for proxy voting state:

- Ecofin UK will generally vote in favour of routine proposals or management initiatives if its view of the management is favourable;
- Ecofin UK will generally vote against management if there is a clear conflict between a company's management and the interests of its shareholders; and
- Ecofin UK will generally vote in favour of a management change if it is deemed likely to increase shareholder value. In all cases, resolutions are evaluated on their individual merit and in consideration of the Company's investment objectives and policy.

Ecofin UK invests in a range of securities and jurisdictions. Where it invests on behalf of funds in single UK equities, this does not constitute a majority of its business. Ecofin UK takes a consistent approach to engagement with issuers and their management in all of the jurisdictions in which it invests and, therefore, does not consider it appropriate to commit to any particular voluntary code of practice.

### Administration, custody, depositary and company secretarial services agreements

BNP Paribas Securities Services S.C.A is appointed as Administrator and Company Secretarial services are delegated to BNP Paribas Secretarial Services Limited, effective from the admission of the Company's shares on 26 September, 2016. The Agreement between the Company and BNP Paribas Securities Services S.C.A may be terminated by either party at any time on six months' written notice. BNP Paribas Securities Services provided notice to the Company in October, 2020 in order to terminate Company Secretarial services. The Company is in the process of appointing a new provider for these services.



# Directors' Report

continued

The Company is required to appoint a depositary to provide safekeeping and oversight services, and the Board appointed Citibank Europe plc ("Citibank"). A Depositary Services Agreement between Citibank, Tortoise UK (which subsequently was renamed Ecofin UK) and the Company was signed on 14 September, 2016 and stipulates that Citibank will receive an annual fee of 3.75bps, charged on net assets, for Depositary services. The Depositary Services Agreement may be terminated by either party by giving at least 90 days' written notice and in other specified circumstances. Under the Depositary Services Agreement, Citibank, as Depositary, can be instructed to transfer the Company's assets in connection with the prime brokerage arrangement which is in place with Citigroup.

The Company has a prime brokerage facility with Citigroup Global Markets Limited ("Citigroup") and benefits from a flexible borrowing arrangement. Citigroup is also custodian of the Company's assets. As prime broker and custodian, Citigroup is remunerated principally by the rates of interest charged on the Company's borrowings. The interest rate on borrowings under the Prime Brokerage Agreement depends on the currency of the borrowing but is generally 50 basis points over the applicable LIBOR rate. The gearing is not structural in nature and borrowings can be repaid at any time. Citigroup also receives remuneration for stock borrowing and transaction fees on each trade settled. The Prime Brokerage Agreement may be terminated by either party by giving three business days' written notice.

## Substantial shareholdings

As at 30 September, 2020 and 30 November, 2020, the interests in the voting rights of the Company, as notified to the Company or ascertained by the Company in accordance with Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules, are shown in the following tables:

Registered shareholder	30 September 2020	
	Ordinary shares	% TVR <sup>1</sup>
Hargreaves Lansdown Asset Management	11,834,228	12.46
Charles Stanley	11,246,788	11.84
Interactive Investor Services	6,564,692	6.91
M&G Investment Management	5,283,612	5.56
Canaccord Genuity Wealth Management	4,595,400	4.84
Walker Crips Stockbrokers	4,566,831	4.81
AJ Bell Securities	4,219,389	4.44
JM Finn & Co	3,567,771	3.76
Dexia Credit Local de France	3,288,389	3.46

1. TVR = Total voting rights.

Registered shareholder	30 November 2020	
	Ordinary shares	% TVR <sup>1</sup>
Hargreaves Lansdown Asset Management	13,320,232	13.81
Charles Stanley	10,904,573	11.31
Interactive Investor Services	7,210,709	7.48
M&G Investment Management	5,283,612	5.48
Canaccord Genuity Wealth Management	4,912,425	5.09
Walker Crips Stockbrokers	4,566,331	4.73
AJ Bell Securities	4,430,097	4.59
JM Finn & Co	3,671,871	3.81

1. TVR = Total voting rights.

## Going concern

The Company has reviewed the guidance issued by the FRC in order to determine whether the going concern basis should be used in preparing the Financial Statements for the year ended 30 September, 2020. In doing so, the Directors have carefully reviewed the Company's financial resources, its investment policy and the risks associated with its business as an investment trust, including the impact of COVID-19 on the Company's operations. They have noted that the Company's assets are liquid securities traded on recognised stock exchanges and that its revenues substantially exceed its expenses which are largely fixed and are a small percentage of its net assets. The Directors have evaluated scenarios of possible future circumstances including a sharp and prolonged decline in equity markets and concluded that revenues should still amply exceed expenses. The Directors have also assessed the liquidity characteristics of the portfolio in view of the Company's borrowing facility and circumstances which could require repayment of funds at short notice.

The Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and believe that it is appropriate to adopt the going concern basis as set out in note 1 (a).

The Directors are also required to assess the prospects of the Company over a longer period than the outlook for the next twelve months on which the going concern assumption is based. This Viability Statement appears on page 15.

### Companies Act 2006 disclosure requirements

The rules concerning the appointment and replacement of Directors are contained in Sections 154 to 169 of the Act and the Company's Articles of Association. The rules concerning the amendment of the Articles are contained in Section 21 of the Act and provide that a special resolution be passed at a General Meeting of the Company. The rules concerning the power to issue or buy-back the Company's shares are contained in Sections 549 to 657 and Sections 690 to 708 of the Act, respectively, and within Articles 4 and 43, respectively, of the Company's Articles of Association.

No agreements exist to which the Company is a party that take effect, are altered or terminated upon a change of control of the Company following a takeover bid; and no agreements exist between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

### Greenhouse gas emissions

As an investment company, all of the Company's activities are outsourced to third-party service providers and, as such, the Company does not have greenhouse gas emissions to report from its operations and it does not have responsibility for any other emissions-producing entities under the Act (Strategic Report and Directors' Report) Regulations 2013. Further, for the same reason, the Company considers that it is a 'low energy user' under the Streamlined Energy & Carbon Reporting regulations and therefore a disclosure on energy and carbon emissions is not required. The Company has included a statement of how the Investment Manager considers ESG matters within the Strategic Report on page 17, and the Investment Manager' Report discusses the portfolio's carbon performance.

### Independent Auditor

The Company conducted an audit tender in December 2020 and decided to appoint BDO LLP as external Auditor for the year ending 30 September, 2021. The process is described in further detail in the Audit Committee Report on page 32. Therefore, in accordance with Section 489 of the Act, resolutions will be proposed at the forthcoming AGM to appoint BDO LLP as independent Auditor and to authorise the Directors to determine the Auditor's remuneration for the forthcoming year.

### Disclosure of information to Auditor

The Directors, as at the date of approval of this Annual Report and Accounts, confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### AGM

The next AGM of the Company will be held on Tuesday, 9 March, 2021. In light of the ongoing social distancing requirements and regional tier system implemented by the government to manage the impact of COVID-19, the Board has taken the decision to hold this year's AGM as a closed meeting. Accordingly, shareholders, their proxies and corporate representatives will not be permitted to attend the meeting and are instead encouraged to submit their votes by appointing the Chairman as their proxy. The health and safety of shareholders, attendees and the wider public is of the utmost importance and the Board has made this decision in order to protect public health and safety.

Given the AGM will be closed to shareholders, the Investment Manager intends to hold a webinar on Tuesday, 9 March, 2021 at 9.00am in order to provide an overview of the Company's performance for the year ended 30 September, 2020. Shareholders are invited to submit any questions they have in advance to the Company Secretary at [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com) by close of business on Friday, 5 March, 2021.

If you wish to attend the investor webinar, you should submit your name and e-mail address to [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com) by close of business on Friday, 5 March, 2021. An invitation will then be emailed to you. Please note that you will need an e-mail account and access to a computer in order to access the webinar.

Details of the business of the AGM are set out in the Notice of Meeting on pages 56 to 57, amongst which the Board is seeking shareholders' approval of the following resolutions as set out below.

#### Directors' authority to allot shares

Resolution 9, to be proposed as an ordinary resolution, will authorise the Directors to allot unissued shares up to a nominal amount of £316,711.41 for general purposes. This would allow the issue of 31,671,141 ordinary shares, which would represent approximately one-third of the number of ordinary shares in issue as at 30 September, 2020.

If resolution 9 is passed, the authority shall continue in force until the earlier of the conclusion of the AGM of the Company in 2022 or 9 June, 2022.

#### Disapplication of pre-emption rights

Resolution 10, being proposed as a special resolution, will empower the Directors to allot equity securities for cash, otherwise than to existing shareholders, on a pro rata basis or in accordance with their rights (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of ordinary shareholders and (if applicable) holders of other relevant securities of the Company in proportion to their shareholdings (subject to certain exclusions), and (iii) (other than pursuant to (i) and (ii)) up to an aggregate nominal amount of £95,013.42, which would represent approximately 10% of the Company's issued ordinary share capital as at 30 September, 2020.

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# Directors' Report

continued

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This will provide flexibility to increase the assets of the Company by the issue of new shares for cash should favourable opportunities arise. Any issue of shares would be at prices which are not less than the NAV attributable to those shares at the time of issue.

Under the Act, the Company may hold shares which it buys-back into treasury and then sell or transfer them at a later date rather than cancelling them. The Act requires such sales and transfers to be on a pre-emptive, pro rata basis to existing shareholders, unless shareholders agree by special resolution to dis-apply such pre-emption rights.

Accordingly, for the reason given above, in addition to giving the Directors power to allot unissued shares on a non-pre-emptive basis, resolution 10 will, if passed, empower the Directors to sell or transfer any shares held in treasury on a non-pre-emptive basis, subject to the overall limit described above; also, the shares would not be transferred or sold at prices below the then prevailing NAV for those shares at the time of transfer or sale.

If granted, the authority will continue in force until the earlier of the conclusion of the AGM of the Company in 2022 or 9 June, 2022. At the date of this Report, the Company held no ordinary shares in treasury.

## Authority to purchase own shares

The Board recommends the renewal of the Company's existing authority to make market purchases of its shares. Resolution 11, to be proposed as a special resolution, will, if passed, authorise the Company to make market purchases of up to 14,242,512 ordinary shares, which would represent approximately 14.99% of the number of ordinary shares in issue (excluding treasury shares) as at 30 September, 2020.

At the date of this Annual Report and Accounts, the Company still had authority to buy-back up to 13,771,649 ordinary shares from the authority granted to it by shareholders on 6 March, 2020. Purchases of shares will be made within guidelines established from time to time by the Board, but the Board will only exercise the authority if, in its opinion, it would be in the interests of the Company generally to do so.

Under the UK Listing Rules, the maximum price which may be paid for shares purchased pursuant to the share buy-back authority must not be more than (a) 5% above the average of the market values of the relevant class of shares for the five business days before any purchase is made and (b) the higher of the price of the last independent trade and the then prevailing highest bid. Any shares so purchased may be cancelled or, if the Directors determine and subject to the provisions of the Act and any applicable regulations of the FCA, be held as treasury shares. Treasury shares are not entitled to voting rights nor any distributions either by way of dividend or on a winding-up.

The authority, if granted, will continue in force until the earlier of the conclusion of the AGM of the Company in 2022 or 9 June, 2022.

## Notice period for General Meetings

The Act, as amended by the Shareholders' Rights Regulations, increased the minimum notice required for General Meetings from 14 days to 21 days unless shareholders authorise shorter notice. Resolution 14 is proposed as a special resolution to grant the Company the flexibility to call General Meetings, other than AGMs, on not less than 14 clear days' notice. AGMs will continue to be held on at least 21 clear days' notice. The shorter notice period would not be used as a matter of routine as the Board recognises that shareholders should have ample time to consider proposals being put to them, and it would only convene a General Meeting on the shorter notice where the business of the Meeting was in the interests of shareholders generally and justified the Meeting being called on shorter notice. If granted, the approval will be effective until the Company's next AGM when a renewal of the authority will be sought. In order to be able to call a General Meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that Meeting.

## Recommendation

The Directors recommend that shareholders vote in favour of all resolutions being put to the AGM, as they themselves intend to do in respect of their own beneficial shareholdings.

## Corporate governance

Information on the corporate governance of the Company is given in the Corporate Governance Statement on pages 25 to 28 which forms part of this Directors' Report.

On behalf of the Board

## BNP Paribas Secretarial Services Limited

Company Secretary

14 December, 2020

# Corporate Governance Statement

## Chairman's introduction

Corporate governance is the process by which the Board looks after the interests of shareholders and seeks to enhance shareholder value. Shareholders delegate authority to the Directors (the "Board") to enable them to manage the Company, and hold the Directors responsible for the Company's performance. The Board is ultimately responsible for setting the Company's strategy, ensuring itself that this and its culture are aligned, and for monitoring and managing the risks to which the Company is exposed. Good governance means managing the Company's business well and engaging effectively with shareholders, and the Board is committed to doing so and to maintaining high standards of business integrity, transparency and financial reporting.

The Company's sole business is portfolio investment and in common with most investment trust companies it has no executive directors or management, no operating assets and no employees. The Company delegates the management of its day-to-day activities to third-parties which are specialists in their fields, the most important of which are the Investment Manager, the Administrator and Company Secretary, the Custodian of the Company's assets and the Depositary. As a result, much of the work of the Board is the monitoring and supervision of the services provided to the Company by these third-parties. The division of responsibilities among these independent third-party service providers is also a key element of the system of controls the Board uses to check and verify the information provided to it, to protect the Company's assets and to manage the risks to which the Company is exposed.

As an investment trust whose shares are listed on the London Stock Exchange, the Company has an obligation to comply with the Code issued by the FRC in September 2018. Listed investment trusts, however, differ in many respects from most other listed companies which are trading companies. The AIC has its own reporting guidelines, the AIC Code of Corporate Governance (the "AIC Code"), which the FRC recognises as an appropriate reporting regime for investment trust companies.

The Code is available from the FRC's website at [www.frc.org.uk](http://www.frc.org.uk). The AIC Code is available from the AIC's website at [www.theaic.co.uk](http://www.theaic.co.uk).

This statement of Corporate Governance forms part of the Directors' Report and explains how the Board complies with the Company's reporting requirements and how it performs its functions.

## Corporate governance compliance statement

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions of the Code published in 2018 that are relevant to the Company throughout the year under review except as summarised and explained below.

The Board believes that it has made the appropriate disclosures in this Annual Report and Accounts to ensure the Company meets its continuing reporting obligations. As noted above, however, as the Company has no executive directors, management or employees, not all the provisions of the Code are relevant to the Company. The requirement under the Code that a UK company must maintain an internal audit function, for example, is not relevant to the Company as its day-to-day operations are delegated to third-parties which have their own internal audit functions; the Audit Committee does, however, re-consider this requirement annually. The provision of the Code relating to the roles of the chairman and chief executive officer does not apply as the Company has no executive directors.

## The Board

The Directors collectively have a duty to promote the long-term success of the Company. The Board currently comprises five non-executive Directors, four of whom are deemed to be independent. Martin Nègre is not considered to be independent as he is chairman of the Ecofin Vista Long/Short Fund which is also managed by the Investment Manager. In accordance with best practice and AIC Code principles, the independence of the Members of the Board and its Chairman, David Simpson, has been considered as part of the Board evaluation process which is discussed on page 25 under Directors' appointments, retirement and rotation. The Board, except Martin Nègre, is independent of the Company's Investment Manager and the Chairman is deemed to be independent by his fellow independent Board Members. In compliance with the AIC Code, which recommends that directors should be submitted for re-election at regular intervals, the Directors submit themselves for re-election annually. The Directors' biographies are shown on page 11 and these summarise their respective business, financial and investment experience.

The Board meets ordinarily at least four times a year to review the Company's investments, performance and other matters of relevance. Between these Meetings, the Directors are in regular contact with the Investment Manager. The Board has a schedule of matters reserved for consideration which include decisions relating to investment policy and strategy, gearing, the repurchase of shares, the appointment of Directors, and the entering into of material contracts. In addition, changes to the Company's capital structure, circulars to shareholders and any significant changes in accounting policies require the prior approval of the Board. There is a clear division of responsibility between the Chairman, the Directors, the Investment Manager and the third-party service providers, and no one individual has unfettered powers of decision making. The Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of its role, promoting a culture of openness and debate by facilitating the effective contribution of Directors, and for ensuring the Directors receive accurate, timely and clear information. The Investment Manager and the Company Secretary liaise with the Chairman prior to each Meeting to agree the agenda content and papers to be submitted to the Board and Committee Meetings.

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# Corporate Governance Statement

continued

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All Directors have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary is a matter for the whole Board. Where necessary, in the furtherance of their duties, Directors may seek independent professional advice at the expense of the Company.

## Directors' appointment, retirement and rotation

The terms and conditions of the Directors' appointments are set out in formal Letters of Appointment, copies of which are available from the Registered Office of the Company during usual business hours on any weekday. Details of the interests of the Directors and their remuneration are given in the Directors' Remuneration Report on page 30 and related party disclosures are provided in note 19 on page 55.

The Company's Articles of Association require that Directors stand for election at the first AGM following their appointment and annually thereafter. Max King, Iain McLaren and David Simpson will, therefore, stand for re-election and Susannah Nicklin will stand for election at the forthcoming AGM. The Board has considered the position of each of these Directors as part of the evaluation process and believes it is in the Company's best interests for each of them to be proposed for re-election at the forthcoming AGM. They have each made a significant commitment of time to the Company and a material contribution to its governance while bringing unique skills and knowledge to the discussions and deliberations of the Board. As discussed in the Chairman's Statement on page 2, Martin Nègre has decided not to stand for re-election and will therefore retire at the conclusion of the AGM.

The proposal of Directors for re-election is reflected in the Notice of AGM on page 56.

## Performance evaluation

The Board formally reviews its performance and the performance of its Committees on an annual basis. The annual review took place following the end of the financial year and questionnaires were used to allow Directors to assess the performance of the Board, individual Directors and the Chairman and to make recommendations about how the effectiveness of the Board might be improved. The performance of the Chairman was reviewed by the other Directors and led by Iain McLaren. The results of the review were discussed among the Directors and it was agreed that the composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board, as a whole, and its Committees were functioning effectively.

## Conflicts of interest

The Board has approved a policy regarding Directors' conflicts of interest and a Register of Conflicts of Interest has been compiled and approved by the Board. The Directors have also undertaken to notify the Chairman and the Company Secretary as soon as they become aware of any new actual or potential conflict of interest that would need to be considered and approved by the disinterested Directors and added to the Register. The Register is reviewed annually by the Board. The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate.

## Professional development

The Company has a full, formal and tailored induction programme for new Directors covering all the Company's policies, practices and strategies. A new Director is provided with all necessary and relevant information about the Company, meets representatives of the Investment Manager and, where appropriate, the Company's other third-party service providers and is offered any training deemed necessary to fulfil their responsibilities and to familiarise them with all aspects of the business. Throughout their time in office, the Directors are continually updated on the Company's business, the regulatory environment in which it operates and other changes affecting the Company by its advisers through written briefings and at Board Meetings. In addition, the Chairman reviews the training and development needs of each Director annually, as part of the evaluation process outlined above.

## Directors' & Officers' liability insurance and indemnity provisions

It is the Company's policy to maintain Directors' and Officers' liability insurance at the Company's expense. This is due for renewal in September 2021.

It is also its policy to indemnify its Directors in respect of costs or other liabilities which they may incur in connection with any claims made against them relating to their performance as Directors or the performance of the Company. These indemnities would provide additional financial support in the event that the level of cover provided by the Directors' and Officers' liability insurance maintained by the Company were exhausted.

## Committees of the Board

In order to enable the Directors to discharge their duties, Board Committees, with written terms of reference, have operated throughout the year under review. The membership of each Committee is detailed on page 11. Attendance at the Meetings of the various Committees is restricted to Members and those expressly invited to attend. BNP Paribas Secretarial Services Limited acts as Company Secretary to each Committee.

Copies of the terms of reference of all Committees are available from the Company Secretary at the Registered Office of the Company and on the Investment Manager's website, [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl).

## Audit Committee

The Audit Committee comprises Iain McLaren as Chairman, Max King, Susannah Nicklin and David Simpson. It is the responsibility of the Audit Committee to ensure that the Company maintains the highest standards of integrity and financial reporting. As David Simpson is independent and provides significant input at Meetings of the Audit Committee, the Board considers it desirable for him to be a Member of that Committee notwithstanding Provision 29 of the AIC Code.

Further information on the Audit Committee is given in the Report of the Audit Committee on page 32.



### Management Engagement Committee

The independent Directors act as the Management Engagement Committee, under the Chairmanship of David Simpson, and review the performance of all third-party service providers, their terms of appointment and remuneration. The Committee meets annually.

### Nomination Committee

The Board as a whole fulfils the role of Nomination Committee. The Board is relatively small and comprises only non-executive Directors and therefore a separate committee is not considered necessary. New appointments to the Board reflect the existing balance and profile of the Directors and any areas that may benefit from the particular skills or experience of a new Board Member. The Board recognises the objectives of the Hampton-Alexander Review to improve the performance of corporate boards. Whilst the Board does not feel that it would be appropriate to set targets as all appointments are made on merit, when Board positions become available, the Company will ensure that a diverse group of candidates is considered.

### Remuneration Committee

In accordance with best practice and the AIC Code, the Board has established a Remuneration Committee which meets at least annually to consider Directors' remuneration in future years. The Directors' Remuneration Report, including the remuneration policy report, are set out on page 29.

A schedule of Directors' attendance at Board and Committee Meetings during the year ended 30 September, 2020 is shown below:

	Board	Audit Committee	Management Engagement Committee	Remuneration Committee
Number of scheduled Meetings	4	3	2	1
Attended by:				
Max King	4	3	2	1
Iain McLaren	4	3	2	1
Martin Nègre	4	n/a	n/a	n/a
Susannah Nicklin <sup>1</sup>	1	3	2	1
David Simpson	4	3	2	1

1. Susannah Nicklin was appointed as a Director with effect from 9 September, 2020.

In addition to the above, a number of ad hoc Meetings of the Directors were held during the year ended 30 September, 2020.

### Delegation of responsibilities

A key element of the system of controls adopted by the Board is the employment of third-parties to provide services to the Company, and the establishment of clearly defined responsibilities and reporting procedures both between the Board and those third-parties and amongst the third-parties themselves.

The Board has contractually delegated management of the Company's investment portfolio to the Investment Manager, Ecofin UK. The Investment Manager does not, however, have custody of the Company's assets as they are held by Citigroup as independent custodian and with whom the Company has a Prime Brokerage Agreement. The day-to-day accounting and administration of the Company are undertaken by BNP Paribas Securities Services S.C.A and company secretarial services are delegated to its wholly owned subsidiary, BNP Paribas Secretarial Services Limited.

The Investment Manager attends each Board Meeting, enabling the Board to assess the Investment Manager's performance and to review its investment strategy. Please refer to the section titled Performance and market risk on page 14 of the Strategic Report which outlines the reporting provided by the Investment Manager to the Board in advance of formal Meetings and on an ad hoc basis. The Board does not consider it necessary to obtain an independent appraisal of the Investment Manager's services.

### Internal controls

The Board confirms that there is an ongoing process for identifying, evaluating and managing those risks that are significant for the Company. A robust assessment of the principal financial and non-financial risks faced by the Company as summarised in the Strategic Report on page 14 and in note 16 to the Financial Statements has been carried out. This risk management process reflects the direction provided by the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, and which was in place during the year ended 30 September, 2020 and up to the date of signing of this Annual Report and Accounts. The Board has ultimate responsibility for the internal controls adopted by the Company and for reviewing their effectiveness.

The Investment Manager, the Prime Broker & Custodian and the Administrator each has its own system of internal controls and prepares reports on its systems which are available to the Board. At least annually, the Prime Broker & Custodian and the Administrator have their systems of internal controls formally reviewed by an independent external auditor and these reports on the effectiveness of their internal controls are provided to the Investment Manager which reviews them on behalf of the Board and makes them available to the Board as required. The Investment Manager is in regular contact with the Prime Broker & Custodian and Administrator and reviews their performance with the Board on a regular basis. The Company Secretary would also report any breaches of law and regulation if they arose.



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# Corporate Governance Statement

continued

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The system of controls the Board has adopted is designed to manage, rather than to eliminate, the risk that the Company will be unable to meet its business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. The Board monitored and reviewed the operation and effectiveness of the Company's system of internal controls and risk management during the year under review and assesses and manages the Company's key risks on an ongoing basis. The Audit Committee has established a framework to provide it and the Board with reasonable assurance as to the effectiveness of the internal controls operated by third-party service providers.

The Company does not have a whistleblowing policy in place. The Company delegates its main functions to the Investment Manager and third-party service providers who do have such policies in place and these policies have been reviewed by the Audit Committee during the year.

During the review of the system of internal controls, the Board has not identified or been advised of any significant failings or weaknesses.

## **Bribery and tax evasion prevention**

The provision of bribes of any nature to third-parties, in order to gain a commercial advantage, and tax evasion are prohibited by law and are criminal offences. The Board has zero tolerance for bribery and is dedicated to ensuring the Company's business is conducted in a fair, honest and open manner. The Company has adopted an anti-bribery policy and the Company's service providers also have anti-bribery policies in place. Further, the Board has zero tolerance for tax evasion and is committed to compliance with anti-tax evasion legislation including, but not limited to, the Criminal Finances Act 2017.

## **Communication with shareholders**

The Board aims to ensure that shareholders are kept informed of developments in the Company's business through its published Interim and Annual Report and Accounts. This information is supplemented by the publication of monthly newsletters which are announced to the London Stock Exchange and are available on the Investment Manager's website.

Communication with shareholders is given a high priority by the Board and on its behalf the Investment Manager maintains regular contact with shareholders and prospective investors and makes the Board fully aware of their views. The Chairman and Directors make themselves available as required to support these discussions and to address shareholders' queries.

The Board supports the principle that, in usual circumstances, the AGM be used to communicate with investors, and all shareholders are encouraged to attend and vote at the Meeting. Directors are available at the AGM to discuss issues affecting the Company. It is the intention of the Board that the Annual Report and Accounts for the year ended 30 September, 2020 and the Notice of AGM be issued to shareholders so as to provide at least twenty working days' notice. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary by email to [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com). Shareholders should be aware that the AGM to be held on Tuesday, 9 March, 2021 will be held as a closed meeting due to the impact of COVID-19. Further details are available on page 23 of this Report.

A summary of all proxy voting on all resolutions will be made available on the Investment Manager's website following the Meeting.

## **FCA Disclosure Guidance and Transparency Rules**

Other information required to be disclosed pursuant to the FCA Disclosure Guidance and Transparency Rules can be found in the Directors' Report on page 20 and the Directors' Remuneration Report on page 29.

For and on behalf of the Board

**David Simpson**  
Chairman

14 December, 2020

# Directors' Remuneration Report

## Introduction

The Board presents the Directors' Remuneration Report (the "Remuneration Report") for the year ended 30 September, 2020 which has been prepared in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations"), as amended, by the Act and the relevant UK Listing Rules.

The Remuneration Report includes a remuneration policy report which must be approved by a binding shareholder vote at least every three years, or less if the Company wishes to change its remuneration policy. The remuneration policy report, which was approved by shareholders on 5 March, 2019 at the Company's AGM, is set out below under "Remuneration policy report" and includes the table entitled "Component parts of the Directors' remuneration".

This Remuneration Report also includes an annual report on remuneration implementation which is put to an advisory shareholder vote annually.

The Company's Auditor is required to report on certain information within this Remuneration Report. Where information set out below has been audited, it is indicated as such. The Auditor's opinion is included within the Independent Auditor's Report on page 35.

## Remuneration policy report (unaudited)

In accordance with best practice and the AIC Code of Corporate Governance, the Board has established a separate Remuneration Committee which will meet at least annually to consider remuneration of Directors in future years. The Remuneration Committee will operate within clearly defined terms of reference, which will be reviewed annually, and is chaired by Max King with the other Members of the Committee comprising the other independent non-executive Directors, being Iain McLaren, Susannah Nicklin and David Simpson.

The maximum aggregate remuneration of the Company's Directors is set out in the Company's Articles of Association and currently amounts to £200,000 per annum. Subject to this limit, the Remuneration Committee takes a number of factors into consideration when reviewing the level of Directors' fees. These include the time spent on the Company's affairs, the responsibilities borne by the Directors and the rate of inflation since any previous increase in Directors' pay. The Company's policy is that fees payable to Directors should be sufficient to motivate and retain candidates of a high calibre to deliver the Company's strategy. The Remuneration Committee also takes into account the level of Directors' pay at other investment trusts of similar size which invest globally, as the Company does, in order to be able to attract new Directors with appropriate experience and knowledge. The Remuneration Committee has not used remuneration advisors during the year under review.

It is the Company's policy that no Director shall be entitled to any benefits in kind, performance-related pay, share options, medical or life assurance, pensions or other retirement benefits. No Director has a service contract with the Company or is entitled to compensation for loss of office. The Company does, however, reimburse any reasonable travel or similar expenses incurred by Directors in connection with the performance of their duties as Directors. The terms and conditions of appointment of the Directors are set out in a Letter of Appointment and these are available for inspection at the Registered Office of the Company during normal business hours. A Director may resign by providing notice in writing to the Board at any time; there is no fixed notice period.

The Chairman's and non-executive Directors' remuneration is fixed at annual rates, and there are no other scenarios where remuneration would vary. Please also refer to "Directors' appointment, retirement and rotation" on page 26 in the Corporate Governance Statement.

## Component parts of the Directors' remuneration

	Year ended 30 September 2020	Year ended 30 September 2019
Chairman of the Board	<b>£33,000</b>	£31,500
Chairman of the Audit Committee	<b>£28,000</b>	£27,000
Non-executive Director	<b>£25,000</b>	£24,300

1. The Company's policy is for the Chairman of the Board and the Chairman of the Audit Committee to be paid higher fees than other Directors to reflect their more time-consuming roles.
2. Directors' fees are paid up to the date of termination of their appointment, with no exit payments or compensation for loss of office payments applicable.
3. As the Company has no employees, there are no comparisons to be made between this Directors' remuneration policy and a policy on the remuneration of employees.
4. Directors are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company.
5. Fees are paid quarterly in arrears.
6. Fees are reviewed on an annual basis.

## Annual report on remuneration

This report sets out how the Directors' remuneration policy was implemented during the year ended 30 September, 2020.

The Remuneration Committee reviews the fees paid to Directors on an annual basis. Upon review of the work and responsibilities of the Directors, the level of inflation and an analysis of fees payable to directors of other comparable investment trust companies, a decision was taken to increase Directors' fees with effect from 1 October, 2020 to the following levels: Chairman of the Board, £34,000; Chairman of the Audit Committee, £28,750; and non-executive Director, £25,500.

# Directors' Remuneration Report

continued

Directors are only entitled to fees at such rates as are determined by the Remuneration Committee from time to time. No Director is entitled to any other form of monetary payment or any assets of the Company. Accordingly, the single figure for the total remuneration of each Director set out in the table overleaf does not include any of these items or their monetary equivalents.

## Single figure for total remuneration of each Director (Audited)

The Directors who served during the year under review received the following emoluments.

Directors	Year ended 30 September 2020			Year ended 30 September 2019		
	Fees £	Taxable benefits <sup>1</sup> £	Total fees £	Fees £	Taxable benefits <sup>1</sup> £	Total fees £
Max King	25,000	–	25,000	24,300	–	24,300
Iain McLaren	28,000	3,755	31,755	27,000	1,363	28,363
Martin Nègre	25,000	–	25,000	24,300	–	24,300
Susannah Nicklin <sup>2</sup>	1,502	–	1,502	–	–	–
David Simpson	33,000	–	33,000	31,500	–	31,500

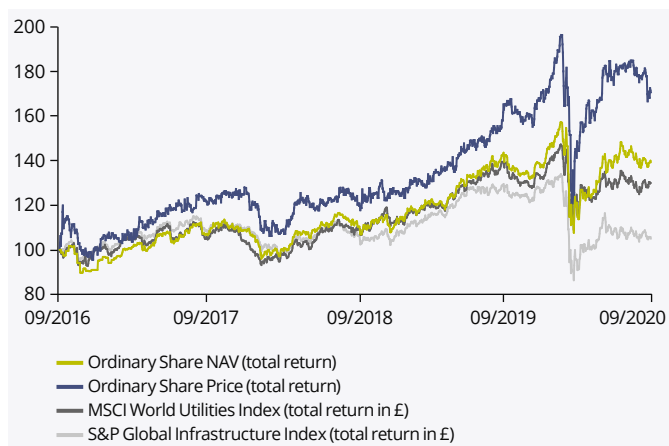
1. Taxable benefits refer to travel costs.

2. Susannah Nicklin was appointed as a Director with effect from 9 September, 2020.

None of the fees referred to in the table above were paid to any third-party in respect of the services provided by any of the Directors.

## Performance (unaudited)

The graph below compares the Company's NAV and price per ordinary share, on a total return basis (assuming reinvestment of dividends), with the performance of an investment in the MSCI World Utilities Index and the S&P Global Infrastructure Index, also in sterling terms and assuming reinvestment of dividends, for the period since admission. These indices are deemed appropriate given the specialised, global nature of the Company's investment remit. The data has been rebased to 100 as at admission on 26 September, 2016.



## Relative importance of spend on pay (unaudited)

To enable shareholders to assess the relative importance of spend on Directors' remuneration, the table below shows the Company's total income and net profit as well as the amount of the Company's income spent on Directors' fees and dividends paid to shareholders.

	Year ended 30 September 2020 (£'000)	Year ended 30 September 2019 (£'000)
Directors' fees	116	107
Dividends paid to shareholders	6,065	5,880
Total income	6,851	7,418
Net return after tax	(4,031)	35,060

The information in the table above is required by the Regulations.

## Directors' shareholdings and share interests (Audited)

Neither the Company's Articles of Association nor the Directors' Letters of Appointment require any Director to own shares in the Company. The interests of the Directors and their connected persons in the equity securities of the Company at 17 December, 2019 and 14 December, 2020 are shown in the table below:

Director	Ordinary shares	
	14 December 2020	17 December 2019
Max King	20,000	20,000
Iain McLaren	24,320	23,388
Martin Nègre	1,281,455	1,281,455
Susannah Nicklin <sup>1</sup>	10,054	–
David Simpson	94,050	94,050

1. Susannah Nicklin was appointed as a Director with effect from 9 September, 2020.

In addition to the Directors' shareholdings above, at 30 September, 2020, employees of Ecofin UK and related parties owned 916,645 shares, representing 1.0% of the issued ordinary share capital of the Company.

## Shareholders' views (unaudited)

The Company has not received any views from shareholders in respect of the Directors' remuneration.

At the Company's last AGM held on 6 March, 2020, 29,582,229 (99.78%) of votes cast were in favour of the resolution to approve the annual remuneration report, 64,035 (0.22%) of the votes cast were against the resolution, and 88,994 votes were withheld. The Directors' Remuneration Policy requires approval at least every three years and was last approved at the Company's AGM held on 5 March, 2019, where 36,989,264 (99.87%) of votes cast were in favour of the resolution, 48,307 (0.13%) of the votes cast were against the resolution, and 3,680,387 votes were withheld.

### Statement of implementation of Directors' remuneration policy

The Board does not envisage that there will be any significant changes to the implementation of the Directors' remuneration policy during the current financial year compared to how it was implemented during the year ended 30 September, 2020.

### Annual statement by the Director nominated by the Board

The Company is an investment trust which invests globally in specific industry sectors. The Board believes, therefore, that the remuneration of Directors should be sufficient to attract and retain individuals who are knowledgeable about the investment trust industry and also may have special knowledge of the sectors in which the Company invests, the issues it faces in investing globally, and the risks to which it is exposed.

On behalf of the Board, I, as Chairman of the Remuneration Committee, confirm that this Directors' Report on Remuneration summarises, as applicable, for the year ended 30 September, 2020:

- a) the major decisions on Directors' remuneration;
- b) any substantial changes relating to Directors' remuneration made during the year; and
- c) the context in which those changes occurred and decisions were taken (where appropriate).

### Recommendation

The Board considers the resolutions to be proposed at the forthcoming AGM are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of resolution 2 in the Notice of Meeting, as they intend to do so in respect of their own beneficial holdings.

For and on behalf of the Board

### Malcolm King

Chairman of the Remuneration Committee

14 December, 2020

# Report of the Audit Committee

As Chairman of the Company's Audit Committee (the "Committee"), I am pleased to present the Committee's report for the year ended 30 September, 2020.

## The role of the Committee

The Audit Committee operates within clearly defined terms of reference, which are reviewed annually, and provides a forum through which the Company's external Auditor reports to the Directors.

The principal tasks of the Committee are to consider the appropriateness of the Company's accounting policies, to review the Company's Interim Report and Annual Report and Accounts before recommending them to the Board for approval, and to oversee the external audit process. The Committee also recommends to the Board whether the Company's Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides shareholders with the information they need to assess the Company's business model, strategy and position and performance.

With regard to the annual audit, the Committee reports on the effectiveness of the external audit process and on the areas of audit risk with respect to the Company's Annual Report and Accounts it considers to be most significant. The Committee also assesses the adequacy of the internal controls of third-parties which provide services to the Company.

## Composition and Meetings of the Committee

The Committee is chaired by me, Iain McLaren, and the other Members are Max King, Susannah Nicklin and David Simpson. As Chairman of the Committee, I have relevant and recent financial experience as a chartered accountant, and the other Members have spent their careers working for a number of leading financial institutions. Accordingly, it is considered that the Committee as a whole has competence relevant to the sector. The Board notes that the AIC Code allows for the Chairman of the Board to be a Member of the Audit Committee if they were independent on appointment. The Board considers it desirable for David Simpson to be a Member of the Committee as he provides significant input at Committee Meetings. The Committee met three times during the year under review and intends to continue to hold three Meetings per annum to consider and approve the Company's Interim and Annual results and, prior to the Annual results, to consider the re-appointment of the Auditor. The Committee may also meet at other times during the year as required. More information on the Members of the Committee can be found on page 11.

## The external Auditor

Ernst & Young LLP ("EY") has been the Company's Auditor since its launch in September 2016. The Company will pay fees of £35,000 for the external audit with respect to the year ended 30 September, 2020. There are no contractual obligations that restrict the Company's choice of Auditor and the Committee, in conjunction with the Board, is committed to reviewing the appointment of the Auditor every year.

The Committee reviews the independence of the Auditor and, in particular, whether the provision of any non-audit services to the Company by EY could compromise EY's independence and objectivity as Auditor. EY reviews its relationship with the Company on an annual basis and reports to the Board, providing details of any other relationships it may have with the Investment Manager. As part of this process, the Company also receives confirmation from EY of its independence.

The Company's policy with respect to appointing its Auditor to carry out any proposed non-audit service is to allow this where permitted by regulation, where EY has a competitive advantage over alternative suppliers, and where this does not result in levels of non-audit fees being 70% of the average of the fees paid in the last three consecutive financial years for the Statutory Audit on a rolling basis. No non-audit services were provided during the year.

The Committee notes the FRC guidance and EU legislation on audit tender and rotation of the Auditor. EY was appointed Auditor to the Company during the initial listing process in September 2016 and signed its first engagement letter on 21 September, 2017 to audit the Company. The Board had intended to hold a tender process before the 2024 year-end, however as the Audit Partner, Caroline Mercer, was due to rotate before the year ending 30 September, 2021, the Company decided to bring this forward. Accordingly, a tender process was held during December 2020 and the Audit Committee recommended the appointment of BDO LLP to the Board in respect of future audits of the Company commencing with the year ending 30 September, 2021. Accordingly, resolutions will be proposed at the forthcoming AGM to appoint BDO LLP as independent Auditor and to authorise the Directors to determine the Auditor's remuneration for the forthcoming year. The current Auditor, EY was not invited to tender because its tenure would have expired after the 2023 audit in line with the EU legislation on audit tenders.

## The external audit process

Over the course of the year under review, the Committee:

- considered the appropriateness of the Company's accounting policies;
- reviewed the performance of the Investment Manager, the Administrator and other service providers in the audit process;
- approved the external Auditor's plan for the audit, paying particular attention to areas of audit risk and the appropriateness of the level of materiality adopted;
- reviewed and recommended that the Board approve the audit fees payable to the Auditor and the terms of its engagement;
- assessed the independence and objectivity of the Auditor, including its policies for maintaining independence;
- reviewed the conduct of the external audit and the quality of the audit team; conducted an audit tender and recommended to the Board the appointment of the new Auditor; and
- reviewed the Interim Report and Annual Report and Accounts (including the Auditor's report, where applicable) and recommended these to the Board for approval.

These activities allowed the Committee to assess the effectiveness of the Auditor. To further assess the effectiveness of the audit, the Committee held discussions with the Investment Manager which, in turn, worked closely with the Company's Administrator and Auditor. The Auditor attended the Committee Meeting at which the Annual Report and Accounts were considered and the Committee had opportunities to discuss the progress of the audit with the Auditor without either the Investment Manager or the Administrator being present.

In the course of this evaluation, the Audit Committee received management assessments and reports from the Auditor and reviews annual assessments on Ernst & Young LLP from the FRC.

### Significant issues considered by the Committee with respect to the Annual Report and Accounts

ISSUE CONSIDERED	HOW THE ISSUE WAS ADDRESSED
<b>Accuracy and integrity of the Financial Statements.</b>	Review of Audit Plan. Consideration of draft Annual Report and Accounts and Interim Report, including a review of the appropriateness of accounting policies, the effectiveness of the system of internal controls and regulatory developments during the year and approval of Letters of Representation.
<b>Incorrect holdings in or valuation of the investment portfolio, including incorrect application of exchange rate movements or failure to assess share liquidity appropriately.</b>	Consideration and review of valuation process and methodology to establish the existence of portfolio holdings and the accuracy and completeness over the valuations being recommended for approval to the Board. The Investment Manager reports on the liquidity profile of the Company's portfolio at least quarterly in presentations to the Board.
<b>Incomplete or inaccurate recognition of revenues (including special dividends)</b>	Consideration and review of all revenues received compared with forecasts and of allocation of special dividends between revenue and capital.
<b>Review of internal control system and risks.</b>	Review of risk map, compliance against the AIC Code, compliance with Section 1158 Corporation Tax Act 2010 and all policies and procedures in place.

### Conclusions with respect to the Annual Report and Accounts

The production of the Company's Annual Report and Accounts is a complex process and the external audit involves a number of parties including the Board, the Investment Manager, the Administrator and Company Secretary and the custodian of the Company's assets, Citigroup.

The Committee has reviewed the controls which are in place at the Investment Manager and other third-party service providers to ensure the completeness and accuracy of the Company's financial records and the security of its assets. The Committee has also noted the reviews that are undertaken at different stages in the production process by the Board, the Investment Manager, the Administrator and Company Secretary and the Auditor to ensure consistency and balance in the presentation of the Annual Report and Accounts.

The Board has also been made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the Financial Statements.

As a result, the Committee has concluded that the Annual Report and Accounts for the year ended 30 September, 2020, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's business model, strategy and position and performance. The Committee has reported to the Board and the Board's conclusions are set out in the Statement of Directors' responsibilities on page 34.

### Appointment of the Auditor

As described on the previous page, the Company decided to conduct a tender of audit services and following this, recommended that the Board appoint BDO LLP as the new Auditor in respect of the year ending 30 September, 2021. The Committee is satisfied as to the independence of BDO LLP and recommends its appointment at the forthcoming AGM.

### Iain McLaren

Chairman of the Audit Committee

14 December, 2020



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# Management Report and Directors' Responsibilities Statement

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## Management report

Listed companies are required by the FCA's Disclosure Guidance and Transparency Rules (the "Rules") to include a management report in their Financial Statements. This information is included in the Strategic Report on pages 2 to 19 inclusive (together with the sections of the Annual Report and Accounts incorporated by reference) and the Directors' Report on pages 20 to 28. Therefore, a separate management report has not been included.

## Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice ("UK GAAP")). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual Report and Accounts is published on the Investment Manager's website <https://ecofininvest.com/egl> and the Directors are responsible for the maintenance and integrity of the corporate and financial information about the Company included on this website. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Annual Report and Accounts since it was initially presented on the website.

## Directors' confirmation statement

The Directors listed on page 11 as the persons responsible within the Company hereby confirm that, to the best of their knowledge:

- a) the Financial Statements within the Annual Report and Accounts of which this statement forms a part have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- b) the Management Report, which comprises the Chairman's Statement, Investment Manager's Report, Strategic Report (including risk factors) and note 16 to the Financial Statements, includes a fair review of the development and performance of the business and position of the Company, together with the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Directors consider that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors have reached these conclusions through a process which is described in the Report of the Audit Committee on page 33.

On behalf of the Board

**David Simpson**  
Chairman

14 December, 2020

# Independent Auditor's Report

to the Members of Ecofin Global Utilities and Infrastructure Trust plc

## Opinion

We have audited the financial statements of Ecofin Global Utilities and Infrastructure Trust PLC (the 'Company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 14 and 15 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 14 in the annual report that they have carried out a robust assessment of the emerging and principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;

- the directors' statement set out on page 44 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 15 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

## Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"><li>• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income</li><li>• Risk of incorrect valuation or ownership of the investment portfolio</li><li>• Impact of COVID-19</li></ul>
Materiality	<ul style="list-style-type: none"><li>• Overall materiality of £1.56 million (2019: £1.62 million) which represents 1% of shareholders' funds</li></ul>

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

to the Members of Ecofin Global Utilities and Infrastructure Trust plc

continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income</b> (as described on page 33 in the Audit Committee's Report and as per the accounting policy set out on page 44).</p> <p>The total revenue for the year to 30 September 2020 was £6.85 million (2019: £7.25 million), consisting primarily of dividend income from listed equity investments.</p> <p>The total amount of special dividends received by the Company during the year was £nil (2019: £0.17 million classified as revenue).</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p>	<p><b>We have performed the following procedures:</b></p> <p>We obtained an understanding of the processes and controls surrounding revenue recognition by performing walkthrough procedures.</p> <p>For 100% of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source.</p> <p>To test completeness of recorded income, we tested that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>For all dividends accrued at the year end, we agreed the dividend entitlement to an independent data vendor and agreed the amount receivable to post year-end bank statements.</p> <p>We performed a review of the income report and the acquisition and disposal reports to identify all dividends received and accrued during the period that are above our testing threshold. For all the dividends above our testing threshold, we confirmed none of them were special dividends with reference to an external source.</p>	<p>The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition.</p> <p>No special dividends were received during the year.</p>
<p><b>Incorrect valuation or ownership of the investment portfolio</b> (as described on page 33 in the Audit Committee's Report and as per the accounting policy set out on page 44).</p> <p>The valuation of the portfolio at 30 September 2020 was £179.15 million (2019: £171.30 million) consisting of listed investments.</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date without any deduction for estimated future selling costs.</p>	<p><b>We performed the following procedures:</b></p> <p>We obtained an understanding of the Manager's and the Administrator's processes surrounding investment title and pricing of listed securities by reviewing their internal control reports performing walkthrough procedures.</p> <p>For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed within 1 business day and verified whether the listed price is a valid fair value.</p> <p>We compared the Company's investment holdings at 30 September 2020 to independent confirmations received directly from the Company's Custodian and Depository, testing material reconciling items to supporting documentation.</p>	<p>The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment portfolio.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Impact of COVID-19</b> (as described on page 14 in the Strategic Report and as per the accounting policy set out on page 44).</p> <p>The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.</p> <p>The COVID-19 pandemic had the most significant impact on our audit of the financial statements in the following areas:</p> <p><b>Going concern</b> There is increased uncertainty in certain assumptions underlying management's assessment of future prospects, which includes the ability of the Company to meet debt requirements and the ability to fund ongoing costs.</p> <p><b>Financial statement disclosures</b> There is a risk that the impact of COVID-19 is not adequately disclosed in the financial statements.</p>	<p><b>We performed the following procedures:</b></p> <p><b>Going concern</b> We inspected the Directors' assessment of going concern, which includes consideration of the impact of COVID-19, and challenged the assumptions made in the preparation of the revenue and expenses forecast. We have verified the inputs and assumptions used in the assessment to historically observed results of the Company.</p> <p>We have confirmed through our discussion with the Company Secretary that they are in close contact with key service providers and that Business Continuity Plans are in place with no significant deterioration of service being experienced.</p> <p>We reviewed the Company's prime broker flexible borrowing, which is subject to a maximum limit of 25% of net assets, and confirmed the Company's ability to repay borrowings on demand based on the liquidity of the investment portfolio using trading volumes obtained from an external data vendor.</p> <p><b>Financial statements disclosures</b> We reviewed the adequacy of the COVID-19 and going concern disclosures by evaluating whether they were consistent with the Directors' assessment. We reviewed the disclosures for compliance with the reporting requirements</p>	<p>As a result of our procedures, we have determined that the Director's conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to COVID-19 and going concern and determined that they are appropriate.</p>
<p>We re-assessed the risks determined in the prior year and due to the uncertainty in global markets caused by the COVID-19 pandemic, we have included a key audit matter titled 'Impact of COVID-19'. Our other key audit matters are unchanged from the prior year.</p> <p><b>An overview of the scope of our audit</b></p> <p><b>Tailoring the scope</b> Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.</p> <p><b>Our application of materiality</b> We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.</p>	<p><b>Materiality</b> <i>The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.</i></p> <p>We determined materiality for the Company to be £1.56 million (2019: £1.62 million) which is 1% of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.</p> <p><b>Performance materiality</b> <i>The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.</i></p> <p>On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £1.17 million (2019: £1.21 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.</p>	

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# Independent Auditor's Report

to the Members of Ecofin Global Utilities and Infrastructure Trust plc

continued

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Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.26 million (2019: £0.29 million) being 5% of profit before tax.

## Reporting threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.08 million (2019: £0.08 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## Other information

The other information comprises the information included in the annual report set out on pages 1 to 55, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 34** – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit Committee reporting set out on page 32** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 25** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 34, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income. Further discussion of our approach is set out in the section on key audit matters above.

Notes:

1. The maintenance and integrity of the Ecofin Global Utilities and Infrastructure Trust PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

### Other matters we are required to address

- We were appointed as auditors by the Company as part of the initial listing process in September 2016 and signed an engagement letter on 21 September 2017 to audit the Financial Statements for the period ending 30 September 2017 and subsequent financial periods. Our appointment was ratified at the first annual general meeting of the Company held on 6 March 2018. The period of total uninterrupted engagement including previous renewals and reappointments is 4 years, covering the years ended 30 September 2017 to 30 September 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Caroline Mercer (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh

14 December, 2020



# Statement of Comprehensive Income

	Notes	Year ended 30 September 2020			Year ended 30 September 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	9	-	(7,551)	(7,551)	-	30,841	30,841
Currency (losses)/gains		-	(280)	(280)	-	110	110
Income	2	6,851	-	6,851	7,418	-	7,418
Investment management fees	3	(750)	(750)	(1,500)	(786)	(786)	(1,572)
Administrative expenses	4	(789)	-	(789)	(686)	-	(686)
Research expenses	9	-	-	-	(51)	(51)	(102)
<b>Net return before finance costs and taxation</b>		<b>5,312</b>	<b>(8,581)</b>	<b>(3,269)</b>	5,895	30,114	36,009
Finance costs	5	(57)	(57)	(114)	(90)	(90)	(180)
<b>Net return before taxation</b>		<b>5,255</b>	<b>(8,638)</b>	<b>(3,383)</b>	5,805	30,024	35,829
Taxation	7	(648)	-	(648)	(769)	-	(769)
<b>Net return after taxation</b>		<b>4,607</b>	<b>(8,638)</b>	<b>(4,031)</b>	5,036	30,024	35,060
<b>Return per ordinary share (pence)</b>	8	<b>4.97</b>	<b>(9.31)</b>	<b>(4.34)</b>	5.48	32.68	38.16

The total column of the Statement of Comprehensive Income is the profit and loss account of the Company.

The revenue and capital columns are supplementary to this and are published under guidance from the AIC.

All revenue and capital returns in the above statement derive from continuing operations. No operations were acquired or discontinued during the year ended 30 September, 2020.

The Company has no other comprehensive income and therefore the net return on ordinary activities after taxation is also the total comprehensive income for the year.

The accompanying notes are an integral part of the Financial Statements.

# Statement of Financial Position

	Notes	As at 30 September 2020 £'000	As at 30 September 2019 £'000
<b>Non-current assets</b>			
Equity securities		179,153	168,873
Fixed interest securities		-	2,425
Investments at fair value through profit or loss	9	179,153	171,298
<b>Current assets</b>			
Debtors and prepayments	10	2,600	1,072
Cash at bank		-	8,228
		2,600	9,300
<b>Creditors: amounts falling due within one year</b>			
Prime brokerage borrowings	11	(22,757)	(18,362)
Other creditors	11	(2,603)	(734)
		(25,360)	(19,096)
<b>Net current liabilities</b>			
		(22,760)	(9,796)
<b>Net assets</b>			
		156,393	161,502
<b>Share capital and reserves</b>			
Called-up share capital	12	950	919
Share premium account	13	4,956	-
Special reserve		118,338	119,796
Capital reserve	14	32,149	40,787
Revenue reserve		-	-
<b>Total shareholders' funds</b>		<b>156,393</b>	<b>161,502</b>
<b>NAV per ordinary share (pence)</b>	15	<b>164.60</b>	175.79

The Financial Statements were approved by the Board of Directors and authorised for issue on Monday, 14 December, 2020 and were signed on its behalf by:

**David Simpson**

Chairman

The accompanying notes are an integral part of the Financial Statements.

# Statement of Changes in Equity

For the year ended 30 September 2020						
Notes	Share capital £'000	Share premium account £'000	Special reserve <sup>1</sup> £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2019	919	–	119,796	40,787	–	161,502
Return after taxation	–	–	–	(8,638)	4,607	(4,031)
Issue of ordinary shares	12, 13	31	4,956	–	–	4,987
Dividends paid	6	–	–	(1,458)	–	(6,065)
<b>Balance at 30 September 2020</b>	<b>950</b>	<b>4,956</b>	<b>118,338</b>	<b>32,149</b>	<b>–</b>	<b>156,393</b>
For the year ended 30 September 2019						
Notes	Share capital £'000	Share premium account £'000	Special reserve <sup>1</sup> £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2018	919	–	120,640	10,763	–	132,322
Return after taxation	–	–	–	30,024	5,036	35,060
Dividends paid	6	–	–	–	(5,036)	(5,880)
Balance at 30 September 2019	919	–	119,796	40,787	–	161,502

1. The special reserve may be used, where the Board considers it appropriate, by the Company for the purposes of paying dividends to shareholders and, in particular, smoothing payments of dividends to shareholders.

The accompanying notes are an integral part of the Financial Statements.

# Statement of Cash Flows

	Notes	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
<b>Net return before finance costs and taxation</b>		<b>(3,269)</b>	36,009
Increase/(decrease) in accrued expenses		31	(35)
Overseas withholding tax		(795)	(1,047)
Deposit interest income		(20)	(101)
Dividend income		(6,803)	(7,268)
Fixed interest income		(28)	(49)
Realised gains/(losses) on foreign exchange transactions		280	(110)
Dividends received		6,405	6,674
Deposit interest received		20	101
Fixed interest received		49	28
Interest paid		(114)	(180)
(Losses)/gains on investments		7,551	(30,841)
Increase in other debtors		2	11
<b>Net cash flow from operating activities</b>		<b>3,309</b>	3,192
<b>Investing activities</b>			
Purchases of investments		(71,379)	(49,999)
Sales of investments		56,805	59,518
<b>Net cash used in investing activities</b>		<b>(14,574)</b>	9,519
<b>Financing activities</b>			
Movement in prime brokerage borrowings		4,299	744
Dividends paid	6	(6,065)	(5,880)
Share issue proceeds		4,987	-
<b>Net cash from financing activities</b>		<b>3,221</b>	(5,136)
<b>(Decrease)/increase in cash</b>		<b>(8,044)</b>	7,575
<b>Analysis of changes in cash during the year</b>			
Opening balance		8,228	467
Foreign exchange movement		(184)	186
(Decrease)/increase in cash as above		(8,044)	7,575
<b>Closing balance</b>		<b>-</b>	8,228

The accompanying notes are an integral part of these Financial Statements.

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# Notes to the Financial Statements

For the year ended 30 September, 2020

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## 1. Accounting policies

### (a) Basis of preparation

The Financial Statements have been prepared in accordance with the Act, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019. The Financial Statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and approval as an investment trust has been granted by HMRC.

The Financial Statements have been prepared on a going concern basis. In forming this opinion, the Directors have considered the potential impact of the COVID-19 pandemic on the going concern and viability of the Company and, especially in light of the pandemic, the mitigation measures which key service providers, including the Investment Manager, have in place to maintain operational resilience. The Directors have reviewed the level of borrowings, income and expense projections and the liquidity of the investment portfolio in making their assessment. Please refer to the Chairman's Statement and the Investment Manager's Report for further detail.

### Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. Special dividends are assessed and credited to capital or revenue according to their circumstances and are considered to require significant judgement. The Directors do not consider there to be any significant estimates within the Financial Statements.

### (b) Income

Income from investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are credited to capital or revenue, according to the circumstances. The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities. Interest receivable from cash and short-term deposits is treated on an accruals basis.

### (c) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the revenue account except where they directly relate to the acquisition or disposal of an investment, in which case they are charged to the capital account; in addition, expenses are charged to the capital account where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the management fee and overdraft interest have been allocated 50% to the capital account and 50% to the revenue account.

### (d) Taxation

The charge for taxation is based on the profit for the year to date and takes into account, if applicable, taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in future against which the deferred tax asset can be offset.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

### (e) Valuation of investments

For the purposes of preparing the Financial Statements, the Company has applied Sections 11 and 12 of FRS 102 in respect of financial instruments. All investments are measured initially and subsequently at fair value and transaction costs are expensed immediately. Investment transactions are accounted for on a trade date basis. The fair value of the financial instruments in the Statement of Financial Position is based on their quoted bid price at the reporting date, without deduction of the estimated future selling costs. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Gains on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

#### (f) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

#### (g) Borrowings

Short-term borrowings, which comprise of prime brokerage borrowings, are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs, being the difference between the net proceeds of borrowings and the total amount of payments required to be made in respect of those borrowings, accrue evenly over the life of the borrowings and are allocated 50% to revenue and 50% to capital.

#### (h) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

#### (i) Nature and purpose of reserves

##### Share premium account

The balance classified as share premium includes the premium above nominal value received by the Company on issuing shares net of issue costs.

##### Special reserve

The special reserve arose following court approval in November 2016 to transfer £123,609,000 from the share premium account. This reserve is distributable and may be used, where the Board considers it appropriate, by the Company for the purposes of paying dividends to shareholders and, in particular, augmenting or smoothing payments of dividends to shareholders. There is no guarantee that the Board will in fact make use of this reserve for the purpose of the payment of dividends to shareholders. The special reserve can also be used to fund the cost of share buy-backs.

##### Capital reserve

Gains and losses on disposal of investments and changes in fair values of investments are transferred to the capital account. Foreign exchange differences of a capital nature are also transferred to the capital account. The capital element of the management fee and relevant finance costs are charged to this account. Any associated tax relief is also credited to this account.

##### Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income.

The Company's special reserve, capital reserve and revenue reserve may be distributed by way of dividend.

#### (j) Foreign currency

Monetary assets and liabilities and non-monetary assets held at fair value in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the translation of foreign currencies are recognised in the revenue or capital account of the Statement of Comprehensive Income depending on the nature of the underlying item.

#### (k) Dividends payable

Dividends are recognised in the period in which they are paid.



# Notes to the Financial Statements

continued

## 2. Income

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
<b>Income from investments (revenue account)</b>		
UK dividends	944	824
Overseas dividends	5,410	5,908
Overseas fixed interest	28	49
Stock dividends	449	536
	<b>6,831</b>	<b>7,317</b>
<b>Other income (revenue account)</b>		
Deposit interest	20	101
<b>Total income</b>	<b>6,851</b>	<b>7,418</b>

During the year ended 30 September, 2020 the Company received no special dividends (30 September, 2019: £177,000, all of which was recognised as revenue and included within the income from investments figure above).

## 3. Investment management fee

	Year ended 30 September 2020			Year ended 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	750	750	1,500	786	786	1,572

The Company has an agreement with Ecofin UK for the provision of investment management services.

The management fee for the year ended 30 September, 2020 was calculated, on a quarterly basis, at 1.00% per annum of the net assets of the Company. Until 5 March, 2019 the management fee was calculated, on a quarterly basis, at 1.25% per annum of the net assets of the Company. The management fee is chargeable 50% to revenue and 50% to capital. During the year £1,500,000 (30 September, 2019: £1,572,000) of investment management fees were earned by the Investment Manager, with a balance of £391,000 (30 September, 2019: £404,000) being payable to Ecofin UK at the year-end.

#### 4. Administrative expenses

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Administration	265	261
Directors' remuneration	113	107
Auditor's remuneration:		
fees payable to the Company's Auditor for the audit of the Company's Annual Accounts	42	31
– non-audit services		
fees payable to the Company's Auditor and its associates for iXBRL tagging services	–	2
Printing and postage	27	18
Directors' liability insurance	5	5
Depository	68	65
Regulatory	20	35
Employer's National Insurance contributions	14	12
Registrar	55	40
Advisory and legal services	163	104
Other expenses	17	6
	<b>789</b>	<b>686</b>

All of the expenses above are inclusive of VAT, where applicable.

Advisory and legal service fees include: fees in respect of sponsored research and other marketing resources, any legal fees, and a substantial accrual for expenses relating to the recovery of excess taxes withheld on foreign dividends.

#### 5. Finance costs

	Year ended 30 September 2020			Year ended 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Prime brokerage borrowings – interest	57	57	114	90	90	180

#### 6. Dividends on ordinary shares

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Fourth interim for 2018 of 1.60p (paid 30 November, 2018)	–	1,470
First interim for 2019 of 1.60p (paid 28 February, 2019)	–	1,470
Second interim for 2019 of 1.60p (paid 31 May, 2019)	–	1,470
Third interim for 2019 of 1.60p (paid 30 August, 2019)	–	1,470
Fourth interim for 2019 of 1.60p (paid 29 November, 2019)	1,470	–
First interim for 2020 of 1.65p (paid 28 February, 2020)	1,516	–
Second interim for 2020 of 1.65p (paid 29 May, 2020)	1,528	–
Third interim for 2020 of 1.65p (paid 28 August, 2020)	1,551	–
	<b>6,065</b>	<b>5,880</b>

The proposed fourth interim dividend for 2020 has not been included as a liability in these Financial Statements as it was not payable until after the reporting date.

# Notes to the Financial Statements

continued

## 6. Dividends on ordinary shares (continued)

Set out below are the total dividends paid and proposed in respect of the financial period, which is the basis on which the requirements of Section 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year was £4,607,000 (30 September, 2019: £5,036,000).

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Three interim dividends of 1.65p each (2019: three interim dividends of 1.60p each)	4,595	4,410
Proposed fourth interim dividend 1.65p (2019: 1.60p)	1,579	1,470
	<b>6,174</b>	5,880

The amount reflected above for the cost of the proposed fourth interim dividend for 2020 is based on 95,693,423 ordinary shares, being the number of ordinary shares in issue at the record date, being 30 October, 2020.

## 7. Taxation

### (a) Analysis of charge for the period

	Year ended 30 September 2020			Year ended 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Analysis of charge for the period</b>						
Overseas tax suffered	882	–	882	1,119	–	1,119
Overseas tax reclaimable	(234)	–	(234)	(350)	–	(350)
<b>Total tax charge for the period</b>	<b>648</b>	<b>–</b>	<b>648</b>	769	–	769

### (b) Factors affecting the tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax rate of 19.00% (2019: 19.00%). The differences are explained as follows:

	Year ended 30 September 2020			Year ended 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net profit on ordinary activities before taxation	5,255	(8,638)	(3,383)	5,805	30,024	35,829
Net return multiplied by the standard rate of corporation tax of 19.00% (30 September, 2019: 19.00%)	998	(1,641)	(643)	1,103	5,705	6,808
Effects of:						
Non-taxable UK dividends	(204)	–	(204)	(216)	–	(216)
Non-taxable overseas dividends	(932)	–	(932)	(971)	–	(971)
Tax effect of expensed double taxation relief	(6)	–	(6)	(23)	–	(23)
Expenses not deductible for tax purposes	1	–	1	–	10	10
Movement in unutilised expenses	143	153	296	107	166	273
Other capital returns	–	1,488	1,488	–	(5,881)	(5,881)
Overseas tax suffered	882	–	882	1,119	–	1,119
Overseas tax reclaimable	(234)	–	(234)	(350)	–	(350)
<b>Total tax charge</b>	<b>648</b>	<b>–</b>	<b>648</b>	769	–	769

**(c) Factors that may affect future tax charges**

No provision for deferred tax has been made in the accounting year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

At the year-end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £1,308,000 (30 September, 2019: £879,000). A deferred tax asset in respect of this has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is considered unlikely that the Company will generate such profits and therefore no deferred tax asset has been recognised.

**8. Return per ordinary share**

	Year ended 30 September 2020		Year ended 30 September 2019	
	£'000	p	£'000	p
Returns are based on the following figures:				
Revenue return	4,607	4.97	5,036	5.48
Capital return	(8,638)	(9.31)	30,024	32.68
Total return	(4,031)	(4.34)	35,060	38.16
Weighted average number of ordinary shares in issue		92,774,379		91,872,247

**9. Investments**

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Held at fair value through profit or loss:		
Opening book cost	136,702	140,644
Opening investment holding gains	34,596	9,455
Opening fair value	171,298	150,099
<b>Analysis of transactions made during the year</b>		
Purchases at cost	73,666	49,876
Sales proceeds received	(58,260)	(59,518)
(Losses)/gains on investments	(7,551)	30,841
<b>Closing fair value</b>	<b>179,153</b>	<b>171,298</b>
Closing book cost	159,259	136,702
Closing investment gains	19,894	34,596
<b>Closing fair value</b>	<b>179,153</b>	<b>171,298</b>

The Company received £58,260,000 (2019: £59,518,000) from investments sold in the period. The book cost of these investments when they were purchased was £51,109,000 (2019: £53,818,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

# Notes to the Financial Statements

continued

## 9. Investments (continued)

### Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within losses on investments in the Statement of Comprehensive Income. The total costs were as follows:

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Purchases	88	77
Sales	32	34
	120	111

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

The Company agreed with the Investment Manager that, with effect from the passing of the continuation vote at the AGM in March 2019, the Company would cease to pay a contribution to the Investment Manager's research costs.

## 10. Other debtors and receivables

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Amounts due from brokers	1,455	–
Prepayments and accrued income	1,145	1,072
	2,600	1,072

## 11. Creditors: amounts falling due within one year

### (a) Prime brokerage borrowings

The Investment Manager is authorised to utilise gearing of up to 25% of net assets. The Company's prime broker, Citigroup, provides a flexible borrowing arrangement, such that borrowings can be re-paid at any time. The rate of interest on the borrowings depends on the currency of the borrowing but is generally 50 basis points over the applicable LIBOR rate.

### (b) Other creditors

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Amounts due to brokers	1,838	–
Other creditors	765	734
	2,603	734

## 12. Ordinary share capital

	As at 30 September 2020		As at 30 September 2019	
	Shares	£'000	Shares	£'000
Issued and fully paid				
Ordinary shares of 1p each at 1 October	91,872,247	919	91,872,247	919
Issue of new ordinary shares	3,141,176	31	–	–
Ordinary shares of 1p each at 30 September	95,013,423	950	91,872,247	919

The Company was admitted to the Main Market of the London Stock Exchange on 26 September, 2016. The total number of ordinary shares in the Company in issue immediately following admission was 91,872,247, each with equal voting rights. During the year, the Company issued 3,141,176 (2019: nil) ordinary shares with net proceeds of £4,987,000 (2019: £nil).

### 13. Share premium account

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
At 1 October	-	-
Issue of shares	4,956	-
At 30 September	4,956	-

### 14. Capital reserve

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
At 30 September	40,787	10,763
Movement in investment holdings gains	(14,702)	25,141
Gains on realisation of investments at fair value	7,151	5,700
Currency (losses)/gains	(280)	110
Investment management fees	(750)	(786)
Research expenses	-	(51)
Finance costs	(57)	(90)
At 30 September	32,149	40,787

### 15. NAV per ordinary share

The NAV attributable to the ordinary shares and the NAV per ordinary share at the year-end were as follows:

	As at 30 September 2020	As at 30 September 2019
NAV attributable (£'000)	156,393	161,502
Number of ordinary shares in issue (note 12)	95,013,423	91,872,247
NAV value per share (p)	164.60	175.79

### 16. Financial instruments and capital disclosures

#### Risk management policies and procedures

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

The Company's financial instruments comprise:

- equity shares held in accordance with the Company's investment objective and policies;
- cash and liquid resources as well as short-term receivables and payables that arise from its operations; and
- borrowings in various currencies to finance operations.

The Company may enter into derivative contracts in order to manage the risks arising from its investment activities. As at the year-end there were no derivative contracts outstanding.

The Board sets out its investment policies, including its policies on gearing and diversification, in the Strategic Report beginning on page 12. The Board and the Company's Investment Manager consider and review the financial risks inherent in managing the Company's assets and these are detailed below.



# Notes to the Financial Statements

continued

## 16. Financial instruments and capital disclosures (continued)

### Market price risk

The Company's investment portfolio is subject to fluctuations, volatility and the vagaries of market prices. The Directors seek to mitigate this risk by ensuring proper controls exist through the IMA for maintaining a diversified portfolio of the securities of utility and other infrastructure companies and ensuring that there are balances within the portfolio by geography, sub-sector and types of instrument. If the fair value of the Company's investments at year-end (see portfolio holdings on page 10) had increased or decreased by 10% then it would have had an effect on the Group's capital return and equity equal to £17,915,000 (30 September, 2019: £17,130,000).

### Foreign currency risk

The value of the Company's assets and the total return earned by the Company's shareholders can be significantly affected by foreign exchange movements as most of the Company's assets are denominated in currencies other than sterling, the currency in which the Company's accounts are prepared. It is not the Company's policy to try to minimise or eliminate foreign exchange risk; over the long-term this could restrict the investment returns potentially available to sterling-based investors in international securities. There is a risk for the NAV and shareholders, therefore, if sterling appreciates significantly against foreign currencies. This risk is partially offset by the Company's borrowings in currencies other than sterling.

	As at 30 September 2020		
	Investments £'000	Net monetary assets/(liabilities) £'000	Total currency exposure £'000
Australian dollar	12,984	(1,741)	11,243
Brazilian real	-	-	-
Canadian dollar	16,225	(1,135)	15,090
Chinese renminbi	-	-	-
Euro	65,887	(8,043)	57,844
Hong Kong dollar	5,539	(653)	4,886
Philippine peso	-	14	14
Sterling	20,179	(2,354)	17,825
Swiss franc	-	25	25
US dollar	58,339	(8,873)	49,466
<b>Total</b>	<b>179,153</b>	<b>(22,760)</b>	<b>156,393</b>

	As at 30 September 2019		
	Investments £'000	Net monetary assets/(liabilities) £'000	Total currency exposure £'000
Australian dollar	5,046	261	5,307
Brazilian real	950	-	950
Canadian dollar	5,399	102	5,501
Chinese renminbi	4,842	34	4,876
Euro	64,454	(3,301)	61,153
Hong Kong dollar	-	556	556
Philippine peso	-	12	12
Sterling	19,842	(15,137)	4,705
Swiss franc	2,416	1,507	3,923
US dollar	68,349	6,170	74,519
<b>Total</b>	<b>171,298</b>	<b>(9,796)</b>	<b>161,502</b>

A 10% rise or decline of sterling against foreign currency denominated (i.e. non-sterling) assets held at the year-end would have decreased/increased the total return and NAV by £13,857,000 or 8.9% (30 September, 2019: £15,617,000 or 9.7%). This is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

### Interest rate risk

The Company is only exposed to significant interest rate risk through its borrowings with Citigroup Global Markets Limited.

Borrowings varied throughout the period as part of a Board endorsed policy and at year-end amounted to the equivalent of £22,757,000 (30 September, 2019: £18,362,000) in a variety of currencies. All of these borrowings were at floating rates of interest.

If this level of borrowing was maintained for the year, a 1% increase/decrease in LIBOR would decrease/increase the revenue return by £114,000 (30 September, 2019: £92,000) and decrease/increase the capital return by £114,000 (30 September, 2019: £92,000). In the event that the prime brokerage facility were to be renegotiated or terminated, the Company may not be able to finance its borrowings on as favourable terms and this risk is monitored.

The interest rates on prime brokerage borrowings varied by currency from -0.16% to 3.27% during the year ended 30 September, 2020 (30 September, 2019: the range was 0.45% to 4.82%).

The Company's fixed-income portfolio at the year-end was valued at £nil (30 September, 2019: £2,425,000). The weighted average effective interest rate on these investments was nil% (30 September, 2019: 6.0%) and the weighted average period to maturity was zero years (30 September, 2019: 2.6 years). A 1% increase or decrease in relevant market interest rates would be expected to decrease or increase the portfolio's value by approximately £nil (30 September, 2019: £24,000), all other factors being equal.

### Liquidity risk

The Company's assets mainly comprise readily realisable securities which can be easily sold to meet funding commitments if necessary. A liquidity analysis is prepared on at least a quarterly basis as part of the Investment Manager's report to the Board and the liquidity profile of all securities is reviewed. The Investment Manager reviews the liquidity profile of the investments continuously.

The contractual maturities of the Company's financial liabilities at 30 September, 2020 based on the earliest date on which payment can be required was as follows:

	As at 30 September 2020 £'000	As at 30 September 2019 £'000
Due within 3 months		
Prime brokerage borrowings	(22,757)	(18,362)
Other creditors	(2,603)	(734)
	<b>(25,360)</b>	(19,096)

Prime brokerage borrowings are repayable on demand.

### Credit risk

Credit risk is mitigated by diversifying the counterparties with which the Investment Manager conducts investment transactions. The credit standing of all counterparties is reviewed periodically with limits set on amounts due from any one broker. The Company's exposure to its counterparty for forward currency contracts, Citigroup, at 30 September, 2020 was £nil (30 September, 2019: £nil). There were no items past due or impaired.

The maximum exposure to credit risk at 30 September, 2020 and 30 September, 2019 was considered to be the same as the carrying amount of the financial assets in the Statement of Financial Position.

# Notes to the Financial Statements

continued

## 17. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 30 September 2020	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	179,153	–	–	179,153
Quoted bonds	b)	–	–	–	–
<b>Net fair value</b>		<b>179,153</b>	<b>–</b>	<b>–</b>	<b>179,153</b>
As at 30 September 2019	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	168,873	–	–	168,873
Quoted bonds	b)	–	2,425	–	2,425
<b>Net fair value</b>		<b>168,873</b>	<b>2,425</b>	<b>–</b>	<b>171,298</b>

### a) Equities and preference shares

The fair value of the Company's investments in equities and preference shares has been determined by reference to their quoted bid prices at the reporting date. Equities and preference shares included in Fair Value Level 1 are actively traded on recognised stock exchanges.

### b) Quoted bonds

The fair value of the Company's investments in bonds is determined by reference to their quoted bid prices at the reporting date. There were no bonds held during the year. In the prior year, bonds included in Fair Value Level 2 were corporate bonds. Investments categorised as Level 2 are not considered to trade in active markets.

## 18. Analysis of changes in net debt

	As at 30 September 2019 £'000	Currency differences £'000	Cash flows £'000	As at 30 September 2020 £'000
Cash and short-term deposits	8,228	(184)	(8,044)	-
Debt due within one year	(18,362)	(96)	(4,299)	(22,757)
	(10,134)	(280)	(12,343)	(22,757)

	As at 30 September 2018 £'000	Currency differences £'000	Cash flows £'000	As at 30 September 2019 £'000
Cash and short-term deposits	467	186	7,575	8,228
Debt due within one year	(17,542)	(76)	(744)	(18,362)
	(17,075)	110	6,831	(10,134)

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

## 19. Related party transactions and transactions with the Investment Manager

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 29 to 31. The balance of fees due to Directors at the year-end was £nil (30 September, 2019: £nil).

The Company has an agreement with Ecofin UK for the provision of investment management services. Details of fees earned during the year and balances outstanding at the year-end are disclosed in note 3.

## 20. Capital management policies and procedures

The Company's investment objective is to achieve a high, secure dividend yield on its portfolio and to realise long-term growth in the capital value of the portfolio for the benefit of shareholders.

The capital of the Company consists of debt, comprising prime brokerage borrowings, and equity, comprising issued capital, reserves and retained earnings. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing which takes into account the Investment Manager's views on the market;
- the level of equity shares in issue; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company is not subject to any externally imposed capital requirements.

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# Notice of Annual General Meeting

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Notice is hereby given that the fourth AGM of Ecofin Global Utilities and Infrastructure Trust plc will be held on Tuesday, 9 March, 2021 at 8.30 am as a closed meeting for the following purposes:

## As ordinary resolutions

1. To receive the Directors' Report and the audited Financial Statements of the Company for the year ended 30 September, 2020.
2. To receive and approve the annual report on remuneration included in the Directors' Remuneration Report for the year ended 30 September, 2020.
3. To approve the Company's dividend policy as set out on page 20 of the 2020 Annual Report and Accounts.
4. To re-elect Malcolm King, in accordance with the Company's Articles of Association, as a Director of the Company.
5. To re-elect Iain McLaren, in accordance with the Company's Articles of Association, as a Director of the Company.
6. To elect Susannah Nicklin, in accordance with the Company's Articles of Association, as a Director of the Company.
7. To re-elect David Simpson, in accordance with the Company's Articles of Association, as a Director of the Company.
8. To appoint BDO LLP as the Independent Auditor to the Company, to hold office until the conclusion of the next AGM at which the Financial Statements are laid before the Members.
9. To authorise the Directors to determine the Auditor's remuneration.

To consider, and if thought fit to pass, the following resolution:

10. THAT, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby generally and unconditionally authorised, in accordance with Section 551 of the Companies Act 2006 ("the Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £316,711.41.

The authority hereby conferred on the Directors shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or 9 June, 2022, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

## As special resolutions

To consider, and if thought fit to pass, the following resolutions:

11. THAT, subject to the passing of resolution 10 above and in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered, pursuant to Section 570 and Section 573 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 10 or by way of sale of treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (a) in connection with a rights issue or open offer of securities to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but in each case subject to such exclusions, limits, restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with any treasury shares, fractional entitlements or securities represented by depository receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and
  - (b) (otherwise than under paragraph (a) of this resolution) to any person or persons up to an aggregate nominal amount of £95,013.42 (being approximately 10% of the Company's issued ordinary share capital as at 30 September, 2020) and shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on 9 June, 2022, whichever is the earlier, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

12. THAT, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Act, to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 1p each in the capital of the Company (ordinary shares) on such terms and in such manner as the Directors shall from time to time determine, provided that:
- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 14,242,512 (being approximately 14.99% of the number of ordinary shares in issue as at 30 September, 2020);
  - (b) the minimum price (exclusive of all expenses) which may be paid for an ordinary share is its nominal value, being 1p;
  - (c) the maximum price (exclusive of all expenses) which may be paid for an ordinary share is the higher of (i) an amount equal to 5% above the average of the closing mid-market price of an ordinary share (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid for a share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out;
  - (d) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on 9 June, 2022, whichever is the earlier unless previously revoked, varied or renewed by the Company in General Meeting; and
  - (e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of ordinary shares under such authority will or might be completed or executed wholly or partly after the expiration of such authority and the Company may make a purchase of ordinary shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.
13. THAT, a General Meeting of the Company, other than an AGM may be called on not less than 14 clear days' notice.

By Order of the Board

**BNP Paribas Secretarial Services Limited**

Company Secretary  
14 December, 2020

Registered Office:  
10 Harewood Avenue  
London, NW1 6AA



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# Notes to the Notice of Annual General Meeting

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- (1) In light of ongoing social distancing measures as a result of COVID-19 and in line with current legislation, the Board has decided to hold the AGM as a closed meeting this year, with the minimum quorum permitted by the Company's Articles of Association. Shareholders, their proxies and corporate representatives are therefore not permitted to attend. Shareholders are therefore encouraged to submit their votes by appointing the Chairman as proxy.

Given the AGM will be closed to shareholders, the Investment Manager intends to hold a webinar on Tuesday, 9 March, 2021 at 9.00 am in order to provide an overview of the Company's performance for the year ended 30 September, 2020. Shareholders are invited to submit any questions they have in advance to the Company Secretary at [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com) by close of business on Friday, 5 March, 2021.

If you wish to attend the investor webinar, you should submit your name and e-mail address to [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com) by close of business on Friday, 5 March, 2021. An invitation will then be emailed to you. Please note that you will need an e-mail account and access to a computer in order to access the webinar.

- (2) You can vote either:
- by logging on to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions. To vote electronically you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your Form of Proxy.
  - by returning your hard copy form of proxy. If you require an additional copy of the form of proxy you can obtain one directly from the registrars, Computershare Investor Services PLC, on Tel: 0370 703 6234. Lines are open between 08:30 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Computershare Investor Services PLC, The Pavillions, Bridgewater Road, Bristol, BS99 6ZY by 2.30pm on Friday, 5 March 2021.

If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 5 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.

- (3) Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of Section 360B of the Act, the Company has specified that only those Members registered on the register of Members of the Company at the close of business on Friday, 5 March 2021 (the Specified Time) (or, if the Meeting is adjourned, 48 hours prior to the time of the adjourned Meeting) shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares registered in their names at that time. If the Meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of Members to attend and vote (and for the purposes of determining the number of votes that may be cast) at the adjourned Meeting. Changes to entries in the register of Members after the close of business on Friday, 5 March, 2021 or other relevant deadline will be disregarded in determining the rights of any person entitled to vote at the Meeting.
- (4) Members (and any proxies or corporate representatives appointed) agree, by attending the Meeting, that they are expressly requesting and are willing to receive any communications relating to the Company's securities made at the Meeting.
- (5) CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal Members or other CREST sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in note (2) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is

able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST Members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal Member or sponsored Member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

- (6) Any Member attending the Meeting has the right to ask questions. Pursuant to Section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Meeting put by a Member attending the Meeting. However, Members should note that no answer need be given in the following circumstances if to do so would interfere unduly with the preparation for the Meeting or would involve a disclosure of confidential information:
- (a) if the answer has already been given on a website in the form of an answer to a question; or
  - (b) if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- (7) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any Member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights, and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the FCA.

- (8) Any person receiving a copy of this Notice as a person nominated by a Member to enjoy information rights under Section 146 of the Act ("Nominated Person") should note that the provisions in notes 1 and 2 concerning the appointment of a proxy or proxies to attend the Meeting in place of a Member do not apply to a Nominated Person, as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the Member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting.

If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the Member as to the exercise of voting rights at the Meeting. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the Member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that Member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from a Nominated Person.

- (9) Under Section 527 of the Act, Members meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter relating to:
- (a) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or
  - (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous Meeting at which the Annual Report and Accounts were laid in accordance with Section 437 of the Act.

The Company may not require the Members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

- (10) At 9 December, 2020, the latest practicable date in advance of the date of this Notice, the Company's issued capital consisted of 96,603,423 ordinary shares carrying one vote each. Accordingly, the total voting rights in the Company at 9 December, 2020 are 96,603,423.

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# Notes to the Notice of Annual General Meeting

continued

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- (11) This Notice, together with information about the total numbers of shares in the Company in respect of which Members are entitled to exercise voting rights at the date of this Notice, and (if applicable) any Members' statements, Members' resolutions or Members' matters of business received by the Company after the date of this Notice, will be available on the web pages of the Company's Investment Manager, Ecofin UK, at [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl)
- (12) No electronic address provided in this Notice or in any related documents (including the form of proxy) may be used to communicate with the Company for any purposes other than those expressly stated.
- (13) The biographies of the Directors, all of whom with the exception of Martin Nègre, are offering themselves for election and re-election are set out on page 11 of this Annual Report and Accounts and set out each Director's experience. These along with the disclosure in the Corporate Governance Statement on page 26 explain why the Directors' contributions are important to the Company's long-term sustainable success.
- (14) No Director has a service agreement with the Company. Copies of the Directors' Letters of Appointment will be available for inspection at the Registered Office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the AGM.
- (15) As soon as practicable following the AGM, the results of the proxy voting at the Meeting and the number of proxy votes received for and against and the number of votes withheld, in respect of each resolution, as well as a result of any poll, will be announced via a Regulatory Information Service and placed on the Company's website.
- (16) Shareholders have the right, under Section 338 of the Act, to require the Company to give its shareholders notice of a resolution which the shareholders wish to be moved at an AGM of the Company. Additionally, shareholders have the right under Section 338A of the Act to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the AGM. The Company is required to give such notice of a resolution or include such matter once it has received requests from shareholders representing at least 5% of the total voting rights of all the shareholder who have a right to vote at the AGM or from at least 100 shareholders with the same right to vote who hold shares in the Company on which there has been paid up an average sum per shareholder of at least £100. This request must be received by the Company not later than six weeks before the AGM (or, if later, the time at which notice is given of the AGM). In the case of a request relating to Section 338A of the Act, the request must be accompanied by a statement setting out the grounds for the request.
- (17) A copy of this Notice, and other information required by Section 311A of the Act, can be viewed and/or downloaded at [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl) and, if applicable, any Member's statements, resolutions or matters of business received by the Company after the date of this Notice will be available on the Investment Manager's website [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl).

# Glossary

**Administrator** – the administrator is BNP Paribas Securities Services S.C.A to which the Company has delegated certain trade processing, valuation and middle office tasks and systems.

**AIC** – Association of Investment Companies, the trade body for closed-end investment companies.

**AIFMD** – Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that all investment vehicles (“AIFs”) in the European Union, including investment trusts, appoint a Depositary and an Alternative Investment Fund Manager (“AIFM”). The Board remains responsible, however, for all aspects of the Company’s strategy, operations and compliance with regulations. The Company’s AIFM is Ecofin Advisors Limited.

**APM** – Alternative Performance Measures (please refer to page 63).

**Benchmark** – the Company’s portfolio is not measured against an equity index benchmark. This is because the Investment Manager’s asset allocation process pays little attention to the country and regional compositions of the main global utilities index, the MSCI World Utilities Index, or the global listed infrastructure indices. The Directors, therefore, review portfolio performance against a number of equity market indices, including the MSCI World Utilities Index and S&P Global Infrastructure Index which serve as reference points, and ratios to understand the impact of factors such as gearing, currencies, sub-sectors, geographical allocation and stock selection decisions on the Company’s overall investment performance. Stock selection is measured against relevant local and regional indices and monitored by the Board.

**Closed-end collective investment vehicle** – a company, including an investment company, with a fixed issued ordinary share capital, the shares of which are traded on an exchange at a price not necessarily related to NAV of the company and which can only be issued or bought back by the company in certain circumstances.

**Company** – Ecofin Global Utilities and Infrastructure Trust plc.

**Custodian** – the Custodian is Citigroup Global Markets Limited. The Custodian is a financial institution responsible for safeguarding the securities and cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.

**Depositary** – the Depositary is Citibank Europe plc. Under AIFMD rules, the Company must have a Depositary whose duties in respect of investments and cash include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depositary has strict liability for the loss of the Company’s financial assets in respect of which it has safekeeping duties.

**Discount/Premium** – the share price of an investment trust is derived from buyers and sellers trading their shares on the stock market. The share price is not likely to be identical to NAV per share of the underlying assets less the liabilities of the company. If the share price is lower than the NAV per share, the shares are said to be trading ‘at a discount’. If the share price is above the NAV per share, the shares are said to be trading ‘at a premium’.

**Distributable reserves** – reserves distributable by way of dividend or for the purpose of buying back ordinary share capital. Shortly after admission, the Company applied successfully to court to cancel its share premium account in order to establish distributable reserves (the special reserve), thereby enabling the Company immediately to commence dividend distributions to shareholders. On an ongoing basis, these distributable reserves may be used, when the Board considers it appropriate, for the purposes of paying dividends to shareholders and smoothing payments of dividends to shareholders. The special reserve can also be used to fund the cost of any share buy-backs.

**Dividend dates** – reference is made in announcements of dividends to three dates. The “record” date is the date after which buyers of the shares will not be recorded on the register of shareholders as qualifying for the pending dividend payment. The “payment” date is the date that dividends are credited to shareholders’ bank accounts. The “ex-dividend” date is normally the business day prior to the record date.

**EBITDA** – earnings before interest, tax, depreciation and amortisation, which is a measure of a company’s operating performance.

**Ecofin Advisors Limited** – the Investment Manager and AIFM. Ecofin Advisors Limited (“Ecofin UK”) (formerly Tortoise Advisors UK Limited) is regulated by the FCA and registered with the SEC and indirectly wholly owned by TortoiseEcofin.

**Ecofin Limited** – the Investment Manager until its acquisition in December 2018 by Tortoise Investments, LLC. Ecofin Limited was renamed Tortoise Advisors UK Limited. In 2020, Tortoise Advisors UK Limited was renamed Ecofin Advisors Limited and Tortoise Investments, LLC was renamed TortoiseEcofin Investments, LLC.

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# Glossary

continued

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**EWPO** – Ecofin Water & Power Opportunities plc, the predecessor vehicle to the Company.

**EY** – the Company's Auditor, Ernst & Young LLP.

**FRC** – Financial Reporting Council.

**Portfolio Manager** – Jean-Hugues de Lamaze, an employee of the Investment Manager with overall management responsibility for the total portfolio.

**Gearing** – this is the sum of the Company's borrowings from its prime broker (including the net amounts due from brokers) less cash divided by net assets attributable to shareholders. The maximum permitted level of gearing, which is set by the Board, is 25%.

**Investment Manager and Alternative Investment Fund Manager ("AIFM")** – Ecofin Advisors Limited (formerly Tortoise Advisors UK Limited). The responsibilities and remuneration of Ecofin Advisors Limited are set out in the Directors' Report contained on page 21 and note 3 to the Financial Statements.

**Market capitalisation** – the stock market quoted price of the Company's shares multiplied by the number of shares in issue.

**Net asset value (NAV)** – the assets less the liabilities of the Company, as set out in the Statement of Financial Position, all valued in accordance with the Company's accounting policies (see note 1).

**Non-executive Director** – a Director who has a letter of appointment, rather than a contract of employment, with the Company. The Company does not have any executive Directors. Non-executive Directors' remuneration is set out in the Remuneration Report on page 30.

**Ongoing charges** – ongoing charges are all operating costs expected to be regularly incurred and that are payable by the Company, expressed as a proportion of the average NAV of the Company over the financial year. Ongoing charges are calculated in accordance with AIC recommended methodology. The costs of buying and selling investments are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares. Further to MiFID II, research costs (which were previously included in the costs of buying and selling investments) were paid for separately by the Company and included as ongoing charges. With effect from 5 March, 2019, the Company ceased to make a contribution to the Investment Manager's research costs.

**Special dividends** – dividends received from investee companies which have been paid out of capital reconstructions or reorganisations of the investees are sometimes referred to as 'special dividends' and may be allocated to the capital account in accordance with the Company's accounting policies and the SORP. Dividends which are unusually large in terms of the investee companies' annual earnings or normal payment pattern are also sometimes referred to as 'special' but are treated as revenue in nature unless the evidence suggests otherwise.

**TortoiseEcofin** – TortoiseEcofin Investments, LLC (formerly Tortoise Investments, LLC) is a privately owned US-based firm which owns a family of investment management companies (collectively "TortoiseEcofin"). TortoiseEcofin has approximately US\$7 billion of client funds under management including six New York Stock Exchange listed closed-end funds. TortoiseEcofin invests in essential assets including energy infrastructure. It was announced on 3 December, 2018 that Ecofin Limited had been acquired by Tortoise Investments, LLC. Ecofin Limited's name was changed to Tortoise Advisors UK Limited and has since been changed to Ecofin Advisors Limited.

**Total return** – total return measures assume dividends are immediately reinvested in the NAV or shares or index, as the case may be.

**UK Code of Corporate Governance (UK Code)** – the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders that all companies with a Premium Listing on the London Stock Exchange are required to report on in their annual report and accounts.



# Alternative Performance Measures

The Company uses the following Alternative Performance Measures ("APMs"):

## Dividends paid and dividend yield

Dividends paid are set out in note 6 on page 47. In respect of the year to 30 September, 2020, the Company paid four quarterly dividends, one of 1.60p per share in November 2019 and others of 1.65p per share in February, May and August 2020, and these totalled 6.55p per share (year to 30 September, 2019: 6.40p per share). A dividend yield is shown as a percentage and calculated by dividing the value of dividends paid (in a certain year) by the prevailing share price (or NAV). The dividend yield, expressed as a percentage of the closing price of the Company's shares on 30 September, 2020 was 4.1% (30 September, 2019: 4.1%).

## Gearing on net assets

Gearing is the sum of the Company's borrowings (including the net amounts due to/from brokers) less its cash divided by the net assets attributable to shareholders. The Company has a prime brokerage facility with Citigroup which allows it to borrow and repay borrowings at any time; the gearing is not structural in nature. The interest rate on the borrowings depends on the currency of the borrowing but is generally 50 basis points above the applicable LIBOR rate. Borrowings provide a gearing effect on net assets. When the Company is geared, a change in the value of the Company's investment portfolio will cause its NAV to change by a larger amount. The Investment Manager is permitted by the Board to utilise gearing of up to 25% of net assets. During the year to 30 September, 2020 the level of gearing averaged 10.0% of net assets (year to 30 September, 2019: 11.1%).

**Total return** – the return to shareholders is calculated on a per share basis by adding dividends paid in the year to the increase or decrease in the share price or NAV (or comparative reference index) in the year. The source for this data is Bloomberg.

## Return on net assets

The total return on the NAV per share assumes that each dividend paid by the Company was reinvested into the shares of the Company at the NAV per share prevailing at the time the shares were quoted ex-dividend.

	Page	Year ended 30 September 2020	Year ended 30 September 2019
Opening NAV per share	1	175.79p	144.03p
Dividends paid	1, 47	6.55p	6.40p
Closing NAV per share	1	164.60p	175.79p
<b>Total return on NAV</b>		<b>-2.6%</b>	27.4%

## Return to shareholders

The total return to the shareholder assumes that each dividend received was reinvested into the Company's shares on the date on which the shares were quoted ex-dividend.

	Page	Year ended 30 September 2020	Year ended 30 September 2019
Opening share price	1	157.00p	124.50p
Dividends paid	1, 47	6.55p	6.40p
Closing share price	1	159.25p	157.00p
<b>Total return to shareholder</b>		<b>5.6%</b>	32.3%

**Discount/Premium** – the share price of an investment trust is derived from buyers and sellers trading their shares on the stock market. The share price is not likely to be identical to NAV per share of the underlying assets less the liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading 'at a discount'. If the share price is above the NAV per share, the shares are trading 'at a premium'. As at 30 September, 2020, the Company's shares were trading at a discount to NAV of 3.2%.

**Ongoing charges** – ongoing charges are calculated in accordance with AIC recommended methodology using the charges for the current year and the average NAV during the period. Ongoing charges are all operating costs expected to be regularly incurred and that are payable by the Company over the financial year. The costs of buying and selling investments are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares.

		Year ended 30 September 2020	Year ended 30 September 2019
Investment management fee		1,500	1,572
Administrative expenses		769	683
Research costs		–	102
Total ongoing expenses	(a)	2,269	2,357
Average daily NAV	(b)	153,209	140,603
<b>Ongoing charges figure (c = a / b)</b>	(c)	<b>1.48%</b>	1.68%

See page 14 for details of the Company's Key Performance Indicators and how the Directors assess some of these APMs.



# Company Information

## Directors

David Simpson (Chairman)  
Iain McLaren (Audit Committee Chairman  
and Senior Independent Director)  
Martin Nègre  
Malcolm (Max) King (Remuneration Committee Chairman)  
Susannah Nicklin

## Investment Manager

Ecofin Advisors Limited  
Burdett House, 15 Buckingham Street  
London WC2N 6DU  
Tel: 020 7451 2929  
Email: [info@ecofininvest.com](mailto:info@ecofininvest.com)

## Bankers, Custodian and Depositary

Citigroup  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB

## Solicitors

Norton Rose Fulbright LLP  
3 More London Riverside  
London SE1 2AQ

## Registered Auditor

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh EH1 8EX

## Brokers

Stifel Nicolaus Europe Limited  
150 Cheapside  
London EC2V 6ET

## Company Secretary and Registered Office

BNP Paribas Secretarial Services Limited  
10 Harewood Avenue  
London NW1 6AA  
Tel: 020 7410 5971  
Email: [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com)

## Administrators

BNP Paribas Securities Services S.C.A.  
10 Harewood Avenue  
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## Registrars

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Tel: +44 (0)370 703 6234  
[www.investorcentre.co.uk](http://www.investorcentre.co.uk)  
[WebCorres@computershare.co.uk](mailto:WebCorres@computershare.co.uk)

## Financial calendar

Ordinary share dividends payable (last day of)	February, May, August, November
AGM	March
Half-year end	31 March
Release of Interim Report	May
Financial year-end	30 September
Release of Annual Report	December

## Share prices and NAV information

The Company's ordinary shares are traded on the London Stock Exchange.

	Ordinary shares
SEDOL number	BD3V464
ISIN number	GB00BD3V4641
Reuters ticker	EGL.L
Bloomberg ticker	EGL:LN

The Company releases its NAV to the London Stock Exchange daily. These announcements are available on the Reuters and Bloomberg news services, as is other information about the Company. They are also available on the Investment Manager's website [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl)

Prices of the Company's ordinary share are listed in the Financial Times under the London Share Service 'Investment Companies' section.

## Annual and Interim Reports and other Company information

Copies of the Company's Annual and Interim Reports are available from the Company Secretary.

The Investment Manager publishes a monthly report; availability of these reports is announced to the London Stock Exchange and posted on the Reuters and Bloomberg news services. The reports are also available on the Investment Manager's website [www.ecofininvest.com/egl](http://www.ecofininvest.com/egl)

## Share transactions

The Company's shares may be dealt in directly through a stockbroker or professional advisor acting on an investor's behalf.

## Individual Savings Account ("ISA")

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

Registered in England & Wales No: 10253041



**Investment Manager:**  
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