

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 28/08/2020

Performance (to 28 August, 2020)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	Since Admission* %
Net Asset Value	-2.1	3.9	-4.8	1.8	25.9	39.9
Share Price	-2.8	6.1	2.8	19.9	50.3	78.6
FTSE All-Share Index	-0.6	-0.7	-10.1	-11.4	-7.7	3.1
FTSE ASX Utilities	-5.3	0.5	-15.3	8.6	-3.1	-8.3
MSCI World Index	2.9	6.1	10.5	10.1	31.2	52.0
MSCI World Utilities Index	-4.4	-1.9	-8.2	-6.0	12.5	25.7
S&P Global Infrastructure Index	-1.0	-3.5	-14.0	-15.9	-7.9	4.9

*26 September, 2016.

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

Yield, diversification, low volatility

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

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

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

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

Dividends

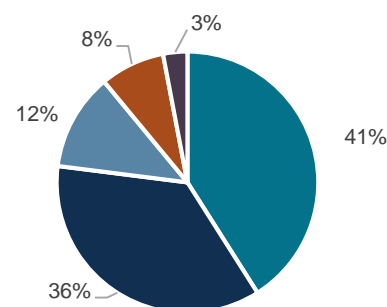
The Company announced in December 2019 an increase in the quarterly dividend rate to 1.65p per share (6.6p per annum), effective from the payment on 28 February, 2020. Quarterly dividend payments were previously 1.6p per share, or 6.4p per share per annum. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 28 August, 2020

Net assets	£155,062,813
NAV per share	164.03p
Share price	166.50p
Premium/(Discount)	1.5%
Gearing	14.8%
Yield*	3.9%

*Yield is based on dividends paid (last 4 quarterly dividends) as a percent of the share price.

Geographical allocation (% of portfolio)



- North America
- UK
- Emerging markets
- Cont. Europe
- Other OECD

Sector allocation

	% of Portfolio
Regulated utilities	24
Transportation	16
Integrations	38
Renewables (incl. YieldCos)	<u>22</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy*	5.6	US
Enel	5.3	Italy
RWE	4.7	Germany
Iberdrola	4.6	Spain
Endesa	4.0	Spain
EDP	3.7	Portugal
Spark Infrastructure	3.2	Australia
National Grid	3.2	UK
Brookfield Renewable Corp	3.1	US
Exelon	<u>3.1</u>	US
Total (44 holdings)	40.5	

*common shares; the portfolio also holds the issuer's convertible preferred stock

Manager's comments

- Equity markets were firmer again in August and the mood was decidedly 'risk-on'. US Treasury yields moved higher for most of the month (the 10-year yield rose from its recent lows around 0.55% early in August to close the month at 0.75%) with increasing optimism for strong growth comparisons next year and with the Federal Reserve's new policy of average inflation targeting – essentially a tolerance for higher inflation in hopes of stimulating lower unemployment and growth. Many commodity prices have risen, including the US natural gas price which is at a nine month high, fanned by extremely high temperatures, wildfires in California and a hurricane in the Gulf of Mexico, and in Europe the carbon price is back to its all-time highs.
- With equity market leadership very narrow and cyclically orientated, utilities lagged and transportation infrastructure is just starting to perk up. In August the MSCI World Utilities Index fell 4.4% (in roughly equal measure by geography) and the S&P Global Infrastructure Index declined by a more modest 1.0%. EGL's NAV and share price declined by 2.1% and 2.8%, respectively. Year-to-date, the NAV and share price have advanced by 2.0% and 6.2%, respectively, at least in the same ball park as the MSCI World Index (+5.6% YTD) whereas the sector indices have trailed quite considerably.
- There were some dominant features in EGL's space in August: The outperformance of renewables, everywhere (NEE, Brookfield Renewable, RWE, TransAlta Renewables); a noticeable uptick in transportation and energy infrastructure shares (Ferrovia was a positive contributor to NAV along with Williams); scandals affecting various utilities in the US; extreme heat, rolling black-outs and wildfires in California causing investors to shun local names (Edison); and currencies (sterling was strong in August but the more dramatic move has been the US dollar's decline over the last 3 months (-8% vs GBP)). RWE's €2 billion capital increase will allow the group to accelerate its expansion in wind and solar projects and was well received by the market.
- The portfolio's best performers in August included Brookfield Renewable, which bought out the 38% of Terraform Power (TERP) that it and its affiliates didn't already own at the end of July, infrastructure names Ferrovia and Williams, and more renewables names (RWE, TransAlta Renewables, Drax). On the other side of the ledger were Evergy (which decided not to sell itself, in spite of pressure from activists), China Longyuan Power (which had enjoyed a strong run higher over recent weeks), and regulated names (National Grid, American Electric Power and Edison International).
- M&A returned to the top of the agenda on the last day of the month with Veolia offering to acquire Engie's 29.9% stake in the capital of its main competitor Suez, as a preliminary step to a full bid proposal.
- Gearing was held steady at c. 14%.

TICKER: EGL

SEDOL: BD3V464

ISIN: GB00BD3V4641

Key risk factors

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

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

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

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

Gearing

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

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

For more information, please see www.ecofininvest.com

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Company details

Portfolio manager:	Jean-Hugues de Lamaze
Date of admission:	26 September, 2016
Traded:	London Stock Exchange
Dealing currency:	Sterling
Issued share capital:	94,533,423 shares
Investment management fee:	1% p.a. of net assets

Financial calendar

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

NMPI status

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

Individual Savings Account ("ISA")

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

Released: 3 September, 2020