



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/10/2021

Performance (to 31 October 2021)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	4.7	8.3	10.7	27.3	62.4	76.4	79.3
Share Price	1.6	7.0	9.1	26.3	80.5	102.3	123.7
S&P Global Infrastructure Index	1.9	5.5	4.6	20.7	19.0	21.3	24.4
MSCI World Utilities Index	3.6	2.6	1.5	5.5	25.7	35.3	38.9
MSCI World Index	4.0	5.6	10.2	33.5	56.4	88.2	95.6
FTSE All-Share Index	1.8	3.5	5.4	35.3	17.7	31.4	31.9
FTSE ASX Utilities	5.7	4.8	10.9	20.6	37.2	16.8	15.1

*26 September 2016.

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

Yield, diversification, low volatility

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

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

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

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

Dividends

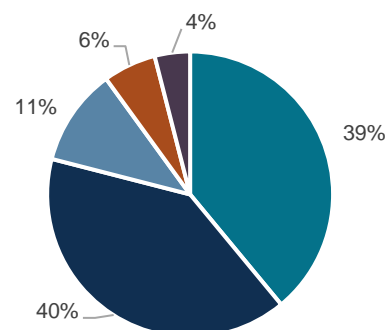
The quarterly dividend rate is 1.65p per share (6.6p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 October 2021

Net assets	£204,499,239
NAV per share	202.55p
Share price	199.50p
Premium/(Discount)	(1.5)%
Gearing	14.8%
Yield*	3.3%

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

Geographical allocation (% of portfolio)



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

Sector allocation

	% of Portfolio
Regulated utilities	20
Transportation	14
Integrations	38
Renewables (incl. YieldCos)	<u>28</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.5	US
Iberdrola	4.1	Spain
Exelon	3.5	US
Enel	3.5	Italy
SSE	3.4	UK
RWE	3.4	Germany
American Electric Power	3.1	US
Ferrovial	2.9	Spain
Spark Infrastructure	2.8	Australia
Drax	<u>2.8</u>	UK
Total (45 holdings)	34.9	

1. Common shares; the portfolio also holds the issuer's convertible preferred stock

Manager's comments

- With yield curves steepening, the prospect of earlier monetary policy tapering to contain inflationary pressures, and economic activity forecasts being cut, October didn't have the classic ingredients for a rally; nonetheless, infrastructure – and utilities especially – began an overdue catch-up, outperforming substantially in Europe. EGL's portfolio performed very well and the NAV increased by 4.7%, even with the headwind of sterling strength (+1.5% versus the US dollar and Euro in October), outpacing both the MSCI World Utilities and S&P Global Infrastructure indices which gained 3.6% and 1.9%, respectively.
- The portfolio's Chinese renewables investments, which have performed strongly this year, pulled back quite significantly in October on profit taking. This was offset by pronounced strength across European names, especially among the large integrations / renewables specialists which had really lagged behind year-to-date (Iberdrola, Enel, EDF, Endesa), alongside continued outperformance in Drax. Forward prices for electricity (2-4 year forwards) moved noticeably higher last month, suggesting acceptance that there are more structural reasons to expect power prices to remain elevated; these are centred on security of supply, given very low reserve margins in the UK and Central Europe owing to the phase-out of nuclear generation and the accelerated closure of coal capacity. Germany's next government will, in all likelihood, be 'greener' than its predecessor which could buoy carbon and power prices – and generators' profits – even if gas prices retreat to more familiar levels. As a result, we would expect forward curves to settle at elevated levels for the medium term, absent a significant correction in underlying commodity prices.
- Spanish utilities benefitted from the government's back-tracking on the recent 'surplus profits' taxation proposals, as we anticipated, with the latest decree effectively reversing the negative financial impact assumed by the market. Iberdrola's earnings were a further confidence booster: results were good and, crucially, management was assured enough to confirm guidance for the next 2 years.
- The North American part of the portfolio registered strong gains too, even if utilities generally didn't quite keep pace with the S&P 500's surge to a new high by month-end. The leaders in terms of NAV contribution were NextEra, Exelon and NextEra Energy Partners, all amongst the largest portfolio positions. NextEra's earnings announcement, backlog additions, confirmation of earnings and cashflow guidance, and constructive ROE rate settlement got the stock moving. Exelon and Public Service Enterprise Group, among the main beneficiaries of rising power prices in the US, continued to perform strongly on the back of rumoured federal support for nuclear in Biden's reconciliation plan.
- Although some commodity prices have retraced from recent heights, it looks like higher inflation may be with us for a while yet. It is worth noting that EGL's portfolio companies overwhelmingly benefit from rising inflation through rising revenues (i.e., higher achieved power prices for generators such as Drax, EDF and RWE) and/or the improved economic competitiveness of renewables with fossil fuel prices at such high levels. Additionally, a significant proportion of the portfolio's utilities and waste management names have either regulated or contracted cashflows which are indexed to inflation.
- Portfolio activity was light but included additions to Iberdrola, Veolia, American Electric Power and AES Corp and a further reduction in China Suntien Green. Gearing was 14.8% at month-end (including 5.6% in companies subject to take-over bids and 1.7% in the quasi-cash SPAC).

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:	100,963,423 shares
Investment management fee:	1% p.a. of NAV on first £200mn; 0.75% of NAV thereafter

Financial calendar

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

NMPI status

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

Individual Savings Account ("ISA")

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

Released: 4 November 2021