

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 29/02/2020

Performance (to 29 February, 2020)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	Since Admission* %
Net Asset Value	-2.4	5.4	3.9	23.4	45.8	42.9
Share Price	-7.0	2.9	10.7	26.1	58.9	64.8
FTSE All-Share Index	-10.2	-9.7	-4.1	-1.7	4.7	11.4
FTSE ASX Utilities	-3.0	9.1	22.8	18.9	7.3	3.6
MSCI World Index	-6.8	-5.7	-1.0	9.4	22.2	36.6
MSCI World Utilities Index	-4.6	2.4	0.2	16.9	33.8	38.0
S&P Global Infrastructure Index	-7.3	-3.8	-4.1	9.0	18.3	22.5

*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

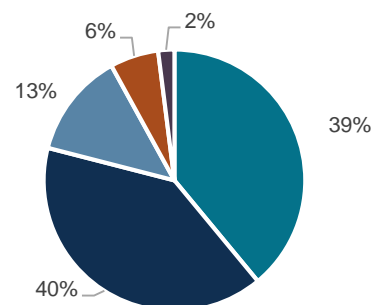
The Company announced in December 2019 an increase in the quarterly dividend rate to 1.65p per share (6.6p per annum), effective from the payment on 28 February, 2020. Quarterly dividend payments were previously 1.6p per share, or 6.4p per share per annum. Quarterly payment dates fall on the last business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

As of 29 February, 2020

Net assets	£158,260,402
NAV per share	172.26p
Share price	156.75p
Premium/(Discount)	(9.0%)
Gearing	9.6%
Yield*	4.1%

*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	15
Integrates	44
Renewables (incl. YieldCos)	<u>21</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy*	5.5	US
Iberdrola	5.1	Spain
EDP	4.8	Portugal
Enel	4.8	Italy
SSE	4.4	UK
RWE	4.3	Germany
Engie	4.1	France
National Grid	3.9	UK
EDF	3.5	France
Exelon	<u>3.5</u>	US
Total (43 holdings)	43.9	

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

Manager's comments

- Equity markets continued their ascent, in many cases to record highs, until the month's final week when fear of the economic impact from the spreading coronavirus caused a swift sell-off. A record c. 8% month-to-date gain for EGL's NAV turned in to a modest decline a week later. World equity markets dropped in tandem and the MSCI World Index closed 8.4% lower (-5.3% in sterling terms) for the month. The Company's sectors had a similar experience with the MSCI World Utilities Index and the S&P Global Infrastructure Index declining by 4.6% and 7.3%, respectively, in sterling terms (sterling declined about 1.8% versus the US dollar and Euro). Almost more remarkably, the 10-year US Treasury yield fell to a record low of 1.13% by 28 February while the 10-year UK Gilt yield has halved since the beginning of the year.
- EGL's NAV decreased by 2.4% in February, demonstrating good resilience while the markets were highly stressed. Good news first: UK names help up relatively well (as they have for 6 months), as did US yieldcos (NextEra Energy Partners and Terraform Power) and a few European holdings (EDF, Iberdrola and Neoen) which – notwithstanding late month selling pressure – closed higher month-on-month. On the other hand, the S&P500 Utilities index dropped by 8.8% (in local currency), correcting a portion of a strong run higher over the last year, and American Electric Power, Public Service Enterprise Group, Covanta and NextEra Energy uniformly trimmed the NAV by about 25bps each. Oddly, given the interest rate backdrop, regulated names were under particular pressure late February. Year-to-date the NAV has increased by 4.2% in the context of distressed and volatile equity markets.
- Recent earnings announcements from utilities in EGL's portfolio have all been in line with or better than market expectations and we expect this to support the sector when volatility settles down. Engie, for example, surprised the market with stronger than anticipated earnings momentum and the replacement of its CEO; the uncertainty around strategy caused by the management upheaval has not held back the share price. EDF, a poor performer in 2019, is enjoying a strong recovery in its share price further to a set of good results and increasing belief in the market that reform of the nuclear fleet could happen this year. Further encouragement came from Iberdrola which raised its guidance to high single-digit average growth in net profit for the period 2020-22 as the group is accelerating its capex programme.
- Gearing has inched higher to 9.6%.

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.tortoiseadvisors.co.uk/egl

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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:	91,872,247 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: 5 March, 2020