

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/03/2021

Performance (to 31 March, 2021)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	Since Admission* %
Net Asset Value	7.1	-0.8	13.5	30.5	57.8	58.1
Share Price	7.2	-2.3	16.1	33.4	82.6	98.4
FTSE All-Share Index	4.0	5.2	18.5	27.1	9.9	20.1
FTSE ASX Utilities	7.7	1.1	6.5	5.9	25.6	-0.5
MSCI World Index	4.5	3.9	12.1	39.1	48.3	69.8
MSCI World Utilities Index	9.0	-0.6	2.7	9.7	36.0	33.2
S&P Global Infrastructure Index	5.7	1.9	10.6	22.2	16.8	15.3

*26 September, 2016.

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

Yield, diversification, low volatility

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

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

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

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

Dividends

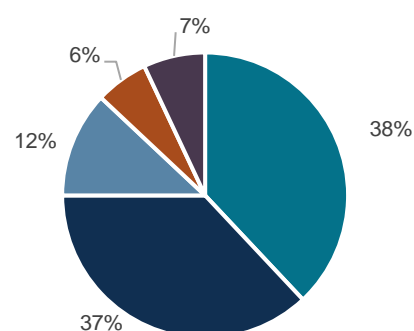
The Company announced in December 2019 an increase in the quarterly dividend rate to 1.65p per share (6.6p per annum), effective from the payment on 28 February, 2020. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 March, 2021

Net assets	£184,262,282
NAV per share	183.26p
Share price	181.50p
Premium/(Discount)	(1.0%)
Gearing	16.3%
Yield*	3.6%

*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	22
Transportation	13
Integrations	38
Renewables (incl. YieldCos)	<u>27</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.3	US
Iberdrola	5.2	Spain
Enel	4.6	Italy
SSE	4.1	UK
RWE	3.9	Germany
China Longyuan Power	3.7	China (H-share)
EDP	3.4	Portugal
Brookfield Renewable ²	3.2	Canada
Edison International	3.1	US
Exelon	<u>3.0</u>	US
Total (45 holdings)	39.5	

1. Common shares; the portfolio also holds the issuer's convertible preferred stock
2. Brookfield Renewable Corp. shares (BEPC CDN 3.2%); the portfolio also holds Brookfield Renewable Partners (BEP-U CDN 1.2%)

Manager's comments

- EGL's NAV increased by 7.1% in March, largely offsetting February's sharp decline. The S&P Global Infrastructure Index produced a 5.7% gain, somewhat more than the MSCI World Index's 4.5% in sterling terms and clearly underpinned by the rebound in utilities names. The MSCI World Utilities Index popped 9.0% higher, driven by strong gains across all regions but especially in its dominant US allocation. After months of gains, sterling was another 1.8% stronger against the Euro in March but 1.1% lower versus the US dollar.
- For the half-year to 31 March, EGL's NAV total return was 13.5% and EGL's shares increased by 16.1%, also on a total return basis, outperforming global sector indices by a good margin (MSCI World Utilities Index +2.7%; S&P Global Infrastructure Index +10.6%) as well as the MSCI World Index. Stock selection added significant value over the 6 months against a backdrop of significant volatility in equity markets and relative weakness for EGL's sectors (measured by the indices), coupled with challenging macro conditions, such as significant strength in sterling (GBP rose c. 6.6% vs the USD and Euro) and rising bond yields.
- Utilities performed well globally in March, even outperforming strong equity market averages, in spite of the apparent consensus in markets that reflation would successfully reboot global growth and the upward path for interest rates would continue. The US 10-year government benchmark yield continued to climb, adding another 20 bps during the month to close at 1.72%, while UK, European and Australian comparables finished the month almost unmoved. Commodity and power price trends were generally favourable and some attention returned to company fundamentals and valuations given the exaggerated pullbacks across the clean energy space over previous weeks.
- As February's drawdown across interest-sensitives was fairly indiscriminate, we had opportunities to add to various high conviction renewables names (such as Iberdrola, SSE, Endesa), transportation services holdings ENAV and Atlas Arteria, and APA Group in Australia, an energy infrastructure giant. A new holding was also established in Neoen, a stock previously held in EGL's portfolio. Neoen is a fast growing French renewable energy producer – with just over 4GW in operation or under construction globally today and plans for 10GW by 2025 – and developer of energy storage.
- National Grid and a new US holding in the portfolio, PPL Corporation, announced an interesting asset swap in March. PPL, a highly regarded regulated utility operating in Pennsylvania, Kentucky and the UK, is selling its UK electricity distribution business Western Power Distribution (WPD) to National Grid for \$19.4bn in cash (1.7 x rate base) while acquiring National Grid's Rhode Island utility, Narragansett Electric, for \$3.8bn plus the assumption of \$1.5bn of that business' debt. We had recently added PPL on the expectation that the sale of its premium electricity distribution asset in the UK would reap a higher than consensus price tag and that such a sale should spark a revaluation for PPL's shares. In the event, PPL has also acquired a prime asset in Rhode Island, a new and fast growing geography for PPL. For National Grid, this deal signals a lot regarding its direction of travel and positioning for a future based on electrification. It has also committed to sell down a majority stake in its UK gas transmission business and to use the proceeds to increase investments on the electric side. We believe the announcements should prove positive for both stocks over time.
- As net buyers over the last 6 weeks, gearing was 16.3% at the end of March.

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:	100,548,423 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: 8 April, 2021