



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/07/2021

Performance (to 31 July 2021)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	Since Admission* %
Net Asset Value	2.3	2.3	4.9	16.8	47.1	65.6
Share Price	6.2	2.0	2.3	14.7	70.5	109.1
S&P Global Infrastructure Index	0.3	-0.8	7.0	13.1	7.4	17.9
MSCI World Utilities Index	2.4	-1.1	2.5	3.8	24.0	35.4
MSCI World Index	1.1	4.4	14.9	27.9	43.9	85.2
FTSE All-Share Index	0.5	1.8	12.6	26.6	5.5	27.4
FTSE ASX Utilities	2.1	5.9	11.6	13.3	30.0	42.4

*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

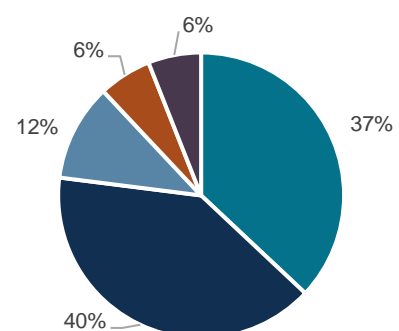
The quarterly dividend rate is 1.65p per share (6.6p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 July 2021

Net assets	£189,993,336
NAV per share	188.60p
Share price	188.00p
Premium/(Discount)	(0.3)%
Gearing	16.4%
Yield*	3.5%

*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
Integrates	35
Renewables (incl. YieldCos)	<u>31</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.3	US
Enel	4.1	Italy
Iberdrola	3.5	Spain
Exelon	3.3	US
RWE	3.3	Germany
SSE	3.0	UK
Brookfield Renewable ²	2.9	Canada
Endesa	2.9	Spain
Covanta	2.9	US
China Suntien Green Energy	<u>2.8</u>	China (H-share)
Total (46 holdings)	34.0	

1. Common shares; the portfolio also holds the issuer's convertible preferred stock
2. Portfolio also holds Brookfield Renewable Energy LP

Manager's comments

- EGL's NAV held on to June's momentum and increased by 2.3% in July. In a fairly extraordinary month for longer term bond yields – taking their cue from the US 10 year Treasury yield which declined from 1.61% to 1.22% – and better than consensus earnings reports from several portfolio holdings, the NAV moved higher and the share price had the added benefit of a retracement in risk appetite and sentiment in some other sectors.
- The pan-European part of the portfolio made gains but the real oomph came from bids for Covanta and Spark Infrastructure, the broad-based strength in the North American portfolio, and continued momentum for regulated names given lower real rates (Pennon, Terna, Evergy, American Water Works). We also saw an uptick in share prices for some major renewables developers including NextEra which produced a strong Q2 earnings report with execution on its project backlog running ahead of 2024 targets. While the China growth deceleration story played out and anxiety developed around Chinese regulatory policy in some sectors, China Suntien Green Energy and China Longyuan Power continued to be strong performers, perhaps the recipients of reallocated fund flows.
- Spark Infrastructure, the owner of a major proportion of Australia's electricity infrastructure, received a bid from a consortium including the large private infrastructure investors Ontario Teachers' Pension Plan and KKR. Since the first approach, the bid has been revised higher twice to A\$2.95 which represents a c. 30% premium to Spark's 3 month volume weighted average share price. The company's board is considering the latest proposal.
- Covanta, a US waste management company which is undergoing a long-awaited strategic review of its businesses, was bid for by EQT Infrastructure and the board announced its agreement to the terms (offer price of \$20.25, a c. 37% premium to the undisturbed price of a week earlier). The deal is due to close in Q4 and the company has just exceeded consensus earnings estimates again. Ecofin, which holds approximately 1.7% of Covanta's outstanding shares across client portfolios, has written to the company's board to explain why we believe the bid on the table undervalues Covanta and to relay our dissatisfaction that the board did not consult with shareholders during the strategic review process.
- In general, Q2/H1 earnings reports have been in line with or better than consensus expectations among the portfolio's utility holdings while the picture remains more mixed for transportation infrastructure names where toll road operators have seen volumes recover to almost normal levels while airport operators continue to struggle with a significant gap in revenues. Utilities with commodity exposure, either through generation or trading, have benefitted from the exceptional strength in commodity prices this year. RWE, for example, has upgraded its full year guidance by 16% due to outsized trading profits. Renewables operators have experienced more mixed conditions, with capacity growth and power price tailwinds mostly offset by lower wind yields compared to above-average conditions in 2020; reassuringly, none of the major renewables operators expect to see an impact from recent increases in the prices of manufactured inputs and raw materials.
- EDF (-10%) was the only real detractor from the NAV last month after the French government confirmed that the much anticipated reshuffling of the group's structure was unlikely to happen near-term; in our view, the market's excessive focus on the regulatory dynamics is preventing the share price from catching up with substantially improved fundamentals.
- We took profits on a portion of the holding in China Longyuan (+89% YTD). We exited Edison International and Algonquin Power & Utilities in favour of new holdings in American Electric Power and DTE Energy; we also bolstered the positions in Drax and Atlantia. Gearing settled at 16.4% at month end (including 1.9% 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

This document is issued in relation to Ecofin Global Utilities and Infrastructure Trust plc ("EGL") by Ecofin Advisors Limited (formerly Tortoise Advisors UK Limited, the "Investment Manager") which is authorised and regulated by the Financial Conduct Authority. EGL is an investment trust incorporated in the United Kingdom and whose shares are listed on the premium segment of the Official List and trade on the main market for listed securities of the London Stock Exchange. The promotion of EGL and the distribution of this document inside and outside the United Kingdom is also restricted by law.

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in EGL. The information contained in this document is for background purposes only and does not purport to be full or complete. The Investment Manager believes that the source of the information disclosed in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the completeness of the information contained in this document by the Investment Manager, and no liability is accepted by the Investment Manager for the completeness of any such information.

Company details

Portfolio manager:	Jean-Hugues de Lamaze
Date of admission:	26 September 2016
Traded:	London Stock Exchange
Dealing currency:	Sterling
Issued share capital:	100,738,423 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: 10 August 2021