



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/09/2021

Performance (to 30 September 2021)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	-2.1	5.8	8.3	22.9	52.4	73.4	71.2
Share Price	5.0	11.9	11.0	28.9	80.1	105.3	120.2
S&P Global Infrastructure Index	0.7	3.8	5.8	17.1	14.5	23.1	22.1
MSCI World Utilities Index	-5.0	1.4	0.7	3.5	23.3	37.0	34.1
MSCI World Index	-2.0	2.6	10.7	24.1	42.5	88.2	88.0
FTSE All-Share Index	-1.0	2.2	7.9	27.8	9.6	29.8	29.6
FTSE ASX Utilities	-4.7	1.2	9.4	16.5	32.7	7.5	8.9

*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 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

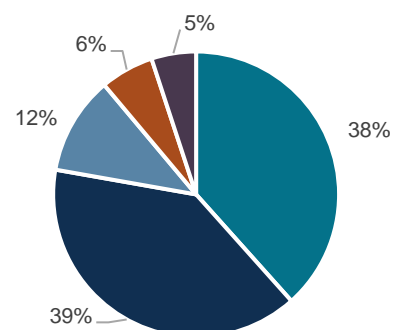
The quarterly dividend rate is 1.65p per share (6.6p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 30 September 2021

Net assets	£196,429,008
NAV per share	194.99p
Share price	198.00p
Premium/(Discount)	1.5%
Gearing	12.6%
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	36
Renewables (incl. YieldCos)	<u>30</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.5	US
Enel	3.5	Italy
Exelon	3.5	US
Iberdrola	3.5	Spain
SSE	3.5	UK
RWE	3.4	Germany
Covanta	3.0	US
Spark Infrastructure	2.9	Australia
Ferrovial	2.9	Spain
EDP-Energias de Portugal	<u>2.7</u>	Portugal
Total (45 holdings)	34.3	

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

Manager's comments

- Equity markets had a lot to contend with during September including steepening yield curves as continuing global supply line disruptions stoke price surges, dramatically higher natural gas prices leading European governments to propose measures to cap energy prices for consumers and in Spain confiscate utilities' profits, China's property sector weakness and electricity shortages, and elections in Germany. The US 10-year government bond yield rose c. 20 bps to close at 1.49% and the MSCI World Index fell by 2.0% (-4.1% in local currency terms).
- EGL's NAV declined by 2.1% in September. There was a big gap between the performances of the usual sector indices with the MSCI World Utilities falling by 5.0% while the S&P Global Infrastructure gained 0.7% buoyed by the more cyclical transportation infrastructure elements.
- The end of September also marked the financial year-end and EGL's 5th birthday and we can report that performance has been strong, matching the intentions at launch to provide shareholders with above average income and long-term capital gains while paying attention to capital preservation. Since 26 September, 2016 (to 30 September, 2021), the NAV total return has been 71.2%, or 11.3% per annum, and the share price total return has been 120.2%, or 17.1% per annum. Stock selection has added significant value such that these returns are well ahead of the global utilities and infrastructure sector indices (6.0% per annum and 4.1% per annum total returns in sterling, respectively) and they compare nicely as well with the FTSE All-Share Index's 5.3% per annum gain over the same period.
- In September, we saw some large share price moves in the portfolio. EGL's two Hong Kong listed Chinese wind operators continued to appreciate, contributing strongly to the NAV. These names, Longyuan (+21% in September) and China Suntien (+58%), are perhaps the recipients of funds flowing out of Chinese sectors feeling the pinch of greater and targeted government regulation. Drax's performance (+16%) was also pretty outstanding in a poor month for utilities; we had increased the position again in July as our own forecasts for the longer term profitability of the biomass supply business and near-term BECCS (bioenergy with carbon capture and storage) optionality are materially more optimistic than consensus. Given the current strength in power prices, Uniper was also strong, and the more cyclical transportation infrastructure names Ferrovial and ENAV contributed positively too.
- Despite the strong power price backdrop and the significantly higher prices for fossil fuels which make renewables sources even more economically competitive, most utilities – especially the green ones – continued to lag. Higher longer term rates were a factor but so too was government intervention. Concern about the impact of soaring gas prices on customer bills was evident everywhere but especially unwelcome for investors in Spanish utilities where customer bills for almost 50% of households are directly exposed to changes in spot power prices. The Spanish government's move to tax 'surplus' profits for utilities for the next six months hurt the share prices of Iberdrola, Endesa and Enel beyond the reasonable fundamental impact of the temporary measures.
- With the pronounced strength in Chinese renewables versus other western majors, we reorganised some exposures last month. We locked in substantial profits in China Suntien and Longyuan, redirected funds to several high conviction names (Iberdrola, SSE, Veolia, E.ON and AEP) and established a new position in Virginia headquartered, global electricity provider AES Corp. A few other holdings were also trimmed and AENA was sold. As a result, borrowings were reduced and gearing was 12.6% at month-end (including 5.9% in companies subject to take-over bids and 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

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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:	100,738,423 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: 7 October 2021