



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/03/2022

Performance (to 31 March 2022)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	7.0	3.3	13.7	23.1	59.7	90.4	94.7
Share Price	15.9	12.6	14.1	26.7	93.5	138.1	151.3
S&P Global Infrastructure Index	7.8	10.4	14.7	21.4	21.8	31.7	40.0
MSCI World Utilities Index	7.2	4.4	15.5	16.4	28.4	48.4	54.9
MSCI World Index	4.8	-2.2	4.9	16.1	52.5	75.8	97.2
FTSE All-Share Index	1.3	0.5	4.7	13.0	16.8	25.7	35.7
FTSE ASX Utilities	4.0	8.4	25.4	37.2	59.7	40.4	36.5

*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 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

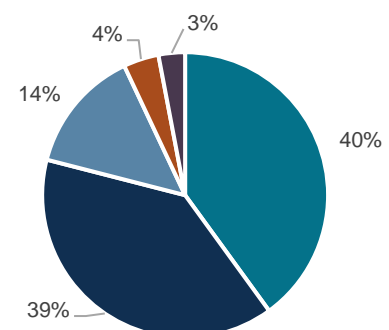
With effect from the interim dividend to be paid in February 2022, the quarterly dividend rate will increase to 1.85p per share (7.40p per annum) (from 1.65p per share, or 6.60p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 March 2022

Net assets	£220,887,215
NAV per share	217.92p
Share price	222.00p
Premium/(Discount)	1.9%
Gearing	13.4%
Yield*	3.1%

*Yield is based on dividends paid (last 4 quarterly dividends) as a percent of the share price. Please also see 'Dividends' below.

Geographical allocation (% of portfolio)



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

Sector allocation

	% of Portfolio
Regulated utilities	24
Transportation	13
Integrations	35
Renewables (incl. YieldCos)	<u>28</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.4	US
RWE	3.9	Germany
Drax	3.9	UK
SSE	3.7	UK
Endesa	3.6	Spain
American Electric Power	3.5	US
Enel	3.4	Italy
Exelon	3.1	US
Atlas Arteria	3.1	Australia
Greencoat UK Wind	<u>3.0</u>	UK
Total (43 holdings)	36.7	

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

Manager's comments

- EGL's NAV and share price increased by 7.0% and 15.9%, respectively, in March, both reaching new highs as the quarter came to a close. The MSCI World Utilities Index (+7.2%) and the S&P Global Infrastructure Index (+7.8%) outperformed most sectors and the MSCI World Index's 4.8% gain mostly because of the 12.5% increase for US utilities in March. Over 12 months, the NAV has increased by 23.1% (share price +26.7%) versus 16.4%, 21.4% and 16.1% for the MSCI World Utilities, S&P Global Infrastructure and MSCI World indices, respectively.
- Bond markets had a particularly poor month reflecting tightening monetary policies nearly everywhere to tackle high inflation stoked by pandemic-induced shortages and the upheaval caused by the war in Ukraine. The 10-year US Treasury yield's path to adding c. 50bps was quite typical of other markets too: it started the month at 1.86%, reached 1.71%, and closed the month at 2.38%. Yield curves flattened in the US and the UK, with short-term rates rising faster than long-term yields, providing a surprisingly strong boost to equities and especially utilities in those markets. The US utilities index rose by 12.5% in March while Continental utilities declined by 4.4% (total returns in £), an exaggerated divergence in our view.
- Alpha generation was strong in each region of the portfolio in March, most of all in the European portion. Drax was the best NAV contributor, followed by US holdings AES, NextEra Energy, Exelon and AEP. Acciona Energias and Endesa were good performers, as was Atlantia (motorway and airport concessions around the world) which was subsequently bid for by two competing shareholders at a c. 50% premium to our entry price.
- Energy commodity prices remained elevated and volatile, providing further support for power prices and buoying European carbon prices. We note that renewables developers in Europe are seeing an increase in appetite for power purchase agreements among commercial and industrial customers eager to lock in cost bases. Although this was a relatively immature market in Europe before the current energy crisis, PPAs are now being signed for 5-10 years at prices very significantly higher than a year ago with developers whose costs have hardly changed in that time. In the US, the price inflation reported on PPAs is also material. These pricing dynamics further encourage our conviction about the prospects for renewables names in the portfolio.
- In the current market environment, the defensive characteristics of regulated utilities has gained appeal, largely due to the inflation linkage in their pricing formulas. Terna and National Grid, managers of their respective countries' electricity transmission grids, and Exelon (fully regulated transmission and distribution utilities post spin-off) have all been performing strongly. The laggards in the portfolio in March were mostly large European integrated utilities with some form of exposure to Russia (Enel, E.ON and Engie) and Veolia due to its cyclical earnings profile, but none were very weak.
- During the month we sold Brookfield Renewable and trimmed Iberdrola on relative outperformance in order to introduce new positions in Ameren, a fully regulated and decarbonising electric and gas utility in Missouri and Illinois with significant gearing to higher long-term US interest rates in the short run, and REN (Redes Energeticas Nacionais), the operator of Portugal's electricity and natural gas infrastructure. We also increased holdings in high conviction European stocks Enel, Engie, RWE, Veolia which had dipped to inexpensive levels amidst March's market volatility. Gearing was 13.4% at month-end.

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:	101,363,423 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: 14 April 2022