

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/01/2022

Performance (to 31 January 2022)

| (all total returns in £) | 1 M % | 3 M % | 6 M % | 1 Y % | 3 Y % | 5 Y % | Since Admission* % |
|---------------------------------|-------|-------|-------|-------|-------|-------|--------------------|
| Net Asset Value | -4.7 | 0.2 | 8.5 | 12.9 | 54.9 | 90.9 | 79.7 |
| Share Price | 2.5 | 2.3 | 9.4 | 11.9 | 79.6 | 116.2 | 128.8 |
| S&P Global Infrastructure Index | -0.1 | 1.9 | 7.5 | 14.9 | 16.5 | 27.6 | 26.8 |
| MSCI World Utilities Index | -2.4 | 4.2 | 7.0 | 9.7 | 26.9 | 47.0 | 44.8 |
| MSCI World Index | -4.6 | -1.6 | 3.9 | 19.4 | 57.0 | 78.7 | 92.4 |
| FTSE All-Share Index | -0.3 | 2.0 | 5.6 | 18.9 | 21.7 | 30.1 | 34.6 |
| FTSE ASX Utilities | -0.4 | 9.0 | 14.2 | 27.4 | 45.6 | 35.1 | 25.5 |

*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

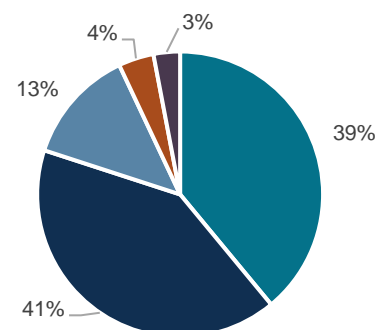
With effect from the interim dividend to be paid in February 2022, the quarterly dividend rate will increase to 1.85p per share (7.40p per annum) (from 1.65p per share, or 6.60p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 January 2022

| | |
|--------------------|--------------|
| Net assets | £205,573,623 |
| NAV per share | 202.96p |
| Share price | 204.00p |
| Premium/(Discount) | 0.5% |
| Gearing | 11.3% |
| Yield* | 3.2% |

*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 | 23 |
| Transportation | 12 |
| Integrates | 39 |
| Renewables (incl. YieldCos) | <u>26</u> |
| | 100 |

10 Largest holdings

| | % of Portfolio | Country |
|-----------------------------|----------------|---------|
| NextEra Energy ¹ | 5.3 | US |
| Iberdrola | 4.2 | Spain |
| Exelon | 4.1 | US |
| RWE | 3.9 | Germany |
| Endesa | 3.6 | Spain |
| American Electric Power | 3.4 | US |
| Enel | 3.4 | Italy |
| SSE | 3.4 | UK |
| Drax | 3.3 | UK |
| Veolia | <u>3.1</u> | France |
| Total (43 holdings) | 37.5 | |

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

Manager's comments

- January was grim in equity markets with inflation data and higher rates weighing heavily on sentiment and valuations, especially in high growth (including clean energy) sectors. Like equities, commodity prices were very volatile with tense geopolitical situations contributing to angst and continuing strength in energy prices. Bond yields were rising as markets priced in interest rate rises for this year and the increasing likelihood of monetary policy tightening. The US 10-year Treasury yield rose (by c. 30 bps) and hovered in the 1.75-1.85% range, a moderate move all considered.
- EGL's NAV fell by 4.7%, reversing December's gain and impacted most by NextEra and EDF. Otherwise, earnings results, the flattening of yield curves and the risk-off mood in markets meant EGL's sectors and the portfolio held up relatively well. The S&P Global Infrastructure Index, with its energy component, declined only fractionally, while the MSCI World Utilities Index fell by 2.4%. Note that clean energy (measured by ICLN, the global clean energy ETF which includes Orsted, EDP, Iberdrola and SSE among its 10 largest constituents) was down 11.4% over the month.
- NextEra Energy (NEE) and its yieldco NextEra Energy Partners (NEP) were knocked because growth stocks with premium valuations were sold most aggressively; this was compounded by investor alarm at the announcement of the retirement of NextEra's highly respected CEO. NEE's stock, the largest position in the portfolio, fell 16% during January. We remain confident in NextEra's ability to deliver sector-leading growth, coupled with continued improvement in its sustainability profile executed predominantly through renewables additions and regulated electricity networks investments.
- The affordability of energy in Europe continues to be a major political issue, triggering government intervention and uncertainty in the utility sector. EDF is a stark example given the French government's move to cap power price rises for consumers and require this majority state-owned company to sell more power to third-party suppliers at well below market rates. At the same time, several of EDF's reactors were forced offline for repairs, creating production (and earnings) uncertainties and keeping upward pressure on Europe-wide power prices. EDF's shares fell, reaching the COVID lows of 2020. We expect the strength in European power prices will persist as there is no reserve margin in Germany and insufficient power production generally across Europe.
- Chinese renewables China Longuan (-14%) and China Suntien Green Energy (-22%) were also easy targets for profit-taking given their extremely strong performances last year. We had already reduced both positions significantly to a combined 3.3%.
- Williams and RWE were relatively strong and Exelon continued to outperform. Exelon is spinning out its nuclear generation business into a separate entity, Constellation, the first pure-play nuclear name, which begins trading early February. There is a growing acceptance of nuclear power's role in the energy transition in the US. The remainder, a large cap, low risk, regulated transmission & distribution utility, retains the Exelon name. We continue to support both businesses.
- Portfolio activity was light in January but did include some purchases in Continental Europe (Endesa, Veolia, Ferroviar, Acciona Energias) on share price weakness. Gearing was 11% 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: | 101,288,423 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: 4 February 2022