



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/11/2024

Performance (to 30 November 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	1.4	4.3	5.4	20.8	20.7	60.8	116.7
Share Price	1.3	5.7	7.8	20.9	14.2	51.8	144.5
S&P Global Infrastructure Index	4.5	9.4	12.1	23.9	38.8	37.8	70.4
MSCI World Utilities Index	3.0	7.8	10.8	24.6	30.9	41.3	84.1
MSCI World Index	5.8	7.9	11.5	27.3	34.0	82.7	160.4
FTSE All-Share Index	2.5	-0.5	1.9	15.8	25.5	32.2	64.0
FTSE ASX Utilities	4.4	0.8	12.6	6.6	27.4	62.8	51.9

*26 September 2016.

Source: Morningstar. Performance is shown on a total return basis, i.e., assuming re investment of dividends.

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

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

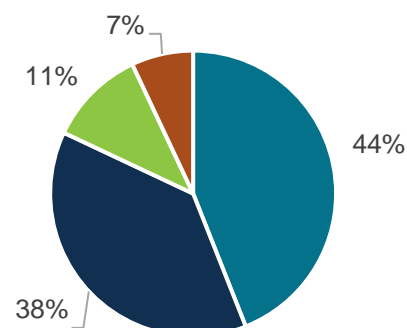
With effect from the interim dividend paid in February 2024, the quarterly dividend rate increased to 2.05p per share (8.20p per annum) from 1.95p per share. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 30 November 2024

Net assets	£236,782,978
NAV per share	218.54p
Share price	193.00p
Premium/(Discount)	(11.7)%
Gearing	14.8%
Yield*	4.2%

*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
- Rest of World

Sector allocation

	% of Portfolio
Regulated utilities	35
Integrated utilities	31
Renewables & nuclear	15
Environmental services	8
Transportation infrastructure	<u>11</u>
	100

10 Largest holdings

	% of Portfolio	Country
National Grid	4.7	UK
Vistra	4.6	US
NextEra Energy	4.6	US
E.ON	4.3	Germany
Vinci	3.8	France
Enel	3.7	Italy
SSE	3.7	UK
ENAV	3.5	Italy
RWE	3.5	Germany
Constellation Energy	<u>3.5</u>	US
Total (40 holdings)	39.9	

Manager's comments

- EGL's NAV increased by 1.4% in November. The MSCI World Utilities Index rose by 3.0% and the S&P Global Infrastructure Index increased by 4.5%, both driven higher by their dominant US components.
- Trump's win has widely been seen as positive for US economic growth momentum, the US dollar, US equities and more cyclical stocks. Longer-term interest rates rose before and immediately following the election results, reflecting fiscally-led inflation fears and widespread policy uncertainty. By month-end though, the US 10-year Treasury yield had turned lower again to pre-election levels around 4.2%.
- Pure renewables stocks had another unpleasant month given their exposure to potential changes to President Biden's IRA and their long duration business models. Their shares have underperformed significantly, anticipating reductions in tax incentives for investments and a murky period for newsflow before any policy clarity emerges from a new US administration next year. AES shares, for example, were pulled 19% lower in November.
- US focussed integrated and regulated utilities, however, were rallying (Vistra especially but also Xcel, Edison International, Ameren, Public Service Enterprise Group) with the focus back on power demand and EPS growth upside. These companies are dealing with a material new demand centre, AI, and electricity demand growth was a feature of most recent company reports, as was an acceleration in capital allocated to grid expansion and modernisation. Despite their outperformance year-to-date, US utilities continue to attract investors looking for growth, specifically predictable growth.
- Power prices moved higher last month – by 3-4% in the US and 6-17% across European markets – reflecting rises in natural gas and carbon prices and colder weather. Despite another set of strong earnings and guidance reports from Terna, Enel, EDP, Iren, RWE and E.ON and pockets of load growth in Europe – for example in Iberia where power demand is forecast to grow by 2-4% p.a. because of industrial activity and electrification (and a boost from datacentres) – Continental utilities are lagging US and UK peers. Valuations compared to historical averages are approximately where US utility valuations were a year ago.
- We increased the portfolio's holding in the network/grid and retail giant E.ON last month and continue to look to add to European exposure while valuations remain so low. E.ON's shares, we believe, have been sold off unduly on political risk (since the AFD almost won the Brandenburg elections in September) while the business is largely regulated. Veolia produced a solid earnings report which showed reassuring resilience in its core business, but along with other French exposed names (Vinci, Engie, Atlas Arteria) was buffeted by rising French political instability and bond yields by month-end.
- We also added to Public Service Enterprise Group, New Jersey's largest transmission & distribution utility with a 100% nuclear generating fleet, and initiated a position in Waste Management (WM) to increase exposure to environmental services and to diversify. WM has a strong record of operational and financial performance. We took partial profits in AEP and Dominion. By month-end gearing had increased to 14.8%.

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.

Company details

Portfolio manager:	Jean-Hugues de Lamaze
Date of admission:	26 September 2016
Traded:	London Stock Exchange
Dealing currency:	Sterling
Issued share capital:	108,347,962 shares
Investment management fee:	0.9% p.a. of NAV on first £200mn; 0.75% above £200mn up to £400mn; 0.6% 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 December 2024

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