



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 29/02/2024

Performance (to 29 February 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	0.6	-1.0	-2.3	-8.2	20.3	52.8	77.6
Share Price	-5.0	-8.2	-9.4	-26.5	0.3	44.0	85.6
S&P Global Infrastructure Index	0.6	0.8	2.2	-3.4	26.2	25.1	37.7
MSCI World Utilities Index	-0.3	-1.4	0.2	-3.7	19.2	26.0	45.7
MSCI World Index	5.1	10.8	13.1	20.4	43.7	87.0	133.6
FTSE All-Share Index	0.2	3.3	3.9	0.4	24.8	27.3	44.1
FTSE ASX Utilities	-3.4	-4.2	2.6	2.1	47.7	57.5	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

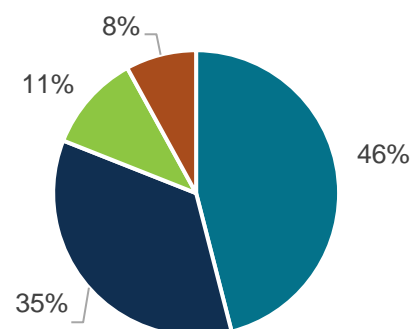
With effect from the interim dividend paid in February 2023, the quarterly dividend rate increased to 1.95p per share (7.80p per annum). With effect from the interim dividend to be paid in February 2024, the quarterly dividend rate will increase to 2.05p per share (8.20p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 29 February 2024

Net assets	£210,816,367
NAV per share	184.49p
Share price	151.50p
Premium/(Discount)	(17.9)%
Gearing	12.1%
Yield*	5.2%

*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	36
Integrated utilities	28
Renewables & nuclear	16
Environmental services	6
Transportation infrastructure	<u>14</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy	5.5	US
American Electric Power	5.1	US
National Grid	4.8	UK
Constellation Energy	4.2	US
Enel	3.8	Italy
Edison Int'l	3.8	US
SSE	3.7	UK
E.ON	3.5	Germany
RWE	3.4	Germany
ENAV	<u>3.4</u>	Italy
Total (38 holdings)	41.2	

Manager's comments

- EGL's NAV increased by 0.6% over the month, closing well above mid-month lows. The S&P Global Infrastructure and MSCI World Utilities indices returned 0.6% and -0.3%, respectively. In all regions listed infrastructure continued to underperform while the dominant themes lifting equity markets remain tech and AI rather than long duration and essential assets. This dynamic was not helped by a 40bps increase in the benchmark US 10-year bond yield in the first half of the month as sticky inflation data impacted rate cuts expectations, or by Warren Buffet's warning regarding wildfire risks to utilities.
- No amount of 'in line' or even positive news (e.g. Engie, NextEra Energy, Exelon) for companies in the utilities/renewables sector, with respect to results, guidance, dividend growth or capex plans, is able currently to comfort investors about earnings prospects while economies and power demand remain weak across Europe and energy markets are deemed over-supplied. RWE's cautious statement for 2024 caused its share price to retrace a lot of Q4 2023's gains and impacted the wider group too in February (Enel, EDP, E.ON).
- In the US the power demand dynamics are stronger (AI, data centres, EVs, economy generally). The US part of the portfolio showed good strength over the month with strong NAV contributions from Constellation Energy, which trounced consensus 2024 earnings guidance and longer term growth targets (the stock is the S&P 500's second best performer YTD after Nvidia), Vistra, American Electric Power and Public Service Enterprise Group. A weak spot was Xcel Energy which has operations in the region of Texas currently suffering the Smokehouse Creek fire. The portfolio's Chinese holdings had a notably better month with China Water Affairs and China Suntien together adding 1% to the NAV.
- To recap on portfolio activity over the last few months, we have lowered exposure to power prices via sales of Drax, SSE, AES, EDP and Iberdrola and took some partial profits in Constellation. In February, APA Group was exited. Proceeds have been reallocated to transmission & distribution/grids (Snam, Edison International, Southern, National Grid), US utilities with unduly depressed valuations, non-power utilities (Veolia), and transportation infrastructure names (ENAV, Vinci). In February we also doubled up the position size of Vistra which operates in the tight Texas electricity market and whose purchase of Energy Harbour, which includes a 4000 MW nuclear generation fleet, received FERC approval last week. In the sector allocation table, E.ON has been reclassified as 'regulated', moving the dial on the regulated and integrated holdings.
- While listed equity investors continue to overlook utilities' solid fundamentals, private equity specialists are raising record amounts of cash in the infrastructure sector, with Brookfield, Macquarie and KKR raising respectively \$28bn, \$8bn and \$4.6bn since December for new funds and Blackrock acquiring specialist firm GIP for \$12.5bn in January.
- Given the low level of valuations and sentiment, EGL's borrowings have been creeping higher year-to-date and gearing is currently 12.1%.

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:	114,271,147 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: 6 March 2024