

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/10/2020

Performance (to 31 October, 2020)

| (all total returns in £) | 1 M % | 3 M % | 6 M % | 1 Y % | 3 Y % | Since Admission* % |
|---------------------------------|-------|-------|-------|-------|-------|--------------------|
| Net Asset Value | 1.1 | -0.7 | 12.4 | 3.1 | 27.0 | 40.9 |
| Share Price | 3.7 | -2.9 | 6.2 | 8.9 | 45.9 | 77.1 |
| FTSE All-Share Index | -3.8 | -3.2 | -1.9 | -18.6 | -14.4 | -2.5 |
| FTSE ASX Utilities | 2.1 | -1.6 | 2.0 | 3.4 | 7.8 | -4.6 |
| MSCI World Index | -3.3 | 1.2 | 9.7 | 4.9 | 24.0 | 46.5 |
| MSCI World Utilities Index | 1.6 | 1.0 | 6.8 | -0.6 | 21.2 | 31.7 |
| S&P Global Infrastructure Index | -1.1 | -1.2 | 1.6 | -16.7 | -6.2 | 3.1 |

*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 at least 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

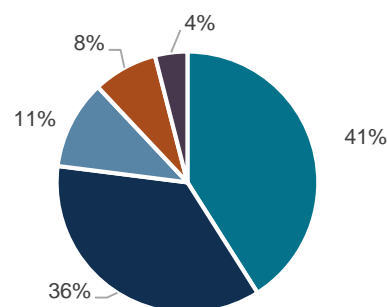
The Company announced in December 2019 an increase in the quarterly dividend rate to 1.65p per share (6.6p per annum), effective from the payment on 28 February, 2020. Quarterly dividend payments were previously 1.6p per share, or 6.4p per share per annum. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 October, 2020

| | |
|--------------------|--------------|
| Net assets | £157,599,463 |
| NAV per share | 164.69p |
| Share price | 163.50p |
| Premium/(Discount) | (0.7)% |
| Gearing | 14.5% |
| Yield* | 4.0% |

*Yield is based on dividends paid (last 4 quarterly dividends) as a percent of the share price.

Geographical allocation (% of portfolio)



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

Sector allocation

| | % of Portfolio |
|-----------------------------|----------------|
| Regulated utilities | 23 |
| Transportation | 14 |
| Integrations | 38 |
| Renewables (incl. YieldCos) | <u>25</u> |
| | 100 |

10 Largest holdings

| | % of Portfolio | Country |
|--|----------------|----------|
| NextEra Energy ¹ | 6.0 | US |
| Iberdrola | 4.6 | Spain |
| Enel | 4.6 | Italy |
| RWE | 4.5 | Germany |
| Brookfield Renewable Corp ² | 4.4 | Canada |
| EDP | 3.7 | Portugal |
| SSE | 3.5 | UK |
| National Grid | 3.4 | UK |
| Exelon | 3.3 | US |
| EDF | <u>2.9</u> | France |
| Total (44 holdings) | 40.9 | |

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

2. Brookfield Renewable Partners (1.3% of the portfolio) is also held.

Manager's comments

- EGL's NAV closed the month 1.1% higher, initially rising by some 7% before a substantial correction in equity markets during the final week of the month as many countries resorted to lockdowns again. Sterling strength during the month was mildly unhelpful but the portfolio's renewables-focused positioning and strong gains in the North American portion of the portfolio supported positive performance.
- Global equity markets fell by 3.3% in October and there was wide dispersion of returns in EGL's sectors and across geographies. Infrastructure shares receded (-1.1%) but gains for the utility segment of the S&P Global Infrastructure Index tempered its fall. By region, US utilities were the month's stand-out performers (+4.8%), while European names pulled back (Euro Stoxx Utilities -5.7%) albeit outperforming the broad index (Euro Stoxx 600 -6.6%).
- The North American and pan-European books both performed better than local sector indices last month, even if the lion's share of the P&L gains came from North American names including Brookfield Renewable, NextEra Energy, Exelon, Covanta and Edison. EDF, Drax and China Longyuan also made good contributions. The earnings season has been highly supportive for portfolio holdings generally and several names – Covanta and Exelon notably – have also launched much awaited strategic reviews. The negative contributions came from Europe where we had market-related share price setbacks for Enel, Engie, Iberdrola and A2A, and, not surprisingly as lockdowns were announced, from infrastructure names Ferrovial, Atlas Arteria and Spark Infrastructure.
- Given the strength across US utilities during the month – and ahead of the election – we took some profits in several US names to make room for new positions in China Suntien and Veolia. Hong Kong listed China Suntien Green Energy has 4.3GW of wind capacity, supplemented by gas transmission, gas distribution and other renewables (solar, pumped hydro). The company has just received approval to proceed with its plan to build an LNG terminal in Hebei (where it already supplies 20% of the province's gas demand) which will handle 5mn tonnes of LNG by the end of 2022. The shares appear undervalued, the yield is attractive and Suntien will be a beneficiary of the switch from coal to gas in a very polluted region. Veolia has confirmed it is bidding for its main competitor Suez, having already secured Engie's c.30% stake. We think the deal is attractive – with significant synergies for Veolia to extract and therefore substantial growth potential for the combined group – and also see fundamental upside for Veolia's shares (one of the worst performing in the European utilities sector so far this year) on a standalone basis.
- Covanta has been a major underperformer this year but its shares have come roaring back to life since the company announced on October 30th, along with quarterly earnings, the CEO's departure and a full strategic review; we topped up our holding (we had been waiting for this development) and the shares are c. 40% higher over the last few days. By number the majority of its plants (waste incinerators) are in the US, and some of these may be offloaded to free up capital for higher return assets in Europe, particularly in the UK. All options are on the table and the new CEO (previously a board member) has a compensation package (base salary of \$1 plus 1mn options) which is fully aligned with the performance of the share price over the next 3 years. Exelon also launched a strategic review and has seen its shares respond well. It is looking to have clarity on Illinois regulation around its nuclear generation plants before potentially spinning them off.
- Gearing has been held at 14-15%.

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: | 95,693,423 shares |
| Investment management fee: | 1% p.a. of net assets |

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: 9 November, 2020