

# Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/09/2019

## Performance (as of 30 September, 2019)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	Since Admission* %
<b>Net Asset Value</b>	2.3	11.0	17.4	27.4	44.9	43.1
<b>Share Price</b>	5.5	12.2	24.5	32.3	50.8	61.8
FTSE All-Share Index	2.9	1.2	4.5	2.6	21.6	21.3
FTSE ASX Utilities	4.5	6.6	4.6	8.9	-11.8	-10.6
MSCI World Index	1.1	4.0	10.8	8.7	43.8	43.3
MSCI World Utilities Index	2.6	10.3	16.0	29.3	46.9	43.5
S&P Global Infrastructure Index	1.1	3.8	11.8	21.4	32.9	31.6

\*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

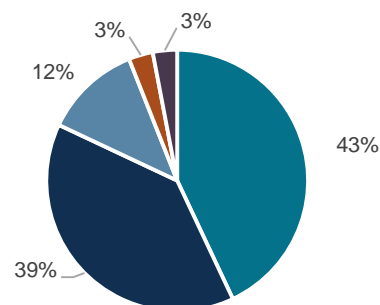
The Company distributes quarterly dividend payments of 1.6p per share, or 6.4p per share per annum. The first interim dividend was paid in December 2016; thereafter, quarterly payment dates fall on the last business day in February, May, August and November.

## As of 30 September, 2019

Net assets	£161,514,449
NAV per share	175.80p
Share price	157.00p
Premium/(Discount)	(10.7%)
Gearing	6.3%
Yield*	4.1%

\*Yield is based on dividends paid (annual) as a percent of the share price.

## Geographical allocation (% of portfolio)



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

## Sector allocation

	% of Portfolio
Regulated utilities	21
Transportation	14
Integrations	41
Renewables (incl. YieldCos)	24
	<b>100</b>

## 10 Largest holdings

	% of Portfolio	Country
NextEra Energy	7.5*	US
Iberdrola	4.8	Spain
Enel	4.4	Italy
EDP	4.1	Portugal
SSE	4.0	UK
Engie	3.8	France
RWE	3.7	Germany
Exelon	3.6	US
Covanta	3.5	US
NextEra Energy Partners	3.4	US
<b>Total (43 holdings)</b>	<b>42.7</b>	

\*common shares and convertible preferred stock

## Manager's comments

- EGL reached its third anniversary since listing on the LSE on 26 September and has accumulated a strong set of returns for shareholders since then. September was a good illustration of the resilience of the Company's sectors and NAV during a month which featured a not insignificant uptick in bond yields and Sterling. The MSCI World Utilities Index (+2.6%) outpaced the S&P Global Infrastructure Index and the MSCI World Index which each rose by 1.1%, and EGL's NAV continued to make progress, rising 2.3% (all total returns in £). EGL's share price also responded well to recent publications about the Company, the many attractions of listed infrastructure as an asset class, and the anomaly of the discount at which EGL's shares have traded. Calendar year-to-date, on a total return basis, EGL's NAV and share price have increased by 30.2% and 26.6%, respectively, helping to secure strong annualised returns since admission for these measures.

(total returns)	Since admission	
	%	% per annum
NAV	43.1	12.6
Share price	61.8	17.3

- There was broad strength in the contributions to NAV performance in September with all regions delivering approximately 3.8% in local currency terms before Sterling's strength trimmed returns. EDF's share price seesawed as news about project delays and cost overruns at Hinkley Point and technical issues with steam generators in its French nuclear fleet emerged alongside rumours that the French government could move to restructure the 84% state-owned power utility. Otherwise, all of the portfolio's largest holdings advanced well, especially NextEra Energy, RWE, SSE, Engie and Huaneng Renewables. SSE announced mid-month that it had secured a buyer, Ovo, for its UK retail gas and electricity supply business, a relief for the market which had been waiting for some conclusion since last year's deal with Npower was called off. Huaneng Renewables's shares jumped c. 20% during the month after its parent, China's state-owned electric utility China Huaneng Group, said it planned to acquire and de-list its shares; the wind power business has been listed in Hong King since 2011.
- As markets and EGL's sectors continued to rise, we took profits across the portfolio's positions in North America and Europe; SSE and Portugal's EDP were exceptions to the programme. This trimming funded two new holdings: Terna, which manages the Italian power transmission grid, and convertible preferred stock issued by NextEra Energy. Gearing remained more or less unchanged during the month.

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.tortoiseadvisors.co.uk](http://www.tortoiseadvisors.co.uk)

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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:	91,872,247 shares
Investment management fee:	1.0% 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: 3 October, 2019