

# Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 28/06/2019

## Performance (as of 28 June, 2019)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	2 Y %	Since Admission* %
Net Asset Value	3.9	5.6	17.1	17.4	22.8	28.6
Share Price	6.8	11.0	12.9	21.9	22.4	44.2
FTSE All-Share Index	3.7	3.2	12.9	0.7	8.6	19.9
FTSE ASX Utilities	3.2	-1.9	5.5	-3.6	-11.9	-16.1
MSCI World Index	6.1	6.6	17.8	11.4	20.8	37.9
MSCI World Utilities Index	3.3	5.2	13.9	19.8	21.2	30.1
S&P Global Infrastructure Index	4.9	7.7	20.5	17.0	15.3	26.8

\*26 September, 2016. As at 13 September, 2016, the value of the assets attributable to EGL, further to the reconstruction of Ecofin Water & Power Opportunities plc (EWPO), was £124,528,000 or 135.54p per share. By 26 September, 2016, the date of admission of EGL's shares to trading, the value of the Company's assets had increased to £129,200,000 or 140.63p per share and the mid-market price of the shares was 113.00p. 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 authorized UK investment trust. EGL invests primarily in the equity and equity-related securities of utility and infrastructure companies which are listed on recognized 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

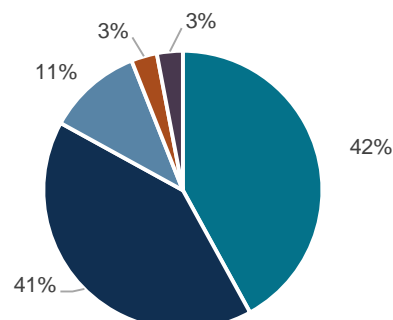
The Company distributes quarterly dividend payments of 1.6p per share, or 6.4p per share per annum. The first interim dividend was paid in December 2016; thereafter, quarterly payment dates fall on the last business day in February, May, August and November.

## As of 28 June, 2019

Net assets	£146,939,513
NAV per share	159.94p
Share price	141.50p
Premium/(Discount)	(11.5%)
Gearing	7.8%
Yield*	4.5%

\*Yield is based on dividends paid (annual) as a percent of the share price. Initial quarterly dividend of 1.6p per share was paid in December 2016; subsequent interim dividends of 1.6p per share have been paid on the last day of February, May, August and November.

## Geographical allocation (% of portfolio)



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

## Sector allocation

	% of Portfolio
Regulated utilities	21
Transportation	15
Integrates	44
Renewables (incl. YieldCos)	<u>20</u>
	<b>100</b>

## 10 Largest holdings

	% of Portfolio	Country
NextEra Energy	6.0	US
Iberdrola	5.0	Spain
Enel	4.6	Italy
EDP	4.1	Portugal
Exelon	4.0	US
Engie	3.9	France
Covanta	3.8	US
NextEra Energy Partners	3.5	US
RWE	3.2	Germany
EDF	<u>3.1</u>	France
<b>Total (42 holdings)</b>	<b>41.2</b>	

## Manager's comments

- Equity markets enjoyed quite a rally in June as central banks appeared prepared to reduce policy rates again to stimulate sluggish growth. A rise in tensions between the U.S. and Iran took some of the steam out of the rally towards the end of the month but, nevertheless, the MSCI World Index rose by 6.1% (total return in sterling). As the risk-on mood took hold, utilities and infrastructure indices lagged the general markets. Longer term government bond yields continued to decline and the yield on the bellwether 10-year US Treasury slipped below 2.0%. Currency moves had only a small effect on the NAV in June (+0.2%) as sterling appreciated by approximately 0.5% against the US dollar and declined by 1.3% versus the Euro; calendar year-to-date the impact from currency moves has been minimal too (+0.3%).
- EGL's NAV, which increased to a new all-time high during the month, rose by 3.9% in June and it has gained 17.1% so far this calendar year-to-date. The comparative indices, the MSCI World Utilities Index and the S&P Global Infrastructure Index, have increased by 13.9% and 20.5%, respectively, this year given the favourable backdrop for these sectors of modest growth, continually low interest rates and solid results at the corporate level.
- As equity markets approached or reached new highs around the middle of the month, gearing in the portfolio was halved; at month-end, gearing was 7.8% of NAV. Holdings were reduced in each region but not uniformly, and new positions were established in Pattern Energy, the US wind and solar company (yieldco), and in Brazil's largest power distributor, Neoenergia, via its IPO. Neoenergia is still majority-owned by Iberdrola, EGL's largest holding in Europe, and its generation capacity is c. 85% renewable (hydro, wind).
- The contribution to NAV growth in the month was roughly equally shared between the pan-European and North American portfolios (+3.5% in sterling terms) while the small 'rest of world' portfolio gained just over 6% as Australian holdings, APA Group (natural gas infrastructure) and Atlas Arteria (developer and operator of toll roads), performed well.

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 July, 2019