



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/09/2024

Performance (to 30 September 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	4.8	12.1	15.3	25.8	27.2	52.2	117.8
Share Price	5.7	11.7	20.9	24.8	11.0	51.1	144.4
S&P Global Infrastructure Index	1.7	6.7	9.1	18.0	28.8	22.8	57.2
MSCI World Utilities Index	3.2	10.9	14.3	23.7	31.3	26.5	76.1
MSCI World Index	-0.3	0.4	3.0	21.1	32.2	73.3	148.5
FTSE All-Share Index	-1.3	2.2	6.0	13.3	23.4	31.7	59.9
FTSE ASX Utilities	1.3	11.0	10.3	16.6	40.9	71.6	53.4

*26 September 2016.

Source: Bloomberg. 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

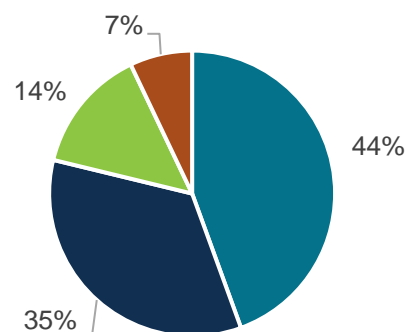
With effect from the interim dividend paid in February 2024, the quarterly dividend rate increased to 2.05p per share (8.20p per annum) from 1.95p per share. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 30 September 2024

Net assets	£243,370,429
NAV per share	221.81p
Share price	195.00p
Premium/(Discount)	(12.1)%
Gearing	14.2%
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	37
Integrated utilities	30
Renewables & nuclear	17
Environmental services	6
Transportation infrastructure	<u>10</u>
	100

10 Largest holdings

	% of Portfolio	Country
National Grid	6.6	UK
NextEra Energy	6.3	US
American Electric Power	4.1	US
Enel	3.8	Italy
SSE	3.8	UK
Constellation Energy	3.7	US
Vistra	3.7	US
Edison Int'l	3.7	US
ENAV	3.4	Italy
E.ON	<u>3.3</u>	Germany
Total (38 holdings)	42.5	

Manager's comments

- EGL's NAV increased by 4.8% in September, topping returns from the global sector indices (S&P Global Infrastructure +1.7% and MSCI World Utilities +3.2%) and the MSCI World Index (-0.3%). This strong month and quarter brought the trust's financial year to a close with a NAV total return of 25.8%, despite the significant headwind from sterling strength. This compares well with the S&P Global Infrastructure (+18.0%) and MSCI World Utilities (+23.7%) as well as general equity indices (FTSE All-Share +13.3%; MSCI World Index +21.1%). Since inception 8 years ago, EGL has generated NAV and share price total returns of 10.2% and 11.8% per annum, respectively.
- From historically low valuation levels, listed infrastructure and EGL's portfolio put in notably strong performances over the last 6 months as the interest rate cycle began to turn, earnings and power demand growth indicators mostly exceeded market expectations, and momentum in main equity averages slowed. US utilities provided the greatest spur for the NAV over the 6 months, even considering sterling's persistent strength (+6% vs the USD), although utilities quietly outperformed in all regions.
- In September, anticipation and then delivery of the first policy shift by the Federal Reserve since March 2020 preoccupied markets. In the event, confident remarks about a soft landing for the economy accompanied a relatively aggressive 0.5% rate reduction. China then set out a multi-pronged stimulus package designed to shore up consumer confidence and markets, igniting an exceptionally strong late month rally domestically and in Hong Kong. Bond yields were generally declining, even if by month-end the benchmark 10-year US Treasury yield had retraced part of its early August drop (it closed at 3.8%).
- The macro backdrop – slow growth, Fed easing, along with an element of risk-off with intensifying war risks – was supportive for the portfolio given companies were getting noticed for strong earnings momentum and generally positive long-term updates. Then, late in the month, Constellation announced the re-start of an 835 MW nuclear plant (Three Mile Island's Unit 1 which was closed in 2019) and a 20-year fixed price power purchase agreement with Microsoft for its entire output from 2028 (the plant can run until at least 2054). Constellation estimates that this capital investment shifts its earnings per share growth rate to c. 13% p.a. for 2024-2030, versus 10% p.a. previously, and the dividend should increase by c. 10% over the next year too. The deal reignited the momentum in the shares of both Constellation (+29% in September) and Vistra (+36%), the 2 largest nuclear owner/operators in the US as it is illustrative of the price premium available for zero-carbon baseload electricity in regions where demand is growing again. These two utilities, both again amongst the portfolio's top ten holdings, supplied most of the excitement and a lot of the NAV increase over the month. NextEra and National Grid also performed well, as did China Water Affairs, China Suntien and Xinyi (which all rose c. 14-24% during the month) given China's stimulus measures which immediately lifted Chinese equities from the doldrums. Stocks with French exposure (Vinci, Veolia, Engie, Atlas Arteria) were the weaker names toward month-end given rumours of a pending rise in the corporate tax rate to begin to shore up government finances.
- Gearing was increased during the month (14.2% at month-end) as the emphasis was on purchases to top up existing positions in ENAV, E.ON, BKW and Vinci in Europe, NextEra Energy Partners and AES in the US, and China's solar operator Xinyi.
- Please note: Redwheel's purchase of the assets of Ecofin Advisors, investment manager of EGL, became effective on 1 October. The Ecofin team has relocated to Redwheel's offices but there are otherwise no changes to the investment strategy, process or Ecofin brand. Also effective 1 October, the investment management fee was reduced to 0.9% p.a. of NAV on the first £200mn; 0.75% above £200mn and up to £400mn; and 0.6% thereafter.

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.

This document is issued in relation to Ecofin Global Utilities and Infrastructure Trust plc ("EGL") by RWC Asset Management LLP (the "Investment Manager") which is authorised and regulated by the Financial Conduct Authority. RWC Asset Management LLP purchased certain assets of Ecofin Advisors Limited in a transaction which completed on 1 October 2024; any historical data or performance prior to this date attributed to Ecofin Advisors Limited. Following the transaction there have been no material changes to the investment strategy or objectives of the product.

EGL is an investment trust incorporated in the United Kingdom and whose shares are listed on the premium segment of the Official List and trade on the main market for listed securities of the London Stock Exchange. The promotion of EGL and the distribution of this document inside and outside the United Kingdom is also restricted by law.

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in EGL. The information contained in this document is for background purposes only and does not purport to be full or complete. The Investment Manager believes that the source of the information disclosed in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the completeness of the information contained in this document by the Investment Manager, and no liability is accepted by the Investment Manager for the completeness of any such information.

Company details

Portfolio manager:	Jean-Hugues de Lamaze
Date of admission:	26 September 2016
Traded:	London Stock Exchange
Dealing currency:	Sterling
Issued share capital:	109,721,598 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: 8 October 2024