



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/08/2022

Performance (to 31 August 2022)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	1.9	4.0	13.9	18.5	48.2	85.6	107.3
Share Price	3.8	6.5	24.5	28.8	76.1	117.0	170.0
S&P Global Infrastructure Index	2.9	2.2	15.3	23.5	18.0	31.0	49.7
MSCI World Utilities Index	3.0	4.6	16.1	18.8	23.6	50.4	67.7
MSCI World Index	0.3	2.7	2.9	0.9	36.6	66.0	93.7
FTSE All-Share Index	-1.7	-3.6	-1.4	1.0	12.0	17.7	32.1
FTSE ASX Utilities	-5.9	-3.4	-0.9	13.9	52.1	36.5	30.1

*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 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

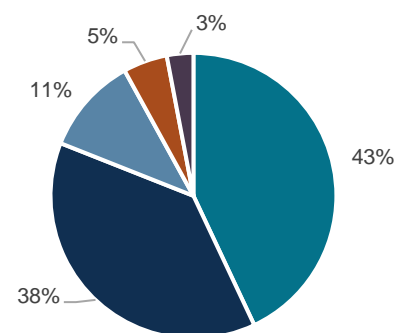
With effect from the interim dividend paid in February 2022, the quarterly dividend rate increased to 1.85p per share (7.40p per annum) (from 1.65p per share, or 6.60p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 August 2022

Net assets	£251,177,588
NAV per share	228.14pp
Share price	234.50p
Premium/(Discount)	2.8%
Gearing	11.2%
Yield*	3.1%

*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
- UK
- Emerging markets
- Cont. Europe
- Other OECD

Sector allocation

	% of Portfolio
Regulated utilities	26
Transportation	14
Integrates	33
Renewables (incl. YieldCos)	<u>27</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	6.3	US
American Electric Power	4.2	US
SSE	3.6	UK
RWE	3.5	Germany
Enel	3.0	Italy
Atlas Arteria	3.0	Australia
Endesa	2.9	Spain
Alliant Energy	2.8	US
Dominion Energy	2.7	Spain
Greencoat UK Wind	<u>2.7</u>	UK
Total (44 holdings)	34.6	

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

Manager's comments

- In what turned out to be a lousy month for global equities, EGL's NAV increased by 1.9% and its shares by 3.8%. July's equity market rally persisted into the first few weeks of August but the meeting of central bankers later in August, which prioritised inflation control in the face of weak economic conditions, caused an abrupt change in tone. The MSCI World Index fell by 4.1% for the month and only the pound's 4.5% fade against the US dollar (and -3.0% versus the Euro) brought its total return to 0.3% in sterling terms. The US-heavy global utilities and infrastructure indices performed better than the broad average given the backdrop of exceptional strength in power prices, a flattening of yield curves in the US which additionally propped up those names, discussions around the positive implications of the Inflation Reduction Act, and upward revisions to earnings profiles in EGL's space.
- In the portfolio, the majority of the NAV contribution (and alpha) came from the North American part last month. Nuclear and renewables specialists, namely the portfolio's large positions in Constellation, AES, NextEra and American Electric Power, responded well to Biden's long-awaited and momentous climate legislation, the Inflation Reduction Act, which passed into law early in August and should dramatically increase deployment of clean technologies over the years and significantly improve the chances of meeting 2050 emissions targets. There was read-across to European names with US clean energy investments too (Iberdrola, RWE, EDP, National Grid).
- In the UK and on the Continent, the uncertainty around the forms political intervention could take to respond to public pressures to rein in the impact of soaring power prices weighed on utilities' share prices, while many earnings estimates continued to rise with power price curves. Drax, which had been an outstanding performer for a year, was weaker on profit-taking, and SSE followed too.
- While government intervention will be unavoidable (and price caps will imply earnings risk for those utilities with the most exposure to ballooning wholesale market prices), we continue to believe that a direct hit to utilities is unlikely given very tight reserve margins and security of supply priorities. Once the short-term emergency of consumers' electricity prices has been addressed, we can expect attention to turn to regulation and market re-design which must accommodate the decline of gas in the mix (and unclip power prices from gas), support investment in a growing amount of decarbonised power over time, and improve security of supply. Nobody likes uncertainty or intervention - and there is a range of outcomes with respect to price caps and market design and many jurisdictions involved – but better visibility on cap levels and the shape of reforms should be beneficial for the sector.
- Gearing was scaled back during August and was just over 11% at month-end. As we said last month, that figure overstates exposure considering the portion of the portfolio in quasi-cash, meaning takeovers pending completion (notably Atlantia and EDF) and the one investment in a SPAC (Transition in France).

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:	110,097,423 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: 13 September 2022