



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/01/2023

Performance (to 31 January 2023)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	0.0	4.1	-2.0	11.0	36.2	93.0	99.4
Share Price	0.0	6.3	-3.2	10.1	40.5	110.7	151.9
S&P Global Infrastructure Index	2.6	3.6	-0.2	14.5	13.8	38.9	45.1
MSCI World Utilities Index	-1.7	0.7	-4.4	7.5	11.3	59.6	55.7
MSCI World Index	5.1	2.1	1.1	1.4	35.2	61.6	95.0
FTSE All-Share Index	4.5	10.4	5.2	5.1	15.6	22.9	41.4
FTSE ASX Utilities	3.1	12.9	-4.0	5.7	24.2	65.8	32.7

*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

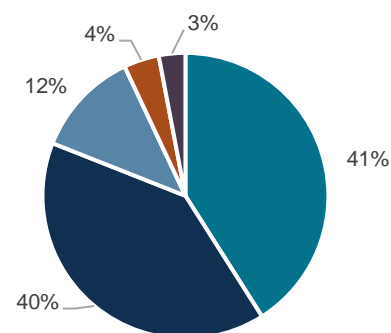
With effect from the interim dividend to be paid in February 2023, the quarterly dividend rate will increase to 1.95p per share (7.80p per annum) (from 1.85p per share, or 7.40p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 January 2023

Net assets	£243,531,396
NAV per share	215.60p
Share price	215.00p
Premium/(Discount)	(0.3)%
Gearing	13.1%
Yield*	3.6%

*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	11
Integrates	38
Renewables & nuclear	<u>25</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy	6.4	US
SSE	4.1	UK
RWE	3.8	Germany
Enel	3.8	Italy
Endesa	3.1	Spain
DTE Energy	3.1	US
EDP	3.0	Portugal
American Electric Power	3.0	US
Drax	2.9	UK
Veolia	<u>2.9</u>	France
Total (42 holdings)	36.2	

Manager's comments

- Utilities and other defensives were left well behind in January's lively risk-on equity rally (MSCI World Index +5.1% in sterling terms despite sterling's strength) which favoured last year's underperformers. It was an exceptionally strong start to the year with optimism that a meaningful global recession may be avoided as the Chinese economy gets back on track and supply chain bottlenecks ease, and that central banks may be almost done with rate rises as inflation data, helped by relief on energy prices, looks better than it did. Sharply inverted yield curves suggest a potentially less rosy outcome for economies.
- While infrastructure names almost tracked broad equities averages, utilities everywhere significantly underperformed in January, in spite of a lenient interest rate backdrop. The S&P Global Infrastructure Index increased by 2.6% while the MSCI World Utilities Index declined by 1.7%. EGL's NAV was flat. Within EGL's investment universe, a mean-reversion was clear to see too with 2022's underperformers rallying in January (Enel, Veolia, China Suntien, American Water Works) whereas power exposed names (Drax, RWE, AES, Exelon, Xcel) pulled back.
- Natural gas prices fell sharply across Europe and in the US due to wet, windy and mild weather and therefore good gas storage levels for this time of the year, sending power prices back to where they were a year ago, to pre-Ukraine invasion levels, even for year-ahead prices. For some context, power prices a year ago in Europe were already approximately 3 times the average of the previous few years. The retracement in prices encouraged the sense that European power costs would be less of a headwind to European industrial activity in 2023.
- NextEra Energy's share price was weak due to the unexpected retirement of its Florida Power & Light utility's CEO while a political campaign-finance violation case against the utility rumbles on. This overshadowed a decent earnings report which included NEE extending its long term growth outlook to 2026 for EPS growth (6-8% p.a.) and dividend per share growth (10% p.a.). Demand for renewables is as strong as ever, further enabled by the IRA, as evidenced by NEE's growing order backlog, and the company now expects to build 33-42GW of new renewables and storage projects from 2023 to 2026, which is considerably more than its existing installed renewables capacity (c. 25GW in 2021). NEE is c. 20% of the S&P 500 Utility Index.
- The EU is working hard to respond to the US's generous package of incentives to stimulate clean energy investment and domestic content in production embedded in the IRA. With dual goals to improve energy security and lower emissions, and a sense that the IRA has skewed the playing field with respect to capital investment decisions in the clean energy value chain, the EU bloc is gearing up to provide funding or coordinated tax breaks/credits for investment in decarbonisation and re-vamped regulation to improve permitting processes and de-risk supply chains (and reinforce transatlantic ones); individual countries are putting forward their own proposals too.
- During the month, considering recent share price moves, small portfolio adjustments were made including additions to Dominion (a poor performer last year, low beta, high yield, and with positive share price catalysts in store in our view), Veolia and Engie (undervalued), and ENAV (Italian air traffic control), while positions in E.ON, Terna and Ferrovial were trimmed. Gearing was unchanged at 13.1%.

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:	112,953,423 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: 10 February 2023