



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 28/02/2023

Performance (to 28 February 2023)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	-2.9	-4.0	-6.6	6.4	35.4	95.4	93.5
Share Price	0.2	3.5	-6.5	16.5	53.2	137.6	152.5
S&P Global Infrastructure Index	-1.8	-2.5	-4.8	9.8	19.8	41.8	42.5
MSCI World Utilities Index	-2.8	-5.5	-9.8	4.8	13.5	58.1	51.4
MSCI World Index	-0.5	-1.1	0.2	3.1	42.0	62.9	94.0
FTSE All-Share Index	1.5	4.6	8.7	7.2	29.0	29.0	43.6
FTSE ASX Utilities	0.8	3.5	2.8	1.9	29.0	78.8	33.7

*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

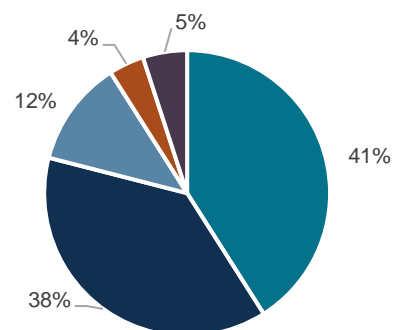
With effect from the interim dividend to be paid in February 2023, the quarterly dividend rate will increase to 1.95p per share (7.80p per annum) (from 1.85p per share, or 7.40p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 28 February 2023

Net assets	£237,838,119
NAV per share	209.28p
Share price	215.50p
Premium/(Discount)	3.0%
Gearing	11.6%
Yield*	3.5%

*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
- Other OECD
- Emerging markets

Sector allocation

	% of Portfolio
Regulated utilities	27
Transportation	12
Integrates	36
Renewables & nuclear	<u>25</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy	6.4	US
SSE	4.3	UK
RWE	4.0	Germany
Enel	3.9	Italy
ENAV	3.4	Italy
National Grid	3.3	UK
EDP	3.3	Portugal
Veolia	3.1	France
DTE Energy	3.1	US
Drax	<u>3.0</u>	UK
Total (41 holdings)	37.9	

Manager's comments

- EGL's NAV declined by 2.9% in February compared with the MSCI World Utilities and S&P Global Infrastructure indices which fell by 2.8% and 1.8%, respectively. The MSCI World Index fell by 0.5%, cushioned by sterling's 2.4% drop versus the US dollar.
- With core inflation better but still stubbornly high, bond yields in the US and Europe shifted higher in February, taking the steam out of January's equity rally. Geopolitical tensions didn't help (balloons, fully one year of war in Ukraine). The benchmark US 10-year yield rose over 40bps during the month, leaving it only 30 bps below last year's high reached in October. With better economic growth sentiment (US jobs growth strong enough to keep consumers spending and China reopening for business), companies which could benefit from a stronger-for-longer outlook continued to outperform (industrials, consumer discretionary). US utilities were very weak (S&P 500 Utilities -4.1% in sterling terms) and pan-European utilities advanced but underperformed local markets, not helped by natural gas prices falling fast on both sides of the Atlantic on the back of continuing mild weather and, in Europe, gas demand conservation. The diversification in EGL's portfolio helped and the strongest contributors to NAV were exclusively European (led by Engie, EDP, Veolia, Vinci and National Grid); the poorer performances came from North American and Chinese utilities/renewables (Dominion, Constellation, AES, NextEra, China Longyuan).
- Spot power prices continued to fall, mirroring gas prices; medium to long term price curves shifted lower too. Power price forwards have now snapped back to year ago, pre-war levels (which in Europe, for perspective, were already twice 2021's levels and some 3 times higher than 2020's average). Somewhat in contradiction, EU carbon certificate prices regained their all-time highs at around €100/MT in February, indicating a rebound in industrial demand. For the next two years, generators are broadly hedged so sensitivity to power prices will be limited in most cases. Lower natural gas prices also translate into lower customer bills, which calms discussions with all stakeholders, and working capital requirements.
- Quarterly earnings for portfolio companies were a bright spot with most reporting a strong finish to 2022 (e.g., Constellation, Iberdrola, Engie, Vinci, Veolia). Earnings guidance for utilities contains normalised power price assumptions for this year, higher capex and interest costs and also accelerated rates of green capacity additions. Longer term capital investment plans and EPS growth targets in the region of 6-8% p.a. have generally been reaffirmed. Infrastructure and environmental names – Vinci and Veolia, respectively – also reaffirmed guidance and outlined solid growth plans and their businesses' resilience to macro risks, given contracts which are indexed to or re-priced so inflation passes through to the bottom line.
- During the month, we trimmed some holdings in Europe while adding to Engie again – which delivered strong guidance for 2023-2025 on the basis of a normalised contribution from generation (compared to 2022 levels) and an upgraded growth capex plan focused on renewables and transmission lines, cost cutting and other efficiencies – and to ENAV, the national supplier of air navigation services in Italian airspace. Acciona Energias Renovables was sold. In emerging markets we added to Hong Kong listed renewables operators Longyuan Power and China Suntien on relative price grounds, and initiated a new holding in China Water Affairs Group, one of the largest Chinese integrated water operators providing raw water, tap water, sewage treatment and related services; the company's direct drinking water business should deliver strong growth as single-use plastic bottle regulations become more stringent and its regulated water supply business should, we expect, benefit from structural asset base growth driven by greater urbanisation and population growth.

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:	113,644,423 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: 6 March 2023