



# Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/03/2024

## Performance (to 31 March 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
<b>Net Asset Value</b>	6.4	2.4	9.1	-3.8	19.5	55.0	89.0
<b>Share Price</b>	8.9	-3.7	3.2	-19.0	1.9	55.6	102.2
S&P Global Infrastructure Index	4.7	2.0	8.2	0.9	24.9	25.3	44.1
MSCI World Utilities Index	5.8	2.4	8.2	-1.2	15.7	27.7	54.1
MSCI World Index	3.2	10.2	17.6	23.0	42.0	86.5	141.2
FTSE All-Share Index	4.7	3.6	6.9	8.2	25.7	29.9	50.9
FTSE ASX Utilities	1.8	-3.7	5.7	0.3	39.7	62.6	39.0

\*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

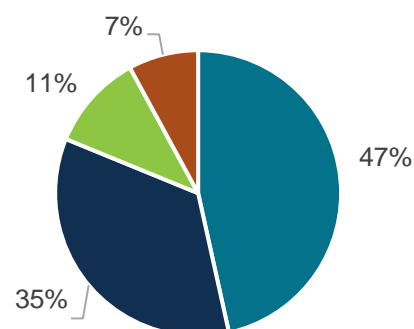
With effect from the interim dividend paid in February 2023, the quarterly dividend rate increased to 1.95p per share (7.80p per annum). With effect from the interim dividend to be paid in February 2024, the quarterly dividend rate will increase to 2.05p per share (8.20p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

## As of 31 March 2024

Net assets	£224,033,630
NAV per share	196.26p
Share price	165.00p
Premium/(Discount)	(15.9)%
Gearing	12.5%
Yield*	4.8%

\*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	36
Integrated utilities	29
Renewables & nuclear	17
Environmental services	6
Transportation infrastructure	<u>12</u>
	<b>100</b>

## 10 Largest holdings

	% of Portfolio	Country
NextEra Energy	6.0	US
American Electric Power	4.8	US
National Grid	4.6	UK
Constellation Energy	4.3	US
SSE	4.0	UK
Enel	3.7	Italy
Edison Int'l	3.7	US
ENAV	3.6	Italy
E.ON	3.5	Germany
Veolia	<u>3.4</u>	France
<b>Total (38 holdings)</b>	<b>41.6</b>	

## Manager's comments

- EGL's NAV made good progress in March, increasing by 6.4%, which was more than the broad averages (MSCI World +3.2%) and sector indices (S&P Global Infrastructure and MSCI World Utilities indices rose by 4.7% and 5.8% respectively). Some greater confidence that the inflation outlook would permit policy rate reductions before too long was helpful, even if longer term benchmark bond yields, a major driver for infrastructure sectors lately, swung around and effectively moved sideways over the month. Energy commodity and European carbon prices, which have been weaker YTD, staged partial recoveries, leading to a small rally in forward power prices.
- The US part of the portfolio was the strongest NAV driver as US utilities recovered some ground after prolonged underperformance and the portfolio's large US holdings outperformed. Corporate news continued to be positive, including around NextEra Energy which hosted an analysts' day focussed on renewables development which impressed in terms of demand growth potential, sophisticated in-house expertise and competitive advantages (scale, technologies). Finding no violations, the Federal Election Commission also closed its investigation into a complaint filed in 2022 against NextEra's Florida utility, potentially alleviating an overhang for the shares. NEE shares were the portfolio's largest NAV contributor in March. The 'Mag 2' power stocks, Constellation (nuclear) and Vistra (nuclear and other baseload power), both large portfolio holdings, continued to perform very well, capturing generalist investors' interest as direct plays on power demand growth from GenAI and data centres.
- ENAV reported strong 2023 results and a dividend per share 15% ahead of consensus forecasts, pointing to upside for 2024 guidance driven mainly by top-line growth. Confirmation that free cash flow will continue to be devoted to investments in the core business and dividends spurred a late March rally in the shares. Enel's results announcement was interesting for the company's confirmation of 2024-2026 guidance despite lower power prices. Enel's disposal plan – which in March included the sale of a stake in its battery storage business and the sale of its distribution network in Lombardy – is nearly complete with most deals at better valuations than anticipated. More generally, a feature of the results season has been power network operators announcing very large increases in capex programs, with E.ON and Terna prime examples. Terna messaged a 65% upgrade to capex versus its previous plan (almost all regulated), implying 8% p.a. regulated asset base growth to 2028, driven by the energy transition. EGL's portfolio is already well positioned for such a growth acceleration for networks with E.ON (position size doubled year-to-date), Terna, AEP, National Grid, Edison Int'l, Iberdrola, Exelon.
- During the month we added to positions in Veolia (now in the top 10), SSE and NextEra and took some profits in ENAV, putting gearing a tad higher by month-end (12.5%).
- 31 March marked the end of the half-year for EGL. Over the period the NAV and share price increased by 9.1% and 3.2%, respectively, the quarterly dividend rate was increased by 5.1%, and the continuation vote passed successfully at the AGM with 95% of votes in favour.

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](http://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:	114,150,518 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: 4 April 2024