



# Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/06/2024

## Performance (to 30 June 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
<b>Net Asset Value</b>	-5.5	2.8	5.3	1.8	20.1	50.7	94.3
<b>Share Price</b>	-3.6	8.2	4.3	-1.3	11.2	51.7	118.8
S&P Global Infrastructure Index	-2.3	2.3	4.4	6.6	25.3	19.3	47.3
MSCI World Utilities Index	-4.2	3.0	5.5	5.4	20.0	25.4	58.8
MSCI World Index	2.8	2.6	13.1	21.4	35.1	79.5	147.4
FTSE All-Share Index	-1.1	3.7	7.4	12.8	23.4	30.4	56.4
FTSE ASX Utilities	2.5	-0.6	-4.3	0.6	28.5	64.8	38.2

\*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

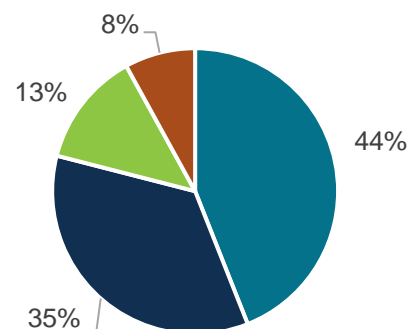
With effect from the interim dividend paid in February 2024, the quarterly dividend rate increased to 2.05p per share (8.20p per annum) from 1.95p per share. Quarterly payment dates fall on the last business day in February, May, August and November.

## As of 30 June 2024

Net assets	£220,989,390
NAV per share	199.76p
Share price	176.50p
Premium/(Discount)	(11.6)%
Gearing	12.9%
Yield*	4.5%

\*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
- Rest of World

## Sector allocation

	% of Portfolio
Regulated utilities	35
Integrated utilities	31
Renewables & nuclear	17
Environmental services	6
Transportation infrastructure	<u>11</u>
	<b>100</b>

## 10 Largest holdings

	% of Portfolio	Country
National Grid	6.3	UK
NextEra Energy	6.2	US
American Electric Power	4.2	US
SSE	4.1	UK
Enel	4.0	Italy
RWE	3.6	Germany
Edison Int'l	3.6	US
ENAV	3.5	Italy
Constellation Energy	3.4	US
E.ON	<u>3.3</u>	Germany
<b>Total (38 holdings)</b>	<b>42.2</b>	

## Manager's comments

- After May's very strong NAV increase which brought its 3 month gain to nearly 16%, EGL's NAV decreased by 5.5% in June. For the month, the S&P Global Infrastructure and MSCI World Utilities indices saw declines of 2.3% and 4.2%, respectively, and the MSCI World Index gained 2.8%.
- Amidst a period of strong, fundamentals-based performance for utilities, especially in the US where there are clear signs of power demand growth from a variety of sources, June ushered in profit taking and caution with politics disrupting markets on both sides of the Atlantic. French bonds and stocks reacted badly, fearing the potential for government intervention by whichever alliance might emerge to hold power further to Macron's call for snap parliamentary elections. The general election was fast approaching in the UK, and Biden's shaky performance in his debate against Trump was cause for weakness amongst clean energy stocks for which market conditions had recently stabilised.
- Policy rate cuts started to emerge (Switzerland, Sweden, Canada followed by the ECB) but employment data in the US meant continuing hesitation on lowering rates there. Longer term US bond yields, which had drifted lower, turned higher toward month-end, but closed approximately where they started at around 4.4%.
- We made some refinements in the portfolio, mostly of position weights. Considering the outstanding performances in their shares over previous quarters – Vistra +123% and Constellation +71% year-to-date – holdings in both companies were reduced early in June. Both companies own nuclear plants producing carbon-free electricity for which there is plenty of demand and bipartisan government support and our confidence in their long-term fundamentals is undimmed. The introduction of significant uncertainty for French economic policy – potentially around nationalisation in certain sectors (such as motorway concessions) and/or a dilution of energy transition ambitions – and the rise in French bond yields caused a lot of noise for Vinci and Atlas Arteria (both own/operate toll roads in France and elsewhere), Veolia and Engie. Upon Macron's unexpected election call, we trimmed exposure to the three French holdings.
- Later in the month, after what we viewed as an unduly harsh setback for share prices in parts of the portfolio, we added to gearing with purchases of high conviction holdings National Grid, NextEra, AEP, Edison International and Dominion. NextEra's shares had pulled back after announcing the issuance of \$2bn in equity units to help fund capital needs for the next couple of years; in our minds, this should not have surprised or disappointed the market and reflects NextEra's strong growth profile and dominant renewables development position. The consternation in May caused by National Grid's equity issuance to fund much higher capex plans calmed and the company, now EGL's largest holding, was the best NAV contributor in June. We also added to Atlas Arteria, Drax and relatively new holding BKW.
- Gearing was 12.9% at month-end, just above the year-to-date average. For now, global equity indices continue to rise on the back of narrow and tech-focussed leadership, but at some point – perhaps prompted by lower bond yields and sluggish economies – this is likely to change and bring back into focus sectors such as listed infrastructure where growth momentum is accelerating, dividends are above average and valuations are low.

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:	110,625,598 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: 12 July 2024