



# Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/07/2024

## Performance (to 31 July 2024)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	5.6	7.4	16.2	7.0	23.9	53.3	105.3
Share Price	4.2	7.6	16.8	1.3	9.1	53.0	128.1
S&P Global Infrastructure Index	2.7	4.7	10.6	8.6	28.3	20.3	51.3
MSCI World Utilities Index	5.0	6.4	14.1	10.1	23.1	27.3	66.7
MSCI World Index	0.2	5.8	11.6	19.1	33.9	72.2	148.0
FTSE All-Share Index	3.1	4.4	12.2	13.3	26.6	31.9	61.3
FTSE ASX Utilities	9.2	8.9	6.8	10.1	37.4	79.4	51.0

\*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.

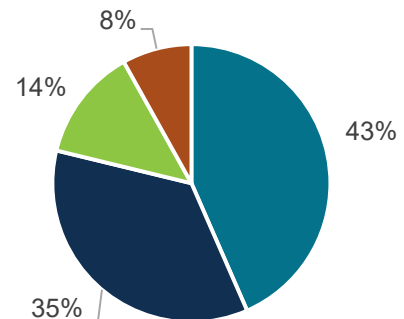
Gearing: EGL may borrow up to 25% of its net assets to earn a higher level of dividend income and to offer shareholders a geared return on their investment. The Company pursues a flexible gearing policy, borrowing in major currencies at floating rates of interest under a facility which allows the Company to repay its borrowings at any time without penalty.

## As of 31 July 2024

Net assets	£232,541,922
NAV per share	211.03pp
Share price	184.00p
Premium/(Discount)	(12.8)%
Gearing	11.7%
Yield*	4.3%

\*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

## 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.

## Sector allocation

	% of Portfolio
Regulated utilities	36
Integrated utilities	30
Renewables & nuclear	17
Environmental services	6
Transportation infrastructure	<u>11</u>
	<b>100</b>

## 10 Largest holdings

	% of Portfolio	Country
National Grid	6.8	UK
NextEra Energy	6.3	US
American Electric Power	4.4	US
SSE	4.1	UK
Enel	3.8	Italy
Edison Int'l	3.8	US
RWE	3.7	Germany
ENAV	3.5	Italy
E.ON	3.4	Germany
Constellation Energy	<u>3.0</u>	US
<b>Total (38 holdings)</b>	<b>42.8</b>	

## Manager's comments

- EGL's NAV increased by 5.6% in July, outperforming the global listed infrastructure indices (the S&P Global Infrastructure and MSCI World Utilities indices rose by 2.7% and 5.0% respectively) as well as general equity indices (MSCI World index +0.2% in GBP terms). With progress toward the Fed's inflation target reviving hopes for a rate cut in the US – if not in July, then in September – to accompany those in the UK and China during the month, the 10-year US Treasury yield fell c. 40bps (to close at 4.0%) and long-duration asset classes were mostly back in favour after a challenged month of June. Equity markets were, however, coping with elections and changing political agendas in the UK, France and the US and rising tensions in the Middle East, as well as weakness in mega cap technology stocks, which were starting to cause a lot of volatility and dent investor sentiment. All sub-sectors of the portfolio contributed positively to the NAV but regulated and integrated utilities in the UK and the US were the clear leaders (National Grid, Drax, AEP, NextEra Energy, Edison).
- While July brought a mixed bag of earnings for some parts of the market including Big Tech, Barclays Capital highlighted a "100% EPS beat for utilities both in Europe and in the US so far this season". Strong earnings and still low valuations proved a good combination for National Grid, Drax and SSE shares, and the entry into the US presidential race of VP Harris added a new twist to the election cycle and injected new momentum into clean energy shares. In Europe, Enel is a good example of the state of fundamentals: it reported solid Q2 results, a tad ahead of consensus forecasts and is expected to reach the top end of the guidance range for the year; the balance sheet is strong, the shares trade at a 10x P/E ratio, and the dividend yield is over 7%.
- The independent power producers in the US portfolio, notably Constellation and Vistra, which have been such strong NAV contributors YTD, pulled back in July on profit-taking and in sync with the tech sell-off. The market also received additional data points illustrating the step-change higher in power demand in several large areas of the US due to datacentres, EVs, reshored factories etc, at a time when legacy generation capacity is being retired and limited new capacity is coming to meet such consumption. On 31 July, a capacity auction in the PJM, the transmission grid covering about 20% of US electricity consumption, resulted in record-high prices for 2025-2026 which will result in one year revenue windfalls for Constellation and Vistra and further confirms our assessment that supply/demand is extremely tight in many regions. Amongst US names reporting, NextEra, AEP, Dominion and Exelon all beat earnings estimates due to strong commercial sales growth – growth which will require investments in transmission and generation.
- Iberdrola announced the acquisition of Electricity North West (ENWL), a group of regulated UK power distribution companies operating in regions adjacent to its Scottish Power business, suggesting potential for synergies and furthering Iberdrola's ambitious growth strategy focussed on upgrading and expanding networks. The deal price, equivalent to a c.60% premium to F2024 RAB, represents a positive read-across for National Grid and SSE.
- Portfolio activity was light during the month and gearing was just under 12% at the month's end.

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:	110,195,598 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 August 2024