

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 31/01/2019

Performance (as of 31 January, 2019)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	2 Y %	Since Admission* %
Net Asset Value	5.5	5.0	3.0	12.3	23.2	15.9
Share Price	-0.3	2.8	3.9	6.6	20.4	27.4
FTSE All-Share Index	4.2	-1.3	-8.4	-3.9	7.0	10.6
FTSE ASX Utilities	8.5	2.8	2.0	7.7	-7.2	-13.8
MSCI World Index	4.7	-2.0	-4.7	1.6	14.0	22.6
MSCI World Utilities Index	2.2	3.6	5.0	18.2	18.4	16.8
S&P Global Infrastructure Index	5.6	4.4	-0.2	5.2	11.7	12.2

*26 September, 2016. As at 13 September, 2016, the value of the assets attributable to EGL, further to the reconstruction of Ecofin Water & Power Opportunities plc (EWPO), was £124,528,000 or 135.54p per share. By 26 September, 2016, the date of admission of EGL's shares to trading, the value of the Company's assets had increased to £129,200,000 or 140.63p per share and the mid-market price of the shares was 113.00p. 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 authorized UK investment trust. EGL invests primarily in the equity and equity-related securities of utility and infrastructure companies which are listed on recognized 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 at least 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

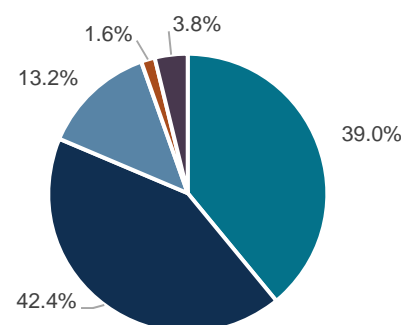
In October 2016 the Company announced that it would target quarterly dividend payments of 1.6p per share, or 6.4p per share per annum. The first interim dividend was paid in December 2016; thereafter, quarterly payment dates fall on the last business day in February, May, August and November.

As of 31 January, 2019

Net assets	£133,572,377
NAV per share	145.39p
Share price	126.50p
Premium/(Discount)	(13.0%)
Gearing	15.3%
Yield*	5.1%

*Yield is based on dividends paid (annual) as a percent of the share price. Initial quarterly dividend of 1.6p per share was paid in December 2016; subsequent interim dividends of 1.6p per share have been paid on the last day of February, May, August and November.

Geographical allocation (% of portfolio)



- North America
- Cont. Europe
- UK
- Other OECD
- Emerging markets

Sector allocation

	% of Portfolio
Regulated utilities	20.0
Infrastructure	16.4
Integrated utilities	45.2
Renewables (incl. YieldCos)	<u>18.4</u>
	100.00

10 Largest holdings

	% of Portfolio	Country
NextEra Energy	5.8	US
Iberdrola	4.8	Spain
Exelon	4.6	US
EDF	4.5	France
Enel	4.4	Italy
Covanta	3.4	US
Williams	3.4	US
Algonquin Power & Utilities	3.4	Canada
RWE	3.2	Germany
National Grid	<u>3.2</u>	UK
Total (40 holdings)	40.7	

Manager's comments

- The Company's portfolio had a strong start to the 2019 calendar year as equity markets made a broad-based recovery. EGL's NAV increased by 5.5%, well ahead of the MSCI World Utilities Index (+2.2%) and in line with the S&P Global Infrastructure Index (+5.6%; all total returns in Sterling). The MSCI World Index increased by 4.7% in Sterling terms. Efforts continued to try and break the impasse in Parliament over Brexit and Sterling bounced, closing the month approximately 3% higher against the US dollar and the Euro, taking some of the shine off GBP-adjusted returns.
- Economic data pointed to synchronised, decelerating growth and fingers pointed to the effects of trade disputes and the US government shutdown which hit both activity and sentiment. The yield on the benchmark 10-year US government bond held steady around 2.7%, the yield on the comparable German Bund fell below 0.2%, and yields on Southern European sovereign debt dropped more significantly. Markets concluded that the anticipated departure from loose monetary policies would be postponed.
- Except in the US (please see below), utilities extended their outperformance against the broad averages and pure infrastructure names (Ferrovia, Zurich Airport) participated in the market rallies. The North American portfolio's holdings in Williams (energy infrastructure) and Covanta (waste management) led the positive contributions to NAV performance with share price gains of 20% each, and Continental utilities RWE, E.ON, Engie and Uniper rose 11-14% (all in local currency terms).
- US utilities lagged the rest of EGL's universe, pausing after the advances of the previous months and in the wake of the alarming bankruptcy filing by PG&E, California's largest electric utility. Although a judge has cleared the company of responsibility for the state's wildfires in 2017, PG&E could still face crippling damage claims further to the wildfires (in 2017 and 2018), and the treatment of its contracts with other utilities and yieldcos remains uncertain.
- EGL did not hold PG&E and the Manager sold, on the day before PG&E filed for bankruptcy, the Company's relatively small holdings in Atlantica Yield and Clearway Energy (formerly NRG Yield) which both have contracts with PG&E with the view that those may be at risk. Both stocks fell c. 8-10% after our exit. NextEra Energy Partners, the largest yieldco in EGL's portfolio, also has contracts with PG&E but we believe its dividend is not at risk and the parent company can compensate for any loss of cash flow with additional dropdowns.
- The portfolio's UK holdings all gained between 8% and 12%. Pennon's 12% share price gain reflected OFWAT's decision, as part of the 2019 regulatory process, to fast-track certain companies based on performance criteria. Those selected were the three listed companies, Pennon, SVT and UU, and they should each see approximately 10bps added to their allowed ROE plus better ODIs (outcome delivery incentives) and cost sharing rates for the next regulatory period 2020/2025.
- Gearing was approximately unchanged at just over 15%. The exits from Atlantica Yield and Clearway Energy were balanced with additions to EDF and Ferrovia in Europe and the establishment of a new holding in Evergy Inc, a Kansas-based regulated electric utility.

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.tortoiseadvisors.co.uk

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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:	91,872,247 shares
Investment management fee:	1.25% p.a.

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: 5 February, 2019