

Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/11/2020

Performance (to 30 November, 2020)

| (all total returns in £) | 1 M % | 3 M % | 6 M % | 1 Y % | 3 Y % | Since Admission* % |
|---------------------------------|-------|-------|-------|-------|-------|--------------------|
| Net Asset Value | 9.1 | 10.6 | 12.3 | 14.1 | 39.6 | 53.7 |
| Share Price | 9.2 | 8.3 | 15.4 | 20.0 | 53.8 | 93.4 |
| FTSE All-Share Index | 12.7 | 6.6 | 6.9 | -10.2 | -1.9 | 9.9 |
| FTSE ASX Utilities | -0.8 | 3.3 | 1.4 | 1.5 | 9.8 | -5.3 |
| MSCI World Index | 9.4 | 5.9 | 12.0 | 11.5 | 35.0 | 60.2 |
| MSCI World Utilities Index | 2.1 | 6.9 | 2.3 | 3.4 | 23.7 | 34.4 |
| S&P Global Infrastructure Index | 9.3 | 8.5 | 3.3 | -8.2 | 2.8 | 12.6 |

*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 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

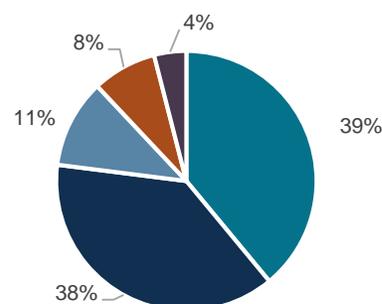
The Company announced in December 2019 an increase in the quarterly dividend rate to 1.65p per share (6.6p per annum), effective from the payment on 28 February, 2020. Quarterly dividend payments were previously 1.6p per share, or 6.4p per share per annum. Quarterly payment dates fall on the last business day in February, May, August and November.

As of 30 November, 2020

| | |
|--------------------|--------------|
| Net assets | £173,301,824 |
| NAV per share | 179.69p |
| Share price | 178.50p |
| Premium/(Discount) | (0.7)% |
| Gearing | 13.5% |
| Yield* | 3.7% |

*Yield is based on dividends paid (last 4 quarterly dividends) as a percent of the share price.

Geographical allocation (% of portfolio)



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

Sector allocation

| | % of Portfolio |
|-----------------------------|----------------|
| Regulated utilities | 21 |
| Transportation | 14 |
| Integrations | 39 |
| Renewables (incl. YieldCos) | <u>26</u> |
| | 100 |

10 Largest holdings

| | % of Portfolio | Country |
|-----------------------------|----------------|----------|
| Brookfield Renewable Corp | 5.9 | Canada |
| NextEra Energy ¹ | 5.3 | US |
| Enel | 5.2 | Italy |
| Iberdrola | 5.0 | Spain |
| RWE | 4.5 | Germany |
| SSE | 3.8 | UK |
| EDP | 3.5 | Portugal |
| EDF | 3.5 | France |
| National Grid | 3.3 | UK |
| Exelon | <u>3.1</u> | US |
| Total (43 holdings) | 43.1 | |

1. Common shares; the portfolio also holds the issuer's convertible preferred stock

Manager's comments

- EGL's NAV increased by 9.1% in November, reflecting the exuberant rally in equity markets upon the announcement of promising coronavirus vaccines providing optimism for a resumption of some normality and growth. There were exceptionally strong moves in the portfolio amongst both transportation infrastructure and renewables-oriented utilities. Sterling continued to strengthen as a Brexit deal began to appear more likely, denting the NAV's performance by approximately 150bps. The S&P Global Infrastructure Index rose 9.3%, keeping pace with the MSCI World Index which jumped 9.4%, while the MSCI World Utilities Index lagged (+2.1%) (all total returns in sterling).
- By the end of the month we had seen fairly large moves in commodities prices too. WTI increased by 25% in November, natural gas prices were lower until the arrival of more wintry temperatures caused 5-15% upticks during the month's last week. European carbon prices continued to rise and closed at €28.8/MT (+21% in November). The EU outlined further plans to boost renewables investment (with respect to offshore wind capacity) and the UK announced its £12bn Green Plan, including its interest in green hydrogen and a ban on the sale of traditional combustion engine cars by 2030 (5 years earlier than the last plan). The anticipation of a Biden administration is generating hopes that his \$2tn climate change investment program will further boost renewables growth prospects and accelerate the sector's transformation. Power prices were rising as the month closed.
- The interest rate backdrop was less favourable for pure regulated utilities in the US and UK with modest steepening in yield curves in both markets. National Grid, American Electric Power, Dominion and Pennon were all slightly weaker during the month. Otherwise, the risk-on mood brought a tremendous catch-up for transportation infrastructure, led by Ferrovial (+26%), Atlas Arteria (+15%) and Beijing Airport (+22%) in the portfolio. Growth- and renewables-focussed utilities also received a lot of attention with several hosting capital markets days. Enel became the first large European utility to commit to 10-year growth targets, providing visibility on double-digit total returns for shareholders to 2030, driven by renewables and clean infrastructure growth. Similarly, Iberdrola's capital markets day delivered incremental visibility to 2025 and an effective doubling of renewables capacity additions. Engie has yet to convince the market about its restructuring story but the shares were strong this month as momentum behind restructuring seemed to accelerate.
- EDF moved into the limelight toward the end of the month and was a strong performer as a restructuring of the state-owned company's structure seems imminent, along with reform of the French remuneration formula for nuclear facilities to incentivise investment in a new generation fleet. According to the press, the re-shaping of the company could lead to full nationalisation of the nuclear (and potentially hydro) assets and an IPO listing of EDF Green which would include EDF's global renewables assets, its electricity networks and the company's downstream client portfolio. We see the key upside in unlocking the underlying value of EDF's high quality renewables and infrastructure assets which is heavily diluted in the company's current structure. EDP's shares had a less flashy month but the company reported solid results, further gains on asset disposals and upgraded guidance. We anticipate a significant increase in renewables growth guidance at the company's strategic update early next year with its balance sheet now in good shape to exploit opportunities.
- Brookfield Renewable has become the portfolio's largest position and Covanta has bounced dramatically (+36% in November and +60% QTD) after a sluggish performance since late March.
- In terms of activity, we exited FirstEnergy Corp. in favour of a top-up to the holding in Dominion Energy where we have increasing conviction in the company's ability to create value as investments in renewables are ramped up and non-core activities are monetised. We also added to Veolia, Iberdrola, SSE and National Grid, Ferrovial and ENAV.
- Gearing was 13.5% at month-end and the portfolio yield was 4.5%.

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: | 96,443,423 shares |
| Investment management fee: | 1% p.a. of net assets |

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 December, 2020