



Ecofin Global Utilities and Infrastructure Trust plc (EGL)

As of 30/06/2022

Performance (to 30 June 2022)

(all total returns in £)	1 M %	3 M %	6 M %	1 Y %	3 Y %	5 Y %	Since Admission* %
Net Asset Value	-3.7	-1.5	1.7	18.5	48.7	85.4	91.8
Share Price	-5.0	-4.2	7.9	22.4	67.0	104.1	140.9
S&P Global Infrastructure Index	-4.3	0.1	10.5	19.2	13.5	29.7	40.2
MSCI World Utilities Index	-3.6	-0.1	4.2	17.0	22.2	47.6	54.7
MSCI World Index	-5.3	-9.4	-11.4	-2.5	29.6	58.5	78.6
FTSE All-Share Index	-6.0	-5.1	-4.6	1.6	7.4	17.7	28.8
FTSE ASX Utilities	-6.0	-7.3	0.5	17.7	50.9	35.7	26.6

*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 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

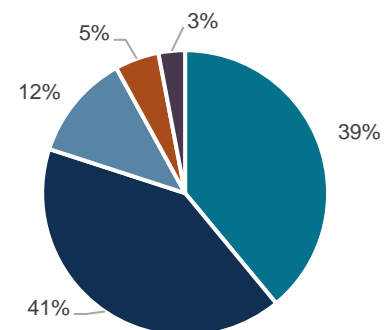
With effect from the interim dividend paid in February 2022, the quarterly dividend rate increased to 1.85p per share (7.40p per annum) (from 1.65p per share, or 6.60p per annum). Quarterly payment dates fall on the last business day in February, May, August and November.

As of 30 June 2022

Net assets	£224,993,117
NAV per share	212.89p
Share price	211.00p
Premium/(Discount)	(0.9)%
Gearing	13.4%
Yield*	3.3%

*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
- Other OECD
- Emerging markets

Sector allocation

	% of Portfolio
Regulated utilities	25
Transportation	16
Integrations	34
Renewables (incl. YieldCos)	<u>25</u>
	100

10 Largest holdings

	% of Portfolio	Country
NextEra Energy ¹	5.8	US
American Electric Power	4.2	US
SSE	3.8	UK
Enel	3.6	Italy
RWE	3.5	Germany
Endesa	3.3	Spain
Atlas Arteria	3.1	Australia
Alliant Energy	2.8	US
Ferrovial	2.8	Spain
National Grid	<u>2.8</u>	UK
Total (43 holdings)	35.8	

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

Manager's comments

- June delivered big drops and only brief rallies in equity markets, bringing a rough quarter to an end. There was a sharp rise and then a reversal in longer term bond yields and many commodity prices as sentiment soured with weak economic data emerging globally. Investors shifted uncomfortably from a concentration on inflation to pricing in recession risks. The US 10-year Treasury yield, for example, moved sharply higher for the first part of the month to nearly 3.5% as policy rates increased, before backing off to close just above 3.0%.
- EGL's NAV declined by 3.7% in June, bringing the gain for the first half of 2022 to 1.7%. The weakness of sterling muted the falls for the MSCI World Index (-8.6% in local currency and -5.3% in sterling terms) and the relevant sector indices and cushioned the NAV too. While few sectors were spared in the sell-off, utilities and other listed infrastructure weren't quite as weak as the broad indices in June – even as bond yields spiked – except in Europe where the pan-European utilities Index fell by 8.7% (in sterling terms). On a brighter note, compared to the local utilities indices, EGL's portfolio holdings generated positive alpha in each region in June.
- Continued disruption to energy flows and availability caused more outsized moves higher in European gas prices and continued to support power prices (spot and forward) on both sides of the Atlantic. Governments are intervening to try to shield consumers from escalating costs, bolster reserves in storage and/or stabilise energy markets. During the month, a profit warning from Uniper (not held), the largest Russian gas importer in Europe, also pressured the shares of holdings Engie, E.ON and RWE even though their business mixes and financial exposures are very different.
- In the US, with the Supreme Court's decision to limit the EPA's ability to regulate GHG emissions, any significant climate change regulation will have to get through Congress. We do not expect this will impact utilities' renewable energy ambitions or capital expenditure plans, however, as these are solidly based on economics. NextEra Energy and its yieldco NEP were positive contributors to the NAV in June. Solar specialists were helped by US action to waive import tariffs on solar panels from southeast Asia for 2 years, thereby easing a bottleneck and deployment timelines. NEE is maintaining its forecast for 6-8% p.a. EPS growth and also confirmed last month that its guidance has no additional climate bill support factored in to it.
- As we mentioned in May, infrastructure names in Australia continue to be the subject of takeover interest by private capital, this time involving Atlas Arteria. IFM Global Infrastructure Fund has increased its ownership of Atlas Arteria to 15% and is considering a bid for the rest of the company. Atlas' share price was strong in June.
- Gearing averaged 10% for the month and was 13.4% at 30 June. Turnover was relatively low but we did add to a number of existing holdings – SSE, National Grid, E.ON, EDF, Enel and American Electric Power – and sold PPL Corp. in favour of Xcel Energy. Xcel is a regulated, integrated electric and natural gas utility operating across 8 states and a leader in renewable generation investment. The company has a strong record and we expect EPS growth of 5-7% p.a. to be driven by rate base growth opportunities in Minnesota and Colorado, renewables (there is above average wind resource across XEL's service territory) and transmission.

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:	105,687,423 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: 11 July 2022