QuotedData

Update | Investment companies

28 November 2017

Premier Global Infrastructure Trust

Evolution, not revolution

Premier Global Infrastructure Trust (PGIT), formerly Premier Energy & Water, has announced a change of investment emphasis within its portfolio. PGIT's investment objectives remain unchanged (high income and long-term capital growth - see below) but fuller use is now being made of the existing authority to invest in non-utility infrastructure – areas such as ports and roads. A more concentrated portfolio is also to be revised into three distinct areas: income equities, growth equities and yieldcos (approximately one-third to each). The managers describe this process as "evolution, not revolution". They believe that the changes have enhanced PGIT's return prospects while simultaneously providing no increase in risk.

Geared global utilities and infrastructure exposure

PGIT invests in equity and equity-related securities of companies operating in the utilities and infrastructure sectors, with the twin objectives of achieving high income and long-term capital growth from its portfolio. Since the change of management and stock selection in June 2012, the portfolio has had greater emphasis on emerging markets; smaller companies; and special situations; and lower weightings to traditional, developed market, utility companies.

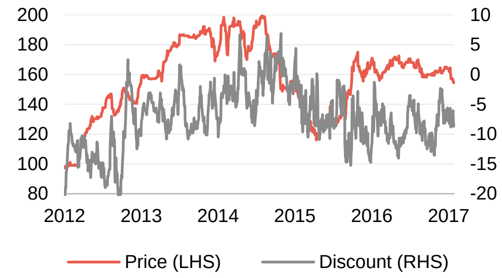
Year ended	Share price total return (%)	NAV total return (%)	MSCI World Utilities TR (%)	MSCI World TR (%)	MSCI UK TR (%)
31/10/13	74.9	53.8	12.5	26.8	20.7
31/10/14	20.3	23.9	13.7	9.7	0.6
31/10/15	(6.1)	(18.6)	(0.5)	6.0	0.1
31/10/16	21.5	39.2	33.9	28.8	13.6
31/10/17	1.4	(5.1)	5.7	13.5	11.9

Source: Morningstar, Marten & Co. Note: PEW does not have a benchmark. For comparison purposes, the MSCI World Utilities Index has been used throughout this report. PEW's financial year end is 31 December.

Sector	Sector specialist: Utilities
Ticker	PGIT LN/PGIZ LN
Base currency	GBP
Price (ords.)	154.50p
NAV (ords.)	169.04p
Premium/(discount)	(8.6%)
Yield (ords.)	6.3%

Share price & discount (ords.)

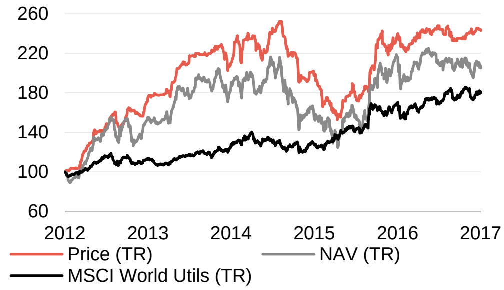
Time period 31/10/2012 to 24/11/2017



Source: Morningstar, Marten & Co

Performance over 5 yrs (ords.)

Time period 31/10/2012 to 31/10/2017



Source: Morningstar, Marten & Co

Domicile	United Kingdom
Inception date	4 November 2003
Manager	J. Smith, C. Long
Market cap (ords.)	27.9m
Ord shrs outstanding	18.1m
Daily vol. (1-yr. avg.)	24.0k shares
Net gearing	78.3%

Click here for last annual overview note

Increased emphasis on infrastructure

The name change reflects the shift in emphasis

PGIT has an increased emphasis on infrastructure, although it remains primarily focused on energy and water (at least 75 of the portfolio).

On 1 November 2017, PGIT announced that it had changed its name from Premier Energy and Water Trust, to Premier Global Infrastructure Trust, to reflect a change in investment emphasis that now gives a greater prominence to infrastructure investments. It should be noted that the trust still focuses primarily on energy and water, which will continue to comprise at least 75% of gross assets (at the time of investment).

Shareholder approval for the changes was not required; this avoided the costs of convening an EGM

Feedback so far is that shareholders welcome the changes.

Reflecting the unchanged investment objective (see below), and that the shift in investment emphasis utilises PGIT's existing authorities, PGIT's board was not required to seek approval from shareholders to implement the changes. With the next AGM not due until April 2018, this meant that the company was able to avoid the costs associated with convening an extraordinary general meeting (EGM). The managers advise that the feedback they have received, so far, is that shareholders welcome the changes.

Approximately 20% portfolio turnover reflects the evolutionary nature of the changes

The overwhelming majority of the transition is now complete.

The managers have described the changes as "evolution, rather than revolution". They advise that the portfolio adjustments required have led to modest turnover in the region of 20% and, while there are some further changes to be made, these are relatively small in size. The majority of the portfolio transition is now complete. The managers make the case that the low level of turnover neatly illustrates that the changes are more akin to a modest shift in tack, rather than a wholesale change in direction.

Portfolio rationalisation sees the tail of existing positions removed

The managers say that there will be no material change in concentration, from the portfolio rationalisation.

The transition process is being used as an opportunity to rationalise PGIT's portfolio, with the overall number of holdings reduced. Previously, PGIT operated with 45 – 50 holdings but this is expected to drop to a range of 30 – 35. The managers say that investors should not be concerned that this will lead to an increased concentration risk as the reduction is largely being achieved by removing the tail of previous positions.

For example, PGIT's top 10 holdings accounted for 48% of the portfolio as at 31 October 2017. This is broadly in line with the 46.4% of the portfolio that the top 10 accounted for at 30 June 2017 (the most recently available data when QuotedData last published). Both of these figures represent a modest reduction in concentration from the end of 2016 (as at 31 December 2016 the top 10 holdings accounted for 50.5%). Figure 1 provides an illustration of the managers' view of portfolio concentration following the transaction.

Figure 1: Portfolio concentration

		As at 31 October 2017
Top 10 holdings	40 – 50% of portfolio	48%
Top 20 holdings	70 – 80% of portfolio	73%
Total number of holdings	30 – 35 positions	42
Maximum position	Unlikely to add to holdings above 5% weight	
Minimum position	2% intended minimum holding size	

Source: Premier Global Infrastructure Trust

Investment process remains unchanged

Please see pages 6 and 7 of QuotedData's July 2015 annual overview note for more detail on PGIT's investment process.

It should also be noted that in terms of selecting stocks for the portfolio, there has been no change in the managers' investment process. The managers continue to select stocks on a bottom up basis, from extensive fundamental research of potential investments. Readers interested in more information on this process should see pages 6 and 7 of QuotedData's July 2015 annual overview note (see page 12 of this note) although, in summary, the managers:

- Screen out companies in uninvestable locations (these are typically countries with either poor corporate governance records or where the regulatory framework is detrimental to the sector)
- Conduct a detailed analysis of a company's financials, with considerable emphasis placed upon a company's ability to generate cash
- Assess the risks a company faces, with a focus on the quality of management and board; corporate governance track record; regulatory environment; and whether its product is expensive either in absolute terms or relative to income.

A markedly superior fee structure for investors

The base management fee has been reduced to 0.75% of gross assets per annum (from 1.0%).

On 20 November 2017, PGIT announced that the board and Premier Funds, PGIT's investment manager, have agreed a new fee structure that both reduces the base management fee (from 1.0% of gross to 0.75% of gross assets) and removes the performance fee element altogether. These changes take effect from 1 January 2018, that is, from the beginning of the next financial year. Both of these changes should benefit shareholders directly. The changes also bring PGIT's fee structure into line with its sister open-ended fund.

PGIT's ongoing charges should fall, all things being equal.

These changes should, all things being equal, lead to an improvement in PGIT's ongoing charges ratio. PGIT's ongoing charges ratio for the year ended 31 December 2016 was 1.9% (as a proportion of gross assets) - we estimate that this would have been in the region of 1.7% under the new fee structure.

The ongoing charges ratio based purely on the ordinary share's NAV is amplified by the gearing (please see QuotedData's July 2017 annual overview note for an explanation) and, in QuotedData's July 2017 note, we estimated this to be 3.7% for the 2016 year (under the old fee structure). Similarly, the reduction in management fee is also amplified and we estimate that this would have been lower at 3.2% under the new fee structure.

Removing the complicated performance fee should make PGIT more attractive to investors.

The removal of the performance fee arguably simplifies the investment proposition and could make PGIT more attractive to investors. Readers interested in more information on PGIT's previous fee structure should see page 10 of QuotedData's July 2017 annual overview note (see page 12 of this note).

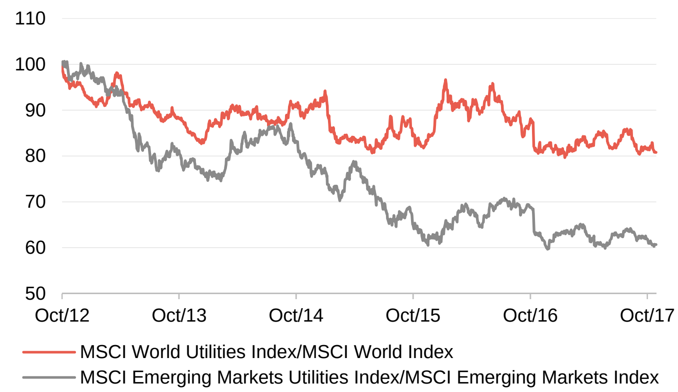
Market outlook and valuations update

See page 3 of QuotedData's July 2017 for further discussion.

The market outlook is similar to that discussed in QuotedData's July 2017 annual overview note (see page 3 of that note). Updated data is provided below. The following is a summary of the key points:

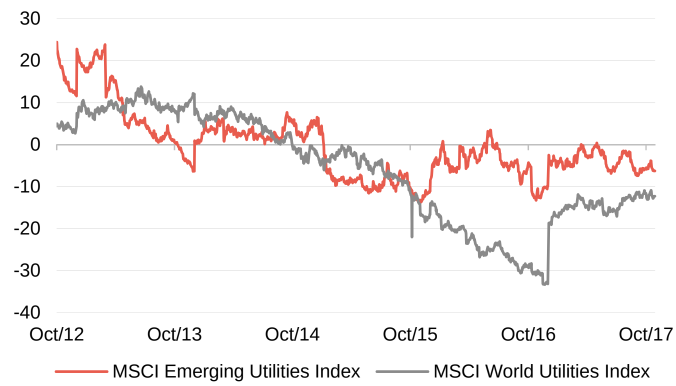
- Over the last five years, global utilities have underperformed global equities
- A similar pattern has been seen with emerging market utilities also underperforming emerging market equities
- Global equities and global utilities are trading close to five-year highs
- Following a recent resurgence in emerging markets, emerging market equities are now close to their five-year highs
- Emerging and developed market utilities have moved up and, while the gap between these and their equivalent equities have narrowed, emerging market utilities continue to trade at a pronounced discount (to both emerging market equities and developed market utilities)
- The managers say that they are addressing these high valuations by focusing on more absolute return ideas (for example yieldcos – companies set up to own assets that provide predictable cash flows).
- The managers are addressing the emerging markets discount by having a higher exposure to emerging markets, particularly the Asia Pacific ex Japan region and Latin America.

Figure 2: Global and emerging utilities index performance, relative to parent index, rebased to 100, over five years



Source: Bloomberg, Marten & Co.

Figure 3: Premium/(discount) of utility sectors' forecast price/earnings ratio to parent index, over five years



Source: Bloomberg, Marten & Co.

Figure 4: Utility valuation discounts versus broader markets as at 24 November 2017

Global utilities	F12m P/E ratio	Emerging Market utilities	F12m P/E ratio
MSCI World	18.02x	MSCI Emerging Markets	14.27x
MSCI World Utilities	16.89x	MSCI Emerging Markets Utilities	12.52x
Global utilities valuation discount (%)	6.3%	Emerging utilities valuation discount (%)	12.3%
MSCI World five-year high	18.2	MSCI Emerging Markets five-year high	14.4
MSCI World Utilities five-year high	17.6	MSCI Emerging Markets Utilities five-year high	13.2

Source: Bloomberg, Marten & Co.

Managers' view

See pages 4 and 5 of QuotedData's July 2017 for further discussion.

The managers have advised that little has changed, in terms of their outlook, since QuotedData published its annual overview note in July 2017. Readers, who require more detail, should see pages 4 and 5 of that note. In summary, PGIT's managers consider that, while global utility valuations are broadly in line with global equity valuations in general, the average P/E (price-earnings ratio) of the trust's portfolio is much lower as a result of its weighting to emerging markets in particular.

The managers also expect to see further interest rate rises in the US over the coming 12 months, and possibly in the UK as well, although with the growth rate in the UK falling this could be delayed. However, the managers highlight that there is much evidence to suggest that the correlation between the performance of the utilities sector and interest rates is weak as these are usually passed through in tariff adjustments. This topic has been discussed in some detail in QuotedData's previous publications (for example, see page 5 of QuotedData's February 2016 update note). Looking across the portfolio, the managers say that underlying growth remains strong and, given current valuations, the investment environment remains attractive.

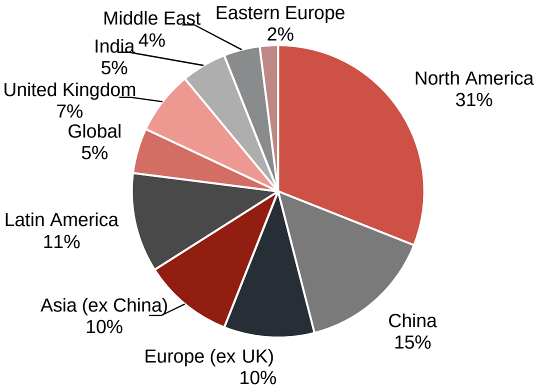
Asset allocation

As discussed on page 2, approximately 20% of the portfolio is being turned over to allow the portfolio to reflect the new strategy. Portfolio turnover for the current financial year will be elevated as a result, but this is arguably modest in the context of most strategy changes. Reflecting this, and the fact that much of the adjustment is being conducted by selling the tail of smaller positions, many of the larger names in the new portfolios will be familiar names to followers of PGIT. As at 31 October, PGIT had 42 holdings. The managers expect this to reduce over time to the target of 30 to 35 positions. Key changes are as follows:

- An increase in the exposure to yieldcos (from 15% to around 30%)
- An increase in the exposure to the US (from 26% to 31%); this relates to the increased allocation to yieldcos
- An increase in the exposure to the Asia ex China region (from 7% to 11%); this relates to the acquisition of Asian telecoms infrastructure
- A reduction in the exposure to the UK (from 10% to 6%); the managers say that this reflects an increase in political risks (see section on SSE below)
- A reduction in the exposure to China (from 19% to 15%); the managers say that they are focussing only on the most compelling opportunities, which has meant a reduction in this space.

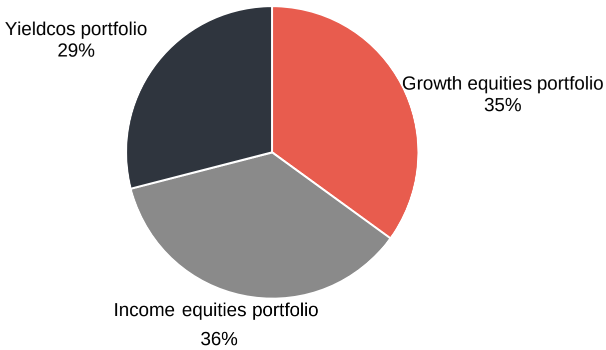
The allocation of developed markets versus emerging markets (around 48% versus 52% as at 31 October 2017) is largely unchanged.

Figure 5: Proforma model portfolio geographic allocations, post portfolio changes



Source: Premier Global Infrastructure Trust

Figure 6: Proforma model portfolio allocations, post portfolio changes



Source: Premier Global Infrastructure Trust

Growth equities portfolio

Growth equities portfolio holdings typically have yields below 3.5%.

Figure 7 shows PGIT's initial growth equities portfolio. Yields in this portfolio are typically below 3.5% and the managers highlight the key themes of emerging markets: high growth, renewable and alternative energy, as well as value. Readers interested in more commentary on China Everbright, Beijing Enterprises Holdings, Huaneng Renewables and OPG Power Ventures should see QuotedDats's previous notes. Global ports business, DP World, is a new entrant to PGIT's portfolio. This stock is an example of PGIT making greater use of its ability to make infrastructure investments and a discussion is provided below.

Figure 7: Initial growth equities portfolio

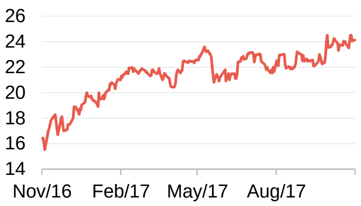
Holding	Region	Sector	Initial target weight (%)	2018 yield (%)	2018 P/E (x)	2019 P/E (x)
China Everbright	China	Waste treatment	5.0	2.8	11.6	10.2
DP World	Middle East	Ports	4.0	2.0	15.6	14.3
Beijing Enterprises Holdings	China	Gas transmission and distribution, water and waste treatment	4.0	2.5	8.2	7.5
Huaneng Renewables	China	Renewable energy	4.0	2.4	6.5	5.8
OPG Power Ventures	India	Thermal electricity generation	3.0	2.8	6.1	8.1
Edison International	North America	Electricity distribution	3.0	3.0	18.5	17.1
Metro Pacific investments	Asia (ex China)	Electricity, water, hospitals, roads	2.0	1.6	14.7	14.5
TPI Polene Power	Asia (ex China)	Waste treatment	2.0	4.3	11.4	11.0
China Everbright Greentech	China	Renewable energy	2.0	1.7	10.9	9.8
Mytrah Energy	India	Renewable energy	2.0	0.0	2.5	1.5
ENEL Americas	Latin America	Integrated electricity	2.0	3.3	14.4	12.0
Sempra Energy	North America	Multi utilities	2.0	3.1	20.9	17.6
Total for initial target weight/weighted averages for yields and P/E			35.0	2.5	11.5	10.5

Source: Bloomberg, Premier Global Infrastructure Trust

DP World – an example of both a growth equity and an infrastructure investment

As illustrated in Figure 7 above, DP World (www.dpworld.com) currently provides a relatively low yield (2.0%) but, in the managers' view, offers strong earnings growth potential, which justifies its inclusion in PGIT's growth portfolio. The managers say that DP World is generating strong cash flows that it is using to finance a programme of acquisitions, along with the sale of less profitable assets. They also say that this process is driving both the company revenue and earnings.

Figure 8: DP World share price



Source: Bloomberg

As illustrated in Figure 7 (and by comparison with Figures 9 and 13), DP World is one of the more expensive stocks in PGIT's portfolio but the managers consider this is justified by DP World's growth prospects, particularly given the company's London Gateway project, (www.londongateway.com), a new container port for London. The managers expect that this will provide a significant boost to the company's earnings potential.

According to DP World, the London Gateway project was delivered on-time and under budget. The project is highly scalable (it has three operational berths which could be readily expanded to six berths) and includes the London Gateway Logistics Park (DP World describes this as being a valuable real estate asset – it has 9.25m square feet of developable land under a planning umbrella scheme). DP World says that the port/park combination enables it to further integrate the supply chain, and that the port's proximity to the UK market will allow it to drive further supply chain savings. The project also has a defensive moat (not literally!). For example, the managers say that the negotiations were hugely complex and the deepwater access required a dredge stretching 80km (extracting 27m cubic metres).

Income equities portfolio

Figure 9 shows PGIT's initial income equities portfolio. Yields in this portfolio are typically above 3.5% and the managers highlight the key themes of regulated or contracted natural monopolies: lower risk, modest growth prospects, and high yields.

Figure 9: Initial income equities portfolio

Holding	Region	Sector	Initial target weight (%)	2018 yield (%)	2018 P/E (x)	2019 P/E (x)
Cia de Saneamento do Parana	Latin America	Water and sewerage	5.0	8.1	6.8	5.8
SSE	United Kingdom	Integrated electricity	4.0	7.1	11.2	10.3
Atlantia	Europe (ex UK)	Roads	4.0	4.2	18.6	17.3
Avangrid	North America	Electricity distribution and renewable energy	4.0	3.5	21.4	20.0
Jasmine Broadband Internet	Asia (ex China)	Telecoms infrastructure	3.0	8.1	12.0	11.8
Acea	Europe (ex UK)	Multi-utility	3.0	4.6	12.9	12.5
Pennon Group	United Kingdom	Water, sewerage, solid waste treatment	3.0	5.3	14.7	13.4
Enbridge	North America	Pipelines and energy infrastructure	2.0	5.4	19.5	17.1
Gas Natural	Global	Gas and electricity	2.0	5.7	13.2	12.2
Transgaz	Eastern Europe	Gas transmission	2.0	6.4	13.1	12.2
Omega Geracao	Latin America	Renewable energy	2.0	3.3	20.1	16.1
Copel	Latin America	Integrated electricity	2.0	10.8	4.8	4.1
Total for initial target weight/weighted averages for yields and P/E			36.0	6.0	13.8	12.7

Source: Bloomberg, Premier Global Infrastructure Trust

Cia de Saneamento do Parana (Sanepar) – an example of both an income equity and a water investment

Figure 10: Sanepar share price

Source: Bloomberg

Some discussion of Sanepar was provided in QuotedData's July 2017 note (please see page 6 of that note). In summary, Sanepar has historically suffered from a difficult regulatory environment but PGIT's managers had previously identified the new government in Brazil as a catalyst for positive change for the company. The government has pushed for the individual states to start regulating water utilities properly and to move to a regulated asset base (RAB) model (where the company earns predetermined returns on regulated assets), which, in Sanepar's case, led to a 25% tariff increase, to be phased in over eight years. This change was a key driver in Sanepar's strong performance in 2016. Although the market reacted negatively to the delayed implementation (the stock fell 25% on the news), PGIT's managers felt that the reasoning behind the delayed implementation was sound, namely, that it would be more acceptable to consumers and the company would be financially compensated for the delay).

> The Brazilian government has set up a national water regulator. Investment, earning agreed rates of return, will be needed to meet new standards.

Since QuotedData last wrote, the Brazilian government has taken further steps by setting up a national water regulator. This new national regulator is to set the over-arching terms of regulation. Crucially, this is expected to include both water standards and targets for sanitation, which PGIT's managers say are expected to be higher than the current levels and will therefore require investment to achieve. PGIT's managers believe that this will be good for Sanepar as it will be allowed to earn a rate of return on its investment sufficient to attract capital into the sector.

Severn Trent– sold in its entirety, SSE earmarked for reduction

Figure 11: Severn Trent share price

Source: Bloomberg

PGIT's managers are reducing the trust's holdings in UK utilities. This reflects both the move to rationalise the trust's portfolio and the managers' view that political risk has increased in the UK. PGIT's position in Severn Trent has been sold. The managers prefer Pennon's water business and the company's exposure to UK waste incineration, which they see as attractive.

The managers have held off from disposing of PGIT's position in SSE as they see the potential for near term upside in the stock. There has been considerable coverage in the media about the impact on retail pricing from potential energy price caps. The managers think that this has been a major drag on the stock, yet the retail supply division only accounts for circa 15% of SSE's business. The managers also felt that with other businesses' energy subsidiaries being loss making (for example npower's) there was the potential for these to be combined with another business and spun-off, allowing SSE to re-rate.

Figure 12: SSE share price

Source: Bloomberg

An announcement was made by SSE to this effect on 8 November. SSE is proposing a demerger of SSE's household energy and services business in Great Britain (SSE Retail) and combining this with innogy's subsidiary, npower Group, to form a new independent UK company. The new company would be held by SSE shareholders (following the demerger), with minority participation by innogy. The managers highlight that SSE is paying a circa 7% yield, which is fully covered by earnings.

Yieldcos portfolio

Figure 13: Initial yieldcos portfolio

Holding	Region	Sector	Initial target weight (%)	2018 yield (%)	2019 yield (%)
First Trust MLP and Energy Income	North America	Multi-utilities	4.5	9.7	9.7
NRG Yield - Class A	North America	Renewable and conventional generation	4.0	6.8	7.5
Saeta Yield	Europe (ex UK)	Renewable energy	3.0	8.4	8.4
Atlantica Yield	Global	Renewable energy, generation, transmission and water	3.0	7.0	7.3
Keppel Infrastructure Trust	Asia (ex China)	Infrastructure	3.0	7.0	7.2
Pattern Energy	North America	Renewable energy	3.0	7.6	8.0
Transalta Renewables	North America	Renewable energy	3.0	6.8	7.0
Brookfield Renewable Partners	North America	Renewable energy	3.0	5.8	6.1
Center Coast MLP & Infrastructure	North America	Infrastructure	2.5	12.7	12.7
Total for initial target weight/weighted averages for yields			29.0	7.9	8.2

Source: Bloomberg, Premier Global Infrastructure Trust

Figure 13 shows PGIT's initial yieldcos portfolio. The portfolio, as assembled, has a yield for 2018 of 7.9%. The portfolio does not currently have any UK assets and there is a strong bias to the US; this is a trend that the managers expect to continue in the medium term. The managers say that they generally prefer international yieldcos due to a number of factors. However, they point out that international yieldcos offer a high level of revenue visibility (PGIT's investments are typically either regulated or on long term power purchase agreements (PPAs), supported by renewable energy or contracted generation); have little or no commodity risk (but may have weather risk and interest rate risk); and have no construction risk (they buy existing assets).

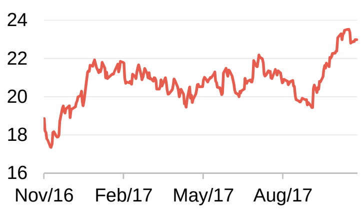
Figure 14: PGIT's managers' summary comparison of international versus UK yieldcos

International yieldcos	UK yieldcos
Little or no commodity risk	Commodity risks for approximately 50% revenue
High revenue visibility	Medium revenue visibility
Medium debt levels	Low debt levels
High growth prospects	Low growth prospects
Fully consolidate assets provides high visibility	Do not fully consolidate assets, so visibility is low
NAV calculated by IFRS	NAV calculated by directors, more open to interpretation
Low inflation linkage	Medium inflation linkage

Source: Premier Global Infrastructure Trust

Atlantica Yield – an example of a yieldco investment

Figure 15: Atlantica Yield share price

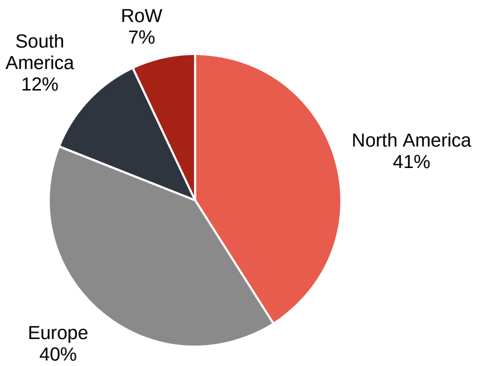


Source: Bloomberg

Atlantica Yield (www.atlanticayield.com) owns a portfolio of contracted assets in the power and environment sectors. These include renewable energy, generation, transmission and water assets. PGIT's managers are attracted by its high yield (see Figure 13) and the diversification of its assets (see Figures 16 and 17 below). PGIT's managers say that they expect income generation should be resilient: according to PGIT's managers, 90% of Atlantica Yield's interest rate exposure is fixed or hedged and its assets are long-lived (the average remaining life of its PPAs was 21 years at June 2017). There is also good potential for income growth, in their view, as project level debt is amortised (the managers say that debt levels on existing assets will fall

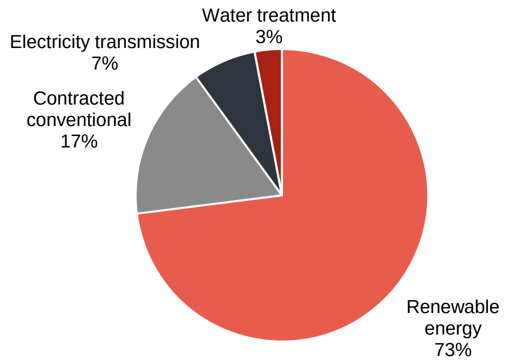
21% over 2017 to 2021); earnings growth is strong (2016 EBITDA is up 21%); and it is highly cash generative (2016 cash available for distribution is $171m).

Figure 16: Atlantica Yield cash flow split by geography



Source: Atlantica Yield, Premier Global Infrastructure Trust

Figure 17: Atlantica Yield cash flow split by sector



Source: Atlantica Yield, Premier Global Infrastructure Trust

Performance

QuotedData's July 2017 annual overview provides a more detailed discussion of PGIT's long term performance record (see pages 7 and 8 of that note). Since QuotedData last wrote, the broad trend has been one of underperformance of the MSCI World Utilities Index by both PGIT's share price and NAV. Updated performance data is provided below. It should be noted that PGIT's geared structure amplifies the volatility in its performance, at the net asset level, but the managers expect that the new strategy will lead to an improved risk-return profile for the trust.

Figure 18: PGIT NAV/MSCI World Utilities Index* – rebased to 100 since 31 October 2012

Source: Morningstar, Marten & Co. *Note: PGIT does not have a formal benchmark. For comparison purposes, the MSCI World Utilities Index has been used.

Since QuotedData last wrote, PGIT's US utility positions have benefitted from very strong earnings growth, which the managers say fed into higher dividends. Europe has been mixed with PGIT's Spanish hydroelectric holdings generation volumes being hurt by low rainfall, while the Italian utilities, Acea and Hera, have benefitted from strong earnings growth, which the managers say was driven by continued consolidation, constructive regulation and cost efficiency. OPG Power, a key holding, suffered following a trading update in August that highlighted that rising coal prices would have a near term negative effect on its margins. The managers expect that this will ultimately be reflected in tariff increases but acknowledge that this will take some time to come through.

PGIT's Chinese holdings, such as China Everbright and particularly China Everbright Greentech, have performed well. UK utilities have struggled following negative media coverage as political parties have talked of energy price caps and the Labour Party proposed a re-nationalisation of utilities.

Figure 19: Total return performance to 31 October 2017 (Performance figures in excess of one year are annualised)

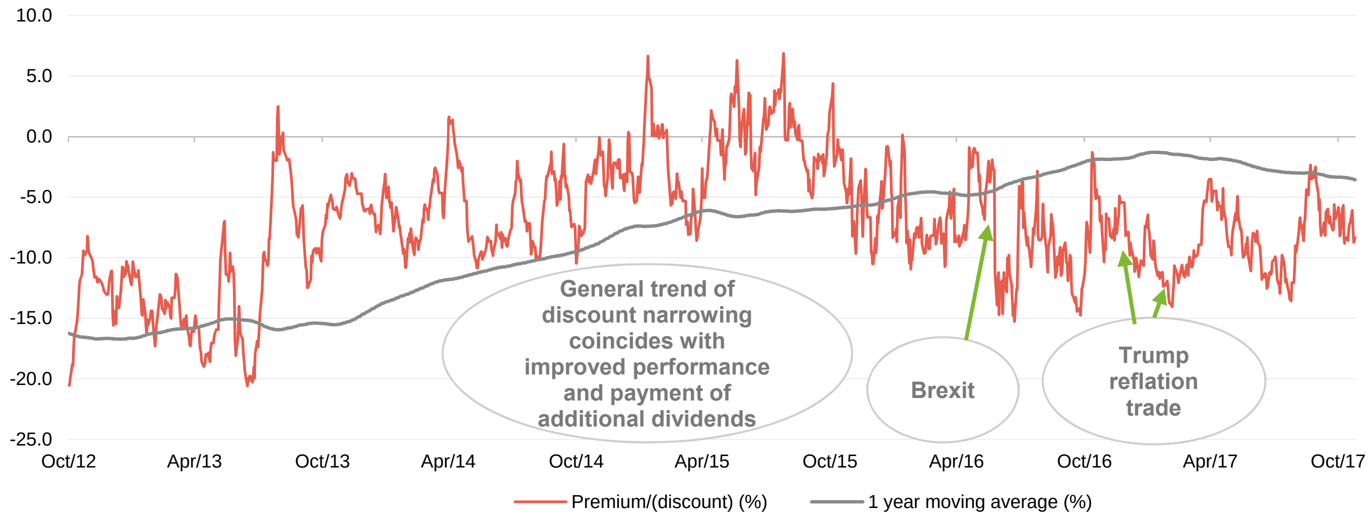
	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since 1 June 2012 (%)**
NAV	3.6	(1.0)	(1.9)	(5.1)	2.5	15.5	16.1
Share price	1.6	3.4	(1.9)	1.4	5.0	19.5	18.4
MSCI World Utilities*	3.9	2.7	6.7	5.7	12.1	12.5	12.1
MSCI World*	3.0	3.7	7.0	13.5	15.7	16.6	17.0
MSCI UK	1.6	2.4	5.8	11.9	8.3	9.1	10.6

Source: Premier Global Infrastructure Trust, Morningstar, Marten & Co. * Note: All figures are in sterling equivalent terms. **Note: James Smith took over as lead manager with effect from 1 June 2012.

Premium/(discount)

The volatility present in PGIT's ordinary share discount is in part a feature of its split capital structure and the high level of gearing that is provided by its zero dividend preference shares (ZDPs). As illustrated in Figure 20, the ordinary share discount is now trading around its one-year moving average. It is also trading at a discount wider than its three-year average of 5.9%. Historically PGIT's discount target has tended to narrow with improving performance and yield, while the reverse has also been true (see page 9 of QuotedData's July 2017 annual overview note for more discussion). It is possible that, if the recent changes lead to a superior outcome for investors, this could lead to a narrowing of the discount.

Figure 20: Premium/(discount) on ordinary shares over five years



Source: Morningstar, Marten & Co.

Previous research publications

Click here to visit PGIT's website

Readers interested in further information about PGIT may wish to read QuotedData's previous research notes, as detailed in Figure 21. You can read the notes by clicking on them in Figure 21 or by visiting www.quoteddata.com.

Figure 21: Marten & Co. previously published research on PGIT

Title	Note type	Date
A step change in performance	Initiation	18 June 2014
Solid interims and plans for the future	Update	7 August 2014
Value in emerging markets	Update	2 February 2015
3 years later, in a new league!	Annual overview	16 July 2015
It's a £24m rollover!	Update	4 February 2016
A BREXIT beneficiary	Update	5 September 2016
'Significant latent value'	Annual overview	12 July 2017

Source: Marten & Co.

QuotedData

QuotedData is a trading name of Marten & Co, which is authorised and regulated by the Financial Conduct Authority
123a Kings Road, London SW3 4PL
0203 691 9430

www.quoteddata.com

Registered in England & Wales number 07981621,
2nd Floor Heathmans House
19 Heathmans Road, London SW6 4TJ

Edward Marten
(em@martenandco.com)

Investment company research:

James Carthew
(jc@martenandco.com)

Matthew Read
(mr@martenandco.com)

IMPORTANT INFORMATION