

**ABOUT US:** UEM is a UK closed-end investment trust, traded on the London Stock Exchange.  
Registration No 11102129

**OBJECTIVE:** To provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

**INVESTMENT APPROACH:** To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

## DECEMBER 2018

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch*	98.36p
NAV (cum income)	232.58p
Share Price	204.63p
Discount to diluted NAV	(12.0%)
NAV Total Return since launch*	288.3%
Annual average compound return*	10.6%
Historic Dividend paid per share (last 12 months)	7.20p
Historic Dividend Yield (last 12 months)	3.5%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	230,606,562

\*Utilico Emerging Markets Limited ("UEMB") – UEM's predecessor

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£536.3m
Bank Debt	£0.0m
Shareholders' Funds	£536.3m
Gearing (based on AIC definition)	(1.3%)

GEARING AIC – standardised gearing calculation as recommended by the AIC is based on net assets

### BOARD

John Rennocks	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	

### MANAGEMENT & PERFORMANCE FEES

Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that financial year

### INVESTMENT MANAGERS

Utilico Emerging Markets Trust plc is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

[www.icm.limited](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.limited)

\*Total return is calculated based on undiluted NAV plus dividends reinvested and adjusted for the exercise of warrants and subscription shares

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### ORDINARY SHARES PERFORMANCE



### PERFORMANCE (Total return\*)

	1 month	3 months	1 year	3 years	Inception
Share Price	2.2%	5.2%	(2.0%)	42.3%	245.5%
Net Asset Value	(0.5%)	3.5%	(5.8%)	40.8%	288.3%

### ROLLING 12 MONTH PERFORMANCE (Total return\*)

12 Months to	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14
Share Price	(2.0%)	21.2%	19.8%	(5.8%)	0.0%
Net Asset Value	(5.8%)	21.3%	23.2%	(2.6%)	7.0%

### KEY DATES

Launch Date*	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2021

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



## PERFORMANCE

During December UEM's NAV total return decreased 0.5%, ahead of the fall by the MSCI Emerging Markets Total Return Index which was down 2.6% in Sterling terms.

December saw another volatile month, with most markets except Malaysia and the Philippines seeing a decline. The 90-day deferral of Chinese import tariffs from 10% to 25% in the US-Sino trade war helped to initially excite the markets, although later confusion over details of this truce and fear of further global recession resulted in market sell downs. Slightly confused messaging as well from the Federal Bank during December on its tightening policy whether it be by balance-sheet contraction or interest rate increases also did not help matters. As a result, we saw the S&P 500 Index down 9.2% for December with the Nikkei down 10.5%. The Asian emerging markets fared slightly better than the developed markets with the Chinese's Shanghai Composite Index down 3.6% and the Hong Kong Hang Seng Index down 2.5%. Over this period the Chinese Renminbi appreciated against Sterling by 1.1% whilst the Hong Kong Dollar remained broadly unchanged appreciating 0.1%.

The Brazilian Bovespa Index was down 1.8% for December with the Brazilian Real remaining broadly unchanged against Sterling appreciating 0.2% respectively as the newly elected government continued to push ahead with plans to try and accelerate economic growth focusing on infrastructure concessions, privatisations as well pension and tax reforms. The Copom also decided to leave base interest rate unchanged at 6.5% indicating that a lower interest rate environment is potentially here to stay in Brazil, at least until the end of 2019.

The Romanian BET Index was one of the worst performers down over the period by 14.8%. The government's shock plans to tax banking assets, limit gas prices, enforce a turnover tax for energy and telecom firms and enable Romanians to pull out of mandatory private pension funds after five years of contribution, resulted in the market seeing its worse day on record. The Romanian Leu appreciated 1.0% over the period relative to Sterling.

In India, the SENSEX Index was relatively flat for December down 0.3%, with the Indian Rupee appreciating marginally by 0.2% against Sterling, despite the BJP's defeat across three key state elections and the surprise resignation of the Reserve Bank of India Governor, as improvements in macroeconomic indicators helped boost investors confidence.

## PORTFOLIO

There were no changes to the constituents of the top twenty investments in the portfolio in December, yet performance was mixed with twelve of the top twenty investments up over the period. Power Grid Corp of India saw the largest increase, up 9.0% as the regulator positively surprised the market by keeping the allowed regulatory returns at 15.5% for the FY19-24 cycle whilst a cut of 1-2ppt had been expected. Malaysia Airports was also up 9.0%, partially due to re-rating from its prior months poor share price performance. Sanepar was up 7.7% during the period as the stock continued to increase following the election of a pro-market local candidate.

Eight of the top twenty were down for December, with the three Romanian holdings, Conpet, Transgaz and Transelectrica down 11.9%, 10.4% and 9.9% respectively on the back of the shock government proposals which included the proposed introduction of an additional 2% net turnover tax on electricity companies, a cap on gas prices for onshore gas as well as changes to the private pension schemes.

Purchases during the month for the portfolio amounted to £10.3m and realisations totalled £8.4m.

## DEBT

UEM remained ungeared, having fully repaid its bank debt of £5.0m in October..

## OTHER

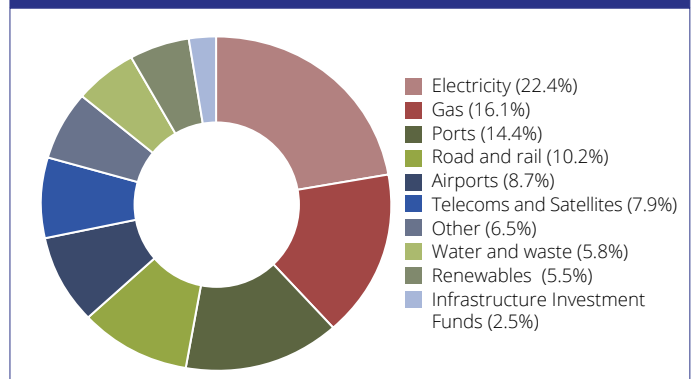
UEM's share price ended December at 204.63p, up 2.2% on previous month-end, with the discount to NAV decreasing to 12.0%. UEM paid its second quarterly dividend of 1.80p per ordinary share in respect of the period ending 31 March 2019 on 21 December 2018 to shareholders on the register on 30 November 2018.

*Charles Jillings*  
ICM Investment Management Limited and ICM Limited

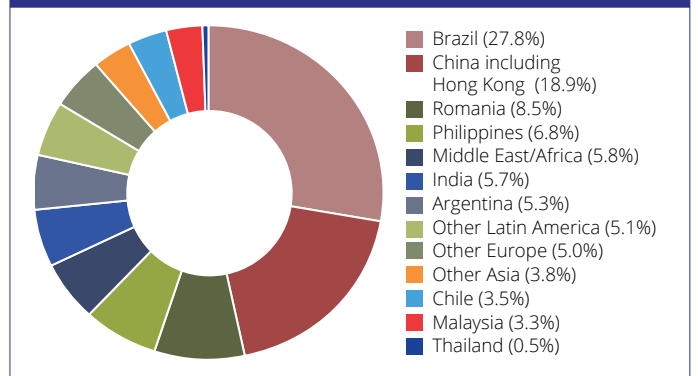
## TOP TWENTY HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	5.1%
2. Ocean Wilsons Holdings Limited	4.4%
3. Energisa S.A.	3.6%
4. Alupar Investimento S.A.	3.5%
5. Companhia de Gas de Sao Paulo (Comgas)	3.4%
6. China Resources Gas Group Ltd	3.4%
7. Rumo S.A.	3.0%
8. Yuexiu Transport Infrastructure Limited	2.8%
9. Engie Energia Chile S.A.	2.5%
10. Malaysia Airport Holdings Berhad	2.4%
11. APT Satellite Holdings Limited	2.3%
12. Companhia de Saneamento do Paraná (Sanepar)	2.3%
13. Cosan Logistica S.A.	2.3%
14. Enel Américas S.A	2.2%
15. Transgaz S.A.	2.1%
16. Shanghai International Airport Co Ltd	2.1%
17. Transelectrica SA	2.1%
18. Power Grid Corporation of India	2.0%
19. Conpet S.A.	2.0%
20. China Everbright Greentech Limited	2.0%
<b>Total Top 20</b>	<b>55.5%</b>

## SECTOR SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



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