

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

DECEMBER 2020

UK closed-end investment trust focused on long-term total return

OBJECTIVE

Utilico Emerging Markets Trust plc ("UEM") seeks to provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

INVESTMENT APPROACH

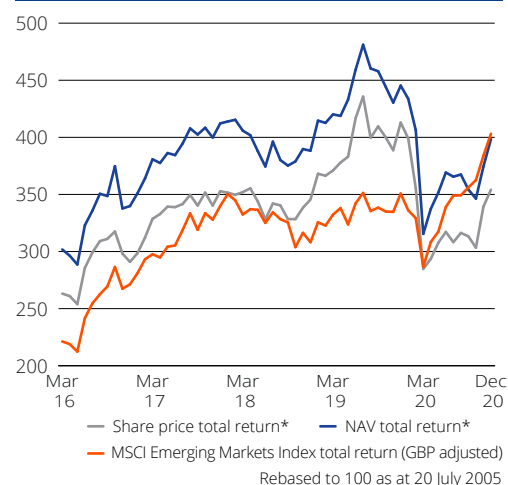
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

KEY DATES

Launch Date⁺	20 July 05
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

⁺Utilico Emerging Markets Limited – UEM's predecessor

PERFORMANCE



PERFORMANCE (Total return*)	1 month	3 months	1 year	3 years	Inception
Share Price	4.3%	13.0%	(14.2%)	0.4%	254.1%
Net Asset Value ("NAV")	6.4%	12.5%	(10.5%)	(3.3%)	298.4%
MSCI Emerging Markets Index (GBP adjusted)	5.0%	13.2%	14.9%	18.6%	303.1%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16
Share Price	(14.2%)	19.5%	(2.0%)	21.2%	19.8%
Net Asset Value	(10.5%)	14.7%	(5.8%)	21.3%	23.2%
MSCI Emerging Markets Index (GBP adjusted)	14.9%	13.8%	(9.3%)	25.3%	32.7%

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

FUND DETAILS

ORDINARY SHARES

Ticker: UEM.L

NAV at launch ⁺	98.36p
NAV (cum income)	223.63p
Share Price	194.75p
Discount to diluted NAV	(12.9%)
NAV Total return since launch*	298.4%
Annual average compound return*	9.4%
Historic Dividend paid per share (last 12 months)	7.70p
Historic Dividend Yield (last 12 months)	4.0%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	222,408,374

⁺Utilico Emerging Markets Limited – UEM's predecessor

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

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£543.5m
Bank Debt	£(46.1)m
Shareholders' Funds	£497.4m
Gearing (based on AIC definition)	8.8%

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

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

UEM is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

www.icm.limited





PERFORMANCE

UEM's NAV total return increased by 6.4% in December, outperforming the MSCI Emerging Markets Total Return Index which increased by 5.0% in Sterling terms over the same period.

December marked yet another volatile month for global markets as winter weather brought rising coronavirus infections across much of the western hemisphere. The UK announced preliminary indications of a new, more contagious variant of the Coronavirus that has been spreading rapidly through the population, triggering fresh emergency lockdowns in many parts of the country. The announcement triggered a swift global response, with many countries opting to suspend UK travel on concerns of contagion. Despite the ensuing chaos, the UK and EU were able to finalise a long-awaited Brexit deal, marking the end of the UK's 47-year EU membership and a long period of uncertainty following the referendum result in 2016. Meanwhile in the US, Democrats and Republicans battled to pass a new stimulus package to provide much-needed relief to the pandemic-stricken economy. President Trump, having earlier criticised the terms of the package, signed a bill to release USD 900bn of funds, avoiding a looming shutdown.

Markets were resilient over the month, with the majority of major global indices posting positive returns. The S&P Index continued its upward march, climbing 3.7% over the period, while the FTSE 100 and Eurostoxx rose by 3.1% and 1.7%, respectively.

In the emerging markets, Brazil was a notable outperformer with the Bovespa climbing 9.3% over the period, bolstered by encouraging Q3 GDP data. In Asia, Hong Kong's Hang Seng posted gains of 3.4% while the Shanghai Composite rose 2.4% as export data continue to point to recovery in the Chinese economy. Meanwhile, India's SENSEX rallied 8.2% while the Philippines

PCOMP jumped 5.1%, as investors showed signs of backing recovery-led growth stocks.

With the exception of the Brazilian Real and the Chilean Peso, which gained 2.3% and 5.4%, respectively, all emerging market currencies fell against Sterling. The Hong Kong Dollar and the Chinese Renminbi lost 2.4% and 2.0%, respectively, while the Philippine Peso lost 2.2%.

PORTFOLIO

There was one change to the constituents of the top twenty holdings over the month, with Simpar, a Brazilian logistics and transportation company, replacing Romania's Conpet, a petroleum transport company, in nineteenth position.

The vast majority of the top twenty holdings recorded a strong performance for December, with a number of holdings posting high double-digit returns. China Longyuan Power was the top performer, rising 19.2% on expectations that its vast wind portfolio will benefit from the implementation of China's new carbon emissions trading. Other strong performers included Simpar which rose 18.8%, Sonatel which rose 18.2% and MyEG which rose 17.2%.

Purchases and sales during the month were £8.6m and £4.6m, respectively.

DEBT

UEM's bank debt rose from £33.0m to £46.1m in December, all drawn in US Dollars.

OTHER

UEM's share price increased by 3.3% over the period, leaving the discount wider at 12.9%. During December UEM bought back 241,531 shares at an average price of 192.94p.

UEM's second quarterly interim dividend of 1.925p per ordinary share in respect of the year ending 31 March 2021, was paid on 18 December 2020 to shareholders on the register on 4 December 2020.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	6.5%
2	Alupar Investimento S.A.	3.7%
3	Ocean Wilsons Holdings Limited	3.3%
4	India Grid Trust	2.9%
5	Rumo S.A.	2.9%
6	China Everbright Greentech Limited	2.8%
7	My E.G. Services Bhd	2.8%
8	Gujarat State Petronet Limited	2.7%
9	Corporacion Financiera Colombiana S.A.	2.6%
10	Engie Energia Chile S.A.	2.6%
11	Centrais Elétricas Brasileiras S.A. (Eletrobras)	2.3%
12	China Longyuan Power Group Limited	2.3%
13	China Gas Holdings Limited	2.2%
14	Bolsa de Valores de Colombia	2.1%
15	KINX Inc	2.1%
16	Ecorodovias Infraestrutura e Logistica S.A.	1.9%
17	Power Grid Corporation of India Limited	1.9%
18	Société Nationale des Télécommunications du Senegal (Sonatel)	1.8%
19	Simpar S.A.	1.8%
20	Citic Telecom International Holdings Limited	1.8%
Total Top Twenty		53.0%

SECTOR SPLIT OF INVESTMENTS

Electricity	20.2%
Ports and Logistics	14.7%
Data Services and Infrastructure	12.7%
Gas	10.9%
Telecoms and Satellites	8.6%
Road and Rail	7.9%
Other	7.8%
Renewables	7.4%
Infrastructure Investment Funds	5.3%
Airports	3.1%
Water and Waste	1.4%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	20.2%
China including Hong Kong	19.1%
India	12.0%
Other Asia	8.6%
The Philippines	6.5%
Middle East/Africa	6.4%
South Korea	6.2%
Colombia	5.4%
Other Europe	5.2%
Malaysia	3.3%
Chile	3.3%
Romania	3.0%
Mexico	0.8%

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Important Notes

The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to deal in UEM. Investments in UEM are subject to investment risks and the value of investments and the income derived from them may fall as well as rise and investors may not get back the principal amount invested. Past performance is not indicative of future performance. Investors should read the prospectus along with the supplement(s) and seek relevant professional advice before making any investment decision. The information presented has been obtained from sources believed to be reliable, but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Managers reserve the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited (registered in England: 08421482), which is authorised and regulated by the Financial Conduct Authority (FRN: 630094).

