

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



MARCH 2022

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.

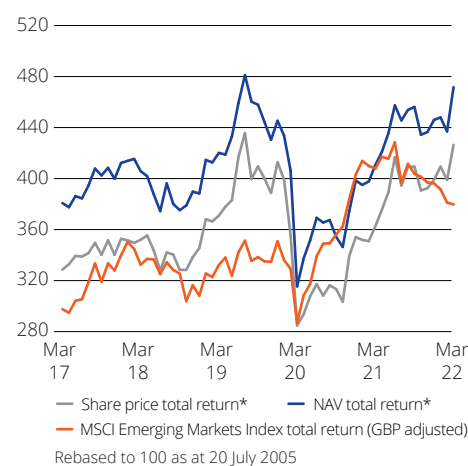
INVESTMENT APPROACH

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 2005
Year End	31 March
AGM	September 2022
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2026

PERFORMANCE



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	6.9%	6.9%	17.6%	15.0%	326.5%
Net Asset Value ("NAV")	7.9%	5.8%	14.9%	12.3%	371.7%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(0.4%)	(4.2%)	(6.9%)	14.3%	279.7%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18
Share Price	17.6%	27.3%	(23.2%)	5.4%	7.1%
Net Asset Value ("NAV")	14.9%	30.2%	(24.9%)	3.5%	6.6%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(6.9%)	42.3%	(13.7%)	(0.0%)	11.7%

FUND DETAILS

ORDINARY SHARES

NAV at launch ⁺	98.36p
NAV (cum income)	254.22p
Share Price	224.00p
Discount to diluted NAV	(11.9%)
NAV Total return since launch*	371.7%
Annual average compound return*	9.7%
Historic Dividend paid per share (last 12 months)	8.00p
Historic Dividend Yield (last 12 months)	3.6%
Ongoing charges figure	1.4%
Shares in issue	214,744,067
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£569.6m
Bank Debt	£(23.7)m
Shareholders' Funds	£545.9m
Gearing (based on AIC definition)	4.0%

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

INVESTMENT MANAGERS

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

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INVESTMENT MANAGEMENT FEE (PER ANNUM)

1.0% of NAV up to and including £500m;

0.9% of NAV exceeding £500m up to and including £750m;

0.85% of NAV exceeding £750m up to and including £1,000m; and,

0.75% of NAV exceeding £1,000m.

⁺ 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

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).





PERFORMANCE

UEM's NAV total return in the month of March increased by 7.9%, again pleasingly ahead of the MSCI Emerging Markets total return Index ("MSCI") which declined by 0.4% in Sterling terms

during the month. Over the past twelve months UEM has delivered a NAV total return of 14.9%, strongly ahead of the MSCI which fell 6.9% in Sterling terms.

Volatility in global markets remains elevated, as the stalled Russian invasion of Ukraine drags on with no clear resolution in sight. China continues to enforce its zero-COVID policy, locking down the major urban centres of Shenzhen and then Shanghai. The economic impact of this was seen in the composite PMI collapsing to 43.9 in March from 50.1, the sharpest decline in activity since the start of the pandemic.

Markets were mixed in March, with notable weakness in the Hong Kong Hang Seng Index declining 3.2% and the Shanghai Composite falling 6.1%. Much better performances were evident in Latam, with Brazil's Bovespa Index up 6.1%, Mexico's IPC Index gaining 5.9% and the Chilean IPSA recovering by 8.9%. The Indian SENSEX was also firmer, up 4.1%.

Sterling weakened against almost all currencies in March, down 2.8% against the Chilean Peso, weakening 1.6% versus the Hong Kong Dollar and declining 1.3% against the Indian Rupee. But the most significant move was a 9.5% drop against the Brazilian Real, as interest rates were raised to 11.75%, reigniting the carry trade. Brazil and Chile are also seen as major beneficiary of stronger commodity prices, which have continued to firm, with both Brent Crude Oil and Copper prices up 6.9% over the month.

PORTFOLIO

There were three changes to the constituents of the top thirty holdings in the portfolio in March with Petalite, Santos Brasil and Engie Energia Chile replacing China Gas Holdings, China Everbright Environment and Telecom Egypt due to relative performance.

Petalite is an unlisted EV charging infrastructure company which is based in the UK. Over the past seven years, Petalite has been developing a revolutionary new technology which enables more reliable and cost-effective EV chargers. UEM first made a modest investment in Petalite in early 2020, since which time it has achieved significant milestones including initial certification of the Power Core and delivery of test units to a blue-chip customer. Petalite is in commercial discussions with several large companies and is currently in advanced negotiations for further funding from new and existing investors. Reflecting such progress, the current valuation represents a very material

uplift on UEM's initial investment and ICM believes Petalite has exciting prospects.

Strong performances were seen in UEM's Brazilian investments in March, with Rumo recovering off recent lows to close up 19.8%, while Santos Brasil was up 17.6%, Simpar increased by 11.4% and Alupar firmed by 7.8%. FPT's share price hit new all-time highs after increasing by 14.8% over the month, while KT Corp and China Datang Renewables were also up 11.7% and 10.2% respectively.

The most significant decliners within the top thirty were China Everbright Greentech down 12.5%, Kunlun Energy down 10.4% and Gujarat State Petronet down 10.5%. High input gas costs have dented sentiment in the gas distribution sector, though we would note that recent results demonstrate that some of these operators are proving resilient. As an example, in its financial year to 31 December 2021 Kunlun Energy's retail gas volumes grew 18.5% YoY and EBITDA was up 19.9%. Note that this is not just due to a COVID-induced recovery - retail gas volumes were up 42.8% on 2019.

Purchases during the month for the portfolio amounted to £10.8m and realisations totalled £12.6m.

DEBT

UEM's bank debt increased from EUR 24.0m to EUR 28.0m as at the end of March, the corresponding liability in Sterling terms rose from £20.1m to £23.7m.

OTHER

UEM's share price ended March at 224.00p, up 5.9% over the month, with the discount to NAV widening marginally to 11.9%. UEM took advantage of weakness in March and bought back 3.2m shares at an average price of 207.47p. Over the past twelve months UEM has bought back a total of 6.5m shares at an average price of 211.90p and total cost of £13.8m.

UEM's third quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 31 March 2022 was paid on 25 March 2022 to shareholders on the register on 4 March 2022.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	19.3%
Data Services and Digital Infrastructure	15.6%
Electricity	15.5%
Renewables	9.7%
Telecoms	8.6%
Gas	8.4%
Other	5.6%
Infrastructure Investment Funds	4.9%
Airports	4.8%
Water and Waste	4.0%
Road and Rail	3.6%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.6%
2	Alupar Investimento S.A.	3.7%
3	India Grid Trust	3.2%
4	Petalite Limited	3.1%
5	Gujarat State Petronet Limited	3.0%
6	Simpar SA	2.9%
7	My E.G. Services Bhd	2.8%
8	Ocean Wilsons Holdings Limited	2.8%
9	Rumo S.A.	2.5%
10	FPT Corporation	2.3%
11	CGN Capital Partners Infra Fund 3	2.2%
12	Power Grid Corporation of India Limited	2.2%
13	Citic Telecom International Holdings Limited	2.1%
14	VinaCapital Vietnam Opportunity Fund Ltd	1.9%
15	China Datang Corporation Renewable Power Co., Limited	1.9%
16	Corporacion Financiera Colombiana S.A.	1.8%
17	China Everbright Greentech Limited	1.8%
18	Telelink Business Services	1.8%
19	Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)	1.8%
20	Société Nationale des Télécommunications du Senegal (Sonatel)	1.7%
21	KunLun Energy Company Limited	1.7%
22	Santos Brasil Participacoes S.A.	1.7%
23	Orizon Valorizacao de Resiuos S.A.	1.6%
24	Naver Corporation Limited	1.6%
25	KT Corporation	1.5%
26	Link Net	1.5%
27	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	1.4%
28	KINX Inc	1.4%
29	Powergrid Infrastructure Investment Trust	1.4%
30	Engie Energia Chile S.A.	1.4%
Total Top Thirty		65.3%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	20.9%
China Incl. HK	15.9%
Other Asia	11.5%
India	11.3%
Other Europe	10.2%
Middle East / Africa	5.6%
South Korea	5.4%
The Philippines	4.6%
Mexico	4.2%
Colombia	3.5%
Malaysia	2.8%
Romania	2.3%
Chile	1.8%