

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



JANUARY 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.

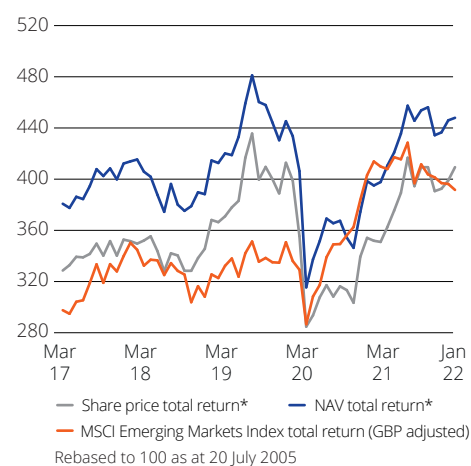
INVESTMENT APPROACH

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	2.6%	4.8%	16.3%	11.2%	309.4%
Net Asset Value ("NAV")	0.4%	3.1%	13.4%	8.0%	347.9%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(1.2%)	(2.4%)	(5.4%)	20.3%	291.6%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18
Share Price	16.3%	(11.8%)	8.4%	4.7%	17.8%
Net Asset Value ("NAV")	13.4%	(8.9%)	4.6%	0.2%	17.9%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(5.4%)	23.1%	3.2%	(7.1%)	24.6%

FUND DETAILS

ORDINARY SHARES

NAV at launch ⁺	98.36p
NAV (cum income)	243.38p
Share Price	217.00p
Discount to diluted NAV	(10.8%)
NAV Total return since launch*	347.9%
Annual average compound return*	9.5%
Historic Dividend paid per share (last 12 months)	7.93p
Historic Dividend Yield (last 12 months)	3.7%
Ongoing charges figure	1.4%
Shares in issue	218,508,953
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£541.8m
Bank Debt	£(10.0)m
Shareholders' Funds	£531.8m
Gearing (based on AIC definition)	2.1%

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 January increased by 0.4%, ahead of the MSCI Emerging Markets Total Return Index which declined by 1.2% in Sterling terms over the month.

The global political and economic backdrop continued to present a very challenging investment environment. Negotiations between Russia and NATO stalled with Russian troops gathering on the Ukrainian border. Inflation has soared as higher energy prices compound supply chain disruption, hitting 7.5% in the USA, its highest rate in forty years. The highly transmissible Omicron variant of Covid-19 has seen global cases accelerate, testing China's zero-Covid approach.

Asian markets were broadly negative in January, with the Shanghai Composite down 7.6%, the Bursa Malaysia declining 3.5% and the India SENSEX easing 0.4%. Meanwhile, the Hong Kong Hang Seng firmed 1.7% and the Philippines PCOMP was up 3.4%.

In comparison Latam markets were mostly buoyant, with the Chile IPSA up 5.6% and Brazil strengthening by 7.0%. Brazil attracted foreign inflows as several interest rate hikes, a more optimistic view on the elections later this year and commodity-linked exposure bolstered markets.

Sterling was mixed against most major currencies, with a modest strengthening against the Euro by 0.5% and the Romanian Leu by 0.4%. Sterling was up by 1.0% against the US Dollar but saw declines in Brazil and Chile as central banks raised rates rapidly. In January the Brazilian Real was up by 5.9% and the Chilean Peso was up by 7.7% against Sterling.

PORTFOLIO

There were two changes to the constituents of the top thirty holdings in the portfolio in January with Bolsa de Valores de Colombia ("BVC") and Powergrid Infrastructure Investment Trust ("PG InvIT") replacing KT Corp and OMA due to relative performance. BVC's share price was up 14.1% in January, boosted by strong local markets with the Colombian COLCAP index up 8.9%, while PG InvIT's share price appreciated by 6.7% following robust results.

Indonesian cable television operator Link Net climbed 16.7% following the long-awaited news of a formal bid from Axiata. Other digital infrastructure holdings were mixed, with Naver Corporation down 18.1%, KINX up 9.6% and MyEG declining by 9.0% against a backdrop of broader tech sector weakness.

In China there were resilient performances from Tian Lun Gas up by 10.5% and Kunlun Energy up by 10.0%, although China Gas declined by 18.3% after a strong December 2021. Notwithstanding continued positive developments in the environmental sector, China Datang Renewable's share price fell 12.5% and China Everbright Greentech declined 9.3%.

In Brazil, Rumo notably underperformed, falling 12.0%; despite the positive outlook for grain volumes in Mata Grosso state, the market is concerned Rumo will downgrade FY22 guidance. Meanwhile in Chile ECL soared 26.9% as investors returned to a previously oversold market, encouraged by greater political certainty and economic outlook given rising commodity prices.

Purchases during the month for the portfolio amounted to £7.7m and realisations totalled £17.6m.

DEBT

Reflecting net realisations, UEM's bank debt fell from EUR 32.0m to EUR 12.0m as at the end of January, the corresponding liability in Sterling terms declining from £26.9m to £10.0m.

OTHER

UEM's share price ended January at 217.00p, up 2.6% during the month, with the discount to NAV narrowing to 10.8%. During the month, UEM bought back 403,974 shares at an average price of 213.05p.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	18.4%
Data Services and Digital Infrastructure	15.5%
Electricity	13.2%
Gas	11.0%
Telecoms and Satellites	8.9%
Infrastructure Investment Funds	7.0%
Other	6.9%
Renewables	6.2%
Airports	5.1%
Road and Rail	4.7%
Water and Waste	3.1%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.8%
2	Gujarat State Petronet Limited	3.6%
3	India Grid Trust	3.4%
4	Alupar Investimento S.A.	3.1%
5	My E.G. Services Bhd	2.8%
6	Ocean Wilsons Holdings Limited	2.6%
7	Simpar SA	2.5%
8	Power Grid Corporation of India Limited	2.3%
9	China Everbright Greentech Limited	2.2%
10	Citic Telecom International Holdings Limited	2.1%
11	KunLun Energy Company Limited	2.1%
12	Telelink Business Services	2.0%
13	VinaCapital Vietnam Opportunity Fund Ltd	2.0%
14	FPT Corporation	2.0%
15	China Datang Corporation Renewable Power Co., Limited	1.9%
16	Rumo S.A.	1.9%
17	Corporacion Financiera Colombiana S.A.	1.9%
18	Engie Energia Chile SA	1.9%
19	CGN Capital Partners Infra Fund 3	1.9%
20	Société Nationale des Télécommunications du Senegal (Sonatel)	1.8%
21	Tian Lun Gas Holdings Ltd	1.7%
22	Grupo Aeroportuario del Pacífico, S.A.B. de C.V.	1.6%
23	Link Net	1.6%
24	Bolsa de Valores de Colombia	1.5%
25	China Everbright Environment Group Limited	1.5%
26	China Gas Holdings Limited	1.5%
27	Naver Corporation Limited	1.5%
28	KINX Inc	1.5%
29	Powergrid Infrastructure Investment Trust	1.4%
30	Telecom Egypt	1.4%
Total Top Thirty		64.0%

GEOGRAPHICAL SPLIT OF INVESTMENTS

China Incl. HK	17.8%
Brazil	17.1%
India	12.3%
Other Asia	11.6%
Other Europe	9.9%
Middle East / Africa	6.0%
South Korea	5.2%
The Philippines	4.8%
Colombia	3.8%
Mexico	3.8%
Romania	3.0%
Malaysia	2.8%
Chile	1.9%