

UK listed fund uniquely focused on global infrastructure and utilities megatrends in emerging markets



Overall rating out of 2,912 Global Emerging Markets Equity funds as of 29 February 2024.

Fund details

Investment 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 ("EM").

Investment approach

UEM is a UK closed ended investment trust investing primarily in operational infrastructure and utilities assets benefiting from long term infrastructure megatrends.

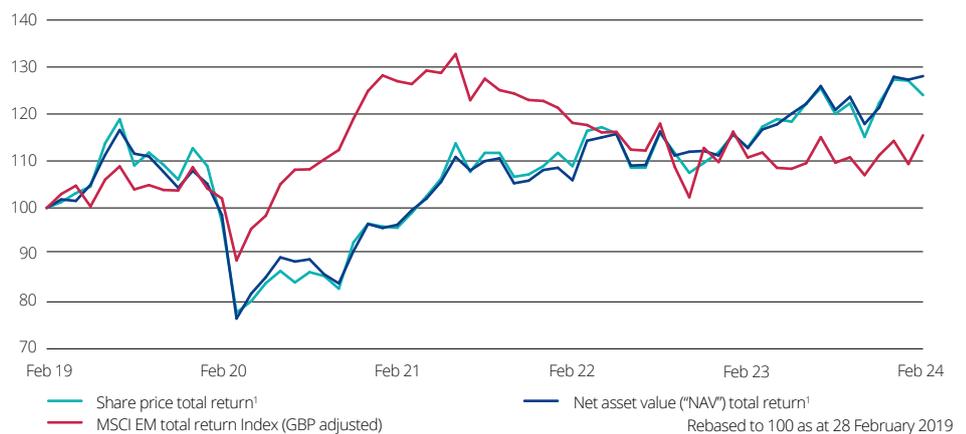
Fund Manager

Charles Jillings

Fund overview	
NAV per share at launch ²	98.36p
NAV per share (cum income)	268.72p
Share price	223.00p
Discount to NAV	(17.0%)
NAV per share total return since launch ¹	428.5%
Annual average compound return ¹	9.4%
Historic dividend paid per share (last 12 months)	8.60p
Historic dividend yield (last 12 months)	3.9%
Ongoing charges figure	1.4%
Shares in issue	191,525,898
Market capitalisation	£427.1m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£540.7m
Bank debt	£(26.0)m
Net assets	£514.7m
Gearing/(net cash)	3.9%

Fund performance



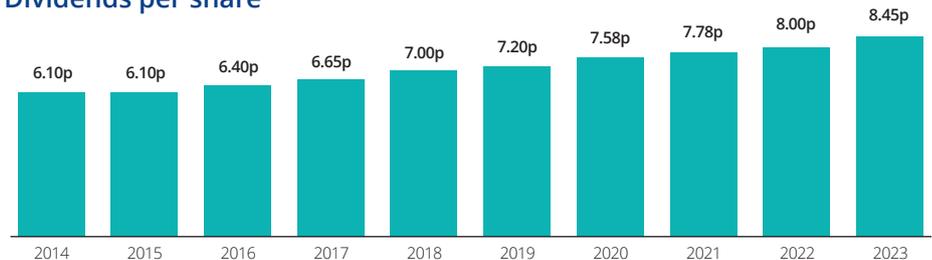
Performance (total return ¹)	1 month	3 months	1 year	3 years	5 years	Inception
Share price	(2.4%)	1.4%	9.9%	29.5%	24.0%	354.4%
NAV per share	0.6%	5.5%	13.6%	32.9%	28.1%	428.5%
MSCI EM Index (GBP adjusted)	5.6%	3.8%	4.3%	(9.1%)	15.5%	272.6%

Rolling 12 month performance (total return ¹)	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20
Share price	9.9%	3.7%	13.7%	(1.3%)	(3.0%)
NAV per share	13.6%	6.5%	9.9%	(2.1%)	(1.5%)
MSCI EM Index (GBP adjusted)	4.3%	(6.2%)	(7.0%)	24.5%	2.0%

Investment management

Investment managers	ICM Limited and ICM Investment Management Limited
Investment management fee	1.0% of NAV ≤ £500m; 0.9% of NAV > £500m ≤ £750m; 0.85% of NAV > £750m ≤ £1,000m; and, 0.75% of NAV > £1,000m

Dividends per share



Dividends payable March, June, September and December

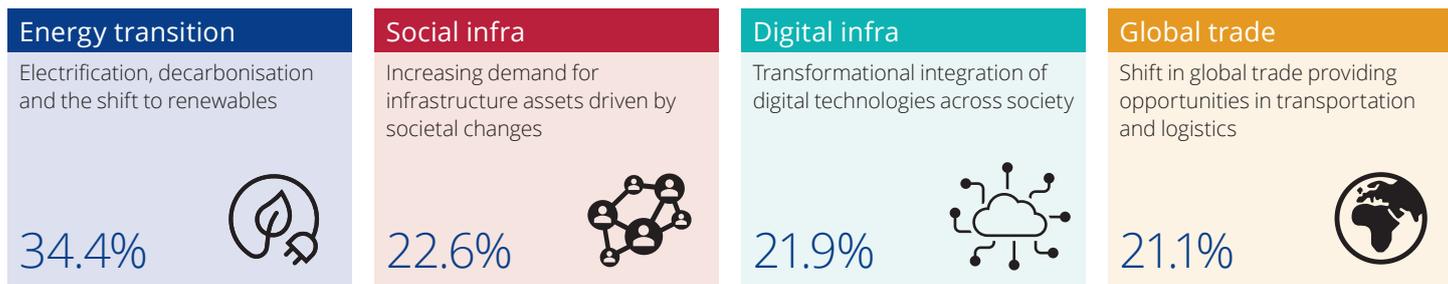
Past performance is not a guide to future returns and future returns are not guaranteed.

¹ Total return is calculated based on undiluted NAV plus dividends reinvested and adjusted for the exercise of warrants and subscription shares.

² Utilico Emerging Markets Limited – UEM's predecessor.

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Megatrends providing structural tailwinds for long term sustainable growth

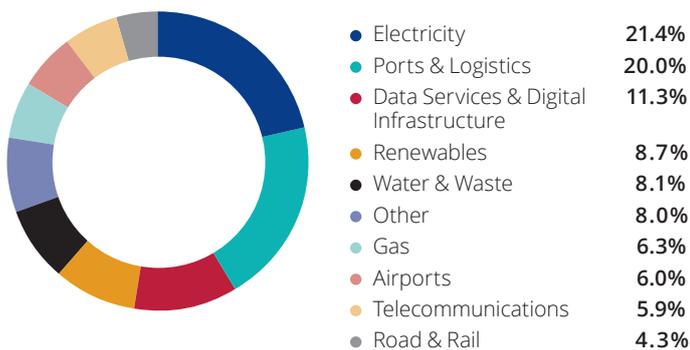


Total top 30 | 69.2%

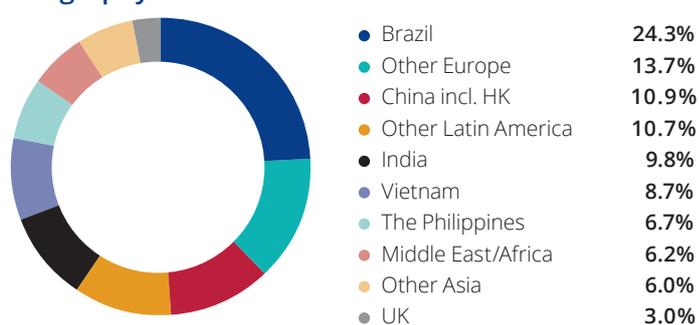
	%		%		%
1 International Container Terminal Services, Inc.	5.5	11 Gujarat State Petronet	2.4	21 Ocean Wilsons Holdings	1.8
2 Alupar Investimento S.A.	4.4	12 Power Grid Corporation of India	2.4	22 Serena Energia S.A.	1.7
3 FPT Corporation	3.6	13 Rumo S.A.	2.2	23 Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)	1.7
4 Orizon Valorizacao de Residuos S.A.	3.3	14 Engie Energia Chile S.A.	2.1	24 Holding Bursatil Regional S.A.	1.4
5 Santos Brasil Participacoes	3.0	15 Citic Telecom International Holdings	2.1	25 TAV Havalimanlari Holding A.S.	1.4
6 InPost S.A.	2.9	16 Petalite Limited	2.1	26 Powergrid Infrastructure Investment Trust	1.4
7 Centrais Eletricas Brasileiras S.A. (Eletrobras)	2.9	17 Umeme	2.0	27 Grupo Traxion S.A.B. de C.V.	1.4
8 India Grid Trust	2.7	18 TTS (Transport Trade Services) S.A.	2.0	28 China Gas Holdings	1.3
9 Korean Internet Neutral Exchange (KINX)	2.6	19 KunLun Energy Company	1.9	29 China Datang Corporation Renewable Power	1.3
10 VinaCapital Vietnam Opportunity Fund	2.5	20 Aguas Andinas S.A.	1.9	30 Shanghai International Airport Co.	1.3

Investment allocation as at 29 February 2024

Sector



Geography



Lower volatility to EM with consistently low beta¹ and an active share of over 98%²

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Note: % of total investments

¹ Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 29 February 2024 is 0.83.

² Active share is a measure of the difference between UEM's holdings and the MSCI EM Index – the higher the percentage, the lower the overlap in composite companies.

Market and portfolio performance



PERFORMANCE

UEM's NAV total return increased by 0.6% in February, underperforming the MSCI Emerging Markets total return Index ("MSCI") which was up by 5.6% in Sterling terms in the month. Since

31 March 2023, UEM's NAV total return has increased by 9.7%, significantly better than the MSCI which was up by 3.3% in Sterling terms over the same period.

Global markets were fairly strong in February despite the more hawkish message from the US Federal Reserve that interest rates are likely to remain higher for longer as economic data from the US continued to be resilient. The US composite Purchasing Managers' Index (PMI) remained in expansionary territory and January's US nonfarm payroll data was ahead of expectations. The US market was also supported by the positive 4Q 2023 earnings reported (five of the 'Magnificent Seven' released results broadly meeting or exceeding expectations), helping to drive the S&P Index up by 5.2% over period and reaching a new all-time high in February. The Eurostoxx Index followed suit up 4.9% over the period whilst the UK's FTSE 100 Index was flat, despite data pointing to an improving outlook, as GDP fell in the final quarter of 2023 by 0.3% dragging the UK into technical recession.

In emerging markets, the Chinese Shanghai Composite Index ended the month where it started the year, up by 8.1% for February. The market was boosted by more positive activity data over the Lunar New Year period as well as more supportive economic and financial measures being announced by the government such as cutting the five-year loan prime rates (benchmark for mortgage rates) by 25bps and banning short selling. The Hang Seng Index was also up by 6.6%. Elsewhere in Asia the markets were also positive with the Vietnamese Ho Chi Minh Index up by 7.6% driven by the improvement in consumer confidence and the Philippines market up by 4.5%. The Indonesian market was up by a modest 1.5%, despite Prabowo-Gibran winning the presidential election by a one-round landslide victory, becoming the country's eighth president. In India, the SENSEX Index was up by 1.2%.

In Latam, the outperformer for the month was Chile, with the IPSA Index up by 7.7%. January's CPI data revealed inflation was significantly lower

than expected at 3.2% and this, along with the weak economic activity reduced inflationary pressures, enabling the Chilean central bank to reduce interest rates more aggressively. Elsewhere Brazil remained subdued, with the Bovespa Index up by 1.0%, slowing down after its strong rally at the end of 2023. The Mexican market was down by 3.4% hampered partly by January's inflationary figures which were reported higher than expected resulting in Banxico (Mexico's central bank) keeping interest rates at 11.25%. Further, Mexico's President Andrés Manuel López Obrador recently proposed reforms created additional noise in the market.

In the currency markets, Sterling weakened against most currencies, down 0.7% against the US Dollar, down 0.8% against the Indian Rupee and relatively flat against the Brazilian Real down by 0.1%.

PORTFOLIO

There were two changes to the top thirty holdings, with TAV Havalimanlari Holding ("TAV") becoming a new entrant and Shanghai International Airport ("SIA") re-entering, replacing Telelink and Sonatel that have dropped out on relative performance. TAV is a Turkish listed airport operator that currently operates 15 airports and terminals across eight countries, including Turkey and Kazakhstan, handling in total 95.5m passengers in 2023. Both new top thirty entrants are capitalising on the social infra megatrend that UEM is currently witnessing across the emerging markets of the growth of the middle class that is demanding better quality services and infrastructure and has a higher propensity to travel.

Performance across the portfolio in February was mixed. The strong performers for the month were TAV, up by 26.2%, International Container Terminals up 18.8% and FPT Corporation up

by 13.9%. Both TAV and FPT witnessed strong performance on the back of solid FY23 results with TAV reporting passenger numbers up by 21.8% and EBITDA up by 19.4% for 2023 whilst FPT reported 20.0% growth in its top line and a 22.0% rise in its bottom line, ahead of market expectations. Power Grid was also up by 9.1% as the Indian company also reported positive quarterly results which saw improving momentum with several new project wins.

The weaker performers for the month were Kinx Inc, down by 13.5%, reflective of some investors taking profit given its strong performance into the end of January, whilst Holding Bursatil Regional (the new holding company that has originated from the merger of the Colombian, Chilean and Peruvian exchanges) was down by 5.9%.

In light of continued declines in listed EV charging share prices and headwinds for fund raisings by early stage companies, the valuation of UEM's investment in Petalite was also reduced in February by approximately 50%. Unlisted investments represent in aggregate 4.5% of UEM's portfolio as at 29 February 2024.

Portfolio purchases amounted to £7.8m and realisations totalled £17.6m.

DEBT

UEM's debt increased marginally over February from £25.9m to £26.0m, drawn as GBP 3.7m and EUR 26.0m.

OTHER

UEM's share price ended February at 223.00p, decreasing 2.4% over the month. The discount to NAV widened from 14.5% to 17.0%. UEM bought back 1.9m shares at an average price of 226.94p in the month. This takes the total shares bought back in the eleven months to 29 February 2024 to 10.7m, equivalent to 5.3% of the share capital as at 31 March 2023.

The third quarterly interim dividend of 2.15p per ordinary share in respect of the year ending 31 March 2024, was declared in February, and will be paid on 28 March 2024 to shareholders on the register on 8 March 2024.



Charles Jillings
ICM Investment Management Limited
and ICM Limited

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).