

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



Overall rating out of 2,873 Global Emerging Markets Equity funds as of 30 November 2023.

## 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 <sup>2</sup>	98.36p
NAV per share (cum income)	254.60p
Share price	220.00p
Discount to NAV	(13.6%)
NAV per share total return since launch <sup>1</sup>	400.8%
Annual average compound return <sup>1</sup>	9.2%
Historic dividend paid per share (last 12 months)	10.75p
Historic dividend yield (last 12 months)	4.9%
Ongoing charges figure	1.4%
Shares in issue	195,558,367
Market capitalisation	£430.2m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£523.5m
Bank debt	£(25.6)m
Net assets	£497.9m
Gearing/(net cash)	5.1%

## Fund performance



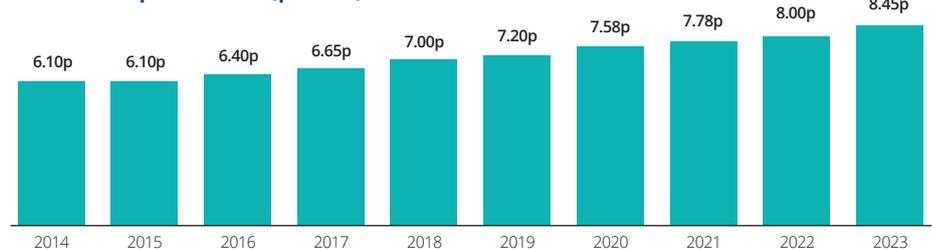
Performance (total return <sup>1</sup> )	1 month	3 months	1 year	3 years	5 years	Inception
Share price	6.3%	1.0%	11.7%	32.1%	32.7%	348.4%
NAV per share	3.0%	0.4%	8.2%	33.7%	28.3%	400.8%
MSCI EM Index (GBP adjusted)	4.0%	1.4%	(1.4%)	(6.5%)	13.5%	258.9%

Rolling 12 month performance (total return <sup>1</sup> )	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19
Share price	11.7%	2.3%	15.7%	(12.7%)	15.0%
NAV per share	8.2%	6.0%	16.6%	(13.0%)	10.3%
MSCI EM Index (GBP adjusted)	(1.4%)	(8.3%)	3.4%	14.7%	5.8%

## 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 (pence)



Dividends payable March, June, September and December

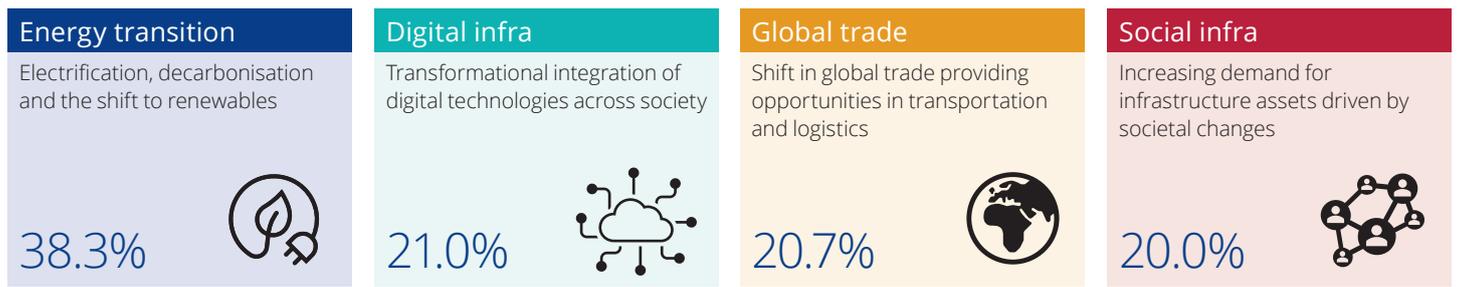
Past performance is not a guide to future returns and future returns are not guaranteed.

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

<sup>2</sup> Utilico Emerging Markets Limited – UEM's predecessor.

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## Megatrends providing structural tailwinds for long term sustainable growth

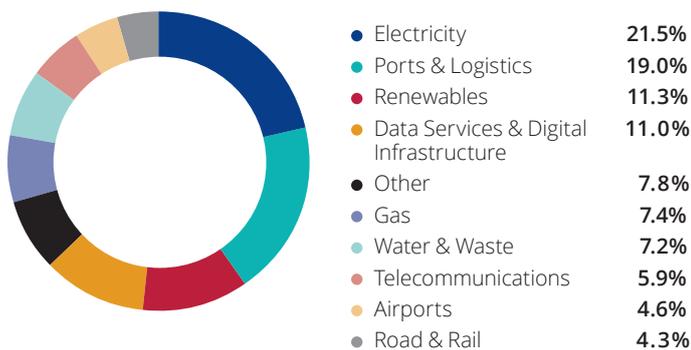


### Total top 30 | 71.5%

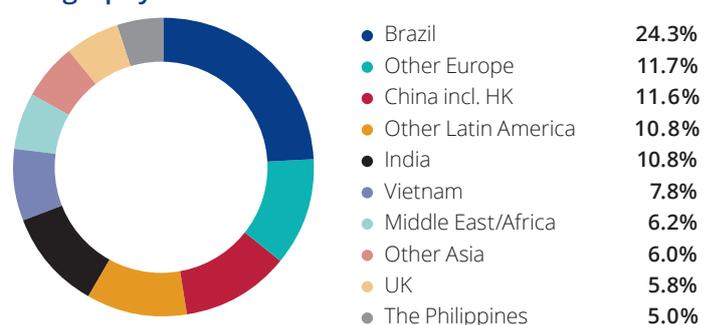
		%			%			%			
1	International Container Terminal Services, Inc.		4.9	11	Korean Internet Neutral Exchange (KINX)		2.5	21	Omega Energia S.A.		1.8
2	Petalite Limited		4.8	12	VinaCapital Vietnam Opportunity Fund		2.5	22	CGN Capital Partners Infra Fund 3		1.8
3	Alupar Investimento S.A.		4.4	13	Santos Brasil Participacoes		2.3	23	Bolsa De Valores De Colombia S.A.		1.6
4	Orizon Valorizacao de Residuos S.A.		3.6	14	Centrais Eletricas Brasileiras (Eletrobras)		2.2	24	Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)		1.5
5	Gujarat State Petronet		3.4	15	InPost S.A.		2.2	25	Ocean Wilsons Holdings		1.5
6	FPT Corporation		3.1	16	Citic Telecom International Holdings		2.2	26	Powergrid Infrastructure Investment Trust		1.4
7	Power Grid Corporation of India		2.9	17	Umeme Limited		2.1	27	China Gas Holdings		1.3
8	India Grid Trust		2.6	18	KunLun Energy Company		2.1	28	CTP N.V.		1.3
9	Engie Energia Chile S.A.		2.6	19	TTS (Transport Trade Services) S.A.		1.9	29	Engie Brasil Energia S.A.		1.3
10	Rumo S.A.		2.5	20	Aguas Andinas S.A.		1.9	30	Telelink Business Services		1.3

### Investment allocation as at 30 November 2023

#### Sector



#### Geography



Lower volatility to EM with consistently low beta<sup>1</sup> and an active share of over 98%<sup>2</sup>

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

Note: % of total investments

<sup>1</sup> Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 30 November 2023 is 0.84.

<sup>2</sup> 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 3.0% in November, slightly behind the MSCI EM total return Index ("MSCI") which was up 4.0% in Sterling terms in the month. In the eleven months to

30 November 2023, UEM's NAV total return has increased by 9.2%, significantly outperforming the MSCI which was up 1.3% in Sterling terms over that period.

Global stock markets rallied in November, as the downward trend in inflation lead to optimism that interest rates have peaked and the US Federal Reserve will soon start cutting rates. This resulted in the yield on 10-year US Treasury bonds falling sharply, the S&P 500 Index climbed 8.9%, and the DXY Dollar Index fell.

This risk-on environment was positive for emerging markets. In Brazil, the Bovespa Index soared by 12.5% with the central bank cutting its interest rate by 50bps, a third cut in a row. At 12.25%, the benchmark rate is well in excess of inflation which is now below 5%, and expectations are that further cuts will be enacted in the coming months. Markets elsewhere in Latam were similarly buoyant, with Mexico's Bolsa up 10.2% and Chile's IPSA rising 7.6%. Argentina's Merval Index rocketed 40.4% following the election of far-right outsider Javier Milei as its new President.

In Asia, there was decent performance in Vietnam's Ho Chi Minh Index, up 6.4%, and recovering some of the ground lost in October. India reported remarkably robust GDP growth at 7.6% in the July-September quarter, and the Sensex Index appreciated by 4.9%. Elsewhere, the Philippines PSEi Index was up 4.2% and the Indonesia JCI firmed by 4.9%.

A notable exception to the broad market strength was China, where the Hang Seng Index declined by 0.4% and the Shanghai Composite had a 0.4% gain. This reflects continued outflows by foreign investors and lingering concerns over consumer confidence, the property market, and local government debt levels. It was notable that the country reported its first-ever quarterly deficit in foreign direct investment since records began in 1998.

In the currency markets, Sterling strengthened against most currencies, up 4.3% against the US Dollar and 1.1% versus the Euro. It was also up 2.0% versus the Brazilian Real, 1.7% versus the

Chinese Renminbi, 4.5% against the Indian Rupee and 2.0% versus the Philippine Peso.

### PORTFOLIO

There were two changes to the top thirty holdings, with Bolsa Valores de Colombia ("BVC") and Engie Brasil Energia replacing China Datang Renewables and Pertamina Geothermal on relative performance. BVC shares soared by 32.4% in November following the conclusion of the merger of the Chile, Peru and Colombia exchanges into a single entity, Nuam. This long-awaited process sees BVC shareholders gain a 40% stake in what is expected to be a more liquid entity, with the consolidation likely to bring about significant synergies.

Many of the portfolio investment companies reported encouraging Q3 results during the month and combined with the strong tailwinds of the broader markets, resulted in some superb share price performances. In Brasil, Omega Energia (being rebranded to Serena Energia) reported Q3 energy production up 31.0% and EBITDA growth of 52.0%, and its share price climbed by 25.9%. Sabesp's privatisation process continues to advance, and the share price appreciated by 15.8%. Recently-privatised Eletrobras demonstrated its turnaround is accelerating, with Q3 EBITDA more than doubling and its share price increasing by 16.6%. Ocean Wilsons' share price was up 14.9% on the announcement that it has hired a financial advisor to evaluate a strategic review. Santos and Engie Brasil's share prices were also up 15.2% and 10.5% respectively over the month.

Elsewhere, there were strong share price performances in the CEE region, with Inpost up 16.2% as it reported that its UK operations had turned profitable earlier than expected, helping Q3 EBITDA to grow by 36.6%. TTS reported volume growth of 32.9% helped by the recent Deciom acquisition, boosting EBITDA by 22.8%

in Q3 and its share price increasing by 11.6% in November. Other notable movements were seen with Kunlun, up 11.1%, and FPT which recovered by 10.9% after last month's weakness.

Post-month end, the valuation of Petalite was reduced by 20.0% reflecting continued declines in listed EV peer share prices and the challenging market environment for capital raises of early-stage companies.

Portfolio purchases amounted to £6.5m and realisations totalled £5.6m in the month under review.

### DEBT

UEM's debt increased from £21.4m to £25.6m during the month, drawn as GBP 7.5m and EUR 21.0m.

### OTHER

UEM's share price ended November at 220.00p, up 5.3% over the month. The discount to NAV pleasingly narrowed to 13.6% from 16.2%. UEM bought back 1.2m shares at an average price of 218.33p in the month. This takes the total shares bought back in the eight months to 30 November 2023 to 6.7m, equivalent to 3.3% of the share capital as at 31 March 2023.

The second quarterly interim dividend of 2.15p per ordinary share in respect of the year ending 31 March 2024, was declared in November and will be paid on 15 December 2023 to shareholders on the register on 1 December 2023.

**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).