UTILICO
Emerging Markets Trust plc

2021
REPORT AND ACCOUNTS

MANAGED BY ICM

WHY UTILICO EMERGING MARKETS TRUST PLC?

Ocean Wilsons Holdings Limited (Brazil)

Utilico Emerging Markets Trust plc's ("UEM" or the "Company") investment objective is to provide long-term total return through a flexible investment policy that permits UEM to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

TRUSTED
A closed end fund focused on long-term total return

DIVERSIFIED
A diverse portfolio of operational cash generative investments

PROVEN
Strong management team with a long-term record of outperformance

UEM is an emerging markets specialist fund focused on long-term total return predominantly in infrastructure and utility investments.

OPPORTUNITY

UEM offers a diverse portfolio of high conviction, bottom-up investments spread across jurisdictions and sectors. The Company seeks to invest in companies most of which pay dividends, thereby contributing to UEM's performance.

EMERGING MARKETS

Emerging markets ("EM") offer higher Gross Domestic Product ("GDP") growth, and coupled with the urbanisation and expansion of the middle class, deliver attractive investment opportunities for UEM. The EM middle class sector is expected to double in ten years, which will drive the need for investment in infrastructure and utilities.

HIGH OPERATING LEVERAGE

UEM's portfolio is predominantly operational. Infrastructure and utility assets are enablers of growth in EM and usually offer high operating leverage.

UTILITIES AND INFRASTRUCTURE ASSETS

At a time of heightened uncertainty, these are often long-term assets with established regulatory frameworks which should continue to deliver predictable and sustainable income streams, thereby helping to underpin UEM's quarterly dividend payments.

UTILICO
Emerging Markets Trust plc

CONTENTS

PERFORMANCE

STRATEGIC REPORT AND INVESTMENTS

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

On 3 April 2018, as a result of the proposals to redomicile Utilico Emerging Markets Limited ("UEM Bermuda") to the United Kingdom, the shareholders of UEM Bermuda exchanged all their shares in UEM Bermuda for shares in UEM on a one for one basis and UEM Bermuda became a wholly owned subsidiary of UEM. All performance data relating to periods prior to 3 April 2018 are in respect of UEM Bermuda.

India Grid Trust (India)

FINANCIAL CALENDAR

Year End
31 March

Annual General Meeting
21 September 2021

Half Year
30 September

Dividends Payable
March, June, September and December

The business of the Company consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of spreading investment risk and generating a return for shareholders. The joint portfolio managers of the Company are ICM Investment Management Limited ("ICMIM") and ICM Limited ("ICM"), together referred to as the "Investment Managers".

Front cover image – Rumo S.A. (Brazil)

FINANCIAL HIGHLIGHTS

International Container Terminal Services, Inc (The Philippines)

NET ASSET VALUE ("NAV") TOTAL RETURN PER SHARE*	NAV OF 228.54p PER SHARE*	REVENUE EARNINGS PER SHARE OF	DIVIDENDS PER SHARE
↑ 30.2%	↑ 25.7%	8.13p	↑ 2.6%
(2020: ↓ 24.9%)	(2020: ↓ 27.2%)	(2020: 7.88p)	(2020: ↑ 5.2%)

* See Alternative Performance Measures on pages 96 and 97

CHAIRMAN'S STATEMENT

JOHN RENNOCKS
Chairman

The year to 31 March 2021 has continued to be truly challenging. Everybody has been impacted, with governments having to deal with unknown outcomes, business owners and investors seeking confidence and growth, and employees looking for job security, certainty and balance to their lives. We now have a better understanding on how to mitigate Covid-19 surges and that vaccines work. On the back of this rising confidence, equity share markets have recovered strongly.

Pleasingly, UEM turned in a strong performance and importantly delivered a NAV total return of 30.2% for the year to 31 March 2021, albeit from a low NAV of 178.14p on 1 April 2020. UEM measures its performance on a total absolute return objective and long-term annual compound NAV total return since inception is now 9.4%, although the Investment Managers are seeking long-term performance to be above 10.0% and this includes a rising dividend.

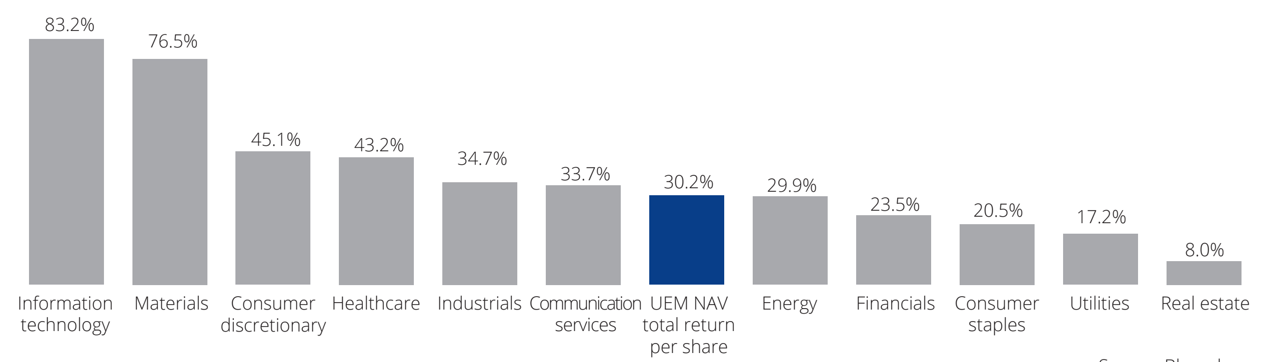
UEM has lagged behind the MSCI EM Index as investors globally have focused on technology companies, driving digital growth investments higher. The MSCI EM Information Technology sector Index has outperformed the rest of the markets, rising by 83.2% during the year to 31 March 2021. By its nature, UEM's portfolio is predominantly invested in utilities and infrastructure assets which have been out of favour with investors throughout most of the year. The MSCI EM Utilities sector Index was only up by 17.2% during the twelve months to 31 March 2021 compared with UEM's outperformance of 30.2% which is a significant positive.

Covid-19 continues to be a global pandemic that has impacted every continent and every community, and this cannot be over emphasised. It has exposed the stresses and weaknesses in our economies, politics and social fabric; from disrupted health services, education, business and social activities. Governments have struggled to keep up with a rapidly changing situation and deciding on the optimal medical, economic and social solutions to tackle the pandemic. The vulnerable have borne and continue to bear the greatest burden directly and indirectly from Covid-19.

The pandemic has seen both an immediate demand and supply shock which has impacted most stakeholders in all economies. As we move through the policy responses, we are seeing ongoing "aftershocks", especially in supply chains. We expect this to continue. Economic and stock market volatility is expected to remain high.

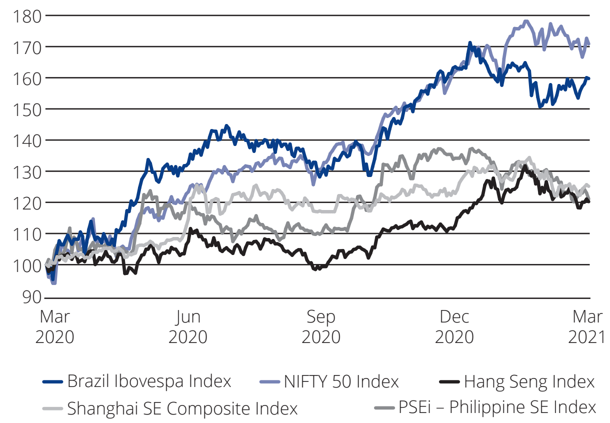
The policy response has been to seek to break community transmission of Covid-19, ranging from lockdowns, to testing, through to vaccination programmes. Economically there have been two parts to the Covid-19 response: central banks have dramatically increased the supply of capital while reducing the cost of capital; and governments have introduced significant support schemes for businesses especially around

MSCI EM SECTOR INDEX TOTAL RETURNS (GBP ADJUSTED)
from 31 March 2020 to 31 March 2021



Source: Bloomberg

INDICES MOVEMENTS
from March 2020 to March 2021



Rebased to 100 as at 31 March 2020

Source: Bloomberg

continued employment and social welfare support. These are truly unprecedented steps which have come at a very high economic cost.

At the same time there is also an accelerating expectation that businesses address questions around their approach to Environmental, Social and Governance ("ESG") outcomes. The concept of responsible investing has always been a core component to UEM's investment process. UEM's Investment Managers have a good record on governance, given their active approach to investee companies and they have taken steps to continue to strengthen their ESG approach to investing. ICM has recently become a signatory to the United Nations – supported Principles for Responsible Investment ("PRI"), a code of best practice for incorporating ESG issues. UEM is therefore able to meet the expectations and requirements of that framework. ESG continues to be a focus for UEM, and we believe this offers significant opportunities for the Company over the long-term.

Today the world is largely over leveraged and under employed. The next significant policy steps we expect are under the broad policy banners of "build your way out of the pandemic" and the "green agenda". These will add to demand and we believe will see strong inflationary pressures continue to rise, especially where supply is disrupted. While the policy initiatives may well reduce unemployment, they will add significantly to the already unpreceded debt levels.

Over the year, the individual markets have seen strong divergences in market indices and currencies as country-by-country responses have varied, and the impact of Covid-19 has differed in its timing and its severity. A common theme within markets has been the acceleration of disruptive or enabling digital businesses, which have thrived with the shift to working from home. We expect this trend to continue and even accelerate further. There are significant technology disruption opportunities from finance to health and from businesses through to government.

Numerous and substantial social issues are still evident, including nationalism, climate change and wealth inequality. However, communities have pulled together, and the human spirit has risen above this upheaval. We hope the global leaders are up to these challenges.

The EM markets have broadly been stronger with the India Nifty 50 up 70.9%, Brazil Bovespa up 59.7%, Shanghai Composite up 25.1%, the Philippine PSEi up 21.1% and Hang Seng up 20.2%. The dampener has been currency headwinds with the Brazilian Real down 17.4% against Sterling, while the Hong Kong Dollar was down 10.4% and the Philippine Peso was down 5.4%. Much of the currency weakness has been accelerated by the impact of Covid-19, and the respective country impacts and responses. Nearly all central banks reduced interest rates in order to soften the economic impact and increase resilience in their individual economies. Brazil reduced the benchmark interest rate (Selic) from 3.75% as at 31 March 2020 to 2.75% as at 31 March 2021, while the Indian interest rate reduced by 2.0% in the year to 31 March 2021. Over the year to 31 March 2021, EM currency weakness reduced UEM's GBP NAV by an estimated 8.3%.

Commodities have moved significantly higher. Oil was caught up in the pandemic demand shock and the power struggle between oil suppliers. Oil famously traded on the Houston Exchange at negative values as oversupply combined with the shortage of storage resulted in surplus oil for immediate delivery. However, oil ended the year to 31 March 2021 up 179.4%. Expectations of a new super cycle in copper, driven by both the green agenda and a construction boom are driving copper prices to new highs. We expect this growth to continue although price volatility may continue.

The emerging risk from cyber attacks on businesses and governments is a deep concern to all. So far we have not seen evidence of it within UEM's investee companies but the apparent escalation is a concern for all.

It is also worth noting that, as economies reopen, demand for goods and services is likely to accelerate above normal trend lines. Coupled with the cost savings implemented by many businesses in the face of huge economic uncertainties from the pandemic fallout, reported margins are actually widening. We expect this to continue for much of this year.

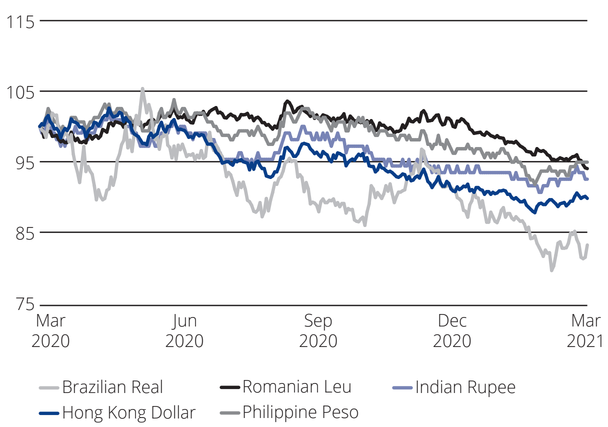
China remains key to the EM, given its size and growth. In the short-term we expect China’s GDP to remain well above its recent long-term trend line, but its GDP may fall back sharply later this year as policy responses are curtailed. Brazil is benefiting from strong commodity demand and the ongoing privatisation process should continue to attract capital into the country. India is currently being ravaged by Covid-19. Until the impact is significantly lower, its economy will remain stalled.

REVENUE EARNINGS AND DIVIDEND

It is pleasing to report UEM’s revenue earnings per share increased by 3.2%, given the challenges faced by investee businesses and their need to preserve cashflow, especially in the first six months to 30 September 2020. At the half-year, revenue income was at 81.3% of the prior year. This closed up to 94.9% in the full year as dividend income recovered strongly in the second half of the year.

CURRENCY MOVEMENTS vs STERLING

from March 2020 to March 2021



Rebased to 100 as at 31 March 2020 Source: Bloomberg

As at 31 March 2021 13.6% of UEM’s portfolio was invested in the Data Services and Digital Infrastructure sector which is projected to be higher growth but typically pays lower dividends and as such the rest of the portfolio worked harder to deliver this earnings uplift.

UEM has now declared four quarterly dividends totalling 7.775p per share, a 2.6% improvement over the previous year. Dividends remain fully covered by income. The retained earnings revenue reserves increased by £1.0m to £6.9m (prior to the payment of the last quarter dividend). The fourth quarterly dividend of 2.00p per share represents an uplift of 3.9% on the prior quarterly dividend. The Board remains confident this quarterly rate will be maintained for the next financial year.

The Board would like to re-emphasise that UEM’s portfolio is predominantly invested in relatively liquid, cash-generative companies which have long-duration assets that the Company’s Investment Managers believe are structurally undervalued and offer excellent total returns.

SHARE BUYBACKS

UEM’s share price discount widened over the year from 11.2% as at 31 March 2020 to 13.6% as at 31 March 2021. This continues to be above levels that the Board would wish to see over the medium term. The Company has continued buying back shares for cancellation and has stepped up its buybacks with 6.6m shares bought back in the year to 31 March 2021, at an average price of 182.81p, and total cost of £12.1m.

While the Board is keen to see the discount narrow, any share buyback remains an investment decision. Traditionally the Company has bought back shares if the discount widens in normal market conditions to over 10.0%. Since inception, UEM has bought back 56.0m ordinary shares totalling £97.8m. The buybacks now represent significantly more than the initial IPO capitalisation of UEM Bermuda when it came to market in July 2005.

MANAGEMENT AND PERFORMANCE FEES

Following a proposal from the Investment Managers to discontinue the performance fee and move to a flat fee, the Board asked UEM’s brokers to determine if this was supported by our larger shareholders. There was strong consensus for the removal of the performance fee, especially from our wealth manager investors. The Board, in consultation with the Company’s brokers, determined a fee of 1.0% of NAV (and reducing at higher levels of NAV) was fair to the Investment Managers and shareholders. This revised fee arrangement was implemented from 1 April 2021. As a result of the above, ongoing charges will be 1.4%, compared to 1.1% for the year to 31 March 2021. More details are set on page 97.

A performance fee in respect of the year to 31 March 2021 of £5.1m was earned and this was paid in cash and shares. To satisfy the share element the Investment Managers bought shares in the market which resulted in the fee being reduced by £0.3m to £4.8m as the shares were bought on market at a discount after the year-end.

BOARD

Garth Milne has indicated his intention to retire from the Board following the conclusion of UEM's forthcoming annual general meeting (“AGM”). Garth was a founding Director of UEM in 2005 and the Board and Investment Managers wish to thank him for his immense contribution over the years. His experience and level-headed approach will be missed. The Board has started the process of appointing a new independent director. The Board will continue to consider board refreshment in the coming year.

COVID-19 IMPACT ON UEM

The Covid-19 impact on UEM’s portfolio is detailed in the Investment Managers’ Report on page 15. However, it is worth noting that no UEM investee company has needed or is expected to require significant restructuring or refinancing. The strategic nature and business model strength of UEM’s portfolio has been excellent. Although market valuations of some companies initially deteriorated sharply, most of the businesses have proved resilient. Coupled with strong government and central bank support the Board does not today see a significant risk from Covid-19 outside of market volatility in valuations.

Today the outlook is improving. Vaccinations are proving to be effective and the vaccination approval processes were quick. Most of the developed market economies are well on their way to “vaccine herd immunity”. We expect there to be an acceleration in vaccination programmes over the coming six months in EM markets.

UEM, as a company, has adjusted to the global lockdowns and cancelled all travel by the Board. UEM moved to using video conferencing to meet the requirements by governments on social distancing and travel restrictions, whilst ensuring the Board receives regular updates on the Company’s portfolio and operating performance from the Investment Managers. Nearly all interactions with UEM’s service providers have been by video conference, including the audit process.

China Everbright Greentech Limited (China)

DIVIDEND PER SHARE OF 7.775P, UP BY

2.6%

FOR THE YEAR TO 31 MARCH 2021

UEM CONTINUATION VOTE

UEM’s forthcoming AGM in September contains a resolution proposing the continuation of the Company, as required by UEM’s Articles of Association. The Board remains firmly of the view that it is in the shareholders’ interest for UEM to continue as currently constituted. The Investment Managers, together with UEM’s brokers, have met many of UEM’s major shareholders over the last month and ascertained their views on a number of topics. These have been reflected in UEM’s forward thinking and processes and UEM thanks these shareholders for their input.

OUTLOOK

While the West is successfully vaccinating its way out of Covid lockdowns it remains a fact that newer variants are proving more difficult to contain as they emerge. With the majority of the world's population unvaccinated it is almost certain new variants will continue to appear. Hopefully, all new variants are contained by the current vaccine array. With the world reopening we are seeing accelerated demand as supply chains are refilled and delayed demand is acted upon. As we are seeing in much of UEM's portfolio, this demand should result in much stronger global GDP over the coming months. The accelerated demand and the level of supply chain disruption is leading to price inflation across most countries as costs rise to deliver goods and services.

We remain cautious about unemployment which remains high, and the unsustainable debts taken on to bridge Covid lockdowns. That said, governments remain acutely aware of the need to invest to both redress the Covid impact on their economies but also to step change the environmental challenge we all face. These two, we believe, will deliver a robust world economy and UEM's asset base should be well placed to benefit.

John Rennocks
Chairman

18 June 2021

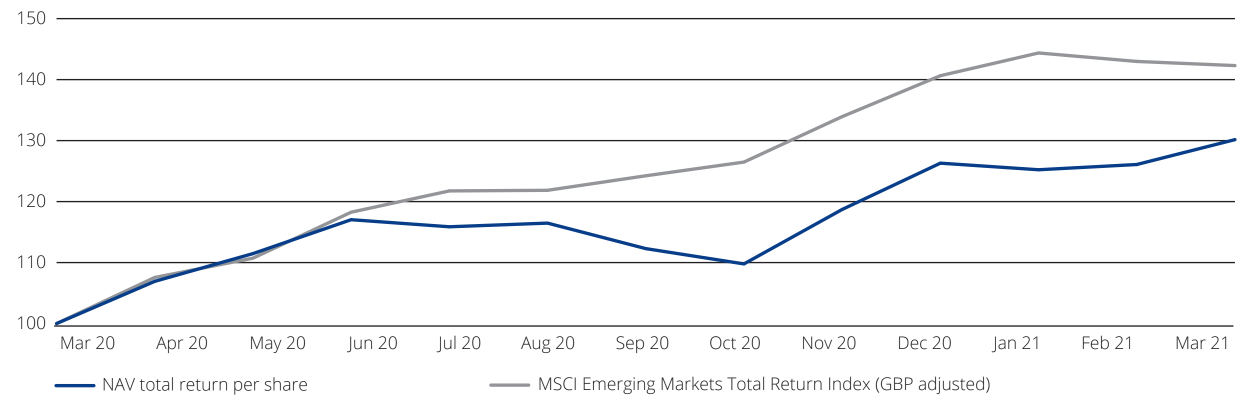
China Gas Holdings Limited (China)

CURRENT YEAR PERFORMANCE

NAV TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*	NAV OF 228.54P PER SHARE*	SHARE PRICE OF 197.50P
↑ 30.2%	↑ 27.3%	↑ 25.7%	↑ 22.3%
(2020: ↓ 24.9%)	(2020: ↓ 23.2%)	(2020: ↓ 27.2%)	(2020: ↓ 25.9%)
DIVIDENDS PER SHARE	INVESTED	REALISED	DIVIDENDS PAID
↑ 2.6%	£174.7m	£142.1m	£17.2m
(2020: ↑ 5.2%)	(2020: £270.1m)	(2020: £270.8m)	(2020: £17.0m)
6.6M SHARES BOUGHT BACK	TOTAL INCOME	ONGOING CHARGES* (EXCLUDING PERFORMANCE FEE)	ONGOING CHARGES* (INCLUDING PERFORMANCE FEE)
£12.1m	£22.8m	1.1%**	2.1%**
(2020: £4.8m)	(2020: £24.0m)	(2020: 1.1%)	(2020: 1.1%)

* See Alternative Performance Measures on pages 96 and 97
** 1.4% with effect from 1 April 2021 following changes to the management fee as set out on page 97

TOTAL RETURN COMPARATIVE PERFORMANCE [1]
from March 2020 to March 2021



(1) Rebased to 100 as at 31 March 2020

Source: ICM and Bloomberg

PERFORMANCE SUMMARY

	31 March 2021	31 March 2020	% change 2021/20
NAV total return per share [1] (annual) (%)	30.2	(24.9)	n/a
Share price total return per share [1] (annual) (%)	27.3	(23.2)	n/a
Annual compound NAV total return [1] (since inception - 20 July 2005) (%)	9.4	8.1	n/a
NAV per share [1] (pence)	228.54	181.84	25.7
Share price (pence)	197.50	161.50	22.3
Discount [1] (%)	(13.6)	(11.2)	n/a
Earnings per share (basic)			
- Capital (pence)	45.73	(68.29)	167.0
- Revenue (pence)	8.13	7.88	3.2
Total (pence)	53.86	(60.41)	189.2
Dividends per share			
- 1st quarter (pence)	1.925	1.800	6.9
- 2nd quarter (pence)	1.925	1.925	0.0
- 3rd quarter (pence)	1.925	1.925	0.0
- 4th quarter (pence)	2.000 [3]	1.925	3.9
Total (pence)	7.775	7.575	2.6
Gross assets [2] (£m)	556.1	461.4	20.5
Equity holders' funds (£m)	505.7	414.3	22.1
Shares bought back (£m)	12.1	4.8	152.1
Net (overdraft)/cash (£m)	(3.2)	39.5	(108.1)
Bank loans (£m)	(50.4)	(47.1)	7.0
Net debt (£m)	(53.6)	(7.6)	605.3
Gearing [1] (%)	(10.6)	(1.8)	n/a
Management and administration fees and other expenses			
- excluding performance fee (£m)	5.0	6.4	(21.9)
- including performance fee (£m)	10.1	6.4	57.8
Ongoing charges figure [1]			
- excluding performance fee (%)	1.1 [4]	1.1	n/a
- including performance fee (%)	2.1 [4]	1.1	n/a

(1) See Alternative Performance Measures on pages 96 and 97
(2) Gross assets less liabilities excluding loans
(3) The fourth quarterly dividend has not been included as a liability in the accounts
(4) 1.4% with effect from 1 April 2021 following changes to the management fee as set out on page 97

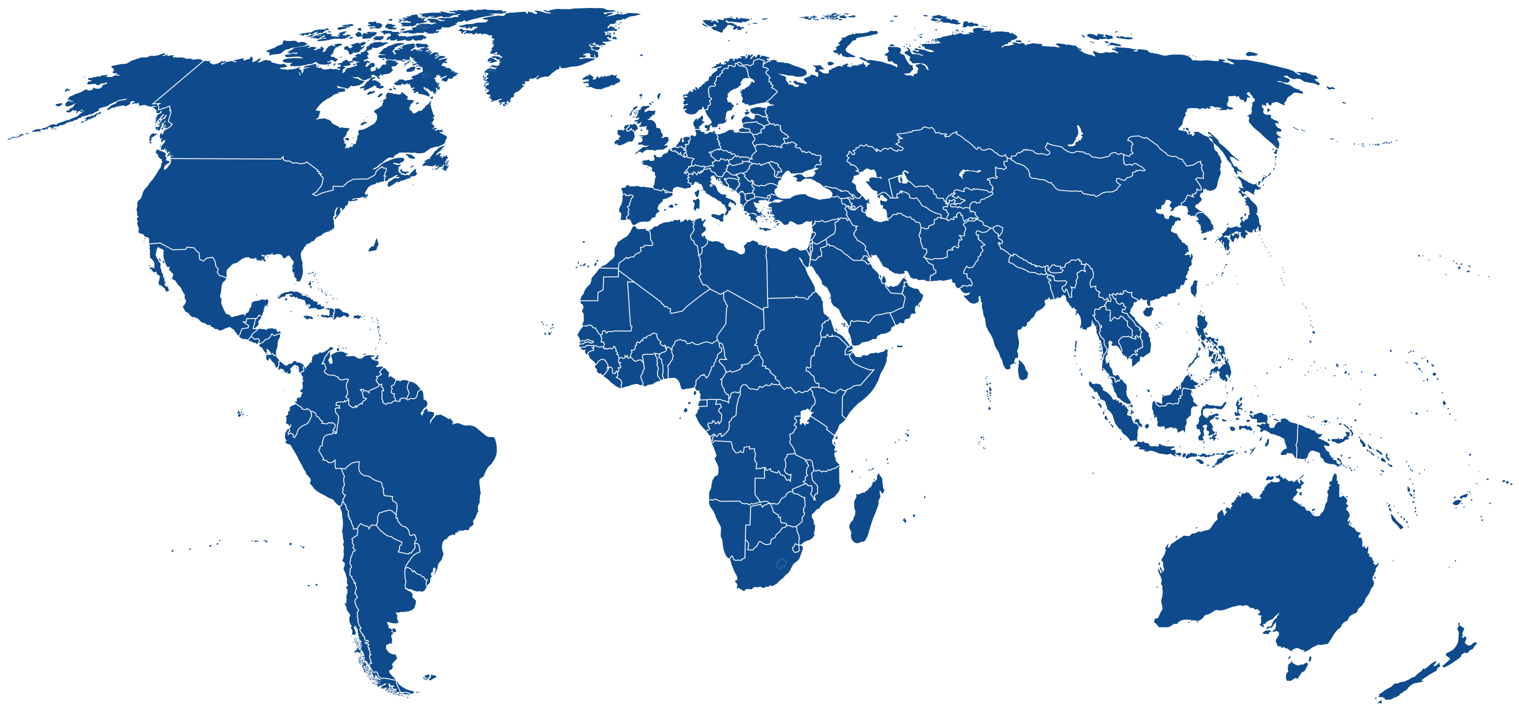
GEOGRAPHICAL INVESTMENT EXPOSURE

BRAZIL	
March 2021	18.0%
March 2020	29.1%

INDIA	
March 2021	13.5%
March 2020	13.1%

CHINA (INCLUDING HONG KONG)	
March 2021	17.8%
March 2020	18.0%

OTHER ASIA	
March 2021	9.4%
March 2020	5.3%



COLOMBIA	
March 2021	4.8%
March 2020	4.1%

MIDDLE EAST / AFRICA	
March 2021	5.6%
March 2020	7.6%

SOUTH KOREA	
March 2021	6.5%
March 2020	1.7%

MEXICO	
March 2021	2.6%
March 2020	0.7%

OTHER EUROPE	
March 2021	6.0%
March 2020	3.2%

THE PHILIPPINES	
March 2021	6.1%
March 2020	6.4%

CHILE	
March 2021	3.3%
March 2020	3.1%

ROMANIA	
March 2021	3.2%
March 2020	5.8%

MALAYSIA	
March 2021	3.2%
March 2020	1.9%

Source: ICM

TOP TEN COMPANIES

Company	% of total investments	Sector	Description
International Container Terminal Services Inc.	6.0%	Ports	A global port management company headquartered in the Philippines.
India Grid Trust	3.4%	Electricity	An infrastructure investment trust with electricity transmission assets listed in India.
Ocean Wilsons Holdings Limited	3.2%	Ports	An investment company which operates as a maritime service provider, through its Brazilian subsidiaries.
Gujarat State Petronet Limited	3.2%	Gas	A natural gas infrastructure and gas transmission company.
Alupar Investimento S.A.	3.0%	Electricity	A Brazilian holding company for energy assets in the electricity sector.
My E.G. Services Berhad	2.7%	Data Services and Digital Infrastructure	A provider of e-government services in Malaysia.
Rumo S.A.	2.7%	Road and Rail	A rail-based logistics operator in Brazil.
China Everbright Greentech Limited	2.5%	Water and Waste	An environmental protection service provider in China.
Corporacion Financiera Colombiana S.A.	2.3%	Infrastructure Investment Funds	A Colombian infrastructure company operating predominately in the gas and toll road sectors.
Engie Energia Chile S.A.	2.3%	Electricity	An electricity generation company operating in the northern grid of Chile.

Note: % of total investments

PERFORMANCE SINCE INCEPTION (20 JULY 2005)

NAV ANNUAL COMPOUND TOTAL RETURN*	NAV TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*
9.4%	310.6%	262.6%

56.0M SHARES BOUGHT BACK	DIVIDENDS PER SHARE INCREASED FROM 1.50P TO	DIVIDENDS PAID CUMULATIVE
£97.8m	7.775p	£185.9m

* See Alternative Performance Measures on pages 96 and 97

HISTORIC NAV AND SHARE PRICE PERFORMANCE (pence) [1]

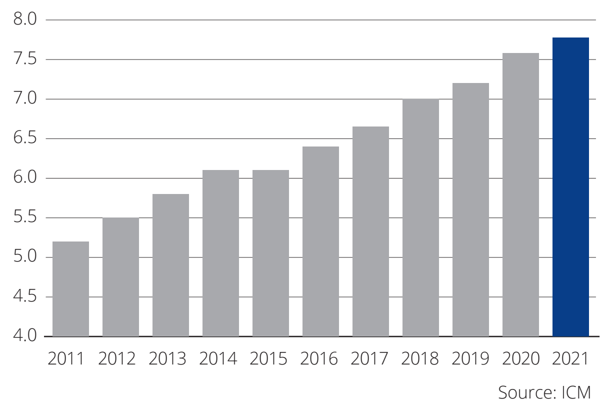
from July 2005 to March 2021

NAV total return per share [2] — Share price total return [2] — MSCI Emerging Markets Total Return Index (GBP adjusted)

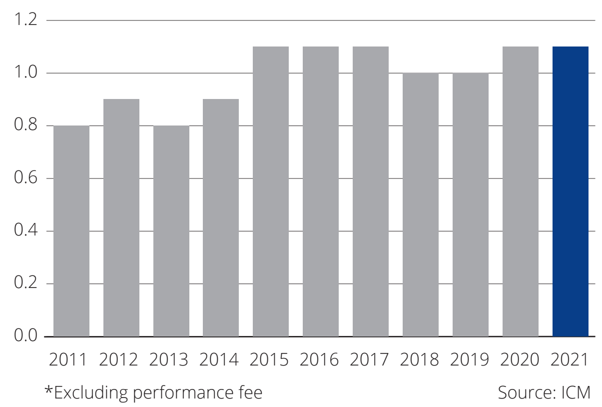
(1) Rebased to 100 as at 20 July 2005
(2) Adjusted for the exercise of warrants and subscription shares

Source: ICM and Bloomberg

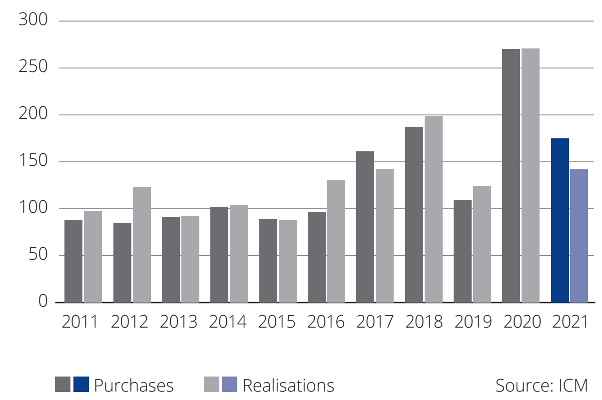
DIVIDENDS PER SHARE (pence)
from March 2011 to March 2021



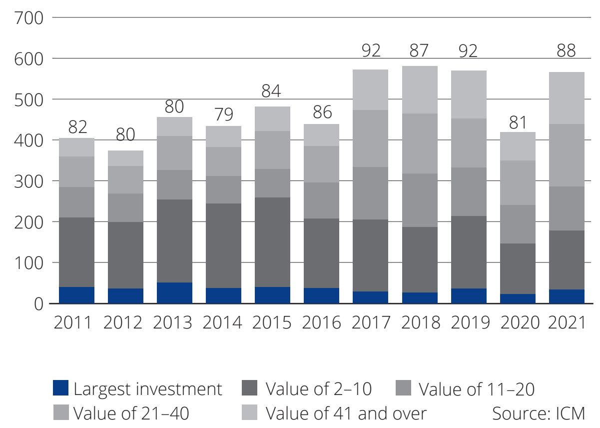
ONGOING CHARGES* (%)
from March 2011 to March 2021



INVESTMENT PURCHASES AND REALISATIONS (£m)
from March 2011 to March 2021



PORTFOLIO PROGRESSION (£m) AND NUMBER OF HOLDINGS
from March 2011 to March 2021



UEM invests mainly in companies and sectors displaying the characteristics of essential services or monopolies.

CHARLES JILLINGS
Investment Manager

It has been pleasing to see UEM deliver a NAV total return in the full year of 30.2%. UEM's asset class has been largely overlooked by the markets which have rightly focused on the shift to working from home and the accelerated digital explosion. This has led to markets rewarding the technology sector shares. The MSCI EM Information Technology sector Index rose by 83.2% during the year to 31 March 2021.

The Covid-19 pandemic has impacted everyone and continues to dominate every aspect of life. There are few places, if any, that are unaffected by restrictions dictated by Covid-19. We now know how to address surges and new variants, and we know the pharmaceutical companies can produce extremely effective vaccines. However, significant challenges remain. If this pandemic is left unhindered it will escalate quickly and mutations are a major concern. India, Latin America and Africa remain mostly unvaccinated and serve as a petri dish from which variants can emerge. Significant concerns remain around a new variant being outside the vaccine capability.

Covid-19 has caused unprecedented challenges for investors. Add this pandemic to a growing list of significant and current concerns, which include central bank intervention, extreme debt levels, historic low and even negative interest rates, populism, US/China frictions, Brexit, Black Lives Matter, climate change and it is obvious that investors have been besieged by a dynamic and challenging environment. When the world's largest corporates struggle to project their next quarter's revenues, it is difficult to be confident about the direction and resilience of the global economy. ICM has continued to be focused on the economic value of their preferred investments and the delivery of their long-term financial performance. It has made sure that these investments have the right approach to risk, while still seeking opportunities that will thrive in this current and then post Covid-19 environment.

ICM is strongly of the view that due to Covid-19, the shift to working from home and eCommerce has accelerated the digitalisation of governments, businesses and individuals. This shift ranges from doctors' surgeries going online, restaurants setting up internet delivery options and farmers offering produce direct to consumers online, and this dramatic shift will offer new investment opportunities. Businesses without internet reach or capability will face a challenging outlook. Many businesses have been agile and shifted to eCommerce, which has created opportunities and generated a positive outlook for investors. We emphasise to our investee companies that disruption is coming to everybody and they need to be taking advantage of it by adapting their business models and embracing these challenges.

There are two strong trends worth emphasising. First, as individual markets recover, pent-up demands have driven above trend activity in the last two quarters. Second, most investee companies responded to the pandemic by holding or reducing costs. As recovery has commenced, this cautious approach has seen margins expand, delivering some impressive results.

We have remained confident in the portfolio's ability to deliver growth and earnings. As a result, we have shifted to fully drawing down our bank loan and our buybacks have increased in quantum, given the attractive share price discount. Today, our view is that the portfolio remains of compelling value.

Our Investment Managers look with optimism at the compelling opportunities that will undoubtedly occur to add more resilient investments to the portfolio.

TELELINK BUSINESS SERVICES GROUP (BULGARIA) ("TBS")

TBS is a leading systems integrator in the Balkans that provides a full range of high value-added information and communications technology for large corporates and governments. TBS enables companies to adopt new technologies and explore the full potential of the digital world.

PORTFOLIO

UEM's gross assets (less liabilities excluding loans) increased sharply to £556.1m as at 31 March 2021 from £461.4m as at 31 March 2020.

UEM has now expanded the list of disclosed investments to thirty holdings in its annual report and the monthly factsheet. This increases the visibility for shareholders to some two thirds of the portfolio. There have been eight new entries into the top twenty holdings of the portfolio over the year: My E.G. Services Berhad ("MYEG"); Corporacion Financiera Colombiana S.A. ("Corficolombiana"); China Gas Holdings Limited ("China Gas"); KunLun Energy Company Limited ("KunLun"); Korean Internet Neutral Exchange Inc. ("KINX"); Simpar S.A. ("Simpar"); Bolsa de Valores de Colombia ("BVC"); and Naver Corporation Limited ("Naver"). The top thirty has seen the following investments added: Starpharma Holdings Limited ("Starpharma"); Telelink Business Services Group (TBS"); VinaCapital Vietnam Opportunity Fund Ltd ("VinaCapital"); CGN Capital Partners Infra Fund 3 ("CGN F3"); Ecorodovias Infraestrutura e Logistica S.A. ("Ecorodovias"); FPT Corporation ("FPT"); and KT Corporation ("KT").

During the year to 31 March 2021, Transgaz S.A. moved out of the top twenty holdings, and through realisations: Companhia de Saneamento do Parana ("Sanepar") and Omega Geracao S.A. ("Omega") exited the portfolio; and Torrent Power Limited moved from fifteenth to twenty-eighth. The following fell outside the top thirty holdings mainly on realisations: Cosan Logisitca S.A. from ninth position as at 31 March 2020; Energisa S.A. from tenth position; APT Satellite Holdings Limited from eighteenth position; and Societe Nationale des Telecommunications du Senegal ("Sonatel") saw its share price fall with its position moving from sixteenth to twenty-second.

Three insights are worth noting: 4.0% of the portfolio falls outside the strict definition of utilities and infrastructure investments, the largest being Starpharma, a global biotech company with compelling value added nanotechnology for the pharmaceutical sector, which has increased to 1.7% of the portfolio, through outperformance; the second is VinaCapital, a closed-end fund providing access to the Vietnamese market which is twenty-fifth in the portfolio. Investing in Vietnam has always been challenging but we recognise the strong drivers for growth in this country. VinaCapital allows us to tap into this, with the added attraction being the opportunity to buy into this investment company at a significant discount. Interestingly, their top ten holdings include FPT which is twenty-ninth in the portfolio; and thirdly, CGN F3, a developer and owner operator of windfarms and solar plants in mainland China. UEM has some 3.7% invested in unlisted investments, the largest unlisted holding is CGN F3.

Purchases in the portfolio decreased to £174.7m in the year ended 31 March 2021 (31 March 2020: £270.1m) and realisations decreased to £142.1m (31 March 2020: £270.8m). This reflects investment activity more in line with long-term averages. UEM ended the year fully invested with its bank loans fully drawn.

During the year there have been some small sector shifts. The exception has been Data Services and Digital Infrastructure, which has increased from 4.4% last year-end to 13.6% as at 31 March 2021. The drivers for this are both new investments and excellent performance. More detail is set out on page 29.

REVENUE EARNINGS PER SHARE WAS 8.13P, INCREASING BY

3.2%

IN THE YEAR TO 31 MARCH 2021

IN THE YEAR TO 31 MARCH 2021

BRAZIL REMAINS UEM'S LARGEST COUNTRY EXPOSURE	CHINA REMAINS UEM'S SECOND LARGEST COUNTRY EXPOSURE	INDIA REMAINS UEM'S THIRD LARGEST COUNTRY EXPOSURE
↓ 11.1%	↓ 0.2%	↑ 0.4%

Note: increases/decreases refer to the movement in the percentage of the portfolio represented by the relevant country

LATAM'S EXPOSURE	ASIA'S EXPOSURE	REST OF THE WORLD
28.7%	56.5%	14.8%
(2020: 37.0%)	(2020: 46.4%)	(2020: 16.6%)

SECTOR SPLIT OF INVESTMENTS

Sector	%	
Electricity	19.2%	(23.2%)
Ports and Logistics	16.3%	(14.5%)
Data Services and Digital Infrastructure	13.6%	(4.4%)
Gas	11.5%	(8.7%)
Satellites and Telecoms	8.9%	(7.9%)
Other	8.3%	(6.3%)
Road and Rail	6.1%	(11.9%)
Renewables	5.1%	(7.8%)
Infrastructure Investment Funds	5.0%	(7.5%)
Airports	3.9%	(1.8%)
Water and Waste	2.1%	(6.0%)

Figures in brackets as at 31 March 2020

Source: ICM

On a geographic basis Brazil saw the biggest reduction with the exit from Omega and Energisa contributing to this. Furthermore, the Brazilian Real decline of 17.4% has driven Sterling portfolio values down. As such Brazil reduced from 29.1% to 18.0%. South Korea has increased through investment and performance, and has risen from 1.7% to 6.5%.

UEM ended the year with level 3 investments of £20.9m (2020: £13.9m), representing 3.7% of total investments. UEM's level 3 investments increased mainly as a result of £8.4m of additional investments in the year to 31 March 2021.

BANK DEBT

UEM's net debt, being bank loans and overdrafts, net of cash, increased from £7.6m as at 31 March 2020 to £53.6m as at 31 March 2021, as UEM actively increased its investment positions and therefore exposure to the stock market. UEM's loan facility was renewed in March 2021. The £50.0m committed multicurrency revolving facility now matures in March 2024 and has been novated to The Bank of Nova Scotia, London Branch.

REVENUE RETURN

Revenue income decreased to £22.8m as at 31 March 2021, from £24.0m as at 31 March 2020, a decrease of 5.1%. This reflects both the impact of currencies and the shift of 13.6% of the portfolio into Data Services and Digital Infrastructure which are lower yielding investments. It is worth noting that as at the half-year, revenue income was some 81.3% of the prior year and at the full year this had recovered to 94.9%.

Management fees and other expenses decreased by 21.3% to £2.7m in the year to 31 March 2021. This reflected that for most of the year, the NAV was lower. Finance costs remained modest at £0.3m given the low interest rate environment. Taxation reduced by 27.6% to £1.6m during the year ended 31 March 2021 (2020: £2.2m).

Arising from the above, profit for the year increased by 1.2% to £18.2m from £18.0m for the prior year. Earnings per share was higher, a rise of 3.2% to 8.13p compared to the prior year of 7.88p due to the increase in profit and reduced average number of shares in issue following buybacks in both years. Dividends per share of 7.775p were fully covered by earnings.

Retained revenue reserves rose to £6.9m as at 31 March 2021, some 3.11p per share.

ECORODOVIAS INFRAESTRUTURA E LOGISTICA S.A. (BRAZIL) ("ECORODOVIAS")

Ecorodovias is a Brazilian toll road operator and is one of the largest transportation companies in Latin America. Its portfolio includes 10 highway concessions with a total of 3,041km under concession and one port asset, operating in 8 different states of Brazil, located in the main trade corridors in the South and Southeast regions of the country.

CAPITAL RETURN

The portfolio gained £114.3m on the capital account during the year to 31 March 2021. There were net losses on derivatives of £4.5m and gains on foreign exchange of £2.2m. The resultant total income gain on the capital account was £112.1m against prior year losses of £150.1m.

Management and administration fees were higher at £7.4m (31 March 2020: £3.0m), as a result of a performance fee for the year to 31 March 2021. Finance costs decreased to £0.6m from £0.8m as a result of lower interest costs. There was a charge for taxation of £1.6m (31 March 2020: £2.1m) which arose mainly from Indian capital gains tax. The net effect of the above was a gain on capital return of £102.4m (31 March 2020: a loss of £156.0m).

Charles Jillings
ICM Investment Management Limited and ICM Limited

18 June 2021

MACRO TRENDS AFFECTING OUR PORTFOLIO

URBANISATION

- Jobs in rural areas in EM are being displaced – for example, modern farming equipment reduces agricultural employment – resulting in a lack of job opportunities especially for the younger population.
- Rural populations are therefore migrating to cities, seeking a higher standard of living and higher income opportunities in manufacturing and service industries.
- Rapid growth in urban populations requires significant investment in supporting infrastructure, such as roads, metros, railway, electricity networks and sanitation.

RISE OF THE MIDDLE CLASS

- Increase in average incomes and the fall in levels of absolute poverty is resulting in a rise in the proportion of EM populations classified as "middle class".
- Rising income and social characteristics of emerging middle-class populations results in higher overall consumption and greater propensity to purchase durable goods such as fridges, washing machines and cars.
- Emerging middle class increasingly demand a higher degree of public services and a greater focus on quality of life, including education, environmental conditions, tourism, and accountability from governmental institutions.

ENVIRONMENTAL POLICY

- Climate change is now an accepted reality, with significant direct and indirect effects on humankind and the global economy.
- Governments and intergovernmental organisations have initiatives in place targeting reductions in the impact of man-made emissions on climate change.
- Major emissions contributors such as the power and transport sector are seeing a radical shift away from the most polluting technologies.
- Renewables, battery storage, electric vehicles and waste treatment are key areas of development and are increasingly commercial without subsidies.

COVID-19 DISRUPTION

- Disruptions to both production and demand causing increased volatility.
- Several leading indicators suggested heightened risk of recession prior to Covid-19.
- Significant risk to a number of countries of additional or extended shutdowns from increasing cases or "subsequent waves"

MACRO TRENDS AFFECTING OUR PORTFOLIO (continued)

GEOPOLITICS AND GLOBALISATION

- Increased political tensions and populism is leading to a rising level of nationalism and protectionism, unwinding several decades of global supply chain integration.
- Protectionism is resulting in higher tariffs and barriers to trade, negatively impacting global GDP and increasing non-productive friction in economies.
- Trade flows and external deficits or surpluses are being rebalanced in many countries, with commensurate effects on foreign exchange and local economies.
- The changing dynamics of trading bloc relationships is resulting in significant shifts in transport and logistics value chains, and associated infrastructure.

GOVERNANCE AND TRANSPARENCY

- EM typically have poorer institutional frameworks than developed democracies, with transparency and rule of law being key areas of focus.
- Economies with robust political and institutional structures are inherently more attractive for investment and constant monitoring for any changes to these is necessary.
- Regulation of concessions – critical in the infrastructure sectors – is dependent on a strong rule of law and adherence to contractual obligations.

DIGITALISATION

- 4G mobile and fibre broadband rollout in EM present opportunities for businesses and benefits to people driven by applications including e-commerce, e-government, online education, telemedicine, communications, and media.
- Mobile money and payment systems are extending financial services with innovative solutions to previously unbanked mass populations, especially in Africa.
- EM has the opportunity to provide digitally delivered services globally, leveraging their young, well-educated workforces and lower operating costs.
- In the long-term, 5G, cloud storage and data processing will drive new applications to optimise manufacturing, healthcare, logistics, security, and transport infrastructure in "smart cities".

OUR INVESTMENT APPROACH

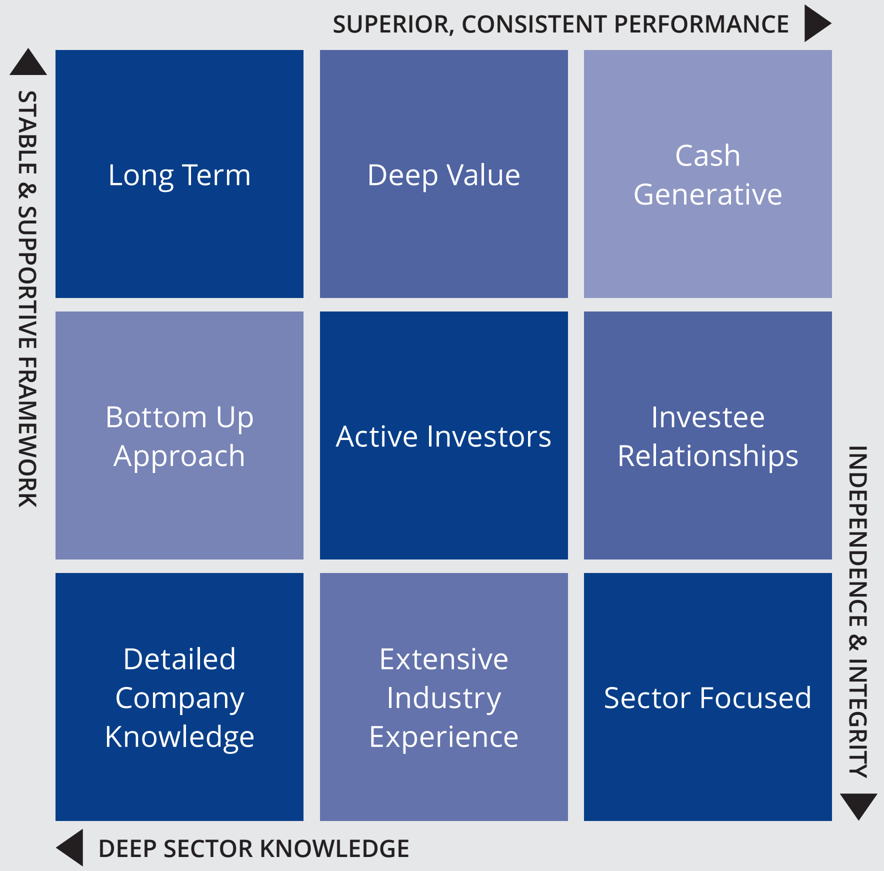
ICM is a long-term investor and generally operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make compelling investments. ICM has approximately USD 2.7bn of assets directly under management and is responsible indirectly for a further USD 22.1bn of assets in subsidiary investments.

ICM looks to exploit market and pricing opportunities and concentrates on absolute performance. The investments are not market index driven and the investment portfolio comprises a series of bottom-up decisions. ICM typically does not participate in either an IPO or an auction unless there is compelling value.

UEM seeks to leverage ICM's investment abilities to both identify and make investments across a range of industries within the EM sector. New investments usually offer an attractive valuation with strong risk/return expectations at the time of investment.

When reviewing investment opportunities, as part of the investment process ICM will look to understand the material ESG factors. ICM incorporates ESG factors into the investment process in three key ways.

- **Understanding:** in-depth analysis of the key issues that face potential and current holdings, as well as a deep understanding of the industry in which they operate.
- **Integration:** incorporate the output of the 'Understanding' component detailed above into the full company analysis to ensure a clear and complete picture of the investment opportunity is obtained.
- **Engagement:** engage with investee companies on the key issues on a regular basis, both virtually and on location, where possible, to discuss and identify any gaps in their ESG policy to further develop and improve their ESG disclosure and implementation.



THIRTY LARGEST HOLDINGS

Conpet SA (Romania)

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS	THE VALUE OF THE TWENTY LARGEST HOLDINGS REPRESENTS	THE VALUE OF THE THIRTY LARGEST HOLDINGS REPRESENTS	THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS
31.3%	**50.4%**	**65.9%**	**88**
(2020: 35.0%) OF TOTAL INVESTMENTS	(2020: 57.5%) OF TOTAL INVESTMENTS	(2020: 73.4%) OF TOTAL INVESTMENTS	(2020: 81)

The value of convertible securities represents 0.3% (2020: 0.2%) of the portfolio. The value of fixed income securities represents 0.6% (2020: 0.0%) of the portfolio.

		% OF TOTAL INVESTMENTS
1	International Container Terminal Services, Inc. (The Philippines)	6.0%
2	India Grid Trust (India)	3.4%
3	Ocean Wilsons Holdings Limited (Brazil)	3.2%
4	Gujarat State Petronet Limited (India)	3.2%
5	Alupar Investimento S.A. (Brazil)	3.0%
6	My E.G. Services Berhad (Malaysia)	2.7%
7	Rumo S.A. (Brazil)	2.7%
8	China Everbright Greentech Limited (China)	2.5%
9	Corporacion Financiera Colombiana S.A. (Colombia)	2.3%
10	Engie Energia Chile S.A. (Chile)	2.3%
11	China Gas Holdings Limited (China)	2.1%
12	Power Grid Corporation of India Limited (India)	2.0%
13	KunLun Energy Company Limited (China)	2.0%
14	Korean Internet Neutral Exchange Inc. (South Korea)	2.0%
15	Citic Telecom International Holdings Limited (Hong Kong)	1.9%
16	Simpar S.A. (Brazil)	1.9%
17	Bolsa de Valores de Colombia (Colombia)	1.8%

		% OF TOTAL INVESTMENTS
18	Naver Corporation Limited (South Korea)	1.8%
19	Centrais Eletricas Brasileiras S.A. (Brazil)	1.8%
20	Conpet SA (Romania)	1.8%
21	Starpharma Holdings Limited (Australia)	1.7%
22	Societe Nationale des Telecommunications du Senegal (Senegal)	1.7%
23	Santos Brasil Participacoes S.A. (Brazil)	1.7%
24	Telelink Business Services Group (Bulgaria)	1.6%
25	VinaCapital Vietnam Opportunity Fund Ltd (Vietnam)	1.6%
26	CGN Capital Partners Infra Fund 3 (China)	1.5%
27	Ecorodovias Infraestrutura e Logistica S.A. (Brazil)	1.5%
28	Torrent Power Limited (India)	1.4%
29	FPT Corporation (Vietnam)	1.4%
30	KT Corporation (South Korea)	1.4%

% of total investments 65.9%

TEN LARGEST HOLDINGS REVIEW

1

Country	The Philippines
Sector	Ports
Fair Value £'000s	34,209
% of total investments	6.0%

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. ("ICT") is a global port management company in the business of acquiring, developing, managing and operating container ports and terminals worldwide. ICT operates 32 terminals, in 19 countries over 6 continents handling over 10.0m containers.

Despite the challenging year to 31 December 2020 due to the impact of Covid-19 affecting countries' import and export volumes globally, ICT reported flat volume growth of 0.2% with gross revenues up by 1.6%. Given the rigorous cost reduction exercise executed across all operations during this difficult time, EBITDA increased by 5.6% with EBITDA margin improving to 58.2%. Adjusted net income also improved by 8.9%, with dividend per share ("DPS") down 28.4% as ICT management remained cautious given the current operating environment. However ICT will review the situation as 2021 progresses.

ICT's share price increased by 62.0% in the year to 31 March 2021, with UEM increasing its position in ICT by 1.3%.

2

Country	India
Sector	Infrastructure Investment Funds
Fair Value £'000s	19,364
% of total investments	3.4%

INDIA GRID TRUST ("INDIGRID") is an infrastructure investment trust listed on the Bombay Stock Exchange which owns power transmission assets in India. It has 30 lines totalling 6,740km and 9 substations, with the assets having an average of 32 years' remaining contract life.

Over the past twelve months Indigrid has continued to grow rapidly, announcing the acquisition of five assets with a combined value of INR 40bn. This includes its first solar asset, with the trust diversifying into contracted renewables assets complementary to its core transmission activities. In the latter part of the year Indigrid announced an INR 12.8bn rights issue to fund acquisitions. In the nine months to 31 December 2020, revenue and EBITDA grew by 28.3% and 24.7% respectively. The trust is required to pay out at least 90% of cash flows in dividends and increased its quarterly DPS by 3.3% to INR 3.10 in January 2021.

UEM's position in Indigrid was unchanged in the period under review. During the year Indigrid's share price increased by 58.1% and the dividends paid equated to a 14.0% yield on the price as at 31 March 2020.

3

Country	Brazil
Sector	Ports
Fair Value £'000s	18,026
% of total investments	3.2%

OCEAN WILSONS HOLDINGS LIMITED ("OCEAN WILSONS") operates as a maritime services company in Brazil via its subsidiary Wilson Sons and holds a portfolio of investments via Ocean Wilsons Investment Limited ("OWIL"). It is listed on the London and Bermuda Stock Exchanges.

2020 was a difficult year for Ocean Wilsons as Wilson Sons continues to operate in a challenging economic and operational environment impacted by Covid-19 and the devaluation of the Brazilian Real. OWIL performed well as financial markets recovered from the Covid-19 crash witnessed in March 2020. Wilson Son's container terminal operations over the year to 31 December 2020 saw import volumes down resulting in handled volumes falling 0.9%, whilst the towage business saw the number of harbour manoeuvres performed decline by 0.4%. OWIL benefited from the market rebound, with the portfolio's assets under management increasing by 8.8% producing a net return for the year of 10.9%. Consolidated revenues were down 13.2%, with EBITDA down 11.4%. As at 31 March 2021, Ocean Wilsons' discount to NAV narrowed to 34.9%.

Ocean Wilsons' share price over the year to 31 March 2021 was up by 29.2%, with UEM's position increasing by 7.6%.

4

Country	India
Sector	Gas
Fair Value £'000s	17,937
% of total investments	3.2%

GUJARAT STATE PETRONET LIMITED ("GSPL") is the main gas transmission company in Gujarat State in India, controlled by Gujarat State Petronet, a government entity. GSPL has 2,600km of gas pipelines connected to domestic gas fields and LNG terminals. GSPL also has a 54% stake in Gujarat Gas, a listed city gas distribution company.

Whilst India has introduced stricter environmental controls in industrialised regions such as Gujarat, GSPL's operations were impacted by the lockdowns in response to the Covid-19 pandemic. Gas transmission volumes in the twelve months to 31 March 2021 declined by 3.2%, and with tariffs lowered in response to weaker LNG prices, revenues fell by 6.0%. However, GSPL managed margins exceptionally well, enabling EBITDA to grow 12.3% in this challenging environment. EPS was down 7.1% due to tax changes benefitting the prior period results, whilst DPS was unchanged on the prior year.

In the twelve months to 31 March 2021 GSPL's share price increased by 59.0%. UEM increased its shareholding in GSPL by 8.6% during the period.

5 Alupar

Country	Brazil
Sector	Electricity
Fair Value £'000s	17,235
% of total investments	3.0%

ALUPAR INVESTIMENTO S.A. ("ALUPAR") is a holding company for energy assets focused in the electricity transmission and generation sectors in Brazil, Peru and Colombia. It has 29 transmission assets totalling 7,214km of electricity lines in Brazil, of which 6,120km are operational, and 687MW of renewable energy generation projects.

The past year has seen Alupar complete several of its new transmission lines, notwithstanding the challenges that Covid-19 has brought to construction projects. Alupar continued to show excellent capital discipline and execution capability, with one major project being completed 16 months early and at 16% under budget. Existing lines benefitted from inflation adjustments of 1.7-5.6% during the year, whilst energy generation from its renewables portfolio increased by 8.9%. In its financial year ended 31 December 2020 Alupar's figures continued to be heavily influenced by construction under IFRS accounting, with reported revenues increasing by 33.7% and EBITDA up by 35.0%. Regulatory accounting, more reflective of underlying growth, saw revenues and EBITDA growing by 6.9% and 16.5% respectively. DPS increased by 53.3% as the peak capex cycle is now complete.

Alupar's share price increased by 14.1% in the year to 31 March 2021 and UEM decreased its shareholding in Alupar by 2.9% during the period.

6 myeg

Country	Malaysia
Sector	Data Services and Digital Infrastructure
Fair Value £'000s	15,161
% of total investments	2.7%

MY E.G. SERVICES BERHAD ("MYEG") is a provider of e-government services in Malaysia, primarily serving applications in the areas of employment permits and vehicle related licencing, tax and penalty processing. Increasingly, MYEG is expanding its remit into new areas such as healthcare administration and e-commerce. Additionally, it is increasing its presence outside of Malaysia, especially in the Philippines and Indonesia.

MYEG has seen increased demand for many of its online services in the past year. It has also introduced new services on behalf of the Malaysian Government, expanding its vehicle road tax service to include motorcycles and introducing new sensor equipped vehicles to electronically evaluate parts of the practical driving test. MYEG is offering a hotel accommodation service for Covid quarantine purposes, as well as administering testing and tracing services.

In the twelve months to 31 December 2020, MYEG's revenue increased by 10.9%, although the growth rate accelerated towards the end of the year. EBITDA rose by 9.0% and reported net profit was also up by 9.0% compared to the prior twelve-month period.

MYEG's share price increased by 105.2% in the year to 31 March 2021 and UEM increased its shareholding in MYEG by 32.1% during the period.

7 rumo

Country	Brazil
Sector	Road and Rail
Fair Value £'000s	15,097
% of total investments	2.7%

RUMO S.A. ("RUMO") offers logistics services for rail transportation, port elevation and warehousing in Brazil. Rumo currently operates five concessions of c.13,500km of lines with over 1,200 locomotives and 33,000 wagons, as well as distribution centres and storage facilities.

2020 was a challenging year for Rumo, despite overall volumes transported being up by 3.9% due to good growth in volumes of 7.0% within the Northern operations. Lower take or pay agreements, higher competition resulting from the paving of the toll road BR-163 and lower fuel prices led to a decrease in yields, causing net revenues to decrease by 1.7% and adjusted EBITDA decreasing by 8.4% with margin reducing to 50.7%. Management is more optimistic about medium term outlook until 2025, providing volume and EBITDA guidance of 11% and 16% CAGR for 2020 – 2025 respectively.

Rumo's share price over the period was up by 3.3% and UEM increased its shareholding in Rumo by 22.1%.

8 光大綠色環保 Everbright Greentech

Country	China
Sector	Renewables
Fair Value £'000s	14,082
% of total investments	2.5%

CHINA EVERBRIGHT GREENTECH LIMITED ("CE GREENTECH") is an environmental protection services provider based in China, focusing on integrated biomass, hazardous waste treatment and environmental remediation. CE Greentech is 70% owned by state owned enterprise China Everbright Environment Group.

The past year has seen a challenging operating environment for CE Greentech, with the impact of the Covid-19 lockdowns reducing industrial activity and changes to the national subsidy policy capping utilisation hours affecting prospective returns from its biomass plants. Only 18 of CE Greentech's 50 biomass projects were included in the subsidy catalogues at the end of December 2020, and collection of these receivables remains slow. In its financial year to 31 December 2020, hazardous waste volumes processed increased by 12.0% and electricity sales from biomass grew by 40.2%. With construction activity levelling off, group revenues were up by 6.0% and underlying EBITDA grew by 14.3%. EPS was up by 6.4% though DPS was reduced by 6.3%. Post period-end CE Greentech successfully launched an asset-backed note using the subsidy receivables as asset backing, alleviating cash flow pressures.

CE Greentech's share price decreased by 3.4% in the year to 31 March 2021 and UEM's position in CE Greentech was unchanged over the same period.

9 Corficolombiana

Country	Colombia
Sector	Infrastructure Investment Funds
Fair Value £'000s	13,255
% of total investments	2.3%

CORPORACION FINANCIERA COLOMBIANA S.A. ("CORFICOLOMBIANA") is a Colombian infrastructure company, and its operations are predominately in midstream and downstream natural gas pipelines, toll roads and airports. Corficolombiana is responsible for the transport of over half of the Colombian natural gas supply through its 3,089km pipeline network.

In gas distribution, Corficolombiana has over 4.4m connections and a 38.0% market share. It operates eight toll roads in Colombia, with over 668km under concession and 138km under construction. In 2020, Corficolombiana was included for the first time as a member of the Dow Jones Sustainability Mila Index. In September 2020, Corficolombiana became a signatory of the PRI.

In its financial year to 31 December 2020, Corficolombiana's EBITDA and net income were up by 14.4% and 6.9% respectively, driven by the higher revenue from gas transportation and regasification, and a recovery in the level of work progress of the three 4G concessions under construction after Covid-19 restrictions.

Corficolombiana's share price increased by 30.6% during the year to 31 March 2021 and UEM increased its shareholding in Corficolombiana by 23.0%.

10 engie

Country	Chile
Sector	Electricity
Fair Value £'000s	13,165
% of total investments	2.3%

ENGIE ENERGIA CHILE S.A. ("ECL") is the main electricity generation company in northern Chile and the fourth largest in the country by installed capacity. ECL has 2.2GW installed capacity and 2,330km of transmission lines, and is now 60% owned by Engie which increased its stake in 4Q20.

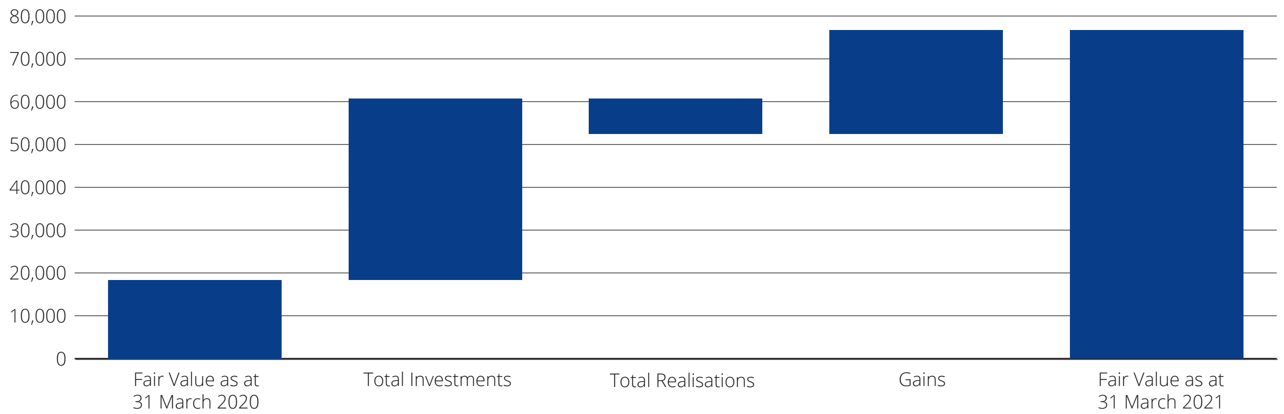
With the Chilean government unveiling decarbonisation targets for the country, 2020 saw continued transformation of ECL as it accelerated its pivot away from coal towards renewables. ECL has renegotiated its power purchase agreements with mining clients to green sources of energy, whilst extending their lifespans. It announced the early closure of its older coal facilities, and very recently the re-purposing of its newer coal plants to biomass and gas. By 2025 ECL will have no coal-fired plants, a significant shift from over 60% of the asset base as at December 2020. In its financial year to 31 December 2020 electricity sales volumes grew by 2.6%, but the weak price environment meant revenues fell by 7.1% and EBITDA declined by 14.5%. DPS was cut by 40.6% as ECL embarks on a USD 1.0bn investment program in renewables.

ECL's share price fell by 8.4% in the year to 31 March 2021, during which UEM increased its shareholding in ECL by 3.1%.

The Data Services and Digital Infrastructure sector has grown significantly in recent years as the global digital sector has moved into the cloud, the proliferation of applications and users has increased. The Covid-19 pandemic has accelerated this even more. This sector offers above average growth over the medium term. UEM has been an investor in this sector for some time and has recently added a number of new investments. In order to give a better understanding to these investments, UEM has expanded the disclosure on this sector in the portfolio. The businesses include owners and operators of data centres, cloud services, telecom towers, fibre networks, electronic payment platforms, e-government and e-commerce platforms and systems integrators. Additionally, many holdings in the satellites and telecommunications sector have also embedded data infrastructure assets within their businesses.

DATA SERVICES AND DIGITAL INFRASTRUCTURE INVESTMENT ACTIVITY (£'000s)

from 31 March 2020 to 31 March 2021



Source: ICM

Portfolio position		Location	As at 31 March 2021 £'000s
6	My E.G. Services Berhad	Malaysia	15,160
14	Korean Internet Neutral Exchange Inc.	South Korea	11,294
18	Naver Corporation Limited	South Korea	10,247
24	Telelink Business Services Group	Bulgaria	8,929
29	FPT Corporation	Vietnam	7,865
33	WebCash Co. Limited	South Korea	7,437
45	Kaspi.kz JSC	Kazakhstan	4,728
58	Conversant Pte Limited (unlisted)	Singapore	3,372
69	Indus Towers Limited	India	2,187
70	Asseco South Eastern Europe S.A.	Poland	2,019
72	Samarkand Group plc	China	1,696
85	Alibaba Health Information Technology Limited	China	880
86	AP Ventures Limited (unlisted)	Australia	828

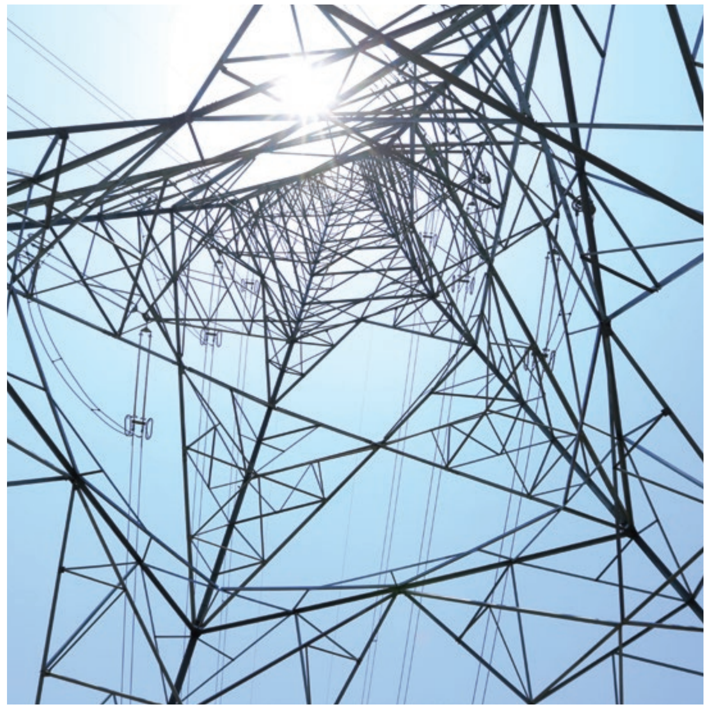
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC

International Container Terminal Services, Inc is a global port management company which operates 32 terminals in 19 countries handling over 10.0m containers. UEM first invested in 2006.

IN THE YEAR TO 31 DECEMBER 2020, REVENUES INCREASED

1.6%

AND EBITDA 5.6%



INDIA GRID TRUST

India Grid Trust is an infrastructure investment trust which owns power transmission assets in India. It has 30 lines totalling 6,740km and 9 substations. UEM first invested in 2019.

IN THE NINE MONTHS TO 31 DECEMBER 2020, REVENUES INCREASED

28.3%

AND EBITDA 24.7%

GUJARAT STATE PETRONET LIMITED

Gujarat State Petronet Limited is a gas infrastructure and transmission company. It has 2,600km of gas pipelines and has a 54% stake in Gujarat Gas. UEM first invested in 2017.

IN THE YEAR TO 31 MARCH 2021, EBITDA INCREASED

12.3%

PRINCIPAL ACTIVITY

UEM carries on business as an investment trust and its principal activity is portfolio investment.

INVESTMENT OBJECTIVE

UEM's objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

STRATEGY AND BUSINESS MODEL

UEM invests in accordance with the objective set out above. The Board is collectively responsible to shareholders for the long-term success of the Company. Since the Company has no employees it outsources its activities to third party service providers, including the appointment of external investment managers to deliver investment performance. The Board oversees and monitors the activities of the service providers with the Board setting investment policy and risk guidelines, together with investment limits.

ICMIM, an English incorporated company authorised and regulated by the Financial Conduct Authority ("FCA") as an alternative investment fund manager ("AIFM") pursuant to the AIFM Regulations, is the Company's AIFM and joint portfolio manager alongside ICM. The investment team responsible for the management of the portfolio is headed by Charles Jillings.

ICMIM and ICM, operating under guidelines determined by the Board, have direct responsibility for the decisions relating to the day to day running of the Company and are accountable to the Board for the investment, financial and operating performance of the Company. Other service providers include JPMorgan Chase Bank N.A. – London Branch which provides administration and custodial services, JP Morgan Europe Limited ("JPMEL") which acts as the Company's Depositary under the AIFM Directive and Computershare Investor Services which acts as registrar. ICMIM has also been appointed Company Secretary.

INVESTMENT POLICY

UEM's investment policy is flexible and its investments include (but are not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.

The Company focuses on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but has the flexibility to invest in markets worldwide. The Company generally seeks to invest in emerging market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.

The Company may also use derivative instruments such as American Depository Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options, warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and Statement of Financial Position from major corrections and reducing, transferring or eliminating investment risks in its investments. These investments will be long term in nature.

INVESTMENT RESTRICTIONS

The Board has prescribed the following limits on the investment policy, all of which are at the time of investment unless otherwise stated:

- Investments in unquoted and untraded investments in aggregate must not exceed 10.0% of gross assets at the time of investment;
- No single investment may exceed 20.0% of gross assets at the time of investment;
- Investments other than in infrastructure, utility and related companies must not exceed 20.0% of gross assets at the time of investment;
- Investments in a single country must not exceed 50.0% of gross assets at the time of investment (and for these purposes investments will be considered to have been made in the countries where the relevant investee company reports that it carries out its business operations, as determined on a look-through basis);
- Not more than 10.0% in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15.0% of their total assets in other investment companies which are listed on the Official List); and
- Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such funds more than 15.0% in aggregate of the value of the total assets of the Company at the time the investment is made.

The above limits only apply at the time the investment is made and the Company will not be required to realise any assets or rebalance the portfolio where any limit is exceeded as a result of any increases or decreases in the valuation of the particular assets which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant limit can again be complied with.

BORROWING AND GEARING POLICY

UEM may use bank borrowings for short-term liquidity purposes. In addition, the Board may gear the Company by borrowing on a longer-term basis for investment purposes.

The Board has set a current limit on gearing (being total borrowings measured against gross assets) not exceeding 25% at the time of drawdown. Borrowings may be drawn down in Sterling, US Dollars or any currency for which there are corresponding assets within the portfolio (at the time of drawdown the value drawn must not exceed the value of the relevant assets in the portfolio).

On 15 March 2021, the Company announced that it had extended its £50.0m multicurrency revolving facility until 15 March 2024 and that the facility has been novated from Scotiabank Europe PLC to The Bank of Nova Scotia, London Branch. Further details on the Company's loan facility are set out in note 13 to the accounts.

INVESTMENT APPROACH

UEM seeks to identify and invest in undervalued investments predominantly in the infrastructure and utility sectors, mainly in EM. The Investment Managers aim to identify securities where underlying value and growth prospects are not reflected in the market price. This is often as a result of strong growth drivers, but can include changes in regulation, technology, market motivation, potential for financial engineering, competition or shareholder indifference.

The Company seeks to minimise risk by investing 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. Most investee companies are asset backed, have good cash flows and offer good dividend yields. UEM generally seeks to invest in companies with strong management who have the potential to grow their business and who have an appreciation of, and ability to manage, risk.

UEM believes it is generally appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging a review of capital structures and business efficiencies. The Investment Managers maintain regular contact with the investee companies and UEM is often among the largest international shareholders.

The Company aims to maximise value for shareholders by holding a relatively concentrated portfolio of securities and investing through instruments appropriate to the particular situation. UEM is prepared to hold investments in unlisted securities when the attractiveness of the investment justifies the risks and lower liquidity associated with unlisted investments. ICMIM, as the Company's AIFM, controls stock-specific, sector and geographic risk by continuously monitoring the exposures in the portfolio. In depth continual analysis of the fundamentals of investee companies allows ICMIM to assess the financial risks associated with any particular stock. The portfolio is typically made up of 60 to 90 stocks.

RESULTS AND DIVIDENDS

Details of the Company's performance are set out in the Investment Managers' Report. The results for the year ended 31 March 2021 are set out in the attached accounts. The dividends in respect of the year, which total 7.775p per share, have been declared by way of four interim dividends.

DIVIDEND POLICY

The Board's objective is to maintain or increase the total annual dividend. Dividends are expected to be paid quarterly each year in September, December, March and June. In determining dividend payments the Board will take account of factors such as income forecasts, retained revenue reserves and the Company's dividend payment record. However, in order to maintain its approval as an investment trust, the Company will distribute at least 85.0% of its distributable income earned in each financial year by way of dividends. The Board also has the flexibility to pay dividends from capital reserves and special reserve.

KEY PERFORMANCE INDICATORS

Delivery of shareholder value is achieved through the increase in capital value of the Company's shares and by its income return. The Board reviews performance by reference to a number of Key Performance Indicators ("KPIs") that include the following:

- NAV total return relative to the MSCI
- Share price
- Discount to NAV
- Revenue earnings
- Ongoing charges figure

While some elements of performance against KPIs are beyond management control, they provide measures of the Company's absolute and relative performance and are therefore monitored by the Board on a regular basis. These KPIs fall within the definition of Alternative Performance Measures under guidance issued by the European Securities and Markets Authority and additional information explaining how these are calculated is set out on pages 96 and 97.

Year ended 31 March	2021	2020
NAV total return (%)	30.2	(24.9)
MSCI Emerging Markets Total Return Index (GBP adjusted) (%)	42.3	(13.7)
Share price (pence)	197.50	161.50
Discount to NAV (%)	(13.6)	(11.2)
Percentage of issued shares bought back during the year (based on opening share capital) (%)	2.9	0.8
Revenue earnings per share (pence)	8.13	7.88
Ongoing charges figure (%)	1.1	1.1

A graph showing the NAV total return performance compared to the MSCI, can be found on page 9. The ten year record on page 98 shows historic data for the Company and its predecessor, UEM Bermuda.

Discount to NAV: The Board monitors the premium/discount at which the Company's shares trade in relation to its NAV. During the year the Company's shares traded at a discount relative to NAV in a range of 9.2% to 19.8% and an average discount of 14.1%. The Board and Investment Managers closely monitor both movements in the Company's share price and significant dealings in the shares.

The Board believes that the best way of addressing the discount over the long term is to continue to generate good performance and to create natural demand for the Company's shares in the secondary market through increasing awareness of the Company, its philosophy and management style. The Board has maintained expenditure on marketing the Company. The Board continues to seek authority from shareholders to buyback and issue shares which can assist in the management of the discount and/or any premium at which the shares trade to their NAV. A total of 6,589,096 shares were bought back and cancelled during the year, representing 2.9% of the Company's opening issued share capital.

Earnings and dividends per share: As referred to in "Dividend Policy" above, the Board's objective is to maintain or increase the total annual dividend. The Board and the Investment Managers attach great importance to maintaining dividends per share since dividends form a key component of the total return to shareholders.

The Board declared first, second and third quarterly dividends, each of 1.925p per share and a fourth quarterly dividend of 2.00p per share in respect of the year ended 31 March 2021. The fourth quarterly dividend will be paid on 23 June 2021 to shareholders on the register on 4 June 2021. The total dividend for the year was 7.775p per share (2020: 7.575p per share).

Ongoing charges: These are calculated in accordance with the industry measure of costs as a percentage of NAV. The expenses of the Company are reviewed at every Board meeting, with the aim of managing costs incurred and their impact on performance. The ongoing charges figure for the year ended 31 March 2021 (excluding performance fee) was 1.1% (2020: 1.1%) and, with effect from 1 April 2021, it increased to 1.4% following changes to the management fee as referred to on page 97. This ratio is sensitive to the size of the Company, as well as the level of costs.

PRINCIPAL RISKS AND RISK MITIGATION

During the year ended 31 March 2021, ICMIM was the Company's AIFM and had sole responsibility for risk management, subject to the overall policies, supervision, review and control of the Board.

The Board considers carefully the Company's principal and emerging risks and uncertainties. It seeks to mitigate these risks through regular review by the Audit & Risk Committee of the Company's risk register which identifies the risks facing the Company and the likelihood and potential impact of each risk, together with the controls established for mitigation. Emerging risks are considered at each Audit & Risk Committee meeting. As required by the Association of Investment Companies ("AIC") Code of Corporate

Governance, the Board has undertaken a robust assessment of the principal risks facing the Company. The Covid-19 pandemic, which emerged towards the end of the Company's previous financial year, gave rise to significant challenges for businesses worldwide and the Board took these into account as part of its assessment of risks to the Company.

The principal risks and uncertainties currently faced by the Company and the controls and actions to mitigate those risks, are described below. There have been no significant changes to the principal risks during the year.

KEY RISK FACTORS

INVESTMENT RISK:	**The risk that the investment strategy does not achieve long-term positive total returns for the Company's shareholders.**	The Board monitors the performance of the Company and has established guidelines to ensure that the approved investment policy is pursued by the Investment Managers. These guidelines include sector and market exposure limits. The investment process employed by the Investment Managers combines assessment of economic and market conditions in the relevant countries with stock selection. Fundamental analysis forms the basis of the Company's stock selection process, with an emphasis on sound balance sheets, good cash flows, the ability to pay and sustain dividends, good asset bases and market conditions. ESG factors are also considered when selecting and retaining investments and political risks associated with investing in EM are assessed. The Investment Managers try to reduce risk by ensuring that the Company's portfolio is always appropriately diversified. Overall, the investment process aims to achieve absolute returns through an active fund management approach and the Board monitors the implementation and results of the investment process with the Investment Managers.
MARKET RISK:	**The Company's assets consist mainly of listed securities and its principal risks are therefore market related and adverse market conditions could lead to a fall in NAV.**	The Company's portfolio is exposed to equity market risk and foreign currency risk. Adverse market conditions may result from factors such as economic conditions, political change, climate, natural disasters and health epidemics. At each Board meeting the Board reviews the diversification of the portfolio, asset allocation, stock selection, unquoted investments and levels of gearing and has set investment restrictions and guidelines which are monitored and reported on by the Investment Managers. The Company's results are reported in Sterling, although the majority of its assets are priced in foreign currencies and therefore any rise or fall in Sterling will lead, respectively, to a fall or rise in the Company's reported NAV. Such factors are out of the control of the Board and the Investment Managers and may give rise to distortions in the reported returns to shareholders. It is difficult and expensive to hedge EM currencies.
KEY STAFF RISK:	**Loss by the Investment Managers of key staff could affect investment returns.**	The quality of the investment management team is a crucial factor in delivering good performance. There are training and development programs in place for employees and the remuneration packages have been developed in order to retain key staff. Any material changes to the management team are considered by the Board at its next meeting; the Board discusses succession planning with the Investment Managers at regular intervals.
DISCOUNT RISK:	**The Company's shares may trade at a discount to their NAV and a widening discount may undermine investor confidence in the Company.**	The Board monitors the price of the Company's shares in relation to their NAV and the premium/discount at which they trade. The Board generally buys back shares for cancellation in normal market conditions if they are trading at a discount in excess of 10% and the Investment Managers agree that it is a good investment decision.
OPERATIONAL RISK:	**Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its investment policy.**	The Company's main service providers are listed on page 95. The Audit & Risk Committee monitors the performance and controls (including business continuity procedures) of the service providers at regular intervals. All listed and most unlisted investments are held in custody for the Company by JPMorgan Chase Bank N.A. – London Branch with a small number of unlisted investments held in custody by Waverton Investment Management Limited ("Waverton"). JPMEL, the Company's depositary services provider, also monitors the movement of cash and assets across the Company's accounts. The Audit & Risk Committee reviews the JP Morgan SOC1 reports, which are reported on by Independent Service Auditors, in relation to its administration, custodial and information technology services. The Board reviews the overall performance of the Investment Managers and all the other service providers on a regular basis. The risk of cybercrime is high, as it is with most organisations, but the Board regularly seeks assurances from the Investment Managers and other service providers on the preventative steps that they are taking to reduce this risk.
GEARING RISK:	**Whilst the use of borrowings should enhance total return where the return on the Company's underlying securities is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling.**	Gearing levels may change from time to time in accordance with the Board and Investment Managers' assessment of risk and reward. As at 31 March 2021, UEM had net gearing on net assets of 10.6%. ICMIM monitors compliance with the banking covenants when each drawdown is made and at the end of each month. The Board reviews compliance with the banking covenants at each Board meeting.
REGULATORY RISK:	**Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment companies, the FCA's Listing Rules and the Companies Act 2006 could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains.**	The Investment Managers and the Company's professional advisers monitor developments in relevant laws and regulations and provide regular reports to the Board in respect of the Company's compliance.

VIABILITY STATEMENT

The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal risks it faces. The Company is a long-term investment vehicle and the Board believes that it is appropriate to assess the Company's viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with provision 31 of the UK Corporate Governance Code, the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and appropriately reflects the long-term strategy of the Company.

In its assessment of the viability of the Company, the Board has considered each of the Company's principal risks and uncertainties detailed above, as well as the impact of a significant fall in the EM equity markets on the value of the Company's investment portfolio. All of the key operations required by the Company are outsourced to third party providers and it is considered that alternative providers could be engaged at relatively short notice if necessary. The Directors have also considered the Company's income and expenditure projections and the fact that the Company's operating expenses comprise a very small percentage of net assets while the majority of the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Board continues to consider the uncertainty surrounding the potential duration of the Covid-19 pandemic, its impact on the global economy and the prospects for the Company's portfolio holdings and has concluded that it is unlikely to affect the going concern status or viability of the Company.

As part of this assessment the Board considered a number of stress tests, including short term reverse stress testing, and scenarios which considered the impact of severe stock market and currency volatility on shareholders' funds over a five-year period. Initially, the Company's projections were adjusted to reflect a material reduction in the value of its investments in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. This was then flexed to include two further scenarios; first a material weakening in Sterling, the Company's reporting currency, and then a scenario which provided for a further fall in the market values of its investments. The results demonstrated the impact on the Company's NAV, its expenses, and its ability to meet its liabilities over that period. As a result of this analysis, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

The Investment Managers and UEM's brokers engage with shareholders on an ongoing basis and the Board, having taken into account recent discussions with many of UEM's major shareholders, the results of previous continuation votes and the ongoing demand for UEM's shares, considers it to be likely that the resolution proposing the continuation of the Company at this year's AGM will be passed.

SECTION 172 STATEMENT

Under Section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company for the benefit of its members as a whole. This includes having regard (amongst other matters) to fostering relationships with the Company's stakeholders and maintaining a reputation for high standards of business conduct.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers. The need to promote business relationships with the service providers and maintain a reputation for high standards of business conduct is central to the Directors' decision-making. The Directors believe that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all shareholders and their performance is monitored by the Board and its committees. The principal service provider is the Investment Managers, who are responsible for managing the Company's assets in order to achieve its stated investment objective, and the Board maintains a good working relationship with them. Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Investment Managers must have regard to ethical and environmental issues that impact society. Accordingly, ESG considerations are an important part of the Investment Managers' investment process as explained more fully below.

The Board seeks to engage with its Investment Managers and other service providers in a collaborative and collegiate manner, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. The aim of this approach is to enhance service levels and strengthen relationships with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

The Directors aim to act fairly as between the Company's shareholders and the approach to shareholder relations is summarised in the Corporate Governance Statement on pages 50 to 54. As part of this, the AGM provides a key forum for the Board and Investment Managers to present to shareholders on the performance of UEM and its future prospects. It also allows shareholders the opportunity to meet with the Board and Investment Managers and to raise questions and concerns. The Chairman is available to meet with shareholders as appropriate and the Investment Managers meet regularly with shareholders and their respective representatives, reporting back on views to the Board. Shareholders may also communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.

In addition to ensuring that the Company's stated investment objective was being pursued, the Directors confirm that they have considered Section 172 factors when making decisions, including in relation to:

- the renewal of the Company's £50m committed multicurrency revolving facility which now matures in March 2024;
- the changes to the fees payable by the Company to ICMIM and ICM, with effect from 1 April 2021, which included the discontinuation of the performance fee and amendment of the management fee to a tiered structure; and
- the increase in the fourth quarterly dividend to 2.00p per share, an increase of 3.9% on the quarterly dividend of 1.925p per share paid in relation to each of the first three quarters of the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Board believes that it is in the shareholders' interests to consider ESG factors when selecting and retaining investments and has asked the Investment Managers to take these into account when investing. The Investment Mangers employ a disciplined investment process that seeks to both uncover opportunities and evaluate potential risks, while striving for the best possible return outcomes. When reviewing any investment opportunity, the Investment Managers look to understand the relevant ESG issues in conjunction with the financial, macro, and political drivers as part of its investment process. Relevant and material ESG opportunities and risks can meaningfully affect investment performance, therefore the consideration of ESG issues forms part of the integrated research analysis, decision-making and ongoing monitoring.

The concept of responsible investing has always been a core component of the investment process, therefore taking into consideration ESG risks and opportunities is not a new phenomenon for the Investment Managers. The Investment Managers look to determine conclusions based on objective, ascertainable facts and do not consider sentiments or interest groups. Each investment is considered on its own merits, and intention and actions are important considerations.

ESG factors help to enhance the Investment Managers' understanding of a company, as these factors affect the company's business model and its long-term ability to generate sustainable returns, and consequently they are able to fully question a company's investment potential from a number of perspectives. ESG considerations provide a way to identify and review the long-term drivers of an investment that are not found within the financial accounts.

Investments are regularly reviewed and the Investment Managers meet to discuss key issues, ranging from high level macro developments to detailed company specific points, to ensure a high awareness of how the current portfolio and potential new investments are performing.

Where possible the Investment Managers aim to visit investment opportunities to access an in-person opportunity to ask management teams what they perceive to be the key operational, social, and environmental issues, as well as a chance to see assets operating first-hand. ESG disclosures are not always easy to understand given they may not be openly reported or consistently disclosed. The Investment Managers believe that engaging with companies directly is the best first step. Where necessary, the Investment Managers will question and challenge a portfolio company's management team directly to ensure a full understanding of any challenges and opportunities.

Given the Investment Managers are long term investors, engagement with management teams is and will remain paramount to the investment approach. On behalf of UEM as shareholder, the Investment Managers work actively with investee companies to incorporate stronger ESG principles and vote in a considered manner to drive positive change. In particular, the Investment Managers recognise that governance factors are fundamental to an investment.

ICM has recently become a signatory to the United Nations-supported Principles for Responsible Investment, which is an international network of investors working together to implement its six aspirational principles; and is a member of the Asian Corporate Governance Association which is focused on the implementation of effective corporate governance in Asia. The Investment Managers believe that good stewardship is essential and the principles these various bodies espouse aligns with its philosophy to protect and increase the value of its investments.

MODERN SLAVERY ACT

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

GENDER DIVERSITY

The Board consists of four male directors and one female director. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company. The Company's policy on diversity is detailed in the Corporate Governance Statement on page 53.

GREENHOUSE GAS EMISSIONS AND STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

All the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations. In addition, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

BRIBERY ACT

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Investment Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

CRIMINAL FINANCES ACT

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

SOCIAL, HUMAN RIGHTS AND COMMUNITY MATTERS

As an externally managed investment trust, the Company does not have any employees or maintain any premises. It therefore has no material, direct impact on the environment or any particular community and the Company itself has no environmental, human rights, social or community policies. The Board however notes the Investment Managers' policy statement in respect of Environmental, Social and Governance issues, as outlined on page 39.

OUTLOOK

The Board's main focus is on the achievement of the Company's objective of delivering a long-term total return and the future of the Company is dependent upon the success of its investment strategy. The outlook for the Company is discussed in the Chairman's Statement and the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Managers' Report.

This Strategic Report was approved by the Board of Directors on 18 June 2021.

By order of the Board
ICM Investment Management Limited
Company Secretary

18 June 2021

INVESTMENT MANAGERS AND TEAM

ICMIM, a company authorised and regulated by the FCA, was the Company's AIFM during the year ended 31 March 2021 with sole responsibility for risk management, subject to the overall policies, supervision, review and control of the Board and is joint portfolio manager of the Company, alongside ICM.

The Investment Managers are focused on finding investments at valuations that do not reflect their true long-term value. Their investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. The Investment Managers are long term investors and see markets as a place to exchange assets.

ICM MANAGES OVER

USD 2.7bn

IN FUNDS DIRECTLY AND IS RESPONSIBLE INDIRECTLY FOR A FURTHER USD 22.1BN OF ASSETS IN SUBSIDIARY INVESTMENTS. ICM HAS OVER 70 STAFF BASED IN OFFICES IN BERMUDA, CAPE TOWN, DUBLIN, LONDON, SEOUL, SINGAPORE, SYDNEY, VANCOUVER AND WELLINGTON.

The investment teams are led by Charles Jillings and Duncan Saville.

CHARLES JILLINGS

Charles Jillings, a director of ICM and chief executive of ICMIM, is responsible for the day-to-day running of UEM and the investment portfolio. He qualified as a chartered accountant and has extensive experience in corporate finance and asset management. He is an experienced director having previously been a non-executive director in the financial services, water and waste sectors. He is currently a director of Somers Limited, Waverton Investment Management Limited and Allectus Capital Limited.

DUNCAN SAVILLE

Duncan Saville, a director of ICM, is a chartered accountant with experience in corporate finance and asset management. He was formerly a non-executive director of Utilico Investment Trust plc and is an experienced non-executive director having previously been a director in multiple companies in the financial services, utility, mining and technology sectors. He is currently a non-executive director of Resimac Group Limited and West Hamilton Holdings Limited.

SENIOR CORE TEAM ASSISTING ON UEM INCLUDE:

Jacqueline Broers, who has been involved in the running of UEM since September 2010. Mrs Broers is focused on the transport sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team, Mrs Broers worked in the corporate finance team at Lehman Brothers and Nomura. Mrs Broers is a qualified chartered accountant.

Jonathan Groocock, who has been involved in the running of UEM since February 2011. Mr Groocock is focused on the utilities sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team Mr Groocock had nine years of experience in sell side equity research, covering telecoms stocks at ABN AMRO, Oriel Securities and Investec. Mr Groocock qualified as a CFA charterholder in 2005.

Mark Lebbell, who has been involved in the running of UEM since its inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is focused on the communications sector worldwide with particular emphasis on emerging markets. Mr Lebbell is an associate member of the Institute of Engineering and Technology.

COMPANY SECRETARY – ICM INVESTMENT MANAGEMENT LIMITED

Alastair Moreton, a chartered accountant, joined the team in 2017 to provide company secretarial services to UEM and UIL Limited. Mr Moreton has over thirty years' experience in corporate finance with Samuel Montagu, HSBC, Arbuthnot Securities and, prior to joining ICM, Stockdale Securities, where he was responsible for the company's closed end fund corporate clients.

The Investment Managers' approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value.

DIRECTORS

JOHN RENNOCKS (CHAIRMAN)*

John Rennocks (Chairman) has broad experience in conventional and renewable electricity generation and in biotechnology, support services and manufacturing. He previously served as deputy chairman and senior independent director of Inmarsat plc and as finance director of a number of public limited companies (including Smith and Nephew plc, PowerGen plc, British Steel plc and Corus Group plc) and as a non-executive chairman or director of several companies, including Foreign & Colonial Investment Trust plc and JP Morgan Overseas Investment Trust plc. He is currently chairman of Bluefield Solar Income Fund Limited. He is a Fellow of the Institute of Chartered Accountants of England and Wales.

GARTH MILNE (DEPUTY CHAIRMAN)*

Garth Milne (Deputy Chairman) has been involved in the investment company sector for over forty years both as an adviser and as a non-executive director. He is chairman of UEM's Remuneration Committee and, as referred to in the Chairman's statement, he has indicated his intention to retire from the Board following the conclusion of UEM's AGM in September 2021.

SUSAN HANSEN

Susan Hansen is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking and is a director of Resimac Group Limited, a non-bank lending company listed on the Australian Securities Exchange, the principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited, a registered charity in New Zealand. She is a member of the Institute of Chartered Accountants of Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

ANTHONY MUH*

Anthony Muh is an investment professional with over thirty years' experience in the investment management industry. He is a partner and executive director of H.R.L. Morrison & Co, a global private market infrastructure investment management company. He is also chairman of JIDA Capital Partners Limited, a China focused sustainable infrastructure investment manager. He is past chairman and a Fellow of the Hong Kong Securities Institute and a member of the Asia Advisory Board at Euromoney Institutional Investor Plc. Anthony is the current chairman and council member of the Asia Corporate Governance Association.

ERIC STOBART*

Eric Stobart (Audit & Risk Committee Chairman) has spent most of his career in merchant and commercial banking, latterly as a senior executive at Lloyds Banking Group. He was for twelve years chair of the investment committee of the £25.0bn Lloyds Bank Pension Scheme as well as having been chair of the audit and risk committee of a substantial investment management group. Currently he chairs or is a member of the trustee board of four pension schemes with combined assets of some £3.6bn. Mr Stobart is a chartered accountant with an MBA from London Business School.

All Directors were appointed to the Board of the Company on 7 February 2018, other than Mr Stobart, who was appointed on 1 October 2019.
None of the Directors have shared directorships with other Directors.

*Independent director and member of the Audit & Risk Committee, Remuneration Committee and Management Engagement Committee

The Directors present the Annual Report and Accounts of the Company for the year ended 31 March 2021.

STATUS OF THE COMPANY

UEM was incorporated on 7 December 2017. On 3 April 2018, as a result of the proposals to redomicile UEM Bermuda to the United Kingdom, the shareholders of UEM Bermuda exchanged all their shares in UEM Bermuda for shares in the Company on a one for one basis and UEM Bermuda became a wholly owned subsidiary of the Company. All the assets of UEM Bermuda were transferred to the Company and UEM Bermuda was dissolved on 7 March 2019. UEM's shares are listed on the premium segment of the Official List of the Financial Conduct Authority and traded on the main market of the London Stock Exchange.

UEM carries on business as an investment trust. It has been approved by HM Revenue & Customs as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

UEM is domiciled in the UK as an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company and has no employees.

UEM is a member of the AIC in the UK.

THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

The Company is an Alternative Investment Fund ("AIF") falling within the scope of, and subject to, the requirements of the AIFMD. The Company has appointed ICMIM, an English incorporated company which is regulated by the FCA, as its AIFM, with sole responsibility for risk management and ICM and ICMIM jointly to provide portfolio management services.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information, is available on the Company's website at www.uemtrust.co.uk.

UEM also appointed JPMEL as its depositary service provider. JPMEL's responsibilities include general oversight over the issue and cancellation of the Company's shares, the calculation of the NAV, cash monitoring and asset verification and record keeping. JPMEL receives an ad-valorem fee of 2.5bps of the Company's NAV for its services, subject to a minimum fee of £25,000 per annum, payable monthly in arrears.

FUND MANAGEMENT ARRANGEMENTS

For the year ended 31 March 2021, the aggregate fees payable by the Company to ICMIM and ICM under the Investment Management Agreement ("IMA") were 0.65% per annum of NAV together with a performance related fee. On 25 March 2021, UEM announced that, with effect from 1 April 2021, the performance fee would be discontinued and the management fee amended to a tiered structure (1.0% of NAV up to £500m; 0.9% of NAV above £500m up to £750m; 0.85% of NAV above £750m up to £1,000m; and 0.75% of NAV above £1,000m). The management fee is payable quarterly in arrears, with such fee apportioned between ICMIM and ICM as agreed by them. The IMA may be terminated on not less than six months' notice in writing and further details of the management and performance fees are disclosed in Note 4 to the accounts.

Under the IMA, ICMIM has been appointed as Company Secretary.

The Board continually reviews the policies and performance of the Investment Managers. The Board's philosophy and the Investment Managers' approach are that the portfolio should consist of shares thought attractive irrespective of their inclusion or weighting in any index. The portfolio's composition and performance are likely, therefore, to be very different, for example, from those of the MSCI. Over the short term, there may be periods of sharp underperformance or outperformance compared with the index. Over the long term, the Board expects the combination of the Company's and Investment Managers' approach to result in a significant degree of outperformance compared with the index. The Board continues to believe that the appointment of ICMIM and ICM on the terms agreed is in the interests of shareholders as a whole.

ADMINISTRATION

The provision of accounting and administration services has been outsourced to JPMorgan Chase Bank N.A. – London Branch (the "Administrator"). The Administrator provides financial and general administrative services to the Company for an annual fee based on the Company's month end NAV (5 bps on the first £100m NAV, 3bps on the next £150m NAV, 2bps on the next £250m NAV and 1.5bps on the next £500m NAV). The Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by it in connection with its duties. In addition, ICMIM has appointed Waverton to provide certain support services (including middle office, market dealing and information technology support services). Waverton is entitled to receive an annual fee of 3bps of the Company's NAV and the Company reimburses ICMIM for its costs and expenses incurred in relation to this agreement.

Annually, the Management Engagement Committee considers the ongoing administrative requirements of the Company and assesses the services provided.

SAFE CUSTODY OF ASSETS

During the year ended 31 March 2021, all listed and most unlisted investments were held in custody for the Company by JPMorgan Chase Bank N.A. – London Branch (the "Custodian"). Operational matters with the Custodian are carried out on the Company's behalf by ICMIM and the Administrator in accordance with the IMA and the Administration Agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and the location of the securities held. A small number of unlisted investments are also held in custody by Waverton.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 26 to the accounts.

DIVIDENDS

Dividends of 1.925p per share were paid on 18 September 2020, 18 December 2020 and 24 March 2021. A dividend of 2.00p per share was declared on 21 May 2021 and will be paid on 23 June 2021.

ISA AND NMPI

UEM remains a qualifying investment under the Individual Savings Account (ISA) regulations and it is the intention of the Board to continue to satisfy these regulations. Furthermore, the Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

GOING CONCERN

The Board has reviewed the going concern basis of accounting for the Company. The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The Board has considered the impact of Covid-19, the outcome of the continuation vote that will be held at the AGM in September 2021 and performed a detailed assessment of the Company's operational risk and resources including its ability to meet its liabilities as they fall due, by conducting stress tests and scenarios which considered the impact of severe stock market and currency volatility. This is set out in note 25 to the accounts. In light of this work and there being no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least the next twelve months from the date of approval of these financial statements. Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

DIRECTORS

UEM has a Board of five non-executive directors who oversee and monitor the activities of the Investment Managers and other service providers and ensure that the Company's investment policy is adhered to. The Board is supported by an Audit & Risk Committee, a Management Engagement Committee and a Remuneration Committee, which deal with specific aspects of the Company's affairs. The Corporate

Governance Statement, which is set out on pages 50 to 54, forms part of this Directors' Report.

The Directors have a range of business, financial and asset management skills, as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 43. All the Directors are independent other than Ms Hansen who is also a director of Resimac Group Limited, a company associated with the Investment Managers.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act 2006 and the Company's Articles of Association. The Company's Articles of Association provide that all the Directors retire each year. The Board may also appoint Directors but any Director so appointed must stand for election by the shareholders at the next Annual General Meeting.

The nature of an investment company and the relationship between the Board and the Investment Managers are such that it is considered unnecessary to identify a senior independent director. Mr Garth Milne, the Deputy Chairman and the other Directors are available to shareholders if they have concerns which have not been resolved through the normal channels of contact with the Chairman or the Investment Managers, or for which such channels are inappropriate.

DIRECTORS' INDEMNITY AND INSURANCE

As at the date of this report, a deed of indemnity has been entered into by the Company and each of the Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. Each Director is indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

UEM also maintains Directors' and Officers' liability insurance which provides appropriate cover for any legal action brought against the Directors.

DIRECTORS' INTERESTS

The Directors' interests in the share capital of the Company are disclosed in the Directors' Remuneration Report on page 57.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end. There are no agreements between the Company and the Directors concerning compensation for loss of office.

A Director must avoid a situation where he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Directors have declared any potential conflicts of interest to the Company, which are reviewed regularly by the Board. The Directors have undertaken to advise the Company Secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

SHARE CAPITAL

As at 31 March 2021 the issued share capital of the Company and the total voting rights were 221,273,374 shares. As at the date of this report, the share capital of the Company and total voting rights were 220,602,116 shares. There are no restrictions on the transfer of securities in the Company and there are no special rights attached to any of the shares.

SHARE ISSUES AND REPURCHASES

UEM has the authority to purchase shares in the market to be held in treasury or for cancellation and to issue new shares for cash. During the year ended 31 March 2021 the Company purchased 6,589,096 shares for cancellation. The current authority to repurchase shares was granted to Directors on 22 September 2020 and expires at the conclusion of the next AGM. The Directors are proposing that their authority to buy back up to 14.99% of the Company's shares for cancellation or to be held in treasury and to issue new shares or sell shares from treasury be renewed at the forthcoming AGM.

TENDER FACILITY

At the Directors' discretion, the Company can operate a tender facility subject to certain limitations. The tender facility is not expected to be made available in circumstances where the annual compound growth rate of the Company's gross assets exceeds 10% or where the Company's net assets total return performance exceeds 10% in the relevant period. The maximum number of shares which may be tendered pursuant to the tender facility in any financial year would be limited to 12.5% of the shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back pro-rata.

The tender facility has not been operated to date by the Company or previously by its predecessor, UEM Bermuda.

CONTINUATION OF THE COMPANY

UEM has been established with an unlimited life although the Company's Articles of Association provide for a continuation vote to be put to shareholders at the AGM to be held in 2021 and at every fifth annual general meeting thereafter.

At the forthcoming AGM, resolution 10 seeks shareholder approval, by way of an ordinary resolution, that the Company should continue as presently constituted. If this resolution is passed, shareholders will have further opportunities to vote on the continuation of the Company in 2026 and every fifth annual general meeting thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to be put to shareholders relating to the future of the Company having regard, inter alia, to prevailing market conditions and applicable regulations and legislation.

SUBSTANTIAL SHARE INTERESTS

As at the date of this report, the Company had received notification of the following holdings of voting rights:

	Number of shares held	% held
UIL Limited	35,843,500	16.2
City of London Investment Management Company Limited	22,230,393	10.1
Lazard Asset Management LLC	18,737,825	8.5
Rathbone Investment Management Limited	10,728,364	4.9
Investec Wealth & Investment Limited	10,293,426	4.7

THE COMMON REPORTING STANDARD

Tax legislation under The OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the "Common Reporting Standard") was introduced on 1 January 2016. The legislation requires an investment trust company to provide personal information to HMRC about investors who purchase shares. The Company is required to provide information annually on the tax residences of a number of non-UK based certificated shareholders. HMRC may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders entered onto the share register, excluding those whose shares are held in CREST, will be sent a certification form for the purposes of collecting this information.

AUDIT INFORMATION AND AUDITOR

As required by section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

LISTING RULE 9.8.4R

There are no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4R (information to be included in annual report and accounts).

ARTICLES OF ASSOCIATION

Any amendments to the Company's Articles of Association must be made by special resolution.

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your shares in the Company, you should pass this document, together with any other accompanying documents including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of the AGM consists of 13 resolutions. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 and 13 will be proposed as special resolutions.

Ordinary Resolution 1 – Annual Report and Financial Statements

This resolution seeks shareholder approval to receive the report of the Directors and financial statements for the year ended 31 March 2021 and the Auditor's report thereon.

Ordinary Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report.

Ordinary Resolution 3 – Approval of the Company's dividend policy

This resolution seeks shareholder approval of the Company's dividend policy to pay four interim dividends per year. Under the Company's Articles of Association, the Board is authorised to approve the payment of interim dividends without the need for the prior approval of the Company's shareholders. Having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. If this resolution is not passed, it is the intention of the Board to refrain from authorising any further interim dividends until such time as the Company's dividend policy is approved by its shareholders.

Ordinary Resolutions 4 to 7 (inclusive) – Re-election of the Directors.

The biographies of the Directors are set out on page 43 and are incorporated into this report by reference.

Resolution 4 relates to the re-election of Mr John Rennocks who was appointed on 7 February 2018. Mr Rennocks' leadership of the Board as Chairman draws on his long and varied experience on the boards of many public limited companies and investment companies. His focus is on long-term strategic issues, which are key topics of Board discussion.

Resolution 5 relates to the re-election of Ms Susan Hansen who was appointed on 7 February 2018. Ms Hansen's previous experience in chartered accountancy and investment banking makes her well placed to monitor the Company's performance and to constructively challenge the Investment Managers.

Resolution 6 relates to the re-election of Mr Anthony Muh who was appointed on 7 February 2018. Mr Muh's experience of over 30 years in the investment management industry means that he brings in-depth knowledge, expertise and experience in investment matters (and particularly experience relating to the Asia region) to his role on the Board.

Resolution 7 relates to the re-election of Mr Eric Stobart who was appointed on 1 October 2019. Mr Stobart has extensive accounting knowledge and many years of experience of audit and risk committees in the financial services sector. He therefore brings this strong background and skills to his role as the Company's Audit & Risk Committee Chairman.

Ordinary Resolutions 8 and 9 – Appointment of the external Auditor and the Auditor's Remuneration

These resolutions relate to the appointment and remuneration of the Company's auditor. The Company, through its Audit & Risk Committee, has considered the independence and objectivity of the external auditor and is satisfied that the proposed Auditor is independent. Further information in relation to the assessment of the existing Auditor's independence can be found in the report of the Audit & Risk Committee.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

Ordinary Resolution 10 – Continuation of the Company

The Company's Articles of Association provide for a continuation vote to be put to shareholders at the AGM to be held in 2021 and at every fifth annual general meeting thereafter and this resolution seeks approval that the Company continues as presently constituted. If this resolution is passed, shareholders will have further opportunities to vote on the continuation of the Company in 2026 and every fifth annual general meeting thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to be put to shareholders relating to the future of the Company having regard, inter alia, to prevailing market conditions and applicable regulations and legislation.

Ordinary Resolution 11 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in a general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £110,300 per annum, which is equivalent to 11,030,000 ordinary shares of 1p each and represents 5% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. This resolution will expire at the conclusion of the next AGM of the Company to be held in 2022 unless renewed prior to that date at an earlier general meeting.

Special Resolution 12 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. This resolution empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £110,300 which is equivalent to 11,030,000 ordinary shares of 1p each and represents 5% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. Any such sale of shares would only be made at prices greater than NAV and would therefore increase the assets underlying each share. This resolution will expire at the conclusion of the next AGM of the Company to be held in 2022 unless renewed prior to that date at an earlier general meeting.

Special Resolution 13 – Authority to buy back shares

This resolution seeks to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 33,068,000 ordinary shares (being 14.99% of the issued ordinary share capital excluding treasury shares as at the date of the Notice of the AGM). This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the next AGM of the Company to be held in 2022.

Any shares purchased pursuant to this resolution shall be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

RECOMMENDATION

The Board considers that each of the resolutions to be proposed at the Annual General Meeting is likely to promote the success of the Company for the benefit of its members as a whole and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions as they intend to do in respect of their own beneficial holdings.

By order of the Board
ICM Investment Management Limited, Secretary

18 June 2021

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance. Responsibility for good governance lies with the Board. The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

The governance framework of the Company reflects the fact that, as an investment company, it has no full-time employees and outsources its activities to third party service providers.

THE BOARD

Five non-executive directors (NEDs)

CHAIRMAN:
John Rennocks

KEY OBJECTIVES:

- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- to constructively challenge and scrutinise performance of all outsourced activities.

AUDIT & RISK COMMITTEE	MANAGEMENT ENGAGEMENT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
All independent NEDs CHAIRMAN: Eric Stobart	All independent NEDs CHAIRMAN: John Rennocks	The Board as a whole performs this function	All independent NEDs CHAIRMAN: Garth Milne
KEY OBJECTIVE: • to oversee the financial reporting and control environment.	KEY OBJECTIVES: • to review the performance of the Investment Managers and the Administrator; and • to review the performance of other service providers.	KEY OBJECTIVES: • to regularly review the Board's structure and composition; and • to consider any new appointments.	KEY OBJECTIVE: • to set the remuneration policy for the Directors of the Company.

THE AIC CODE OF CORPORATE GOVERNANCE

As a UK-listed investment trust the Board's principal governance reporting obligation is in relation to the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in July 2018. However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and the roles of portfolio management, administration, accounting and company secretarial tend to be outsourced to a third party. The AIC has therefore drawn up its own set of guidelines known as the AIC Code of Corporate Governance (the "AIC Code") issued in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will be meeting their obligations in relation to the UK Code and paragraph LR9.8.6 of the FCA's Listing Rules. The Board believes that reporting against the principles and recommendations of the AIC Code will provide better information to shareholders.

The UK Code is available from the FRC's website at www.frc.org.uk. The AIC Code is available from the Association of Investment Companies' website at www.theaic.co.uk.

COMPLIANCE WITH THE AIC CODE

During the year ended 31 March 2021, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except those relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- nomination of a senior independent director
- membership of the Audit & Risk Committee by the Chairman of the Board

For the reasons set out in the AIC Code and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Board is composed entirely of non-executive directors and therefore the Board does not believe it is necessary to nominate a senior independent director. In addition, as explained in the Audit & Risk Committee Report, the Chairman of the Board is also a member of the Audit & Risk Committee, as permitted by the AIC Code.

Information on how the Company has applied the principles of the AIC Code and the UK Code is set out below.

THE BOARD

The Board is responsible to shareholders for the overall stewardship of the Company. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board and it is also responsible for the gearing policy, dividend policy, public documents, such as the Annual Report and Financial Statements, the buy-back policy and corporate governance matters. In order to enable the Directors to discharge their responsibilities effectively the Board has full and timely access to relevant information.

The Board meets at least quarterly, with additional Board and Committee meetings being held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Investment Managers attend each meeting and between these meetings there is regular contact with the Investment Managers. Board meetings are sometimes held in countries where the Company holds investments and the Board will meet with investee companies and local experts.

The Board has direct access to the advice and services of the company secretary, who is an employee of ICMIM. The company secretary, with advice from the Company's lawyers and financial advisers, is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with.

The company secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. The company secretary is responsible for advising the Board, through the Chairman, on all governance matters.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense, having first consulted with the Chairman.

During the year, none of the Directors took on any significant new commitments or appointments. All of the Directors consider that they have sufficient time to discharge their duties.

There were four Board meetings, three Audit & Risk Committee meetings, one Management Engagement Committee meeting and one Remuneration Committee meeting held during the year ended 31 March 2021 and the attendance by the Directors was as follows:

	Board	Audit & Risk Committee	Management Engagement Committee	Remuneration Committee
Number of meetings held during the year	4	3	1	1
John Rennocks	4	3	1	1
Susan Hansen	4	n/a	n/a	n/a
Garth Milne	4	3	1	1
Anthony Muh	4	3	1	1
Eric Stobart	4	3	1	1

Apart from the meetings detailed above, there were a number of meetings held by committees of the Board to approve the declaration of quarterly dividends and other ad hoc items.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises all the independent Directors of the Company and is chaired by Mr Stobart. Further details of the Audit & Risk Committee are provided in its report starting on page 58.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee, which is chaired by Mr Rennocks, comprises all the independent Directors of the Company and meets at least once a year.

The Investment Managers' performance is considered by the Board at every meeting, with a formal evaluation by the Management Engagement Committee annually. The Board received detailed reports and views from the Investment Managers on investment policy, asset allocation, gearing and risk at each Board meeting in the year ended 31 March 2021, with ad hoc market/company updates if there were significant movements in the intervening period.

The Management Engagement Committee also considers the effectiveness of the administration services provided by the Investment Managers and Administrator and the performance of other third party service providers. In this regard the Committee assessed the services provided by the Investment Managers, the Administrator and the other service providers to be good.

REMUNERATION COMMITTEE

The Remuneration Committee, which is chaired by Mr Milne, comprises all the independent Directors of the Company. Further details are provided in the Directors' Remuneration Report on page 55.

INTERNAL CONTROLS

The Directors acknowledge that they are responsible for ensuring that the Company maintains a sound system of internal financial and non-financial controls ("internal controls") to safeguard shareholders' investments and the Company's assets.

The Company's system of internal control is designed to manage rather than eliminate risk of failure to achieve the Company's investment objective and/or adhere to the Company's investment policy and/or investment limits. The system can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

The Investment Managers, Administrator and Custodian maintain their own systems of internal controls and the Board and the Audit & Risk Committee receive regular reports from these service providers.

The Board meets regularly, at least four times a year. It reviews financial reports and performance against relevant stock market criteria and the Company's peer group, amongst other things. The effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems is reviewed at least bi-annually against risk parameters approved by the Board. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from its review. No significant failings or weaknesses occurred during the year ended 31 March 2021 or subsequently up to the date of this report.

BOARD DIVERSITY, APPOINTMENT, RE-ELECTION AND TENURE

The Board as a whole undertakes the responsibilities which would otherwise be assumed by a nomination committee. It considers the size and structure of the Board, including the balance of expertise and skills brought by individual Directors. It has regard to board diversity, progressive refreshing and succession planning and such matters are discussed by the Board as a whole at least annually. The Board also seeks to have Directors in different jurisdictions who understand the key influences on businesses in their area, whether they are economic, political, regulatory or other issues. The Board's policy on diversity, including gender, is to take this into account during the recruitment process. Any new appointment is considered on the basis of the skills and experience that the individual would bring to the Board, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report. The Board currently consists of four men and one woman. As referred to in the Chairman's statement, Mr Milne has indicated his intention to retire from the Board at this year's AGM. The Board has begun the process to search for a suitable replacement.

The Board is of the view that length of service does not necessarily compromise the independence or contribution of directors of an investment company, where continuity and experience can add significantly to the strength of the Board. This is supported by the views on independence expressed in the AIC Code. No limit on the overall length of service of any of the Company's Directors has been imposed. All Directors are subject to annual re-election.

The Board reviews succession planning at least annually. Appointments of new Directors will be made on a formalised basis with the Chairman agreeing, in conjunction with his colleagues, a job specification and other relevant selection criteria and the methods of recruitment (where appropriate using an external recruitment agency), selection and appointment. The potential Director would meet with Board members prior to formal appointment. An induction process will be undertaken, with new appointees to the Board being given a full briefing on the workings and processes of the Company and the management of the Company by the Chairman, the Investment Managers, the company secretary and other appropriate persons. All appointments are subject to subsequent confirmation by shareholders in general meeting.

BOARD, COMMITTEE AND DIRECTORS' PERFORMANCE APPRAISAL

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board, the Committees and individual Directors. This encompasses both quantitative and qualitative measures of performance including:

- attendance at meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees through the range and diversity of skills and experience each Director brings to their role; and
- the Board's ability to challenge the Investment Managers' recommendations, suggest areas of debate and set the future strategy of the Company.

The Board opted to conduct performance evaluation through questionnaires and discussion between the Directors, the Chairman and the chairmen of the Committees. This process is conducted by the Chairman reviewing individually with each of the Directors their performance, contribution and commitment to the Company and the possible further development of skills. In addition, the Deputy Chairman reviews the performance of the Chairman with the other Directors, taking into account the views of the Investment Managers. The relevant points arising from these meetings are then reported to, and discussed by, the Board as a whole. This process has been carried out in respect of the period under review and will be conducted on an annual basis. The result of this period's performance evaluation process was that the Board, the Committees of the Board and the Directors individually were all assessed to have performed satisfactorily. No follow-up actions were required.

It is not felt appropriate currently to employ the services of, or to incur the additional expense of, an external third party to conduct the evaluation process as an appropriate process is in place; this will, however, be kept under review.

RELATIONS WITH SHAREHOLDERS

UEM welcomes the views of shareholders and places great importance on communication with shareholders. All shareholders have the opportunity to attend and vote at the Company's AGM. The Notice of AGM sets out the business of the meeting and each resolution is explained in the Directors' Report. In addition, the Investment Managers will review the Company's portfolio and performance at the AGM, where the Directors and representatives of the Investment Managers will be available to answer shareholders' questions.

The prime medium by which the Company communicates with shareholders is through the half-yearly and annual financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the calculation and publication, via a Regulatory Information Service, of the NAV of the Company's shares and by monthly fact sheets produced by the Investment Managers. Shareholders can visit the Company's website: www.uemtrust.co.uk in order to access copies of half-yearly and annual financial reports, factsheets and regulatory announcements.

There is a regular dialogue between the Investment Managers and institutional shareholders, including private client wealth managers, to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to help develop an understanding of their issues and concerns. General presentations to institutional shareholders and analysts follow the publication of the annual results. All meetings between the Investment Managers and institutional and other shareholders are reported to the Board. The Chairman and other Directors are available to discuss any concerns with shareholders if required and shareholders may communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker.

By order of the Board
ICM Investment Management Limited
Company Secretary

18 June 2021

DIRECTORS' REMUNERATION REPORT

GARTH MILNE
Chairman of the Remuneration Committee

STATEMENT OF THE CHAIRMAN

As Chairman of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report to shareholders. The report comprises a remuneration policy, which is subject to a triennial binding shareholder vote, or sooner if an alteration to the policy is proposed, and a report on remuneration, which is subject to an annual advisory vote. An ordinary resolution for the approval of this report will therefore be put to shareholders at the Company's forthcoming AGM.

The law requires the Company's auditor to audit certain parts of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report starting on page 62.

The Remuneration Committee is responsible for reviewing and making recommendations to the Board in respect of the fees of Directors. In line with the AIC Code, it reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and in comparison with other companies of a similar structure and size. Any views expressed by shareholders on the fees being paid to Directors will also be taken into consideration. Following recommendations from the Remuneration Committee, the Board reviews the fees payable to the Chairman and Directors annually. There were no changes to the remuneration policy during the year.

All the Directors invest the full amount of their fees (net of tax) in the shares of the Company. Following no increase to the fees for the year ended 31 March 2021 over the previous year, the review in respect of the year ending 31 March 2022 has resulted in the increases being applied to the annual fees as detailed in the table opposite.

Year ending 31 March	2022 £'000s	2021* £'000s
Chairman	47.6	46.0
Directors	35.2	34.0
Chairman of the Audit & Risk Committee	44.5	43.0

*Actual

DIRECTORS' REMUNERATION POLICY

The Board, on the recommendation of its Remuneration Committee, considers the level of the Directors fees at least annually. The Board determines the level of Directors' fees within the limit currently set by the Company's Articles, which limit the aggregate fees payable to the Board of Directors to a total of £250,000 per annum.

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Directors and the chairman of the Audit & Risk Committee are taken into account. The policy aims to be fair and reasonable in relation to comparable investment companies.

The fees are fixed and the monetary amount (net of tax) is used by the Directors to purchase shares in the Company quarterly in arrears. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board and general meetings and Committee meetings. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors are provided with a letter of appointment when they join the Board. There is no provision for compensation upon early termination of appointment. The letters of appointment are available on request at the Company's registered office during business hours.

VOTING AT ANNUAL GENERAL MEETING

A resolution to approve the Remuneration Report was put to shareholders at the AGM of the Company held on 22 September 2020. Of the votes cast, 99.9% were in favour and 0.1% were against; this resolution will be put to shareholders again this year. In accordance with the Companies Act 2006, the Company is required to seek shareholder approval for its remuneration policy on a triennial basis and a binding resolution was last put to shareholders at the AGM held on 17 September 2019. Of the votes cast, 99.8% were in favour and 0.2% were against. A resolution to approve the remuneration policy will be put to shareholders at the AGM to be held in 2022.

DIRECTORS' ANNUAL REPORT ON REMUNERATION (AUDITED)

A single figure for the total remuneration of each Director who served during the year ended 31 March 2021 is set out in the table below.

Director	2020/21 Shares purchased [1]	2020/21 Entitlement £ [2]	2020/21 Taxable benefits £ [3]	2020/21 Total £	2019/20 Shares purchased [1]	2019/20 Entitlement £ [2]	2019/20 Taxable benefits £ [3]	2019/20 Total £
John Rennocks (Chairman)	13,526	46,000	–	46,000	11,941	46,000	–	46,000
Garth Milne	14,288	34,000	–	34,000	12,643	34,000	–	34,000
Susan Hansen	17,860	34,000	850	34,850	15,803	34,000	875	34,875
Garry Madeiros [4]	–	–	–	–	7,941	19,947	875	20,822
Anthony Muh	17,860	34,000	850	34,850	15,803	34,000	875	34,875
Eric Stobart [5]	12,305	43,000	–	43,000	6,821	21,500		21,500
Totals	75,839	191,000	1,700	192,700	70,952	189,447	2,625	192,072

(1) All the shares were purchased in the market, using the net fee entitlement after applicable tax deductions of each director, as set out in note 1(j) to the accounts
(2) The Directors' entitlement to fees is calculated in arrears
(3) Taxable benefits comprise amounts reimbursed for expenses incurred in carrying out business for the Company
(4) Retired 17 September 2019
(5) Appointed 1 October 2019
(6) There were no payments to third parties included in the fees referred to in the table above. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table compares the remuneration paid to the Directors with aggregate distributions to shareholders relating to the year ended 31 March 2021 and the prior year. Although this disclosure is a statutory requirement, the Directors consider that comparison of Directors' remuneration with annual dividends and share buybacks does not provide a meaningful measure relative to the Company's overall performance as an investment company with an objective of providing shareholders with long-term total return.

Year ended 31 March	2021 £'000s	2020 £'000s	Change £'000s
Aggregate Directors' emoluments	191	189	3
Aggregate dividends	17,270	17,230	40
Aggregate share buybacks	12,112	4,758	7,354

ANNUAL PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The following table sets out the annual percentage change in Directors' remuneration for the past year.

Year ended 31 March 2021	Fees %	Taxable expenses %
John Rennocks	0.0	n/a
Garth Milne	0.0	n/a
Susan Hansen	0.0	(2.9)
Anthony Muh	0.0	(2.9)
Eric Stobart	0.0	n/a

DIRECTORS' BENEFICIAL SHARE INTERESTS (AUDITED)

The Directors' shareholdings (all beneficial) are set out below:

As at 31 March	18 June 2021	31 March 2021	31 March 2020
John Rennocks [1]	183,390	183,390	145,752
Garth Milne	817,942	814,559	798,900
Susan Hansen	127,569	123,340	103,742
Anthony Muh	219,870	215,641	188,801
Eric Stobart [2]	33,500	30,250	15,000

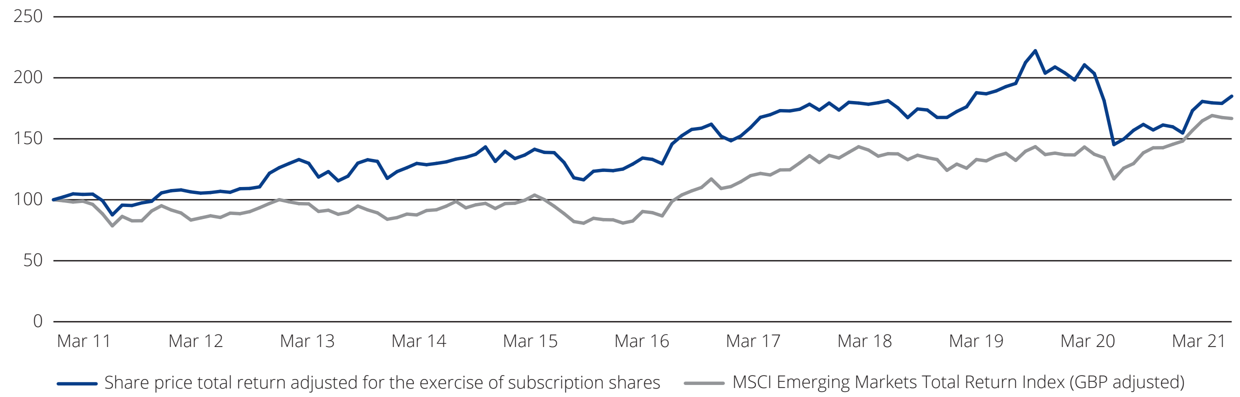
(1) Including 2,645 shares held by Mrs Rennocks
(2) Including 4,750 shares held by Mrs Stobart

COMPANY PERFORMANCE

Including the performance of UEM Bermuda, the graph below compares, for the ten years ended 31 March 2021, the share price total return (assuming all dividends are reinvested and adjusted for the exercise of warrants and subscription shares) to shareholders with the MSCI.

TOTAL RETURN COMPARATIVE PERFORMANCE

from 31 March 2011 to 31 March 2021



Rebased to 100 as at 31 March 2011

Source: ICM and Bloomberg

On behalf of the Board
Garth Milne
Chairman of the Remuneration Committee

18 June 2021

AUDIT & RISK COMMITTEE REPORT

ERIC STOBART, FCA
Chairman of the Audit & Risk Committee

As Chairman of the Audit & Risk Committee, I am pleased to present the Committee's report to shareholders for the year ended 31 March 2021.

ROLE AND RESPONSIBILITIES

UEM has established a separately chaired Audit & Risk Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee also reviews the external Auditors' report on the annual financial statements and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards.

The Audit & Risk Committee meets at least three times a year. Two of the planned meetings are held prior to the Board meetings to approve the half yearly and annual results. Representatives of the Investment Managers attend all meetings.

COMPOSITION

During the year ended 31 March 2021, the Audit & Risk Committee consisted of all the independent Directors of the Company. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit & Risk Committee together with experience of the investment trust sector.

In light of the Chairman of the Board's relevant financial experience, his continued independence and his valued contributions in Committee meetings, the Audit & Risk Committee considers it appropriate that he is a member.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year the principal activities of the Audit & Risk Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report;
- management of the relationship with the external auditor, including its appointment and the evaluation of scope, execution, cost effectiveness, independence and objectivity;
- reviewing and approving the external auditors' plan for the financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external auditor and the terms of its engagement;
- evaluation of reports received from the external auditor with respect to the annual financial statements and its review of the half-yearly report;
- reviewing the efficacy of the external audit process and making a recommendation to the Board with respect to the reappointment of the external auditors;
- evaluation of the effectiveness of the internal control and risk management systems including reports received on the operational controls of the Company's service providers and reports from the Company's depositary;
- reviewing the appropriateness of the Company's accounting policies; and
- monitoring developments in accounting and reporting requirements that impact on the Company's compliance with relevant statutory and listing requirements.

AUDITOR AND AUDIT TENURE

KPMG LLP has been the auditor of the Company since 2018 and prior to that, auditor of UEM Bermuda since 2012. Listed companies are required to tender the external audit at least every ten years and change auditor at least every twenty years. The Company will be required to tender the external audit no later than for the year ending 31 March 2028. The audit partner has rotated regularly. Mr John Waterson was appointed the lead audit partner last year. The Audit & Risk Committee has considered the independence of the auditor and the objectivity of the audit process and is satisfied that KPMG has fulfilled its obligations to shareholders as independent auditor to the Company.

It is the Company's policy not to seek substantial non-audit services from its auditor, unless they relate to a review of the half-yearly report as the Board considers the auditor is best placed to provide this work. If the provision of significant non-audit services were to be considered, the Committee would procure such services from an accountancy firm other than the auditor. Non-audit fees paid to KPMG amounted to £nil for the year ended 31 March 2021 (2020: £5,000 and related to the review of the half-yearly accounts).

The partner and manager of the audit team at KPMG presented their audit plan to the Audit & Risk Committee in advance of the financial year end. Items of audit focus were discussed, agreed and given particular attention during the audit process. KPMG reported to the Audit & Risk Committee on these items, their independence and other matters. This report was considered by the Audit & Risk Committee and discussed with KPMG and the Investment Managers prior to approval of the annual financial report.

Members of the Audit & Risk Committee meet *in camera* with the external auditor at least annually.

ACCOUNTING MATTERS AND SIGNIFICANT AREAS

For the year ended 31 March 2021 the accounting matters that were subject to specific consideration by the Audit & Risk Committee were as follows:

SIGNIFICANT AREA	HOW ADDRESSED
Value of the level 1 investments	Actively traded level 1 investments are valued using stock exchange prices provided by third party pricing vendors. The Audit & Risk Committee regularly reviews the portfolio. The Audit & Risk Committee reviews the annual internal control reports produced by the Investment Managers and Administrator which detail the systems, processes and controls around the daily pricing of the securities.
Value of the level 3 investments	Investments that are classified as level 3 are valued using a variety of techniques to determine a fair value, as set out in note 1(c) to the accounts, and all such valuations are carefully reviewed by the Audit & Risk Committee with the Investment Managers. The Audit & Risk Committee receives detailed information on all level 3 investments and it discusses and challenges the valuations with the Investment Managers. It considers market comparables and discusses any proposed revaluations with the Investment Managers.

The Audit & Risk Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements.

As a result, and following a thorough review process, the Audit & Risk Committee advised the Board it is satisfied that, taken as a whole, the annual financial report for the year to 31 March 2021 is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Audit & Risk Committee has assumed that the reader of the report would have a reasonable level of knowledge of the investment company industry.

EXTERNAL AUDIT, REVIEW OF ITS EFFECTIVENESS AND AUDITOR REAPPOINTMENT

The Audit & Risk Committee advises the Board on the appointment of the external auditor, its remuneration for audit and non-audit work and its cost effectiveness, independence and objectivity.

As part of the review of the effectiveness of the audit process, a formal evaluation process incorporating views from the members of the Audit & Risk Committee and relevant personnel at the Investment Managers is followed and feedback is provided to KPMG. Areas covered by this review include:

- the calibre of the audit firm, including reputation and industry presence;
- the extent of quality controls including review processes, second director oversight and annual reports from its regulator;
- the performance of the audit team, including skills of individuals, specialist knowledge, partner involvement, team member continuity and quality and timeliness of audit planning and execution;
- audit communication including planning, relevant accounting and regulatory developments, approach to significant accounting risks, communication of audit results and recommendations on corporate reporting;
- ethical standards including independence and integrity of the audit team, lines of communication to the Audit & Risk Committee and partner rotation; and
- reasonableness of the audit fees.

For the year ended 31 March 2021, the Audit & Risk Committee is satisfied that the audit process was effective.

Resolutions proposing the reappointment of KPMG as the Company's auditor and authorising the Directors to determine its remuneration will be put to the shareholders at the forthcoming AGM.

INTERNAL CONTROLS AND RISK MANAGEMENT

UEM's risk assessment focus and the way in which significant risks are managed is a key area of focus for the Audit & Risk Committee. Work here was driven by the Audit & Risk Committee's assessment of the risks arising in the Company's operations and identification of the controls exercised by the Board and its delegates, the Investment Managers, the Administrator and other service providers. These are recorded in risk matrices produced by ICMIM, as the Company's AIFM with responsibility for risk management, which continue to serve as an effective tool to highlight and monitor the principal risks, details of which are provided in the Strategic Report on pages 32 to 40. It also received and considered, together with representatives of the Investment Managers, reports in relation to the operational controls of the Investment Managers, Administrator and Custodian. These reviews identified no issues of significance.

WHISTLEBLOWING POLICY

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Investment Managers under which their staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

INTERNAL AUDIT

Due to the nature of the Company, being an externally managed investment company with no executive employees, the Company does not have its own internal audit function. The Committee and the Board have concluded that there is no current need for such a function, based on the satisfactory operation of controls within the Company's service providers.

Eric Stobart
Chairman of the Audit & Risk Committee

18 June 2021

DIRECTORS' STATEMENT OF RESPONSIBILITIES in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they are required to prepare the financial statements in accordance with International Financial Reporting Standards in conformity with the requirement of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRS in conformity with the requirement of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, which is maintained by the Company's Investment Managers. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approved by the Board on 18 June 2021 and signed on its behalf by:

John Rennocks
Chairman

Independent auditor's report

to the members of Utilico Emerging Markets Trust plc

1. Our opinion is unmodified

We have audited the financial statements of Utilico Emerging Markets Trust plc ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 March 2021 and of its return for the year then ended;
- have been properly prepared in accordance with International accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor by the Directors on 7 February 2018. The period of total uninterrupted engagement is for the three financial years ended 31 March 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: financial statements as a whole		£5.6m (2020:£4.2m) 1% (2020: 0.9%) of total assets
Key audit matters		**vs 2020**
Recurring risks	Valuation of Level 3 investments	◄►
	Carrying amount of non – derivative level 1 investments	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2020), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of Level 3 investments (£20.9 million; 2020: £13.9 million) Refer to page 59 (Audit and Risk Committee Report), page 72 (accounting policy) and page 78 (financial disclosures).	**Subjective Valuation** 3.7% (2020: 3.0%) of the company's total assets (by value) is held in investments where no quoted market price is available. Level 3 investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as prices of recent orderly transactions, revenue multiples and valuing fund interests. There is a significant risk over the judgements and estimates inherent in the valuation and therefore this is one of the key areas that our audit has focused on. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of Level 3 investments has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: — **Historical comparisons:** We assessed investment realisations in the period (including within relevant underlying investee company portfolio), comparing actual sales proceeds to prior year end valuations to understand the reasons for significant variances and determine whether they are indicative of bias or error in the company's approach to valuations; — **Methodology choice:** In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we challenged the appropriateness of the valuation basis selected; — **Our valuations experience:** We challenged the investment manager on key judgements affecting investee company valuations, such as discount factors and the choice of benchmark for revenue multiples. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of revenue based on the plans of the investee companies and whether these are achievable and we obtained an understanding of existing and prospective investee company cash flows to understand whether borrowings can be serviced or whether refinancing may be required. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report; — **Comparing valuations:** Where a recent transaction has been used to value a holding, we obtained an understanding of the circumstances surrounding the transaction and vouched the price to supporting documentation. We also assessed whether subsequent changes or events such as market or entity specific factors would imply a change in value. For the valuation of fund interests, we obtained and agreed the latest reported net asset values from the fund managers; and — **Assessing transparency:** Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of Level 3 investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions. **Our results:** We found the Company's valuation of Level 3 investments to be acceptable (2020: acceptable).

2. Key audit matters: including our assessment of risks of material misstatement (continued)

	The risk	Our response
Carrying amount of non-derivative Level 1 investments (£534.7m; 2020: £394.6m) Refer to page 59 (Audit and Risk Committee Report), page 72 (accounting policy) and page 78 (financial disclosures).	**Low risk, high value** The Company's portfolio of non-derivative Level 1 investments makes up 94.0% (2020: 84.8%) of the Company's total assets by value and is considered to be one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance us such that detailed testing is determined to be the most effective manner of obtaining audit evidence. Our procedure included — **Tests of detail:** Agreed the valuation of 100% of non-derivative Level 1 investments in the portfolio to externally quoted prices; and — **Enquiry of custodians:** All investments in non-derivative level 1 investments were agreed to independently received third party confirmations from investment custodians or we performed alternate procedures on unconfirmed balances. **Our results:** We found the carrying amount of non-derivative Level 1 investments to be acceptable (2020: acceptable).

3. Our application of materiality and an overview of the scope of our audit

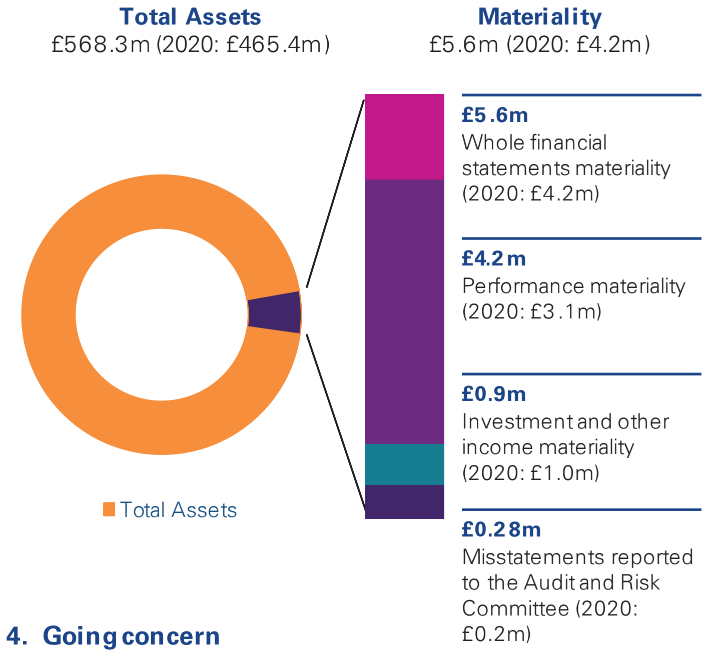
Materiality for the financial statements as a whole was set at £5.6m (2020: £4.2m), determined with reference to a benchmark of total assets, of which it represents 1% (2020: 0.9%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £4.2m (2020: £3.1m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £0.9m (2020: £1.0m) and performance materiality of £0.6m (2020: £0.7m) to investment and other income, for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the Company's members' assessment of the financial performance of the Company.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.28m (2020: £0.2m) or £0.09m in relation to investment and other income (2020: £0.09m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.



4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

4. Going concern (continued)

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and its ability to operate over this period were:

- — The impact of a significant reduction in the valuation of investments and the implications for the Company's debt covenants;
- — The liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due;
- — The operational resilience of key service organisations; and
- — The forthcoming continuation vote at the AGM of the Company.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's liquid investment position (and the results of their reverse stress testing).

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- — We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- — We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;
- — We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- — The related statement under the Listing Rules set out on page 45 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- — Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- — Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- — Reading Board and Audit and Risk Committee minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

— we have not identified material misstatements in the Strategic Report and the Directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the Viability Statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

— the Directors' confirmation within the Strategic Report pages 35 and 36 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks and Risk Mitigation disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

— the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 37 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

6. We have nothing to report on the other information in the Annual Report (Continued)

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

— the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;

— the section of the annual report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and

— the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

— the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

— certain disclosures of Directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 61, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Waterson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court,

20 Castle Terrace

Edinburgh

EH1 2EG

18 June 2021

STATEMENT OF COMPREHENSIVE INCOME

Notes		Revenue return £'000s (for the year to 31 March 2021)	Capital return £'000s (for the year to 31 March 2021)	Total return £'000s (for the year to 31 March 2021)	Revenue return £'000s (for the year to 31 March 2020)	Capital return £'000s (for the year to 31 March 2020)	Total return £'000s (for the year to 31 March 2020)
10	Gains/(losses) on investments	–	114,303	114,303	–	(149,719)	(149,719)
20	(Losses)/gains on derivative instruments	–	(4,489)	(4,489)	–	1,521	1,521
20	Foreign exchange gains/(losses)	–	2,247	2,247	–	(1,908)	(1,908)
3	Investment and other income	22,773	–	22,773	23,991	–	23,991
	Total income/(loss)	22,773	112,061	134,834	23,991	(150,106)	(126,115)
4	Management and administration fees	(1,284)	(7,424)	(8,708)	(1,656)	(2,959)	(4,615)
5	Other expenses	(1,425)	–	(1,425)	(1,787)	–	(1,787)
	Profit/(loss) before finance costs and taxation	20,064	104,637	124,701	20,548	(153,065)	(132,517)
6	Finance costs	(261)	(609)	(870)	(363)	(847)	(1,210)
	Profit/(loss) before taxation	19,803	104,028	123,831	20,185	(153,912)	(133,727)
7	Taxation	(1,578)	(1,585)	(3,163)	(2,179)	(2,134)	(4,313)
	Profit/(loss) for the year	18,225	102,443	120,668	18,006	(156,046)	(138,040)
8	**Earnings per share (basic) – pence**	8.13	45.73	53.86	7.88	(68.29)	(60.41)

All items in the above statement derive from continuing operations.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The Company does not have any income or expense that is not included in the profit/(loss) for the period and therefore the profit/(loss) for the period is also the total comprehensive income for the period, as defined in International Accounting Standard 1 (revised).

All income is attributable to the equity holders of the Company.

The notes on pages 72 to 89 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year to 31 March 2021

Notes		Ordinary share capital £'000s	Merger reserves £'000s	Capital redemption reserve £'000s	Retained earnings: Special reserve £'000s	Retained earnings: Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 31 March 2020	2,278	76,706	67	485,746	(156,311)	5,857	414,343
16,18, 19	Shares purchased by the Company and cancelled	(65)	–	65	(12,112)	–	–	(12,112)
20,21	Profit for the year	–	–	–	–	102,443	18,225	120,668
9	Dividends paid in the year	–	–	–	–	–	(17,203)	(17,203)
	Balance as at 31 March 2021	2,213	76,706	132	473,634	(53,868)	6,879	505,696

for the year to 31 March 2020

Notes		Ordinary share capital £'000s	Merger reserves £'000s	Capital redemption reserve £'000s	Retained earnings: Special reserve £'000s	Retained earnings: Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 31 March 2019	2,298	76,706	47	490,504	(265)	4,865	574,155
16,18, 19	Shares purchased by the Company and cancelled	(20)	–	20	(4,758)	–	–	(4,758)
20,21	(Loss)/profit for the year	–	–	–	–	(156,046)	18,006	(138,040)
9	Dividends paid in the year	–	–	–	–	–	(17,014)	(17,014)
	Balance as at 31 March 2020	2,278	76,706	67	485,746	(156,311)	5,857	414,343

The notes on pages 72 to 89 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Notes	as at 31 March	2021 £'000s	2020 £'000s
	Non-current assets		
10	Investments	**565,751**	418,743
11	**Current assets**		
	Other receivables	**1,610**	4,739
	Derivative financial instruments	**–**	1,344
	Cash and cash equivalents	**1,027**	40,620
		2,637	46,703
12	**Current liabilities**		
	Other payables	**(10,795)**	(3,746)
	Derivative financial instruments	**–**	(278)
		(10,795)	(4,024)
	Net current (liabilities)/assets	**(8,158)**	42,679
	Total assets less current liabilities	**557,593**	461,422
	Non-current liabilities		
13	Bank loans	**(50,373)**	(47,079)
14	Provision for capital gains tax	**(1,524)**	–
	Net assets	**505,696**	414,343
	Equity attributable to equity holders		
16	Ordinary share capital	**2,213**	2,278
17	Merger reserve	**76,706**	76,706
18	Capital redemption reserve	**132**	67
19	Special Reserve	**473,634**	485,746
20	Capital reserves	**(53,868)**	(156,311)
21	Revenue reserve	**6,879**	5,857
	Total attributable to equity holders	**505,696**	414,343
22	**Net asset value per share**		
	Basic – pence	**228.54**	181.84

The notes on pages 72 to 89 form part of these financial statements.

Approved by the Board on 18 June 2021 and signed on its behalf by

John Rennocks
Chairman

Utilico Emerging Markets Trust plc
Registered in England, No 11102129

STATEMENT OF CASH FLOWS

Year to 31 March	2021 £'000s	2020 £'000s
Operating activities		
Profit/(loss) before taxation	**123,831**	(133,727)
Deduct investment income – dividends	**(21,670)**	(23,079)
Deduct investment income – interest	**(1,096)**	(887)
Deduct bank Interest received	**(7)**	(25)
Add back interest charged	**870**	1,210
Add back (gains)/losses on investments	**(114,303)**	149,719
Deduct losses/(gains) on derivative instruments	**4,489**	(1,521)
Add back foreign exchange (gains)/losses	**(2,247)**	1,908
Decrease in other receivables	**5**	85
Increase/(decrease) in other payables	**5,087**	(176)
Net cash outflow from operating activities before dividends and interest	**(5,041)**	(6,493)
Interest paid	**(852)**	(1,196)
Dividends received	**20,919**	21,848
Bank interest received	**7**	25
Investment income – interest	**–**	1,572
Taxation paid	**(1,700)**	(4,325)
Net cash inflow from operating activities	**13,333**	11,431
Investing activities		
Purchase of investments	**(172,491)**	(272,580)
Sales of investments	**143,671**	272,928
Purchase of derivatives	**(4,152)**	(2,449)
Sales of derivatives	**733**	2,858
Net cash (outflow)/inflow from investing activities	**(32,239)**	757
Financing activities		
Repurchase of shares for cancellation	**(12,112)**	(4,758)
Dividends paid	**(17,203)**	(17,014)
Drawdown of bank loans	**49,463**	64,676
Repayment of bank loans	**(42,536)**	(26,033)
Net cash (outflow)/inflow from financing activities	**(22,388)**	16,871
(Decrease)/increase in cash and cash equivalents	**(41,294)**	29,059
Cash and cash equivalents at the start of the year	**39,500**	11,668
Effect of movement in foreign exchange	**(1,390)**	(1,227)
Cash and cash equivalents as at the end of the year	**(3,184)**	39,500
Comprised of:		
Cash	**1,027**	40,620
Bank overdraft	**(4,211)**	(1,120)
Total	**(3,184)**	39,500

The notes on pages 72 to 89 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The Company is an investment company incorporated in the United Kingdom with a premium listing on the London Stock Exchange.

(a) Basis of accounting

The accounts have been prepared on a going concern basis (see note 25) in accordance with IFRS, which comprise standards and interpretations approved by the IASB and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect and to the extent that they are in conformity with the requirement of the Companies Act 2006.

The accounts have been prepared on a historical cost basis, except for the measurement at fair value of investments and derivative financial instruments.

The Board has determined by having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, that Sterling is the functional and reporting currency.

Where presentational recommendations set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP"), issued in the UK by the AIC in October 2019, do not conflict with the requirements of IFRS, the Directors have prepared the accounts on a basis consistent with the recommendations of the SORP.

In accordance with the SORP, the Statement of Comprehensive Income has been analysed between a revenue return (dealing with items of a revenue nature) and a capital return (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income, operating expenses, finance costs and taxation (insofar as they are not allocated to capital, as described in notes 1(h), 1(i), 1(k) and 1(l) below). Net revenue returns are allocated via the revenue return to the Revenue Reserve. Capital returns include, but are not limited to, profits and losses on the disposal and the valuation of non-current investments, derivative instruments and on cash and borrowings, operating costs and finance costs (insofar as they are not allocated to revenue as described in notes 1(i) and 1(k) below). Net capital returns are allocated via the capital return to Capital Reserves.

Dividends on shares may be paid out of Special Reserve, Capital Reserves and Revenue Reserve.

A number of new standards and amendments to standards and interpretations, which have not been applied in preparing these accounts, were in issue but not effective. None of these are expected to have a material effect on the accounts of the Company.

(b) Financial instruments

Financial Instruments include fixed asset investments, derivative assets and liabilities and long-term debt instruments. Accounting Standards recognise a hierarchy of fair value measurements for Financial Instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of Instruments depends on the lowest significant applicable input.

(c) Valuation of investments and derivative instruments

Investment purchases and sales are accounted for on the trade date, inclusive of transaction costs. Investments, including both equity and loans, used for efficient portfolio management are classified as being at fair value through profit or loss. As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments (including those ordinarily classified as subsidiaries under IFRS 10 but exempted by that financial reporting standard from requirement to be consolidated) are designated as being at fair value through profit or loss on initial recognition. Derivatives comprising forward foreign exchange contracts, options and credit default swaps are accounted for as a financial asset/liability at fair value through profit or loss. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy and information about the Company is provided internally on this basis to the Company's Directors and key management personnel. Gains and losses on investments and on derivatives are analysed within the Statement of Comprehensive Income as capital return. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board in accordance with IFRS and International Private Equity and Venture Capital Valuation Guidelines in exercising its judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, net asset values, earnings multiples, recently orderly transactions in similar securties, time to expected repayment and other relevant factors.

(d) Subsidiary undertakings

Subsidiary undertakings of the Company, which are held as part of the investment portfolio (see note 1(c) above), are accounted for as investments at fair value through profit and loss.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of three months or less. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

(f) Debt instruments

The Company's debt instruments can include short-term and long-term bank borrowings and overdrafts, initially measured at fair value and subsequently measured at amortised cost using the effective interest method. No debt instruments held during the year required hierarchical classification.

(g) Foreign currency

Foreign currency assets and liabilities are expressed in Sterling at rates of exchange ruling at the Statement of Financial Position date. Foreign currency transactions are translated at the rates of exchange ruling at the dates of those transactions. Exchange profits and losses on currency balances are credited or charged to the Statement of Comprehensive Income and analysed as capital or revenue as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates.

(h) Investment and other income

Dividends receivable are shown gross of withholding tax and are analysed as revenue return within the Statement of Comprehensive Income (except where, in the opinion of the Directors, their nature indicates they should be recognised as capital return) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is allocated as revenue in the Statement of Comprehensive Income. Any excess in the value of the shares received over the amount of the cash dividend foregone is allocated as capital in the Statement of Comprehensive Income. Interest on debt securities is accrued on a time basis using the effective interest rate method. Bank and short-term deposit interest is recognised on an accruals basis.

(i) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Statement of Comprehensive Income and analysed under revenue return except as stated below:

- the management fees, company secretarial fees and research fees payable to ICM and ICMIM are allocated 70% to capital return and 30% to revenue return.
- expenses incidental to the acquisition or disposal of Investments are allocated to capital return.
- performance related management fees (calculated under the terms of the Investment Management Agreement) are allocated to capital return.

(j) Directors' fees

Directors' fees are charged quarterly through the revenue column of the Statement of Comprehensive Income. The net fee entitlement after any applicable tax deductions of each Director is used to purchase shares of the Company in the market by each Director as soon as possible after each quarter end.

(k) Finance costs

Finance costs are accounted for using the effective interest method, recognised through the Statement of Comprehensive Income.

Finance costs are allocated 70% to capital return and 30% to revenue return.

(l) Taxation

Taxation currently payable is calculated using tax rules and rates in force at the year end, based on taxable profit for the year, which differs from the net return before tax. Note 7(b) sets out those items which are not subject to UK Corporation Tax.

Deferred tax is provided on an undiscounted basis on all timing differences that have originated but not reversed by the Statement of Financial Position date, based on the tax rates that have been enacted at the Statement of Financial Position date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

(m) Dividends payable

Dividends paid by the Company are accounted for in the period in which the Company is liable to pay them and are reflected in the Statement of Changes in Equity.

(n) Merger reserve

The surplus of the net assets of UEM Bermuda received from the issue of new ordinary shares over the nominal value of such shares is credited to this account which is non-distributable. The nominal value of the shares issued is recognised in called up share capital.

(o) Capital reserves

Capital reserves are distributable reserves to the extent gains arising from investments held are from liquid holdings. The following items are accounted for through the Statement of Comprehensive Income as capital returns and transferred to capital reserves:

Capital reserve – arising on investments sold

– gains and losses on disposal of investments and derivative instruments

– exchange differences of a capital nature

– expenses allocated in accordance with notes 1(i) and 1(k)

Capital reserve – arising on investments held

– increases and decreases in the valuation of investments and derivative instruments held at the year end.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The presentation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: accounting for the value of unquoted investments.

The policy for valuation of unquoted securities is set out in note 1(c) to the accounts and further information on Board procedures is contained in the Audit & Risk Committee Report and note 26(d) to the accounts. The fair value of unquoted (level 3) investments, as disclosed in note 27 to the accounts, represented 3.9% of total investments as at 31 March 2021 (3.3% of total investments as at 31 March 2020).

3. INVESTMENT AND OTHER INCOME

Year to 31 March			2021			2020
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Investment income						
Dividends*	**21,670**	**–**	**21,670**	23,079	–	23,079
Interest	**1,096**	**–**	**1,096**	887	–	887
Total investment income	**22,766**	**–**	**22,766**	23,966	–	23,966
Other income						
Bank interest	**7**	**–**	**7**	25	–	25
Total income	**22,773**	**–**	**22,773**	23,991	–	23,991

*Includes scrip dividends of £1,109,000 (2020: £357,000)

4. MANAGEMENT AND ADMINISTRATION FEES

Year to 31 March			2021			2020
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Payable to: ICM/ICMIM						
– management, secretarial and research fees	**1,005**	**2,345**	**3,350**	1,268	2,959	4,227
– performance fee	**–**	**5,079**	**5,079**	–	–	–
Administration fees	**279**	**–**	**279**	388	–	388
	1,284	**7,424**	**8,708**	1,656	2,959	4,615

The Company has appointed ICMIM as its Alternative Investment Fund Manager and joint portfolio manager with ICM, for which they are entitled to a management fee and a performance fee. The aggregate fees payable by the Company are apportioned between the Investment Managers as agreed by them.

The relationship between ICMIM and ICM is compliant with the requirements of the Alternative Investment Fund Managers Directive and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority.

The annual management fee up to 31 March 2021 was 0.65% per annum of net assets, payable quarterly in arrears. The management fee is allocated 70% to capital return and 30% to revenue return. The Investment Management Agreement may be terminated upon six months' notice.

In addition, up to 31 March 2021, the Investment Managers were entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount of any outperformance in that period by equity funds attributable to shareholders of the higher of (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2%; and (ii) 8%. The maximum amount of a performance fee payable in respect of any financial year is 1.85% of the average net assets of the Company and any performance fee in excess of this cap is written off. The NAV must also exceed the high watermark established when the performance fee was last paid (31 March 2017), adjusted for capital events and dividends paid since that date. The high watermark was 222.13p per share as at 31 March 2020.

Half of the performance fee is payable in cash and half in shares of the Company ("Performance Shares"), based on the NAV per share as at the year end. The Investment Managers will purchase the Performance Shares in the market at a price equal to or below the NAV per share at the time of purchase. If the Investment Managers are unable to purchase some or all of the Performance Shares in the market at or below the NAV per share, the Company will issue to the Investment Managers shares at NAV equivalent to any shortfall. The full performance fee is payable to the Investment Managers as soon as practicable following the year end date in order to reduce the risk to the Company of material movements in the price of shares between the year end date and the date of payment. Any subsequent adjustment to the fee arising out of the audit process is paid to or recouped from the Investment Managers in cash within seven days of the publication of the annual report and accounts.

On 1 April 2021, the performance fee due to ICM in respect of the year ended 31 March 2021 was estimated to be £5,079,000 (2020: £nil). ICM and ICMIM received £2,540,000 of this fee in cash on 8 April 2021. The remaining balance of £2,539,000 was settled through the purchase, based on the estimated NAV of the Company as at 31 March 2021, of 1,111,193 ordinary shares of the Company in the market. The cost of those shares to the Company was £2,283,000. The full audited performance fee is £5,079,000.

With effect from 1 April 2021 the fees payable under the Investment Management Agreement with ICM have been amended. The performance fee will be discontinued and the investment management fee payable to the Joint Portfolio Managers will be amended from 0.65% per annum of the Company's net asset value ("NAV") to a tiered structure as follows: 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.

ICMIM also provides company secretarial services to the Company, with the Company paying 45% of the costs associated with this office and recharges research fees to the Company based on a budget of £0.3m per annum, paid quarterly in arrears. These charges are allocated 70% to capital return and 30% to revenue return.

JPMorgan Chase Bank N.A. – London Branch has been appointed Administrator and ICMIM has appointed Waverton to provide certain support services (including middle office, market dealing and information technology support services).

5. OTHER EXPENSES

Year to 31 March			2021			2020
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Auditor's remuneration:						
for audit services [1]	84	–	84	51	–	51
for other services [2]	–	–	–	5	–	5
Broker and consultancy fees	129	–	129	138	–	138
Custody fees	571	–	571	688	–	688
Depositary fees	119	–	119	163	–	163
Directors' fees for services to the Company						
(see Directors' Remuneration Report on pages 55 to 57)	191	–	191	189	–	189
Travel expenses	11	–	11	237	–	237
Professional fees	82	–	82	59	–	59
Sundry expenses	238	–	238	257	–	257
	1,425	–	1,425	1,787	–	1,787

All expenses are stated gross of irrecoverable VAT, where applicable.
(1) Total auditor's remuneration for audit services, exclusive of VAT, amounted to £80,000, £70,000 for the year to 31 March 2021 and £10,000 for additional audit costs for the year to 31 March 2020 (2020: £50,000).
(2) Total auditor's remuneration for other services amounts to £nil (2020: £5,000, excluding VAT, for reviewing the interim accounts).

6. FINANCE COSTS

Year to 31 March			2021			2020
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
On loans and bank overdrafts	261	609	870	363	847	1,210

7. TAXATION

(a) Analysis of charge in the year :

Year to 31 March			2021			2020
Tax on ordinary activities	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
UK corporation tax at 19.00% (2020: 19.00%)	–	–	–	55	–	55
Overseas tax suffered	1,578	–	1,578	2,124	–	2,124
Capital gains tax	–	61	61	–	2,134	2,134
Total current tax charge for the year	1,578	61	1,639	2,179	2,134	4,313
Deferred tax (see note 14)	–	1,524	1,524	–	–	–
Total tax charge for the year	1,578	1,585	3,163	2,179	2,134	4,313

The Company is liable to Indian capital gains tax (2020: Brazilian and Indian capital gains tax) and the deferred tax in the capital account is in respect of capital gains tax on Indian investment holding gains that will be taxed in future years on realisations of the investments.

(b) Factors affecting current tax charge for the year

The tax assessed for the year can be reconciled to the profit/(loss) per the Statement of Comprehensive Income as follows:

Year to 31 March			2021			2020
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Net profit/(loss) before taxation	19,803	104,028	123,831	20,185	(153,912)	(133,727)
Corporation tax at 19.00%	3,762	19,765	23,527	3,835	(29,243)	(25,408)
Effects of:						
Non taxable dividend income	(3,620)	–	(3,620)	(4,244)	–	(4,244)
Non taxable capital returns	–	(21,291)	(21,291)	–	28,520	28,520
Overseas tax suffered	1,578	–	1,578	2,124	–	2,124
Excess expenses not utilised in the year	1,408	–	1,408	1,184	–	1,184
Tax attributable to expenses and finance costs charged to capital	(1,526)	1,526	–	(723)	723	–
Double taxation relief	(24)	–	(24)	(52)	–	(52)
Capital gains tax	–	1,585	1,585	–	2,134	2,134
UK corporation tax suffered from subsidiary income	–	–	–	55	–	55
Total tax charge for the year	1,578	1,585	3,163	2,179	2,134	4,313

At 31 March 2021 the Company has tax losses with a tax value of £3,100,000 (2020: £1,940,000) based on the enacted tax rates of 19% in respect of which a deferred tax asset has not been recognised. The unrecognised deferred tax asset would have been £4,079,000 had the projected increase in the UK corporation tax rate to 25% from 1 April 2023 been enacted as at 31 March 2021 (substantive enactment did not occur until 24 May 2021). The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these losses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

8. EARNINGS PER SHARE

Year to 31 March	2021 £'000s	2020 £'000s
Revenue return	18,225	18,006
Capital profit/(loss)	102,443	(156,046)
Total return	120,668	(138,040)
	Number	Number
Weighted average number of shares in issue during the year	224,028,801	228,510,092
	Pence	Pence
Revenue return per share	8.13	7.88
Capital profit/(loss) per share	45.73	(68.29)
Total profit/(loss) per share	53.86	(60.41)

9. DIVIDENDS

Year to 31 March	Record date	Payment date	2021 £'000s	2020 £'000s
2019 Fourth quarterly dividend of 1.80p per share	07-Jun-19	28-Jun-19	–	4,132
2020 First quarterly dividend of 1.80p per share	06-Sep-19	27-Sep-19	–	4,105
2020 Second quarterly dividend of 1.925p per share	29-Nov-19	20-Dec-19	–	4,390
2020 Third quarterly dividend of 1.925p per share	06-Mar-20	27-Mar-20	–	4,387
2020 Fourth quarterly dividend of 1.925p per share	05-Jun-20	19-Jun-20	4,348	–
2021 First quarterly dividend of 1.925p per share	04-Sep-20	18-Sep-20	4,308	–
2021 Second quarterly dividend of 1.925p per share	03-Dec-20	18-Dec-20	4,283	–
2021 Third quarterly dividend of 1.925p per share	05-Mar-21	24-Mar-21	4,264	–
			17,203	17,014

The Directors have declared a fourth quarterly dividend in respect of the year ended 31 March 2021 of 2.000p per share payable on 23 June 2021 to shareholders on the register at close of business on 4 June 2021. The total cost of the dividend, which has not been accrued in the results for the year to 31 March 2021, is £4,415,000 based on 220,773,519 shares in issue at the record date.

10. INVESTMENTS

Year to 31 March	2021 £'000s	2020 £'000s
Cost of investments brought forward	534,962	518,012
Net unrealised gains brought forward	(116,219)	51,122
Valuation brought forward	418,743	569,134
Purchases at cost	174,694	270,095
Sales proceeds	(142,057)	(270,816)
(Losses)/profits on investments	114,371	(149,670)
Valuation as at 31 March	565,751	418,743
Analysed as at 31 March		
Cost of investments	576,074	534,962
Net unrealised losses on investments	(10,323)	(116,219)
Valuation	565,751	418,743

The Company received £142,057,000 (2020: £270,816,000) from investments sold in the year. The book cost of these investments when they were purchased was £133,582,000 (2020: £253,145,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Year to 31 March Gains/(losses) on investments	2021 £'000	2020 £'000
Net gain on investments sold	8,475	17,671
Other capital charges	(68)	(49)
Movement in unrealised gains/(losses)	105,896	(167,341)
Total gains/(losses) on investments	114,303	(149,719)

Subsidiary undertakings

Under IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following are subsidiaries of the Company as at 31 March 2021 and as at 31 March 2020, held as part of the investment portfolio, and are accounted for as investments at fair value through profit and loss.

	Country of registration and incorporation	Number and class of shares held	Holding and voting rights	2021 Fair value £'000s	2020 Fair value £'000s
UEM (HK) Limited (1)	Hong Kong	1,000 ordinary shares	100	–	–
UEM Mauritius Holdings Limited (2)	Bermuda	Loan	100	–	–

(1) Incorporated on 26 January 2017 and commenced trading on 18 July 2017 to carry on business as an investment company (see note 24 for related party transactions).

(2) The terms of the loan agreement with UEM Mauritius Holdings Limited, the parent company of Utilico Emerging Markets (Mauritius), provides that UEM retains effective control of the company since it can only appoint directors with the approval of UEM. Utilico Emerging Markets (Mauritius) is in liquidation and following completion UEM Mauritius Holdings Limited will then be liquidated.

The subsidiary undertakings carry on business as investment companies and are considered to be investment entities.

As at 31 March 2020, the Company also held Global Equity Risk Protection Limited ("GERP") as part of the investment portfolio.

	Country of registration and incorporation	Number and class of shares held	Holding and voting rights	2021 Fair value £'000s	2020 Fair value £'000s
GERP (3)	Bermuda	3,920 Class B shares linked to a segregated account in GERP	100	n/a	–

(3) A Bermuda segregated accounts company which was incorporated and commenced trading on 4 May 2006. The segregated account, structured as the Bermuda law equivalent of a protected cell, existed for the sole purpose of carrying out derivative transactions on behalf of the Company. The holding represented 100% of the issued Class B shares and had no voting rights. On 6 May 2020, UEM's segregated account was closed for nil consideration. Since November 2019, the Company has directly traded in the derivative transactions.

Associated undertakings

Under IFRS10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following associated undertakings as at 31 March 2021 and 31 March 2020 are held as part of the investment portfolio and consequently are accounted for as investments at fair value through profit and loss:

	East Balkan Properties plc	Pitch Hero Holdings Limited
Country of incorporation	Isle of Man	United Kingdom
Country of listing	Unlisted	Unlisted
Country of operations	Bulgaria & Romania	United Kingdom
Number of ordinary shares held	6,833	58,951
Percentage of ordinary shares held	23.6%	34.4%

Transactions with associated undertaking were as follows:

East Balkan Properties plc

During the year, East Balkan Properties plc returned capital by way of dividends, UEM received £0.5m.

Pitch Hero Holdings Limited ("Pitch Hero")

Pursuant to a loan agreement dated 1 March 2021 under which UEM has agreed to loan monies to Pitch Hero, UEM advanced to Pitch Hero £150k. As at 31 March 2021, the balance of the loan and interest outstanding was £151k. The loan bears interest at an annual rate of 5.0% with a 12 month payment holiday in the first year and is repayable on 1 March 2024.

Significant interests

In addition to the above, the Company has a holding of 3% or more of any class of share capital of the following undertakings, which are material in the context of the accounts:

	Country of registration and incorporation	Class of shares held	2021 % of class of instruments held	2020 % of class of instruments held
APT Satellite Holdings Limited	Hong Kong	Ordinary shares	**n/a**	3.7
Bolsa De Valores De Colombia	Colombia	Ordinary shares	**7.4**	6.4
Conpet S.A.	Romania	Ordinary shares	**7.3**	7.9
Kinx Inc	South Korea	Ordinary shares	**4.8**	3.0
Ocean Wilsons Holdings Limited	Bermuda	Ordinary shares	**6.1**	5.6
Telelink Business Services Group	Bulgaria	Ordinary shares	**10.0**	–
Umeme Limited	Uganda	Ordinary shares	**8.4**	8.1

11. CURRENT ASSETS

Other receivables	2021 £'000s	2020 £'000s
Accrued income	**1,381**	2,898
Sales for future settlement	**126**	1,794
Overseas tax recoverable	**73**	12
Other debtors	**30**	35
	1,610	4,739

Derivative financial assets	2021 £'000s	2020 £'000s
S&P Options	**–**	1,344

12. CURRENT LIABILITIES

Other payables	2021 £'000s	2020 £'000s
Bank overdraft	**4,211**	1,120
Interest payable	**35**	17
Other creditors and accruals	**6,549**	1,447
Purchases awaiting settlement	**–**	1,162
	10,795	3,746

Derivative financial assets	2021 £'000s	2020 £'000s
S&P Options	**–**	278

13. BANK LOANS – NON-CURRENT LIABILITIES

	2021 £'000s	2020 £'000s
USD 69.5m repayable March 2024	**50,373**	–
USD 58.4m repayable April 2021	**–**	47,079
	50,373	47,079

The Company has an unsecured committed senior multicurrency revolving facility of £50,000,000 with the Bank of Nova Scotia, London Branch which was extended in March 2021 to 15 March 2024 and novated from Scotiabank Europe PLC to the Bank of Nova Scotia, London Branch. Commitment fees are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment, are typical of those normally found in facilities of this nature. The existing loan rolls over on a periodic basis subject to usual conditions including a covenant with which the Company is comfortable it can ensure compliance.

14. PROVISION FOR CAPITAL GAINS TAX

	2021 £'000s	2020 £'000s
Balance brought forward	**-**	-
Increase in provision for Indian tax on capital gains	**1,524**	-
Balance as at 31 March	**1,524**	-

Provision is made for deferred tax in respect of capital gains tax on chargeable investment holding gains in India.

15. OPERATING SEGMENTS

The Directors are of the opinion that the Company is engaged in a single segment of business of investing in equity and debt securities, issued by companies operating and generating revenue in emerging markets and therefore no segmental reporting is provided.

16. ORDINARY SHARE CAPITAL

	2021 Number	2021 £'000	2020 Number	2020 £'000
Issued, called up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	**227,862,470**	**2,278**	229,812,473	2,298
Issue of ordinary shares			–	–
Purchased for cancellation by the Company	**(6,589,096)**	**(65)**	(1,950,003)	(20)
Balance as at 31 March	**221,273,374**	**2,213**	227,862,470	2,278

During the year the Company bought back for cancellation 6,589,096 (2020: 1,950,003) ordinary shares at a total cost of £12,112,000 (2020: £4,758,000). A further 671,258 ordinary shares have been purchased for cancellation at a total cost of £1,426,000 since the year end.

17. MERGER RESERVE

	2021 £'000s	2020 £'000s
Balance brought forward	**76,706**	76,706
Balance as at 31 March	**76,706**	76,706

18. CAPITAL REDEMPTION RESERVE

	2021 £'000s	2020 £'000s
Balance brought forward	**67**	47
Purchased for cancellation by the Company (see note 16)	**65**	20
Balance as at 31 March	**132**	67

19. SPECIAL RESERVE

	2021 £'000s	2020 £'000s
Balance brought forward	**485,746**	490,504
Purchased for cancellation by the Company (see note 16)	**(12,112)**	(4,758)
Balance as at 31 March	**473,634**	485,746

20. CAPITAL RESERVES

	2021			2020		
	Realised £'000s	Investment holding gains £'000s	Total £'000s	Realised £'000s	Investment holding gains £'000s	Total £'000s
Realised gains on investments	**8,475**	**–**	**8,475**	17,671	–	17,671
Unrealised gains/(losses) on investments	**–**	**105,896**	**105,896**	–	(167,341)	(167,341)
Realised (losses)/gains on derivative instruments	**(4,543)**	**–**	**(4,489)**	1,575	–	1,575
Unrealised gains/(losses) on derivative instruments	**–**	**54**	**–**	–	(54)	(54)
Foreign exchange gains/(losses)	**2,247**	**–**	**2,247**	(1,908)	–	(1,908)
Finance costs charged to capital	**(609)**	**–**	**(609)**	(847)	–	(847)
Expenses charged to capital	**(7,424)**	**–**	**(7,424)**	(2,959)	–	(2,959)
Capital gains tax	**(1,585)**	**–**	**(1,585)**	(2,134)	–	(2,134)
Other capital charges	**(68)**	**–**	**(68)**	(49)	–	(49)
	(3,507)	**105,950**	**102,443**	11,349	(167,395)	(156,046)
Balance brought forward	**(40,038)**	**(116,273)**	**(156,311)**	(51,387)	51,122	(265)
Balance as at 31 March	**(43,545)**	**(10,323)**	**(53,868)**	(40,038)	(116,273)	(156,311)

Included within the capital reserve movement for the year is £586,000 (2020: £3,645,000) of dividend receipts recognised as capital in nature, £297,000 (2020: £636,000) of transaction costs on purchases of investments and £192,000 (2020: £373,000) of transaction costs on sales of investments.

21. REVENUE RESERVE

	2021 £'000s	2020 £'000s
Balance brought forward	**5,857**	4,865
Revenue profit for the year	**18,225**	18,006
Dividend paid in the year	**(17,203)**	(17,014)
Balance as at 31 March	**6,879**	5,857

22. NET ASSET VALUE PER SHARE

The NAV per share is based on the net assets attributable to the equity shareholders of £505,696,000 (2020: £414,343,000) and on 221,273,374 (2020: 227,862,470) shares, being the number of shares in issue at the year end.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2021	**Balance as at 31 March 2020 £'000s**	**Transactions in the year £'000s**	**New cashflow payments £'000s**	**Foreign exchange loss £'000s**	**Balance as at 31 March 2021 £'000s**
Bank loans	**47,079**	**–**	**6,927**	**(3,633)**	**50,373**
Repurchase of shares for cancellation	**–**	**12,112**	**(12,112)**	**–**	**–**
Dividends paid	**–**	**17,203**	**(17,203)**	**–**	**–**
	47,079	**29,315**	**(22,388)**	**(3,633)**	**50,373**

2020	Balance as at 31 March 2019 £'000s	Transactions in the year £'000s	New cashflow payments £'000s	Foreign exchange loss £'000s	Balance as at 31 March 2020 £'000s
Bank loans	7,755	–	38,643	681	47,079
Repurchase of shares for cancellation	–	4,758	(4,758)	–	–
Dividends paid	–	17,014	(17,014)	–	–
	7,755	21,772	16,871	681	47,079

24. RELATED PARTY TRANSACTIONS

The following are considered related parties of the Company: the subsidiary undertakings and the associated undertakings of the Company set out under note 10, the Board of UEM, ICM and ICMIM (the Company's joint portfolio managers), ICM Investment Research Limited, ICM Corporate Services (Pty) Ltd, Mr Saville, Mr Jillings (a key management person of ICMIM) and UIL Limited.

During the year the Company made payments to its subsidiary UEM (HK) Limited of £781,000 and capitalised interest of £1,903,000. As at 31 March 2021 the fair value of the loan was £8,723,000 (2020: £6,420,000) and loan interest due to UEM was £64,000 (2020: £1,249,000). There were no transactions with GERP or UEM (Mauritius).

There were no transactions between the associated undertakings and the Company other than transactions in the ordinary course of UEM's business and these are set out in note 10. As detailed in the Directors' Remuneration Report on pages 55 to 57, the Board received aggregate remuneration of £191,000 (2020: £189,447) included within "Other expenses" for services as Directors. As at the year end, £47,750 (2020: £23,800) remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £101,225 (2020: £91,844) during the year under review in respect of their shareholdings in the Company. There were no further transactions with the Board during the year.

There were no transactions with ICM, ICMIM, ICM Investment Research Limited and ICM Corporate Services (Pty) Ltd, subsidiaries of ICM, other than investment management, secretarial costs, research fees and performance fees as set out in note 4, reimbursed expenses included within note 5 of £25,000 (2020: £235,000). As at the year end £5,079,000 (2020: £nil) remained outstanding to ICM and ICMIM in respect of performance fees and £846,000 (2020: £947,000) remained outstanding in respect of management, company secretarial and research fees. Mr Jillings received dividends totalling £39,622 (2020: £45,086) and UIL Limited received dividends totalling £2,085,000 (2020: £2,733,000).

25. GOING CONCERN

Notwithstanding that the Company has reported net current liabilities of £8,158,000 as at 31 March 2021 (31 March 2020: net current assets £42,679,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The Board's going concern assessment has focussed on the forecast liquidity of the Company for at least twelve months from the date of approval of the financial statements. This analysis assumes that the Company would, if necessary, be able to meet some of its short-term obligations through the sale of listed securities, which represented 96% of the Company's total portfolio as at 31 March 2021. As part of this assessment the Board has considered a severe but plausible downside that reflects the impact of Covid-19 and an assessment of the Company's ability to meet its liabilities as they fall due assuming a significant reduction in asset values and accompanying currency volatility.

The Board also considered reverse stress testing to identify the reduction in the valuation of liquid investments that would cause the Company to be unable to meet its net liabilities, being primarily the bank loan. The Board is confident that the reduction in asset values implied by the reverse stress test is not plausible even in the current volatile environment. Consequently, the Directors believe that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

In accordance with the Company's Articles of Association, shareholders have the right to vote at the Annual General Meeting every five years on whether to continue the Company. The next continuation vote will be in September 2021. The Investment Managers and UEM's brokers engage with shareholders on an ongoing basis and the Board, having taken into account recent discussions with many of UEM's major shareholders, the results of previous continuation votes and the ongoing demand for UEM's shares, considers it to be likely that the resolution proposing the continuation of the Company at this year's AGM will be passed.

Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

26. FINANCIAL RISK MANAGEMENT

The Company's investment policy is to provide long-term total return by investing predominantly in the infrastructure, utility and related sectors, mainly in emerging markets. The Company seeks to meet its investment policy by investing principally in a diversified portfolio of both listed and unlisted companies. Derivative instruments may be used for purposes of hedging the underlying portfolio of investments. The Company has the power to take out both short and long-term borrowings. In pursuing the investment policy, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk. The Board of Directors, together with the Investment Managers, is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below. The accounting policies which govern the reported Statement of Financial Position carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 1 to the accounts. The policies are in compliance with IFRS in conformity with the requirements of Companies Act 2006 and best practice and include the valuation of financial assets and liabilities at fair value. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities held in the Company's portfolio and derivative financial instruments fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Company's investment policy and meets regularly to review full, timely and relevant information on investment performance and financial results. ICMIM assesses exposure to market risks when making each investment decision and monitors on-going market risk within the portfolio of investments and derivatives. The Company's other assets and liabilities may be denominated in currencies other than Sterling and may also be exposed to interest rate risks. ICMIM and the Board regularly monitor these risks. The Company does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates. Gearing may be short or long-term, in Sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the Company was exposed during the year are set out below. The exchange rates applying against Sterling as at 31 March, and the average rates during the year, were as follows:

		2021	Average	2020
BRL	Brazilian Real	**7.7856**	**7.0664**	6.4311
HKD	Hong Kong Dollar	**10.7264**	**10.1381**	9.6107
INR	Indian Rupee	**100.8750**	**97.0330**	93.8038
PHP	Philippine Peso	**66.9672**	**64.0465**	63.0639
KRW	South Korea Won	**1561.4754**	**1515.0781**	1509.4531
USD	United States Dollar	**1.3797**	**1.3077**	1.2399

The Company's assets and liabilities as at 31 March (shown at fair value, except derivatives at gross exposure value), by currency based on the country of primary exposure, are shown below:

2021	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**KRW £'000s**	**PHP £'000s**	**USD £'000s**	**Other £'000s**	**Total £'000s**
Current assets	**277**	**–**	**358**	**379**	**469**	**205**	**876**	**2,564**
Creditors	**–**	**–**	**–**	**–**	**–**	**(54,623)**	**–**	**(54,623)**
Foreign currency exposure on net monetary items	**277**	**–**	**358**	**379**	**469**	**(54,418)**	**876**	**(52,059)**
Investments	**91,811**	**88,476**	**76,590**	**36,812**	**34,210**	**22,461**	**172,691**	**523,051**
Total net foreign currency exposure	**92,088**	**88,476**	**76,948**	**37,191**	**34,679**	**(31,957)**	**173,567**	**470,992**
Percentage of net exposures	**19.6%**	**18.8%**	**16.3%**	**7.9%**	**7.4%**	**(6.8%)**	**36.8%**	**100.0%**

2020	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s	Other £'000s	Total £'000s
Current assets	1,254	631	963	686	432	40,358	2,226	46,550
Creditors	–	(529)	–	–	(432)	(47,535)	(40)	(48,536)
Foreign currency exposure on net monetary items	1,254	102	963	686	–	(7,177)	2,186	(1,986)
Investments	109,104	68,941	53,720	26,674	22,407	13,478	98,005	392,329
Total net foreign currency exposure	110,358	69,043	54,683	27,360	22,407	6,301	100,191	390,343
Percentage of net exposures	28.3%	17.7%	14.0%	7.0%	5.7%	1.6%	25.7%	100.0%

Based on the financial assets and liabilities held, and exchange rates applying, at the Statement of Financial Position date, a weakening or strengthening of Sterling against each of these currencies by 10% would have had the following approximate effect on annualised income after tax and on NAV per share:

						2021						2020
Weakening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**KRW £'000s**	**PHP £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**244**	**217**	**431**	**54**	**83**	**6**	169	168	374	276	–	36
Capital return	**10,201**	**9,831**	**8,510**	**4,090**	**3,801**	**2,496**	12,123	7,660	5,969	2,964	2,490	1,616
Total return	**10,445**	**10,048**	**8,941**	**4,144**	**3,884**	**2,502**	12,292	7,828	6,343	3,240	2,490	1,652
NAV per share												
Basic – pence	**4.66**	**4.49**	**3.99**	**1.85**	**1.73**	**1.12**	5.38	3.43	2.78	1.42	1.09	0.72

						2021						2020
Strengthening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**KRW £'000s**	**PHP £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**(244)**	**(217)**	**(431)**	**(54)**	**(83)**	**(6)**	(169)	(168)	(374)	(276)	–	(36)
Capital return	**(10,201)**	**(9,831)**	**(8,510)**	**(4,090)**	**(3,801)**	**(2,496)**	(12,123)	(7,660)	(5,969)	(2,964)	(2,490)	(1,616)
Total return	**(10,445)**	**(10,048)**	**(8,941)**	**(4,144)**	**(3,884)**	**(2,502)**	(12,292)	(7,828)	(6,343)	(3,240)	(2,490)	(1,652)
NAV per share												
Basic – pence	**(4.66)**	**(4.49)**	**(3.99)**	**(1.85)**	**(1.73)**	**(1.12)**	(5.38)	(3.43)	(2.78)	(1.42)	(1.09)	(0.72)

Interest rate exposure

	2021			2020		
	Within one year £'000s	**More than one year £'000s**	**Total £'000s**	Within one year £'000s	More than one year £'000s	Total £'000s
Exposure to floating rates						
Cash	**1,027**	**–**	**1,027**	40,620	–	40,620
Bank overdrafts	**(4,211)**	**–**	**(4,211)**	(1,120)	–	(1,120)
Loans	**–**	**(50,373)**	**(50,373)**	–	(47,079)	(47,079)
	(3,184)	**(50,373)**	**(53,557)**	39,500	(47,079)	(7,579)

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company arising out of the investment and risk management processes. Interest received on cash balances or paid on overdrafts and loans is at ruling market rates. The Company's total returns and net assets are sensitive to changes in interest rates on cash and borrowings. Based on the financial assets and liabilities held and the interest rates pertaining at each Statement of Financial Position date, a relative decrease or increase in market interest rates by 2% would have had the following approximate effects on the income statement revenue and capital returns after tax and on the NAV per share.

	2021		2020	
	2% increase in rate £'000s	**2% decrease in rate £'000s**	2% increase in rate £'000s	2% decrease in rate £'000s
Revenue return	**(366)**	**366**	508	(508)
Capital return	**(705)**	**705**	(659)	659
Net assets	**(1,071)**	**1,071**	(151)	151

Other market risk exposures

The portfolio of investments, valued at £565,751,000 as at 31 March 2021 (2020: £418,743,000) is exposed to market price changes.

Based on the portfolio of investments at the Statement of Financial Position date and assuming other factors remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the Statement of Comprehensive Income capital return after tax and on the basic NAV per share:

	2021		2020	
	Increase in value	**Decrease in value**	Increase in value	Decrease in value
Statement of Comprehensive Income capital return £'000s	**108,769**	**(107,556)**	83,580	(83,580)
NAV per share				
Basic – pence	**49.16**	**(48.61)**	36.68	(36.68)

(b) Liquidity risk exposure

The Company is required to raise funds to meet commitments associated with financial instruments. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant given: the number and value of quoted liquid investments held in the Company's portfolio (80 valued at £545m as at 31 March 2021); and the existence of the Bank of Nova Scotia, London Branch loan facility agreement expiring on 15 March 2024.

Cash balances are held with reputable banks with high quality external credit ratings.

The Investment Managers review liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Company had a loan facility of £50m as set out in note 13. The remaining contractual maturities of the financial liabilities as at 31 March, based on the earliest date on which payment can be required, were as follows:

2021	**Three months or less £'000**	**More than three months but less than one year £'000**	**More than one year £'000**	**Total £'000**
Creditors:				
Bank overdrafts	**4,211**	**–**	**–**	**4,211**
Bank loans and interest	**212**	**635**	**52,080**	**52,927**
Other payables	**625**	**–**	**–**	**625**
	5,048	**635**	**52,080**	**57,763**

2020	Three months or less £'000	More than three months but less than one year £'000	More than one year £'000	Total £'000
Creditors:				
Bank overdrafts	1,120	–	–	1,120
Bank loans and interest	153	414	47,084	47,651
Other payables	2,626	–	–	2,626
Derivative financial instruments	278	–	–	278
	4,177	414	47,084	51,675

(c) Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. The Board approves all counterparties used by the Company in such transactions, which must be settled on the basis of delivery against payment (except where local market conditions do not permit). A list of pre-approved counterparties is maintained and regularly reviewed by ICMIM, by Waverton and by the Board. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Cash and deposits are held with reputable banks with high quality external credit ratings.

The Company has an on-going contract with its custodians for the provision of custody services. The contracts are reviewed regularly.

Details of securities held in custody on behalf of the Company are received and reconciled monthly. To the extent that the Investment Managers and Waverton carry out duties (or cause similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the Investment Managers.

None of the Company's financial assets is past due or impaired.

(d) Fair value of financial assets and financial liabilities

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the Statement of Financial Position at fair value, or at a reasonable approximation thereof. Borrowings under the loan facility do not have a value materially different from their capital repayment amounts. Borrowings in foreign currencies are converted into Sterling at exchange rates ruling at each valuation date.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments. The Directors regularly review the principles applied by the Investment Managers to those valuations to ensure they comply with the Company's accounting policies and with fair value principles.

Sensitivity of level 3 financial investments measured at fair value to changes in key assumptions.
Level 3 inputs are sensitive to assumptions made when ascertaining fair value. While the Directors believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. This is especially true considering the Covid-19 pandemic. The sensitivities shown in the table below give an indication of the effect of applying reasonable and possible alternative assumptions.

The level of change selected is considered to be reasonable, based on observation of market conditions and historic trends. In addition to these observations, the risk weightings of investments also considered the impact of Covid-19 on the valuations. The valuations of fund interests are based on their managers' NAVs and these NAVs have been reviewed to ensure that the economic impact of Covid-19 has been considered. The impact on the valuations has been varied and largely linked to their relevant sectors and this has been reflected in the level of sensitivities applied.

The following table shows the sensitivity of the fair value of level 3 financial investments to changes in key assumptions.

Investment	Investment type	Valuation methodology	Risk weighting	Sensitivity +/-	Carrying amount £'000s	Sensitivity £'000s
UEM (HK) Limited - CGN F3	Equity	NAV	Low	10%	8,723	872
Conversant Pte Limited	Equity	Last funding round	High	30%	3,372	1,012
East Balkan Properties plc	Equity	Fair value of net assets	High	30%	2,854	856
Other investments	Equity	Various	Medium	20%	828	166
Other investments	Equity	Various	High	30%	4,542	1,363
Other investments	Loans	Various	High	30%	550	165
Total					20,869	4,433

(e) Capital risk management

The investment policy of the Company is stated as being to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets. The capital of the Company comprises ordinary share capital and reserves equivalent to the net assets of the Company. In pursuing the long-term investment policy, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buyback share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term (up to a limit of 25% of gross assets); and pay dividends to shareholders out of reserves. Changes to ordinary share capital are set out in note 16. Dividend payments are set out in note 9. Loans are set out in note 13.

27. FAIR VALUE HIERARCHY

IFRS 13 'Financial Instruments: Disclosures' require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

As at 31 March 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	**534,722**	**10,160**	**20,869**	**565,751**

As at 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	394,623	10,242	13,878	418,743
Options – assets	1,344	–	–	1,344
Options – liabilities	(278)	–	–	(278)
	395,689	10,242	13,878	419,809

During the year one stock with value of £3.6m was transferred from Level 1 to Level 2 due to investee company shares trading irregularly and one stock with value of £6.8m was transferred from Level 2 to Level 1 due to investee company shares resuming regular trading in the year. The book cost and fair values were transferred using the 31 March 2020 balances.

A reconciliation of fair value measurements in level 3 is set out in the following table:

	2021 £'000	2020 £'000
Balance brought forward	**13,878**	22,691
Purchases	**8,423**	1,859
Sales	**(1,615)**	(11,092)
Gains on investments sold in the year	**524**	1,391
Losses on investments held at end of year	**(341)**	(971)
Balance as at 31 March	**20,869**	13,878

Analysed as at 31 March		
Cost of investments	**22,519**	15,187
Losses on investments	**(1,650)**	(1,309)
Valuation	**20,869**	13,878

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. Of Level 3 investments held as at 31 March 2021, 42% were valued using fund NAV, 24% using cost of recent investment or last funding round, 14% using the fair value of the underlying net assets, 7% using a multiple of revenues and the remaining 13% were valued using alternative valuation methodologies.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (“AIFMD”)

In accordance with the AIFMD, information in relation to the Company’s leverage and the remuneration of the Company’s AIFM, ICMIM, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM’s remuneration policy are available on ICM’s website at www.icm.limited/application/files/4815/6471/6027/2018.07_ICMIM_Pillar_3_Disclosure.pdf

The Company’s maximum and actual leverage as at 31 March are shown below:

		2021
Leverage exposure	**Gross method**	**Commitment method**
Maximum permitted limit	**300%**	**300%**
Actual	**110%**	**110%**

		2020
Leverage exposure	Gross method	Commitment method
Maximum permitted limit	300%	300%
Actual	111%	107%

The leverage limits are set by the AIFM and approved by the Board. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

SECURITIES FINANCING TRANSACTIONS (“SFT”)

The Company has not, in the years to 31 March 2021 and 31 March 2020, participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the UK version of the EU regulation 2015/2365 on transparency of SFT which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Utilico Emerging Markets Trust plc will be held at The Royal Society of Chemistry, Burlington House, Piccadilly, London W1J 0BA on Tuesday, 21 September 2021 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 11, as ordinary resolutions and, in the case of resolutions 12 and 13, as special resolutions).

ORDINARY BUSINESS

1. To receive and adopt the report of the Directors of the Company and the financial statements for the year ended 31 March 2021, together with the report of the auditor thereon.
2. To approve the Directors’ Remuneration Report for the year ended 31 March 2021.
3. To approve the Company’s dividend policy to pay four interim dividends per year.
4. To re-elect Mr Rennocks as a Director.
5. To re-elect Ms Hansen as a Director.
6. To re-elect Mr Muh as a Director.
7. To re-elect Mr Stobart as a Director.
8. To re-appoint KPMG LLP as auditor to the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
9. To authorise the Directors to determine the auditor’s remuneration.

SPECIAL BUSINESS

Ordinary resolution

10. That the Company continues as presently constituted.
11. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “Act”), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (“Securities”) up to an aggregate nominal amount of £110,300 (being 5% of the aggregate nominal amount of the issued share capital excluding treasury shares of the Company as at the date of this notice) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2022 but so that the Company may, at any time before such expiry, make any offer or agreement which would or might require Securities to be allotted after such expiry pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

Special Resolutions

12. That, in substitution for all existing authorities and subject to the passing of resolution 11, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the “Act”) to allot equity securities (as defined in section 560 of the Act) pursuant to the authority granted by resolution 11, and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash, as if section 561(1) of the Act did not apply to any such allotments or sales of equity securities, provided that this power:
    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2022, except that the Company may at any time before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot or sell equity securities in pursuance of such offers or agreements;
    (b) shall be limited to the allotment of equity securities and/or sale of equity securities held in treasury for cash up to an aggregate nominal amount of £110,300 (representing 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares of the Company as at the date of this notice); and
    (c) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury at a price of not less than the net asset value per share as close as practicable to the relevant allotment or sale.
13. That, in substitution for the Company’s existing authority to make market purchases of ordinary shares of 1p in the Company (“Shares”), the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the “Act”) to make market purchases of

Shares (within the meaning of section 693 of the Act), provided that:

(a) the maximum number of Shares hereby authorised to be purchased is 33,068,000 (being 14.99% of the Company's issued ordinary share capital, excluding treasury shares as at the date of this notice);

(b) the minimum price (exclusive of expenses) which may be paid for a Share shall be 1p being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for a Share shall be the higher of: (i) 5% above the average of the market value of a Share for the five business days immediately preceding the date of purchase as derived from the Daily Official List of the London Stock Exchange; and (ii) that stipulated by article 5(6) of the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2022 save that the Company may, at any time prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and the Company may purchase Shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

All Shares purchased pursuant to the above authority shall be either: (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or (ii) cancelled immediately upon completion of the purchase.

By order of the Board
ICM Investment Management Limited
Company Secretary

18 June 2021

Registered Office:
The Cottage, Ridge Court
The Ridge
Epsom, Surrey KT18 7EP

NOTES:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his/her place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

2. To appoint a proxy, you may use the form of proxy enclosed with this annual report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarial certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 12:00 noon on 17 September 2021. Amended instructions must also be received by the Company's registrar by the deadline for receipt of forms of proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12:00 noon on 17 September 2021. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +44 (0370) 707 1375 or you may photocopy the form of proxy. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.

3. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.

5. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.

6. Pursuant to Regulation 41 (1) of The Uncertificated Securities Regulations 2001 and for the purposes of section 360B of the Companies Act 2006, the Company has specified that only shareholders registered on the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of the ordinary shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

8. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 12:00 noon on 17 September 2021. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

9. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 12:00 noon on 17 September 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of The Uncertificated Securities Regulations 2001.

10. If the Chairman, as a result of proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and Financial Conduct Authority. Any such person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

11. Any questions relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares.
13. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. As at 17 June 2021 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consisted of 220,602,116 ordinary shares of 1p each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total voting rights in the Company as at the date of this report are 220,602,116.
15. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting, can be accessed at www.uemtrust.co.uk.
16. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.
17. Copies of the letters of the appointment and deeds of indemnity between the Company and the Directors, a copy of the Articles of Association of the Company and the register of the Directors' holdings will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date of the meeting from 15 minutes prior to commencement of the meeting until the conclusion thereof.
18. Under sections 338 and 338A of the Companies Act 2006, members meeting with the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless:
    (a) (in the case of a resolution only), it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
    (b) it is defamatory of any person; or
    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 9 August 2021 (being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
19. Any electronic address provided either in this Notice or in any related documents (including the form of proxy) may not be used to communicate with the Company for any purpose other than those expressly stated.

COMPANY INFORMATION

DIRECTORS
John Rennocks (Chairman)
Garth Milne (Deputy Chairman)
Susan Hansen
Anthony Muh
Eric Stobart, FCA (Chairman of the Audit & Risk Committee)

REGISTERED OFFICE
The Cottage
Ridge Court
The Ridge
Epsom
Surrey KT18 7EP
Company Registration Number: 11102129
Legal Entity Identifier: 2138005TJMCWR2394O39

AIFM, JOINT PORTFOLIO MANAGER AND COMPANY SECRETARY
ICM Investment Management Limited
PO Box 208
Epsom
Surrey KT18 7YF
Telephone +44 (0)1372 271486
Authorised and regulated in the UK by the Financial Conduct Authority

JOINT PORTFOLIO MANAGER
ICM Limited
34 Bermudiana Road
Hamilton HM 11
Bermuda

ADMINISTRATOR AND CUSTODIAN
JPMorgan Chase Bank N.A. – London Branch
25 Bank Street
Canary Wharf
London E14 5JP
Authorised and regulated in the UK by the Financial Conduct Authority

BROKER
Shore Capital and Corporate Limited
Cassini House, 57 St James's Street
London SW1A 1LD
Authorised and regulated in the UK by the Financial Conduct Authority

LEGAL ADVISER TO THE COMPANY
Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ

AUDITOR
KPMG LLP
15 Canada Square
London E14 5GL
Member of the Institute of Chartered Accountants in England and Wales

DEPOSITARY SERVICES PROVIDER
JP Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

REGISTRAR
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
Telephone +44 (0370) 707 1375

COMPANY BANKER
The Bank of Nova Scotia, London Branch
201 Bishopsgate, 6th Floor
London EC2M 3NS
Authorised and regulated in the UK by the Financial Conduct Authority

PUBLIC RELATIONS
Montford Communications Limited
2nd Floor, Berkeley Square House
Berkeley Square
Mayfair
London W1J 6BD
Telephone + 44 (0)20 7887 6287

ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority defines an Alternative Performance Measure as being a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The Company uses the following Alternative Performance Measures:

Discount/Premium – if the share price is lower than the NAV per share, the shares are trading at a discount. Shares trading at a price above NAV per share are said to be at a premium. As at 31 March 2021 the share price was 197.50p (2020: 161.50p) and the NAV per share was 228.54p (2020: 181.84p), the discount was therefore 13.6% (2020: 11.2%)

Gearing – represents the ratio of the borrowings less cash of the Company to its net assets.

	page	Year to 31 March 2021 £'000s	Period to 31 March 2020 £'000s
Bank overdrafts	80	**4,211**	1,120
Bank loans	70	**50,373**	47,079
Cash	70	**(1,027)**	(40,620)
Total debt		**53,557**	7,579
Equity holders' funds	70	**505,696**	414,343
Gearing (%)		**10.6**	1.8

NAV per share – the value of the Company's net assets divided by the number of shares in issue (see note 22 to the accounts).

NAV/share price total return – the return to shareholders calculated on a per share basis by adding dividends paid in the year to the increase or decrease in the NAV or share price in the year. The dividends are assumed to have been re-invested in the form of net assets or shares, respectively, on the date on which the dividends were paid.

Year to 31 March 2021	Dividend rate (pence)	NAV (pence)	Share price (pence)
31 March 2020	n/a	181.84	161.50
19 June 2020	1.925	214.19	182.50
18 September 2020	1.925	212.40	183.50
18 December 2020	1.925	222.48	194.00
24 March 2021	1.925	228.07	199.50
31 March 2021	n/a	228.54	197.50
Total return (%)		30.2	27.3

Period to 31 March 2020	Dividend rate (pence)	NAV (pence)	Share price (pence)
31 March 2019	n/a	249.84	217.90
28 June 2019	1.800	271.28	243.00
27 September 2019	1.800	268.59	237.00
20 December 2019	1.925	256.90	232.00
27 March 2020	1.925	182.41	161.50
31 March 2020	n/a	181.84	161.50
Total return (%)		(24.9)	(23.2)

NAV/share price total return since inception – the return to shareholders calculated on a per share basis by adding dividends paid in the year and adjusting for the exercise of warrants and subscription shares in the year to the increase or decrease in the NAV/share price in the year. The dividends are assumed to have been re-invested in the form of net assets on the date on which the dividends were paid. The adjustment for the exercise of warrants and subscription shares is made on the date the warrants and subscription shares were exercised.

Total return since inception	NAV 31 March 2021	Share price 31 March 2021	NAV 31 March 2020	Share price 31 March 2020
NAV/Share price 20 July 2005 (pence)[1]	**98.36**	**100**	98.36	100
Total dividend, warrants and subscription shares adjustment factor	**1.76721**	**1.83592**	1.70645	1.76322
NAV/Share price at year end (pence)	**228.54**	**197.50**	181.84	161.50
Adjusted NAV/Share price at year end (pence)	**403.88**	**362.59**	310.30	284.76
Total return	**310.6%**	**262.6%**	215.5%	184.8%

[1] Date of admission to trading on the Alternative Investment Market of UEM Bermuda.

Annual compound NAV total return since inception – the annual return to shareholders calculated on the same basis as NAV total return, since inception.

Annual compound	31 March 2021	31 March 2020
Annual compound NAV total return since inception (%)	**9.4**	8.1

Ongoing charges – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee funds, expressed as a proportion of the average weekly net asset values of the Company (valued in accordance with its accounting policies) over the reporting period. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing share.

Ongoing charges calculation (excluding performance fees)	With effect from 1 April 2021* £'000s	*Page*	31 March 2021 £'000s	31 March 2020 £'000s
Management and administration fees	**5,264**	74	**3,629**	4,615
Other expenses	**1,425**	74	**1,425**	1,787
Total expenses for ongoing charges calculation	**6,689**		**5,054**	6,402
Average net asset values of the Company	**474,748**		**474,748**	586,396
Ongoing Charges	**1.4%**		**1.1%**	1.1%

Ongoing charges calculation (including performance fees)	With effect from 1 April 2021* £'000s	*Page*	31 March 2021 £'000s	31 March 2020 £'000s
Management and administration fees	**5,264**	74	**8,708**	4,615
Other expenses	**1,425**	74	**1,425**	1,787
Total expenses for ongoing charges calculation	**6,689**		**10,133**	6,402
Average net asset values of the Company	**474,748**		**474,748**	586,396
Ongoing Charges	**1.4%**		**2.1%**	1.1%

* changes to the management fee are set out on page 75

HISTORICAL PERFORMANCE

as at 31 March	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NAV total return per ordinary share (1) (annual) (%)	**30.2**	(24.9)	3.5	6.6	26.2	1.7	12.4	(3.4)	20.9	3.4	19.5
Share price total return per ordinary share (1) (annual) (%)	**27.3**	(23.2)	5.4	7.1	24.9	(1.8)	8.2	(2.6)	20.8	7.4	28.6
Annual compound NAV total return (1) (since inception) (%)	**9.4**	8.1	11.0	11.7	12.1	10.9	11.9	11.8	13.9	12.9	14.7
Undiluted NAV per ordinary share (1) (pence)	**228.54**	181.84	249.84	247.22	251.72	206.45	209.79	192.38	205.49	175.60	175.28
Diluted NAV per ordinary share (pence)	**228.54 (2)**	181.84 (2)	249.84 (2)	247.22 (2)	241.29	202.52	209.79 (2)	192.38 (2)	205.49 (2)	175.60 (2)	175.28 (2)
Ordinary share price (pence)	**197.50**	161.50	217.90	212.00	214.50	178.50	188.50	180.00	191.20	164.00	157.75
Discount (3) (%)	**(13.6)**	(11.2)	(12.8)	(14.2)	(11.1)	(11.9)	(10.1)	(6.4)	(7.0)	(6.6)	(10.0)
Earnings per ordinary share (basic)											
- Capital (pence)	**45.73**	(68.29)	(0.12)	4.66	44.46	(5.50)	18.53	(12.13)	30.71	1.19	25.63
- Revenue (pence)	**8.13**	7.88	7.47	9.27	7.80	8.23	4.98	4.80	5.20	4.12	5.61
Total (pence)	**53.86**	(60.41)	7.35	13.93	52.26	2.73	23.51	(7.33)	35.91	5.31	31.24
Dividends per ordinary share (pence)	**7.775**	7.575	7.200	7.000	6.650	6.400	6.100	6.100	5.800	5.500	5.200
Gross assets (4) (£m)	**556.1**	461.4	581.9	579.8	579.0	455.2	479.2	433.4	452.1	382.9	393.4
Equity holders' funds (£m)	**505.7**	414.3	574.2	579.8	532.2	436.6	447.4	410.2	442.9	378.5	383.2
Ordinary shares bought back (£m)	**12.0**	4.8	9.5	21.9	10.0	3.0	–	3.9	–	4.9	11.5
Net cash/(overdraft) (£m)	**(3.2)**	39.5	11.7	8.1	15.3	12.6	0.5	(0.9)	2.6	(1.8)	(0.7)
Bank loans (£m)	**(50.4)**	(47.1)	(7.8)	0.0	(46.8)	(18.7)	(31.9)	(23.1)	(9.2)	(4.4)	(10.2)
Net (debt)/cash (£m)	**(53.6)**	(7.6)	3.9	8.1	(31.5)	(6.1)	(31.4)	(24.0)	(6.6)	(6.2)	(10.9)
Net (gearing)/cash on net assets (%)	**(10.6)**	(1.8)	0.7	1.4	(5.9)	(1.4)	(7.0)	(5.9)	(1.5)	(1.6)	(2.8)
Management and administration fees and other expenses											
- excluding performance fee (£m)	**5.0**	6.4	5.9	5.7	5.2	4.5	4.6	3.7	3.4	3.9	3.1
- including performance fee (£m)	**10.1**	6.4	5.9	5.7	14.3	4.5	7.7	3.7	12.9	3.6	9.6
Ongoing charges figure (1)											
- excluding performance fee (%)	**1.1 (5)**	1.1	1.0	1.0	1.1	1.1	1.1	0.9	0.8	0.9	0.8
- including performance fee (%)	**2.1 (5)**	1.1	1.0	1.0	2.9	1.1	1.8	0.9	3.2	0.9	2.5

(1) See Alternative Performance Measures on pages 96 and 97
(2) There was no dilution
(3) Based on diluted NAV
(4) Gross assets less liabilities excluding loans
(5) 1.4% with effect from 1 April 2021 following changes to the management fee as set out on page 97

EMERGING CITIES | EMERGING WEALTH | EMERGING OPPORTUNITIES




UK CONTACT
PO Box 208
Epsom Surrey
KT18 7YF

Telephone: +44 (0)1372 271486

www.uemtrust.co.uk

UTILICO
Emerging Markets Trust plc