

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

FEBRUARY 2020
UK closed-end investment trust focused on long-term total return
OBJECTIVE

Utilico Emerging Markets Trust plc ("UEM") seeks to provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

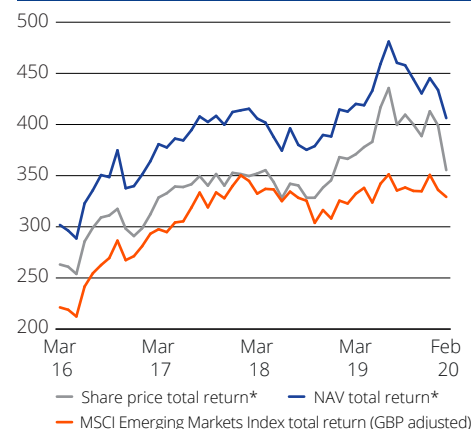
INVESTMENT APPROACH

To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

KEY DATES

Launch Date ⁺	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2021

⁺Utilico Emerging Markets Limited – UEM's predecessor

PERFORMANCE


Rebased to 100 as at 20 July 2005

PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	(10.9%)	(8.5%)	(3.0%)	13.9%	255.5%
Net Asset Value	(6.3%)	(5.6%)	(1.5%)	11.6%	306.3%
MSCI Emerging Markets Index (GBP adjusted)	(2.0%)	(1.7%)	2.0%	12.3%	229.2%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16
Share Price	(3.0%)	4.8%	12.0%	23.2%	(3.4%)
Net Asset Value	(1.5%)	(0.7%)	14.1%	28.7%	(1.5%)
MSCI Emerging Markets Index (GBP adjusted)	2.0%	(6.4%)	17.6%	45.1%	(15.0%)

*Total return is calculated based on undiluted NAV/share price plus dividends reinvested and adjusted for the exercise of warrants and subscription shares

FUND DETAILS
ORDINARY SHARES

Ticker: UEM.L

NAV at launch ⁺	98.36p
NAV (cum income)	236.65p
Share Price	204.00p
Discount to diluted NAV	(13.8%)
NAV Total return since launch*	306.3%
Annual average compound return*	10.1%
Historic Dividend paid per share (last 12 months)	7.33p
Historic Dividend Yield (last 12 months)	3.6%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	227,862,470

⁺Utilico Emerging Markets Limited – UEM's predecessor

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

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£589.7m
Bank Debt	£(50.5)m
Shareholders' Funds	£539.2m
Gearing (based on AIC definition)	5.6%

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

INVESTMENT MANAGERS

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

www.icm.limited
INVESTMENT MANAGEMENT FEE

0.65% of net assets plus Company Secretarial Fee.

PERFORMANCE FEE

15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that financial year.





PERFORMANCE

UEM's NAV total return declined 6.3% in February, underperforming the MSCI Emerging Markets Total Return Index which decreased by 2.0% in Sterling terms over the month.

Concerns over the spread of coronavirus (Covid-19) on a global basis continue to hurt the financial markets with questions being raised around the potential impact on global growth. All major indices as a result were negative with developed and emerging markets equally witnessing poor performance. The Buenos Aires Merval Index was the worst performer down 12.8% over February, followed by Thailand's Set Index which was down 11.5% and the UK's FTSE 100 was down 9.7%. Other European markets followed suit based on concerns that the coronavirus could send the teetering eurozone economy into recession with the Eurostoxx Index down 8.6%, the French CAC Index down 8.5%, and the German Dax Index down 8.4%. The US markets mirrored the performance of the European markets, with the S&P 500 Index down 8.4%, despite earlier in the month the Index witnessing a new record high based on robust job data and President Trump's acquittal in the final impeachment vote.

The unexpected resignation of Malaysia's Prime Minister Mahathir Mohamad also contributed to uncertainty within the Malaysian FTSE Bursa as it was down 3.2% over the period whilst the disappointing Union Budget, added to additional weakness in India with the Indian Sensex Index down 6.0%, and the Brazilian Bovespa was down 8.4%.

The Chinese equity markets saw the smallest declines over the month of February with the Shanghai Composite falling 3.2% and the Hong Kong Hang Seng Index falling marginally by 0.7% as the coronavirus rates in mainland China appear to stabilise.

Currency movements continue to be mixed with Sterling depreciating the most against the US Dollar, the Hong Kong Dollar and the Philippine Peso by 3.1%, 2.8% and 2.8% respectively. Sterling however appreciated

against the Brazilian Real, Indonesian Rupiah and Mexican Peso by 2.3%, 1.8% and 1.4% respectively.

PORTFOLIO

There were two changes to the constituents of UEM's top twenty in February with Citic Telcom International Holdings replacing Huaneng Renewables, which delisted in February after its parent, Huaneng Group, completed its offer to minority shareholders at a level almost 50% higher than the pre-deal announcement share price. Power Grid Corp of India replaced Electrobras, based on a better share price performance over the period.

APT Satellite saw the strongest performance over the month of February up 23.3% on the back of strong market sentiment for the mobile/technology sector. India Grid Trust was also up 4.7%, with Citic Telecom up 4.1%. Weaker performers over the period were International Container Terminal Services, down 18.5% on the back of fears of weaker global growth arising from the coronavirus along with Ocean Wilsons which was down 16.0%.

Purchases for the portfolio amounted to £8.6m during the month, while realisations totalled £21.4m.

DEBT

UEM's bank debt remained fully drawn in US Dollars.

OTHER

UEM's share price ended February at 204.00p, down 10.9% from January 2020. The discount to NAV widened from 9.4% to 13.8%.

On 20 February 2020, UEM declared a third quarterly interim dividend of 1.925p per ordinary share in respect of the year ending 31 March 2020, which will be paid on 27 March 2020 to shareholders on the register on 6 March 2020.

During the month, UEM purchased for cancellation 157,073 ordinary shares at an average price of 218.09p.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	5.3%
2	Alupar Investimento S.A.	4.9%
3	Energisa S.A.	4.1%
4	Companhia de Saneamento do Paraná (Sanepar)	4.0%
5	China Everbright Greentech Limited	3.2%
6	Rumo S.A.	3.1%
7	Ocean Wilsons Holdings Limited	2.9%
8	Omega Geracao S.A.	2.9%
9	China Resources Gas Group Ltd	2.7%
10	Ecorodovias Infraestrutura e Logistica S.A.	2.6%
11	Engie Energia Chile S.A.	2.6%
12	Cosan Logistica S.A.	2.6%
13	India Grid Trust	2.5%
14	Gujarat State Petronet Limited	2.2%
15	APT Satellite Holdings Limited	2.2%
16	Torrent Power Limited	2.1%
17	Transgaz S.A.	2.0%
18	CITIC Telecom International Holdings Limited	2.0%
19	Power Grid Corporation of India Limited	1.9%
20	Fondul Proprietatea SA	1.8%
Total Top Twenty		57.6%

SECTOR SPLIT OF INVESTMENTS

Electricity	22.0%
Ports	14.0%
Road and Rail	11.7%
Telecoms and Satellites	9.9%
Gas	9.6%
Other	7.8%
Renewables	7.6%
Infrastructure Investment Funds	7.2%
Water and Waste	6.5%
Airports	3.7%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	31.9%
China including Hong Kong	18.4%
India	11.4%
Other Asia	7.0%
Romania	6.2%
Philippines	6.1%
Middle East/Africa	6.0%
Mexico	3.8%
Colombia	3.8%
Other Europe	2.8%
Chile	2.6%

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Important Notes

The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to deal in UEM. Investments in UEM are subject to investment risks and the value of investments and the income derived from them may fall as well as rise and investors may not get back the principal amount invested. Past performance is not indicative of future performance. Investors should read the prospectus along with the supplement(s) and seek relevant professional advice before making any investment decision. The information presented has been obtained from sources believed to be reliable, but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Managers reserve the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited (registered in England: 08421482), which is authorised and regulated by the Financial Conduct Authority (FRN: 630094).

