

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



OCTOBER 2021

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

OBJECTIVE

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

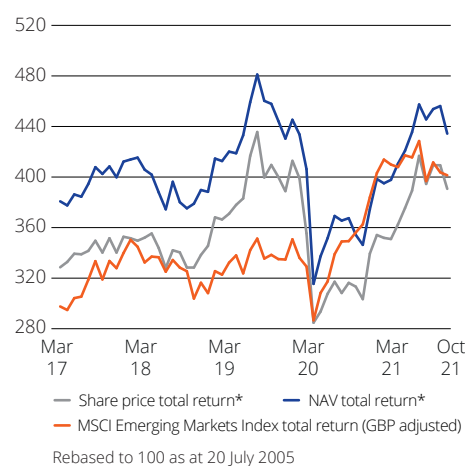
INVESTMENT APPROACH

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

KEY DATES

Launch Date⁺	20 July 2005
Year End	31 March
AGM	September 2022
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2026

PERFORMANCE



PERFORMANCE (Total return*)

ROLLING 12 MONTH PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17
Share Price	(4.6%)	(1.0%)	28.8%	19.0%	290.7%	28.8%	(24.2%)	21.8%	(6.6%)	10.7%
Net Asset Value ("NAV")	(4.7%)	(2.4%)	25.4%	14.6%	334.3%	25.4%	(22.1%)	17.3%	(7.2%)	9.0%
MSCI Emerging Markets Index (GBP adjusted)	(0.6%)	1.2%	10.7%	32.1%	301.4%	10.7%	8.2%	10.3%	(8.9%)	16.4%

FUND DETAILS

ORDINARY SHARES

NAV at launch ⁺	98.36p
NAV (cum income)	237.91p
Share Price	209.00p
Discount to diluted NAV	(12.2%)
NAV Total return since launch*	334.3%
Annual average compound return*	9.4%
Historic Dividend paid per share (last 12 months)	7.85p
Historic Dividend Yield (last 12 months)	3.8%
Ongoing charges figure	1.4%
Shares in issue	219,227,927
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£542.7m
Bank Debt	£(21.1)m
Shareholders' Funds	£521.6m
Gearing (based on AIC definition)	2.2%

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

INVESTMENT MANAGERS

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

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INVESTMENT MANAGEMENT FEE (PER ANNUM)

1.0% of NAV up to and including £500m;

0.9% of NAV exceeding £500m up to and including £750m;

0.85% of NAV exceeding £750m up to and including £1,000m; and,

0.75% of NAV exceeding £1,000m.

⁺ Utilico Emerging Markets Limited – UEM's predecessor

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

Important Notes

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





PERFORMANCE

UEM's NAV total return in the month of October declined by 4.7%, behind the MSCI Emerging Markets Total Return Index ("MSCI") which eased 0.6% in Sterling terms over

the month. Year to date, UEM's NAV total return was up 9.0% versus the MSCI which was down 0.4%.

Markets were mixed in October with some strong performances delivering all-time highs. The S&P 500 shrugged off inflation concerns to rise 6.9% over the month, while the Indian SENSEX hit a record intra-month, consolidating recent gains and ending up 0.3%. Against a backdrop of Chinese GDP growth softening to 4.9% in Q3 and power cuts due to coal supply shortages, the Chinese Shanghai Composite eased 0.6%, though the Hong Kong Hang Seng Index recovered off recent lows, up 3.3%. Other Asian markets were slightly firmer, with the Philippines PCOMP Index up 1.5%, and the FTSE Bursa Malaysia up 1.6%.

Latam markets deteriorated markedly in October as political and economic concerns impacted sentiment. In Brazil senior Treasury officials resigned after the government sought to lift the constitutional spending cap while interest rates were increased to 7.75% to try and counter double-digit inflation. The BOVESPA Index dropped 6.7% and the Brazilian Real declined 4.9% against Sterling. In Chile the IPSA Index fell 6.2% and the Chilean Peso eased 1.5% versus Sterling as a fourth pension withdrawal bill went to Senate. Chile will hold its Presidential elections in November.

PORTFOLIO

There were two changes to the constituents of the top thirty holdings in the portfolio in October, with Grupo Aeroportuario del Pacifico ("GAP") and Tian Lun Gas Holdings replacing Engie Energia Chile and Powergrid InvIT due to relative performance. GAP is one of the largest Mexican airport operators; its share price was up 7.9% during the month. Tian Lun was in the top thirty as recently as two months ago and its share price was up 3.0% in October. The Chinese gas distribution sector has recently been weak as the spike in LNG prices led to concerns over a margin squeeze this winter. China Gas Holdings and Kunlun Energy were down 15.2% and 12.6% respectively in the month. Chinese environmental companies China Everbright Environment and China Everbright Greentech were also weak, declining 9.0% and 9.9% respectively.

Reflecting the weakness in Brazil, Simpar fell 24.6% in October, while Rumo and

Ecorodovias' share price declined 5.3% and 8.9% respectively. In India, GSPL eased 3.7% while Indigrid was up 5.9%. ICT's share price retreated 7.7% from all-time highs. The standout performers were predominantly in the data-oriented sectors, with MyEG up 13.7% following the signing of a Chinese blockchain partnership, and Kaspi was up 37.3% on stronger than expected results and an upgrade to full year guidance. The Vietnamese market also continued to perform robustly, with UEM's investment in Vinacapital up 12.0%.

Purchases during the month for the portfolio amounted to £2.8m and realisations totalled £12.7m.

DEBT

UEM's bank debt was slightly lower at £21.1m from £21.5m in September, all drawn in Euros. Cash balances were £8.5m, mainly held in US Dollars.

OTHER

UEM's share price ended October at 209.00p, down 4.6% during the month. The discount was broadly unchanged at 12.2% from 12.3%.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	18.6%
Data Services and Digital Infrastructure	17.8%
Electricity	12.4%
Gas	10.1%
Telecoms and Satellites	8.8%
Other	7.1%
Infrastructure Investment Funds	7.0%
Renewables	6.3%
Road and Rail	5.3%
Airports	4.1%
Water and Waste	2.5%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.7%
2	Gujarat State Petronet Limited	3.6%
3	India Grid Trust	3.2%
4	My E.G. Services Bhd	3.0%
5	Ocean Wilsons Holdings Limited	3.0%
6	Alupar Investimento S.A.	2.8%
7	China Everbright Greentech Limited	2.3%
8	Simpar SA	2.2%
9	FPT Corporation	2.2%
10	VinaCapital Vietnam Opportunity Fund Ltd	2.1%
11	Telelink Business Services	2.1%
12	Citic Telecom International Holdings Limited	2.1%
13	Naver Corporation Limited	2.0%
14	China Datang Corporation Renewable Power Co., Limited	2.0%
15	Corporacion Financiera Colombiana S.A.	1.9%
16	Power Grid Corporation of India Limited	1.9%
17	Société Nationale des Télécommunications du Senegal (Sonatel)	1.9%
18	KunLun Energy Company Limited	1.9%
19	Rumo S.A.	1.8%
20	CGN Capital Partners Infra Fund 3	1.8%
21	China Gas Holdings Limited	1.7%
22	Kaspi.kz Joint Stock Company	1.6%
23	Ecorodovias Infraestructura e Logistica SA	1.5%
24	Bolsa de Valores de Colombia	1.5%
25	Link Net	1.4%
26	Telecom Egypt	1.4%
27	China Everbright Environment Group Limited	1.4%
28	KT Corporation	1.4%
29	Grupo Aeroportuario del Pacifico, S.A.B. de C.V.	1.4%
30	Tian Lun Gas Holdings Ltd	1.3%
Total Top Thirty		63.1%

GEOGRAPHICAL SPLIT OF INVESTMENTS

China Incl. HK	17.4%
Brazil	15.9%
India	12.5%
Other Asia	12.3%
Other Europe	9.8%
Middle East / Africa	6.4%
South Korea	5.8%
The Philippines	4.7%
Colombia	3.8%
Romania	3.2%
Malaysia	3.0%
Mexico	3.0%
Chile	2.2%