

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



FEBRUARY 2022

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.

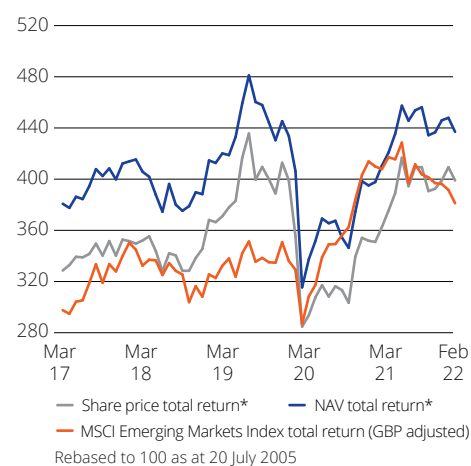
INVESTMENT APPROACH

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*)

	1 month	3 months	1 year	3 years	Inception
Share Price	(2.5%)	1.6%	13.7%	8.9%	299.0%
Net Asset Value ("NAV")	(2.4%)	0.1%	9.9%	5.9%	337.0%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(2.7%)	(4.0%)	(7.0%)	18.1%	281.2%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18
Share Price	13.7%	(1.3%)	(3.0%)	4.8%	12.0%
Net Asset Value ("NAV")	9.9%	(2.1%)	(1.5%)	(0.7%)	14.1%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(7.0%)	24.5%	2.0%	(6.4%)	17.6%

FUND DETAILS

ORDINARY SHARES

NAV at launch ⁺	98.36p
NAV (cum income)	237.42p
Share Price	211.50p
Discount to diluted NAV	(10.9%)
NAV Total return since launch*	337.0%
Annual average compound return*	9.3%
Historic Dividend paid per share (last 12 months)	7.93p
Historic Dividend Yield (last 12 months)	3.7%
Ongoing charges figure	1.4%
Shares in issue	217,930,444
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£537.5m
Bank Debt	£(20.1)m
Shareholders' Funds	£517.4m
Gearing (based on AIC definition)	2.6%

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.

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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 February decreased by 2.4%, ahead of the MSCI Emerging Markets total return Index ("MSCI") which declined by 2.7% in Sterling terms over

the month. For each of the last five months UEM has outperformed the MSCI as investors have sought value over growth.

Putin's decision to invade Ukraine after weeks of threats and frantic diplomatic efforts, shocked the international community. The West quickly united to establish tough sanctions and governments provided arms whilst trying to avoid an escalation of the conflict. An increasing number of multinational companies have closed operations in and ceased trading with Russia.

Commodities, especially natural gas, oil and wheat soared, further heightening global inflation fears. The long-term geopolitical impact is impossible to quantify at this stage but could be significant. Elsewhere, Covid-19 remains disruptive to economies, especially in Asia, with high infection levels impacting Hong Kong and South Korea during February.

Markets were mixed in February, with European indices down, Latam indices generally firmer and Asian indices mixed. The Hong Kong Hang Seng Index declined by 4.6%, India's SENSEX eased by 3.0% and the BET Index in Bucharest was down by 3.6%. In contrast, Brazil's Bovespa Index rose by 0.9%, Mexico's IPC Index gained 4.0% and the Shanghai Composite rose by 3.0%.

Sterling was unchanged against the US Dollar for the month of February and declined marginally against the Euro. The Brazilian Real firmed by 3.0% against Sterling and the Mexican Peso was 1.1% stronger. The Russian Rouble declined by 27.3% and Brent Crude Oil gained 10.7% in the month.

PORTFOLIO

UEM holds one London listed company operating extensively in Russia, the rail freight operator Globaltrans Investment plc ("Globaltrans"). UEM's holding in Globaltrans was worth £4.3m (0.8% of the portfolio) as at 31 January 2022. During February, UEM sold around two-thirds of its holding, realising £1.5m in proceeds. Globaltrans has not been sanctioned. ICM has a strong compliance and risk framework and will continue to ensure UEM complies with any new sanctions as they emerge. Globaltrans' shares have now been suspended and the residual holding is carried at nil value. UEM has no direct investments in Ukraine. UEM's exposure to Europe, primarily investments in Romania, Poland and Bulgaria, was 11.7% of the portfolio at the end of February.

There were three changes to the constituents of the top thirty holdings in the portfolio in February with Orizon Valorizacao de Residuos, a Brazilian waste treatment company, Grupo Aeroportuario del Centro Norte ("OMA"), a Mexican airport group and KT Corp, a Korean telecoms company replacing Engie Energia, Tian Lun Gas and Bolsa de Valores due to relative performance.

Sonatel's share price advanced by 15.6% during the month. Sonatel issued pleasing results and increased its dividend by 15.0%. OMA gained 6.5% after strong results and continued recovery in international travel to Mexico. KINX's share price was up 6.2% after strong results and ICT advanced by 5.4% ahead of their full year results released in early March.

The most significant decliners within the top thirty were Corporacion Financiera Colombiana, which declined by 7.0%, China Gas declined by 6.6% and China Datang declined by 6.4%.

Purchases during the month for the portfolio amounted to £8.8m and realisations totalled £6.8m.

DEBT

UEM's bank debt increased from EUR 12.0m to EUR 24.0m as at the end of February, the corresponding liability in Sterling terms rose from £10.0m to £20.1m.

OTHER

UEM's share price ended February at 211.50p, down 2.5% during the month, with the discount to NAV widening marginally to 10.9%. During the month, UEM bought back 578,509 shares at an average price of 217.52p.

UEM declared a third quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 31 March 2022, which will be paid on 25 March 2022 to shareholders on the register on 4 March 2022. The ex-dividend date was 3 March 2022.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	18.1%
Data Services and Digital Infrastructure	15.7%
Electricity	13.6%
Gas	10.2%
Telecoms and Satellites	9.4%
Other	6.9%
Infrastructure Investment Funds	6.8%
Renewables	6.2%
Airports	5.4%
Road and Rail	3.9%
Water and Waste	3.8%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.9%
2	Gujarat State Petronet Limited	3.5%
3	India Grid Trust	3.4%
4	Alupar Investimento S.A.	3.3%
5	My E.G. Services Bhd	2.8%
6	Ocean Wilsons Holdings Limited	2.8%
7	Simpar SA	2.5%
8	Power Grid Corporation of India Limited	2.2%
9	China Everbright Greentech Limited	2.2%
10	Société Nationale des Télécommunications du Senegal (Sonatel)	2.2%
11	FPT Corporation	2.1%
12	Citic Telecom International Holdings Limited	2.1%
13	Telelink Business Services	2.1%
14	KunLun Energy Company Limited	2.0%
15	Rumo S.A.	2.0%
16	VinaCapital Vietnam Opportunity Fund Ltd	2.0%
17	CGN Capital Partners Infra Fund 3	1.9%
18	China Datang Corporation Renewable Power Co., Limited	1.8%
19	Corporacion Financiera Colombiana S.A.	1.8%
20	Grupo Aeroportuario del Pacífico, S.A.B. de C.V. (GAP)	1.7%
21	KINX Inc	1.6%
22	Link Net	1.6%
23	Naver Corporation Limited	1.6%
24	China Gas Holdings Limited	1.5%
25	China Everbright Environment Group Limited	1.5%
26	Orizon Valorizacao de Residuos S.A.	1.5%
27	Telecom Egypt	1.5%
28	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	1.5%
29	KT Corporation	1.4%
30	Powergrid Infrastructure Investment Trust	1.4%
Total Top Thirty		64.4%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	18.4%
China Incl. HK	17.3%
India	12.1%
Other Asia	11.5%
Other Europe	9.1%
Middle East / Africa	6.4%
South Korea	5.5%
The Philippines	4.9%
Mexico	4.2%
Colombia	3.7%
Malaysia	2.8%
Romania	2.6%
Chile	1.5%