

**ABOUT US:** UEM is a UK closed-end investment trust, traded on the London Stock Exchange.  
Registration No 11102129

**OBJECTIVE:** 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.

## SEPTEMBER 2018

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (cum income)	226.81p
Share Price	196.00p
Discount to diluted NAV	(13.6%)
NAV Total Return since launch *	275.2%
Annual average compound return *	10.5%
Historic Dividend paid per share (last 12 months)	7.10p
Historic Dividend Yield (last 12 months)	3.6%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	233,636,687

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£534.9m
Bank Debt	£5.0m
Shareholders' Funds	£529.9m
Gearing (based on AIC definition)	(1.1%)

GEARING AIC - standardised gearing calculation as recommended by the AIC is based on net assets

### BOARD

John Rennocks	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	

### MANAGEMENT & PERFORMANCE FEES

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

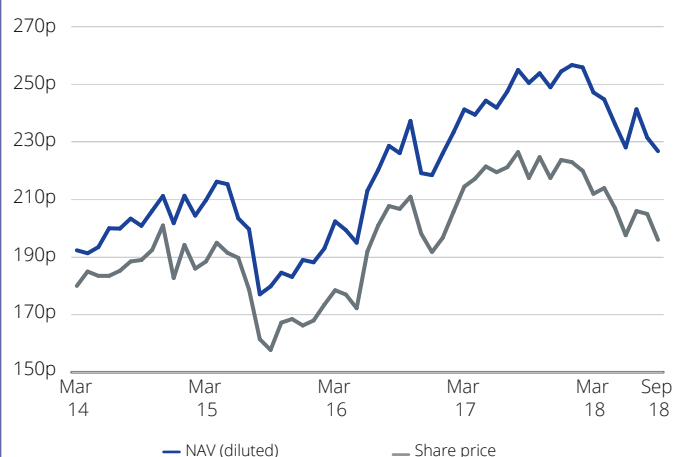
### INVESTMENT MANAGERS

Utilico Emerging Markets Trust plc is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

[www.icm.limited](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.limited)

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

### ORDINARY SHARES PERFORMANCE



### PERFORMANCE (Total return\*)

	1 month	3 months	1 year	3 years	Inception
Share Price	(3.5%)	0.1%	(3.5%)	43.9%	228.4%
Net Asset Value	(1.3%)	0.2%	(6.8%)	45.2%	275.2%

### ROLLING 12 MONTH PERFORMANCE (Total return\*)

12 Months to	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14
Share Price	(3.5%)	9.4%	36.4%	(13.7%)	12.9%
Net Asset Value	(6.8%)	15.4%	34.8%	(7.5%)	9.3%

### 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

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



## PERFORMANCE

UEM's NAV total return, adjusted for the shares going ex-dividend during the month, fell by 1.3%, slightly behind the MSCI Emerging Markets Total Return Index which fell by 0.9% in Sterling terms over the month.

Emerging markets continue to experience high volatility as geopolitical factors dominate investment flows. Trump intensified the trade war with China by imposing additional tariffs of USD 200bn of Chinese goods, in a month during which China posted a record trade surplus of USD 34bn with the US. Overall Chinese exports grew 9.8% from a year ago, though the impact of the trade war is starting to be evident in some sectors. For example, Ford car sales in China fell 43% year-on-year in September and are now down 30% for the first nine months of the year. The Shanghai Composite and Hong Kong's Hang Seng were up 3.5% and down 0.4% respectively during the month, while the Chinese Renminbi depreciated 1.0% versus Sterling.

The rising trade tensions have fed through to higher oil prices, with Brent crude oil up 6.8% to USD 82.72 a barrel. While this benefits net oil producing countries such as Mexico and Colombia, net oil consuming countries such as India are negatively affected. Combined with broader strength in USD as the Fed raises rates, this has resulted in higher inflation and countries with twin deficits – such as India, Argentina and the Philippines – are in the spotlight. The India SENSEX fell 6.3% during the month and the Rupee dropped 2.9% against Sterling, while the Philippine PSEi fell 7.4% and the Philippine Peso fell 1.4% versus Sterling. However, the Argentina Merval rebounded 14.2%, partly offset by the Argentine Peso depreciation of 5.4% versus Sterling, as the country announced an increased USD 57bn bailout with the IMF to help them combat inflation which is running at 40%.

In other markets, Brazil BOVESPA was up 3.5% and the Real appreciated 2.8% against Sterling as far-right Presidential candidate Jair Bolsonaro saw increased support after being stabbed at a rally early in the month. Elections will be held in October.

## PORTFOLIO

There was one change to the constituents of the top twenty holdings in the portfolio during September, with Metro Pacific Investments being replaced by Cosan Logistica. Cosan Logistica is listed in Brazil and is 72.45% owned by Cosan Ltd. Cosan Logistica currently owns 28.5% of Rumo, which is currently tenth in UEM's portfolio and acts as a holding company for Cosan Ltd. Owning Cosan Logistica is therefore a way to be able to access Rumo but at a cheaper price as it currently trades at a 27.3% discount.

In line with the wider market volatility, UEM's remaining top twenty holdings saw a broad dispersion in returns during September, with roughly half posting positive performances, and half negative. The strongest performance was achieved by TGS, with the USD-denominated ADR up 11.8% on improved sentiment in Argentina. Good performances during the month were also achieved by Shanghai Airports, up 6.3%, Rumo, up 5.2%, and Alupar, up 3.6%.

Offsetting these strong performances there were weak returns posted by the Hong Kong listed companies. China Everbright Greentech fell 14.0% as its parent company completed a USD 1.3bn discounted rights issue, CR Gas fell 11.1% on concerns that a cut to connection fees in Chongqing would be replicated across the wider market, and APT Satellite fell 9.9%. In addition, there was poor performance at Powergrid India, down 7.6%, and Tranelectrica and Comgas, both down 5.9%.

Purchases during the month for the portfolio amounted to £8.4m and realisations totalled £16.9m.

## DEBT

There was no change in debt during September, with UEM drawn £5.0m denominated in Euros.

## OTHER

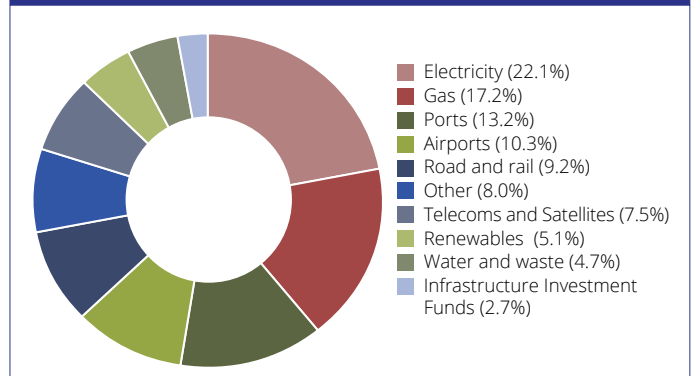
UEM's share price ended September at 196.00p, a decrease of 4.4% over the month. Note this includes the shares going ex-dividend by 1.80p, adjusted for which shares were down 3.5% on a total return basis. The discount widened to 13.6% to NAV, notwithstanding buybacks totalling £1.3m during the month at an average share price of 197.18p.

*Charles Jillings*  
ICM Investment Management Limited and ICM Limited

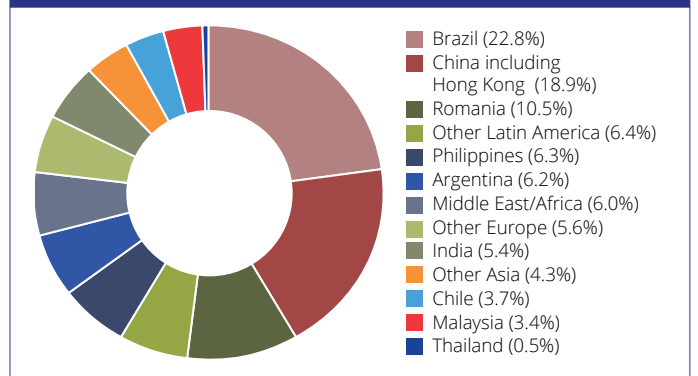
## TOP TWENTY HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	4.6%
2. Ocean Wilsons Holdings Limited	3.9%
3. China Resources Gas Group Ltd	3.4%
4. Yuexiu Transport Infrastructure Limited	3.2%
5. Transgaz S.A.	3.2%
6. Alupar Investimento S.A.	2.8%
7. Energisa S.A.	2.7%
8. Tranelectrica SA	2.6%
9. Companhia de Gas de Sao Paulo (Comgas)	2.6%
10. Rumo S.A.	2.6%
11. Malaysia Airport Holdings Berhad	2.4%
12. Shanghai International Airport Co Ltd	2.3%
13. Engie Energia Chile S.A.	2.2%
14. Conpet S.A.	2.2%
15. APT Satellite Holdings Limited	2.1%
16. Transportadora de Gas del Sur S.A.	2.0%
17. China Everbright Greentech Limited	1.9%
18. Power Grid Corporation of India	1.8%
19. Enel Americas S.A	1.8%
20. Cosan Logistica S.A.	1.7%
<b>Total Top 20</b>	<b>52.0%</b>

## SECTOR SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



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