



# Investor Presentation

28 July 2022

MANAGED BY  ICM



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# Overview of Utilico Emerging Markets Trust plc

## An attractive long-term investment opportunity

### Investment Objective

- Seeks to provide **long term-total returns** by investing predominately in infrastructure, digitalisation, utility and related sectors in the **emerging markets**
- Active investment

### Background

- Established in 2005
- Closed-ended fund listed on the London Stock Exchange
- Jointly managed by ICM Investment Management Limited and ICM Limited



### Investment Approach

- Relentless bottom-up investment approach
- High conviction diversified portfolio of with predominately **operational assets** typically offering attractive yields
- Long term assets with established regulatory frameworks providing **predictable and sustainable growth**

### Proven Management Team

- Dedicated Portfolio Manager since inception in 2005
- Sector focused analysts with senior team having over **100 years of experience**
- Team travels extensively, visiting investee companies and seeking new investment opportunities

Delivered 9.3% annualized total return since inception with a 3.9% dividend yield<sup>(1)</sup>

*Past performance is not a guide to future returns and future returns are not guaranteed.*

1. As at 30 June 2022.

# ICM Investment Team

Dedicated investment team with over 100 years of experience



**Charles Jillings**  
Investment Manager  
CEO, ICM



**Jacqueline Broers**  
Deputy Portfolio Manager  
Transportation



**Jonathan Grocock**  
Deputy Portfolio Manager  
Utilities



**Mark Lebell**  
Senior Analyst  
Digital Infrastructure



**Eduardo Greca**  
Investment Strategist



**George Velikov**  
Analyst



**Henry Beck**  
Analyst



**Gillian Zhao**  
Analyst

Supported by ICM resources operating in more than 10 locations globally with over 20 specialists including country and sector experts and over 70 staff

Full details about the Investment Team can be found at [www.uemtrust.co.uk](http://www.uemtrust.co.uk).

# Why Invest in Emerging Markets?

## Higher economic growth coupled with attractive secular dynamics

### Secular Dynamics

- Growth of the middle class driving increase in **consumption, urbanisation and investment** in infrastructure
- Emerging markets generate c.60% of global economic growth<sup>(1)</sup>

### Market Diversification

- Heterogenous markets proving investment opportunities throughout the economic cycle, political cycle, and business cycle

### Market Inefficiencies

- Greater market inefficiencies driven by lack of company coverage
- Higher market volatility offering pricing opportunities

### Attractive Valuations

- Depressed valuations providing attractive returns
- Accessible and liquid markets



1. As per IMF World Economic Outlook 2022.

# Why invest in Utilico Emerging Markets Trust?

Dedicated and specialised investment trust providing access to emerging markets

## Strong Investment Team

- Experienced and dedicated team
- Specialised analysts with detailed industry knowledge
- Team travels extensively, visiting investee companies and seeking new investment opportunities

## Utilities and Infrastructure Focused

- Long-term assets with established regulatory frameworks
- Delivering predictable and sustainable cash flows
- Often assets provide inflation protection



## Investment Approach

- Predominantly operational cash generative assets offering high operating leverage
- Bottom-up investment focused on seeking growth at reasonable price
- Active engagement with strong management teams
- Internally built ESG framework embedded in investment analysis

## Flexible Portfolio Construction

- A high conviction, benchmark agnostic portfolio
- Nimble across the spectrum of small to large capitalisation companies
- Long-term investor able to weather market volatility by being a closed-ended fund
- Ability to invest across emerging markets

### ROBUST TRACK RECORD:

Annualised total return of 9.3% over 17 years and covered dividend with yield of 3.9%

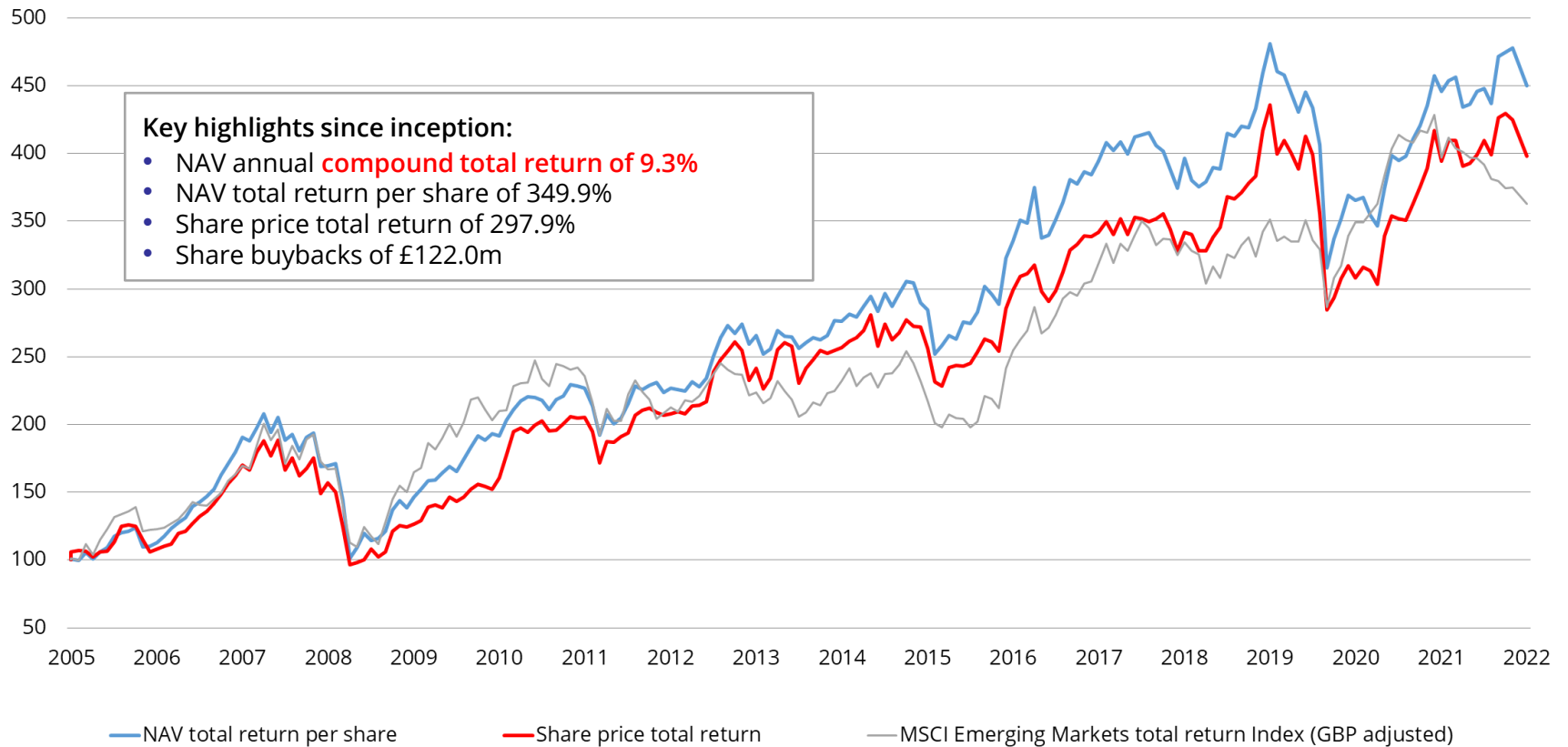
*Past performance is not a guide to future returns and future returns are not guaranteed.*

# Historic NAV and Share Price Performance<sup>(1)</sup>

Strong performance since inception with annualised total return of 9.3%

from 20 July 2005 to 30 June 2022

Rebased to 100 as at 20 July 2005



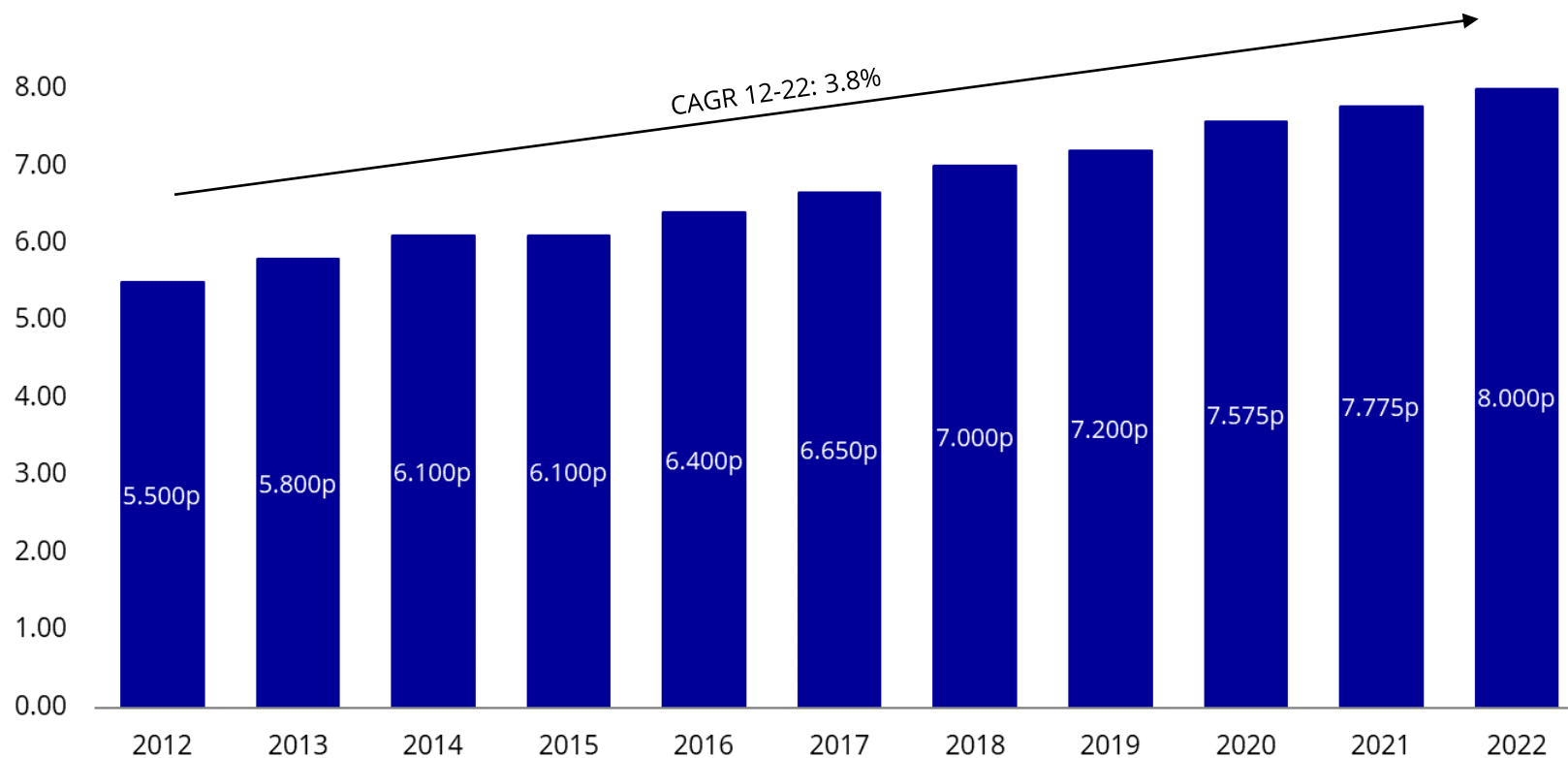
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1. Adjusted for the exercise of warrants and subscription shares.

# Attractive Dividend Growth

UEM has a covered dividend, generating a yield of 3.9%<sup>(1)</sup>

- Dividend per share has continued to grow over time, increasing from 1.50p to 8.00p
- Dividend **remains fully covered and paid quarterly**
- Over 75% of UEM's portfolio companies pay a dividend



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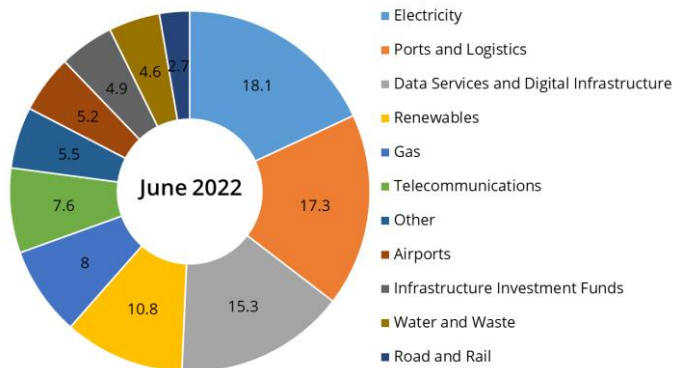
1. As at 30 June 2022.



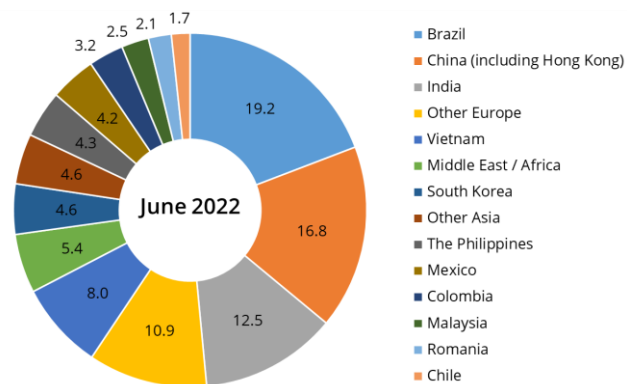
# Portfolio Construction

## Risk mitigation through sector and geographical diversification

### Sector



### Geographical



### Portfolio Construction

#### Number of holdings

- Approximately 80 holdings

#### Asset type

- Primarily equity, but unrestricted and can invest in bonds, convertibles and other types of securities

#### Position size<sup>(1)</sup>

- No single investment to exceed 10.0% of gross assets
- Country exposure limited to 35.0% of gross assets

#### Turnover

- Typically c.25.0% of gross assets per annum
- FY22 invested £124.5m and realised £176.9m

#### Gearing

- Not to exceed 25.0% of gross assets
- As at 30 June 2022 net gearing was 3.1%

#### Unquoted investments

- Not to exceed 10.0% of gross assets at the time of investment

1. Internal UEM limit – per prospectus - single company not to exceed 20.0% of gross assets at time of investment and single country not to exceed 50.0% of gross assets at time of investment.

# UEM Top Twenty as at 30 June 2022

The portfolio continues to offer value with an attractive dividend yield

Company	Country	Sector	Investment (£m)	% of UEM
1 International Container Terminal Services, Inc. (ICT)		Ports and Logistics	22.2	4.3%
2 Alupar Investimento S.A.		Electricity Transmission	19.6	3.8%
3 Petalite Limited		Renewables	18.4	3.5%
4 India Grid Trust		Electricity Transmission and Distribution	18.2	3.5%
5 Gujarat State Petronet Limited		Gas Transmission	15.1	2.9%
6 Ocean Wilsons Holdings Limited		Ports and Logistics	14.1	2.7%
7 FPT Corporation		Data Services and Digital Infrastructure	13.9	2.7%
8 Centrais Eletricas Brasileiras S.A. (Eletrobras)		Electricity Generation and Transmission	13.8	2.7%
9 CGN Capital Partners Infra Fund 3		Renewables	13.6	2.6%
10 My E.G. Services Bhd		Data Services and Digital Infrastructure	12.9	2.5%
11 Power Grid Corporation of India Limited		Electricity Transmission	12.7	2.4%
12 VinaCapital Vietnam Opportunity Fund Ltd		Infrastructure Investment Funds	12.3	2.4%
13 China Gas Holdings Limited		Gas Distribution	10.2	2.0%
14 KunLun Energy Company Limited		Gas Distribution	10.1	1.9%
15 Telelink Business Services		Data Services and Digital Infrastructure	10.0	1.9%
16 China Datang Corporation Renewable Power Co., Limited		Renewables	9.7	1.9%
17 Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)		Airports	9.6	1.8%
18 Citic Telecom International Holdings Limited		Telecommunications	9.3	1.8%
19 Orizon Valorizacao de Residuos S.A.		Water and Waste	9.2	1.8%
20 Rumo S.A.		Road and Rail	9.1	1.8%

# Portfolio Spotlight

Asset: International Container Terminal Services, Inc.  
Sector: Ports



Asset: Alupar Investimento S.A.  
Sector: Electricity Transmission



Asset: FPT Corporation  
Sector: Data Services and Digital Infrastructure



# International Container Terminals Services (ICT)

Quality global port operator focused on driving long-term growth

## Description

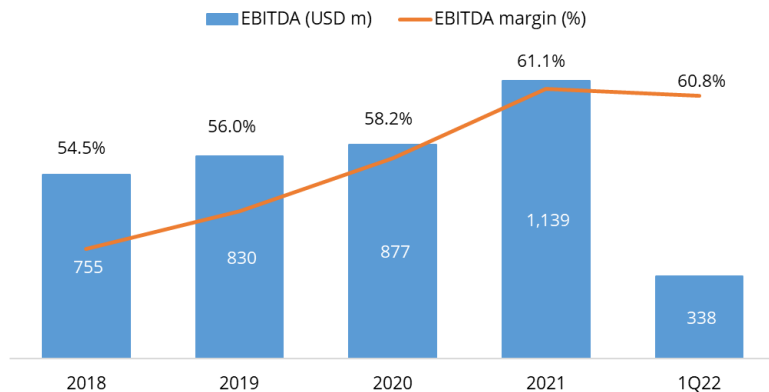
- Acquires, develops, manages and operates small to medium sized container ports and terminals globally
- Operates 33 terminals in 20 countries, primarily origin and destination ports
- Listed on the Philippines Stock Exchange
- Market Cap USD 6.8bn<sup>(1)</sup>

## Five-year share price performance (PHP)



International  
Container Terminal  
Services, Inc.

## Financials



## Why we are investors in ICT

- Long-term concession agreements capturing economic growth of EM driven by the increasing consumption of the growing middle class
- Strong management team
- Unique strategy focused on acquiring underperforming ports with scope for operational improvements

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1. As at 30 June 2022.

# Alupar Investimento

## Leading Brazilian electricity transmission operator

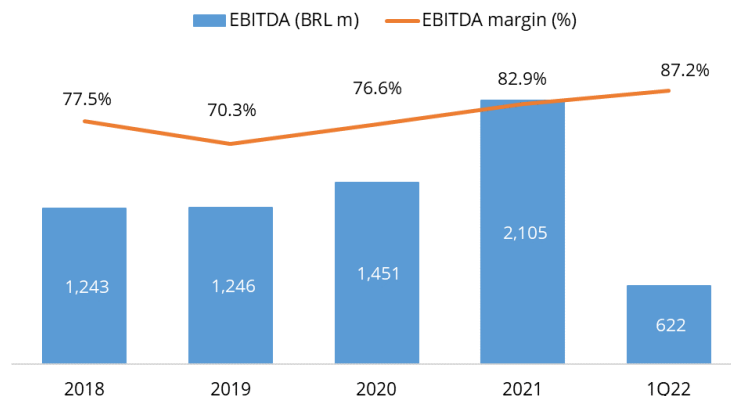
### Description

- Builds, owns and operates transmission line and renewable assets in Brazil, Peru and Colombia
- Maintains 30 transmission lines totalling 7,929km and owns an 822MW renewables portfolio
- Listed on the Sao Paulo Stock Exchange
- Market Cap USD 1.5bn<sup>(1)</sup>

### Five-year share price performance (BRL)



### Financials



### Why we are investors in Alupar

- Long-term transmission concessions with secure regulated annual revenues and an attractive portfolio of renewables
- A best-in-class operator and a management team with strong record in capital allocation
- Disciplined strategy of acquiring new transmission assets and growing the renewables pipeline at attractive levels of return

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1. As at 30 June 2022.

# FPT Corporation

## Vietnamese Telecoms and IT Services Group with a global client base

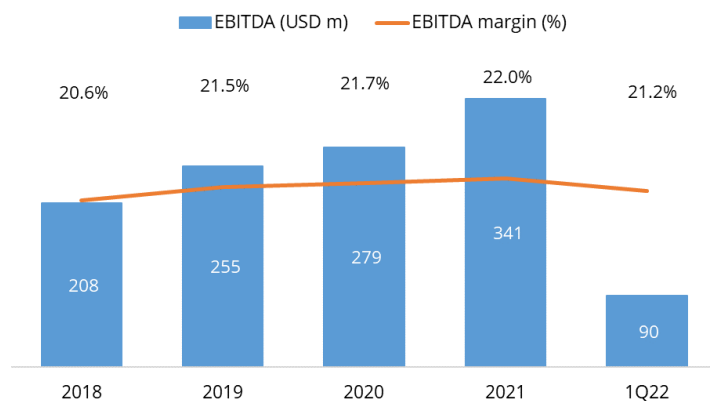
### Description

- IT Telecoms Group with three core segments:
  - IT Services to global multinationals and Vietnamese institutions
  - One of Vietnam's largest fibre broadband and data centre providers
  - Vietnam's largest private education company
- Listed on the Ho Chi Minh Stock Exchange
- Market Cap USD 4.1bn<sup>(1)</sup>

### Five-year share price performance (VND)



### Financials



### Why we are investors in FPT

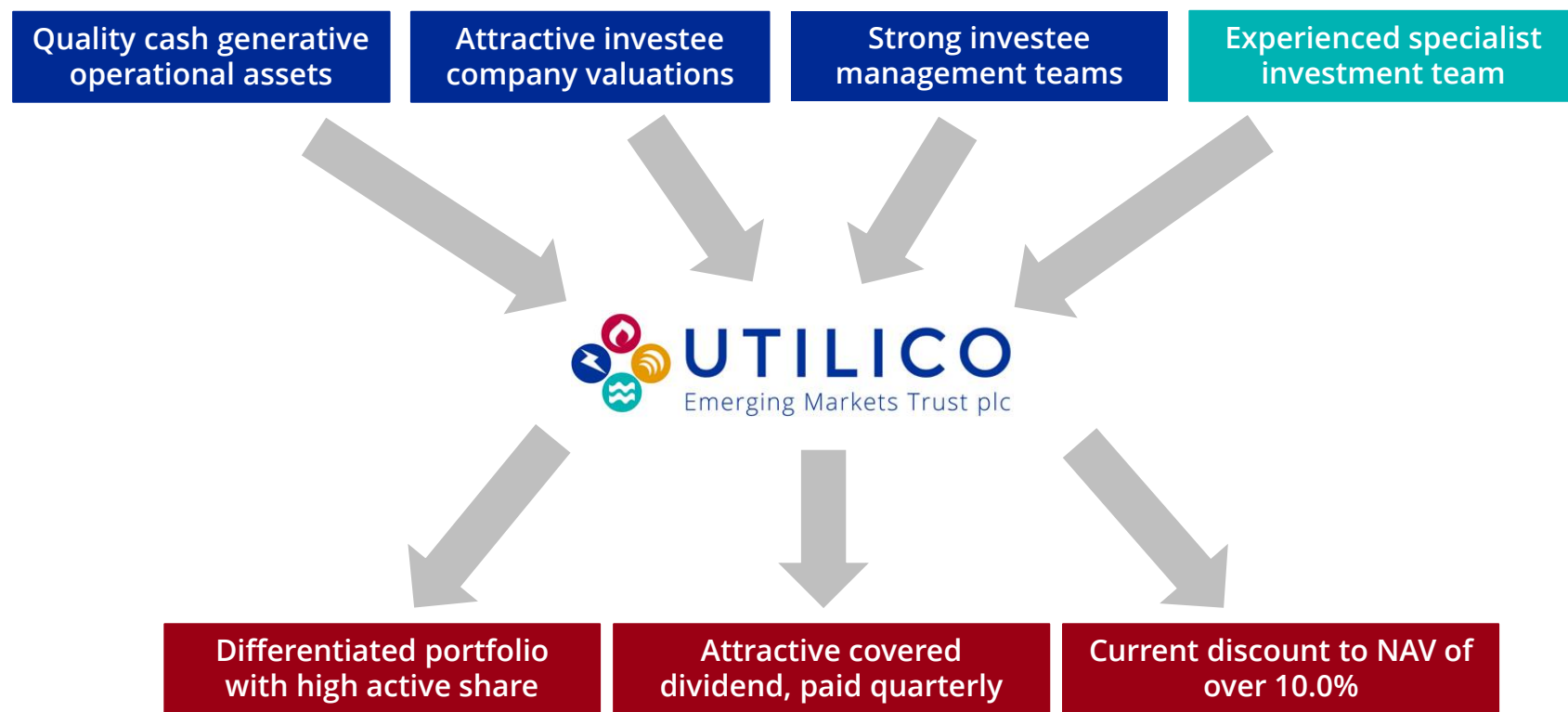
- Leveraging Vietnam's skilled IT workforce whilst training the next generation
- Strong entrepreneurial management team
- Top quality client base including 100 of the Fortune 500 and including Hitachi, Sony, Honda, Bayer, RWE and Airbus
- Targeting growth of 20%+ for several years

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1. As at 30 June 2022.

# Summary

Actively managed investment trust offering differentiated EM exposure



**ROBUST TRACK RECORD:**  
Annualised total return of 9.3% over 17 years and covered dividend with yield of 3.9%

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# Appendix





# Appendix 1 – Fund Facts

Fund size:	£520.2m as at 30 June 2022
Trading:	London Stock Exchange – Main Market
Ordinary Shares in issue:	209.9m as at 30 June 2022
Management fee:	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
Ongoing Charges:	1.4% (as at 31 March 2022)
Gearing policy:	Maximum of 25.0% of gross assets
AIFM, Joint Portfolio Manager and Secretary:	ICM Investment Management Limited
Joint Portfolio Manager:	ICM Limited
Administrator and Custodian:	JPMorgan Chase Bank N.A. – London Branch
Broker:	Shore Capital and Corporate Limited
Lawyers:	Norton Rose Fulbright LLP
Public Relations:	Montfort Communications Limited
Banker:	The Bank of Nova Scotia, London Branch