

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

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

SEPTEMBER 2019

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

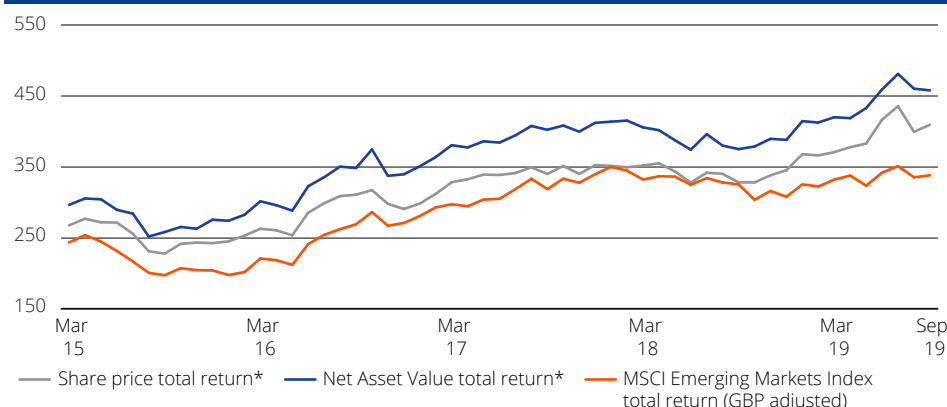
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

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



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	2.5%	(1.7%)	24.7%	31.6%	309.6%
Net Asset Value	(0.5%)	(0.3%)	22.0%	31.4%	357.9%
MSCI Emerging Markets Index (GBP adjusted)	0.9%	(1.1%)	4.0%	25.6%	238.4%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15
Share Price	24.7%	(3.5%)	9.4%	36.4%	(13.7%)
Net Asset Value	22.0%	(6.8%)	15.4%	34.8%	(7.5%)
MSCI Emerging Markets Index (GBP adjusted)	4.0%	2.0%	18.4%	36.3%	(13.5%)

*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)	268.72p
Share Price	237.00p
Discount to diluted NAV	(11.8%)
NAV Total return since launch *	357.9%
Annual average compound return *	11.3%
Historic Dividend paid per share (last 12 months)	7.20p
Historic Dividend Yield (last 12 months)	3.0%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	228,057,408

⁺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	£653.4m
Bank Debt	£(40.6)m
Shareholders' Funds	£612.8m
Gearing (based on AIC definition)	4.6%

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 by 0.5% in September, behind the MSCI Emerging Markets Total Return Index which rose by 0.9% in Sterling terms over the same period.

Global equity markets ended September in net positive territory, closing out a period characterised by the contentious revival of large-scale economic stimulus. The ECB elected to cut deposit rates 10bps - leaving them firmly in negative territory at 0.50% and reinstated a bond-buying programme of EUR 20bn per month, for an indefinite period, amid mounting concerns for the health of the global economy. The Federal Reserve followed suit, cautiously cutting the federal funds rate a further 0.25% and announcing plans to inject up to USD 90bn in two-week loans to stabilise repo markets.

In volatile trading, the Hang Seng ended the period up 1.4%, despite escalating pro-democracy protests resulting in fresh clashes with the police and further widespread disruption. The Shanghai Composite was also net positive (up 0.7%) despite elevated tensions. The People's Bank of China promised to strengthen "counter-cyclical measures" and ensure "adequate liquidity" for the financial sector, stepping up efforts to protect its economy from the ongoing US trade war.

Latin American exchanges were broadly positive, recovering losses from last month. Brazil's BOVESPA rose 3.7% as the central bank cut rates another 50bp, having already made a 50bp cut in July, taking the benchmark Selic to a new low of 5.5%. Chile's IPSA and Mexico's MEXBOL were also up, rising 5.3% and 0.9%, respectively. However, Argentina's Merval was the month's biggest gainer, rallying 18.1% from last month's lows after signals that the proposed left-wing political agenda could be more moderate than initially anticipated.

The majority of currencies were down against Sterling in September, the only exceptions being the Mexican Peso and Argentinian Peso which were up 0.4% and 1.4%, respectively.

PORTFOLIO

There was one change to the constituent of UEM's top twenty portfolio in September, Huaneng Renewables, a Chinese electricity generation company, replaced Conpet, following the announcement by parent Huaneng Group of its intention to privatise Huaneng at HKD 3.17 per share, a 46.1% premium to the pre-deal price. UEM has been a shareholder in Huaneng Renewables since 2015 and its share price was up 23.0% during the month. APT Satellite's share price was up 16.6% and Ecorodovias' share price increased 13.7% during September.

ICT's share price was down 9.8%, on the back of general market concerns over global trading and a slowdown in the overall global GDP growth. China Everbright's share price declined by 5.2% and Sanepar was down by 3.4% during September.

Purchases during the month for the portfolio amounted to £14.6m and realisations totalled £6.1m.

DEBT

UEM increased its bank debt in September from £24.6m to £40.6, all drawn in US Dollars.

OTHER

UEM's share price ended September at 237.00p, up 1.7% from August. The discount to NAV narrowed from 14.3% to 11.8%.

On 27 September 2019, UEM paid its first quarterly dividend for the year to 31 March 2020 of 1.80p per share to shareholders on the register on 6 September 2019.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

Registered Office: The Cottage, Ridge Court, The Ridge, Epsom, Surrey KT18 7EP
UK Contact: Telephone: 01372 271 486

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 the Financial Conduct Authority (FRN: 630094).

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	5.5%
2	Companhia de Saneamento do Paraná (Sanepar)	4.4%
3	Alupar Investimento S.A.	4.4%
4	Energisa S.A.	3.9%
5	China Resources Gas Group Ltd	3.7%
6	Rumo S.A.	3.5%
7	China Everbright Greentech Limited	3.3%
8	Cosan Logistica S.A.	3.0%
9	Ocean Wilsons Holdings Limited	2.8%
10	Engie Energia Chile S.A.	2.7%
11	APT Satellite Holdings Limited	2.4%
12	Omega Geracao S.A.	2.4%
13	Ecorodovias Infraestrutura e Logistica S.A.	2.4%
14	Transgaz S.A.	2.4%
15	Metro Pacific Investments Corporation	2.3%
16	India Grid Trust	2.1%
17	Yuexiu Transport Infrastructure Limited	2.1%
18	Power Grid Corporation of India Limited	1.9%
19	Gujarat State Petronet Limited	1.8%
20	Huaneng Renewables	1.8%
Total Top Twenty		58.8%

SECTOR SPLIT OF INVESTMENTS

Electricity	20.1%
Ports	13.9%
Road and Rail	12.3%
Gas	9.6%
Renewables	8.9%
Water and Waste	8.8%
Other	8.5%
Telecoms and Satellites	8.3%
Infrastructure Investment Funds	6.0%
Airports	3.6%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	28.7%
China Incl. HK	17.8%
India	10.5%
Philippines	8.7%
Middle East / Africa	7.8%
Other Latin America	6.6%
Romania	6.5%
Other Asia	4.8%
Other Europe	3.6%
Chile	2.7%
Malaysia	1.9%
Thailand	0.3%
Argentina	0.1%

