

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



OCTOBER 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.

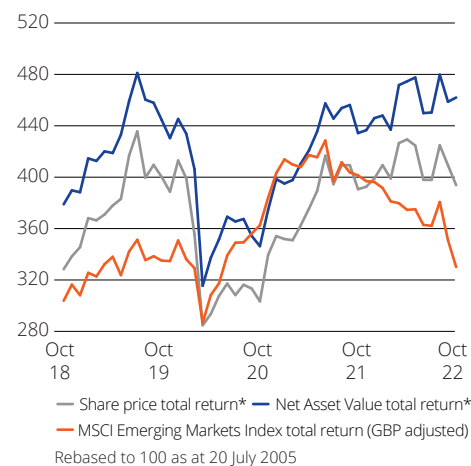
INVESTMENT APPROACH

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 2023
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	5 years	Inception
Share Price	(3.8%)	(1.0%)	0.8%	(1.6%)	12.0%	293.8%
Net Asset Value ("NAV") per share	0.7%	2.6%	6.4%	4.0%	13.1%	362.0%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(6.0%)	(8.9%)	(17.8%)	(1.5%)	(1.0%)	230.1%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18
Share Price	0.8%	28.8%	(24.2%)	21.8%	(6.6%)
Net Asset Value ("NAV") per share	6.4%	25.4%	(22.1%)	17.3%	(7.2%)
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(17.8%)	10.7%	8.2%	10.3%	(8.9%)

FUND DETAILS

ORDINARY SHARES

NAV per share at launch +	98.36p
NAV per share (cum income)	245.04p
Share price	203.00p
Discount to NAV	(17.2%)
NAV per share total return since launch *	362.0%
Annual average compound return *	9.3%
Historic dividend paid per share (last 12 months)	8.00p
Historic dividend yield (last 12 months)	3.9%
Ongoing charges figure	1.4%
Shares in issue	204,173,959
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£526.1m
Bank Debt	£(25.8)m
Shareholders' Funds	£500.3m
Gearing/(net cash)	4.5%

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 (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 increased by 0.7% in October, significantly outperforming the MSCI Emerging Markets total return Index which declined by 6.0% in Sterling terms for the period.

There was little change in the global outlook, with investors still focussed on high inflation, rising interest rates, the continuing impact of the war in Ukraine and China's zero-Covid policy. Equity markets were in the most part positive for the month as a whole, with the US earnings season providing a catalyst for a recovery in valuations towards the end of the month.

The S&P 500 advanced by 8.0% in October. Mexico's Bolsa Index performance was particularly strong, up 11.9%. Brazil's Bovespa advanced by 5.5%, India's SENSEX Index gained 5.8% and the Philippines PSEi Index was up by 7.2%. However, there was weakness in China over policy concerns, with Hong Kong's Hang Seng Index falling by a further 14.7% in October, having fallen 13.7% in September. Vietnam's retail investor dominated market also declined sharply, with the Ho Chi Minh Index falling by 9.2% in October.

During the month, President Xi solidified his power at the National Congress of the Chinese Communist Party and commenced his historic third term. In Brazil, former President Lula da Silva was returned to power, after a narrow second round victory over Jair Bolsonaro and Malaysia called an early election for mid-November.

Central banks continue to raise interest rates. The ECB raised rates by 75ps to 2.0% at the end of October, with the Federal Reserve and Bank of England raising rates by 75bps at the beginning of November to 4.0% and 3.0% respectively. Market volatility was driven by speculation about when and at what level interest rates would peak.

Sterling recovered some of September's losses after Liz Truss was replaced as UK Prime Minister. The US Dollar continued to strengthen against many currencies, although Sterling did appreciate against the US Dollar by 3.1%. The Brazilian Real also appreciated against the US Dollar, declining by just 0.1% against Sterling. In contrast, October saw weakness in the Chinese Yuan which fell by 5.8% against Sterling, the Vietnamese Dong, having traded recently in a close peg to the US Dollar, declined 6.9% as the trading band was widened. The Indian Rupee declined by 4.7% against Sterling and there was a sharp, but not unexpected, devaluation in the Egyptian Pound, which fell 21.3% against Sterling in the month. UEM exited its holding in Telecom Egypt prior to this decline.

PORTFOLIO

Performance across the portfolio in October was mixed and seemed to be driven primarily by country rather than company specific or sector considerations. Many companies in Brazil and Mexico surged strongly, whilst holdings in China and Vietnam were generally weaker. Within the top thirty there was one change, with Brazil's Vamos replacing China Gas. Vamos leases commercial vehicles and agricultural machinery across Brazil and its share price gained 17.9% in October.

A number of other Brazilian companies posted gains, including Rumo, which rose by 19.8%,

Santos, up by 18.9%, Eletrobras, up by 18.1%, Simpar, up by 12.0% and Orizon was up 11.8%. The Mexican airports also surged, with OMA's share price up 25.1% and GAP up 20.5%. In Chile, Engie Energia gained 16.3% and in Asia, there was a strong rebound in ICT's share price, which rose by 10.3% in October. China Datang Renewable Power gained 15.8%, in contrast to negative performances from most of UEM's Chinese holdings.

The most notable decliners in October were Kunlun Energy, which declined by 17.5%, Citic Telecom was down by 9.1%, Vietnam Opportunity Fund was down by 9.7% and FPT Corp's share price fell by 6.0% despite very strong Q3 results.

During October, purchases for the portfolio totalled £10.4m and realisations totalled £17.2m.

DEBT

UEM's bank debt increased from £20.2m to £25.8m with an additional EUR 7.0m drawn during the month. The debt is all drawn in Euros totalling EUR 30.0m at the month end.

OTHER

UEM's share price ended October at 203.00p, down 3.8% over the month. The discount to NAV widened significantly to 17.2% from 13.3%. UEM is continuing to take advantage of the discount, buying back 2.0m shares at an average price of 211.63p.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Electricity	20.6%
Ports and Logistics	19.3%
Data Services and Digital Infrastructure	14.0%
Renewables	9.6%
Airports	6.7%
Telecommunications	6.3%
Gas	6.2%
Water and Waste	5.0%
Other	4.6%
Infrastructure Investment Funds	4.2%
Road and Rail	3.5%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services, Inc.	4.3%
2	Alupar Investimento S.A.	4.3%
3	Centrais Eletricas Brasileiras S.A. (Eletrobras)	3.8%
4	Petalite Limited	3.6%
5	India Grid Trust	3.3%
6	Orizon Valorizacao de Resiuos S.A.	3.2%
7	Gujarat State Petronet Limited	3.0%
8	Power Grid Corporation of India Limited	2.6%
9	Rumo S.A.	2.5%
10	FPT Corporation	2.4%
11	Santos Brasil Participacoes S.A.	2.4%
12	VinaCapital Vietnam Opportunity Fund Ltd	2.3%
13	Ocean Wilsons Holdings Limited	2.2%
14	CGN Capital Partners Infra Fund 3	2.2%
15	My E.G. Services Bhd	2.0%
16	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	1.9%
17	Citic Telecom International Holdings Limited	1.9%
18	Powergrid Infrastructure Investment Trust	1.8%
19	Telelink Business Services	1.8%
20	Engie Energia Chile S.A.	1.7%
21	China Datang Corporation Renewable Power Co., Limited	1.7%
22	Korean Internet Neutral Exchange Inc. (KINX)	1.6%
23	Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)	1.6%
24	Vamos Locacao de Caminhos, Maquinas e Equipamentos S.A.	1.6%
25	Conversant Solutions Pte Limited	1.5%
26	KunLun Energy Company Limited	1.5%
27	Simpar SA	1.5%
28	InPost S.A.	1.3%
29	Engie Brasil Energia S.A.	1.3%
30	Adani Ports and Special Economic Zone Limited	1.3%
Total Top Thirty		68.1%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	24.6%
China incl. HK	13.6%
India	13.2%
Other Europe	10.9%
Vietnam	7.1%
Middle East/Africa	5.3%
Mexico	4.4%
The Philippines	4.3%
South Korea	4.1%
Other Asia	3.4%
Chile	2.7%
Colombia	2.5%
Malaysia	2.0%
Romania	1.9%