

UK listed fund uniquely focused on global infrastructure and utilities megatrends in emerging markets



3 year rating out of 2,964
Global Emerging Markets
Equity funds as of
31 May 2024.

Fund details

Investment 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 ("EM").

Investment approach

UEM is a UK closed ended investment trust investing primarily in operational infrastructure and utilities assets benefitting from long term infrastructure megatrends.

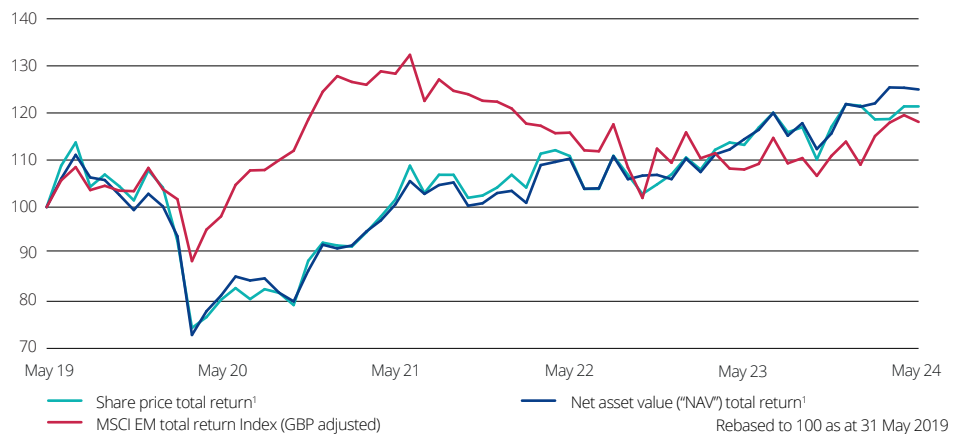
Fund Manager

Charles Jillings

Fund overview	
NAV per share at launch ²	98.36p
NAV per share (cum income)	273.08p
Share price	226.00p
Discount to NAV	(17.2%)
NAV per share total return since launch ¹	441.3%
Annual average compound return ¹	9.4%
Historic dividend paid per share (last 12 months)	8.60p
Historic dividend yield (last 12 months)	3.8%
Ongoing charges figure	1.4%
Shares in issue	189,528,283
Market capitalisation	£428.3m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£517.6m
Bank debt	£0m
Net assets	£517.6m
Gearing/(net cash)	(2.1%)

Fund performance



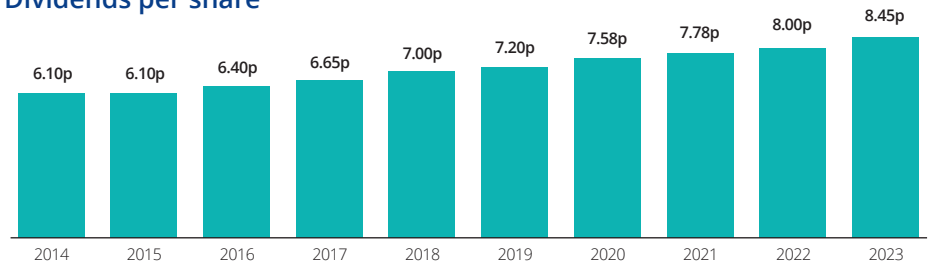
Performance (total return ¹)	1 month	3 months	1 year	3 years	5 years	Inception
Share price	0.0%	2.3%	7.2%	19.5%	21.4%	365.0%
NAV per share	(0.3%)	2.4%	9.2%	24.3%	25.0%	441.3%
MSCI EM Index (GBP adjusted)	(1.2%)	2.6%	9.4%	(8.0%)	18.1%	282.4%

Rolling 12 month performance (total return ¹)	May 24	May 23	May 22	May 21	May 20
Share price	7.2%	2.1%	9.1%	26.5%	(19.7%)
NAV per share	9.2%	3.7%	9.7%	23.8%	(18.8%)
MSCI EM Index (GBP adjusted)	9.4%	(6.8%)	(9.8%)	30.9%	(2.0%)

Investment management

Investment managers	ICM Limited and ICM Investment Management Limited
Investment management fee	1.0% of NAV ≤ £500m; 0.9% of NAV > £500m ≤ £750m; 0.85% of NAV > £750m ≤ £1,000m; and, 0.75% of NAV > £1,000m

Dividends per share



Dividends payable March, June, September and December





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

¹ Total return is calculated based on undiluted NAV plus dividends reinvested and adjusted for the exercise of warrants and subscription shares.































² Utilico Emerging Markets Limited – UEM's predecessor.

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Megatrends providing structural tailwinds for long term sustainable growth

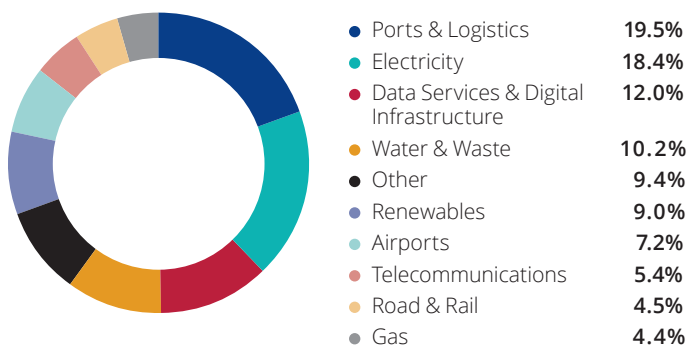
Energy Growth and Transition Electrification, decarbonisation and the shift to renewables  29.5%	Social infra Increasing demand for infrastructure assets driven by societal changes  27.6%	Digital infra Transformational integration of digital technologies across society  22.5%	Global trade Shift in global trade providing opportunities in transportation and logistics  20.4%
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Total top 30 | 70.9%

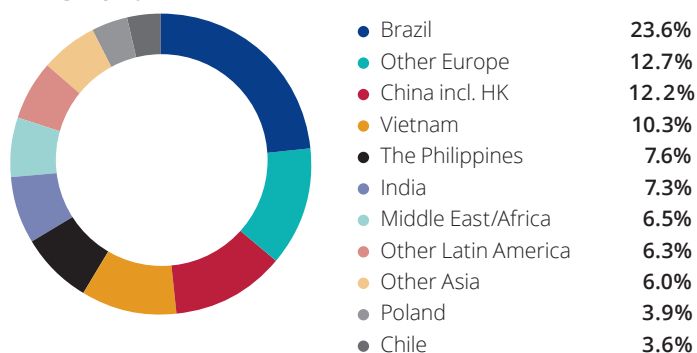
		%			%			%			
1	International Container Terminal Services, Inc.		4.9	11	Korean Internet Neutral Exchange (KINX)		2.5	21	Holding Bursatil Regional S.A		1.7
2	FPT Corporation		4.5	12	KunLun Energy Company		2.4	22	Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)		1.6
3	Alupar Investimento S.A.		4.4	13	Serena Energia S.A.		2.4	23	JSL S.A.		1.6
4	Orizon Valorizacao de Residuos S.A.		4.0	14	Centrais Eletricas Brasileiras S.A. (Eletrobras)		2.3	24	Power Grid Corporation of India		1.5
5	Santos Brasil Participacoes		3.3	15	TAV Havalimanlari Holding A.S.		2.0	25	China Datang Corporation Renewable Power		1.5
6	InPost S.A.		3.2	16	Citic Telecom International Holdings		1.9	26	Sonatel		1.5
7	India Grid Trust		2.9	17	Aguas Andinas S.A.		1.9	27	China Gas Holdings		1.5
8	VinaCapital Vietnam Opportunity Fund		2.7	18	Rumo S.A.		1.9	28	Grupo Traxion S.A.B. de C.V		1.4
9	Manila Water Company, Inc		2.6	19	Ocean Wilsons Holdings		1.9	29	Shanghai International Airport Co., Ltd		1.4
10	Umeme		2.5	20	Powergrid Infrastructure Investment Trust		1.7	30	TTS (Transport Trade Services) S.A.		1.3

Investment allocation as at 31 May 2024

Sector



Geography



Lower volatility to EM with consistently low beta¹ and an active share of over 98%²

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UEM News



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Note: % of total investments

1 Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 31 May 2024 is 0.82.

2 Active share is a measure of the difference between UEM's holdings and the MSCI EM Index – the higher the percentage, the lower the overlap in composite companies.

Market and portfolio performance



PERFORMANCE

UEM's NAV total return eased by 0.3% in May, a narrower decline than the MSCI Emerging Markets total return Index ("MSCI") which was down by 1.2% in Sterling terms in the month. This takes

UEM's NAV total return performance since 31 March 2024 down 0.3%, slightly trailing the MSCI which was up 0.1% in Sterling terms over the same period.

Global stock markets were mixed in May, as inflation in many jurisdictions proved more stubborn than previously expected. In the US the Federal Reserve kept rates on hold, notwithstanding which the S&P 500 Index strengthened by 4.8% as consumer spending held up and the rally in AI stocks continued. European markets were more benign, but also posted positive performances with the Eurostoxx and FTSE 100 up 1.3% and 1.6% respectively over the month.

In emerging markets, pre-election jitters saw the India Sensex ease by 0.3% and the Mexico Bolsa IPC decline by 2.7%, though both remain close to all-time highs. India GDP growth again exceeded expectations, coming in at 7.8% in the quarter ended March 2024. In Brazil, the Bovespa Index fell by 3.0% after the Central Bank slowed its pace of interest rate cuts to 25bps, citing concerns over the inflation outlook. Sentiment here was negatively compounded by President Lula's decision to replace the CEO of state-owned oil company Petrobras and the prospect of weakening fiscal targets.

In China, manufacturing activity unexpectedly contracted in May with the manufacturing PMI declining to 49.5 from 50.4 in April. The Hong Kong Hang Seng Index was up 1.8% while the Shanghai Composite Index declined by 0.6% over the month. Markets in the Philippines and Indonesia were also weak, with the PSEi Index and Jakarta Stock Exchange Index down 4.0% and 3.6% respectively. The outlier for the region was Vietnam, where the Ho Chi Minh Index was up 4.3% despite net selling by foreigners and the dismissals of several high-ranking officials in the country.

Sterling strengthened against most currencies in May, up 3.1% versus the Brazilian Real, 1.7% against the Indian Rupee and the Chinese Renminbi, and 2.1% against the Vietnamese Dong. Sterling was broadly flat against the Euro and up 1.7% versus the US Dollar.

PORTFOLIO

There was one change to the top holdings, with China Datang Renewable Power re-entering the top thirty, replacing Petalite on relative performance. China Datang Renewable's share price was up 13.9% in May, recovering from depressed levels. Meanwhile, the valuation of UEM's investment in Petalite was reduced by £1.6m in May to reflect feedback from the ongoing Series A fund raise.

In the Philippines, Manila Water's share price was up 8.7% over the month after posting robust Q1 results with EBITDA up 29.5% year-on-year on the back of tariff increases and volume growth. ICT's share price was up 2.7%, consolidating gains close to all-time highs. In Vietnam, there was a strong performance in FPT shares, up 9.2% helped by the improvement in local sentiment. UEM's investments in China were mixed, with Kunlun Energy up 6.4% but Shanghai International Airport down 7.7%. In Korea, KINX's share price fell by 13.1% as the commissioning of its new datacentre faced minor delays. UEM's investments in India were broadly flat.

In Brazil, most investments were down in May, with Santos shares falling by 15.2% notwithstanding stellar results with Q1 EBITDA more than doubling and April volumes still showing robust growth. JSL's share price was down 9.9% and Ocean Wilsons declined by 8.4%, while Sabesp decreased by 8.6% over uncertainty around the regulatory parameters ahead of its imminent privatisation. More resilient performances were delivered by Orizon up 5.2%, Alupar up 4.3% and Serena Energia up 4.7%.

In Central and Eastern Europe, it was pleasing to see Inpost shares climb by 9.2% following strong Q1 figures which saw an acceleration in Polish volumes and encouraging progress in the UK,



with group EBITDA up 36%. TAV's share price was also up, rising by 9.5% over the month.

Portfolio purchases amounted to £6.9m and realisations totalled £14.9m.

DEBT

UEM's debt remained at nil in the month. Discussions for a replacement bank facility are continuing.

OTHER

UEM's share price was unchanged over the month at 226.00p. The discount to NAV narrowed to 17.2% from 17.5%. UEM bought back 0.7m shares at an average price of 231.15p in the month, taking the total shares bought back in the two months to 31 May 2024 to 1.3m, equivalent to 0.7% of the share capital as at 31 March 2024.

A fourth quarterly interim dividend of 2.15p per ordinary share in respect of the year ended 31 March 2024 was declared and will be paid on 28 June 2024 to shareholders on the register on 7 June 2024.

ICM TEAM

After over ten years as a valued UEM investment team member, Jon Grocock is leaving ICM to seek new opportunities. All of us at ICM wish Jon every success in the future.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

Important Notes

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