

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



JUNE 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.

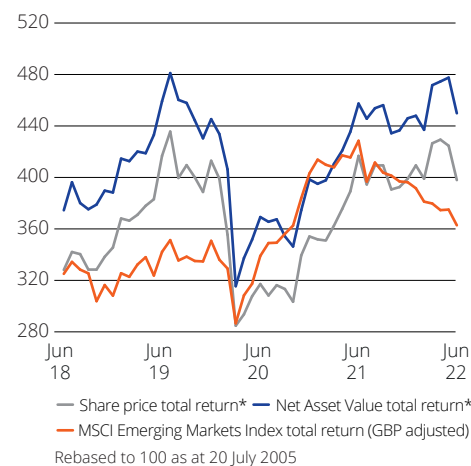
INVESTMENT APPROACH

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 2022
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*)

ROLLING 12 MONTH PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	5 years	Inception	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18
Share Price	(6.3%)	(6.7%)	(4.5%)	(4.5%)	17.4%	297.9%	(4.5%)	31.4%	(23.9%)	27.0%	(3.2%)
Net Asset Value ("NAV") per share	(5.8%)	(4.6%)	(1.6%)	(2.0%)	17.0%	349.9%	(1.6%)	23.8%	(19.6%)	22.6%	(2.6%)
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(3.2%)	(4.5%)	(15.3%)	6.0%	18.8%	262.8%	(15.3%)	26.4%	(0.9%)	5.3%	6.5%

FUND DETAILS

ORDINARY SHARES

NAV per share at launch +	98.36p
NAV per share (cum income)	240.44p
Share price	207.00p
Discount to diluted NAV	(13.9%)
NAV per share total return since launch *	349.9%
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	209,909,911
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£520.2m
Bank Debt	£(15.5)m
Shareholders' Funds	£504.7m
Gearing/(net cash)	2.3%

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 in June decreased by 5.8%, which was an underperformance compared to the MSCI Emerging Markets total return Index ("MSCI") which decreased by 3.2% in Sterling terms during the period. For

the first six months of the calendar year, UEM reported a positive return of 0.9% whilst the MSCI declined by 8.4% in Sterling terms over the same period.

Global equity markets, except for China, weakened considerably in June. Principally this was in response to the Federal Reserve's larger than previously signalled 75bps rate increase, triggered by an 8.6% y-o-y rise in US consumer prices in May. Recessionary fears intensified and commodity prices softened in the second half of the month, which if sustained may give some inflationary relief. The US Dollar continued to strengthen. China's market reacted positively to the easing of some Covid lockdown restrictions although its Zero Covid policy remains very much in place.

The Federal Reserve wasn't the only central bank to raise rates in June. In Brazil, the SELIC rate increased by 50bps to 13.25% with another increase guided for September. The Reserve Bank of India increased rates by 50bps to 4.9% and the Mexican Central Bank raised rates by 75bps to 7.75%. The People's Bank of China pledged to keep monetary policy supportive with a focus on boosting credit availability rather than cutting the one-year loan prime rate from its current 3.7%.

Most markets were weak, with the 6.7% gain in the Shanghai Composite and the 2.1% gain in the Hang Seng Index notable exceptions. The S&P500 declined by 8.4% in June, the NASDAQ composite declined by 8.7% and the Eurostoxx Index was down by 8.8%. The Kospi in Korea fell by 13.2%, the Brazilian Bovespa Index declined by 11.5%, the Philippines' PSEi declined by 9.9%, the Mexican IPC was down by 8.2%, the Bursa Malaysia weakened by 8.0% and India's SENSEX Index was down by 4.6%.

Sterling was weaker against many currencies during the month, falling 3.6% against the US Dollar, 1.3% against the Euro and 2.0% against the Indian Rupee. However, the Brazilian Real and Chilean Peso were even weaker, declining in value by 6.0% and 8.8% against Sterling respectively during June.

The Brent Crude oil price gave up some of May's gains, ending June at USD 114.81, a decline of 6.5% for the month. The price of copper declined by 13.5% in June.

PORTFOLIO

There were three changes to the constituents of the top thirty holdings in the portfolio in June. UEM broadly doubled its exposure to Eletrobras in a placing as the Brazilian government reduced its stake in the electricity generation and transmission company to a minority holding during the month. Conversant, an unlisted Singapore based data

solutions company and China Everbright Environment Group entered the top thirty on relative performance whilst Korean stocks Naver and KT Corp's reduction in value saw them fall outside of the top thirty. BVC, the Colombian stock exchange also fell outside the top thirty holdings following a drop in both its share price and the Colombian Peso following the election of left-winger Gustavo Petro as president.

Several stocks declined by more than 10%, reflecting increased market perception of risk and in some cases the impact of forced sellers in low volume markets. These included ICT, which declined by 15.2%, Gujarat State Petronet, which declined by 13.5% and a few Brazilian companies including Simpar (down by 22.1%), Orizon (down by 13.7%) and Santos Port (down by 10.9%). In Korea, KINX's share price declined by 12.5% broadly in line with the market decline and CorfiColombiana declined by 19.2% on the election result.

The best performing stock in percentage terms was Eletrobras, which climbed by 12.3%. India Grid Trust rose by 5.1% and China Gas was up by 3.8%.

DEBT

UEM's bank debt reduced by EUR 10.0m as at the end of June to EUR 18.0m (£15.5m). During June, purchases totalled £17.1m and realisations totalled £8.0m.

OTHER

UEM's share price ended June at 207.00p, down 6.3% over the month, adjusted for the 2.00p dividend paid in June. The discount to NAV widened slightly to 13.9% from 13.4%. UEM continued to take advantage of the wide discount in June and bought back 2.6m shares at an average price of 213.82p.

On 28 July 2022, UEM will make a live presentation via the Investor Meet platform. The presentation is open to all existing shareholders and potential investors. Questions can be submitted pre-event via the Investor Meet dashboard and investors can sign up to Investor Meet for free and add to meet UEM via: <https://www.investormeetcompany.com/utilico-emerging-markets-trust-plc/register-investor>

Charles Jillings
ICM Investment Management Limited
and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Electricity	18.1%
Ports and Logistics	17.3%
Data Services and Digital Infrastructure	15.3%
Renewables	10.8%
Gas	8.0%
Telecommunications	7.6%
Other	5.5%
Airports	5.2%
Infrastructure Investment Funds	4.9%
Water and Waste	4.6%
Road and Rail	2.7%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services, Inc.	4.3%
2	Alupar Investimento S.A.	3.8%
3	Petalite Limited	3.5%
4	India Grid Trust	3.5%
5	Gujarat State Petronet Limited	2.9%
6	Ocean Wilsons Holdings Limited	2.7%
7	FPT Corporation	2.7%
8	Centrais Eletricas Brasileiras S.A. (Eletrobras)	2.7%
9	CGN Capital Partners Infra Fund 3	2.6%
10	My E.G. Services Bhd	2.5%
11	Power Grid Corporation of India Limited	2.4%
12	VinaCapital Vietnam Opportunity Fund Ltd	2.4%
13	China Gas Holdings Limited	2.0%
14	KunLun Energy Company Limited	1.9%
15	Telelink Business Services	1.9%
16	China Datang Corporation Renewable Power Co., Limited	1.9%
17	Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)	1.8%
18	Citic Telecom International Holdings Limited	1.8%
19	Orizon Valorizacao de Resiuos S.A.	1.8%
20	Rumo S.A.	1.8%
21	China Everbright Greentech Limited	1.7%
22	Simpar SA	1.7%
23	Powergrid Infrastructure Investment Trust	1.6%
24	Santos Brasil Participacoes S.A.	1.6%
25	Conversant Solutions Pte Limited	1.5%
26	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	1.5%
27	PT Link Net Tbk.	1.5%
28	Corporacion Financiera Colombiana S.A.	1.4%
29	Korean Internet Neutral Exchange Inc. (KINX)	1.4%
30	China Everbright Environment Group Limited	1.4%
Total Top Thirty		66.2%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	19.2%
China Incl. HK	16.8%
India	12.5%
Other Europe	10.9%
Vietnam	8.0%
Middle East/Africa	5.4%
Other Asia	4.6%
South Korea	4.6%
The Philippines	4.3%
Mexico	4.2%
Colombia	3.2%
Malaysia	2.5%
Romania	2.1%
Chile	1.7%