

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



3 year rating out of 3026
 Global Emerging Markets
 Equity funds as of 30
 September 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.

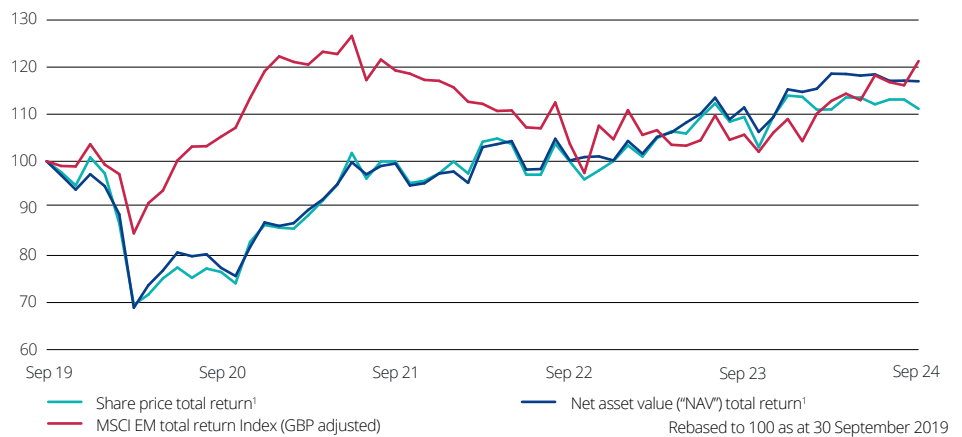
Fund Manager

Charles Jillings

Fund overview	
NAV per share at launch ²	98.36p
NAV per share (cum income)	266.00p
Share price	217.00p
Discount to NAV	(18.4%)
NAV per share total return since launch ¹	435.7%
Annual average compound return ¹	9.1%
Historic dividend paid per share (last 12 months)	8.60p
Historic dividend yield (last 12 months)	4.0%
Ongoing charges figure	1.5%
Shares in issue	187,944,979
Market capitalisation	£407.8m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£519.4m
Bank debt	£(19.5)m
Net assets	£499.9m
Gearing/(net cash)	0.3%

Fund performance



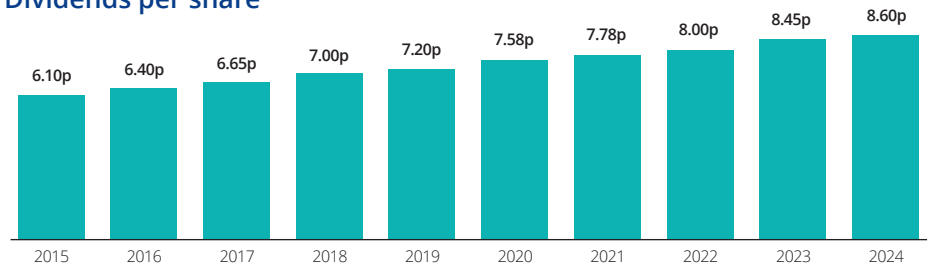
Performance (total return ¹)	1 month	3 months	1 year	3 years	5 years	Inception
Share price	(1.7%)	(0.9%)	1.6%	11.2%	11.2%	355.2%
NAV per share	(0.1%)	(1.2%)	5.0%	17.6%	17.0%	435.7%
MSCI EM Index (GBP adjusted)	4.4%	2.6%	14.8%	1.7%	21.3%	310.4%

Rolling 12 month performance (total return ¹)	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20
Share price	1.6%	9.5%	0.0%	30.7%	(23.5%)
NAV per share	5.0%	11.2%	0.7%	28.6%	(22.6%)
MSCI EM Index (GBP adjusted)	14.8%	1.9%	(13.1%)	13.4%	5.2%

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 potential for sustainable and defensible growth

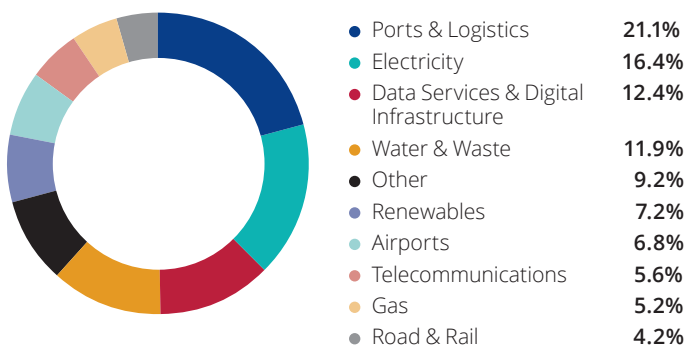
Social infra Urbanisation and rise of the middle class driving demand for better social infrastructure 29.6% 	Energy growth and transition Decarbonisation and investment in energy to support strong economic growth 26.7% 	Digital infra Rapid digital adoption accelerating demand for digital infrastructure 23.3% 	Global trade Trade being fuelled by structural growth drivers, geopolitical dynamics and shifting supply chains 20.4% 
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Total top 30 | 74.4%

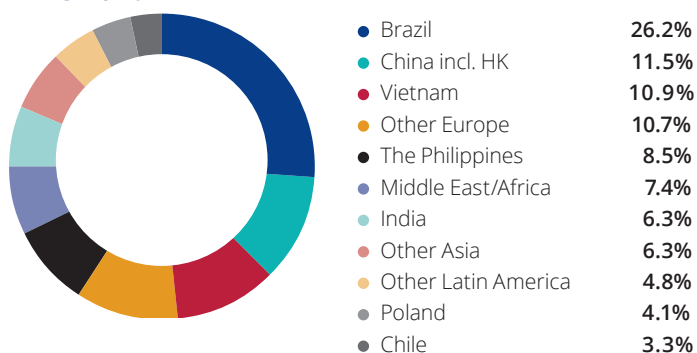
		%			%			%
1	International Container Terminal Services, Inc.	 5.4	11	KunLun Energy Company	 2.6	21	Sonatel	 1.8
2	FPT Corporation	 5.1	12	Korean Internet Neutral Exchange (KINX)	 2.5	22	Citic Telecom International Holdings	 1.7
3	Orizon Valorizacao de Residuos S.A.	 4.4	13	Centrais Eletricas Brasileiras S.A. (Eletrobras)	 2.4	23	Shanghai International Airport Co., Ltd	 1.5
4	Alupar Investimento S.A.	 4.3	14	Umeme	 2.3	24	Sunevision Holdings Ltd	 1.4
5	Santos Brasil Participacoes	 4.2	15	Serena Energia S.A.	 2.2	25	Holding Bursatil Regional S.A	 1.4
6	InPost S.A.	 3.4	16	TAV Havalimanlari Holding A.S.	 2.2	26	China Gas Holdings	 1.4
7	India Grid Trust	 3.1	17	Ocean Wilsons Holdings	 2.1	27	JSL S.A.	 1.3
8	Manila Water Company, Inc	 3.0	18	Aguas Andinas S.A.	 1.9	28	Telelink Business Services Group	 1.3
9	VinaCapital Vietnam Opportunity Fund	 2.7	19	Rumo S.A.	 1.8	29	Vietnam Holding Limited	 1.3
10	Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)	 2.7	20	Powergrid Infrastructure Investment Trust	 1.8	30	Interconexion Electrica S.A. E.S.P.	 1.2

Investment allocation as at 30 September 2024

Sector



Geography



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

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Note: % of total investments

1 Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 30 September 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 was marginally down in September by 0.1%, weaker than the performance of the MSCI Emerging Markets total return Index which was up by 4.4% in Sterling terms in the month.

Global markets in September ended the month on the whole in positive territory. The US market (the S&P Index) ended the month up by 2.0%, despite witnessing a slow start on the back of softer macro data. Retail sales and new home sales weakened, nonfarm payrolls rose less than expected and private consumption expenditure growth was revised lower. The market however was driven by the long anticipated start of the US Federal Reserve rate cutting cycle. The outsized interest rate cut of 50bps, the first rate cut since 2020 bringing rates to 4.75-5.0%, helped to push the US market higher. The European central bank also lowered its interest rate by 25bps as the European economic outlook deteriorated whilst the Bank of England held rates.

The Chinese market started the month sluggishly as retail sales and industrial production all continued to slow. However, on 24 September the Chinese central bank, the PBoC, announced a number of measures to revive growth. These included lowering the seven day reverse repo rate and lowering mortgage rates as part of its stimulus measures. The epic stimulus package helped to boost the markets with the Hang Seng and Shanghai Composite Index both recovering at the end of the month, up by 17.5% and 17.4% respectively.

The easing of the US and Chinese monetary policy helped many emerging markets deliver solid market performances during the month. The Philippines PSEi Index was up by 5.4%, benefitting from the Philippines central bank cutting interest rates as inflationary pressures continue to trend downwards, whilst the Thailand Set Index was up by 6.6%. The Indian Sensex Index was up by 2.3% as macro conditions remain favourable.

Brazil was one of the outliers for the month with the Bovespa Index down by 3.1%. The Brazilian central bank bucked the trend witnessed in most countries and raised interest rates. The Selic rate increased in September by 25bps, the first time in over two years, to 10.75% with the central bank indicating that there are more increases ahead as they tackle a challenging inflationary outlook

driven by stronger than expected economic activity. Further, the Brazilian market was not helped by concerns around the government loosening fiscal discipline. The Turkish market, the Borsa Istanbul Index, was also down by 1.7% as inflation continues to run higher than expected complicating the outlook for monetary policy decisions.

PORTFOLIO

There was one change to the top thirty holdings in September, Vietnam Holding Ltd ("VNH") replaced China Datang due to share price performance of VNH as well as a reduction of position in China Datang.

VNH is a closed-end fund that invests in high-growth companies in Vietnam, focusing on domestic consumption, industrialisation and urbanisation. During the month, its share price was up by 7.0%.

The portfolio had mixed performances in September. Strong performers included three Chinese companies, Shanghai International Airport, Sunevision and China Gas, up by 16.0%, 13.1% and 9.4% respectively benefitting from the recently announced Chinese stimulus policies. Santos Brasil, also saw its share price increase by 13.8% as it was announced that CMA CGM will acquire a 48% stake in the Brazilian port operator and launch a public offer for the remaining shares.

Share price weakness during the month was seen within some of the Brazilian holdings, affected by the local domestic negative investor sentiment and higher interest rates expectation. JSL was subsequently down by 11.0%, Rumo was also down by 8.5% and Eletrobras down by 5.3%.

Portfolio purchases amounted to £12.8m and total realisations were £10.1m.



DEBT

During the month UEM drew upon its £50m multi-currency facility with Barclays Bank. UEM's debt at the end of September increased from nil to £19.5m and was drawn in US Dollars (USD 15.0m) and Euros (EUR 10.0m).

OTHER

UEM's share price decreased in the month by 2.7%, ending September at 217.00p. The discount to NAV widened to 18.4% from 16.9%. UEM bought back 0.3m shares at an average price of 217.27p in the month, taking the total shares bought back in the six months to 30 September 2024 to 2.9m, equivalent to 1.5% of the share capital as at 31 March 2024.

The first quarterly interim dividend of 2.15p per ordinary share in respect of the year ending 31 March 2025, was paid on 27 September 2024 to shareholders on the register on 6 September 2024.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

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).