

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

JULY 2020

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

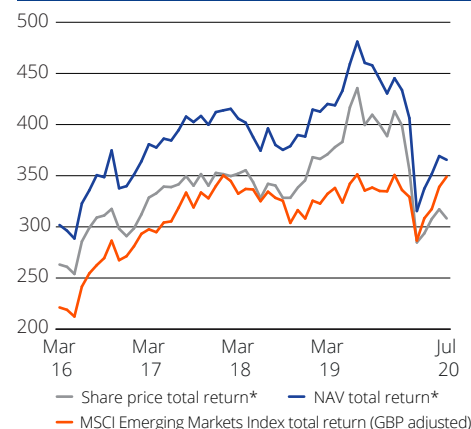
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

KEY DATES

Launch Date ⁺	20 July 2005
Year End	31 March
AGM	September
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



Rebased to 100 as at 20 July 2005

PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	(2.8%)	5.0%	(29.2%)	(9.8%)	208.3%
Net Asset Value	(1.0%)	8.4%	(24.0%)	(7.4%)	265.5%
MSCI Emerging Markets Index (GBP adjusted)	2.9%	13.2%	(0.7%)	9.5%	249.0%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	July 20	July 19	July 18	July 17	July 16
Share Price	(29.2%)	27.4%	0.1%	14.2%	16.8%
Net Asset Value	(24.0%)	21.4%	0.4%	17.5%	18.0%
MSCI Emerging Markets Index (GBP adjusted)	(0.7%)	5.1%	4.9%	25.3%	17.2%

*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)	208.82p
Share Price	173.00p
Discount to diluted NAV	(17.2%)
NAV Total return since launch*	265.5%
Annual average compound return*	9.0%
Historic Dividend paid per share (last 12 months)	7.58p
Historic Dividend Yield (last 12 months)	4.4%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	224,322,382

⁺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	£489.4m
Bank Debt	£(21.0)m
Shareholders' Funds	£468.4m
Gearing (based on AIC definition)	2.6%

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 1.0% during July, this was weaker than the MSCI Emerging Markets Total Return Index which advanced by 2.9% in Sterling

terms over the month.

The recovery in most major emerging market equity indices continued in July, driven by a handful of technology participants. There was a notably strong performance in China, with the Shanghai Composite up by 10.9%, as economic conditions improved. Though continued friction in US-China relations, pro-growth policies have seen Q2 GDP growth bounce back at a positive 3.2% year-on-year compared to the 6.8% contraction in Q1. By comparison, the Hang Seng Index was more muted, up by 0.7% due to tensions over the new security laws in Hong Kong.

Brazil and India are now the epicentres of the coronavirus outbreak, with over 3.0m and 2.0m reported cases of Covid-19, respectively. Notwithstanding the strain that this is putting on the local economies, the BOVESPA Index was up by 8.3% and the SENSEX was up by 7.7% in July. In Brazil this was driven by the passage of a privatisation bill and the launch of a tax reform program, while a coherent stimulus package was unveiled in India aligned with its own reform program. The Philippine PCOMP Index was notably weak, down by 4.5% as Covid-19 cases jumped even after having imposed one of the longest and strictest lockdowns.

Most emerging market currencies weakened against Sterling, with the Chinese Renminbi falling by 4.0%, the Hong Kong Dollar by 5.9%, the Indian Rupee was down by 5.0% and the Philippine Peso by 4.6%. The Brazilian Real was slightly better, down by just 0.7% against Sterling, whilst the Chilean Peso was an outlier, strengthening by 2.1% during the month.

PORTFOLIO

There were two changes to the constituents of the top twenty holdings in UEM's portfolio during July, with Bolsa de Valores de Colombia ("BVC") and Torrent Power replacing Sonatel and Energisa. BVC's share

price was up by 4.8% during the month of July and is the main operator of the Colombian capital market infrastructure. BVC has a diversified and vertically integrated business model, with over 90% of recurring revenues. It offers an attractive combination of resilient earnings from managing the local stock exchange, but also substantial growth from Sophos, a subsidiary that implements digital products for financial institutions. Torrent Power's share price was up by 2.7% in July and has previously appeared in the UEM's top twenty holdings.

Share prices of UEM's top twenty investments were evenly split between positive and negative performances during the month. Eletrobras's share price was up by 19.5% and delivered the strongest increase following the passing of the privatisation bill. There were also excellent performances from CE Greentech, whose share price was up by 11.5%, on hopes of a resolution to the outstanding subsidy receivables from the PRC govt. Ecorodovias's share price was up by 12.3%, on recovering traffic statistics. Indigrid's share price was also up by 7.4%. Poorer performances were seen with GSPL's share price, which was down by 7.5%. MyEG's share price was down by 5.0% during the month and ICT's share price was down by 4.8%. Corficolombiana was also down by 10.1% though this was entirely due to going ex-dividend in the period.

Purchases during the month for the portfolio amounted to £13.2m and realisations totalled £13.4m.

DEBT

UEM reduced its bank debt in July from £31.1m to £21.0m, drawn in US Dollars.

OTHER

UEM's share price ended July at 173.00p, down by 2.8%. The discount to NAV widened to 17.2% from 15.6%. During the month UEM bought back 0.5m shares at an average price of 183.62p.

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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).

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	5.8%
2	Alupar Investimento S.A.	3.8%
3	Engie Energia Chile S.A.	3.5%
4	China Everbright Greentech Limited	3.3%
5	India Grid Trust	3.1%
6	Centrais Elétricas Brasileiras SA (Eletrobras)	2.8%
7	Ocean Wilsons Holdings Limited	2.8%
8	Gujarat State Petronet Limited	2.6%
9	Ecorodovias Infraestrutura e Logística S.A.	2.5%
10	Rumo S.A.	2.4%
11	Cosan Logística S.A.	2.3%
12	Corporación Financiera Colombiana S.A.	2.2%
13	CITIC Telecom International Holdings Limited	2.1%
14	Bolsa de Valores de Colombia	2.1%
15	Transgaz S.A.	2.0%
16	Conpet S.A.	2.0%
17	Power Grid Corporation of India Limited	2.0%
18	My E.G. Services Bhd	2.0%
19	Companhia de Saneamento do Paraná (Sanepar)	1.9%
20	Torrent Power Limited	1.9%
Total Top Twenty		53.1%

SECTOR SPLIT OF INVESTMENTS

Electricity	21.7%
Ports	13.6%
Other	12.7%
Road and Rail	10.6%
Telecoms and Satellites	10.2%
Gas	9.6%
Infrastructure Investment Funds	7.3%
Renewables	7.2%
Water and Waste	4.8%
Airports	2.3%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	26.5%
China Incl. HK	17.5%
India	13.0%
Other Asia	10.8%
Middle East / Africa	7.8%
Philippines	5.8%
Colombia	4.7%
Romania	4.4%
Chile	3.5%
Other Europe	2.9%
Malaysia	2.5%
Mexico	0.6%

