

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

JUNE 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.

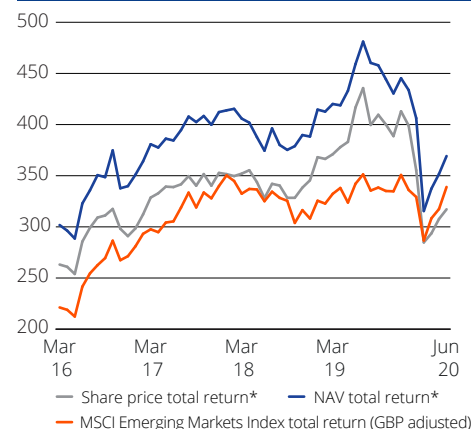
INVESTMENT APPROACH

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	3.1%	11.4%	(23.9%)	(6.4%)	217.2%
Net Asset Value	5.0%	17.0%	(19.6%)	(4.0%)	269.2%
MSCI Emerging Markets Index (GBP adjusted)	6.8%	18.2%	(0.9%)	11.0%	239.0%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	June 20	June 19	June 18	June 17	June 16
Share Price	(23.9%)	27.0%	(3.2%)	18.6%	5.1%
Net Asset Value	(19.6%)	22.6%	(2.6%)	19.0%	11.4%
MSCI Emerging Markets Index (GBP adjusted)	(0.9%)	5.3%	6.5%	26.4%	4.2%

*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)	210.92p
Share Price	178.00p
Discount to diluted NAV	(15.6%)
NAV Total return since launch*	269.2%
Annual average compound return*	9.1%
Historic Dividend paid per share (last 12 months)	7.58p
Historic Dividend Yield (last 12 months)	4.3%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	224,853,181

⁺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	£505.3m
Bank Debt	£(31.0)m
Shareholders' Funds	£474.3m
Gearing (based on AIC definition)	3.2%

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 increased by 5.0% in June, underperforming the MSCI Emerging Markets Total Return Index

which recorded an increase of 6.8% in Sterling terms over the same period.

June marked a strong month for global indices as fresh stimulus measures and the general easing of lockdown restrictions lifted market sentiment. European bourses were particularly strong, driving a 6.0% uplift in the Eurostoxx which closed its third consecutive month in the green. The UK and US posted more modest gains, with the FTSE 100 up 1.5% and the S&P Index up 1.8%.

Most emerging market indices were positive in June. While Brazil remained one of the regions worst affected by the Coronavirus pandemic, the Bovespa was the top performing equity index, climbing 8.8% on the month as the central bank cut interest rates to a record low of 2.25% and hinted further easing could be on the horizon. Elsewhere in Latin America, Chile's IPSA climbed 8.5%, mirroring Brazil's strong performance, while Argentina's Merval rose 2.3%.

Asian bourses were also strong over the month, led by India's Sensex which climbed 7.7%, shrugging off rising Coronavirus cases and fresh tensions with China following a skirmish at the Himalayan border. Meanwhile, Hong Kong's Hang Seng Index rose 6.4%, recovering losses after a steep decline in the previous month. The Shanghai Composite Index was up 4.6%, as stronger-than-anticipated PMI figures signalled economic recovery. The central bank also re-affirmed commitments to lower borrowing costs for small businesses. The other notable performance in the region came from the Philippines PSEi Index, which rose 6.3% on the month.

The majority of emerging market currencies posted small gains against

Sterling. The Chinese Renminbi, Hong Kong Dollar and Philippine Peso appreciated by 0.6%, 0.1% and 1.7%, respectively. Latin American currencies were broadly weaker, with the Brazilian Real down 1.0%, the Chilean Peso down 1.8% and the Argentinian Peso down 3.1%.

PORTFOLIO

There was only one change to the constituents of the top twenty holdings in June, with Power Grid Corporation of India Limited ("Powergrid") replacing Torrent Power.

Powergrid is an Indian electricity transmission company that has previously been among the top twenty holdings. Its return was the result of an 11.0% share price appreciation over the month. In fact, there were five other holdings in the top twenty that recorded share price gains in excess of 10%; namely, International Container Terminals (+15.6%), Engie Energia Chile (+16.0%), China Everbright Greentech (+13.0%), Gujarat State Petronet (+10.3%) and Sanepar (+14.7%). Much of this outperformance reflects share price recovery following steep declines in previous months.

Purchases during the month totalled £13.5m while realisations were £7.4m.

DEBT

UEM's bank debt was reduced in Sterling terms, going from £47.2m at the end of May to £31.1m at the end of June. Debt is drawn in US Dollars (USD 38.4m).

OTHER

UEM's share price increased 2.0% in June, leaving the discount wider at 15.6%. During the month UEM bought back 2.3m shares at an average price of 180.33p.

UEM's fourth quarterly interim dividend of 1.925p per ordinary share in respect of the year ended 31 March 2020, was paid on 19 June 2020 to shareholders on the register on 5 June 2020.

Charles Jillings
ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	6.3%
2	Alupar Investimento S.A.	3.8%
3	Engie Energia Chile S.A.	3.4%
4	China Everbright Greentech Limited	3.1%
5	India Grid Trust	2.9%
6	Gujarat State Petronet Limited	2.9%
7	Ocean Wilsons Holdings Limited	2.7%
8	Rumo S.A.	2.4%
9	Centrais Eléctricas Brasileiras S.A. (Eletrobras)	2.3%
10	Corporacion Financiera Colombiana S.A.	2.3%
11	CITIC Telecom International Holdings Limited	2.2%
12	Ecorodovias Infraestrutura e Logistica S.A.	2.2%
13	Cosan Logistica S.A.	2.1%
14	My E.G. Services Bhd	2.1%
15	Companhia de Saneamento do Paraná (Sanepar)	2.1%
16	Transgaz S.A.	2.1%
17	Sonatel	2.1%
18	Power Grid Corporation of India Limited	2.0%
19	Energisa S.A.	2.0%
20	Conpet S.A.	2.0%
Total Top Twenty		53.0%

SECTOR SPLIT OF INVESTMENTS

Electricity	23.1%
Ports	14.0%
Other	11.5%
Road and Rail	10.3%
Telecoms and Satellites	10.3%
Gas	9.6%
Renewables	7.3%
Infrastructure Investment Funds	6.9%
Water and Waste	4.9%
Airports	2.1%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	26.0%
China including Hong Kong	16.7%
India	13.5%
Other Asia	9.8%
Middle East/Africa	7.9%
Philippines	7.7%
Colombia	4.5%
Romania	4.5%
Chile	3.4%
Other Europe	3.0%
Malaysia	2.7%
Mexico	0.3%

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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).

