

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

# Offering long-term value in emerging markets investments



## NOVEMBER 2021

**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.

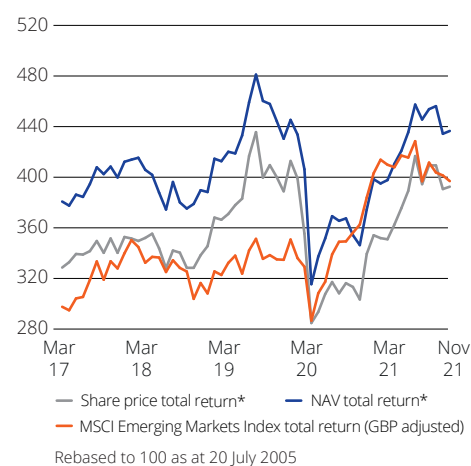
### INVESTMENT APPROACH

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

|                                |                                   |
|--------------------------------|-----------------------------------|
| <b>Launch Date<sup>+</sup></b> | 20 July 2005                      |
| <b>Year End</b>                | 31 March                          |
| <b>AGM</b>                     | September 2022                    |
| <b>Ex-Dividend Dates</b>       | September, December, March & June |
| <b>Dividend Paid Dates</b>     | September, December, March & June |
| <b>Continuation Vote</b>       | 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 | Inception | Nov 21 | Nov 20  | Nov 19 | Nov 18 | Nov 17 |
|---|---------|----------|--------|---------|-----------|--------|---------|--------|--------|--------|
| Share Price   | 0.5%    | (4.1%)   | 15.7%  | 16.1%   | 292.5%    | 15.7%  | (12.7%) | 15.0%  | (0.7%) | 14.1%  |
| Net Asset Value ("NAV")                             | 0.5%    | (3.7%)   | 16.6%  | 11.9%   | 336.6%    | 16.6%  | (13.0%) | 10.3%  | (2.4%) | 18.4%  |
| MSCI Emerging Markets Index (GBP adjusted) ("MSCI") | (1.1%)  | (3.6%)   | 3.4%   | 25.5%   | 296.9%    | 3.4%   | 14.7%   | 5.8%   | 3.5%   | 22.6%  |

## FUND DETAILS

### ORDINARY SHARES

|   |             |
|---|-------------|
| NAV at launch <sup>+</sup>                        | 98.36p      |
| NAV (cum income)                                  | 239.14p     |
| Share Price                                       | 210.00p     |
| Discount to diluted NAV                           | (12.2%)     |
| NAV Total return since launch*                    | 336.6%      |
| Annual average compound return*                   | 9.4%        |
| Historic Dividend paid per share (last 12 months) | 7.85p       |
| Historic Dividend Yield (last 12 months)          | 3.7%        |
| Ongoing charges figure                            | 1.4%        |
| Shares in issue                                   | 219,227,927 |
| Ticker  | UEM.L       |

### CAPITAL STRUCTURE

|                                       |          |
|---------------------------------------|----------|
| Gross Assets less Current Liabilities | £545.5m  |
| Bank Debt                             | £(21.3)m |
| Shareholders' Funds                   | £524.2m  |
| 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](http://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.

<sup>+</sup> 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 the month of November increased by 0.5%, ahead the MSCI Emerging Markets Total Return Index which declined by 1.1% in Sterling

terms over the month.

Investors began the month concerned about inflation, potential interest rate rises and continuing supply chain disruptions. However, the identification of the Omicron Covid-19 variant of concern at the end of November resulted in a sharp sell-off in many markets in the final days of the month.

Asian markets were generally lower, with exceptions being the Philippines PCOMP Index up by 2.1% and the Shanghai Composite up by 0.5% in November. In contrast, the Hong Kong Hang Seng Index declined by 7.5%, India's SENSEX index declined by 3.8%, the Bursa Malaysia declined by 3.1% and the Thai SET index was down by 3.4%.

There was a stock market recovery in Chile, with the ISPA Index gaining 8.3% in the month as the market reacted positively to congress and first round presidential election results. The rest of Latin America followed global markets down, with Brazil's BOVESPA Index down by 1.5% and the Mexican IPC Index down by 3.1%.

Sterling weakened against most major currencies, after the Bank of England did not raise interest rates, as was widely expected, at its November committee meeting. Sterling fell by 3.5% against the US Dollar, 0.8% against the Euro, 3.3% against the Brazilian Real, 3.1% against the Indian Rupee and 3.5% against the Philippine Peso.

## PORTFOLIO

There was one change to the constituents of the top thirty holdings in the portfolio in November with KINX Inc replacing Grupo Aeroportuario del Pacifico, due to relative performance. KINX's third quarter results were positively received by the market, with the share price gaining 7.6% during the month, resulting in its re-entry into the top thirty.

During the month the Indonesian cable television operator Link Net gained 13.1%, on increased hopes that talks between its majority holders and Axiata will lead to an imminent formal bid. Many companies released pleasing results and their share prices moved up as a result. Most notably, Power Grid of India rose by 11.2%. Rumo's share price rose by 10.5% and ICT by 9.7%.

Positions that declined materially during the month included China Gas which declined by a further 28.0% despite H1 results which

showed 11.2% growth in profits. The market was disappointed with guidance for lower connections given the slowdown in property development. Kazakhstan's fintech leader Kaspi declined by 12.8%, giving up some of October's 37.3% gain. Ocean Wilsons' share price declined by 8.2%.

Purchases during the month for the portfolio amounted to £7.6m and realisations totalled £1.7m.

## DEBT

UEM's bank debt remained drawn in Euros (EUR 25.0m), although the liability in Sterling terms increased to £21.3m from £21.1m at the end of October due to exchange rate movements.

## OTHER

UEM's share price ended November at 210.00p, up 0.5% during the month, inline with the NAV and as a result, the discount was unchanged at 12.2%.

UEM's interim report for the six months to 30 September 2021 was released during the month. The second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 31 March 2022 was also declared and will be paid on 17 December 2021 to shareholders on the register on 3 December 2021.

## Charles Jillings ICM Investment Management Limited and ICM Limited

### SECTOR SPLIT OF INVESTMENTS

|  |       |
|--|-------|
| Ports and Logistics                      | 19.5% |
| Data Services and Digital Infrastructure | 17.5% |
| Electricity                              | 12.7% |
| Gas                                      | 9.9%  |
| Telecoms and Satellites                  | 9.0%  |
| Infrastructure Investment Funds          | 6.9%  |
| Other                                    | 6.8%  |
| Renewables                               | 6.1%  |
| Road and Rail                            | 5.4%  |
| Airports                                 | 3.8%  |
| Water and Waste                          | 2.4%  |

| TOP THIRTY HOLDINGS     |   | % of total investments |
|-------------------------|---|------------------------|
| 1                       | International Container Terminal Services Inc.                | 5.2%                   |
| 2                       | Gujarat State Petronet Limited                                | 3.8%                   |
| 3                       | India Grid Trust  | 3.2%                   |
| 4                       | My E.G. Services Bhd  | 3.2%                   |
| 5                       | Alupar Investimento S.A.                                      | 2.9%                   |
| 6                       | Ocean Wilsons Holdings Limited                                | 2.7%                   |
| 7                       | Simpar SA   | 2.3%                   |
| 8                       | China Everbright Greentech Limited                            | 2.3%                   |
| 9                       | FPT Corporation   | 2.2%                   |
| 10                      | Power Grid Corporation of India Limited                       | 2.2%                   |
| 11                      | Telelink Business Services                                    | 2.1%                   |
| 12                      | Rumo S.A.   | 2.1%                   |
| 13                      | Citic Telecom International Holdings Limited                  | 2.0%                   |
| 14                      | VinaCapital Vietnam Opportunity Fund Ltd                      | 2.0%                   |
| 15                      | KunLun Energy Company Limited                                 | 2.0%                   |
| 16                      | Naver Corporation Limited                                     | 1.9%                   |
| 17                      | China Datang Corporation Renewable Power Co., Limited         | 1.9%                   |
| 18                      | Société Nationale des Télécommunications du Senegal (Sonatel) | 1.8%                   |
| 19                      | Corporacion Financiera Colombiana S.A.                        | 1.8%                   |
| 20                      | CGN Capital Partners Infra Fund 3                             | 1.8%                   |
| 21                      | Link Net  | 1.6%                   |
| 22                      | Telecom Egypt   | 1.5%                   |
| 23                      | Ecorodovias Infraestrutura e Logistica SA                     | 1.5%                   |
| 24                      | Tian Lun Gas Holdings Ltd                                     | 1.4%                   |
| 25                      | Kaspi.kz Joint Stock Company                                  | 1.4%                   |
| 26                      | KINX Inc  | 1.4%                   |
| 27                      | Bolsa de Valores de Colombia                                  | 1.4%                   |
| 28                      | China Everbright Environment Group Limited                    | 1.4%                   |
| 29                      | China Gas Holdings Limited                                    | 1.4%                   |
| 30                      | KT Corporation  | 1.4%                   |
| <b>Total Top Thirty</b> |   | <b>63.8%</b>           |

### GEOGRAPHICAL SPLIT OF INVESTMENTS

|                      |       |
|----------------------|-------|
| China Incl. HK       | 16.9% |
| Brazil               | 16.1% |
| India                | 12.9% |
| Other Asia           | 12.4% |
| Other Europe         | 9.6%  |
| Middle East / Africa | 6.1%  |
| South Korea          | 5.6%  |
| The Philippines      | 5.2%  |
| Colombia             | 3.7%  |
| Malaysia             | 3.2%  |
| Romania              | 3.1%  |
| Mexico               | 2.9%  |
| Chile                | 2.3%  |