

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

DECEMBER 2019

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

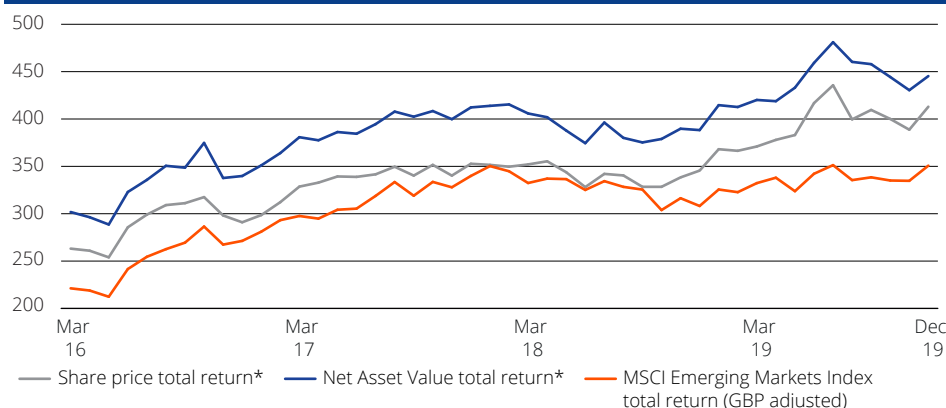
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

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



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	6.3%	0.8%	19.5%	41.9%	313.0%
Net Asset Value	3.5%	(2.8%)	14.7%	31.0%	345.3%
MSCI Emerging Markets Index (GBP adjusted)	4.8%	3.6%	13.8%	29.3%	250.7%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15
Share Price	19.5%	(2.0%)	21.2%	19.8%	(5.8%)
Net Asset Value	14.7%	(5.8%)	21.3%	23.2%	(2.6%)
MSCI Emerging Markets Index (GBP adjusted)	13.8%	(9.3%)	25.3%	32.7%	(10.0%)

*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)	259.38p
Share Price	237.00p
Discount to diluted NAV	(8.6%)
NAV Total return since launch*	345.3%
Annual average compound return*	10.9%
Historic Dividend paid per share (last 12 months)	7.33p
Historic Dividend Yield (last 12 months)	3.1%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	228,057,408

⁺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	£641.3m
Bank Debt	£(49.8)m
Shareholders' Funds	£591.5m
Gearing (based on AIC definition)	6.5%

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 3.5% in December, underperforming the MSCI Emerging Markets Total Return Index which increased by 4.8% in Sterling terms over the month.

Emerging market indices generally had a strong end to the calendar year. The US did not impose increased tariffs on Chinese goods in mid-December as it had previously threatened and both sides are expected to sign the first phase of a trade deal in mid-January. It is expected that the Chinese will agree to buy more US agricultural goods and improve intellectual property protection.

The improved hopes of a US-China trade deal and a lower level of protest activity in Hong Kong than had been seen in November, sent the Hang Seng Index up by 7.0% and the Shanghai Composite up by 6.2%.

Elsewhere in Asia, the markets were also mostly up, with India's SENSEX up 1.1%, Malaysia's FTSE Bursa Index up 1.7% and the Philippines PSEi PCOMP Index up 1.0%. However, there was a decline of 0.7% in the Thai SET Index for the month of December.

Stock markets were also stronger in Latin America, with Brazil's Bovespa Index up by 6.8% and a partial recovery in Chile with the IPSA Index, which gained 2.9% in the month of December. This followed the steep protest driven falls in the Chilean stock market and Peso in the preceding months. Mexico's IPC Index advanced by 1.7%.

The UK election had a positive impact on Sterling's exchange rate against the US Dollar and Euro, with gains of 2.4% and 0.6% respectively. However, the major Latin American currencies outpaced this strength with gains over Sterling. Against Sterling, the Brazilian Real gained 2.6%, the Chilean Peso gained by 4.8% and the Mexican Peso was up by 0.9%.

PORTFOLIO

During December, there were two changes to the constituents of the top twenty holdings. Centrais Eletricas Brasileiras ("Eletrobras") re-entered the top twenty on

the back of a solid share price gain of 6.2% and Torrent Power, an Indian electricity generation and distribution company based in Gujarat has entered the top twenty for the first time. These companies replaced Metro Pacific and Power Grid of India in the top twenty. Note that Metro Pacific – which controls the Manila-based water utility Maynilad – was impacted by threats of water nationalisation. The government has grown increasingly hostile towards private water companies following several contract disputes. The state continues to act against legal rulings.

Performance across the top twenty was mostly positive in December with 15 stocks up for the month. The strongest performances were seen in Latin America, with Energisa up 16.6%, Ecorodovias up 13.1%, Engie Energia Chile up 13.0% and Sanepar up 10.6%. There were also strong gains in the share prices of Cosan Logistica, Rumo and Ocean Wilsons which gained 8.2%, 7.0% and 6.6% respectively in December.

The most significant decliners in the top twenty during December were Transgaz, which declined by 2.9% and China Resources Gas which was down by 1.8%.

Purchases during the month for the portfolio amounted to £6.8m and realisations totalled £23.9m.

DEBT

UEM increased its bank debt in December from £46.4m to £49.8m, drawn in US Dollars. However, realisations towards the end of the month increased cash balances significantly.

OTHER

UEM's share price ended December at 237.00p, up 6.3% on the price at the end of November. The discount narrowed to 8.6%.

A quarterly dividend of 1.925p was paid on 20 December 2019 to shareholders on the register as at 29 November 2019.

Charles Jillings
ICM Investment Management Limited
and ICM Limited

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	5.7%
2	Alupar Investimento S.A.	4.7%
3	Energisa S.A.	4.1%
4	Companhia de Saneamento do Paraná (Sanepar)	4.0%
5	Rumo S.A.	3.7%
6	Cosan Logistica S.A.	3.2%
7	Ocean Wilsons Holdings Limited	3.1%
8	Omega Geracao S.A.	3.0%
9	China Everbright Greentech Limited	2.9%
10	Ecorodovias Infraestrutura e Logistica S.A.	2.7%
11	Engie Energia Chile S.A.	2.7%
12	China Resources Gas Group Ltd	2.6%
13	Transgaz S.A.	2.3%
14	India Grid Trust	2.0%
15	Huaneng Renewables	2.0%
16	Gujarat State Petronet Limited	1.9%
17	Centrais Eletricas Brasileiras S.A. (Eletrobras)	1.9%
18	Yuexiu Transport Infrastructure Limited	1.8%
19	APT Satellite Holdings Limited	1.7%
20	Torrent Power Limited	1.7%
Total Top Twenty		57.7%

SECTOR SPLIT OF INVESTMENTS

Electricity	21.3%
Ports	14.3%
Road and Rail	13.2%
Renewables	9.4%
Gas	8.7%
Telecoms and Satellites	8.4%
Water and Waste	7.8%
Other	6.9%
Infrastructure Investment Funds	6.4%
Airports	3.6%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	33.3%
China including Hong Kong	17.9%
India	10.3%
Philippines	7.8%
Other Latin America	6.9%
Romania	6.1%
Middle East/Africa	5.4%
Other Asia	5.3%
Other Europe	3.0%
Chile	2.7%
Malaysia	1.3%

Registered Office: The Cottage, Ridge Court, The Ridge, Epsom, Surrey KT18 7EP

UK Contact: Telephone: 01372 271 486

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).

