

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



MARCH 2023

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.

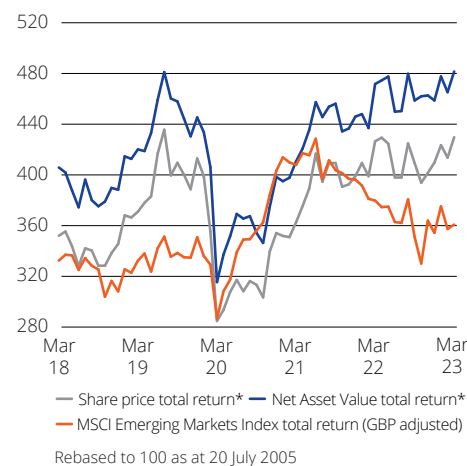
INVESTMENT APPROACH

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 2023
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2026

PERFORMANCE



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	5 years	Inception
Share Price	3.9%	4.9%	0.8%	50.9%	22.1%	329.7%
Net Asset Value ("NAV") per share	3.5%	5.0%	2.1%	52.6%	18.7%	381.6%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	1.0%	1.9%	(5.0%)	25.9%	8.5%	260.8%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19
Share Price	0.8%	17.6%	27.3%	(23.2%)	5.4%
Net Asset Value ("NAV") per share	2.1%	14.9%	30.2%	(24.9%)	3.5%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(5.0%)	(6.9%)	42.3%	(13.7%)	0.0%

FUND DETAILS

ORDINARY SHARES

NAV per share at launch +	98.36p
NAV per share (cum income)	250.91p
Share price	217.00p
Discount to NAV	(13.5%)
NAV per share total return since launch *	381.6%
Annual average compound return *	9.3%
Historic dividend paid per share (last 12 months)	8.30p
Historic dividend yield (last 12 months)	3.8%
Ongoing charges figure	1.4%
Shares in issue	202,212,256
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£542.5m
Bank Debt	£(35.1)m
Shareholders' Funds	£507.4m
Gearing/(net cash)	7.1%

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 (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.

+ 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 increased by 3.5% in March, which was ahead of the MSCI Emerging Markets total return Index ("MSCI") which was up by 1.0% in Sterling terms. Over the past twelve months UEM has delivered a NAV total return of

2.1%, ahead of the MSCI which fell 5.0% in Sterling terms for the period.

Markets were mixed in March, with volatility spiking following the collapse of Silicon Valley Bank, the largest bank failure since the Financial Crisis over a decade ago. Swift government intervention from regulators and the Federal Bank prevented this triggering a wider banking crisis, but the incident highlights tightening liquidity and the impact that rapid rate increases are having on the financial system. The S&P 500 Index shrugged off the bad news, gaining 3.5% over the month, while in Europe the Eurostoxx was up 1.8%.

In China, economic activity continued to rebound in March, with exports growing 14.8% in USD terms. Government policymakers are re-focusing on growth prospects for 2023, easing their crackdown on technology firms and addressing liquidity issues in the property market. Hong Kong's Hang Seng Index was up 3.1% in March whilst the Shanghai Composite was down 0.2%.

In Brazil some details on the long-awaited fiscal framework started to emerge, though the Central Bank maintained rates in highly restrictive territory at 13.75% on concerns over persistent inflation. The Bovespa Index fell by 2.9% in March, whilst markets in Mexico were more upbeat on the potential nearshoring boom, with the Mexico Bolsa up 2.2%. The Chilean IPSA Index declined by 1.3%.

Markets in India were flat over the month, with retail inflation dropping to a 15-month low of 5.66% in March, below the Reserve Bank of India's upper threshold, as food inflation moderated. Meanwhile markets in Vietnam appreciated, with the Ho Chi Minh Index up 3.9%, as the Central Bank cut rates for the first time since 2020 as inflation in February fell to 4.3%, below the full-year target of 4.5%.

Sterling broadly strengthened against most currencies, appreciating by 2.1% against the US Dollar, 1.1% versus the Chinese Renminbi, and 1.5% versus the Indian Rupee. Notably it weakened against the Brazilian Real and Chilean Peso, declining by 0.8% and 3.0% respectively.

PORTFOLIO

The majority of investments in UEM's portfolio posted share price increases during March. There was one change to the top thirty holdings, following increased investment in Shanghai International Airport ("SHIA"), which replaced Ocean Wilsons. SHIA operates Pudong International and recently acquired Hongqiao Airport in Shanghai. Pre-pandemic Pudong Airport handled 76m passengers and remains well placed to benefit from the recovery of air travel demand post China's re-opening.

There were some outstanding performances in Latam, particularly in UEM's Chilean investments, with ECL and Aguas Andinas up 14.9% and 13.8% respectively. This reflects improved outlook for the beleaguered utility sector, which was impacted heavily in 2021-22 by regulatory uncertainty, cost inflation, and liquidity issues as the government sought to protect households from tariff inflation. In Mexico the standout performers were OMA and Traxion, up 15.0% and 9.3% respectively. OMA continues to benefit from the rebound in air travel, reporting 34% growth in passengers for the month of February. Meanwhile, Traxion's results for 4Q22 also demonstrated recovery in EBITDA and is seen as a beneficiary of nearshoring.

Elsewhere, notable performances were delivered by CITIC, up 11.5%, and Umeme, up 10.3%, with both companies reporting robust results and increased dividends. ICT's share price was also up by 6.7% on the back of good 4Q22 results which saw revenues up 20.7% and EBITDA up 19.9%. Inpost's share price was up by 7.4%. Negative share price performances were seen at KINX, falling 13.6%, and GSPL, down 6.9%, as both sought to consolidate gains after having hit short-term highs at the end of February.

During the month, the carrying value of Petalite, an unlisted company in which UEM is a 28.6% shareholder, was increased to the valuation of the last fundraise. This increased NAV by £9.9m.

During March, purchases for the portfolio totalled £16.8m and realisations totalled £4.7m.

DEBT

UEM's bank debt increased from £25.4m to £35.1m and was drawn as USD 18.0m, EUR 12.0m and GBP 10.0m.

OTHER

UEM's share price ended March at 217.00p, up 2.8%. The discount to NAV narrowed slightly to 13.5% from 13.7%. UEM bought back 448,061 shares at an average price of 211.56p in the month, taking the total buybacks for the twelve months to 12.5m shares at an average price of 215.45p.

UEM's third quarterly interim dividend of 2.15p per ordinary share in respect of the year ended 31 March 2023 was paid on 24 March 2023 to shareholders on the register on 3 March 2023.

Charles Jillings

ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS

Electricity	17.4%
Ports and Logistics	17.0%
Data Services and Digital Infrastructure	13.1%
Renewables	12.7%
Gas	7.5%
Airports	7.4%
Telecommunications	6.7%
Water and Waste	6.6%
Other	4.5%
Infrastructure Investment Funds	3.7%
Road and Rail	3.4%

TOP THIRTY HOLDINGS		% of total investments
1	Petalite Limited	5.2%
2	International Container Terminal Services, Inc.	4.9%
3	Alupar Investimento S.A.	3.8%
4	Orizon Valorizacao de Resiuos S.A.	3.4%
5	Gujarat State Petronet Limited	3.1%
6	India Grid Trust	2.8%
7	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	2.4%
8	FPT Corporation	2.4%
9	Power Grid Corporation of India Limited	2.3%
10	Citic Telecom International Holdings Limited	2.3%
11	VinaCapital Vietnam Opportunity Fund Ltd	2.2%
12	CGN Capital Partners Infra Fund 3	2.1%
13	China Gas Holdings Limited	2.1%
14	Rumo S.A.	2.0%
15	China Datang Corporation Renewable Power Co., Limited	2.0%
16	Engie Energia Chile S.A.	2.0%
17	Korean Internet Neutral Exchange Inc. (KINX)	1.9%
18	Aguas Andinas S.A.	1.8%
19	Umeme Limited	1.8%
20	Centrais Eletricas Brasileiras S.A. (Eletrobras)	1.8%
21	Santos Brasil Participacoes S.A.	1.8%
22	KunLun Energy Company Limited	1.7%
23	InPost S.A.	1.7%
24	Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)	1.6%
25	Vamos Locacao De Caminhoes, Maquinas E Equipamentos S.A.	1.6%
26	Powergrid Infrastructure Investment Trust	1.5%
27	Conversant Solutions Pte Limited	1.4%
28	Telelink Business Services	1.4%
29	Shanghai International Airport Co., Ltd	1.4%
30	Grupo Traxion, S.A.B. de C.V.	1.3%
Total Top Thirty		67.7%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	20.9%
China incl. HK	15.8%
India	10.7%
Vietnam	7.0%
UK	6.2%
Other Europe	5.9%
Middle East / Africa	5.8%
Mexico	5.4%
The Philippines	4.9%
Other Asia	4.8%
South Korea	4.1%
Chile	3.7%
Poland	2.6%
Colombia	2.2%