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# Offering long-term value in emerging markets investments



## DECEMBER 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.

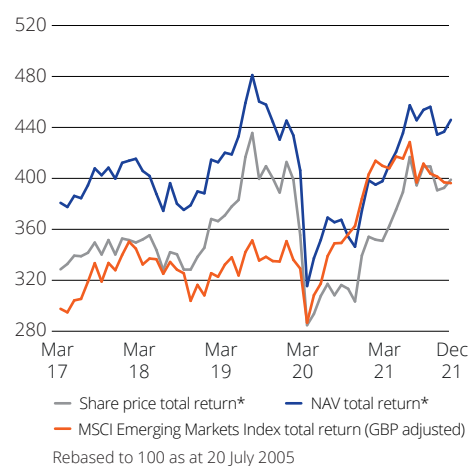
### INVESTMENT APPROACH

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\*)

	1 month	3 months	1 year	3 years	Inception
Share Price	1.6%	(2.5%)	12.7%	15.5%	299.0%
Net Asset Value ("NAV")	2.2%	(2.1%)	11.9%	14.9%	346.0%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(0.2%)	(1.9%)	(1.7%)	28.6%	296.3%

## ROLLING 12 MONTH PERFORMANCE (Total return\*)

	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17
Share Price	12.7%	(14.2%)	19.5%	(2.0%)	21.2%
Net Asset Value ("NAV")	11.9%	(10.5%)	14.7%	(5.8%)	21.3%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(1.7%)	14.9%	13.8%	(9.3%)	25.3%

## FUND DETAILS

### ORDINARY SHARES

NAV at launch <sup>+</sup>	98.36p
NAV (cum income)	242.30p
Share Price	211.50p
Discount to diluted NAV	(12.7%)
NAV Total return since launch*	346.0%
Annual average compound return*	9.5%
Historic Dividend paid per share (last 12 months)	7.93p
Historic Dividend Yield (last 12 months)	3.7%
Ongoing charges figure	1.4%
Shares in issue	218,912,927
Ticker	UEM.L

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£557.3m
Bank Debt	£(26.9)m
Shareholders' Funds	£530.4m
Gearing (based on AIC definition)	3.7%

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 December increased by 2.2%, ahead of the MSCI Emerging Markets Total Return Index which declined 0.2% in Sterling

terms over the month.

During December, the majority of the developed and emerging equity markets recovered from the weakness witnessed in November as the initial concerns over the newest Covid-19 variant faded as it became apparent that Omicron was not as severe or vaccine resistant as first feared.

The US Federal Reserve announced the increase in the pace of its tapering in 2022, pulling forward the start date for tightening and Biden's Build Back Better plan failed to pass through the Senate, as inflation concerns persist. In comparison the Chinese government tried to stabilise the market and dampen concerns about the country's growth outlook by cutting the reserve-requirement ratio by 0.5%, helping to boost liquidity and reducing the one-year prime loan rate by 5 basis points to 3.8%. The S&P Index was subsequently up 4.4% whilst the Chinese Shanghai Composite was up 2.1%, and the Hang Seng was down marginally by 0.3% during December.

Elsewhere within the emerging markets, performance was muted compared to Europe and the US. Within Asia, the market performance was lacklustre, except for Thailand's Set Index which was up for the period by 5.7%, whilst the Indian SENSEX Index was up by 2.1%, Malaysian Bursa up 3.5%, and the Philippines PCOMP Index down 1.1%.

Performance in Latam on the whole was positive, with the Mexican Bolsa IPC Index being one of the top performers globally up by 7.2%, whilst the Brazilian Bovespa was up 2.9% as concerns remain over the fiscal outlook and political uncertain ahead of the October 2022 presidential election. The Chilean IPSA Index was the outlier, down 2.8% in December, partly clawing back the gains witnessed in November as leftist Gabriel Boric was elected president.

In December, Sterling strengthened against most currencies, helped by the Bank of England raising interest rates for the first time in three years. Sterling increased by 2.4% against the US Dollar, 1.3% against the Euro and 1.0% against the Brazilian Real.

## PORTFOLIO

There were three changes to the constituents of the top thirty holdings in December with Grupo Aeroportuario del Pacifico (GAP), Engie Energia Chile and

Grupo Aeroportuario del Centro Norte (OMA) replacing Ecorodovias, KASPI and BVC. In December, both GAP and OMA saw positive share price performances, up by 13.8% and 12.9% respectively, with Engie Energia witnessing a solid performance as its share price was up by 6.0%.

Within the top thirty holdings, China Everbright Environmental saw the largest increase in its share price for the month, up 20.9%, whilst China Datang's share price was up 19.7%. Both companies' performances were helped by improving policies towards power prices in China and grid parity in environmental energy. Telecom Egypt was also up by 16.8% benefiting from the momentum generated from strong third quarter results.

Positions that materially declined during the month were Link Net, down 14.1% after expectation of an imminent formal bid between its majority holders and Axiata has yet to materialise. Gujarat State Petronet was also down over the period by 6.2%.

Purchases during the month for the portfolio amounted to £10.5m and realisations totalled £10.9m.

## DEBT

UEM's bank debt remained drawn in Euros and increased to EUR 32.0m from EUR 25.0m, the liability in Sterling terms increased to £26.9m from £21.3m at the end of December.

## OTHER

UEM's share price ended December at 211.50p, up 0.7% during the month, and as a result the discount increased marginally to 12.7%. During the month UEM bought back 315,000 shares at 213.00p.

UEM's second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 31 March 2022, was paid on 17 December 2021.

## Charles Jillings ICM Investment Management Limited and ICM Limited

### SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	19.1%
Data Services and Digital Infrastructure	16.3%
Electricity	12.4%
Gas	10.5%
Telecoms and Satellites	8.5%
Infrastructure Investment Funds	6.8%
Other	6.8%
Renewables	6.6%
Road and Rail	5.5%
Airports	4.7%
Water and Waste	2.8%

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.9%
2	Gujarat State Petronet Limited	3.5%
3	India Grid Trust	3.3%
4	My E.G. Services Bhd	3.0%
5	Alupar Investimento S.A.	2.8%
6	Ocean Wilsons Holdings Limited	2.7%
7	Simpar SA	2.5%
8	China Everbright Greentech Limited	2.4%
9	China Datang Corporation Renewable Power Co., Limited	2.1%
10	Power Grid Corporation of India Limited	2.1%
11	FPT Corporation	2.0%
12	Rumo S.A.	2.0%
13	Telelink Business Services	2.0%
14	VinaCapital Vietnam Opportunity Fund Ltd	2.0%
15	Citic Telecom International Holdings Limited	1.9%
16	KunLun Energy Company Limited	1.9%
17	CGN Capital Partners Infra Fund 3	1.8%
18	Société Nationale des Télécommunications du Senegal (Sonatel)	1.8%
19	Naver Corporation Limited	1.8%
20	Corporacion Financiera Colombiana S.A.	1.7%
21	China Gas Holdings Limited	1.7%
22	China Everbright Environment Group Limited	1.6%
23	Grupo Aeroportuario del Pacifico, S.A.B. de C.V.	1.5%
24	Tian Lun Gas Holdings Ltd	1.5%
25	Telecom Egypt	1.5%
26	Engie Energia Chile SA	1.3%
27	Link Net	1.3%
28	KT Corporation	1.3%
29	KINX Inc	1.3%
30	Grupo Aeroportuario Centro Norte, S.A.B. de C.V.	1.3%
<b>Total Top Thirty</b>		<b>62.5%</b>

### GEOGRAPHICAL SPLIT OF INVESTMENTS

China Incl. HK	17.8%
Brazil	17.1%
Other Asia	11.8%
India	11.7%
Other Europe	9.8%
Middle East / Africa	6.0%
South Korea	5.4%
The Philippines	4.9%
Mexico	3.9%
Colombia	3.4%
Malaysia	3.0%
Romania	3.0%
Chile	2.2%