

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

SEPTEMBER 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

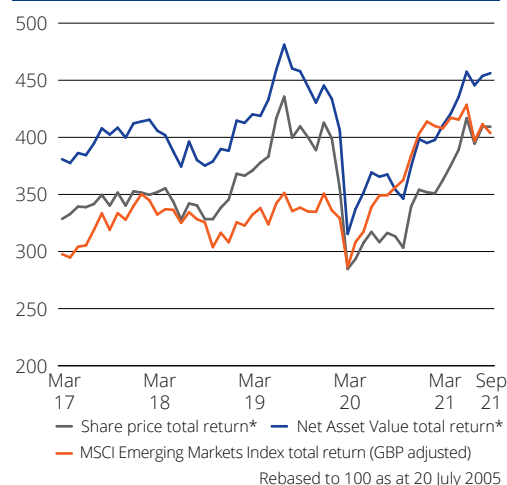
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

KEY DATES

Launch Date⁺	20 July 05
Year End	31 March
AGM	21 September 2021
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2026

⁺Utilico Emerging Markets Limited – UEM's predecessor

PERFORMANCE



PERFORMANCE (Total return*)	1 month	3 months	1 year	3 years	Inception
Share Price	0.0%	(1.8%)	30.7%	24.6%	309.3%
Net Asset Value	0.5%	(0.3%)	28.8%	21.6%	356.2%
MSCI Emerging Markets Index (GBP adjusted)	(1.9%)	(5.8%)	13.4%	24.0%	303.7%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17
Share Price	30.7%	(23.5%)	24.7%	(3.5%)	9.4%
Net Asset Value	28.8%	(22.6%)	22.0%	(6.8%)	15.4%
MSCI Emerging Markets Index (GBP adjusted)	13.4%	5.2%	4.0%	2.0%	18.4%

*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

Net Asset Value (NAV) at launch ⁺	98.36p
NAV (cum income)	249.63p
Share Price	219.00p
Discount to diluted NAV	(12.3%)
NAV Total return since launch*	356.2%
Annual average compound return*	9.8%
Historic Dividend paid per share (last 12 months)	7.85p
Historic Dividend Yield (last 12 months)	3.6%
Ongoing charges figure	1.4%
Shares in issue	219,227,927
Ticker	UEM.L

⁺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	£568.7m
Bank Debt	£(21.5)m
Shareholders' Funds	£547.2m
Gearing (based on AIC definition)	3.7%

GEARING AIC - standardised gearing calculation as recommended by the AIC is based on net assets

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

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





PERFORMANCE

UEM's NAV total return in September increased 0.5%, in contrast to the MSCI Emerging Markets total return Index (GBP Adjusted) ("MSCI") which declined by 1.9% over the month. For the six months to 30

September 2021 the NAV total return was 11.1% compared to the MSCI which was down 1.0%.

Markets were volatile in September, with concerns that the impact on inflation from global supply chain bottlenecks and soaring fuel prices could be more than transitory. This may result in earlier than previously anticipated rises in interest rates globally. Markets were also rattled by the ongoing debt crisis of Chinese property developer Evergrande and potential wider implications for the Chinese property sector and capital markets.

In Asia, markets were generally weaker, although the rallies in India and the Philippines continued with the Indian SENSEX Index up 2.7% and the Philippines' PSEi Composite up 1.4%. The Shanghai Composite gained 0.7% whilst the Hang Seng Index was one of the worst performers globally, with a decline of 5.0% for September. The FTSE Bursa Malaysia Index declined by 4.0% and the Thailand SET Index declined by 2.0%.

In Latin America, Brazil was also weak, with the BOVESPA declining 6.6% after the SELIC interest rate was unexpectedly increased by a full percentage point to 6.25% in a unanimous committee decision. Chile's IPSA Index declined by 2.9% and Mexico's IPC Index declined by 3.6%.

The prospect of rising US interest rates strengthened the US Dollar, which gained 2.1% versus Sterling, but had a negative impact on many emerging markets currencies, with the Brazilian Real notably down 4.1% against Sterling in the month.

PORTFOLIO

There were two changes to the constituents of the top thirty holdings in the portfolio in September, with Powergrid Infrastructure and China Datang Corp Renewable replacing KINX and China Tian Lun Gas due to relative performance. Powergrid Infrastructure is a new Indian trust with a portfolio of operating transmission line projects spun out from Power Grid Corporation of India. China Datang's share price was up 53.5% in September, bolstered by the combination of an improved regulatory backdrop and rising energy prices. This also

benefitted China Everbright Greentech and China Everbright International which gained 14.3% and 9.3% respectively in the month.

Other significant movers during September included Telelink which rose by 16.4% after reporting strong H1 results, and Power Grid gained 8.1%. Many Brazilian stocks reacted negatively to interest rate concerns, with Rumo's share price down by 10.2%, Ecorodovias down by 8.8% and Simpar down by 8.4%. In India, Gujarat State Petronet fell by 9.8% as a response to higher gas prices and in Korea, Naver declined by 11.5% on the potential for regulatory changes ahead of next year's elections.

Purchases during the month for the portfolio amounted to £17.9m and realisations totalled £12.9m.

DEBT

UEM's bank debt increased to £21.5m from £17.2m, drawn as EUR 25.0m.

OTHER

UEM's share price ended September at 219.00p, down 0.9% during the month. Disappointingly the discount widened to 12.3% from 11.7%. During the month UEM bought back 407,175 shares at an average price of 219.10p.

UEM's first quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 31 March 2022, was paid on 24 September. The split of costs between capital and revenue has changed from 70%/30% to 80%/20%.

UEM held its AGM on 21 September at which all resolutions proposed at the meeting were passed. Garth Milne stepped down from the Board and Mark Bridgeman was appointed.

Charles Jillings ICM Investment Management Limited and ICM Limited

SECTOR SPLIT OF INVESTMENTS	
Ports and Logistics	19.9%
Data Services and Digital Infrastructure	16.1%
Electricity	12.8%
Gas	10.3%
Telecoms and Satellites	8.5%
Other	6.9%
Infrastructure Investment Funds	6.5%
Renewables	6.3%
Road and Rail	5.8%
Airports	4.3%
Water and Waste	2.6%

PORTFOLIO SUMMARY

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	4.8%
2	Gujarat State Petronet Limited	3.6%
3	India Grid Trust	3.0%
4	Simpar SA	2.9%
5	Alupar Investimento S.A.	2.8%
6	Ocean Wilsons Holdings Limited	2.8%
7	My E.G. Services Bhd	2.5%
8	China Everbright Greentech Limited	2.4%
9	Power Grid Corporation of India Limited	2.4%
10	Telelink Business Services	2.3%
11	Corporacion Financiera Colombiana S.A.	2.1%
12	KunLun Energy Company Limited	2.0%
13	China Datang Corporation Renewable Power Co., Limited	2.0%
14	FPT Corporation	2.0%
15	China Gas Holdings Limited	1.9%
16	Rumo S.A.	1.9%
17	Citic Telecom International Holdings Limited	1.9%
18	Naver Corporation Limited	1.8%
19	Société Nationale des Télécommunications du Senegal (Sonatel)	1.7%
20	VinaCapital Vietnam	1.7%
21	CGN Capital Partners Infra Fund 3	1.7%
22	Ecorodovias Infraestrutura e Logistica SA	1.6%
23	China Everbright International Limited	1.5%
24	Engie Energia Chile S.A.	1.5%
25	Telecom Egypt	1.4%
26	KT Corporation	1.4%
27	Bolsa de Valores de Colombia	1.4%
28	Link Net	1.4%
29	Powergrid Infrastructure Investment Trust	1.3%
30	Kaspi.kz Joint Stock Company	1.3%
Total Top Thirty		63.0%

GEOGRAPHICAL SPLIT OF INVESTMENTS	
China including Hong Kong	18.4%
Brazil	17.4%
India	12.7%
Other Asia	11.3%
Other Europe	9.5%
Middle East/Africa	6.0%
South Korea	5.5%
The Philippines	4.7%
Colombia	3.9%
Romania	3.1%
Mexico	2.7%
Malaysia	2.5%
Chile	2.3%

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Important Notes

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