

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments

OCTOBER 2020

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

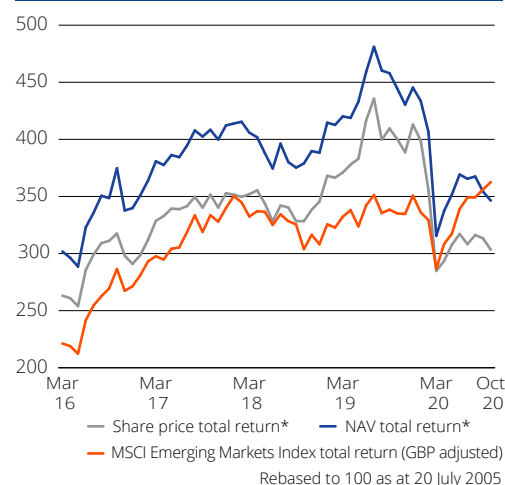
To seek to invest mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with a unique product or market position.

KEY DATES

Launch Date⁺	20 July 05
Year End	31 March
AGM	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	(3.2%)	(1.6%)	(24.2%)	(13.7%)	203.4%
Net Asset Value ("NAV")	(2.2%)	(5.3%)	(22.1%)	(15.2%)	246.3%
MSCI Emerging Markets Index (GBP adjusted)	1.8%	3.9%	8.2%	8.7%	262.6%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16
Share Price	(24.2%)	21.8%	(6.6%)	10.7%	31.3%
Net Asset Value	(22.1%)	17.3%	(7.2%)	9.0%	41.0%
MSCI Emerging Markets Index (GBP adjusted)	8.2%	10.3%	(8.9%)	16.4%	38.0%

*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)	196.07p
Share Price	168.50p
Discount to diluted NAV	(14.1%)
NAV Total return since launch*	246.3%
Annual average compound return*	8.5%
Historic Dividend paid per share (last 12 months)	7.70p
Historic Dividend Yield (last 12 months)	4.6%
Ongoing charges figure excluding performance fee	1.1%
Shares in issue	223,800,939

⁺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	£470.9m
Bank Debt	£(32.1)m
Shareholders' Funds	£438.8m
Gearing (based on AIC definition)	7.4%

Gearing AIC – standardised gearing calculation as recommended by the AIC is based on net assets

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.

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 declined 2.2% in October, underperforming the MSCI Emerging Markets Total Return Index which increased 1.8% in Sterling

terms over the same period.

October was another volatile month for global stock markets as surging coronavirus cases reached critical levels in several of Europe's largest economies. In the emerging markets, Asian bourses fared relatively well, with the Shanghai Composite Index edging up 0.2% and the Hang Seng registering a 2.8% increase as Chinese economic data signalled improving consumer confidence. Having been hard-hit by virus curbs earlier in the year, the Philippines PSEi was a notable outperformer, climbing 7.8% as the easing of restrictions restored market optimism. India's SENSEX Index was another strong performer, rising 4.1% as the central bank signalled more policy easing to support the economy.

In Latin America, Brazil's BOVESPA fell 0.7% in its third consecutive monthly decline. The country's rising coronavirus cases and ongoing fiscal uncertainty continue to drive political tensions. Meanwhile, in Chile, an overwhelming majority voted in favour of a new constitution promising to embrace greater social equality. Despite garnering a largely positive reaction, Chile's IPSA Index declined 2.7% on concerns around investment uncertainty and deteriorating fiscal prudence.

Emerging market currencies posted a mixed performance against Sterling, with the majority recording only small changes. Looking at some of the key currencies, the Brazilian Real depreciated 2.3%, the Hong Kong Dollar depreciated 0.7%, and the Indian Rupee depreciated 0.5%, while the Chinese Renminbi and Philippine Peso appreciated 1.3% and 0.1%, respectively.

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).

PORTFOLIO

There were two changes to the constituents of the top twenty holdings over the month, with China Longyuan Power Group ("China Longyuan") replacing Ecorodovias, and Webcash Corporation ("Webcash") replacing CESC. China Longyuan is predominantly a renewable power generator, operating the largest wind farm portfolio in mainland China, while Webcash provides e-banking payment services in South Korea.

Against a backdrop of high volatility, the performance of the fund's top twenty constituents was distributed over a relatively wide range. Top performers included China Longyuan which climbed 9.1% on strong Q3 earnings, and China Gas which rose 8.0% on lower regional temperatures, and thus higher demand expectations, and indications of a positive longer-term outlook under the PRC's 2060 Carbon Neutral plans. Meanwhile, KINX and Engie Energia Chile ("ECL") were among the weakest performers, falling 7.1% and 16.5%, respectively. Notwithstanding stable Q3 earnings results, ECL shares were impacted by the rising uncertainty for utilities following Chile's referendum result.

Purchases and sales during the month were evenly matched at £6.6m and £6.9m, respectively.

DEBT

UEM's bank debt was unchanged in October, remaining at £32.1m drawn in US Dollars.

OTHER

UEM's share price declined 3.2% over the month, resulting in a widening of the discount from 13.2% to 14.1%. During the month UEM bought back 21,443 shares at a price of 174.00p.

Charles Jillings
ICM Investment Management
Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TWENTY HOLDINGS		% of total investments
1	International Container Terminal Services Inc.	7.2%
2	Alupar Investimento S.A.	3.4%
3	India Grid Trust	3.2%
4	China Everbright Greentech Limited	3.1%
5	Rumo S.A.	3.0%
6	KINX Inc	2.8%
7	Gujarat State Petronet Limited	2.7%
8	Engie Energia Chile S.A.	2.6%
9	Ocean Wilsons Holdings Limited	2.6%
10	Corporacion Financiera Colombiana S.A.	2.3%
11	CITIC Telecom International Holdings Limited	2.2%
12	Centrais Elétricas Brasileiras S.A. (Eletrobras)	2.1%
13	My E.G. Services Bhd	2.1%
14	Bolsa de Valores de Colombia	2.0%
15	China Gas Holdings Limited	2.0%
16	Power Grid Corporation of India Limited	2.0%
17	Conpet S.A.	1.9%
18	China Longyuan Power Group Limited	1.9%
19	Société Nationale des Télécommunications du Senegal (Sonatel)	1.8%
20	WebCash Corp	1.6%
Total Top Twenty		52.5%

SECTOR SPLIT OF INVESTMENTS

Electricity	20.3%
Ports and Logistics	14.3%
Data Services and Infrastructure	12.1%
Gas	11.4%
Telecoms and Satellites	9.6%
Road and Rail	7.9%
Other	7.6%
Renewables	7.4%
Infrastructure Investment Funds	4.8%
Airports	2.8%
Water and Waste	1.8%

GEOGRAPHICAL SPLIT OF INVESTMENTS

China including Hong Kong	20.0%
Brazil	17.9%
India	13.0%
Other Asia	7.7%
South Korea	7.4%
The Philippines	7.2%
Middle East/Africa	6.9%
Other Europe	5.2%
Colombia	5.2%
Romania	3.6%
Malaysia	2.6%
Chile	2.6%
Mexico	0.7%

