

# UK listed fund uniquely focused on global infrastructure and utilities megatrends in emerging markets



3 year rating out of 2,999 Global Emerging Markets Equity funds as of 31 July 2024.

## Fund details

### Investment 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 ("EM").

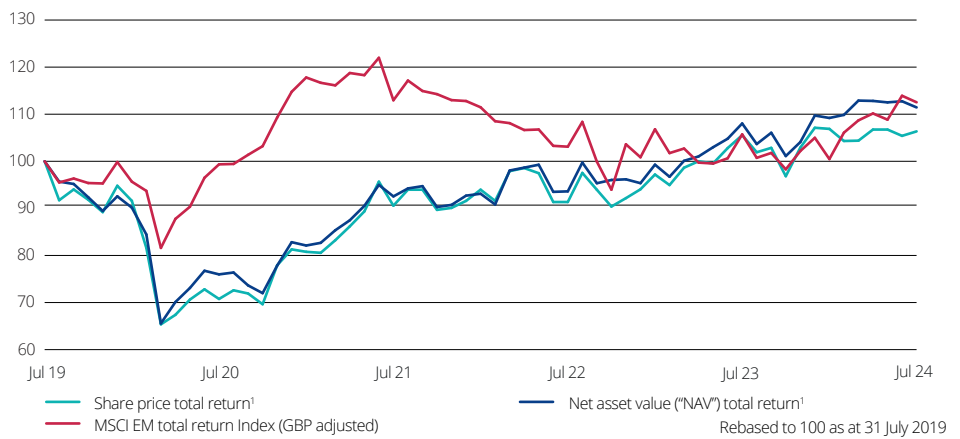
### Investment approach

UEM is a UK closed ended investment trust investing primarily in operational infrastructure and utilities assets benefitting from long term infrastructure megatrends.

### Fund Manager

Charles Jillings

## Fund performance



Fund overview	
NAV per share at launch <sup>2</sup>	98.36p
NAV per share (cum income)	268.38p
Share price	223.00p
Discount to NAV	(16.9%)
NAV per share total return since launch <sup>1</sup>	436.2%
Annual average compound return <sup>1</sup>	9.2%
Historic dividend paid per share (last 12 months)	8.60p
Historic dividend yield (last 12 months)	3.9%
Ongoing charges figure	1.5%
Shares in issue	188,676,183
Market capitalisation	£420.7m
Fund launch date	20 July 2005
Year end	31 March

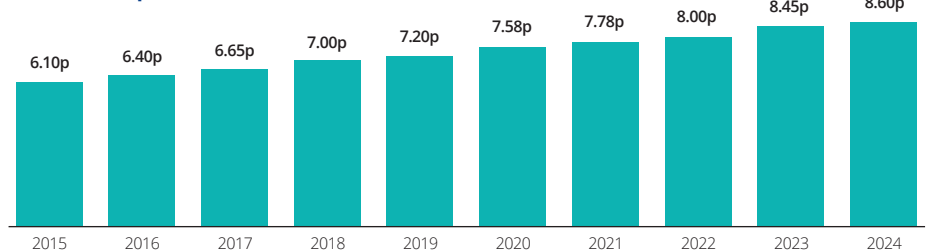
Performance (total return <sup>1</sup> )	1 month	3 months	1 year	3 years	5 years	Inception
Share price	0.9%	(0.4%)	0.8%	17.4%	6.3%	363.3%
NAV per share	(1.2%)	(1.2%)	3.2%	20.4%	11.4%	436.2%
MSCI EM Index (GBP adjusted)	(1.2%)	2.1%	6.4%	(0.4%)	12.5%	295.3%

Rolling 12 month performance (total return <sup>1</sup> )	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20
Share price	0.8%	15.5%	0.9%	28.0%	(29.2%)
NAV per share	3.2%	15.4%	1.2%	21.8%	(24.0%)
MSCI EM Index (GBP adjusted)	6.4%	2.5%	(8.7%)	13.7%	(0.7%)

Investment management	
Investment managers	ICM Limited and ICM Investment Management Limited
Investment management fee	1.0% of NAV ≤ £500m; 0.9% of NAV > £500m ≤ £750m; 0.85% of NAV > £750m ≤ £1,000m; and, 0.75% of NAV > £1,000m

Capital structure	
Gross assets less current liabilities	£506.4m
Bank debt	£0m
Net assets	£506.4m
Gearing/(net cash)	(1.4%)

## Dividends per share



Dividends payable March, June, September and December

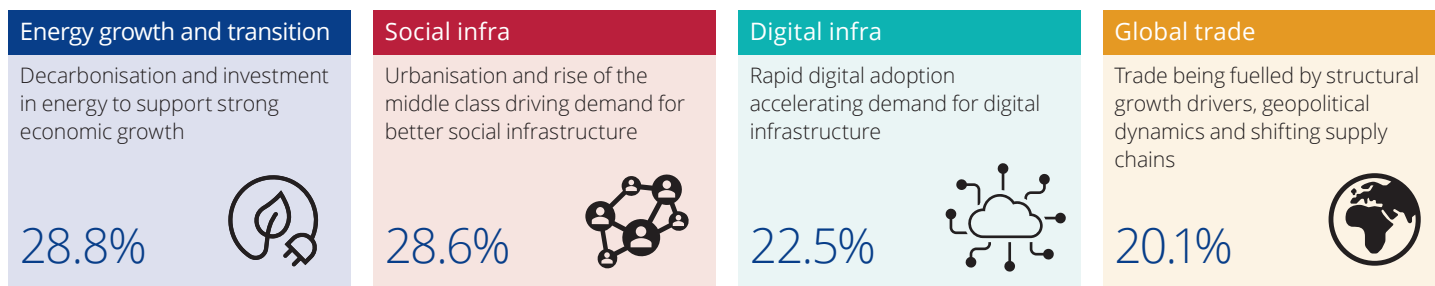
Past performance is not a guide to future returns and future returns are not guaranteed.

<sup>1</sup> Total return is calculated based on undiluted NAV plus dividends reinvested and adjusted for the exercise of warrants and subscription shares.































<sup>2</sup> Utilico Emerging Markets Limited – UEM's predecessor.

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## Megatrends providing potential for sustainable and defensible growth

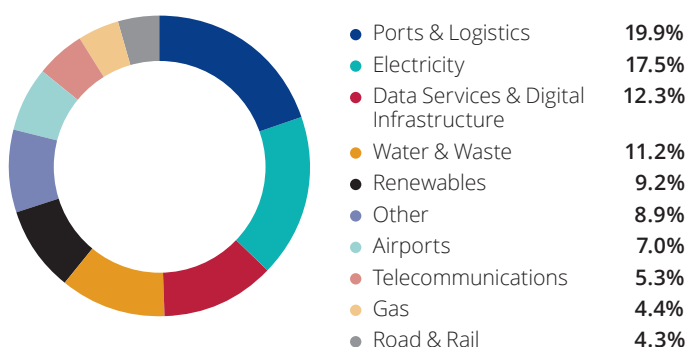


### Total top 30 | 72.1%

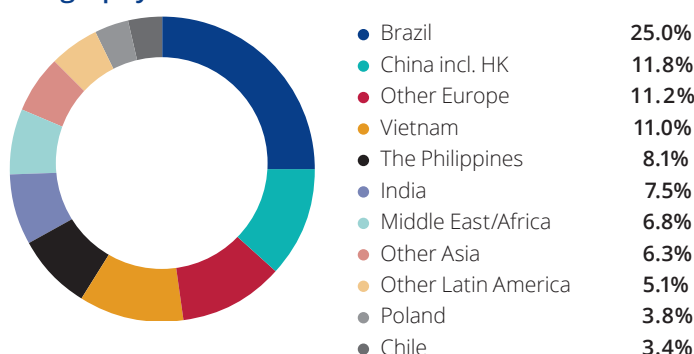
		%			%			%			
1	International Container Terminal Services, Inc.		5.1	11	Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)		2.4	21	China Datang Corporation Renewable Power		1.7
2	FPT Corporation		5.0	12	Centrais Eletricas Brasileiras S.A. (Eletrobras)		2.4	22	Sonatel		1.6
3	Alupar Investimento S.A.		4.4	13	Serena Energia S.A.		2.3	23	Citic Telecom International Holdings		1.6
4	Orizon Valorizacao de Residuos S.A.		3.9	14	Korean Internet Neutral Exchange (KINX)		2.3	24	Holding Bursatil Regional S.A		1.5
5	Santos Brasil Participacoes		3.5	15	KunLun Energy Company		2.3	25	China Gas Holdings		1.4
6	India Grid Trust		3.2	16	TAV Havalimanlari Holding A.S.		2.1	26	Shanghai International Airport Co., Ltd		1.4
7	InPost S.A.		3.1	17	Rumo S.A.		2.0	27	JSL S.A.		1.3
8	VinaCapital Vietnam Opportunity Fund		2.9	18	Aguas Andinas S.A.		1.9	28	Telelink Business Services Group		1.3
9	Manila Water Company, Inc		2.9	19	Powergrid Infrastructure Investment Trust		1.9	29	PT Pertamina Geothermal Energy Tbk		1.3
10	Umeme		2.4	20	Ocean Wilsons Holdings		1.8	30	Joint Stock Company Kaspi.kz		1.2

## Investment allocation as at 31 July 2024

### Sector



### Geography



Lower volatility to EM with consistently low beta<sup>1</sup> and an active share of over 98%<sup>2</sup>

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Note: % of total investments

1 Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 31 July 2024 is 0.82.

2 Active share is a measure of the difference between UEM's holdings and the MSCI EM Index - the higher the percentage, the lower the overlap in composite companies.

## Market and portfolio performance



### PERFORMANCE

UEM's NAV total return was down 1.2% in July, performing in line with the MSCI Emerging Markets total return Index which was also down 1.2% in Sterling terms in the month.

Global markets in July remained mixed, with pressure increasing on the US Federal Reserve to cut interest rates in September on the back of softer inflationary and labour market data. Headline inflation in the US fell to 3.0% YoY, the second consecutive month of being lower than expected and the US unemployment rate rose to 4.1% indicating a slowing labour market. The attempted assassination of Donald Trump, and the withdrawal of President Biden from the US presidential race, leading to the endorsement of his vice president Kamila Harris, added to the market volatility. In July the S&P Index was up by 1.1% whilst the Nasdaq Composite Index struggled being down by 0.75%, affected by concerns around whether big tech stocks can deliver on their heavy AI investments, and the US Dollar weakened depreciating 1.6% against Sterling.

Emerging markets fared better in July, helped by the weaker US Dollar and expected interest rate cuts. Within Asia, the Indian Sensex Index increased again in July by 3.4% as investors reacted positively to the new Modi coalition government continuing their focus on reformist policies as reiterated in the Indian Budget. The Philippines PSEi Index was also up 3.2% and the Indonesian JCI Index was up by 2.7%. China continues to be the drag, with the Chinese Shanghai Composite Index down by 1.0% and the Hong Kong Hang Seng Index down 2.1% as the third plenum failed to excite investment sentiment. Although there was no announcement of material stimulus to support Chinese growth, the Chinese government has implemented measures to support the financial systems such as cutting the reverse repo rate.

Within Latam, market performance was also mixed with the Brazilian Bovespa up by 3.0% helped by the prospect of US interest rates cuts. Combined with low local valuations which attracted foreign investors once again, this resulted in the first monthly inflow this year. The Mexican market was up by 1.2% whilst the Colombian market was down by 2.6%. Exchange rates for the Latam markets continues to be a struggle with the Brazilian Real depreciating

3.3% against Sterling and the Mexican Peso depreciating 3.4% over the month.

### PORTFOLIO

There was only one change to the top thirty holdings during July. Pertamina Geothermal Energy replaced Vietnam Holdings on the back of share price performance. Pertamina is an Indonesian listed wholly renewable company in the geothermal space with 672MW of capacity looking to increase this to at least 1GW by 2026. UEM invested at IPO and has increased its position since.

There were mixed performances in the portfolio in July. Sabesp, the Sao Paulo based, Brazilian water and sanitation company witnessed the strongest performance for the month up by 17.8% on the back of its successful privatisation. The Sao Paulo state government reduced its holding from 50.3% to 18.0%, with Equatorial Energia acquiring a 15.0% interest in Sabesp and becoming the operating partner. Orizon, the Brazilian waste management company was up by 10.8% over the month supported by the announcement of a new biomethane supply contract with Compass. Aguas Andinas, the Chilean listed water and waste company was also up by 7.4% recovering from June's sell off.

Citic Telecom, the Chinese telecom operator saw its share price in July fall by 21.0% after it issued a profit warning ahead of its 1H24 results expected to be released in August, whilst Kinx was down by 10.1% as it is awaiting completion of a new data centre which is now expected to be completed in August rather than the end of July. Umeme was down by 5.4% and Santos Brasil was down by 3.9%.

Portfolio purchases amounted to £5.0m and total realisations were £5.6m.



### DEBT

UEM's debt remained at nil in July and discussions for a replacement bank facility are continuing.

### OTHER

UEM's share price for the month was up 0.9% ending July at 223.00p. The discount to NAV narrowed to 16.9% from 18.6% in June. UEM bought back 0.4m shares at an average price of 222.96p in the month, taking the total shares bought back in the four months to 31 July 2024 to 2.2m, equivalent to 1.1% of the share capital as at 31 March 2024.

**Charles Jillings**  
ICM Investment Management Limited  
and ICM Limited

### Important Notes

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