

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



3 year rating out of 3007 Global Emerging Markets Equity funds as of 31 August 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").

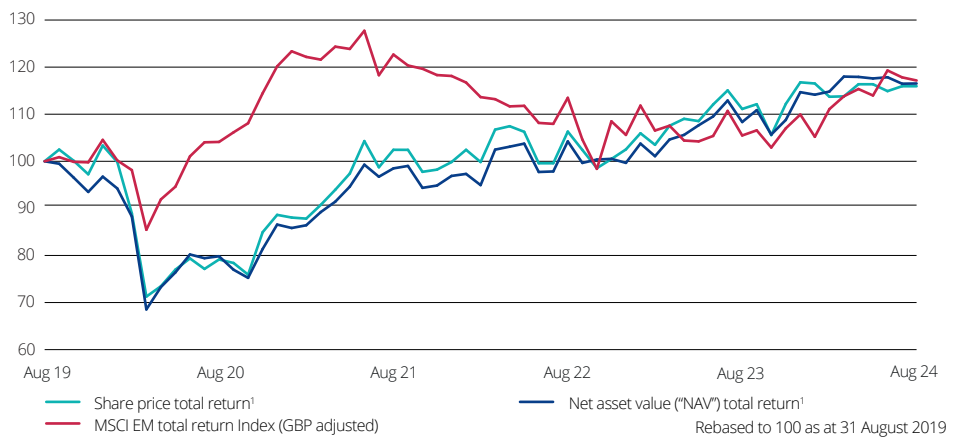
### Investment approach

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)	268.46p
Share price	223.00p
Discount to NAV	(16.9%)
NAV per share total return since launch <sup>1</sup>	436.3%
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	188,243,393
Market capitalisation	£419.8m
Fund launch date	20 July 2005
Year end	31 March

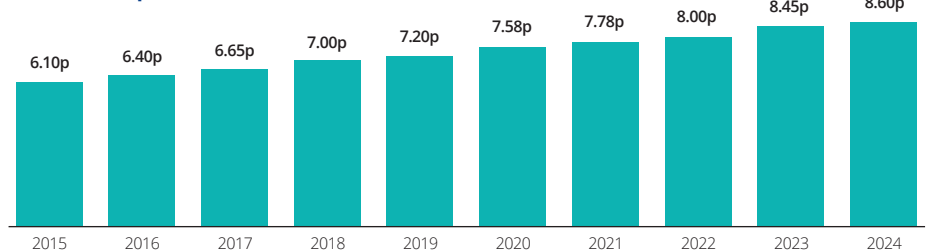
Performance (total return <sup>1</sup> )	1 month	3 months	1 year	3 years	5 years	Inception
Share price	0.0%	(0.4%)	4.3%	13.2%	15.9%	363.3%
NAV per share	0.0%	(0.9%)	7.5%	18.3%	16.5%	436.3%
MSCI EM Index (GBP adjusted)	(0.6%)	2.8%	11.1%	(4.5%)	17.2%	293.0%

Rolling 12 month performance (total return <sup>1</sup> )	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20
Share price	4.3%	4.5%	3.8%	29.4%	(20.9%)
NAV per share	7.5%	3.9%	5.8%	23.4%	(20.2%)
MSCI EM Index (GBP adjusted)	11.1%	(7.0%)	(7.5%)	17.8%	4.1%

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	£505.4m
Bank debt	£0m
Net assets	£505.4m
Gearing/(net cash)	(1.0%)

## 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

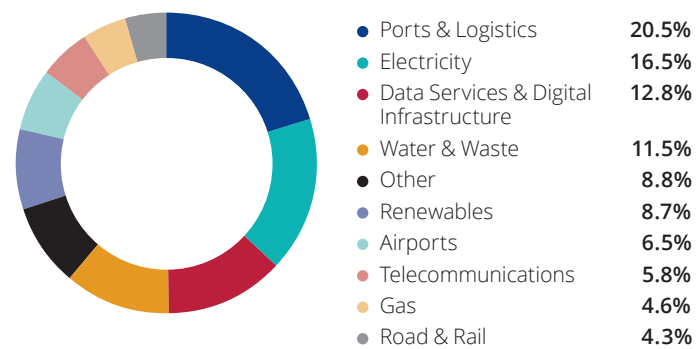
<b>Social infra</b> Urbanisation and rise of the middle class driving demand for better social infrastructure 28.5% 	<b>Energy growth and transition</b> Decarbonisation and investment in energy to support strong economic growth 27.6% 	<b>Digital infra</b> Rapid digital adoption accelerating demand for digital infrastructure 23.6% 	<b>Global trade</b> Trade being fuelled by structural growth drivers, geopolitical dynamics and shifting supply chains 20.3% 
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### Total top 30 | 72.9%

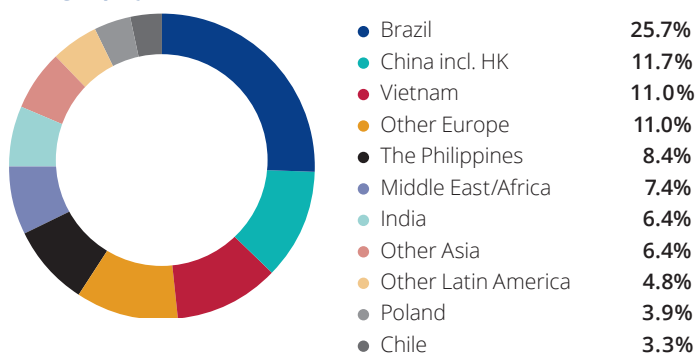
		%			%			%
1	International Container Terminal Services, Inc.	 5.4	11	Centrais Eletricas Brasileiras S.A. (Eletrobras)	 2.5	21	Sonatel	 1.7
2	FPT Corporation	 5.2	12	Umeme	 2.4	22	Citic Telecom International Holdings	 1.7
3	Alupar Investimento S.A.	 4.4	13	Korean Internet Neutral Exchange (KINX)	 2.3	23	China Datang Corporation Renewable Power	 1.5
4	Orizon Valorizacao de Residuos S.A.	 4.2	14	KunLun Energy Company	 2.3	24	JSL S.A.	 1.5
5	Santos Brasil Participacoes	 3.6	15	Serena Energia S.A.	 2.2	25	Holding Bursatil Regional S.A	 1.4
6	InPost S.A.	 3.2	16	Ocean Wilsons Holdings	 2.1	26	Interconexion Electrica S.A. E.S.P.	 1.3
7	India Grid Trust	 3.0	17	TAV Havalimanlari Holding A.S.	 1.9	27	Shanghai International Airport Co., Ltd	 1.3
8	Manila Water Company, Inc	 2.9	18	Rumo S.A.	 1.9	28	Telelink Business Services Group	 1.3
9	VinaCapital Vietnam Opportunity Fund	 2.7	19	Powergrid Infrastructure Investment Trust	 1.9	29	Sunevision Holdings Ltd	 1.3
10	Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)	 2.6	20	Aguas Andinas S.A.	 1.9	30	China Gas Holdings	 1.3

## Investment allocation as at 31 August 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

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

<sup>2</sup> 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 marginally up in August, a slightly better performance than the MSCI Emerging Markets total return Index which was down by 0.6% in

Sterling terms in the month.

August started with a sharp sell-off in many markets, triggered by the first rise in Japanese interest rates for 17 years and fears over the US going into recession, after weak employment numbers at the end of July. Economic indicators released during August were more mixed and most markets not only recovered the losses in the early days of August but ended up positive for the month as a whole. It is now consensus that the first long-awaited rate cut by the Federal Reserve will be announced at its September meeting. For UK based investors, the 2.3% gain in Sterling against the US Dollar during the month was a headwind for Sterling valuations of many international assets.

In the US, the S&P500 Index advanced by 2.4% during the month, with the NASDAQ Composite underperforming the S&P500 Index with a 0.6% gain. In Europe, the Eurostoxx Index gained 1.7% and the FTSE 100 was up by a modest 0.1%.

Many emerging markets also gained in August, supported by the anticipation of interest rate cuts in the US. In Brazil, the Ibovespa Index increased by 6.5%, the Philippines PSEi Index was up by 4.2% and Vietnam's Ho Chi Minh Index rose by 2.6%. There was a more modest gain of 0.8% for India's SENSEX Index. Mexico's Bolsa IPC Index continued to decline, falling by 2.1% in the month, ahead of Claudia Sheinbaum's inauguration on 1 October 2024.

The Hang Seng Index also increased by 3.7% during August but mainland China remained weak with the Shanghai Composite falling by 3.3% and approaching levels not seen since the Covid-19 crisis of early 2020. Business and consumer confidence in China remains weak, as does the housing market and there are increasing concerns about deflation. China's export growth remained strong, but with more countries imposing or increasing tariffs on Chinese products, the recent higher shipping volumes may be as a result of orders being bought forward prior to these potential tariff increases.

### PORTFOLIO

There were two changes to the top thirty holdings in August. Sunevision Holdings and Interconexion Electrica (ISA) replaced Kaspi and Pertamina Geothermal Energy primarily due to relative price performance. Sunevision is Hong Kong's leading data centre operator. Its full year results to June 2024 and upbeat management outlook were well received by the market. ISA, which is headquartered in Colombia, operates electricity transmission assets and toll road concessions across Latin America.

The portfolio had mixed performances in August. Strong performers included Sunevision, up by 22.6% on results and outlook, Ocean Wilsons up by 17.5% after the company confirmed it was in talks with I Squared Capital Advisors over a potential sale of its stake in Brazilian port operator Wilson Sons and International Container Terminals was up by 11.9% after it released yet another set of strong results. Hong Kong's Citic Telecom recovered by 10.6% in August, after falling sharply in July due to a profit warning. Shares of Brazilian waste management company Orizon extended last month's rally, rising by 8.3% this month. The increase was fuelled by the announcement of carbon credit sales following the certification of the Gold Standard at one of their landfills.

Shares that posted a negative share price movement in August included China Gas which declined by 7.0% and KINX, the Korean data centre operator who announced that it had completed its new data centre near Seoul but its share price was down by 6.3% in August. Serena Energia, the Brazilian renewable energy generator declined by 5.9% due to weaker than expected wind resources in July.

Portfolio purchases amounted to £10.0m and total realisations were £8.4m.



### DEBT

UEM's debt at the end of August was nil. During the month UEM announced it had entered into a £50m multi-currency facility with Barclays Bank PLC on a secured basis. The initial term is one year and it is expected that the first drawing on the facility will be in September.

### OTHER

UEM's share price was unchanged for the month ending August at 223.00p. The discount to NAV was also unchanged at 16.9%. UEM bought back 0.4m shares at an average price of 222.13p in the month, taking the total shares bought back in the five months to 31 August 2024 to 2.6m, equivalent to 1.4% of the share capital as at 31 March 2024.

During August, the Board of UEM declared a first quarterly interim dividend of 2.15p per ordinary share in respect of the year ending 31 March 2025, which will be paid on 27 September 2024 to shareholders on the register on 6 September 2024. The ex-dividend date was 5 September 2024.

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

### 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).