

EMERGING CITIES. EMERGING WEALTH. EMERGING OPPORTUNITIES.

Offering long-term value in emerging markets investments



JANUARY 2023

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.

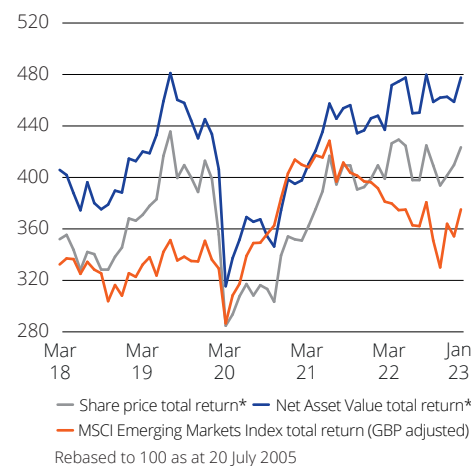
INVESTMENT APPROACH

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 2005
Year End	31 March
AGM	September 2023
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2026

PERFORMANCE



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	5 years	Inception
Share Price	3.3%	7.5%	3.4%	6.1%	20.4%	323.4%
Net Asset Value ("NAV") per share	4.1%	3.4%	6.6%	10.1%	15.4%	377.6%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	5.9%	13.7%	(4.2%)	11.6%	7.1%	275.2%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19
Share Price	3.4%	16.3%	(11.8%)	8.4%	4.7%
Net Asset Value ("NAV") per share	6.6%	13.4%	(8.9%)	4.6%	0.2%
MSCI Emerging Markets Index (GBP adjusted) ("MSCI")	(4.2%)	(5.4%)	23.1%	3.1%	(7.1%)

FUND DETAILS

ORDINARY SHARES

NAV per share at launch +	98.36p
NAV per share (cum income)	251.03p
Share price	216.00p
Discount to NAV	(14.0%)
NAV per share total return since launch *	377.6%
Annual average compound return *	9.3%
Historic dividend paid per share (last 12 months)	8.15p
Historic dividend yield (last 12 months)	3.8%
Ongoing charges figure	1.4%
Shares in issue	203,599,613
Ticker	UEM.L

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£536.3m
Bank Debt	£(25.2)m
Shareholders' Funds	£511.1m
Gearing/(net cash)	2.5%

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

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.

+ 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 increased by 4.1% in January, which was behind the MSCI Emerging Markets total return Index which was up by 5.9% in Sterling terms for the period.

Markets were mostly upbeat in January, helped by improved

sentiment on China's re-opening and indications that inflation was easing across many major economies. In the US headline CPI fell to 6.5% from 7.1%, with the Federal Bank hinting at a nearing of the end of the rate increase cycle, helping propel the S&P 500 Index which was up by 6.2% in the month. European markets were even stronger, with the Eurostoxx up 9.7% as the Eurozone PMI hit a seven-month high.

EM benefitted from the risk-on environment. In China the manufacturing PMI surprised positively at 50.1 in January, up from 47.0 in December 2022, hitting expansionary territory after four months of sequential contraction. The service sector also jumped, as several large cities announced that Covid virus caseloads had peaked mid-month, prompting many to travel and socialise in the Lunar New Year celebrations. According to the Ministry of Culture and Tourism spending during the holiday recovered by 30% from a year ago. Hong Kong's Hang Seng Index was up 10.4% and the Shanghai Composite rose by 5.4% in January.

In Brazil, President Lula unsettled markets with statements on enhancing social programs, loosening the fiscal regime and inflation targets, and questioning the independence of the Central Bank. Bolsanaro-supporting protesters stormed the Congress in the country's capital. Against this turbulent backdrop, the Bovespa still managed a 3.4% gain. Meanwhile, the markets in Mexico, Vietnam and Korea performed strongly, with the Mexico Bolsa up 12.6%, the Ho Chi Minh Index up 10.3%, and the Kospi up 8.4%.

Indian markets notably underperformed, with the Sensex falling 2.1% in January. This was mainly due to the release of a short-sellers research report into the Adani group companies, alleging share price manipulation and accounting fraud. At the time of the report UEM's only direct exposure to an Adani entity was a small position in Adani Ports which has subsequently been exited.

Sterling was mixed, strengthening 2.3% against the US Dollar and 1.4% versus the Indian Rupee, but weakening 1.3% against the Brazilian Real, 4.0% versus the Chilean Peso, and 1.3% against the Mexican Peso.

PORTFOLIO

The majority of investments in UEM's portfolio posted share price increases during January, with one change to the top thirty as Vamos re-entered as its share price rose by 15.7%, replacing TAV. In Brazil there were robust share price performances for Santos, up 12.9%, and Orizon, up 14.4%, recovering off of recent lows. UEM's Mexican airport investments appreciated strongly, with OMA and GAP's share prices up 14.9% and 16.1% respectively. Both companies posted continued strong recoveries in passenger numbers, with GAP guiding for double-digit revenue and EBITDA growth in 2023.

Elsewhere, notable performances were delivered by China Datang Renewables, with its share price up by 11.7%, Kunlun Energy up 11.0%, and KINX up 16.1%. It was pleasing to see Inpost continue to deliver good results, beating consensus with volumes up 23% in Q4. Inpost's share price was up by 12.2% over the month.

Modest positive share price movements were seen elsewhere, with FPT up 8.9%, China Gas up 7.0%, MyEG up 5.8% and CITIC Telecom up 5.3%. Only five investments in the top thirty saw share price declines, all of which were comparatively modest – as evidenced by the worst performance being Telelink, down by 2.2%.

During January, purchases for the portfolio totalled £5.8m and realisations totalled £14.9m.

DEBT

UEM's bank debt declined from £26.1m to £25.2m and was drawn as EUR 12.0m and USD 18.0m.

OTHER

UEM's share price ended January at 216.00p, up 3.3% over the month. The discount to NAV widened slightly to 14.0% from 13.3%. UEM bought back 75,000 shares at a price of 219.00p in the month.

Charles Jillings ICM Investment Management Limited and ICM Limited

TOP THIRTY HOLDINGS		% of total investments
1	International Container Terminal Services, Inc.	4.9%
2	Alupar Investimento S.A.	4.2%
3	Petalite Limited	3.6%
4	Gujarat State Petronet Limited	3.4%
5	India Grid Trust	3.0%
6	Orizon Valorizacao de Resiuos S.A.	2.7%
7	FPT Corporation	2.6%
8	VinaCapital Vietnam Opportunity Fund Ltd	2.5%
9	China Gas Holdings Limited	2.4%
10	Power Grid Corporation of India Limited	2.4%
11	Korean Internet Neutral Exchange Inc. (KINX)	2.2%
12	Centrais Eletricas Brasileiras S.A. (Eletrobras)	2.1%
13	Citic Telecom International Holdings Limited	2.1%
14	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (OMA)	2.1%
15	CGN Capital Partners Infra Fund 3	2.0%
16	Rumo S.A.	2.0%
17	Santos Brasil Participacoes S.A.	2.0%
18	China Datang Corporation Renewable Power Co., Limited	1.9%
19	InPost S.A.	1.9%
20	KunLun Energy Company Limited	1.8%
21	Engie Energia Chile S.A.	1.8%
22	Telelink Business Services	1.6%
23	Umeme Limited	1.6%
24	Powergrid Infrastructure Investment Trust	1.6%
25	My E.G. Services Bhd	1.5%
26	Conversant Solutions Pte Limited	1.5%
27	Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP)	1.5%
28	Vamos Locacao De Caminhos, Maquinas E Equipamentos S.A.	1.4%
29	Ocean Wilsons Holdings Limited	1.4%
30	Chindata Group Holdings Limited	1.3%
Total Top Thirty		67.0%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Brazil	20.7%
China incl. HK	15.5%
India	11.9%
Other Europe	11.5%
Vietnam	7.8%
Middle East/Africa	5.8%
South Korea	5.0%
The Philippines	4.9%
Mexico	4.8%
Other Asia	3.5%
Chile	2.9%
Colombia	2.3%
Romania	1.9%
Malaysia	1.5%

SECTOR SPLIT OF INVESTMENTS

Ports and Logistics	18.3%
Electricity	18.2%
Data Services and Digital Infrastructure	15.2%
Renewables	9.3%
Gas	8.2%
Airports	7.0%
Telecommunications	6.7%
Water and Waste	5.4%
Other	4.4%
Infrastructure Investment Funds	4.4%
Road and Rail	2.9%