

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



Overall rating out of 2,767 Global Emerging Markets Equity funds as of 31 July 2023.

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 benefiting from long-term infrastructure megatrends.

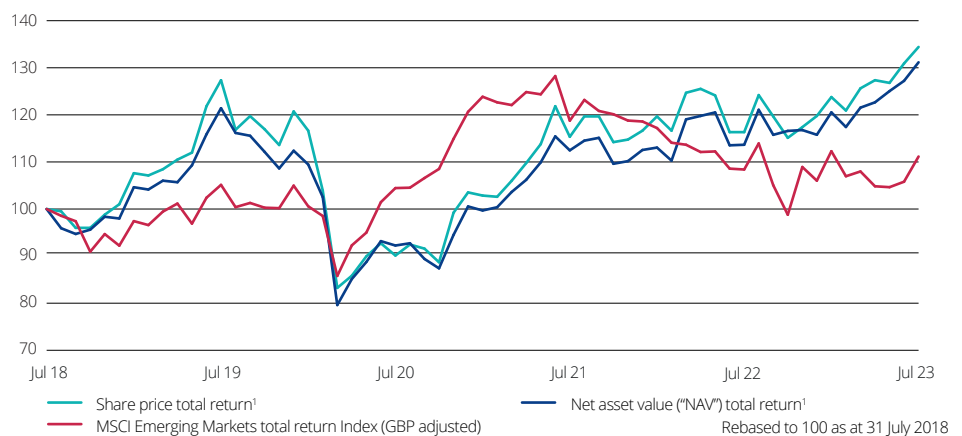
Fund Manager

Charles Jillings

Fund overview	
NAV per share at launch ²	98.36p
NAV per share (cum income)	268.59p
Share price	230.00p
Discount to NAV	(14.4%)
NAV per share total return since launch ¹	419.7%
Annual average compound return ¹	9.6%
Historic dividend paid per share (last 12 months)	8.45p
Historic dividend yield (last 12 months)	3.7%
Ongoing charges figure	1.4%
Shares in issue	200,208,007
Market capitalisation	£460.5m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£559.0m
Bank debt	£(21.3)m
Net assets	£537.7m
Gearing/(net cash)	2.3%

Fund performance



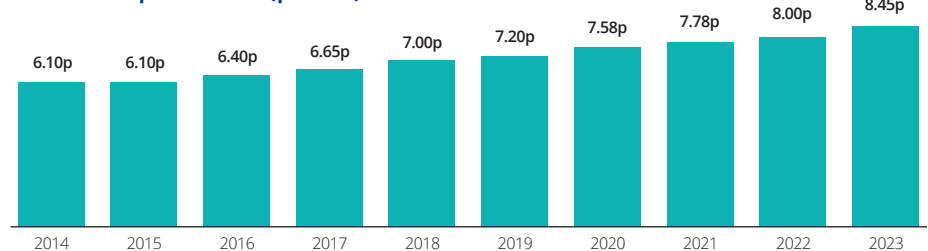
Performance (total return ¹)	1 month	3 months	1 year	3 years	5 years	Inception
Share price	2.7%	5.5%	15.5%	49.2%	34.4%	359.8%
NAV per share	3.1%	6.9%	15.4%	42.2%	31.2%	419.7%
MSCI EM Index (GBP adjusted)	5.1%	6.0%	2.5%	6.4%	11.1%	271.4%

Rolling 12 month performance (total return ¹)	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19
Share price	15.5%	0.9%	28.0%	(29.2%)	27.4%
NAV per share	15.4%	1.2%	21.8%	(24.0%)	21.4%
MSCI EM Index (GBP adjusted)	2.5%	(8.7%)	13.7%	(0.7%)	5.1%

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

Dividends per share (pence)



Dividends payable March, June, September and December





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

¹ Total return is calculated based on undiluted NAV plus dividends reinvested and prior to 2018, adjusted for the exercise of warrants and subscription shares.































² Utilico Emerging Markets Limited – UEM's predecessor.

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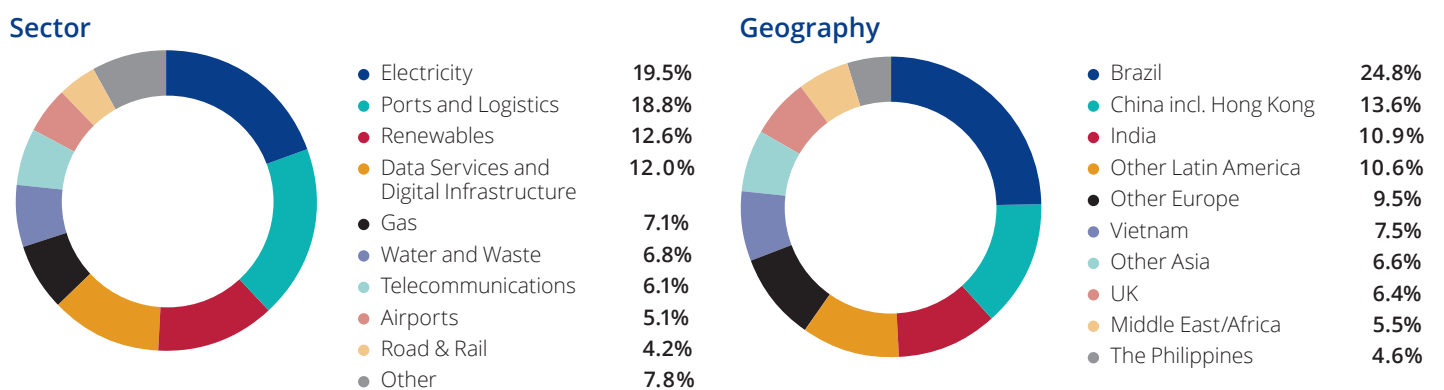
Megatrends providing potential for sustainable and defensible growth

Energy transition Electrification, decarbonisation and the shift to renewables 37.2% ¹ 	Digital infra Transformational integration of digital technologies across society 21.9% ¹ 	Global trade Growth in global trade providing opportunities in transportation and logistics 21.0% ¹ 	Social infra Increasing demand for infrastructure assets driven by societal changes 19.9% ¹ 
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Total top 30 | 70.1%

		%			%			%
1	Petalite Limited	 5.2	11	VinaCapital Vietnam Opportunity Fund Ltd	 2.4	21	China Datang Corporation Renewable Power	 1.7
2	International Container Terminal Services, Inc.	 4.6	12	Santos Brasil Participacoes S.A.	 2.3	22	Omega Energia S.A.	 1.7
3	Alupar Investimento S.A.	 4.3	13	Centrais Eletricas Brasileiras S.A. (Eletrobras)	 2.1	23	CGN Capital Partners Infra Fund 3	 1.7
4	Orizon Valorizacao de Resiuos S.A.	 3.8	14	Citic Telecom International Holdings Limited	 2.1	24	Vamos Locação	 1.6
5	Gujarat State Petronet Ltd	 3.3	15	InPost S.A.	 2.1	25	China Gas Holdings Limited	 1.6
6	FPT Corporation	 2.8	16	Umeme Limited	 2.1	26	Bolsa de Valores de Colombia	 1.4
7	India Grid Trust	 2.7	17	Aguas Andinas S.A.	 2.1	27	Powergrid Infrastructure Investment Trust	 1.4
8	Engie Energia Chile S.A.	 2.6	18	Korean Internet Neutral Exchange Inc. (KINX)	 2.0	28	Conversant Solutions Pte Limited	 1.4
9	Power Grid Corporation of India Limited	 2.6	19	KunLun Energy Company Limited	 1.7	29	Grupo Traxion S.A.B de C.V.	 1.3
10	Rumo S.A.	 2.5	20	TTS (Transport Trade Services) S.A.	 1.7	30	Ocean Wilsons Holdings Limited	 1.3

Investment allocation as at 31 July 2023



Lower volatility to EM with consistently low beta² and an active share of over 98%³

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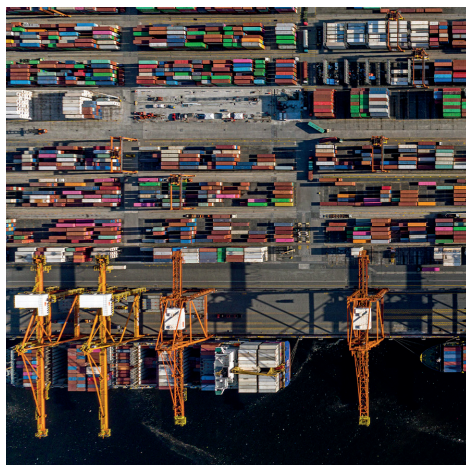
UEM News



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 1 Portfolio percentage.
 2 Five-year adjusted beta for UEM shares versus the MSCI EM Index (GBP) as at 31 July 2023 is 0.83.
 3 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 increased 3.1% in July, behind the MSCI Emerging Markets total return Index ("MSCI") which was up by 5.1% in Sterling terms. Year to date, UEM's NAV total return continues to be strong, increasing by 13.3% and significantly outperforming the MSCI EM Index, which was up by 4.8% in Sterling terms over the same period.

Equity markets continued to be positive in July with most markets ending in positive territory supported by global inflation which appears to be slowing. The US Federal Reserve increased interest rates by 25 basis points to 5.5% as expected; however, it remained non-committal as to whether or not there would be a further rise in September. Market expectations are also growing that the US is heading for a soft landing through controlling inflation without slowing economic growth. For example, July's US CPI data was lower than expected, whilst reported US second-quarter GDP growth was above expectations.

The European Central Bank (ECB) also followed suit increasing the deposit rate in July, in line with expectations by 25bps to 3.75% with Christine Lagarde, the ECB president, indicating that the central bank might be close to the end of the rate rising cycle as inflationary pressures continue to ease.

The S&P 500 Index was up by 3.1% over the month whilst the Eurostoxx Index was up by 1.6%.

The majority of emerging markets in July outperformed the developed markets. Within Asia, China's Shanghai Composite Index was up by 2.8% and the Hong Kong Hang Seng Index was up by 6.1% as the Chinese government announced new measures to revive consumption. In addition, the Chinese central bank, the People's Bank of China (PBOC), pledged

to support the development of the Chinese real estate market by reducing housing loan interest rates and down payment ratios. The PBOC also raised market expectation that there will be a reduction in the reserve requirement ratio for domestic lenders.

Vietnam's Ho Chi Minh Index also witnessed strong performance in July, up by 9.2% as the stock market saw revived backing from local retail investors. Their confidence was boosted by an improvement in GDP growth numbers in the second quarter from 3.3% to 4.1% as well as favourable government support measures. The Malaysian Bursa Index was also up by 6.0% in July and Thailand's Set by 3.5%.

Within Latam, the Brazilian Bovespa was up by 3.3% as the market continued to anticipate the central bank would cut rates at the beginning of August. Elsewhere in Latam, Chile was the outperformer with the IPSA Index up by 10.5%, as the central bank announced a bigger than expected interest rate cut of 100bps to 10.25% on the back of an improvement in the economic outlook. The Mexican MEXBOL Index was up by 2.4%.

In the currency markets Sterling strengthened against both the Euro and US Dollar by 0.1% and 1.2% respectively. However, Sterling's performance was mixed against the emerging currencies, appreciating 1.5% against the Indian Rupee but depreciating 0.2% against the Brazilian Real, 1.4% against the Mexican Peso and 0.4% against the Chinese Renminbi.

PORTFOLIO

There were two changes to the top thirty holdings, with Grupo Traxion and Ocean Wilsons Holdings replacing Engie Brasil and Telelink Business Services, primarily due to relative performance.

Grupo Traxion, a Mexican land transportation and logistics company, has re-entered the top thirty. It is currently benefitting from nearshoring as it is operating in the cargo, logistics solutions, and personnel and student transportation segments. Ocean Wilsons Holdings has also re-entered the top thirty and is a UK listed investment company which operates as a maritime service provider, through its Brazilian subsidiaries.

Twenty-two of the top thirty companies saw their stock price increase in July, with eight companies stock price gaining more than 5.0%. The strong performers in July were Trade Transport Services ("TTS"), FPT Corp ("FPT") and Engie Energia Chile ("ECL") which rose by 17.9%, 13.7% and 12.2% respectively. TTS and FPT saw strong share price performance on the back of solid 2Q23 results,

whilst ECL continued to benefit from recovery in the broader Chilean market as well as improved rainfall providing relief to elevated spot prices, reducing the excess costs which ECL is having to bear given its heavily over-contracted energy position. Vinacapital was also up by 10.3%, marginally up against the Vietnamese market and Grupo Traxion was up by 9.8% on the back of stronger than expected 2Q23 results.

During the month of July, Umeme's share price was down by 9.1%, fully reflecting the stock going ex-dividend at the end of June, whilst Santos Brasil was down by 4.6%.

Purchases for the month of July amounted to £1.1m and realisations totalled £5.7m.



DEBT

UEM's bank debt marginally decreased from £21.3m to £21.2m and was drawn as USD 10.0m, GBP 7.5m and EUR 7.0m.

OTHER

UEM's share price ended July at 230.00p, up 2.7%. The discount to NAV marginally widened to 14.4% from 14.0%. UEM bought back 912,460 shares at an average price of 223.65p in the month.

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).