

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



3 year rating out of 2,924
Global Emerging Markets
Equity funds as of
31 March 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 benefiting from long term infrastructure megatrends.

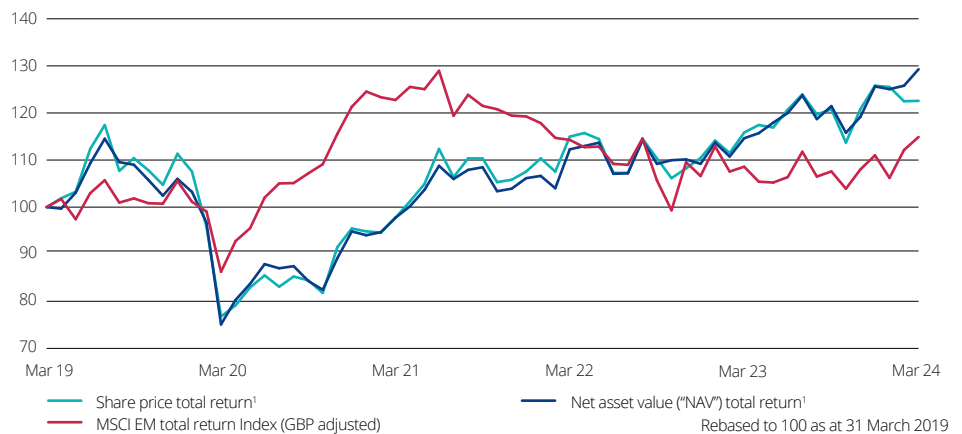
Fund Manager

Charles Jillings

Fund overview	
NAV per share at launch ²	98.36p
NAV per share (cum income)	274.01p
Share price	221.00p
Discount to NAV	(19.3%)
NAV per share total return since launch ¹	443.1%
Annual average compound return ¹	9.5%
Historic dividend paid per share (last 12 months)	8.60p
Historic dividend yield (last 12 months)	3.9%
Ongoing charges figure	1.4%
Shares in issue	190,842,503
Market capitalisation	£421.8m
Fund launch date	20 July 2005
Year end	31 March

Capital structure	
Gross assets less current liabilities	£522.9m
Bank debt	£0m
Net assets	£522.9m
Gearing/(net cash)	(1.1%)

Fund performance



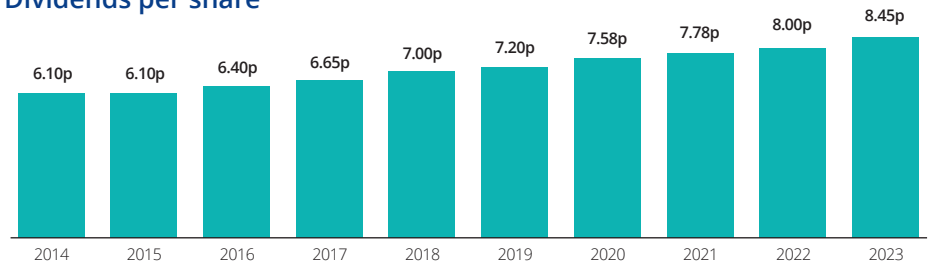
Performance (total return ¹)	1 month	3 months	1 year	3 years	5 years	Inception
Share price	0.1%	(2.6%)	5.8%	25.4%	22.6%	354.7%
NAV per share	2.8%	2.9%	12.8%	32.3%	29.3%	443.1%
MSCI EM Index (GBP adjusted)	2.5%	3.5%	5.8%	(6.4%)	14.9%	281.8%

Rolling 12 month performance (total return ¹)	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20
Share price	5.8%	0.8%	17.6%	27.3%	(23.2%)
NAV per share	12.8%	2.1%	14.9%	30.2%	(24.9%)
MSCI EM Index (GBP adjusted)	5.8%	(5.0%)	(6.9%)	42.3%	(13.7%)

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

Dividends per share



Dividends payable March, June, September and December

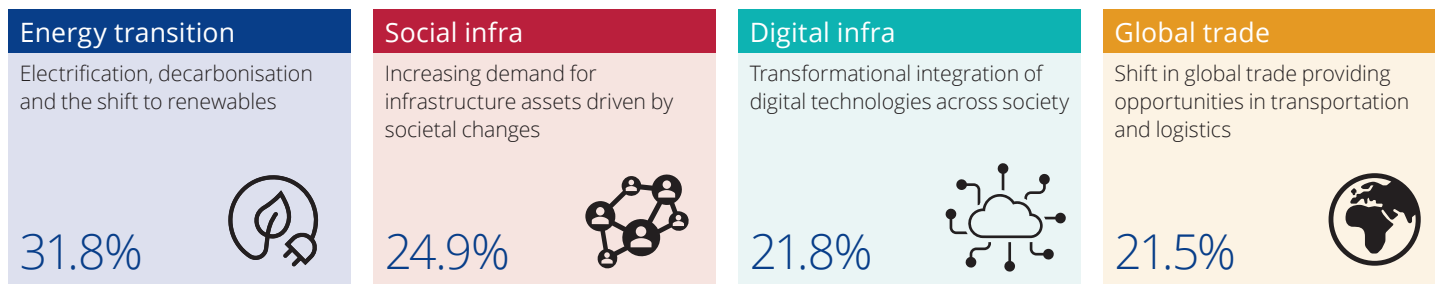
Past performance is not a guide to future returns and future returns are not guaranteed.

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

² Utilico Emerging Markets Limited – UEM's predecessor.

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Megatrends providing structural tailwinds for long term sustainable growth

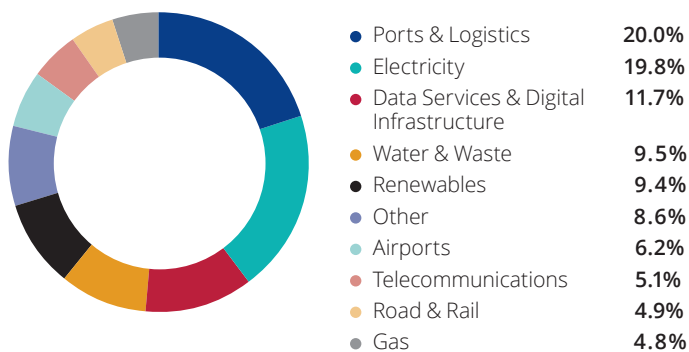


Total top 30 | 70.9%

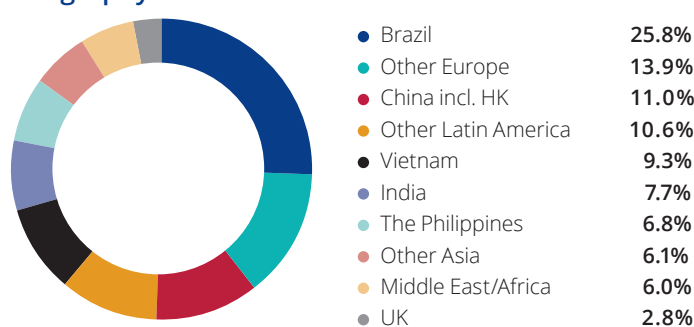
	%		%		%
1 International Container Terminal Services, Inc.	4.9	11 Serena Energia S.A.	2.4	21 JSL S.A.	1.8
2 Alupar Investimento S.A.	4.7	12 Umeme	2.3	22 Holding Bursatil Regional S.A	1.7
3 Santos Brasil Participacoes	4.0	13 Rumo S.A.	2.2	23 TTS (Transport Trade Services) S.A.	1.6
4 FPT Corporation	4.0	14 Petalite Limited	1.9	24 Powergrid Infrastructure Investment Trust	1.6
5 Orizon Valorizacao de Residuos S.A.	3.9	15 Ocean Wilsons Holdings	1.9	25 TAV Havalimanlari Holding A.S.	1.5
6 InPost S.A.	3.0	16 Manila Water Company, Inc	1.9	26 Grupo Traxion S.A.B. de C.V	1.4
7 Centrais Eletricas Brasileiras S.A. (Eletrobras)	2.9	17 KunLun Energy Company	1.9	27 Power Grid Corporation of India	1.4
8 Korean Internet Neutral Exchange (KINX)	2.8	18 Cia de Saneamento Basico do Estado de Sao Paulo (Sabesp)	1.9	28 Shanghai International Airport Co., Ltd	1.4
9 India Grid Trust	2.8	19 Citic Telecom International Holdings	1.9	29 China Gas Holdings	1.4
10 VinaCapital Vietnam Opportunity Fund	2.6	20 Aguas Andinas S.A.	1.8	30 Sonatel	1.4

Investment allocation as at 31 March 2024

Sector



Geography



Lower volatility to EM with consistently low beta¹ and an active share of over 98%²

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UEM News



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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 March 2024 is 0.81.

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 increased by 2.8% in March, outperforming the MSCI Emerging Markets total return Index ("MSCI") which was up 2.5% in Sterling terms in the month. This

takes UEM's twelve-month NAV total return performance in its financial year ended 31 March 2024 to 12.8%, significantly ahead of the MSCI which was up 5.8% in Sterling terms over the same period.

Global stock markets were mostly positive in March, as core measures of inflation continue to ease and economic growth and job data in several countries proved remarkably resilient. In the US the S&P 500 Index strengthened by 3.1% with the US workforce expanding by the largest amount in almost a year. European markets were also buoyant, with the Eurostoxx and FTSE 100 both up 4.2% in the month.

Emerging markets posted some impressive figures which demonstrates the strength of some of these economies. India reported that GDP growth accelerated to 8.4% in the quarter to December 2023, well ahead of expectations. Strong retail and mutual funds flows into the market helped the Sensex Index hit another all-time high, which over the month was up by 1.6%.

The exports boom helped bolster Vietnam GDP growth to 5.7% in the quarter to March 2024, and its upgrade to emerging markets status by FTSE took a step closer following the issuance of a consultation on the removal of pre-funding requirements. This helped propel the Ho Chi Minh Index up by 2.5% in March. In China, the real estate market remains in the doldrums, but some economic data indicates a tentative recovery with service and manufacturing PMIs edging up, and exports growth accelerating to 7.1% in February. The Shanghai Composite Index consolidated gains of 0.9% over March.

In Brazil, the Bovespa Index eased by 0.7% after the Central Bank cut interest rates by 50bps to 10.75% but indicated that future cuts might be at a slower pace due to uncertainty over the inflation outlook. With inflation at 4.1%, real rates remain elevated, though it is encouraging to see the economy holding up well and posting a record trade surplus for Q1. In Mexico, interest rates were cut for the first time since the Bank of Mexico started its tightening cycle in 2021. Mexico's Bolsa Index appreciated by 3.5% over the month.

In March, Sterling strengthened against most currencies, up 0.6% versus the Brazilian Real, 0.5% against the Indian Rupee and the Vietnamese Dong, and 0.3% versus the Chinese Renminbi. Sterling was broadly flat against the US Dollar and the Philippine Peso.

PORTFOLIO

There were three changes to the top holdings, with Manila Water, JSL and Sonatel entering the top thirty, replacing GSPL, ECL and China Datang on investment and relative performance. UEM took advantage of the recent price strength and liquidity in GSPL's shares to exit the majority of its position in GSPL during the first three months of the year.

Manila Water is a Philippine water utility whose main operations service 7.6m people the East Zone of Manila. A change in the ownership structure and improvement in regulatory regime provided UEM with an attractive opportunity to start accumulating a position since late-2023, and progress is reflected in their recent FY23 results which saw EBITDA increase by over 60% and EPS by over 130%. Manila Water's share price was up by 15.7% in March.

JSL is Brazil's largest listed road logistics company, operating an integrated logistics services portfolio offering customized services with long-term contracts. JSL's share price was up by 4.9% over the month. Sonatel's share price was broadly flat on end-February.

Many of UEM's investee companies reported excellent financial results during March, highlighting the growth and resilience of their operations. ICT's share price rose by 10.1% following solid FY23 results with yields continuing to improve, driving revenues up 6.5% and EBITDA up 6.8%. Dividends of PHP 11.00 per share including a special dividend which increased the total dividend by 10.0%.



Santos achieved superb Q4 financials with EBITDA up an astonishing 85% on improved operational efficiencies, and also released strong February volume data, up 39.5%, reflecting new services won and boosted by volumes from a competing terminal that had an accident restricting its handling capacity. Santos' share price soared by 26.2% in March. Orizon delivered FY23 EBITDA growth of 48% driven predominantly by operational efficiencies. Pleasingly, it has finally received Gold Standard accreditation for its carbon credits at the Joao Pessoa landfill site, unlocking further value and helping shares firm by 13.7%. There were also strong share price performances from Nuam up 16.4%, Umeme up 8.7%, and FPT up 7.4%.

Weaker price performance was seen at Citic Telecom, with its share price down by 15.4% in the month as it reported poor H2 results for 2023, with a collapse in SMS revenues resulting in EBITDA falling 12.3%. Transport Trade Services' share price also declined by 4.4%, as it consolidated recent record highs.

Portfolio purchases amounted to £10.1m and realisations totalled £43.1m as UEM raised cash to repay its loan facility.

DEBT

UEM's debt decreased from £26.0m to nil in the month as UEM repaid all amounts outstanding under the £50m committed multicurrency revolving facility from The Bank of Nova Scotia which matured on 15 March 2024. The Company is currently in discussions regarding a replacement revolving facility and a further announcement will be made in due course.

OTHER

UEM's share price ended March at 221.00p, decreasing by 0.9% over the month. Disappointingly, the discount to NAV widened to 19.3% from 17.0%. UEM bought back 0.7m shares at an average price of 220.44p in the month, taking the total shares bought back in the twelve months to 31 March 2024 to 11.4m, equivalent to 5.6% of the share capital as at 31 March 2023.

The third quarterly interim dividend of 2.15p per ordinary share in respect of the year ending 31 March 2024, was paid on 28 March 2024 to shareholders on the register on 8 March 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).