

17 June 2024

UTILICO EMERGING MARKETS TRUST PLC
(LEI Number: 2138005TJMCWR2394039)

Publication of monthly factsheet

The latest monthly factsheet for Utilico Emerging Markets Trust plc ("UEM" or the "Company") will shortly be available through the Company's website at:

<https://www.uemtrust.co.uk/investor-relations/factsheet-archive>

Monthly commentary

PERFORMANCE

UEM's NAV total return eased by 0.3% in May, a narrower decline than the MSCI Emerging Markets total return Index ("MSCI") which was down by 1.2% in Sterling terms in the month. This takes UEM's NAV total return performance since 31 March 2024 down 0.3%, slightly trailing the MSCI which was up 0.1% in Sterling terms over the same period.

Global stock markets were mixed in May, as inflation in many jurisdictions proved more stubborn than previously expected. In the US the Federal Reserve kept rates on hold, notwithstanding which the S&P 500 Index strengthened by 4.8% as consumer spending held up and the rally in AI stocks continued. European markets were more benign, but also posted positive performances with the Eurostoxx and FTSE 100 up 1.3% and 1.6% respectively over the month.

In emerging markets, pre-election jitters saw the India Sensex ease by 0.3% and the Mexico Bolsa IPC decline by 2.7%, though both remain close to all-time highs. India GDP growth again exceeded expectations, coming in at 7.8% in the quarter ended March 2024. In Brazil, the Bovespa Index fell by 3.0% after the Central Bank slowed its pace of interest rate cuts to 25bps, citing concerns over the inflation outlook. Sentiment here was negatively compounded by President Lula's decision to replace the CEO of state-owned oil company Petrobras and the prospect of weakening fiscal targets.

In China, manufacturing activity unexpectedly contracted in May with the manufacturing PMI declining to 49.5 from 50.4 in April. The Hong Kong Hang Seng Index was up 1.8% while the Shanghai Composite Index declined by 0.6% over the month. Markets in the Philippines and Indonesia were also weak, with the PSEi Index and Jakarta Stock Exchange Index down 4.0% and 3.6% respectively. The outlier for the region was Vietnam, where the Ho Chi Minh Index was up 4.3% despite net selling by foreigners and the dismissals of several high-ranking officials in the country.

Sterling strengthened against most currencies in May, up 3.1% versus the Brazilian Real, 1.7% against the Indian Rupee and the Chinese Renminbi, and 2.1% against the Vietnamese Dong. Sterling was broadly flat against the Euro and up 1.7% versus the US Dollar.

PORTFOLIO

There was one change to the top holdings, with China Datang Renewable Power re-entering the top thirty, replacing Petalite on relative performance. China Datang Renewable's share price was up 13.9% in May, recovering from depressed levels. Meanwhile, the valuation of UEM's investment in Petalite was reduced by £1.6m in May to reflect feedback from the ongoing Series A fund raise.

In the Philippines, Manila Water's share price was up 8.7% over the month after posting robust Q1 results with EBITDA up 29.5% year-on-year on the back of tariff increases and volume growth. ICT's

share price was up 2.7%, consolidating gains close to all-time highs. In Vietnam, there was a strong performance in FPT shares, up 9.2% helped by the improvement in local sentiment. UEM's investments in China were mixed, with Kunlun Energy up 6.4% but Shanghai International Airport down 7.7%. In Korea, KINX's share price fell by 13.1% as the commissioning of its new datacentre faced minor delays. UEM's investments in India were broadly flat.

In Brazil, most investments were down in May, with Santos shares falling by 15.2% notwithstanding stellar results with Q1 EBITDA more than doubling and April volumes still showing robust growth. JSL's share price was down 9.9% and Ocean Wilsons declined by 8.4%, while Sabesp decreased by 8.6% over uncertainty around the regulatory parameters ahead of its imminent privatisation. More resilient performances were delivered by Orizon up 5.2%, Alupar up 4.3% and Serena Energia up 4.7%.

In Central and Eastern Europe, it was pleasing to see Inpost shares climb by 9.2% following strong Q1 figures which saw an acceleration in Polish volumes and encouraging progress in the UK, with group EBITDA up 36%. TAV's share price was also up, rising by 9.5% over the month.

Portfolio purchases amounted to £6.9m and realisations totalled £14.9m.

DEBT

UEM's debt remained at nil in the month. Discussions for a replacement bank facility are continuing.

OTHER

UEM's share price was unchanged over the month at 226.00p. The discount to NAV narrowed to 17.2% from 17.5%. UEM bought back 0.7m shares at an average price of 231.15p in the month, taking the total shares bought back in the two months to 31 May 2024 to 1.3m, equivalent to 0.7% of the share capital as at 31 March 2024.

A fourth quarterly interim dividend of 2.15p per ordinary share in respect of the year ended 31 March 2024 was declared and will be paid on 28 June 2024 to shareholders on the register on 7 June 2024.

ICM TEAM

After over ten years as a valued UEM investment team member, Jon Grocock is leaving ICM to seek new opportunities. All of us at ICM wish Jon every success in the future.

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