

10 January 2025

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 was up in December by 0.7%, slightly underperforming the MSCI Emerging Markets total return Index which was up by 1.5% in Sterling terms during the month.

Global markets in December continued to be dominated by speculation about what the incoming Trump administration might mean for US domestic economic policies and international geopolitics and consequently what the resulting impact on trade flows, interest rates, exchange rates and commodity prices might be. The Federal Reserve cut interest rates in December by 25bps but hinted that committee members had slowed their expectations for future rate cuts since their November meeting. The S&P 500 Index declined by 2.5% during the month and the US Dollar strengthened.

The European Central Bank also cut rates by 25bps in December and expects to continue to reduce rates in 2025, given the current weak economic outlook and political uncertainty in many countries including Germany and France. Interest rates were left unchanged by the Bank of England, following a rise in UK inflation to 2.6% in November.

In the emerging markets, China held interest rates in December and tangible signs of the stimulus measures announced in September remain largely elusive so far. Demand for Chinese treasury bonds was high, resulting in sharply reduced yields as investors sought a safe haven amid fears of a potential deflationary cycle in the country. The Shanghai Composite Index rose by 0.8% in December and the Hang Seng Index rose by 3.3%. Elsewhere in Asia, the Vietnam Ho Chi Minh Index gained 1.3% and the Bursa Malaysia Index was up by 3.0%. There was a decline of 2.1% in India's Sensex Index and the PSEI Index in the Philippines fell by 1.3%.

Brazil raised interest rates by 100bps (more than the 75bps expected by the market) to 12.3% with the Central Bank committee signalling at least two similar rate rises in early 2025 and calling for greater fiscal discipline. This triggered a further sell off in Brazilian stocks (Bovespa Index down by 4.3%) and further pressure on the Brazilian Real (down by 1.9% against Sterling). Elsewhere in Latam, Mexico's Mexbol Index declined by 0.6% but Chile's ISPA Index gained 2.0% in December.

PORTFOLIO

There was one change to the top thirty holdings in December. PT Medikaloka Hermina ("Hermina") replaced Colombia's Interconexion Electrica on relative performance. Hermina is a leading healthcare provider in Indonesia, operating 51 general care hospitals in 36 cities.

Kunlun Energy's share price was up 14.3% in December, following the release of a positive broker note. Vietnamese investments were stronger with the share price of Vietnam Opportunity Fund up by 7.2% and FPT Corporation up 5.7% on the back of continued project wins. In the Philippines, ICT's share price was up 4.1% and Manila Water's share price climbed 4.9%. Hermina's share price advanced by 9.3% and

Ocean Wilsons was up by 6.1%.

Most Brazilian stocks were weaker in December, with Serena Energia's share price declining by 12.4%, Orizon was down 9.4%, Rumo was down 8.3% and Sabesp was down 4.8%, reflecting general weak investor sentiment rather than company specific concerns. In Uganda, Umeme's share price was down by 7.1%. Umeme's electricity distribution concession ends on 31 March 2025 and the market is awaiting an update regarding the compensatory buyout payment from the government.

Portfolio purchases amounted to £3.6m and total realisations were £1.6m.

DEBT

UEM's debt at the end of December increased to £24.4m and was drawn in US Dollars (USD 15.0m) and Euros (EUR 15.0m).

OTHER

UEM's share price increased in the month by 6.5%, ending December at 213.00p. The discount to NAV reduced to 17.4% from 22.0%.

UEM bought back 167,144 shares at an average price of 207.82p in the month, taking the total shares bought back in the nine months to 31 December 2024 to 3.8m, equivalent to 2.0% of the share capital as at 31 March 2024.

On 2 January 2025, UEM announced that Jacqueline Broers had been appointed joint portfolio manager alongside Charles Jillings. Ms Broers, who joined ICM in 2010, has been involved in the management of UEM since that time and was appointed deputy portfolio manager in 2021. Mr Jillings has been portfolio manager of the Company since its IPO in 2005.

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