UTILICO
Emerging Markets Trust plc

2020
REPORT AND ACCOUNTS

MANAGED BY ICM

EMERGING CITIES | EMERGING WEALTH | EMERGING OPPORTUNITIES

China Everbright Greentech Limited (China)

Utilico Emerging Markets Trust plc's ("UEM" or the "Company") investment objective is to provide long-term total return through a flexible investment policy that permits UEM to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

TRUSTED
A closed end fund focused on long-term total return

DIVERSIFIED
A diverse portfolio of operational cash generative investments

PROVEN
Strong management team with an award winning record of outperformance

WHY UTILICO EMERGING MARKETS TRUST PLC?

UEM is an award-winning specialist fund focused on long-term total return predominantly in infrastructure and utility investments.

OPPORTUNITY

UEM offers a diverse portfolio of high conviction, bottom up investments spread across jurisdictions and sectors. The Company seeks to invest in companies which pay dividends, thereby contributing to UEM's performance.

EMERGING MARKETS

Emerging markets ("EM") offer higher Gross Domestic Product ("GDP") growth, and coupled with the urbanisation and expansion of the middle class, delivers attractive investment opportunities for UEM. The EM middle class sector is expected to double in ten years, which will drive infrastructure and utility investment needs.

HIGH OPERATING LEVERAGE

UEM's portfolio is predominantly operational. Infrastructure and utility assets are enablers of growth in EM and usually offer high operating leverage.

UTILITIES AND INFRASTRUCTURE ASSETS

At a time of heightened uncertainty, these are often long-term assets with established regulatory frameworks which should continue to deliver predictable and sustainable income streams, thereby helping to underpin UEM's quarterly dividend payments.

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Conpet S.A. (Romania)

FINANCIAL CALENDAR

Year End
31 March

Annual General Meeting
22 September 2020

Half Year
30 September

Dividends Payable
March, June, September and December

The business of the Company consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of spreading investment risk and generating a return for shareholders. The joint portfolio managers of the Company are ICM Investment Management Limited ("ICMIM") and ICM Limited ("ICM"), together referred to as the "Investment Managers".

Front cover image – International Container Terminal Services, Inc. (Philippines)

FORWARD–LOOKING STATEMENTS

This report and accounts may contain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them as at the date of this report. Nothing in this publication should be construed as a profit forecast.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested.

FINANCIAL HIGHLIGHTS

Rumo S.A. (Brazil)

NET ASSET VALUE ("NAV") TOTAL RETURN PER SHARE*	NAV OF 181.84p PER SHARE*	REVENUE EARNINGS PER SHARE	DIVIDENDS PER SHARE
↓ 24.9%	↓ 27.2%	7.88p	↑ 5.2%

* See Alternative Performance Measures on pages 99 to 100

On 3 April 2018, as a result of the proposals to redomicile Utilico Emerging Markets Limited ("UEM Bermuda") to the United Kingdom, the shareholders of UEM Bermuda exchanged all their shares in UEM Bermuda for shares in UEM on a one for one basis and UEM Bermuda became a wholly owned subsidiary of UEM. All performance data relating to periods prior to 3 April 2018 are in respect of UEM Bermuda.

CHAIRMAN'S STATEMENT

JOHN RENNOCKS
Chairman

The first three months of 2020 have been unprecedented and truly disruptive. The coronavirus ("COVID-19") pandemic first shut down China in late January and saw much of the rest of the world shut down by the end of March 2020. This brought the global economy to a halt resulting in both a supply and a demand shock. This huge economic disruption saw markets plummet rapidly and by mid-March the S&P 500 had fallen from a peak of 3,386 in February to 2,237 on 23 March 2020, a fall of 33.9%. As at 31 March 2020 the S&P had recovered to 2,585, reducing the decline to 23.7%. The recovery has been driven by unparalleled action by both governments and central banks to stabilise the economies. The collapse of the oil price contributed further to both market uncertainties and losses.

UEM has delivered an annual compound NAV total return since inception of 8.1% (2019: 11.0%), which is above the MSCI Emerging Markets Total Return Index (GBP adjusted) ("MSCI") of 7.4% over the same period.

While it is disappointing to see the UEM annual compound NAV total return now below 10.0%, EM have been harder hit as they always are at such times of extreme uncertainty. UEM's NAV was down significantly, in part due to market corrections, but also in part to a very significant downdraft in the Brazilian markets. In the year to 31 March 2020 the Bovespa Index was down 23.5% and the Brazilian Real vs Sterling was down 20.9%, resulting in the Brazilian market in Sterling terms being down 39.8% for the year. Given UEM's 29.1% weighting in Brazil this has impacted UEM's portfolio significantly and contributed to UEM's total return for the year being negative 24.9%.

A key driver for the movements in exchange rates has been the reset of interest rates. The Brazilian benchmark interest rate (Selic) reduced over the twelve months from 6.50% to 3.75%. This, together with weaker oil prices and weakening global GDP, saw the currency decline by 24.7% against the US Dollar and 20.9% against Sterling. Alone this would account for NAV losses of 5.8%. The Brazilian Real's weakness over the last three months is clearly illustrated in the currency graph on page 6.

The outlook is challenging for investors given the rate of developments and responses from governments and central banks. There is well over USD 10.0 trillion of capital now committed to supporting economies globally and while the packages differ in detail, their objective is to protect the respective economies. At the same time, interest rates continue to fall, including in the EM, and this lowering of finance costs should feed through to earnings and relative valuations. The amount of committed capital combined with lower interest rates has the potential to deliver higher inflation and equity market valuations.

Respective major governments' responses have led to unprecedented measures to protect their healthcare systems, effectively shutting their economies, and launching huge rescue packages. Furthermore, traditional supply chains have been disrupted overnight. Rarely has both the word unprecedented and disruptive been more relevant.

The global community has had to learn, implement, and understand social distancing, lockdown, the R factor and flattening the curve. Overnight the business community moved to either shutdown (such as factories, stores,

UEM's portfolio is predominantly invested in relatively liquid, cash-generative companies with long-duration assets.

travel, sport) or to working from home (such as banking, insurance, education). This seismic shift will lead a digital transformation step change. It is going to have a lasting impact on the way the world works and consumes products and will likely lead to social change too.

INCOME AND DIVIDENDS

It is pleasing to report UEM's revenue income has increased 12.0% during the year to 31 March 2020. Although this was partly offset by taxation which rose 173.1% to £2.2m, primarily due to the income received in UEM Bermuda in the prior year being distributed up to UEM net of tax, the resultant revenue earnings per share is up 5.5% at 7.88p, a good outcome.

The Board has now declared four quarterly dividends totalling 7.575p, an uplift of 5.2% over the previous year. Dividends remain fully covered by income. Ongoing charges were 1.1%, in line with last year and no performance fee was paid. The Board would like to re-emphasise that UEM's portfolio is predominantly invested in relatively liquid, cash-generative companies with long-duration assets that the Company's Investment Managers believe are structurally undervalued and offer excellent total returns.

In light of the uncertainties created by world events, it is unclear how future earnings and dividends of UEM's portfolio companies will be affected. As an investment

International Container Terminal Services, Inc. (Philippines)

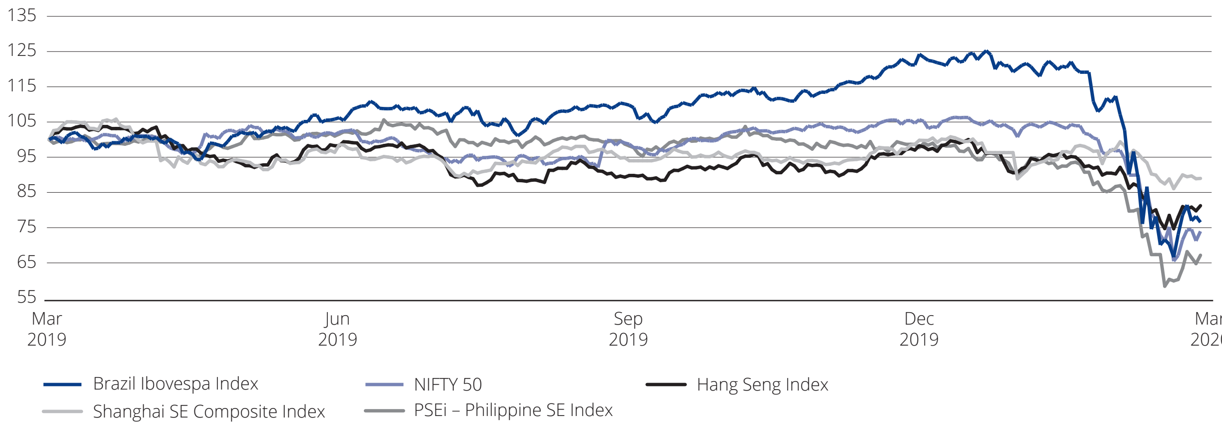
DIVIDEND PER SHARE OF 7.575P, UP BY

5.2%

FOR THE YEAR TO 31 MARCH 2020.

INDICES MOVEMENTS

from March 2019 to March 2020



Rebased to 100 as at 31 March 2019

Source: Bloomberg

trust, the Company will distribute at least 85% of its revenue income earned each financial year by way of dividends. UEM also has the flexibility to pay dividends from capital reserves.

The Board previously reassured shareholders that, in the event of any short term weakness in portfolio income, the Board intends to maintain its quarterly dividend at the rate of 1.925p per share for the fourth quarter of the current financial year and for the remainder of 2020 calendar year, utilising its revenue reserves and, if necessary, its capital reserves. The Board has already declared the next quarterly dividend of 1.925p payable on 19 June 2020. This will result in dividends for the 2020 calendar year amounting to 7.70p per share per annum, which represents an uplift of 5.1% over the 2019 calendar year and is equivalent to a yield of 4.3% based on a current share price of 178.00p.

I referred in last year's statement to the £14.3m revenue reserves of UEM Bermuda which could not be recognised as revenue reserves following the re-domicile to the UK. Since, from an accounting perspective, the amount is now effectively part of UEM's capital reserves, this provides further support for the Board's decision to maintain the Company's dividend from capital reserves, if it is required.

SHARE BUYBACKS

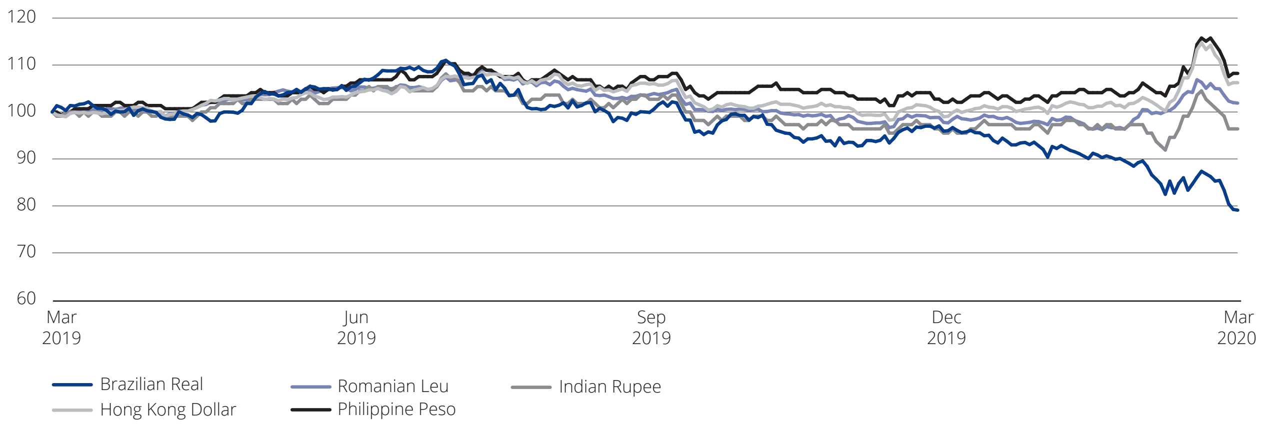
UEM's share price discount narrowed from 12.8% as at 31 March 2019 to 11.2% as at 31 March 2020. However, it remains above levels the Board would wish to see over the medium term. The Company has continued buying back UEM's shares for cancellation with 2.0m shares bought back in the year to 31 March 2020, at an average price of 242.69p. While the Board would like to see the discount narrow even more, any share buyback remains an investment decision. Traditionally the Company has bought back shares if the discount widens in normal market conditions to over 10.0%. Since inception, the Company has bought back 49.4m ordinary shares totalling £85.7m. The buybacks now represent more than the initial capitalisation of UEM Bermuda when it came to market in July 2005.

COVID-19 IMPACT ON UEM

The COVID-19 impact on UEM's portfolio is detailed in the Investment Managers' Report on page 14. However, it is worth noting that no UEM investee company has needed or is expected to require restructuring or refinancing. The strategic nature and business model strength of UEM's portfolio has been good. Although market valuations deteriorated sharply, most of the businesses have proved resilient. Coupled with strong government and central

CURRENCY MOVEMENTS vs STERLING

from March 2019 to March 2020



Rebased to 100 as at 31 March 2019

Source: Bloomberg

bank support the Board does not today see a risk from COVID-19 outside of market volatility in valuations.

Today the outlook is improving. China and Asia led the way into the virus and are now leading the way out. Recovery is picking up week by week. Europe has passed the peak and is recovering as is North America. This progress is feeding through into market valuations.

UEM, as a company, has adjusted to the global lockdowns and currently cancelled all travel by the Board. UEM moved to using video conferencing to meet the requirements by governments on social distancing and travel restrictions, whilst ensuring the Board receives regular updates on the Company's portfolio and performance from the Investment Managers. All interactions with UEM's service providers have been by video conference where needed, including the audit process.

At the forthcoming annual general meeting ("AGM") we are proposing a resolution to make amendments to UEM's Articles to permit "hybrid" general meetings. This will provide UEM with flexibility to hold general meetings by means of an electronic facility as well as at a physical location if, in the future, there are again difficulties with attendance at physical meetings.

IMPACT OF TRADING RELATIONSHIPS

At the time of writing, the US continues to escalate its war of words with China over the virus's outbreak. Clearly this is a concern. We expect the noise to rise in this election year in the US. There remain concerns that Brexit could, under a hard Brexit scenario, negatively impact European trade and therefore UEM's East European investments.

OUTLOOK

The outlook for the world is challenging and UEM expects significant shifts politically, socially and for business. Clearly that impacts on investments and valuations. There is more uncertainty around business strategies and therefore plans and valuations. However, the Investment Managers look with optimism at the compelling opportunities that will undoubtedly occur to add more resilient investments to the portfolio.

John Rennocks
Chairman

19 June 2020

Ocean Wilsons Holding Limited (Brazil)

CURRENT YEAR PERFORMANCE

NAV TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*	NAV OF 181.84P PER SHARE*	SHARE PRICE OF 161.50P
↓ 24.9%	↓ 23.2%	↓ 27.2%	↓ 25.9%

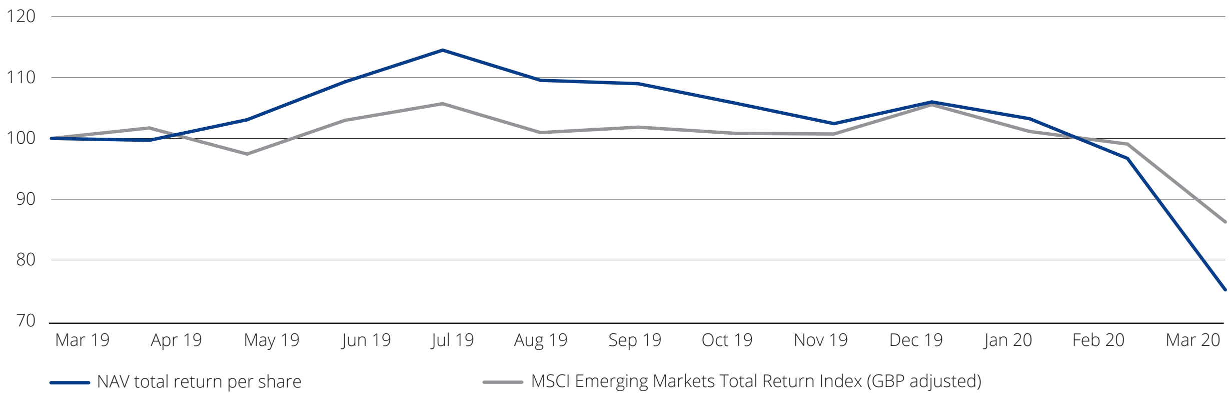
DIVIDENDS PER SHARE	INVESTED	REALISED	ONGOING CHARGES*
↑ 5.2%	£270.1m	£270.8m	1.1%

2.0M SHARES BOUGHT BACK	TOTAL INCOME	DIVIDENDS PAID
£4.8m	£24.0m	£17.0m

* See Alternative Performance Measures on pages 99 to 100

TOTAL RETURN COMPARATIVE PERFORMANCE (1)

from March 2019 to March 2020



(1) Rebased to 100 as at 31 March 2019

Source: ICM and Bloomberg

PERFORMANCE SUMMARY

	31 March 2020	31 March 2019	% change 2020/19
NAV total return per share [1] (annual) (%)	(24.9)	3.5	n/a
Share price total return per share [1] (annual) (%)	(23.2)	5.4	n/a
Annual compound NAV total return [1] (since inception – 20 July 2005) (%)	8.1	11.0	n/a
NAV per share [1] (pence)	181.84	249.84	(27.2)
Share price (pence)	161.50	217.90	(25.9)
Discount [1] (%)	(11.2)	(12.8)	n/a
Earnings per share (basic)			
– Capital (pence)	(68.29)	(0.12)	n/r*
– Revenue (pence)	7.88	7.47	5.5
Total (pence)	(60.41)	7.35	(921.9)
Dividends per share			
– 1st quarter (pence)	1.800	1.800	0.0
– 2nd quarter (pence)	1.925	1.800	6.9
– 3rd quarter (pence)	1.925	1.800	6.9
– 4th quarter (pence)	1.925	1.800	6.9
Total (pence)	7.575	7.200	5.2
Gross assets [2] (£m)	461.4	581.9	(20.7)
Equity holders' funds (£m)	414.3	574.2	(27.8)
Shares bought back (£m)	4.8	9.5	(49.5)
Net cash (£m)	39.5	11.7	237.6
Bank loans (£m)	(47.1)	(7.8)	503.8
Net (debt)/cash (£m)	(7.6)	3.9	(294.9)
Net (gearing) [1]/cash on net assets (%)	(1.8)	0.7	n/a
Management and administration fees and other expenses			
– excluding and including performance fee (£m)	6.4	5.9	8.5
Ongoing charges figure [1]			
– excluding and including performance fee (%)	1.1	1.0	n/a

(1) See Alternative Performance Measures on pages 99 to 100
(2) Gross assets less liabilities excluding loans
* not relevant

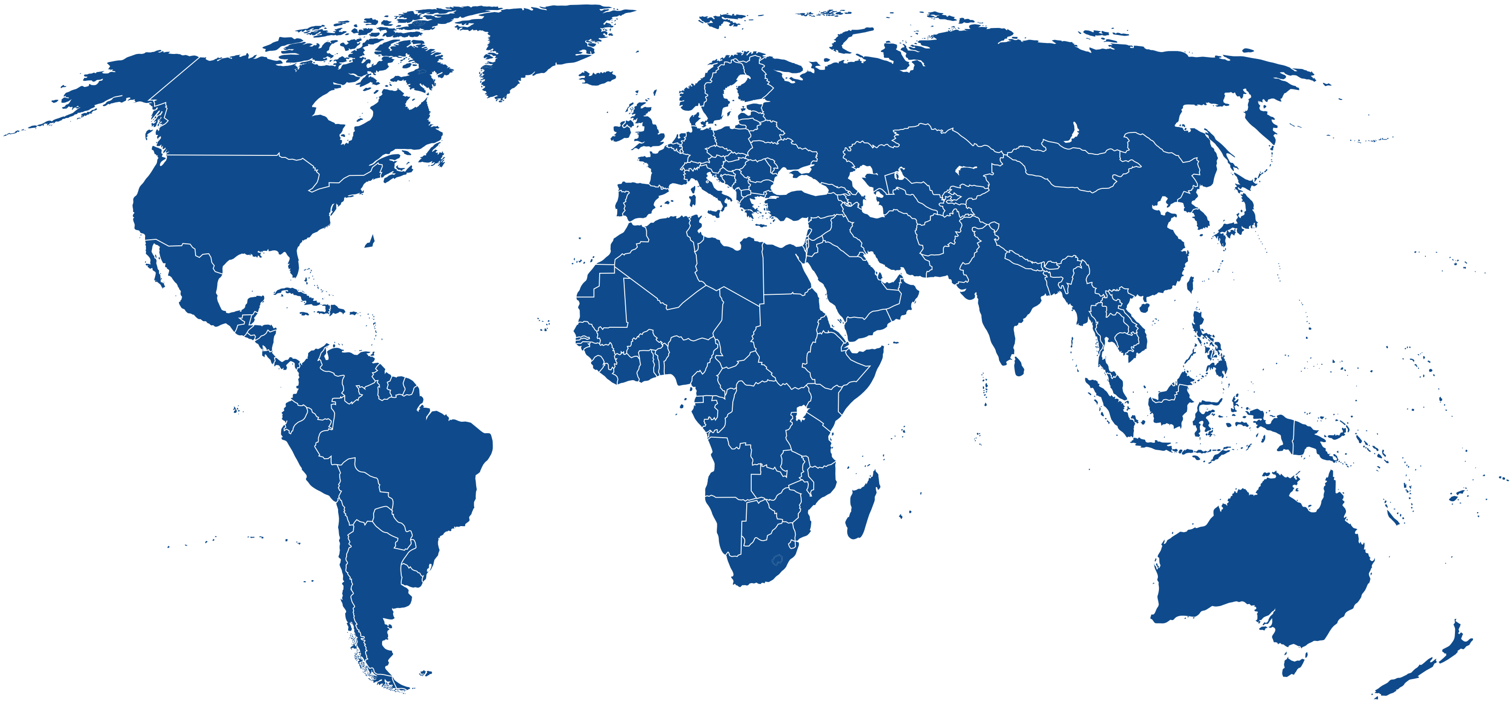
GEOGRAPHICAL INVESTMENT EXPOSURE

OTHER EUROPE	
March 2020	3.2%
March 2019	4.4%

ROMANIA	
March 2020	5.8%
March 2019	7.0%

CHINA (INCLUDING HONG KONG)	
March 2020	18.0%
March 2019	20.3%

OTHER ASIA	
March 2020	8.9%
March 2019	7.0%



BRAZIL	
March 2020	29.1%
March 2019	29.0%

MIDDLE EAST / AFRICA	
March 2020	7.6%
March 2019	5.8%

CHILE	
March 2020	3.1%
March 2019	3.0%

ARGENTINA	
March 2020	0.0%
March 2019	3.4%

INDIA	
March 2020	13.1%
March 2019	5.8%

PHILIPPINES	
March 2020	6.4%
March 2019	8.3%

COLOMBIA	
March 2020	4.1%
March 2019	2.2%

MEXICO	
March 2020	0.7%
March 2019	3.8%

Source: ICM

TOP TEN COMPANIES

% of total investments	Company	Sector	Description
5.3%	International Container Terminal Services Inc.	Ports	A global port management company headquartered in the Philippines.
4.5%	Alupar Investimento S.A.	Electricity	A Brazilian holding company for energy assets in the electricity sector.
3.9%	China Everbright Greentech Limited	Water and Waste	An environmental protection service provider in China.
3.5%	Rumo S.A.	Road and Rail	A rail-based logistics operator in Brazil.
3.1%	Engie Energia Chile S.A.	Electricity	An electricity generation company operating in the northern grid of Chile.
3.1%	Ocean Wilsons Holdings Limited	Ports	An investment company, which operates as a maritime service provider, through its Brazilian subsidiaries.
3.0%	India Grid Trust	Electricity	An infrastructure investment trust listed in India.
3.0%	Companhia de Saneamento do Paraná	Water and Waste	A Brazilian water and waste company owned by Paraná state.
2.9%	Cosan Logistica S.A.	Road and Rail	A holding company for infrastructure assets. Rumo S.A. being its main asset.
2.7%	Energisa S.A.	Electricity	A Brazilian energy distribution company.

Note: % of total investments

PERFORMANCE SINCE INCEPTION (20 JULY 2005)

NAV ANNUAL COMPOUND TOTAL RETURN*

8.1%

NAV TOTAL RETURN PER SHARE*

215.5%

SHARE PRICE TOTAL RETURN PER SHARE*

184.8%

49.4M SHARES BOUGHT BACK

£85.7m

DIVIDENDS PER SHARE INCREASED FROM 1.50P TO

7.575p

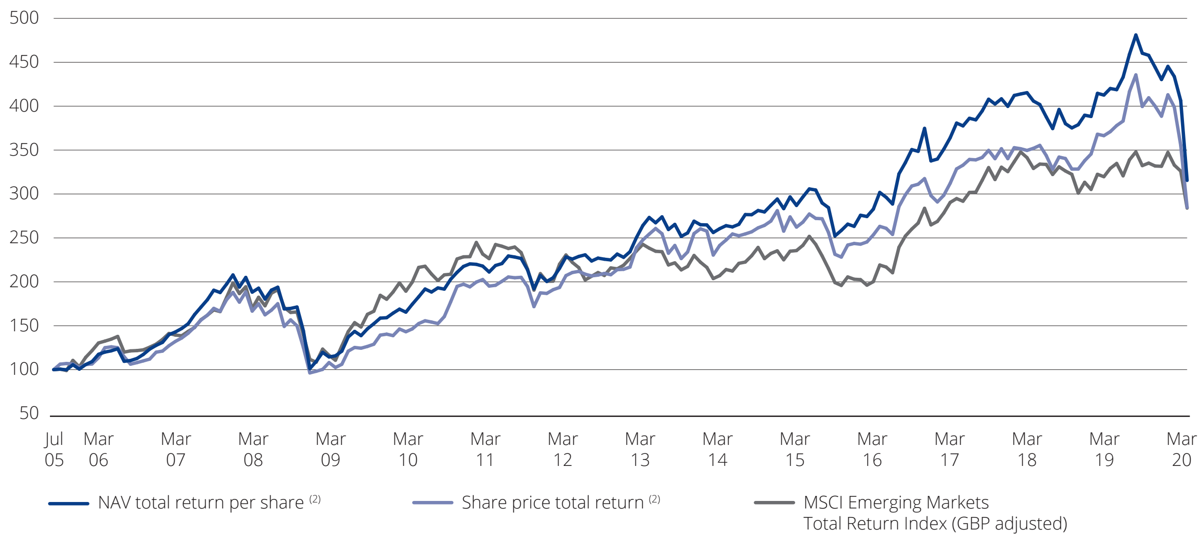
DIVIDENDS PAID CUMULATIVE

£168.7m

* See Alternative Performance Measures on pages 99 to 100

HISTORIC NAV AND SHARE PRICE PERFORMANCE (pence) (1)

from July 2005 to March 2020

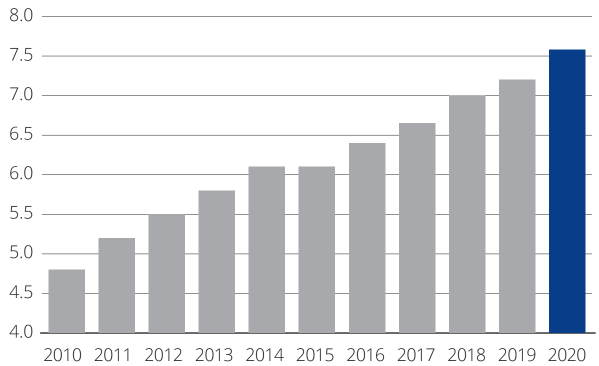


(1) Rebased to 100 as at 20 July 2005
(2) Adjusted for the exercise of warrants and subscription shares

Source: ICM and Bloomberg

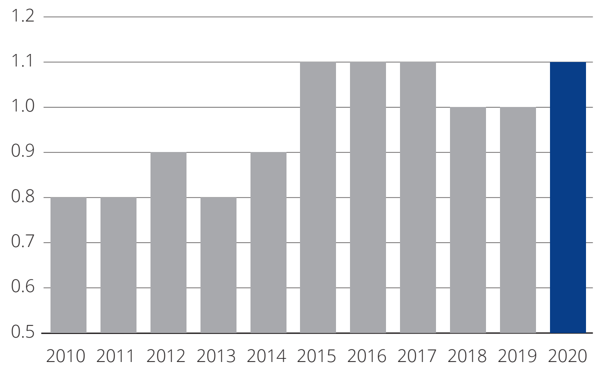
TEN YEAR PERFORMANCE

DIVIDENDS PER SHARE (pence)
from March 2010 to March 2020



Source: ICM

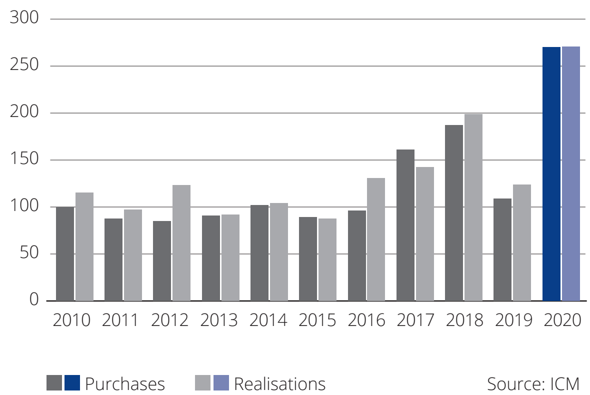
ONGOING CHARGES* (%)
from March 2010 to March 2020



*Excluding performance fee

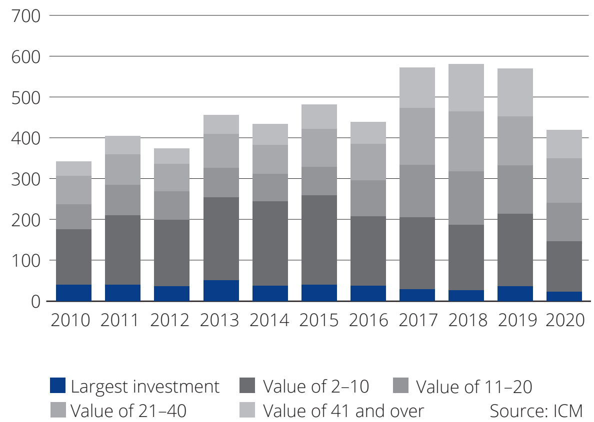
Source: ICM

INVESTMENT PURCHASES AND REALISATIONS (£m)
from March 2010 to March 2020



Source: ICM

PORTFOLIO PROGRESSION (£m) AND NUMBER OF HOLDINGS
from March 2010 to March 2020



Source: ICM

UEM invests mainly in companies and sectors displaying the characteristics of essential services or monopolies.

INVESTMENT MANAGERS' REPORT

CHARLES JILLINGS
Investment Manager

Emerging Markets saw an unprecedented and tumultuous final three months in the year to 31 March 2020. With countries representing nearly 90% of global GDP under lockdown, markets were stressed and virtually all asset classes, whether it be equities, commodities, currencies or debt, were in decline. The impact of COVID-19 has been very disruptive to normal life and the markets reflected this concern. Equity markets retreated from highs in February to lows in March at a rate that has been rarely seen.

The US led the way lower, however EM markets then retreated faster and further reflecting a risk off bias, with most EM indices in negative territory. A notable exception was China where markets remained stable following significant government intervention.

UEM was significantly impacted by these events seeing its NAV decline to 181.84p, and the NAV total return fall by 24.9% over the year to 31 March 2020. UEM underperformed the wider markets in large part due to its exposure to Brazil, as noted in the Chairman's statement.

COVID-19's impact on UEM's portfolio has been evident and at this stage a few high-level observations can be made. Airports have seen passenger numbers plunge, whilst ports have reported declines in volumes. However, data centres have experienced usage step change upwards. UEM has significantly reduced its airport exposure and it has invested in companies with a bias towards lower gearing, better cashflow and dividend profile. UEM has also seen the Chinese utility and infrastructure sector successfully trade through the shutdowns. UEM has not been required to participate in any rescue rights issues as of today in the portfolio investments. Valuations are cheaper, but the big concern is will there be aftershocks and consequent challenges. We should expect the unexpected.

PORTFOLIO

UEM's gross assets (less liabilities excluding loans) decreased sharply to £461.4m as at 31 March 2020 from £581.9m as at 31 March 2019.

There have been six new entries into the top twenty holdings of the portfolio over the year: India Grid Trust ("Indigrid"), an infrastructure investment trust which owns power transmission assets in India; Gujarat State Petronet Limited ("GSPL"), an Indian gas transmission company; Centrais Elétricas Brasileiras S.A. ("Eletrobras"), a Brazilian utility company; Torrent Power Limited ("Torrent Power"), an Indian electricity distribution and generation company; Societe Nationale des Telecommunications du Senegal ("Sonatel"), a West African telecommunications operator; and Omega Geracao S.A. (Omega"), a Brazilian renewable energy power generator.

The following investments were exited: Companhia de Gas de Sao Paulo ("Comgas"), which was acquired for cash under a takeover offer; China Resources Gas Group Limited; Shanghai International Airport Co Ltd; Metro Pacific Investments Corporation: and Enel Americas S.A. In addition, UEM's investment in Yuexiu Transport Infrastructure Limited ("YTL") was reduced.

Investments in the portfolio increased to £270.1m in the year ended 31 March 2020 (31 March 2019: £108.7m) and realisations increased to £270.8m (31 March 2019: £123.6m). This reflects above average investment activity.

Our Investment Managers look with optimism at the compelling opportunities that will undoubtedly occur to add more resilient investments to the portfolio.

CENTRAIS ELÉTRICAS BRASILEIRAS SA ("ELETROBRAS")

Eletrobras is a new entrant into the top twenty and UEM first invested in 2017. Eletrobras is a Brazilian electric utilities company, headquartered in Rio de Janeiro and is Latin America's biggest power utility company. Eletrobras generates about 40% and transmits 69% of Brazil's electricity supply.

Much of this increased activity was in February and March 2020 as UEM reduced its holdings in companies in the airport sector and investments in Mexico.

One outcome from this additional trading activity has been a significant reduction in airports from 7.0% to 1.8% as UEM exited nearly all of its Chinese and Latin American airports. The significant reduction in the gas sector from 15.8% to 8.7% was mainly as a result of exiting Comgas. Electricity increased from 20.0% to 23.2% as a result of investment and relative performance. Infrastructure increased from 3.1% to 7.5% as a result of the investment in Indigrid.

Changes to the portfolio's geographic allocation reflect new investments and disinvestments plus the relative market performance as outlined above. It is worth noting UEM exited Argentina in full and has significantly reduced its exposure to Mexico, down from 3.8% to 0.7% during the year to 31 March 2020. Having significantly reduced the Argentina exposure last year, down from 10.2% to 3.4%, UEM then exited this year, in full, once it became clear that Macri's government would fall. This hard exit cost UEM some 1.0% of its NAV. There were increases to the allocation to India, up from 5.8% to 13.1%, mainly as a result of adding Indigrid and Torrent Power.

REVENUE EARNINGS PER SHARE WAS 7.88P, INCREASED BY

5.5%

IN THE YEAR TO 31 MARCH 2020

UEM ended the year with level 3 investments of £13.9m (2019: £22.7m), representing 3.3% of total investments. UEM's unlisted investments reduced by 38.8%, mainly as a result of realisations. In the twelve months to 31 March 2020, realisations were £11.1m, purchases were £1.9m and net gains on the holdings £0.4m. Over three quarters of the unlisted investments saw realisations in the year, which is pleasing to see. As at the year-end, 46.0% is represented by an investment in an operational wind farm developer in mainland China, which is at an advanced stage of a controlled auction exit. While the due diligence process is likely to be slowed down by COVID-19 we remain optimistic on both valuation and timing.

BANK DEBT

UEM's bank loans increased from £7.8m to £47.1m in the year to 31 March 2020. Cash increased from £11.7m to £39.5m. Much of this was in the final two months of the period under review, as UEM sold down positions which we believed had held up too well and UEM exited investments in airports and in Mexico. UEM's net debt position as at 31 March 2020 was £7.6m (31 March 2019: net cash £3.9m). The Scotiabank Europe PLC facility is a three-year unsecured £50.0m multicurrency revolving facility maturing in April 2021.

REVENUE RETURN

Revenue income increased to £24.0m as at 31 March 2020, from £21.4m as at 31 March 2019, an increase of 12.0%. The increase reflects the rise in dividend income (£3.5m) particularly income from the Indian holdings.

Management fees and other expenses increased by 9.4% to £3.4m in the year to 31 March 2020. This reflected that for most of the year the NAV was higher. Finance costs remained modest at £0.4m given the low interest

IN THE YEAR TO 31 MARCH 2020

BRAZIL REMAINS UEM'S LARGEST COUNTRY EXPOSURE

↑ 0.1%

CHINA REMAINS UEM'S SECOND LARGEST COUNTRY EXPOSURE

↓ 2.3%

INDIA IS THE THIRD LARGEST COUNTRY EXPOSURE

↑ 7.3%

Note: increases/decreases refer to the movement in the portfolio percentage of the relevant country

LATAM'S EXPOSURE AT

37.0%

ASIA'S EXPOSURE AT

46.4%

REST OF THE WORLD

16.6%

SECTOR SPLIT OF INVESTMENTS

Electricity
23.2%
(20.0%)

Ports
14.5%
(15.0%)

Road and Rail
11.9%
(10.4%)

Satellites and Telecoms
10.2%
(9.1%)

Gas
8.7%
(15.8%)

Other
8.4%
(6.9%)

Renewables
7.8%
(5.9%)

Infrastructure Investment Funds
7.5%
(3.1%)

Water and Waste
6.0%
(6.8%)

Airports
1.8%
(7.0%)

Figures in brackets as at 31 March 2019

Source: ICM

rate environment. Taxation rose sharply to £2.2m during the year ended 31 March 2020 (2019: £0.8m) and is expected to remain at this level going forward. In the main this resulted from income that was received in UEM Bermuda in the prior year and distributed to UEM net of tax. All holdings were transferred to UEM in the period to 31 March 2019 and in the current year all income is recognised directly in UEM with tax deducted.

Arising from the above, the profit for the year increased by 3.7% to £18.0m from £17.4m for the period to 31 March 2019. The earnings per share was higher, a rise of 5.5% to 7.88p compared to the prior year of 7.47p due to the increase in profit and reduced number of average shares in issue following buybacks in both years. Dividends per share of 7.575p were fully covered by earnings.

Retained revenue reserves rose to £5.9m as at 31 March 2020.

CAPITAL RETURN

The portfolio lost £149.7m on the capital account during the year to 31 March 2020. There were net gains on derivatives of £1.5m and losses on foreign exchange of £1.9m. The total income loss on the capital account was £150.1m against prior year gains of £2.7m.

Management and administration fees were higher at £3.0m (31 March 2019: £2.7m), an increase of 8.3% mainly as a result of higher average net assets during the year. Finance costs increased to £0.8m from £0.2m as a result of increased bank borrowings. There was a charge for taxation of £2.1m (31 March 2019: nil) which arose mainly from Brazilian capital gains tax. The net effect of the above was a loss on capital return of £156.0m (31 March 2019: a loss of £0.3m).

ACCELERATION OF TECHNOLOGICAL CHANGE

The COVID-19 pandemic has resulted in significant acceleration of social and technological change. This is very evident in the shift overnight to working from home. Businesses from education, health, finance and media are seeing rapid rates of digitalisation. This will result in both threats to existing business models, be they universities or retail, and opportunities for online services. The team at ICM are looking for and adding businesses they expect to benefit from this enhanced trend.

TORRENT POWER LIMITED ("TORRENT POWER")

Torrent Power is a new entry into UEM's top twenty holdings. UEM first invested in Torrent Power in 2019. Torrent Power is an India-based company engaged in electricity generation, transmission and distribution. Its current operations are in the states of Gujarat, Maharashtra and Uttar Pradesh.

It is worth noting that UEM has invested in a number of "technology infrastructure" businesses. These include MyEG Services in Malaysia, a government e-commerce enabler, through to data centres in Korea and Hong Kong. Over time these investments are expected to offer strong growth as the world increases its digital activities.

Charles Jillings
ICM Investment Management Limited and ICM Limited

19 June 2020

MACRO TRENDS AFFECTING OUR PORTFOLIO

URBANISATION

- Jobs in rural areas in EM are being displaced – for example, modern farming equipment reduces agricultural employment – resulting in a lack of job opportunities especially for the younger population.
- Rural populations are therefore migrating to cities, seeking a higher standard of living and higher income opportunities in manufacturing and service industries.
- Rapid growth in urban populations requires significant investment in supporting infrastructure, such as roads, metros, railway, electricity networks and sanitation.

RISE OF THE MIDDLE CLASS

- Increase in average incomes and the fall in levels of absolute poverty is resulting in a rise in the proportion of EM populations classified as "middle class".
- Rising income and social characteristics of emerging middle class populations results in higher overall consumption and greater propensity to purchase durable goods such as fridges, washing machines and cars.
- Emerging middle class increasingly demand a higher degree of public services and a greater focus on quality of life, including education, environmental conditions, tourism, and accountability from governmental institutions.

ENVIRONMENTAL POLICY

- Climate change is now an accepted reality, with significant direct and indirect effects on humankind and the global economy.
- Governments and intergovernmental organisations have initiatives in place targeting reductions in the impact of man-made emissions on climate change.
- Major emissions contributors such as the power and transport sector are seeing a radical shift away from the most polluting technologies.
- Renewables, battery storage, electric vehicles and waste treatment are key areas of development, and are increasingly commercial without subsidies.

GEOPOLITICS AND GLOBALISATION

- Increased political tensions and populism is leading to a rising level of nationalism and protectionism, unwinding several decades of global supply chain integration.
- Trade war between USA and China is resulting in higher tariffs and barriers to trade, negatively impacting global GDP and increasing non-productive friction in economies.
- Trade flows and external deficits or surpluses are being rebalanced in many countries, with commensurate effects on foreign exchange and local economies.
- The changing dynamics of trading bloc relationships is resulting in significant shifts in transport and logistics value chains, and associated infrastructure.

GOVERNANCE AND TRANSPARENCY

- EM typically have poorer institutional frameworks than developed democracies, with transparency and rule of law being key areas of focus.
- Economies with robust political and institutional structures are inherently more attractive for investment and constant monitoring for any changes to these is necessary.
- Regulation of concessions – critical in the infrastructure sectors – is dependent on a strong rule of law and adherence to contractual obligations.

DIGITALISATION

- 4G mobile and fibre broadband rollout in EM presents opportunities for businesses and benefits to people driven by applications including e-commerce, e-government, online education, telemedicine, communications and media.
- Mobile money systems run by telecommunication companies are extending financial services with innovative solutions to previously unbanked mass populations, especially in Africa.
- EM have the opportunity to provide digitally delivered services globally, leveraging their young, well-educated workforces and lower operating costs.
- In the long-term, 5G, cloud storage and data processing will drive new applications to optimise manufacturing, healthcare, logistics, security and transport infrastructure in “smart cities”.

OUR INVESTMENT APPROACH

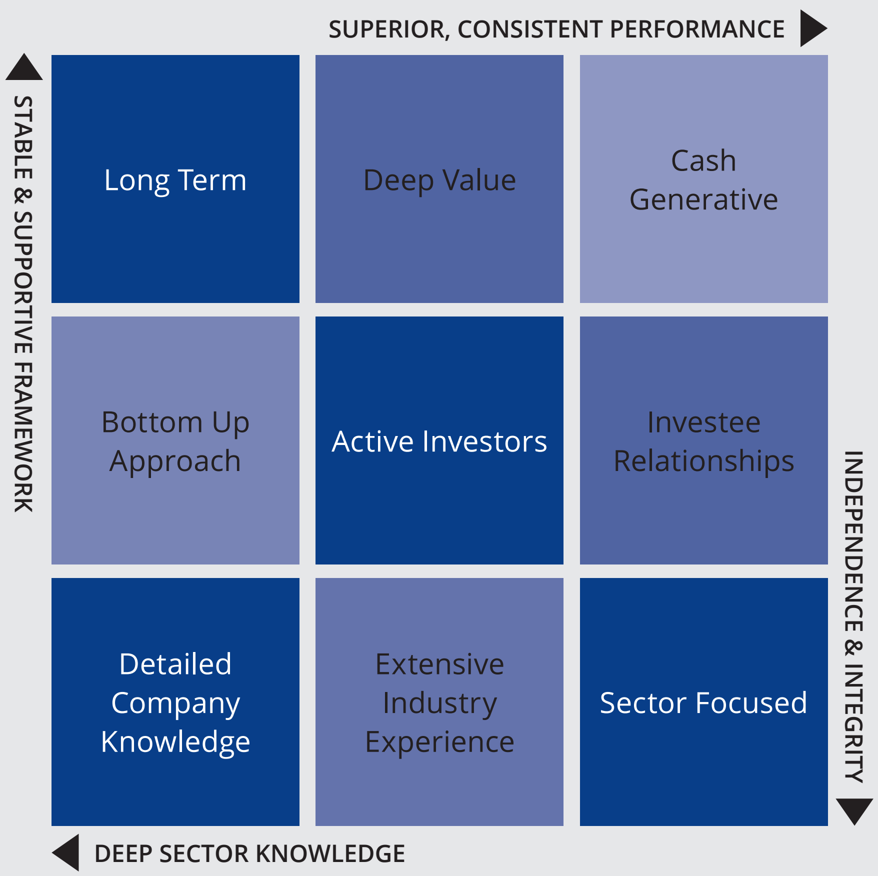
ICM is a value investor and generally operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make solid investments. ICM has approximately USD 2.0bn of assets directly under management and is responsible indirectly for a further USD 17.3bn of assets in subsidiary investments.

ICM looks to exploit market and pricing opportunities and concentrates on absolute performance. The investments are not market index driven and ICM is unlikely to participate in either an IPO or an auction unless there is compelling value.

UEM seeks to leverage ICM's investment abilities to both identify and make investments across a range of industries within the EM sector. New investments usually offer a mix of attractive value at the time of investment. There is no desire to establish a "portfolio of must have investments", rather the investment portfolio comprises a series of bottom up decisions.

We incorporate environmental, social and governance ("ESG") factors into our investment process in four key ways.

- **Visit** – We engage with the investee companies and visit businesses on location to further develop a comprehensive and long-term perspective.
- **Investigate** – Insights gained during these meetings are combined with in depth internal research. This enables us to gauge how ESG issues may impact an investment.
- **Recognise** – Given our long-term focus, we integrate the investee company's ESG profile into our investment decisions.
- **Participate** – We continually connect with investee companies' management teams through ongoing meetings as well as influencing best outcomes on key issues.



TWENTY LARGEST HOLDINGS

Alupar Investimento S.A. (Brazil)

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS

35.0%

(2019: 37.6%) OF TOTAL INVESTMENTS

THE VALUE OF THE TWENTY LARGEST HOLDINGS REPRESENTS

57.5%

(2019: 58.4%) OF TOTAL INVESTMENTS

BRAZIL IS UEM'S LARGEST COUNTRY EXPOSURE AT

29.1%

(2019: 29.0%) OF TOTAL INVESTMENTS

THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS

81

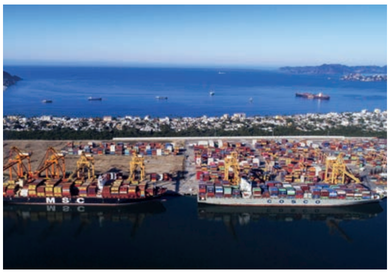
(2019: 92)

The value of convertible securities represents 0.2% (2019: 0.1%) of the portfolio. The value of fixed income securities represents 0.0% (2019: 0.0%) of the portfolio.

TWENTY LARGEST HOLDINGS (continued)

1

Country	Philippines
Sector	Ports
Fair Value £'000s	22,131
% of total investments	5.3%



INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. ("ICT") is a global ports management company, in the business of acquiring, developing, managing and operating container ports and terminals worldwide. ICT operates 31 terminals, in 18 countries over six continents handling over 10.0m containers.

In the financial year to 31 December 2019, ICT reported strong results despite the global headwinds, as the port operator benefited from an increase of 4.5% in containers handled which translated into a 6.9% increase in gross revenues. With the improving operating performance from new terminals and diligent cost management executed at existing operations, ICT managed to boost EBITDA by 9.9% for 2019 and increase EBITDA margin to 56.0%. Adjusted net income also improved, up by 22.2%, with dividend per share being increased by 102.4%, assisted by the pay-out of a special dividend of PHP 2.08 per share.

ICT's share price declined 41.8% in the year to 31 March 2020, with UEM maintaining its existing position in ICT.

2

Country	Brazil
Sector	Electricity
Fair Value £'000s	18,843
% of total investments	4.5%

ALUPAR INVESTIMENTO S.A. ("ALUPAR") is a holding company for energy assets focused in the electricity transmission and generation sectors in Brazil, Peru and Colombia. It has concession rights to 30 transmission assets totalling 7,929km of electricity lines in Brazil, of which 5,133km are operational.

Having bid and won substantial new transmission line concessions at highly attractive return rates in previous years, Alupar continued to show strong capital discipline and execution capability, with new lines being commissioned early and under budget. In its financial year ended 31 December 2019 Alupar's figures were heavily influenced by accounting for construction contracts under IFRS, with reported revenues increasing by 143.9% and EBITDA up 97.5%. Regulatory accounting, more reflective of the underlying growth, saw revenues and EBITDA growing by 10.5% and 0.2% respectively. Dividend per share was reduced by 16.7% as Alupar is retaining cash to support investment in new projects.

Alupar's share price declined 3.0% in the year to 31 March 2020 whilst UEM increased its position in Alupar by 7.2%.

3 光大綠色環保 Everbright Greentech

Country	China
Sector	Renewables
Fair Value £'000s	16,264
% of total investments	3.9%

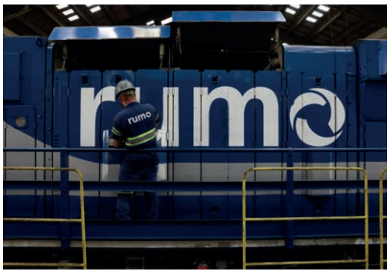
CHINA EVERBRIGHT GREENTECH LIMITED ("CE GREENTECH") is an environmental protection services provider based in China, focusing on integrated biomass, hazardous waste treatment and environmental remediation.

Classified as renewable energy, CE Greentech's biomass operations benefit from renewable energy subsidies which have been the source of much uncertainty over the past year. The government's intention to overhaul the current renewables policy has raised questions over future subsidies. Moreover, existing projects eligible for subsidies have experienced long payment delays, resulting in higher receivables. However, CE Greentech expects that all its biomass operations will remain eligible for subsidies and remains confident that receivables will be cleared over the medium term as the government rebalances payments from its renewable energy fund. CE Greentech's operating performance continues to impress, with strong capacity expansion in integrated biomass and hazardous waste delivering 32.5% revenue growth and 33.8% EBITDA growth over the twelve months to 31 December 2019.

CE Greentech's share price declined 47.4% and UEM doubled its shareholding in the year to 31 March 2020.

4 rumo

Country	Brazil
Sector	Road and Rail
Fair Value £'000s	14,492
% of total investments	3.5%



RUMO S.A. ("RUMO") offers logistics services for rail transportation, port elevation and warehousing in Brazil. Rumo currently operates five concessions of c.13,500km of lines with over 1,200 locomotives and 33,000 wagons, as well as distribution centres and storage facilities.

2019 was another strong year for Rumo, as it witnessed a 6.6% increase in volumes handled, leading to a 7.6% increase in net revenues. Management continued to capitalise on its operational leverage whilst driving improvements in operational performance resulting in EBITDA (including the Central Network concession won in March 2019) increasing by 9.4%. EBITDA margin continued to expand, improving to 54.2%. With Rumo's cash flow improving, leverage continues to fall which resulted in an improvement in the bottom line of over 100%. Management remains confident of Rumo's ability to execute on its growth strategy, with 2023 guidance indicating volume growth at 10% per annum and EBITDA at 15% per annum.

Rumo's share price over the year to 31 March 2020 was up by 2.4% and UEM decreased its shareholding marginally by 0.2%.

TWENTY LARGEST HOLDINGS (continued)

5

Country	Chile
Sector	Electricity
Fair Value £'000s	13,068
% of total investments	3.1%

ENGIE ENERGIA CHILE S.A. ("ECL") is the main electricity generation company in the north of Chile and the fourth largest in the country by installed capacity. ECL has 2.2GW installed capacity and 2,293km of transmission lines, and is 52.8% owned by Engie.

2019 was a transformational year for ECL, as the completion of the IEM plant and the commencement of new, 15-year power purchase agreements saw a step-up in financial performance. In its financial year to 31 December 2019 electricity sales volumes grew by 14.1%, driven by the new regulated market contracts. This resulted in group revenues and EBITDA growing by 14.0% and 42.9% respectively, as strong operational leverage and lower fuel costs boosted margins. Adjusting out impairments to legacy coal assets which are being shut down as ECL pivots towards renewables, earnings per share increased by 62.4% and dividend per share was up by 98.6%.

ECL's share price fell 30.4% in the year to 31 March 2020, during which UEM increased its shareholding in ECL by 34.9%.

6

Country	Brazil
Sector	Ports
Fair Value £'000s	12,963
% of total investments	3.1%

OCEAN WILSONS HOLDINGS LIMITED ("OCEAN WILSONS") operates as a maritime services company in Brazil via its two principal subsidiaries: Wilson Sons and Ocean Wilsons Investment Limited. It is listed on the London and Bermuda Stock Exchanges.

2019 for Ocean Wilsons was mixed as Wilson Sons continued to operate in a difficult economic environment, whilst the investment portfolio had a strong performance. Wilson Sons' towage business continued to see competition due to overcapacity arising from vessels that previously supplied services to the oil and gas sector now operating in the harbour business. This resulted in the number of harbour manoeuvres performed falling by 5.4%. The container terminal business during 2019 also saw the number of containers handled falling by 4.2%. The strategic review announced in July 2018 to potentially divest the container and logistics assets failed to materialise with no transaction occurring and the process ending in July 2019. The investment portfolio produced a good performance in 2019, with assets under management increasing by 10.2% to USD 285.3m, with a net return of 12.1%. Consolidated revenues were down 11.8%, with EBITDA down 2.4%. As at 31 March 2020, Ocean Wilsons's discount to NAV widened to over 43.5%.

Ocean Wilsons' share price over the year to 31 March 2020 was down 42.0% with UEM marginally reducing its position by 0.3%.

7 IndiGrid

Country	India
Sector	Infrastructure Investment Funds
Fair Value £'000s	12,614
% of total investments	3.0%

INDIA GRID TRUST ("INDIGRID") is an infrastructure investment trust listed on the Bombay Stock Exchange which owns inter-state power transmission assets in India. It has 20 lines totalling 5,800km and 4 substations, with the assets having an average of 32 years remaining contract life.

Over the past twelve months Indigrid has undergone significant change following a USD 360m capital raise, more than doubling its capital base. This resulted in KKR and GIC becoming the largest shareholders in the trust, and KKR becoming the controlling partner in the investment management company managing the trust. The capital raise provided funds for Indigrid to acquire new transmission assets, which has increased revenue and EBITDA in its financial year to 31 March 2020 by 86.7% and 90.6% respectively. The trust is required to pay out at least 90% of cash flows in dividends, and pays a quarterly dividend per share of INR 3.00, equating to a double-digit yield.

UEM's position in Indigrid increased eight-fold in the year to 31 March 2020, during which Indigrid's share price increased by 8.9%.

8 SANEPAR

Country	Brazil
Sector	Water and Waste
Fair Value £'000s	12,541
% of total investments	3.0%

COMPANHIA DE SANEAMENTO DO PARANÁ ("SANEPAR") is a Brazilian water and waste management company controlled by the state of Paraná. It provides water and sewage services to residential, commercial and industrial users across Paraná and the city of Porto União, Santa Catarina state.

2019 was a key year for Sanepar, as after a local court challenged an upward tariff revision approved by Sanepar's regulator in April 2019, the ruling went in Sanepar's favour, reaffirming the strength of the regulatory framework. Sanepar's full-year results reflected the ongoing transition to full compensation on the regulated asset base and continued improvements to operating efficiency. While billed water and sewage volumes increased by 3.4% and 5.4%, respectively, total revenues increased by 13.5% and EBITDA increased by 20%. Financial progress has been accompanied by broader regulatory shifts in Brazil's water sector, with the government's water reform bill set to introduce federal regulatory oversight and greater private participation. These have improved investor sentiment towards the sector.

Sanepar announced a 3 for 1 stock split during the period and its share price, adjusted for this event, decreased by 4.5% in the year to 31 March 2020.

TWENTY LARGEST HOLDINGS (continued)

9

Country	Brazil
Sector	Road and Rail
Fair Value £'000s	12,089
% of total investments	2.9%

COSAN LOGISTICA S.A. ("COSAN LOGISTICA") owns 28.5% of Rumo, number 4 in UEM's portfolio. Cosan Logistica is listed in Brazil and is 72.4% owned by Cosan Ltd. Cosan Logistica acts as the holding company for Cosan Ltd and is an attractive way to own Rumo as it has historically traded at a discount to Rumo of up to 30.0%. Cosan Ltd's management continues to try and find ways to simplify the holding structure in order to remove the discount. Despite the announcement of a potential share swap which was cancelled in 2018, no similar transaction materialised in 2019. Nevertheless, management continues to message that it is looking for a solution.

As at 31 March 2020, Cosan Logistica traded at a 12.0% discount to Rumo. Cosan Logistica's share price increased by 9.2% during the year and UEM maintained its holding.

10

Country	Brazil
Sector	Electricity
Fair Value £'000s	11,356
% of total investments	2.7%

ENERGISA S.A. ("ENERGISA") is the fifth largest energy distribution company in Brazil by energy distributed, serving 7.8m customers in eleven Brazilian states. Its fourteen concession areas total an area equivalent to 24% of Brazil's landmass. It also has four transmission line projects under development.

In its financial year to 31 December 2019, Energisa reported strong results, boosted by higher effective tariffs following rate reviews at two of its largest concessions, and the integration of the Eletroacre and Ceron concessions. Energy consumption volumes grew by 3.9% and bolstered by higher tariffs resulted in group revenues growing by 21.1%. Strong operating leverage saw EBITDA increase by 32.2%, earnings per share grew by 21.9% and dividend per share was up by 50.6%. Construction of the new transmission lines remains ahead of schedule. An extraordinary tariff review request for Ceron and Eletroacre has been delayed by the regulator.

In the year to 31 March 2020 Energisa's share price declined by 6.5% and UEM reduced its position in Energisa by 25.7%.

11

Country	India
Sector	Electricity
Fair Value £'000s	11,167
% of total investments	2.7%

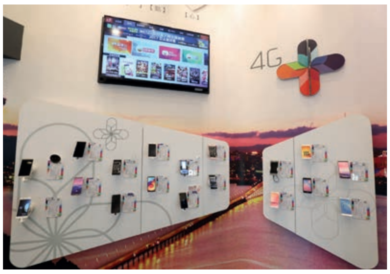
GUJARAT STATE PETRONET LIMITED ("GSPL") is the main gas transmission company in Gujarat State in India. GSPL has 2,600km of gas pipelines connected to domestic gas fields and LNG terminals. GSPL has a 54% stake in Gujarat Gas ("GGAS"), a listed city gas distribution company.

India has been proactively seeking to reduce emissions, with stricter environmental controls and a falling gas price resulting in an upsurge in demand, particularly in industrialised regions such as Gujarat. This is evident in GSPL's results, with gas transmission volumes in the nine months to 31 December 2019 increasing by 8.0%, and distribution volumes at GGAS soaring 39.6% year-on-year. The implementation of regulatory tariff increases saw effective rates increase by 11.5% for the transmission assets. These positive factors drove consolidated group revenue and EBITDA growth of 28.7% and 23.3% respectively, and earnings per share was up by 67.5%. Dividend per share relating to March 2019 year end was up by 14.3% on the prior year.

In the year to 31 March 2020 GSPL's share price decreased by 8.9% and UEM increased its shareholding in GSPL by 82.0%.

12

Country	Hong Kong
Sector	Satellites and Telecoms
Fair Value £'000s	10,480
% of total investments	2.5%



CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED ("CITIC") is an international telecoms provider. It provides a broad range of telecommunications and IT services to corporate customers and controls CTM, the incumbent telecommunications operator in Macau.

Citic performed well during 2019, with service revenues increasing by 3.6%, and net profit up by 5.4%, exceeding HKD 1.0bn for the first time. Citic continues to see increasing demand for internet services including fibre broadband in Macau, international connectivity, and data centre services in Hong Kong and mainland China. Its SMS business in Hong Kong grew revenues by 74.0% during 2019 and was responsible for 9.0% of 2019 group revenues as more enterprises used SMS messages to confirm transactions, provide online sign-in authentication and for marketing purposes. Voice service revenues continue to decline with a significant drop in international roaming traffic in Hong Kong due to the social unrest in the second half of the year. Citic reduced its net debt during the year by 17.0% and increased its dividend by 11.1%.

Citic's share price declined by 27.1% during the year to 31 March 2020 and UEM increased its shareholding by 53.7%.

TWENTY LARGEST HOLDINGS (continued)

13

Country	Brazil
Sector	Electricity
Fair Value £'000s	9,787
% of total investments	2.3%

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. ("ELETROBRAS") is the largest utility company in Latin America. It is responsible for 30% of the electricity generated in Brazil with an installed capacity of 50.4GW of which more than 90% is clean energy. It also operates over 71,000km of transmission lines.

Following a change in senior management Eletrobras has been restructuring its business and improving corporate governance. In 2019 Eletrobras completed its divestment process of loss-making distribution assets to focus solely on generation and transmission, and headcount was cut from 26,000 to 12,000. Combined with other cost-saving measures, Eletrobras has reduced its leverage from an unsustainable 7.5x net debt/EBITDA in 2017 to 1.6x at December 2019. In its financial year to 31 December 2019, recurring revenues grew by 8.0% helped by the start-up of new power plants and lines, higher sales in the free market at more attractive prices, and tariff adjustments. Recurring EBITDA increased by 5.0% with lower personnel costs partly offset by higher fuel cost.

Eletrobras' share price declined by 31.2% during the year to 31 March 2020.

14

Country	Romania
Sector	Gas
Fair Value £'000s	9,669
% of total investments	2.3%

TRANSGAZ S.A. ("TRANSGAZ") is the monopoly operator of Romania's gas transmission and distribution network, which has over 13,350km of pipeline infrastructure and 370km of international transit pipelines. Transgaz is 58.5% controlled by the Romanian State.

In its financial year to 31 December 2019 Transgaz saw modest growth in transmission volumes, up by 1.9%, offset by lower tariffs as the regulator continues to claw back profits in excess of regulatory allowances which were earned in previous periods. It is notable that the regulatory backdrop has deteriorated, with uncertainty over future allowed rates of return. Group revenues fell by 2.0%, whilst poor cost control saw EBITDA fall by 21.1% and earnings per share decline by 29.5%. Transgaz has continued to invest heavily in a new pipeline connecting Bulgaria and Hungary, with Phase I still on track to be commissioned by end-2020. This has seen Transgaz reduce dividend payouts, with dividend per share falling by 28.6%.

In the year to 31 March 2020 Transgaz's share price fell by 29.5% and UEM increased its shareholding by 19.4%.

15

Country	India
Sector	Electricity
Fair Value £'000s	9,460
% of total investments	2.3%

TORRENT POWER LIMITED ("TORRENT POWER") is an Indian electricity distribution and generation company which is the sole electricity supplier in Ahmedabad (state capital of Gujarat). It owns and operates 3.7GW of predominantly gas-fired power plants and has been expanding its distribution activities through franchises in other regions. Torrent Power is 54% owned by Torrent Private Ltd.

Torrent Power is a new entry for UEM's top twenty, and UEM first invested in Torrent Power in June 2019 following a management meeting and site visit in Gujarat. It is well positioned to participate in new distribution franchise tenders and is a major beneficiary of falling LNG prices. This was evident in the nine months to 31 December 2019, with two of its under-utilised gas-fired plants coming back online and increasing output by 23.5% year-on-year. With distribution volumes up a more modest 1.8%, Torrent Power's group revenues grew by 4.1%. Lower LNG fuel costs bolstered EBITDA growth to 14.8%, with earnings per share up by 84.0%, helped by the impact of lower tax rates. Dividend per share more than doubled.

In the year to 31 March 2020 Torrent Power's share price was up by 8.4%.

16

Country	Senegal
Sector	Satellites and Telecoms
Fair Value £'000s	9,142
% of total investments	2.2%

SOCIETE NATIONALE DES TELECOMMUNICATIONS DU SENEGAL ("SONATEL") is the incumbent telecoms operator in Senegal and the leading mobile operator in Mali, Sierra Leone, Guinea and Guinea Bissau. Its online payment system, Orange Money, is an increasingly important part of its business with over one billion transactions processed during 2019. Sonatel reports in the CFA Franc, which is pegged to the Euro.

Despite operating in competitive markets, Sonatel continues to maintain its leading positions with 2019 revenues up by 6.2%, EBITDA up by 4.2% but with reported net income down by 2.7%. Activities exhibiting strong growth included Orange Money services, with revenues up by 33.0% in 2019, mobile data services which grew by 24.7% and fixed line broadband which grew by 14.2%. Voice call revenues were however lower with international call revenues down by 10.5% and fixed line voice revenues down by 8.2% in 2019. Sonatel's full year 2019 dividend (paid in May 2020) was prudently reduced by 18.3% given the uncertain near term outlook but still represented a post-tax yield of 9.6% as at 31 March 2020.

Sonatel's share price declined 34.4% in the year to 31 March 2020. UEM's shareholding in Sonatel increased tenfold.

TWENTY LARGEST HOLDINGS (continued)

17

Country	India
Sector	Electricity
Fair Value £'000s	9,065
% of total investments	2.2%

POWER GRID CORPORATION OF INDIA LIMITED ("POWERGRID") is the national electricity grid operator in India, with over 160,000km of transmission lines and 248 substations. Powergrid is the third largest transmission utility in the world and is 55% owned by the Indian government.

With certainty on regulatory returns for the majority of Powergrid's assets achieved at the start of 2019, Powergrid has been increasing activity in Tariff Based Competitive Bidding ("TBCB") auctions. India has a significant need for additional grid connectivity and capacity, in part driven by the rapid rollout of renewable assets in the country. Powergrid remains in a strong position to capitalise on these opportunities, successfully winning over half of the projects bid for thus far in its 2020 financial year. In the nine months to 31 December 2019, Powergrid reported revenue growth of 9.7%, EBITDA increased by 12.4%, and adjusted earnings per share grew by 24.8%. Interim dividend per share was modestly raised by 2.2%.

In the year to 31 March 2020 Powergrid's share price fell by 19.7% and UEM increased its position in Powergrid by 9.9%.

18

Country	Hong Kong
Sector	Satellites and Telecoms
Fair Value £'000s	8,543
% of total investments	2.0%

APT SATELLITE HOLDINGS LIMITED ("APT") is a satellite operator providing broadcast and network services to clients across Asia, Europe, Africa and Australasia.

APT reported disappointing results in 2019. In recent years, the satellite industry has been impacted by technological changes resulting in increased competition and declining prices. APT had in previous years performed comparatively well against this industry backdrop, but the loss of key clients in 2019 resulted in a 14.2% decline in revenues, a 15.5% decline in EBITDA and a net profit decline of 28.5%. APT does remain profitable, strongly cash flow positive, unleveraged and it increased dividends in 2019 by 25.8%. APT's parent, China Satellite Communications listed on the Shanghai A share market in a well-received IPO during the year.

During the year to 31 March 2020 APT's share price decreased by 31.3% and UEM's shareholding was reduced by 15.2%.

19 Omega Geração

Country	Brazil
Sector	Renewables
Fair Value £'000s	8,478
% of total investments	2.0%

OMEGA GERACAO S.A. ("OMEGA") is a Brazilian renewable energy power generator with a portfolio of wind, solar and hydro assets. It has grown rapidly through the acquisition of operating projects and had over 1GW installed capacity as at 31 December 2019. Omega is listed on the Novo Mercado, the segment requiring the highest level of corporate governance of the Brazilian Stock Exchange.

UEM first invested in Omega at IPO in 2017, and has steadily accumulated a material shareholding while Omega has continued to deliver strong growth and operational metrics. In less than three years, Omega has quadrupled its installed capacity, and the growth was very evident in results for its financial year ended 31 December 2019, with energy output up by 83.2%. This resulted in group revenue growth of 36.7%, and EBITDA up by 45.8% on improved operating leverage. Omega has a modest dividend pay-out as it is focused on investing in new projects in which it has right of first refusal. In September 2019 Omega raised BRL 830m of equity to help fund additional growth opportunities.

In the year to 31 March 2020 Omega's share price increased by 39.4% and UEM increased its shareholding in Omega by 5.5% during the period.

20 CONPET

Country	Romania
Sector	Oil transport (Other)
Fair Value £'000s	8,318
% of total investments	2.0%

CONPET S.A. ("CONPET") is the monopoly operator of Romania's crude oil transport network, and has 3,800km of pipeline infrastructure including domestic and international import pipelines. Conpet is 58.7% controlled by the Romanian State.

Conpet has continued to deliver a steady operational performance in its financial year to 31 December 2019, with transport volumes growing by 3.9%. This growth was predominantly driven by the import subsystem, up by 8.2%, as domestic oil production continues to decline. With effective tariffs modestly improving, group revenues grew by 5.8%, though this was offset by higher costs – notably personnel expenses – with EBITDA declining by 1.0% and earnings per share falling by 3.2%. Dividend per share was also down by 5.6% on the previous year, although it still provides a double-digit yield. Conpet retains significant net cash reserves on its balance sheet to support further pay-outs and investment requirements for modernising its network and constructing additional storage tanks.

Conpet's share price fell by 17.0% in the year to 31 March 2020 and UEM reduced its position in Conpet by 4.8% in the period.

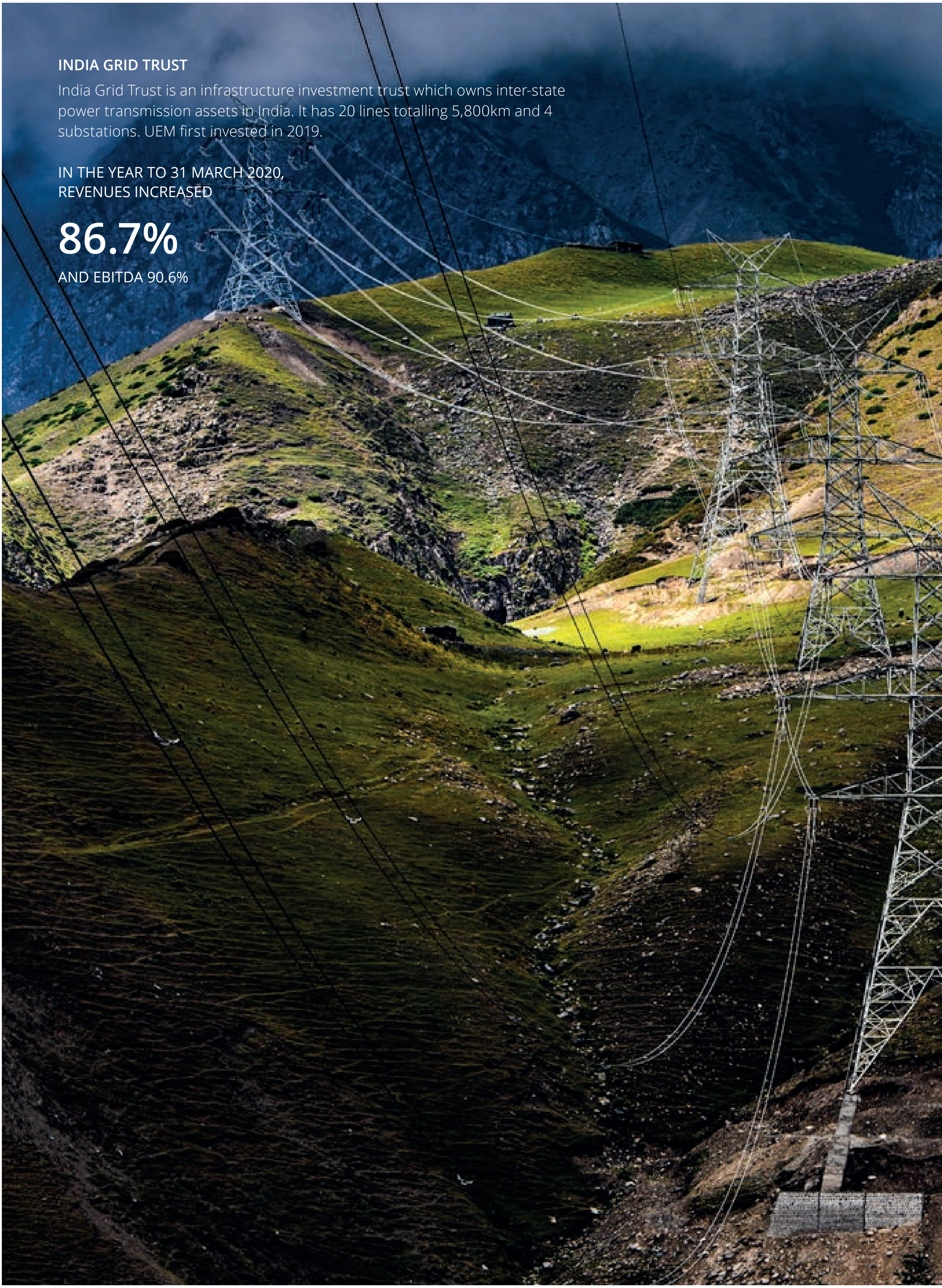
INDIA GRID TRUST

India Grid Trust is an infrastructure investment trust which owns inter-state power transmission assets in India. It has 20 lines totalling 5,800km and 4 substations. UEM first invested in 2019.

IN THE YEAR TO 31 MARCH 2020, REVENUES INCREASED

86.7%

AND EBITDA 90.6%



CENTRAIS ELETRICAS BRASILEIRAS S.A.

Centrais Eletricas Brasileiras S.A. is Latin America's biggest power utility company, tenth largest in the world, and is also the fourth largest clean energy company in the world. UEM first invested in 2017.

IN THE YEAR TO 31 DECEMBER 2019, REVENUES INCREASED

8.0%

AND EBITDA 5.0%

OMEGA GERACAO S.A.

Omega Geracao S.A. is a Brazilian renewable energy power generation investment company. UEM first invested in 2017.

IN THE YEAR TO 31 DECEMBER 2019, GROUP REVENUES INCREASED

36.7%

AND EBITDA 45.8%

PRINCIPAL ACTIVITY

UEM carries on business as an investment trust and its principal activity is portfolio investment.

INVESTMENT OBJECTIVE

UEM's objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

STRATEGY AND BUSINESS MODEL

UEM invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company. Since the Company has no employees it outsources its activities to third party service providers, including the appointment of external investment managers to deliver investment performance. The Board oversees and monitors the activities of the service providers with the Board setting investment policy and risk guidelines, together with investment limits.

ICMIM, an English incorporated company authorised and regulated by the Financial Conduct Authority ("FCA") as an alternative investment fund manager ("AIFM") pursuant to the AIFM Regulations, is the Company's AIFM and joint portfolio manager alongside ICM. The investment team responsible for the management of the portfolio is headed by Charles Jillings.

ICMIM and ICM, operating under guidelines determined by the Board, have direct responsibility for the decisions relating to the day to day running of the Company and are accountable to the Board for the investment, financial and operating performance of the Company. Other service providers include JPMorgan Chase Bank N.A. – London Branch which provides administration and custodial services, JP Morgan Europe Limited ("JPMEL") which acts as the Company's Depositary under the AIFM Directive and Computershare Investor Services which acts as registrar. ICMIM has also been appointed Company Secretary.

INVESTMENT POLICY

UEM's investment policy is flexible and its investments include (but are not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.

The Company focuses on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but has the flexibility to invest in markets worldwide. The Company generally seeks to invest in emerging market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.

The Company may also use derivative instruments such as American Depository Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options, warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and Statement of Financial Position from major corrections and reducing, transferring or eliminating investment risks in its investments. These investments will be long term in nature.

INVESTMENT RESTRICTIONS

The Board has prescribed the following limits on the investment policy, all of which are at the time of investment unless otherwise stated:

- Investments in unquoted and untraded investments in aggregate must not exceed 10.0% of gross assets at the time of investment;
- No single investment may exceed 20.0% of gross assets at the time of investment;
- Investments other than in infrastructure, utility and related companies must not exceed 20.0% of gross assets at the time of investment;
- Investments in a single country must not exceed 50.0% of gross assets at the time of investment (and for these purposes investments will be considered to have been made in the countries where the relevant investee company reports that it carries out its business operations, as determined on a look-through basis);
- Not more than 10.0% in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15.0% of their total assets in other investment companies which are listed on the Official List); and
- Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such funds more than 15.0% in aggregate of the value of the total assets of the Company at the time the investment is made.

The above limits only apply at the time the investment is made and the Company will not be required to realise any assets or rebalance the portfolio where any limit is exceeded as a result of any increases or decreases in the valuation of the particular assets which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant limit can again be complied with.

BORROWING AND GEARING POLICY

UEM may use bank borrowings for short-term liquidity purposes. In addition, the Board may gear the Company by borrowing on a longer-term basis for investment purposes.

The Board has set a current limit on gearing (being total borrowings measured against gross assets) not exceeding 25% at the time of drawdown. Borrowings may be drawn down in Sterling, US Dollars or any currency for which there are corresponding assets within the portfolio (at the time of drawdown the value drawn must not exceed the value of the relevant assets in the portfolio).

On 4 April 2018, the Company entered into a three year unsecured £50.0m multicurrency revolving facility agreement with Scotiabank Europe PLC maturing on 3 April 2021. Further details on the Company's loan facility are set out in note 13 to the accounts.

INVESTMENT APPROACH

UEM seeks to identify and invest in undervalued investments predominantly in the infrastructure and utility sectors, mainly in EM. The Investment Managers aim to identify securities where underlying value and growth prospects are not reflected in the market price. This is often as a result of strong growth drivers, but can include changes in regulation, technology, market motivation, potential for financial engineering, competition or shareholder indifference.

The Company seeks to minimise risk by investing 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. Most investee companies are asset backed, have good cash flows and offer good dividend yields. UEM generally seeks to invest in companies with strong management who have the potential to grow their business and who have an appreciation of, and ability to manage, risk.

UEM believes it is generally appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging a review of capital structures and business efficiencies. The Investment Managers maintain regular contact with the investee companies and UEM is often among the largest international shareholders.

The Company aims to maximise value for shareholders by holding a relatively concentrated portfolio of securities and investing through instruments appropriate to the particular situation. UEM is prepared to hold investments in unlisted securities when the attractiveness of the investment justifies the risks and lower liquidity associated with unlisted investments. ICMIM, as the Company's AIFM, controls stock-specific, sector and geographic risk by continuously monitoring the exposures in the portfolio. In depth continual analysis of the fundamentals of investee companies allows ICMIM to assess the financial risks associated with any particular stock. The portfolio is typically made up of 60 to 90 stocks.

RESULTS AND DIVIDENDS

Details of the Company's performance are set out in the Investment Managers' Report. The results for the year ended 31 March 2020 are set out in the attached accounts. The dividends in respect of the year, which total 7.575p, have been declared by way of four interim dividends.

DIVIDEND POLICY

The Board's objective is to maintain or increase the total annual dividend. Dividends are expected to be paid quarterly each year in September, December, March and June. In determining dividend payments the Board will take account of factors such as income forecasts, retained revenue reserves and the Company's dividend payment record. However, in order to maintain its approval as an investment trust, the Company will distribute at least 85.0% of its distributable income earned in each financial year by way of dividends. The Board also has the flexibility to pay dividends from capital reserves.

The Board announced on 16 March 2020 that it appreciated the importance investors place on dividend certainty. Despite the current uncertainties created by world events, the Board stated that it intends to maintain its quarterly dividend at 1.925p per share for the remainder of the 2020 calendar year, utilising UEM's revenue reserves and, if necessary, its capital reserves.

KEY PERFORMANCE INDICATORS

Delivery of shareholder value is achieved through the increase in capital value of the Company's shares and by its income return. The Board reviews performance by reference to a number of Key Performance Indicators ("KPIs") that include the following:

- NAV total return relative to the MSCI
- Share price
- Discount to NAV
- Revenue earnings
- Ongoing charges figure

While some elements of performance against KPIs are beyond management control, they provide measures of the Company's absolute and relative performance and are therefore monitored by the Board on a regular basis. These KPIs fall within the definition of Alternative Performance Measures under guidance issued by the European Securities and Markets Authority and additional information explaining how these are calculated is set out on pages 99 to 100.

Year ended 31 March	2020	2019*
NAV total return (%)	(24.9)	3.5
MSCI Emerging Markets Total Return Index (GBP adjusted) (%)	(13.7)	0.0
Share price (pence)	161.50	217.90
Discount to NAV (%)	(11.2)	(12.8)
Percentage of issued shares bought back during the year (based on opening share capital) (%)	0.8	2.0
Revenue earnings per share (pence)	7.88	7.47
Ongoing charges figure – excluding performance fee (%)	1.1	1.0

* Figures for 2019 cover the period from when the Company commenced trading on 3 April 2018 to 31 March 2019

A graph showing the NAV total return performance compared to the MSCI, can be found on page 8. The ten year record on page 101 shows historic data for the Company and its predecessor, UEM Bermuda.

Discount to NAV: The Board monitors the premium/discount at which the Company's shares trade in relation to the assets. During the year the Company's shares traded at a discount relative to NAV in a range of 7.0% to 22.5% and an average discount of 11.1%. The Board and Investment Managers closely monitor both movements in the Company's share price and significant dealings in the shares.

The Board believes that the best way of addressing the discount over the long term is to continue to generate good performance and to create natural demand for the Company's shares in the secondary market through increasing awareness of the Company, its philosophy and management style. The Board has maintained expenditure on marketing the Company. The Board continues to seek authority from shareholders to buyback and issue shares which can assist in the management of the discount and/or any premium at which the shares trade to their NAV. A total of 1,950,003 shares were bought back and cancelled during the year, representing 0.8% of the Company's opening issued share capital.

Earnings and dividends per share: As referred to in "Dividend Policy" above, the Board's objective is to maintain or increase the total annual dividend. The Board and the Investment Managers attach great importance to maintaining dividends per share since dividends form a key component of the total return to shareholders.

The Board declared a first quarterly dividend of 1.80p per share and second, third and fourth quarterly dividends of 1.925p per share in respect of the year ended 31 March 2020. The fourth quarterly dividend will be paid on 19 June 2020 to shareholders on the register on 5 June 2020. The total dividend for the year was 7.575p per share (2019: 7.20p per share).

Ongoing charges: These are calculated in accordance with the industry measure of costs as a percentage of NAV. The expenses of the Company are reviewed at every Board meeting, with the aim of managing costs incurred and their impact on performance. The ongoing charges figure, with no performance fee payable for the year ended 31 March 2020, was 1.1% (2019: 1.0%). This ratio is sensitive to the size of the Company, as well as the level of costs.

PRINCIPAL RISKS AND RISK MITIGATION

During the year ended 31 March 2020, ICMIM was the Company's AIFM and had sole responsibility for risk management, subject to the overall policies, supervision, review and control of the Board.

The Board considers carefully the Company's principal and emerging risks and uncertainties. It seeks to mitigate these risks through regular review by the Audit & Risk Committee of the Company's risk register which identifies the risks facing the Company and the likelihood and potential impact of each risk, together with the controls established for mitigation. Emerging risks are considered at each Audit & Risk Committee meeting. As required by the Association of Investment Companies ("AIC") Code of Corporate Governance, the Board has undertaken a robust assessment of the principal risks facing the Company. There have been no significant changes to the principal risks during the year.

KEY RISK FACTORS

INVESTMENT RISK:	**The risk that the investment strategy does not achieve long-term positive total returns for the Company's shareholders.**	The Board monitors the performance of the Company and has established guidelines to ensure that the approved investment policy approved is pursued by the Investment Managers. These guidelines include sector and market exposure limits. The investment process employed by the Investment Managers combines assessment of economic and market conditions in the relevant countries with stock selection. Fundamental analysis forms the basis of the Company's stock selection process, with an emphasis on sound statements of financial position, good cash flows, the ability to pay and sustain dividends, good asset bases and market conditions. The political risks associated with investing in these countries are also assessed. The Investment Managers try to reduce risk by ensuring that the Company's portfolio is always appropriately diversified. Overall, the investment process aims to achieve absolute returns through an active fund management approach and the Board monitors the implementation and results of the investment process with the Investment Managers.
MARKET RISK:	**The Company's assets consist mainly of listed securities and its principal risks are therefore market related and adverse market conditions could lead to a fall in NAV.**	The Company's portfolio is exposed to equity market risk and foreign currency risk. Adverse market conditions may result from factors such as economic conditions, political change, natural disasters and health epidemics. At each Board meeting the Board reviews the diversification of the portfolio, asset allocation, stock selection, unquoted investments and levels of gearing and has set investment restrictions and guidelines which are monitored and reported on by the Investment Managers. The Company's results are reported in Sterling, although the majority of its assets are priced in foreign currencies and therefore any rise or fall in Sterling will lead, respectively, to a fall or rise in the Company's reported NAV. Such factors are out of the control of the Board and the Investment Managers and may give rise to distortions in the reported returns to shareholders. It is difficult and expensive to hedge EM currencies.

KEY STAFF RISK:	**Loss by the Investment Managers of key staff could affect investment returns.**	The quality of the investment management team is a crucial factor in delivering good performance. There are training and development programs in place for employees and the remuneration packages have been developed in order to retain key staff. Any material changes to the management team are considered by the Board at its next meeting; the Board discusses succession planning with the Investment Managers at regular intervals.
DISCOUNT RISK:	**The Company's shares may trade at a discount to their NAV and a widening discount may undermine investor confidence in the Company.**	The Board monitors the price of the Company's shares in relation to their NAV and the premium/discount at which they trade. The Board generally buys back shares for cancellation in normal market conditions if they are trading at a discount in excess of 10% and the Investment Managers agree that it is a good investment decision.
OPERATIONAL RISK:	**Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its investment policy.**	The Company's main service providers are listed on page 98. The Audit & Risk Committee monitors the performance and controls (including business continuity procedures) of the service providers at regular intervals. All listed and most unlisted investments are held in custody for the Company by JPMorgan Chase Bank N.A. – London Branch with a small number of unlisted investments held in custody by Waverton Investment Management Limited ("Waverton"). JPMEL, the Company's depositary services provider, also monitors the movement of cash and assets across the Company's accounts. The Audit & Risk Committee reviews the JP Morgan SOC1 reports, which are reported on by Independent Service Auditors, in relation to its administration, custodial and information technology services. The Board reviews the overall performance of the Investment Managers and all the other service providers on a regular basis. The risk of cybercrime is high, as it is with most organisations, but the Board regularly seeks assurances from the Investment Managers and other service providers on the preventative steps that they are taking to reduce this risk.
GEARING RISK:	**Whilst the use of borrowings should enhance total return where the return on the Company's underlying securities is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling.**	Gearing levels may change from time to time in accordance with the Board and Investment Managers' assessment of risk and reward. As at 31 March 2020, UEM had net debt gearing on net assets of 1.8%. ICMIM monitors compliance with the banking covenants when each drawdown is made and at the end of each month. The Board reviews compliance with the banking covenants at each Board meeting.
REGULATORY RISK:	**Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment companies, the FCA's Listing Rules and the Companies Act 2006 could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains.**	The Investment Managers and the Company's professional advisers monitor developments in relevant laws and regulations and provide regular reports to the Board in respect of the Company's compliance.

The principal risks and uncertainties currently faced by the Company and the controls and actions to mitigate those risks, are described below.

CORONAVIRUS

The Board has identified the emergence and spread of COVID-19 as a risk facing the Company and its investee companies. The Board has reviewed the business continuity plans of each of the Company's principal service providers in relation to the steps being taken to combat the spread of the virus and will continue to monitor developments as they occur. The Chairman's Statement and the Investment Managers' Report provide further discussion in relation to COVID-19 and its effects on markets and the Company's portfolio.

BREXIT

The Board has considered whether Brexit poses a discrete risk to the Company. As the Company reports in Sterling and almost all the Company's portfolio companies are priced in foreign currencies, sharp movements in exchange rates can affect the NAV (see "market risk" above). Within UEM's portfolio there are very few UK businesses which could see an impact from Brexit both in operations and assets. Accordingly, the Board believes that the impact of Brexit on UEM is unlikely to be material, however, it will continue to keep Brexit under regular review and consideration.

VIABILITY STATEMENT

The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal risks it faces. The Company is a long-term investment vehicle and the Board believes that it is appropriate to assess the Company's viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with provision 31 of the UK Corporate Governance Code, the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and appropriately reflects the long-term strategy of the Company.

In its assessment of the viability of the Company, the Board has considered each of the Company's principal risks and uncertainties detailed above, as well as the impact of a significant fall in the EM equity markets on the value of the Company's investment portfolio. All of the key operations required by the Company are outsourced to third party providers and it is considered that alternative providers could be engaged at relatively short notice if necessary. The Directors have also considered the Company's income and expenditure projections and the fact that the Company's operating expenses comprise a very small percentage of net assets while the majority of the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Board has specifically considered the UK's departure from the European Union and can see no scenario that it believes would affect the going concern status or viability of the Company. The Board has also considered the uncertainty surrounding the potential duration of the COVID-19 pandemic, its impact on the global economy and the prospects for the Company's portfolio holdings and has concluded that it is unlikely to affect the going concern status or viability of the Company.

As part of this assessment the Board considered a number of stress tests and scenarios which considered the impact of severe stock market and currency volatility on shareholders' funds over a five-year period. The results demonstrated the impact on the Company's NAV, its expenses, and its ability to meet its liabilities over that period.

Based on the Company's processes for monitoring operating costs, share price discount, the Investment Managers' compliance with the investment objective and policy, asset allocation, the portfolio risk profile, gearing, counterparty exposure, liquidity risk and financial controls, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

SECTION 172 STATEMENT

Under Section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company for the benefit of its members as a whole. This includes having regard (amongst other matters) to fostering relationships with the Company's stakeholders and maintaining a reputation for high standards of business conduct.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers. The need to promote business relationships with the service providers and maintain a reputation for high standards of business conduct is central to the Directors' decision-making. The Directors believe that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all shareholders and their performance is monitored by the Board and its committees. The principal service provider is the Investment Managers, who are responsible for managing the Company's assets in order to achieve its stated investment objective, and the Board maintains a good working relationship with them. Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Investment Managers must have regard to ethical and environmental issues that impact society. Accordingly, ESG considerations are an important part of the Investment Managers' investment process as explained more fully below.

The Board seeks to engage with its Investment Managers and other service providers in a collaborative and collegiate manner, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. The aim of this approach is to enhance service levels and strengthen relationships with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

The Directors aim to act fairly as between the Company's shareholders and the approach to shareholder relations is summarised in the Corporate Governance Statement on pages 53 to 57. As part of this, the AGM provides a key forum for the Board and Investment Managers to present to shareholders on the performance of UEM and its future prospects. It also allows shareholders the opportunity to meet with the Board and Investment Managers and to raise questions and concerns. The Chairman is available to meet with shareholders as appropriate and the Investment Managers meet regularly with shareholders and their respective representatives, reporting back on views to the Board. Shareholders may also communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.

In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors are set out in the Chairman's Statement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Board believes that it is in the shareholders' interests to consider ESG factors when selecting and retaining investments and has asked the Investment Managers to take these into account when investing. In conjunction with assessing the financial, macro and political drivers when making and monitoring an investment, the Investment Managers therefore embed ESG opportunities and risks into their investment process. ESG factors are built into their bottom up in-depth analysis, however the Investment Managers do not decide whether to make an investment decision on ESG grounds alone.

ESG factors help to enhance the investment team's understanding of a company, as these factors affect a company's business model and its long-term ability to generate sustainable returns. The integration of ESG factors therefore has broadened the Investment Managers' understanding of an investment and enables the investment team to fully question a company's investment potential from a number of perspectives.

The Investment Managers have integrated ESG practices into their fundamental analysis and monitor these on an ongoing basis throughout the investment period to ensure that there are no material changes. Where necessary, the Investment Managers will question and challenge a portfolio company's management team directly to ensure that the investee companies are fully onboarding ESG considerations. In particular, the Investment Managers recognise that governance factors are fundamental to an investment.

As part of ensuring a solid corporate governance framework is enforced within an investment opportunity, the Investment Managers will seek to exercise all voting rights attached to shares held by the Company. The Investment Managers review all resolutions and will vote accordingly, and the Board periodically receives a report on instances where the Investment Managers have voted against the recommendation of an investee company's management on any resolution.

The concept of responsible investing has always been one of the founding pillars of UEM's and its predecessor's investment process, therefore taking into consideration ESG risks and opportunities is not a new phenomenon.

The Company is a member of the Asian Corporate Governance Association, which seeks the implementation of effective corporate governance in Asia.

MODERN SLAVERY ACT

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

GENDER DIVERSITY

The Board consists of four male directors and one female director. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company. The Company's policy on diversity is detailed in the Corporate Governance Statement on pages 53 to 57.

GREENHOUSE GAS EMISSIONS

All the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations.

BRIBERY ACT

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Investment Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

CRIMINAL FINANCE ACT

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

SOCIAL, HUMAN RIGHTS AND COMMUNITY MATTERS

As an externally-managed investment trust, the Company does not have any employees or maintain any premises. It therefore has no material, direct impact on the environment or any particular community and the Company itself has no environmental, human rights, social or community policies. The Board however notes the Investment Managers' policy statement in respect of Environmental, Social and Governance issues, as outlined on page 41.

OUTLOOK

The Board's main focus is on the achievement of the Company's objective of delivering a long-term total return and the future of the Company is dependent upon the success of its investment strategy.
The outlook for the Company is discussed in the Chairman's Statement and the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Managers' Report.

This Strategic Report was approved by the Board of Directors on 19 June 2020.

By order of the Board
ICM Investment Management Limited
Company Secretary

19 June 2020

INVESTMENT MANAGERS AND TEAM

ICMIM, a company authorised and regulated by the FCA, was the Company's AIFM during the year ended 31 March 2020 with sole responsibility for risk management, subject to the overall policies, supervision, review and control of the Board and is joint portfolio manager of the Company, alongside ICM.

The Investment Managers are focused on finding investments at valuations that do not reflect their true long-term value. Their investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. The Investment Managers are long term investors and see markets as a place to exchange assets.

ICM MANAGES OVER

USD 2.0bn

IN FUNDS DIRECTLY AND IS RESPONSIBLE INDIRECTLY FOR A FURTHER USD 17.3BN OF ASSETS IN SUBSIDIARY INVESTMENTS. ICM HAS OVER 65 STAFF BASED IN OFFICES IN BERMUDA, CAPE TOWN, DUBLIN, LONDON, SINGAPORE, SYDNEY, VANCOUVER AND WELLINGTON.

The investment teams are led by Charles Jillings and Duncan Saville.

CHARLES JILLINGS

Charles Jillings, a director of ICM and chief executive of ICMIM, is responsible for the day-to-day running of UEM and the investment portfolio. He qualified as a chartered accountant and has extensive experience in corporate finance and asset management. He is an experienced director having previously been a non-executive director in the water, waste and financial services sectors. He is currently a director of Somers Limited, Waverton Investment Management Limited and Allectus Capital Limited.

DUNCAN SAVILLE

Duncan Saville, a director of ICM, is a chartered accountant with experience in corporate finance and asset management. He was formerly a non-executive director of Utilico Investment Trust plc and is an experienced non-executive director having previously been a director in multiple companies in the utility, investment, mining and technology sectors. He is currently a non-executive director of Resimac Group Limited and West Hamilton Holdings Limited.

INVESTMENT MANAGERS AND TEAM (continued)

SENIOR CORE TEAM ASSISTING ON UEM INCLUDE:

Jacqueline Broers, who has been involved in the running of UEM since September 2010. Prior to joining the investment team, Mrs Broers worked in the corporate finance team at Lehman Brothers and Nomura. Mrs Broers is focused on the transport sector worldwide with particular emphasis on emerging markets. Mrs Broers is a qualified chartered accountant.

Jonathan Groocock, who has been involved in the running of UEM since February 2011. Mr Groocock is focused on the utilities sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team Mr Groocock had nine years of experience in sell side equity research, covering telecoms stocks at ABN AMRO, Oriel Securities and Investec. Mr Groocock qualified as a CFA charterholder in 2005.

Mark Lebbell, who has been involved in the running of UEM since its inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is focused on the communications sector worldwide with particular emphasis on emerging markets. Mr Lebbell is an associate member of the Institute of Engineering and Technology.

COMPANY SECRETARY – ICM INVESTMENT MANAGEMENT LIMITED

Alastair Moreton, a chartered accountant, joined the team in 2017 to provide company secretarial services to UEM and UIL Limited. Mr Moreton has over thirty years' experience in corporate finance with Samuel Montagu, HSBC, Arbuthnot Securities and, prior to joining ICM, Stockdale Securities, where he was responsible for the company's closed end fund corporate clients.

The Investment Managers' approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value.

DIRECTORS

JOHN RENNOCKS (CHAIRMAN)*

John Rennocks (Chairman) has broad experience in conventional and renewable electricity generation and in biotechnology, support services and manufacturing. He previously served as deputy chairman and senior independent director of Inmarsat plc and as finance director of a number of public limited companies (including Smith and Nephew plc, PowerGen plc, British Steel plc and Corus Group plc) and as a non-executive chairman or director of several companies, including Foreign & Colonial Investment Trust plc and JP Morgan Overseas Investment Trust plc. He is currently chairman of Bluefield Solar Income Fund Limited and AFC Energy PLC. He is a Fellow of the Institute of Chartered Accountants of England and Wales.

GARTH MILNE (DEPUTY CHAIRMAN)*

Garth Milne (Deputy Chairman) has been involved in the investment company sector for over forty years both as an adviser and as a non-executive director. He is chairman of UEM's Remuneration Committee.

SUSAN HANSEN

Susan Hansen is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking and is a director of Resimac Group Limited, a non-bank lending company listed on the Australian Securities Exchange, is the principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited, a registered charity in New Zealand. She is a member of the Institute of Chartered Accountants of Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

ANTHONY MUH*

Anthony Muh is an investment professional with over thirty years' experience in the investment management industry. He is a Partner and executive director of H.R.L. Morrison & Co, a global private market infrastructure investment management company. He is also chairman of JIDA Capital Partners Limited, a China focused sustainable infrastructure investment manager. He is past chairman and a Fellow of the Hong Kong Securities Institute and a member of the Asia Advisory Board at Euromoney Institutional Investor Plc. Anthony is the current chairman and council member of the Asia Corporate Governance Association.

ERIC STOBART*

Eric Stobart (Audit & Risk Committee Chairman) has spent most of his career in merchant and commercial banking, latterly as a senior executive at Lloyds Banking Group. He was for twelve years chair of the investment committee of the £25.0bn Lloyds Bank Pension Scheme as well as having been chair of the audit and risk committee of a substantial investment management group and a director and chair of the audit and risk committee of UIL Limited. Currently he chairs a Lloyd's insurance business and chairs or is a member of the trustee board of four pension schemes with combined assets of some £3.6bn. Mr Stobart is a chartered accountant with an MBA from London Business School.

All Directors were appointed to the Board of the Company on 7 February 2018, other than Mr Stobart, who was appointed on 1 October 2019.

None of the Directors have shared directorships with other Directors.

*Independent director and member of the Audit & Risk Committee, Remuneration Committee and Management Engagement Committee

DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of the Company for the year ended 31 March 2020.

STATUS OF THE COMPANY

UEM was incorporated on 7 December 2017. On 3 April 2018, as a result of the proposals to redomicile UEM Bermuda to the United Kingdom, the shareholders of UEM Bermuda exchanged all their shares in UEM Bermuda for shares in the Company on a one for one basis and UEM Bermuda became a wholly owned subsidiary of the Company. All the assets of UEM Bermuda were transferred to the Company and UEM Bermuda was dissolved on 7 March 2019. UEM's shares are listed on the premium segment of the Official List of the Financial Conduct Authority and traded on the main market of the London Stock Exchange.

UEM carries on business as an investment trust. It has been approved by HM Revenue & Customs as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

UEM is domiciled in the UK as an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company and has no employees.

UEM is a member of the AIC in the UK.

THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund ("AIF") falling within the scope of, and subject to, the requirements of the AIFMD. The Company appointed ICMIM, an English incorporated company which is regulated by the FCA, as its AIFM, with sole responsibility for risk management and ICM and ICMIM jointly to provide portfolio management services.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information, is available on the Company's website at www.uemtrust.co.uk.

UEM also appointed JPMEL as its depositary service provider. JPMEL's responsibilities include general oversight over the issue and cancellation of the Company's shares, the calculation of the NAV, cash monitoring and asset verification and record keeping. JPMEL receives an ad-valorem fee of 2.5bps of the Company's NAV for its services, subject to a minimum fee of £25,000 per annum, payable monthly in arrears.

FUND MANAGEMENT ARRANGEMENTS

The aggregate fees payable by the Company to ICMIM and ICM under the Investment Management Agreement ("IMA") are 0.65% per annum of net assets, payable quarterly in arrears, with such fees apportioned between ICMIM and ICM as agreed by them. ICMIM and ICM may also become entitled to a performance-related fee. The IMA may be terminated on not less than six months' notice in writing and further details of the management and performance fees are disclosed in Note 4 to the accounts.

Under the IMA, ICMIM has been appointed as Company Secretary.

The Board continually reviews the policies and performance of the Investment Managers. The Board's philosophy and the Investment Managers' approach are that the portfolio should consist of shares thought attractive irrespective of their inclusion or weighting in any index. The portfolio's composition and performance are likely, therefore, to be very different, for example, from those of the MSCI. Over the short term, there may be periods of sharp underperformance or outperformance compared with the index. Over the long term, the Board expects the combination of the Company's and Investment Managers' approach to result in a significant degree of outperformance compared with the index. The Board continues to believe that the appointment of ICMIM and ICM on the terms agreed is in the interests of shareholders as a whole.

ADMINISTRATION

The provision of accounting and administration services has been outsourced to JPMorgan Chase Bank N.A. – London Branch (the "Administrator"). The Administrator provides financial and general administrative services to the Company for an annual fee based on the Company's month end NAV (5 bps on the first £100m NAV, 3bps on the next £150m NAV, 2bps on the next £250m NAV and 1.5bps on the next £500m NAV). The Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by it in connection with its duties. In addition, ICMIM has appointed Waverton to provide certain support services (including middle office, market dealing and information technology support services). Waverton is entitled to receive an annual fee of 3bps of the Company's NAV and the Company reimburses ICMIM for its costs and expenses incurred in relation to this agreement.

Annually, the Management Engagement Committee considers the ongoing administrative requirements of the Company and assesses the services provided.

SAFE CUSTODY OF ASSETS

During the year ended 31 March 2020, all listed and most unlisted investments are held in custody for the Company by JPMorgan Chase Bank N.A. – London Branch (the "Custodian"). Operational matters with the Custodian are carried out on the Company's behalf by ICMIM and the Administrator in accordance with the IMA and the Administration Agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and the location of the securities held. A small number of unlisted investments are also held in custody by Waverton.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 26 to the accounts.

DIVIDENDS

A dividend of 1.80p per share was paid on 27 September 2019 and dividends of 1.925p per share were paid on 20 December 2019 and 27 March 2020. A dividend of 1.925p per share was declared on 26 May 2020 and will be paid on 19 June 2020.

ISA AND NMPI

UEM remains a qualifying investment under the Individual Savings Account (ISA) regulations and it is the intention of the Board to continue to satisfy these regulations. Furthermore, the Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

GOING CONCERN

The Board has reviewed the going concern basis of accounting for the Company. The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The Board has considered the impact of COVID-19 and performed a detailed assessment of the Company's operational risk and resources including its ability to meet its liabilities as they fall due, by conducting stress tests and scenarios which considered the impact of severe stock market and currency volatility. In light of this work and there being no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least the next twelve months from the date of approval of these financial statements. Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

DIRECTORS

UEM has a Board of five non-executive directors who oversee and monitor the activities of the Investment Managers and other service providers and ensure that the Company's investment policy is adhered to. The Board is supported by an Audit & Risk Committee, a Management Engagement Committee and a Remuneration Committee, which deal with specific aspects of the Company's affairs. The Corporate Governance Statement, which is set out on pages 53 to 57, forms part of this Directors' Report.

The Directors have a range of business, financial and asset management skills, as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 45. All the Directors are independent other than Ms Hansen who is also a director of Resimac Group Limited, a company associated with the Investment Managers.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act 2006 and the Company's Articles of Association. The Company's Articles of Association provide that all the Directors retire each year. The Board may also appoint Directors but any Director so appointed must stand for election by the shareholders at the next Annual General Meeting.

The nature of an investment company and the relationship between the Board and the Investment Managers are such that it is considered unnecessary to identify a senior independent director. Mr Garth Milne, the Deputy Chairman and the other Directors are available to shareholders if they have concerns which have not been resolved through the normal channels of contact with the Chairman or the Investment Managers, or for which such channels are inappropriate.

DIRECTORS' INDEMNITY AND INSURANCE

As at the date of this report, a deed of indemnity has been entered into by the Company and each of the Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. Each Director is indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

UEM also maintains Directors' and Officers' liability insurance which provides appropriate cover for any legal action brought against the Directors.

DIRECTORS' INTERESTS

The Directors' interests in the share capital of the Company are disclosed in the Directors' Remuneration Report on page 59.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end. There are no agreements between the Company and the Directors concerning compensation for loss of office.

A Director must avoid a situation where he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Directors have declared any potential conflicts of interest to the Company, which are reviewed regularly by the Board. The Directors have undertaken to advise the Company Secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

SHARE CAPITAL

As at 31 March 2020 the issued share capital of the Company and the total voting rights were 227,862,470 shares. As at the date of this report, the share capital of the Company and total voting rights were 224,853,181 shares. There are no restrictions on the transfer of securities in the Company and there are no special rights attached to any of the shares.

SHARE ISSUES AND REPURCHASES

UEM has the authority to purchase shares in the market to be held in treasury or for cancellation and to issue new shares for cash. During the year ended 31 March 2020 the Company purchased 1,950,003 shares for cancellation. The current authority to repurchase shares was granted to Directors on 17 September 2019 and expires at the conclusion of the next AGM. The Directors are proposing that their authority to buy back up to 14.99% of the Company's shares for cancellation or to be held in treasury and to issue new shares or sell shares from treasury be renewed at the forthcoming AGM.

TENDER FACILITY

At the Directors' discretion, the Company can operate a tender facility subject to certain limitations. The tender facility is not expected to be made available in circumstances where the annual compound growth rate of the Company's gross assets exceeds 10% or where the Company's performance exceeds the benchmark index by 15% or more in the relevant period. The maximum number of shares which may be tendered pursuant to the tender facility in any financial year would be limited to 12.5% of the shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back pro-rata.

The tender facility has not been operated to date by the Company or previously by its predecessor, UEM Bermuda.

CONTINUATION OF THE COMPANY

UEM has been established with an unlimited life. However, the Directors consider it desirable to give Shareholders the periodic opportunity to review the future of the Company. Therefore, a resolution will be proposed that the Company should continue as presently constituted at the annual general meeting of the Company to be held in 2021 and at every fifth annual general meeting thereafter.

SUBSTANTIAL SHARE INTERESTS

As at the date of this report, the Company had received notification of the following holdings of voting rights:

	Number of shares held	% held
UIL Limited	36,618,500	16.3
Bank of Montreal clients, including:	23,161,693	10.3
F&C Investment Trust plc	12,450,000	5.5
Lazard Asset Management LLC	18,737,825	8.3
Rathbone Investment Management Limited	10,728,364	4.8
Investec Wealth & Investment Limited	10,293,426	4.6

THE COMMON REPORTING STANDARD

Tax legislation under The OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the "Common Reporting Standard") was introduced on 1 January 2016. The legislation requires an investment trust company to provide personal information to HMRC about investors who purchase shares. The Company is required to provide information annually on the tax residences of a number of non-UK based certificated shareholders. HMRC may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders entered onto the share register, excluding those whose shares are held in CREST, will be sent a certification form for the purposes of collecting this information.

AUDIT INFORMATION AND AUDITOR

As required by section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution to re-appoint KPMG LLP ("KPMG") as auditor to the Company will be proposed at the Annual General Meeting on 22 September 2020.

LISTING RULE 9.8.4R

There are no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4R (information to be included in annual report and accounts).

ARTICLES OF ASSOCIATION

Any amendments to the Company's Articles of Association must be made by special resolution.

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your shares in the Company, you should pass this document, together with any other accompanying documents including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of the AGM consists of 14 resolutions. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 to 14 (inclusive) will be proposed as special resolutions.

Ordinary Resolution 1 – Annual Report and Financial Statements

This resolution seeks shareholder approval to receive the report of the Directors and financial statements for the year ended 31 March 2020 and the Auditor's report thereon.

Ordinary Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report.

Ordinary Resolution 3 – Approval of the Company's dividend policy

This resolution seeks shareholder approval of the Company's dividend policy to pay four interim dividends per year. Under the Company's Articles of Association, the Board is authorised to approve the payment of interim dividends without the need for the prior approval of the Company's shareholders. Having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. If this resolution is not passed, it is the intention of the Board to refrain from authorising any further interim dividends until such time as the Company's dividend policy is approved by its shareholders.

Ordinary Resolutions 4 to 8 (inclusive) – Election and re-election of the Directors.

The biographies of the Directors are set out on page 45 and are incorporated into this report by reference.

Resolution 4 relates to the election of Mr Eric Stobart who was appointed on 1 October 2019. Mr Stobart has extensive accounting knowledge and many years of experience of audit and risk committees in the financial services sector. He therefore brings this strong

background and skills to his role as the Company's Audit & Risk Committee Chairman.

Resolution 5 relates to the re-election of Mr John Rennocks who was appointed on 7 February 2018. Mr Rennocks' leadership of the Board as Chairman draws on his long and varied experience on the boards of many public limited companies and investment companies. His focus is on long-term strategic issues, which are key topics of Board discussion.

Resolution 6 relates to the re-election of Garth Milne who was appointed on 7 February 2018. Mr Milne's long career in the investment company sector, both as an adviser and as a non-executive director, brings extensive financial markets experience to his role on the Board. Mr Milne has acted as the Company's Deputy Chairman since appointment.

Resolution 7 relates to the re-election of Susan Hansen who was appointed on 7 February 2018. Ms Hansen's previous experience in chartered accountancy and investment banking makes her well placed to monitor the Company's performance and to constructively challenge the Investment Managers.

Resolution 8 relates to the re-election of Anthony Muh who was appointed on 7 February 2018. Mr Muh's experience of over 30 years in the investment management industry means that he brings in-depth knowledge, expertise and experience in investment matters (and particularly experience relating to the Asia region) to his role on the Board.

Ordinary Resolutions 9 and 10 – Appointment of the external Auditor and the Auditor's Remuneration

These resolutions relate to the appointment and remuneration of the Company's auditor. The Company, through its Audit & Risk Committee, has considered the independence and objectivity of the external auditor and is satisfied that the proposed Auditor is independent. Further information in relation to the assessment of the existing Auditor's independence can be found in the report of the Audit & Risk Committee.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

Ordinary Resolution 11 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in a general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £112,400 per annum, which is equivalent to 11,240,000 ordinary shares of 1p each and represents 5% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. This resolution will expire at the conclusion of the next AGM of the Company to be held in 2021 unless renewed prior to that date at an earlier general meeting.

Special Resolution 12 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. Resolution 12 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £112,400 which is equivalent to 11,240,000 ordinary shares of 1p each and represents 5% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. Any such sale of shares would only be made at prices greater than NAV and would therefore increase the assets underlying each share. This resolution will expire at the conclusion of the next AGM of the Company to be held in 2021 unless renewed prior to that date at an earlier general meeting.

Special Resolution 13 – Authority to buy back shares

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 33,700,000 ordinary shares (being 14.99% of the issued ordinary share capital excluding treasury shares as at the date of the Notice of the AGM). This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the next AGM of the Company to be held in 2021.

Any shares purchased pursuant to this resolution shall be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

Special Resolution 14 – Amendment to the Company's Articles of Association (the "Articles")

The Board is proposing to make amendments to the Articles to enable the Company to hold 'hybrid' general meetings (including annual general meetings) in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility or facilities and to give additional powers to the Board in respect of postponing or adjourning general meetings in appropriate circumstances.

The amendments are being sought in response to challenges posed by government restrictions on social interactions as a result of the COVID-19 pandemic, which have made it difficult for shareholders to attend physical general meetings. The Board's aim in introducing these changes is to make it easier for shareholders to participate in general meetings through introducing electronic access for those not able to travel, and also to ensure appropriate security measures are in place for the protection and wellbeing of shareholders.
The amendments will provide the Board with greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice.

In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit general meetings to be held solely by electronic means, so a physical meeting will still be required. In deciding whether to hold a hybrid general meeting, in the future, the Company will have regard to the views and stance of shareholders and institutional and governance bodies at the relevant time.

The principal changes proposed to be introduced in the Articles, and their effect, are set out below.

i. *Electronic participation in general meetings* – the Board will have the ability to determine the means of attendance and participation used in relation to general meetings of the Company, including whether the meeting shall be held physically and partly through an electronic facility.

ii. *Postponement of general meetings* – the Board will have the ability to postpone a general meeting if, in its absolute discretion, it considers that it is impractical or unreasonable for any reason to hold the meeting on the date or at the time or at any place specified in the notice calling the general meeting.

iii. *Documents available for inspection at a general meeting* – if a general meeting is held partly by means of an electronic facility, the Board may make arrangements for any documents which are required to be made available to the meeting to be accessible electronically.

iv. *Adjournment of general meetings* – the Chairman will have the ability to interrupt or adjourn general meetings without the consent of the meeting if he is of the opinion that it has become necessary to secure the proper and orderly conduct of the meeting, to provide persons with a reasonable opportunity to participate in the meeting or to ensure that the business of the meeting is properly considered and transacted.

v. *Accommodation of members and security arrangements* – the Board will have the ability to implement measures for the purposes of controlling the level of attendance and ensuring the safety of those attending and participating at any physical place specified for the holding of a general meeting, ensuring the security of the meeting and ensuring the future orderly conduct of the meeting. The entitlement of any member or proxy to attend and participate in a general meeting at such place (or places) shall be subject to any such arrangements.
Similarly, if a general meeting is held partly by means of an electronic facility, the Board and the Chairman may make any proportionate arrangement and impose any proportionate requirement or restriction that is necessary to ensure the identification of those taking part by way of such electronic facility and the security of electronic communication. The entitlement of any member or proxy to attend and participate in a general meeting (physically or electronically) shall be subject to any such arrangements.

vi. *Method of voting at general meetings partly electronically* – a resolution put to the vote at a general meeting held partly by means of an electronic facility or facilities shall be decided on a poll, with poll votes to be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting.

The proposed new Articles (marked to show the proposed changes) will be available for inspection on the Company's website at www.uemtrust.co.uk from the date of this report until the conclusion of the Annual General Meeting or a copy may be requested by writing to the Company Secretary at the Company's registered office. The proposed new Articles (marked to show the proposed changes) will also be available for inspection at the place of the forthcoming Annual General Meeting for at least 15 minutes before and during that Annual General Meeting.

RECOMMENDATION

The Board considers that each of the resolutions to be proposed at the Annual General Meeting, is likely to promote the success of the Company for the benefit of its members as a whole and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of these resolutions as they intend to do in respect of their own beneficial holdings.

By order of the Board
ICM Investment Management Limited, Secretary

19 June 2020

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance. Responsibility for good governance lies with the Board. The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

The governance framework of the Company reflects the fact that, as an investment company, it has no full-time employees and outsources its activities to third party service providers.

THE BOARD

Five non-executive directors (NEDs)

CHAIRMAN:
John Rennocks

KEY OBJECTIVES:

- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- to constructively challenge and scrutinise performance of all outsourced activities.

AUDIT & RISK COMMITTEE

All independent NEDs

CHAIRMAN:
Eric Stobart

KEY OBJECTIVE:

- to oversee the financial reporting and control environment.

MANAGEMENT ENGAGEMENT COMMITTEE

All independent NEDs

CHAIRMAN:
John Rennocks

KEY OBJECTIVES:

- to review the performance of the Investment Managers and the Administrator; and
- to review the performance of other service providers.

NOMINATION COMMITTEE

The Board as a whole performs this function

KEY OBJECTIVES:

- to regularly review the Board's structure and composition; and
- to consider any new appointments.

REMUNERATION COMMITTEE

All independent NEDs

CHAIRMAN:
Garth Milne

KEY OBJECTIVE:

- to set the remuneration policy of the Company.

THE AIC CODE OF CORPORATE GOVERNANCE

As a UK-listed investment trust the Board's principal governance reporting obligation is in relation to the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in July 2018. However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and the roles of portfolio manager, administration, accounting and company secretarial tend to be outsourced to a third party. The AIC has therefore drawn up its own set of guidelines known as the AIC Code of Corporate Governance (the "AIC Code") issued in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will be meeting their obligations in relation to the UK Code and paragraph LR9.8.6 of the FCA's Listing Rules. The Board believes that reporting against the principles and recommendations of the AIC Code will provide better information to shareholders.

The UK Code is available from the FRC's website at www.frc.org.uk. The AIC Code is available from the Association of Investment Companies' website at www.theaic.co.uk.

COMPLIANCE WITH THE AIC CODE

During the year ended 31 March 2020, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except those relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- nomination of a senior independent director
- membership of the Audit & Risk Committee by the Chairman of the Board

For the reasons set out in the AIC Code and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Board is composed of five non-executive directors, four of which are independent, and therefore the Board does not believe it is necessary to nominate a senior independent director. In addition, as explained in the Audit & Risk Committee Report, the Chairman of the Board is also a member of the Audit & Risk Committee, as permitted by the AIC Code.

Information on how the Company has applied the principles of the AIC Code and the UK Code is set out below.

THE BOARD

The Board is responsible to shareholders for the overall stewardship of the Company. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board and it is also responsible for the gearing policy, dividend policy, public documents, such as the Annual Report and Financial Statements, the buy-back policy and corporate governance matters. In order to enable the Directors to discharge their responsibilities effectively the Board has full and timely access to relevant information.

The Board meets at least quarterly, with additional Board and Committee meetings being held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Investment Managers attend each meeting and between these meetings there is regular contact with the Investment Managers. Board meetings are often held in countries where the Company holds investments and the Board will meet with investee companies and local experts.

The Board has direct access to the advice and services of the company secretary, who is an employee of ICMIM. The company secretary, with advice from the Company's lawyers and financial advisers, is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The company secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. The company secretary is responsible for advising the Board, through the Chairman, on all governance matters.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense, having first consulted with the Chairman.

During the year, none of the Directors took on any significant new commitments or appointments. All of the Directors consider that they have sufficient time to discharge their duties.

There were four Board meetings, three Audit & Risk Committee meetings, one Management Engagement Committee meeting and one Remuneration Committee meeting held during the year ended 31 March 2020 and the attendance by the Directors was as follows:

	Board	Audit & Risk Committee	Management Engagement Committee	Remuneration Committee
Number of scheduled meetings per annum	4	3	1	1
John Rennocks	4	3	1	1
Susan Hansen	4	n/a	n/a	n/a
Garry Madeiros (retired 17 September 2019)	2/2	1/1	1	1
Garth Milne	4	3	1	1
Anthony Muh	4	3	1	1
Eric Stobart (appointed 1 October 2019)	2/2	2/2	0/0	0/0

Apart from the meetings detailed above, there were a number of meetings held by committees of the Board to approve the declaration of quarterly dividends and other ad hoc items.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises all the independent Directors of the Company and is currently chaired by Mr Stobart, who took over from Mr Madeiros following his retirement during the year. Further details of the Audit & Risk Committee are provided in its report on page 61.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee, which is chaired by Mr Rennocks, comprises all the independent Directors of the Company and meets at least once a year.

The Investment Managers' performance is considered by the Board at every meeting, with a formal evaluation by the Management Engagement Committee annually. The Board received detailed reports and views from the Investment Managers on investment policy, asset allocation, gearing and risk at each Board meeting in the year ended 31 March 2020, with ad hoc market/company updates if there were significant movements in the intervening period.

The Management Engagement Committee also considers the effectiveness of the administration services provided by the Investment Managers and Administrator and the performance of other third party service providers. In this regard the Committee assessed the services provided by the Investment Managers, the Administrator and the other service providers to be good.

REMUNERATION COMMITTEE

The Remuneration Committee, which is chaired by Mr Milne, comprises all the independent Directors of the Company. Further details are provided in the Directors' Remuneration Report on page 58.

INTERNAL CONTROLS

The Directors acknowledge that they are responsible for ensuring that the Company maintains a sound system of internal financial and non-financial controls ("internal controls") to safeguard shareholders' investments and the Company's assets.

The Company's system of internal control is designed to manage rather than eliminate risk of failure to achieve the Company's investment objective and/or adhere to the Company's investment policy and/or investment limits. The system can therefore only

provide reasonable and not absolute assurance against material misstatement or loss.

The Investment Managers, Administrator and Custodian maintain their own systems of internal controls and the Board and the Audit & Risk Committee receive regular reports from these service providers.

The Board meets regularly, at least four times a year. It reviews financial reports and performance against relevant stock market criteria and the Company's peer group, amongst other things. The effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems is reviewed at least bi-annually against risk parameters approved by the Board. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from its review. No significant failings or weaknesses occurred during the year ended 31 March 2020 or subsequently up to the date of this report.

The Board has reviewed and accepted the Investment Managers' anti-bribery and corruption and "whistleblowing" policies.

BOARD DIVERSITY, APPOINTMENT, RE-ELECTION AND TENURE

The Board as a whole undertakes the responsibilities which would otherwise be assumed by a nomination committee. It considers the size and structure of the Board, including the balance of expertise and skills brought by individual Directors. It has regard to board diversity and recognises the value of progressive refreshing of and succession planning for, company boards and such matters are discussed by the Board as a whole at least annually. The Board also seeks to have Directors in different jurisdictions who understand the key influences on businesses in their area, whether they are economic, political, regulatory or other issues. The Board's policy on diversity, including gender, is to take this into account during the recruitment process. Any new appointment is considered on the basis of the skills and experience that the individual would bring to the Board, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report. As at the date of this report, the Board consists of four men and one woman.

The Board is of the view that length of service does not necessarily compromise the independence or contribution of directors of an investment company, where continuity and experience can add significantly to the strength of the Board. This is supported by the views on independence expressed in the AIC Code. No limit on the overall length of service of any of the Company's Directors has been imposed. All Directors are subject to annual re-election.

The Board reviews succession planning at least annually. Appointments of new Directors will be made on a formalised basis with the Chairman agreeing, in conjunction with his colleagues, a job specification and other relevant selection criteria and the methods of recruitment (where appropriate using an external recruitment agency), selection and appointment. The potential Director would meet with Board members prior to formal appointment. An induction process will be undertaken, with new appointees to the Board being given a full briefing on the workings and processes of the Company and the management of the Company by the Chairman, the Investment Managers, the company secretary and other appropriate persons. All appointments are subject to subsequent confirmation by shareholders in general meeting. During the year ended 31 March 2020, the Board undertook a process to recruit a new Director and the preferred candidate, Mr Eric Stobart, was appointed to the Board on 1 October 2019.

BOARD, COMMITTEE AND DIRECTORS' PERFORMANCE APPRAISAL

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board, the Committees and the individual Directors. This encompasses both quantitative and qualitative measures of performance including:

- attendance at meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees through the range and diversity of skills and experience each Director brings to their role; and
- the Board's ability to challenge the Investment Managers' recommendations, suggest areas of debate and set the future strategy of the Company.

The Board opted to conduct performance evaluation through questionnaires and discussion between the Directors, the Chairman and the chairmen of the Committees. This process is conducted by the Chairman reviewing individually with each of the Directors their performance, contribution and commitment to the Company and the possible further development of skills. In addition, the Deputy Chairman reviews the performance of the Chairman with the other Directors, taking into account the views of the Investment Managers. The relevant points arising from these meetings are then reported to, and discussed by, the Board as a whole. This process has been carried out in respect of the period under review and will be conducted on an annual basis. The result of this period's performance evaluation process was that the Board, the Committees of the Board and the Directors individually were all assessed to have performed satisfactorily. No follow-up actions were required.

It is not felt appropriate currently to employ the services of, or to incur the additional expense of, an external third party to conduct the evaluation process as an appropriate process is in place; this will, however, be kept under review.

RELATIONS WITH SHAREHOLDERS

UEM welcomes the views of shareholders and places great importance on communication with shareholders. All shareholders have the opportunity to attend and vote at the Company's AGM. The Notice of AGM sets out the business of the meeting and each resolution is explained in the Directors' Report. In addition, the Investment Managers will review the Company's portfolio and performance at the AGM, where the Directors and representatives of the Investment Managers will be available to answer shareholders' questions.

The prime medium by which the Company communicates with shareholders is through the half-yearly and annual financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the calculation and publication, via a Regulatory Information Service, of the NAV of the Company's shares and by monthly fact sheets produced by the Investment Managers. Shareholders can visit the Company's website: www.uemtrust.co.uk in order to access copies of half-yearly and annual financial reports, factsheets and regulatory announcements.

There is a regular dialogue between the Investment Managers and institutional shareholders, including private client wealth managers, to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to help develop an understanding of their issues and concerns. General presentations to institutional shareholders and analysts follow the publication of the annual results. All meetings between the Investment Managers and institutional and other shareholders are reported to the Board. The Chairman and other Directors are available to discuss any concerns with shareholders if required and shareholders may communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker.

By order of the Board
ICM Investment Management Limited
Company Secretary

19 June 2020

DIRECTORS' REMUNERATION REPORT

GARTH MILNE
Chairman of the Remuneration Committee

STATEMENT OF THE CHAIRMAN

As Chairman of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report to shareholders. The report comprises a remuneration policy, which is subject to a triennial binding shareholder vote, or sooner if an alteration to the policy is proposed, and a report on remuneration, which is subject to an annual advisory vote. An ordinary resolution for the approval of this report will therefore be put to shareholders at the Company's forthcoming AGM.

The law requires the Company's auditor to audit certain parts of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report starting on page 65.

The Remuneration Committee is responsible for reviewing and making recommendations to the Board in respect of the fees of Directors. In line with the AIC Code, it reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and in comparison with other companies of a similar structure and size. Any views expressed by shareholders on the fees being paid to Directors will also be taken into consideration. Following recommendations from the Remuneration Committee, the Board reviews the fees payable to the Chairman and Directors annually.

All the Directors invest the full amount of their fees (net of tax) in the shares of the Company. The fees payable to the Chairman and Directors were reviewed with effect from 1 April 2019 such that the Directors received fees of £34,000 per annum, the Chairman of the Audit & Risk Committee received £43,000 and the Chairman of the Board received £46,000. The review in respect of the year ending 31 March 2021 has resulted in no increases being applied to the annual fees as detailed in the table below.

Year ending 31 March	2021 £'000s	2020* £'000s
Chairman	46.0	46.0
Directors	34.0	34.0
Chairman of the Audit & Risk Committee	43.0	43.0

*Actual

DIRECTORS' REMUNERATION POLICY

The Board, on the recommendation of its Remuneration Committee, considers the level of the Directors fees at least annually. The Board determines the level of Directors' fees within the limit currently set by the Company's Articles, which limit the aggregate fees payable to the Board of Directors to a total of £250,000 per annum.

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Directors and the chairman of the Audit & Risk Committee are taken into account. The policy aims to be fair and reasonable in relation to comparable investment companies.

The fees are fixed and the monetary amount (net of tax) is used by the Directors to purchase shares in the Company quarterly in arrears. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board and general meetings and Committee meetings. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors are provided with a letter of appointment when they join the Board. There is no provision for compensation upon early termination of appointment. The letters of appointment are available on request at the Company's registered office during business hours.

VOTING AT ANNUAL GENERAL MEETING

A resolution to approve the Remuneration Report was put to shareholders at the AGM of the Company held on 17 September 2019. Of the votes cast, 99.8% were in favour and 0.2% were against; this resolution will be put to shareholders again this year. In accordance with the Companies Act 2006, the Company is required to seek shareholder approval for its remuneration policy on a triennial basis and a binding resolution was last put to shareholders at the AGM held on 17 September 2019. Of the votes cast, 99.8% were in favour and 0.2% were against. A resolution to approve the remuneration policy will be put to shareholders at the AGM to be held in 2022.

DIRECTORS' ANNUAL REPORT ON REMUNERATION (AUDITED)

A single figure for the total remuneration of each Director who served during the year ended 31 March 2020 is set out in the table below.

Director	2019/20 Shares purchased (1)	2019/20 Entitlement £ (2)	2019/20 Taxable benefits £ (3)	2019/20 Total £	2018/19 Shares purchased (1)	2018/19 Entitlement £ (2)	2018/19 Taxable benefits £ (3)	2018/19 Total £
John Rennocks (Chairman)	**11,941**	**46,000**	**–**	**46,000**	13,099	45,000	1,058	46,058
Garth Milne	**12,643**	**34,000**	**–**	**34,000**	12,862	33,250	–	33,250
Susan Hansen	**15,803**	**34,000**	**875**	**34,875**	16,102	33,250	–	33,250
Garry Madeiros (retired 17 September 2019)	**7,941**	**19,947**	**875**	**20,822**	19,952	42,000	554	42,554
Anthony Muh	**15,803**	**34,000**	**875**	**34,875**	15,777	33,250	–	33,250
Eric Stobart (appointed 1 October 2019)	**6,821**	**21,500**		**21,500**	–	–	–	–
Totals	**70,952**	**189,447**	**2,625**	**192,072**	77,792	186,750	1,612	188,362

(1) All the shares were purchased in the market, using the net fee entitlement after applicable tax deductions of each director, as set out in note 1(j) to the accounts

(2) The Directors' entitlement to fees is calculated in arrears

(3) Taxable benefits comprises amounts reimbursed for expenses incurred in carrying out business for the Company

The information in this table has been audited.

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table compares the remuneration paid to the Directors with aggregate distributions to shareholders relating to the year ended 31 March 2020. Although this disclosure is a statutory requirement, the Directors consider that comparison of Directors' remuneration with annual dividends and share buybacks does not provide a meaningful measure relative to the Company's overall performance as an investment company with an objective of providing shareholders with long-term total return.

Year ended 31 March	2020 £'000s	2019 £'000s	Change £'000s
Aggregate Directors' emoluments	189	187	2
Aggregate dividends	17,230	16,637	593
Aggregate share buybacks	4,758	9,496	(4,738)

DIRECTORS' BENEFICIAL SHARE INTERESTS (AUDITED)

The Directors' shareholdings (all beneficial) are set out below:

As at 31 March	19 June 2020	31 March 2020	31 March 2019
John Rennocks (1)	149,864	145,752	137,923
Garth Milne	803,189	798,900	790,546
Susan Hansen	109,103	103,742	93,300
Garry Madeiros (2)	n/a	n/a	26,317
Anthony Muh	194,162	188,801	172,368
Eric Stobart (3) (4)	20,000	15,000	n/a

(1) Including 2,645 shares held by Mrs Rennocks as at 19 June 2020 and 31 March 2020

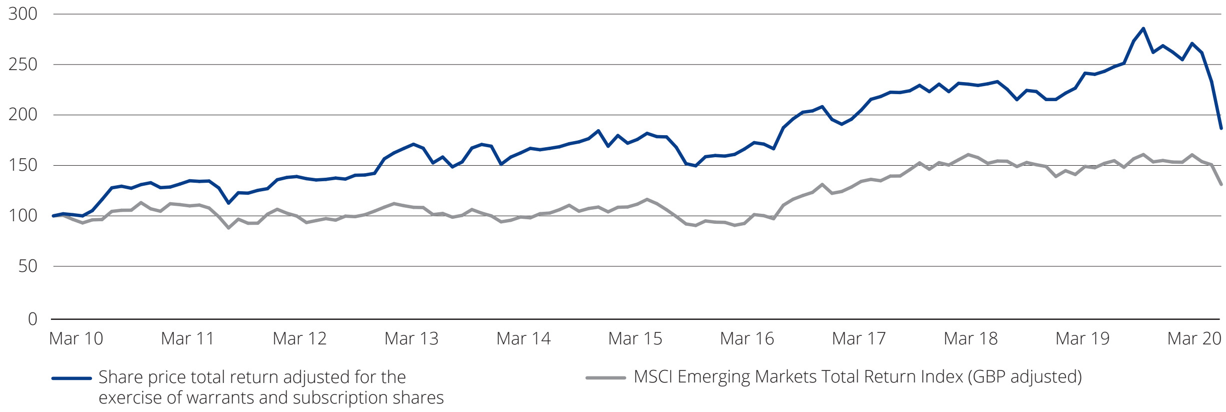
(2) Retired as a Director on 17 September 2019. Mr Madeiros held 30,540 shares as at that date

(3) Appointed a Director on 1 October 2019

(4) Including 4,750 shares held by Mrs Stobart as at 19 June 2020 and 31 March 2020

TOTAL RETURN COMPARATIVE PERFORMANCE

From 31 March 2010 to 31 March 2020



Rebased to 100 as at 31 March 2010

Source: ICM

COMPANY PERFORMANCE

Including the performance of UEM Bermuda, the graph above compares, for the ten years ended 31 March 2020, the share price total return (assuming all dividends are reinvested and adjusted for the exercise of warrants and subscription shares) to shareholders with the MSCI.

On behalf of the Board
Garth Milne
Chairman of the Remuneration Committee

19 June 2020

AUDIT & RISK COMMITTEE REPORT

ERIC STOBART, FCA
Chairman of the Audit & Risk Committee

As Chairman of the Audit & Risk Committee, I am pleased to present the Committee's report to shareholders for the year ended 31 March 2020.

ROLE AND RESPONSIBILITIES

UEM has established a separately chaired Audit & Risk Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee also reviews the external Auditors' report on the annual financial statements and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards.

The Audit & Risk Committee meets at least three times a year. Two of the planned meetings are held prior to the Board meetings to approve the half yearly and annual results. Representatives of the Investment Managers attend all meetings.

COMPOSITION

During the year ended 31 March 2020, the Audit & Risk Committee consisted of all the independent Directors of the Company. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit & Risk Committee together with experience of the investment trust sector.

In light of the Chairman of the Board's relevant financial experience, his continued independence and his valued contributions in Committee meetings, the Audit & Risk Committee considers it appropriate that he is a member.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year the principal activities of the Audit & Risk Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report;
- management of the relationship with the external auditor, including its appointment and the evaluation of scope, execution, cost effectiveness, independence and objectivity;
- reviewing and approving the external auditors' plan for the financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external auditor and the terms of its engagement;
- evaluation of reports received from the external auditor with respect to the annual financial statements and its review of the half-yearly report;
- reviewing the efficacy of the external audit process and making a recommendation to the Board with respect to the reappointment of the external auditors;
- evaluation of the effectiveness of the internal control and risk management systems including reports received on the operational controls of the Company's service providers and reports from the Company's depositary;
- reviewing the appropriateness of the Company's accounting policies; and
- monitoring developments in accounting and reporting requirements that impact on the Company's compliance with relevant statutory and listing requirements.

AUDITOR AND AUDIT TENURE

KPMG LLP has been the auditor of the Company since 2018 and prior to that, auditor of UEM Bermuda since 2012. Under EU legislation listed companies are required to tender the external audit at least every ten years and change auditor at least every twenty years. The Company will be required to tender the external audit no later than for the year ending 31 March 2028. The audit partner has rotated regularly. Mr John Waterson was appointed the lead audit partner this year and his predecessor, Mr Jonathan Martin, acted as audit partner since 2016. The Audit & Risk Committee has considered the independence of the auditor and the objectivity of the audit process and is satisfied that KPMG has fulfilled its obligations to shareholders as independent auditor to the Company.

It is the Company's policy not to seek substantial non-audit services from its auditor, unless they relate to a review of the half-yearly report or reporting on financial information in circulars or prospectuses, as the Board considers the auditor is best placed to provide these services. If the provision of significant non-audit services were to be considered, the Committee would procure such services from an accountancy firm other than the auditor. Non-audit fees paid to KPMG amounted to £5,000 for the year ended 31 March 2020 and related to the review of the half-yearly accounts; more details are included in note 5 to the accounts.

The partner and manager of the audit team at KPMG presented their audit plan to the Audit & Risk Committee in advance of the financial year end. Items of audit focus were discussed, agreed and given particular attention during the audit process. KPMG reported to the Audit & Risk Committee on these items, their independence and other matters. This report was considered by the Audit & Risk Committee and discussed with KPMG and the Investment Managers prior to approval of the annual financial report.

Members of the Audit & Risk Committee meet *in camera* with the external auditor at least annually.

ACCOUNTING MATTERS AND SIGNIFICANT AREAS

For the year ended 31 March 2020 the accounting matters that were subject to specific consideration by the Audit & Risk Committee were as follows:

SIGNIFICANT AREA	HOW ADDRESSED
Value of the level 1 investments	Actively traded level 1 investments are valued using stock exchange prices provided by third party pricing vendors. The Audit & Risk Committee regularly reviews the portfolio. The Audit & Risk Committee reviews the annual internal control reports produced by the Investment Managers and Administrator, which are reported on by independent external auditors and which detail the systems, processes and controls around the daily pricing of the securities.
Value of the level 3 investments	Investments that are classified as level 3 are valued using a variety of techniques to determine a fair value, as set out in note 1(c) to the accounts, and all such valuations are carefully reviewed by the Audit & Risk Committee with the Investment Managers. The Audit & Risk Committee receives detailed information on all level 3 investments and it discusses and challenges the valuations with the Investment Managers. It considers market comparables and discusses any proposed revaluations with the Investment Managers.

The Audit & Risk Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements.

As a result, and following a thorough review process, the Audit & Risk Committee advised the Board that it is satisfied that, taken as a whole, the annual financial report for the year to 31 March 2020 is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Audit & Risk Committee has assumed that the reader of the report would have a reasonable level of knowledge of the investment company industry.

EXTERNAL AUDIT, REVIEW OF ITS EFFECTIVENESS AND AUDITOR REAPPOINTMENT

The Audit & Risk Committee advises the Board on the appointment of the external auditor, its remuneration for audit and non-audit work and its cost effectiveness, independence and objectivity.

As part of the review of the effectiveness of the audit process, a formal evaluation process incorporating views from the members of the Audit & Risk Committee and relevant personnel at the Investment Managers is followed and feedback is provided to KPMG. Areas covered by this review include:

- the calibre of the audit firm, including reputation and industry presence;
- the extent of quality controls including review processes, second director oversight and annual reports from its regulator;
- the performance of the audit team, including skills of individuals, specialist knowledge, partner involvement, team member continuity and quality and timeliness of audit planning and execution;
- audit communication including planning, relevant accounting and regulatory developments, approach to significant accounting risks, communication of audit results and recommendations on corporate reporting;
- ethical standards including independence and integrity of the audit team, lines of communication to the Committee and partner rotation; and
- reasonableness of the audit fees.

For the year ended 31 March 2020, the Audit & Risk Committee is satisfied that the audit process was effective.

Resolutions proposing the reappointment of KPMG as the Company's auditor and authorising the Directors to determine its remuneration will be put to the shareholders at the forthcoming AGM.

INTERNAL CONTROLS AND RISK MANAGEMENT

UEM's risk assessment focus and the way in which significant risks are managed is a key area of focus for the Audit & Risk Committee. Work here was driven by the Audit & Risk Committee's assessment of the risks arising in the Company's operations and identification of the controls exercised by the Board and its delegates, the Investment Managers, the Administrator and other service providers. These are recorded in risk matrices produced by ICMIM, as the Company's AIFM with responsibility for risk management, which continue to serve as an effective tool to highlight and monitor the principal risks, details of which are provided in the Strategic Report on pages 34 to 42. It also received and considered, together with representatives of the Investment Managers, reports in relation to the operational controls of the Investment Managers, Administrator and Custodian. These reviews identified no issues of significance.

WHISTLEBLOWING POLICY

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Investment Managers under which their staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

INTERNAL AUDIT

Due to the nature of the Company, being an externally managed investment company with no executive employees, the Company does not have its own internal audit function. The Committee and the Board have concluded that there is no current need for such a function, based on the satisfactory operation of controls within the Company's service providers.

Eric Stobart
Chairman of the Audit & Risk Committee

19 June 2020

DIRECTORS' STATEMENT OF RESPONSIBILITIES
in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they are required to prepare the financial statements in accordance with IFRS as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, which is maintained by the Company's Investment Managers. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approved by the Board on 19 June 2020 and signed on its behalf by:

John Rennocks
Chairman

KPMG

Independent auditor's report

to the members of Utilico Emerging Markets Trust plc

1. Our opinion is unmodified

We have audited the financial statements of Utilico Emerging Markets Trust plc ("the Company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive income, Statement of Changes in Equity, Statement of Financial Position and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

— give a true and fair view of the state of Company's affairs as at 31 March 2020 and of its return for the year then ended;

— have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 7 February 2018. The period of total uninterrupted engagement is for the two financial years ended 31 March 2020. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: financial statements as a whole	£4.2m (2019:£5.9m) 0.9% (2019: 1%) of total assets	
Key audit matters		**vs 2019**
Recurring risks	Valuation of Level 3 investments	◀▶
	Carrying amount of non – derivative Level 1 investments	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2019), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of Level 3 investments (£13.9 million; 2019: £22.7 million) Refer to page 62 (Audit Committee Report), page 75 (accounting policy) and page 92 (financial disclosures).	**Subjective Valuation:** 3.0% (2019: 3.9%) of the company's total assets (by value) is held in investments where no quoted market price is available. Level 3 investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as prices of recent orderly transactions, revenue multiples and valuing fund interests. There is a significant risk over the judgements and estimates inherent in the valuation and therefore one of the key areas that our audit focused on. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of Level 3 investments has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	Our procedures included: — **Historical comparisons:** Assessment of investment realisations in the period, comparing actual sales proceeds to prior year end valuations to understand the reasons for significant variances and determine whether they are indicative of bias or error in the company's approach to valuations; — **Methodology choice:** In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we challenged the appropriateness of the valuation basis selected; — **Our valuations experience:** Challenging the investment manager on key judgements affecting investee company valuations, such as discount factors and the choice of benchmark for revenue multiples. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of revenue based on the plans of the investee companies and whether these are achievable and we obtained an understanding of existing and prospective investee company cash flows to understand whether borrowings can be serviced or whether refinancing may be required. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report; — **Comparing valuations:** Where a recent transaction has been used to value a holding, we obtained an understanding of the circumstances surrounding the transaction and vouched the price to supporting documentation. We also assessed whether subsequent changes or events such as market or entity specific factors would imply a change in value. For the valuation of fund interests, we obtained and agreed the latest reported net asset values from the fund managers; and — **Assessing transparency:** Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of Level 3 investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions. **Our results:** We found the Company's valuation of Level 3 investments to be acceptable (2019: acceptable).

	The risk	Our response
Carrying amount of non-derivative Level 1 investments (£394.6m; 2019: £527.3m) Refer to page 62 (Audit Committee Report), page 75 (accounting policy) and page 92 (financial disclosures).	**Low risk, high value** The Company's portfolio of non-derivative Level 1 investments makes up 84.8% (2019: 89.7%) of the Company's total assets by value and is considered to be one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedure included — **Tests of detail:** Agreeing the valuation of 100% of non-derivative Level 1 investments in the portfolio to externally quoted prices; and — **Enquiry of custodians:** Agreeing 100% of investment holdings in the portfolio to independently received third party confirmations from investment custodians. **Our results:** We found the carrying amount of non-derivative Level 1 investments to be acceptable (2019: acceptable).

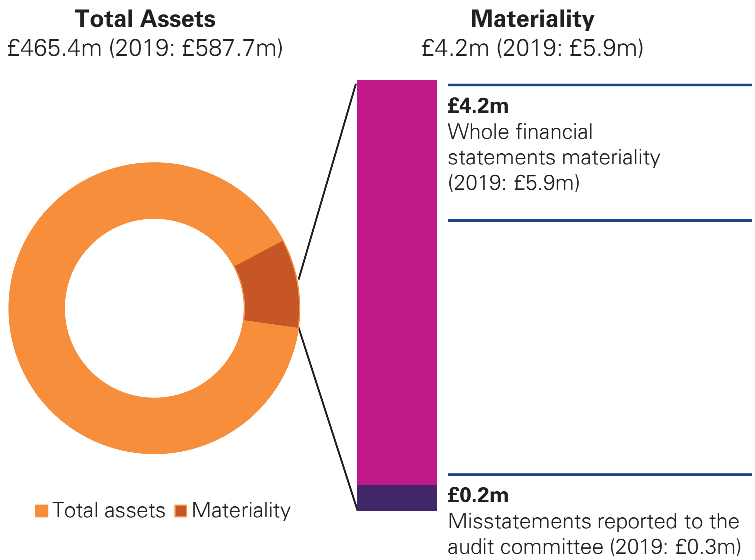
3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £4.2 million (2019: £5.9 million), determined with reference to a benchmark of total assets, of which it represents 0.9% (2019: 1%).

In addition, we applied materiality of £1.0 million (2019: of £0.9 million) to Investment and other income (2019: management and administration fees) for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the users assessment of the Company's financial performance.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.2 million (2019: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.



4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional procedures.

Based on this work, we are required to report to you if:

— we have anything material to add or draw attention to in relation to the directors' statement in Note 1 (a) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or

— the related statement under the Listing Rules set out on page 47 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

— the directors' confirmation within the Strategic Report on pages 38 and 39 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks and Risk Mitigation disclosures describing these risks and explaining how they are being managed and mitigated; and

— the directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Strategic Report. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 64, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors, the manager and the administrator (as required by auditing standards), and discussed with the directors ad the manager the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and its qualification as an Investment Trust under UK tax legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors, the Manager and the Administrator and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify any actual or suspected non-compliance.

KPMG

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Waterson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court,
20 Castle Terrace
Edinburgh
EH1 2EG
19 June 2020

STATEMENT OF COMPREHENSIVE INCOME

		for the year to 31 March 2020			for the period 7 December 2017 to 31 March 2019		
Notes		**Revenue return £'000s**	**Capital return £'000s**	**Total return £'000s**	Revenue return £'000s	Capital return £'000s	Total return £'000s
10	(Losses)/gains on investments	**–**	**(149,719)**	**(149,719)**	–	1,271	1,271
20	Gains on derivative instruments	**–**	**1,521**	**1,521**	–	2,306	2,306
20	Foreign exchange losses	**–**	**(1,908)**	**(1,908)**	–	(889)	(889)
3	Investment and other income	**23,991**	**–**	**23,991**	21,421	24	21,445
	Total income/(loss)	**23,991**	**(150,106)**	**(126,115)**	21,421	2,712	24,133
4	Management and administration fees	**(1,656)**	**(2,959)**	**(4,615)**	(1,503)	(2,731)	(4,234)
5	Other expenses	**(1,787)**	**–**	**(1,787)**	(1,644)	–	(1,644)
	Profit/(loss) before finance costs and taxation	**20,548**	**(153,065)**	**(132,517)**	18,274	(19)	18,255
6	Finance costs	**(363)**	**(847)**	**(1,210)**	(106)	(246)	(352)
	Profit/(loss) before taxation	**20,185**	**(153,912)**	**(133,727)**	18,168	(265)	17,903
7	Taxation	**(2,179)**	**(2,134)**	**(4,313)**	(798)	–	(798)
	Profit/(loss) for the period	**18,006**	**(156,046)**	**(138,040)**	17,370	(265)	17,105
8	**Earnings per share (basic) – pence**	**7.88**	**(68.29)**	**(60.41)**	7.47	(0.12)	7.35

All items in the above statement derive from continuing operations.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The Company does not have any income or expense that is not included in the profit/(loss) for the period and therefore the profit/(loss) for the period is also the total comprehensive income for the period, as defined in International Accounting Standard 1 (revised).

All income is attributable to the equity holders of the Company.

STATEMENT OF CHANGES IN EQUITY

for the year to 31 March 2020

Notes		Ordinary share capital £'000s	Merger reserves £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Retained earnings: Capital reserves £'000s	Retained earnings: Revenue reserve £'000s	Total £'000s
	Balance as at 31 March 2019	**2,298**	**76,706**	**47**	**490,504**	**(265)**	**4,865**	**574,155**
15,18, 19	Shares purchased by the Company and cancelled	**(20)**	**–**	**20**	**(4,758)**	**–**	**–**	**(4,758)**
20,21	(Loss)/profit for the year	**–**	**–**	**–**	**–**	**(156,046)**	**18,006**	**(138,040)**
9	Dividends paid in the year	**–**	**–**	**–**	**–**	**–**	**(17,014)**	**(17,014)**
	Balance as at 31 March 2020	**2,278**	**76,706**	**67**	**485,746**	**(156,311)**	**5,857**	**414,343**

for the period 7 December 2017 to 31 March 2019

Notes		Ordinary share capital £'000s	Redeemable deferred shares £'000s	Merger reserves £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Retained earnings: Capital reserves £'000s	Retained earnings: Revenue reserve £'000s	Total £'000s
15,17	Shares issued	2,345	–	577,416	–	–	–	–	579,761
16,17	Transfer on issue of redeemable deferred shares	–	500,000	(500,000)	–	–	–	–	–
15,16, 18,19	Shares purchased by the Company and cancelled	(47)	(500,000)	–	500,047	(9,496)	–	–	(9,496)
18,19	Transfer to special reserve	–	–	–	(500,000)	500,000	–	–	–
17	Fund launch fees	–	–	(710)	–	–	–	–	(710)
20,21	(Loss)/profit for the period	–	–	–	–	–	(265)	17,370	17,105
9	Dividends paid in the period	–	–	–	–	–	–	(12,505)	(12,505)
	Balance as at 31 March 2019	2,298	–	76,706	47	490,504	(265)	4,865	574,155

STATEMENT OF FINANCIAL POSITION

Notes	as at 31 March	2020 £'000s	2019 £'000s
	Non-current assets		
10	Investments	**418,743**	569,134
11	**Current assets**		
	Other receivables	**4,739**	6,793
	Derivative financial instruments	**1,344**	77
	Cash and cash equivalents	**40,620**	11,668
		46,703	18,538
12	**Current liabilities**		
	Other payables	**(3,746)**	(5,638)
	Derivative financial instruments	**(278)**	(124)
		(4,024)	(5,762)
	Net current assets	**42,679**	12,776
	Total assets less current liabilities	**461,422**	581,910
	Non-current liabilities		
13	Bank loans	**(47,079)**	(7,755)
	Net assets	**414,343**	574,155
	Equity attributable to equity holders		
15	Ordinary share capital	**2,278**	2,298
17	Merger reserve	**76,706**	76,706
18	Capital redemption reserve	**67**	47
19	Special Reserve	**485,746**	490,504
20	Capital reserves	**(156,311)**	(265)
21	Revenue reserve	**5,857**	4,865
	Total attributable to equity holders	**414,343**	574,155
22	**Net asset value per share**		
	Basic – pence	**181.84**	249.84

Approved by the Board on 19 June 2020 and signed on its behalf by

John Rennocks
Chairman

Utilico Emerging Markets Trust plc
Registered in England, No 11102129

STATEMENT OF CASH FLOWS

	for the year to 31 March 2020 £'000s	for the period 7 December 2017 to 31 March 2019 £'000s
Operating activities		
(Loss)/profit before taxation	**(133,727)**	17,903
Deduct investment income – dividends	**(23,079)**	(19,580)
Deduct investment income – interest	**(887)**	(1,825)
Deduct bank Interest received	**(25)**	(16)
Add back interest charged	**1,210**	352
Add back losses/(gains) on investments	**149,719**	(1,271)
Deduct gains on derivative instruments	**(1,521)**	(2,306)
Add back foreign exchange losses	**1,908**	889
Increase in other receivables	**85**	(119)
Increase in other payables	**(176)**	1,617
Net cash outflow from operating activities before dividends and interest	**(6,493)**	(4,356)
Interest paid	**(1,196)**	(349)
Dividends received	**21,848**	11,039
Bank interest received	**25**	16
Investment income – interest	**1,572**	975
Taxation paid	**(4,325)**	(798)
Net cash inflow from operating activities	**11,431**	6,527
Investing activities		
Purchase of investments	**(272,580)**	(257,917)
Sales of investments	**272,928**	126,426
Purchase of derivatives	**(2,449)**	–
Sales of derivatives	**2,858**	2,352
Net cash inflow/(outflow) from investing activities	**757**	(129,139)
Financing activities		
Repurchase of shares for cancellation	**(4,758)**	(9,496)
Dividends paid	**(17,014)**	(12,505)
Drawdown of bank loans	**64,676**	27,785
Repayment of bank loans	**(26,033)**	(19,941)
Loan from subsidiary	**–**	150,125
Fund launch fees	**–**	(710)
Net cash inflow from financing activities	**16,871**	135,258
Increase in cash and cash equivalents	**29,059**	12,646
Cash and cash equivalents at the start of the period	**11,668**	–
Effect of movement in foreign exchange	**(1,227)**	(978)
Cash and cash equivalents as at the end of the period	**39,500**	11,668
Comprised of:		
Cash	**40,620**	11,668
Bank overdraft	**(1,120)**	–
Total	**39,500**	11,668

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The Company is an investment company incorporated in the United Kingdom with a premium listing on the London Stock Exchange.

(a) Basis of accounting

The accounts have been prepared on a going concern basis (see note 25) in accordance with IFRS, which comprise standards and interpretations approved by the IASB and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect and to the extent that they have been adopted by the European Union.

The accounts have been prepared on a historical cost basis, except for the measurement at fair value of investments and derivative financial instruments.

The Board has determined by having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, that Sterling is the functional and reporting currency.

Where presentational recommendations set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP"), issued in the UK by the AIC in October 2019, do not conflict with the requirements of IFRS, the Directors have prepared the accounts on a basis consistent with the recommendations of the SORP.

In accordance with the SORP, the Statement of Comprehensive Income has been analysed between a revenue return (dealing with items of a revenue nature) and a capital return (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income, operating expenses, finance costs and taxation (insofar as they are not allocated to capital, as described in notes 1(h), 1(i), 1(k) and 1(l) below). Net revenue returns are allocated via the revenue return to the Revenue Reserve. Capital returns include, but are not limited to, profits and losses on the disposal and the valuation of non-current investments, derivative instruments and on cash and borrowings, operating costs and finance costs (insofar as they are not allocated to revenue as described in notes 1(i) and 1(k) below). Net capital returns are allocated via the capital return to Capital Reserves.

Dividends on shares may be paid out of Special Reserve, Capital Reserves and Revenue Reserve.

A number of new standards and amendments to standards and interpretations, which have not been applied in preparing these accounts, were in issue but not effective. None of these are expected to have a material effect on the accounts of the Company.

(b) Financial instruments

Financial Instruments include fixed asset investments, derivative assets and liabilities and long-term debt instruments. Accounting Standards recognise a hierarchy of fair value measurements for Financial Instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of Instruments depends on the lowest significant applicable input.

(c) Valuation of investments and derivative instruments

Investment purchases and sales are accounted for on the trade date, inclusive of transaction costs. Investments, including holdings in associated undertakings, used for efficient portfolio management are classified as being at fair value through profit or loss. As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments are designated as being at fair value through profit or loss on initial recognition. Derivatives comprising forward foreign exchange contracts, options and credit default swaps are accounted for as a financial asset/liability at fair value through profit or loss and are classified as held for trading. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy. Gains and losses on investments and on derivatives are analysed within the Statement of Comprehensive Income as capital return. Investments and derivatives are valued in accordance with IFRS and International Private Equity and Venture Capital Valuation Guidelines. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board. In exercising their judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values, earnings and other relevant factors.

(d) Subsidiary undertakings

Subsidiary undertakings of the Company, which are held as part of the investment portfolio, are accounted for as investments at fair value through profit and loss.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of three months or less. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

(f) Debt instruments

The Company's debt instruments can include short-term and long-term bank borrowings and overdrafts, initially measured at fair value and subsequently measured at amortised cost using the effective interest method. No debt instruments held during the period required hierarchical classification.

(g) Foreign currency

Foreign currency assets and liabilities are expressed in Sterling at rates of exchange ruling at the Statement of Financial Position date. Foreign currency transactions are translated at the rates of exchange ruling at the dates of those transactions. Exchange profits and losses on currency balances are credited or charged to the Statement of Comprehensive Income and analysed as capital or revenue as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates.

(h) Investment and other income

Dividends receivable are shown gross of withholding tax and are analysed as revenue return within the Statement of Comprehensive Income (except where, in the opinion of the Directors, their nature indicates they should be recognised as capital return) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is allocated as revenue in the Statement of Comprehensive Income. Any excess in the value of the shares received over the amount of the cash dividend foregone is allocated as capital in the Statement of Comprehensive Income. Interest on debt securities is accrued on a time basis using the effective interest rate method. Bank and short-term deposit interest is recognised on an accruals basis.

(i) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Statement of Comprehensive Income and analysed under revenue return except as stated below:

– the management fees, company secretarial fees and research fees payable to ICM and ICMIM are allocated 70% to capital return and 30% to revenue return.

– expenses incidental to the acquisition or disposal of Investments are allocated to capital return.

– performance related management fees (calculated under the terms of the Investment Management Agreement) are allocated to capital return.

(j) Directors' fees

Directors' fees are charged quarterly through the revenue column of the Statement of Comprehensive Income. The net fee entitlement after any applicable tax deductions of each Director is satisfied in shares of the Company, purchased in the market by each Director as soon as possible after each quarter end. The number of shares allocated is determined by dividing the net fee entitlement by the lower of the market value and the Net Asset Value ("NAV") on the date of allocation.

(k) Finance costs

Finance costs are accounted for using the effective interest method, recognised through the Statement of Comprehensive Income.

Finance costs are allocated 70% to capital return and 30% to revenue return.

(l) Taxation

Taxation currently payable is calculated using tax rules and rates in force at the period end, based on taxable profit for the period, which differs from the net return before tax. Note 7(b) sets out those items which are not subject to UK Corporation Tax.

Deferred tax is provided on an undiscounted basis on all timing differences that have originated but not reversed by the Statement of Financial Position date, based on the tax rates that have been enacted at the Statement of Financial Position date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

(m) Dividends payable

Dividends paid by the Company are accounted for in the period in which the Company is liable to pay them and are reflected in the Statement of Changes in Equity.

(n) Merger reserve

The surplus of the net assets of UEM Bermuda received from the issue of new ordinary shares over the nominal value of such shares is credited to this account which is non-distributable. The nominal value of the shares issued is recognised in called up share capital.

(o) Capital reserves

Capital reserves are distributable reserves to the extent gains arising from investments held are from liquid holdings. The following items are accounted for through the Statement of Comprehensive Income as capital returns and transferred to capital reserves:

Capital reserve – arising on investments sold

– gains and losses on disposal of investments and derivative instruments

– exchange differences of a capital nature

– expenses allocated in accordance with notes 1(i) and 1(k)

Capital reserve – arising on investments held

– increases and decreases in the valuation of investments and derivative instruments held at the period end.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The presentation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: accounting for the value of unquoted investments.

The policy for valuation of unquoted securities is set out in note 1(c) to the accounts and further information on Board procedures is contained in the Audit & Risk Committee Report and note 26(d) to the accounts. The fair value of unquoted (level 3) investments, as disclosed in note 27 to the accounts, represented 3.3% of total investments as at 31 March 2020.

3. INVESTMENT AND OTHER INCOME

	Year to 31 March 2020			Period to 31 March 2019		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Investment income						
Dividends*	**23,079**	**–**	**23,079**	19,580	–	19,580
Interest	**887**	**–**	**887**	1,825	–	1,825
Total investment income	**23,966**	**–**	**23,966**	21,405	–	21,405
Other income						
Bank interest	**25**	**–**	**25**	16	–	16
Sundry income	**–**	**–**	**–**	–	24	24
Total income	**23,991**	**–**	**23,991**	21,421	24	21,445

*Includes a scrip dividend of £357,000 (2019: nil)

4. MANAGEMENT AND ADMINISTRATION FEES

	Year to 31 March 2020			Period to 31 March 2019		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Payable to: ICM/ICMIM						
– management, secretarial and research fees	**1,268**	**2,959**	**4,227**	1,170	2,731	3,901
Administration fees	**388**	**–**	**388**	333	–	333
	1,656	**2,959**	**4,615**	1,503	2,731	4,234

The Company has appointed ICMIM as its Alternative Investment Fund Manager and joint portfolio manager with ICM, for which they are entitled to a management fee and a performance fee. The aggregate fees payable by the Company are apportioned between the Investment Managers as agreed by them.

The relationship between ICMIM and ICM is compliant with the requirements of the EU Alternative Investment Fund Managers Directive and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority.

The annual management fee is 0.65% per annum of net assets, payable quarterly in arrears. The management fee is allocated 70% to capital return and 30% to revenue return. The Investment Management Agreement may be terminated upon six months' notice.

In addition, the Investment Managers are entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount of any outperformance in that period by equity funds attributable to shareholders of the higher of (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2%; and (ii) 8%. The maximum amount of a performance fee payable in respect of any financial year is 1.85% of the average net assets of the Company and any performance fee in excess of this cap is written off. The NAV must also exceed the high watermark established when the performance fee was last paid, adjusted for capital events and dividends paid since that date. The high watermark was 222.13p per share as at 31 March 2020. For the year ended 31 March 2020 the attributable shareholders' funds were below the adjusted high watermark and therefore no performance fee has been accrued.

Half of the performance fee is payable in cash and half in shares of the Company ("Performance Shares"), based on the NAV per share as at the year end. The Investment Managers will purchase the Performance Shares in the market at a price equal to or below the NAV per share at the time of purchase. If the Investment Managers are unable to purchase some or all of the Performance Shares in the market at or below the NAV per share, the Company will issue to the Investment Managers shares at NAV equivalent to any shortfall. The full performance fee is payable to the Investment Managers as soon as practicable following the year end date in order to reduce the risk to the Company of material movements in the price of shares between the year end date and the date of payment. Any subsequent adjustment to the fee arising out of the audit process is paid to or recouped from the Investment Managers in cash within seven days of the publication of the annual report and accounts.

ICMIM also provides company secretarial services to the Company, with the Company paying 45% of the costs associated with this office and recharges research fees to the Company based on a budget of £0.3m per annum, paid quarterly in arrears. These charges are allocated 70% to capital return and 30% to revenue return.

JPMorgan Chase Bank N.A. – London Branch has been appointed Administrator and ICMIM has appointed Waverton to provide certain support services (including middle office, market dealing and information technology support services).

5. OTHER EXPENSES

	Year to 31 March 2020			Period to 31 March 2019		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Auditor's remuneration:						
for audit services (1)	**51**	**–**	**51**	81	–	81
for other services (2)	**5**	**–**	**5**	5	–	5
Broker and consultancy fees	**138**	**–**	**138**	128	–	128
Custody fees	**688**	**–**	**688**	578	–	578
Depositary fees	**163**	**–**	**163**	116	–	116
Directors' fees for services to the Company	**189**	**–**	**189**	187	–	187
(see Directors' Remuneration Report on pages 58 to 60)						
Travel expenses	**237**	**–**	**237**	230	–	230
Professional fees	**59**	**–**	**59**	125	–	125
Sundry expenses	**257**	**–**	**257**	194	–	194
	1,787	**–**	**1,787**	1,644	–	1,644

All expenses are stated gross of irrecoverable VAT, where applicable.
(1) Total auditor's remuneration for audit services, exclusive of VAT, amounted to £50,000 (2019: £80,000).
(2) Total auditor's remuneration for other services amounts to £5,000 (2019: £5,000), excluding VAT, for reviewing the interim accounts.

6. FINANCE COSTS

	Year to 31 March 2020			Period to 31 March 2019		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
On loans and bank overdrafts	**363**	**847**	**1,210**	106	246	352

Finance costs are allocated 70% to capital return and 30% to revenue return (see note 1(k)).

7. TAXATION

(a) Analysis of charge in the year :

	Year to 31 March 2020			Period to 31 March 2019		
Tax on ordinary activities	**Revenue £'000s**	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
UK corporation tax at 19.00% (2019: 19.00%)	**55**	**–**	**55**	–	–	–
Overseas tax suffered	**2,124**	**–**	**2,124**	798	–	798
Capital gains tax	**–**	**2,134**	**2,134**	–	–	–
Total tax charge for the period	**2,179**	**2,134**	**4,313**	798	–	798

(b) Factors affecting current tax charge for the year

The tax assessed for the year can be reconciled to the profit/(loss) per the Statement of Comprehensive Income as follows:

	Year to 31 March 2020			Period to 31 March 2019		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Net profit/(loss) before taxation	**20,185**	**(153,912)**	**(133,727)**	18,168	(265)	17,903
Corporation tax at 19.00%	**3,835**	**(29,243)**	**(25,408)**	3,452	(50)	3,402
Effects of:						
Non taxable dividend income	**(4,244)**	**–**	**(4,244)**	(3,615)	–	(3,615)
Non taxable capital loss/(gain) on investments	**–**	**28,520**	**28,520**	–	(516)	(516)
Overseas tax suffered	**2,124**	**–**	**2,124**	798	–	798
Excess expenses not utilised in the period	**461**	**723**	**1,184**	739	–	739
Double taxation relief	**(52)**	**–**	**(52)**	(10)	–	(10)
Capital gains tax	**–**	**2,134**	**2,134**	–	–	–
UK corporation tax suffered from subsidiary income	**55**	**–**	**55**	–	–	–
Total tax charge for the period	**2,179**	**2,134**	**4,313**	798	–	798

At 31 March 2020 the Company has tax losses with a tax value of £1,940,000 (2019: £739,000) based on enacted tax rates in respect of which a deferred tax asset has not been recognised. The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these losses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

8. EARNINGS PER SHARE

The earnings per share figure is the profit attributable to shareholders and based on the following data:

	Year to 31 March 2020 £'000s	Period to 31 March 2019 £'000s
Revenue return	**18,006**	17,370
Capital loss	**(156,046)**	(265)
Total return	**(138,040)**	17,105
	Number	Number
Weighted average number of shares in issue during the period	**228,510,092**	232,667,800
	Pence	Pence
Revenue return per share	**7.88**	7.47
Capital loss per share	**(68.29)**	(0.12)
Total (loss)/profit per share	**(60.41)**	7.35

9. DIVIDENDS

	Record date	Payment date	**Year to 31 March 2020 £'000s**	Period to 31 March 2019 £'000s
First interim dividend of 1.80p per share	**07-Sep-18**	**21-Sep-18**	**–**	4,217
Second interim dividend of 1.80p per share	**30-Nov-18**	**21-Dec-18**	**–**	4,151
Third interim dividend of 1.80p per share	**08-Mar-19**	**29-Mar-19**	**–**	4,137
Fourth interim dividend of 1.80p per share	**07-Jun-19**	**28-Jun-19**	**4,132**	–
First interim dividend of 1.80p per share	**06-Sep-19**	**27-Sep-19**	**4,105**	–
Second interim dividend of 1.925p per share	**29-Nov-19**	**20-Dec-19**	**4,390**	–
Third interim dividend of 1.925p per share	**06-Mar-20**	**27-Mar-20**	**4,387**	–
			17,014	12,505

The Directors have declared a fourth quarterly dividend in respect of the year ended 31 March 2020 of 1.925p per share payable on 19 June 2020 to shareholders on the register at close of business on 5 June 2020. The total cost of the dividend, which has not been accrued in the results for the year to 31 March 2020, is £4,348,000 based on 225,853,181 shares in issue at the record date.

10. INVESTMENTS

	2020 Total £'000s	2019 Total £'000s
Cost of investments brought forward	**518,012**	–
Net unrealised gains brought forward	**51,122**	–
Valuation brought forward	**569,134**	–
Purchases at cost	**270,095**	1,231,627
Sales proceeds	**(270,816)**	(663,806)
(Losses)/profits on investments	**(149,670)**	1,313
Valuation as at 31 March	**418,743**	569,134
Analysed as at 31 March		
Cost of investments	**534,962**	518,012
Net unrealised (losses)/gains on investments	**(116,219)**	51,122
Valuation	**418,743**	569,134

The Company received £270,816,000 (2019: £663,806,000) from investments sold in the year. The book cost of these investments when they were purchased was £253,145,000 (2019: £713,615,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments

(Losses)/gains on investments	**Year to 31 March 2020 £'000**	Period to 31 March 2019 £'000
Net gain/(loss) on investments sold	**17,671**	(49,809)
Other capital charges	**(49)**	(42)
Movement in unrealised gain	**(167,341)**	51,122
Total (losses)/gains on investments	**(149,719)**	1,271

Subsidiary undertakings

Under IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following are subsidiaries of the Company as at 31 March 2020 and as at 31 March 2019, held as part of the investment portfolio, and are accounted for as investments at fair value through profit and loss.

	Country of registration and incorporation	Number and class of shares held	Holding and voting rights %	2020 Fair value £'000s	2019 Fair value £'000s
Global Equity Risk Protection Limited ("GERP") (1)	Bermuda	3,920 Class B shares linked to a segregated account in GERP	100	–	2,426
UEM (HK) Limited (2)	Hong Kong	1,000 ordinary shares	100	–	–
UEM Mauritius Holdings Limited (3)	Bermuda	Loan	100	–	–

(1) A Bermuda segregated accounts company which was incorporated and commenced trading on 4 May 2006. The segregated account, which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. The holding represents 100% of the issued Class B shares and has no voting rights. Since November 2019 the Company has directly traded in the derivative transactions and GERP is no longer used. After the year end, on 6 May 2020, UEM's segregated account was closed for nil consideration.

(2) Incorporated on 26 January 2017 and commenced trading on 18 July 2017 to carry on business as an investment company.

(3) The terms of the loan agreement with UEM Mauritius Holdings Limited, the parent company of Utilico Emerging Markets (Mauritius), provides that UEM retains effective control of the company since it can only appoint directors with the approval of UEM. Utilico Emerging Markets (Mauritius) is in liquidation and following completion UEM Mauritius Holdings Limited will then be liquidated.

The subsidiary undertakings carry on business as investment companies and are considered to be investment entities.

Associated undertakings

Under IFRS10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following associated undertakings as at 31 March 2020 are held as part of the investment portfolio and consequently are accounted for as investments at fair value through profit and loss:

	East Balkan Properties plc	Pitch Hero Holdings Limited
Country of incorporation	Isle of Man	United Kingdom
Country of listing	Unlisted	Unlisted
Country of operations	Bulgaria & Romania	United Kingdom
Number of ordinary shares held	6,833	58,951
Percentage of ordinary shares held	23.6%	34.4%

Transactions with associated undertaking were as follows:

East Balkan Properties plc

During the year, East Balkan Properties plc returned capital by way of dividends, UEM received £3.5m.

Pitch Hero Holdings Limited ("Pitch Hero")

There were no transactions during the year.

Significant interests

In addition to the above, the Company has a holding of 3% or more of any class of share capital of the following undertakings, which are material in the context of the accounts:

	Country of registration and incorporation	Class of shares held	2020 % of class of instruments held	2019 % of class of instruments held
APT Satellite Holdings Limited	Hong Kong	Ordinary shares	**3.7**	4.3
Conpet S.A.	Romania	Ordinary shares	**7.9**	8.3
Ocean Wilsons Holdings Limited	Bermuda	Ordinary shares	**5.6**	5.6
Umeme Limited	Uganda	Ordinary shares	**8.1**	5.4

11. CURRENT ASSETS

Other receivables	2020 £'000s	2019 £'000s
Accrued income	**2,898**	2,709
Sales for future settlement	**1,794**	3,965
Overseas tax recoverable	**12**	–
Other debtors	**35**	119
	4,739	6,793

Derivative financial assets	2020 £'000s	2019 £'000s
S&P Options	**1,344**	–
Forward foreign currency contracts	**–**	77
	1,344	77

12. CURRENT LIABILITIES

Other payables	2020 £'000s	2019 £'000s
Bank overdraft	**1,120**	–
Interest payable	**17**	3
Other creditors and accruals	**1,447**	1,631
Purchases awaiting settlement	**1,162**	4,004
	3,746	5,638

Derivative financial liabilities	2020 £'000s	2019 £'000s
S&P Options	**278**	–
Forward foreign currency contracts	**–**	124
	278	124

13. BANK LOANS – NON-CURRENT LIABILITIES

	2020 £'000s	2019 £'000s
USD 58.4m repayable April 2021	**47,079**	–
EUR 9m repaid July 2019	**–**	7,755
	47,079	7,755

The Company has an unsecured committed senior multicurrency revolving facility of £50,000,000 with Scotiabank Europe PLC, expiring on 3 April 2021. Commitment fees are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment, are typical of those normally found in facilities of this nature. The existing loan rolls over on a periodic basis subject to usual conditions including a covenant with which the Company is comfortable it can ensure compliance.

14. OPERATING SEGMENTS

The Directors are of the opinion that the Company is engaged in a single segment of business of investing in equity and debt securities, issued by companies operating and generating revenue in emerging markets and therefore no segmental reporting is provided.

15. ORDINARY SHARE CAPITAL

	Number	**2020 £'000**	Number	2019 £'000
Issued, called up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	**229,812,473**	**2,298**	–	–
Issue of ordinary shares	**–**	**–**	234,508,636	2,345
Purchased for cancellation by the Company	**(1,950,003)**	**(20)**	(4,696,163)	(47)
Balance as at 31 March	**227,862,470**	**2,278**	229,812,473	2,298

During the year the Company bought back for cancellation 1,950,003 ordinary shares at a total cost of £4,758,000. A further 3,009,289 ordinary shares have been purchased for cancellation at a total cost of £5,338,000 since the year end.

16. REDEEMABLE DEFERRED SHARES

	Number	**2020 £'000**	Number	2019 £'000
Transfer on issue of redeemable deferred shares	–	**–**	50,000,000,000	500,000
Shares purchased by the Company	–	**–**	(50,000,000,000)	(500,000)
Balance as at 31 March	**–**	**–**	–	–

17. MERGER RESERVE

	2020 £'000s	2019 £'000s
Balance brought forward	**76,706**	–
Issue of ordinary shares	**–**	577,416
Transfer on issue of redeemable deferred shares	**–**	(500,000)
Fund launch fees	**–**	(710)
Balance as at 31 March	**76,706**	76,706

18. CAPITAL REDEMPTION RESERVE

	2020 £'000s	2019 £'000s
Balance brought forward	**47**	–
Shares purchased by the Company	**–**	500,000
Purchased for cancellation by the Company (see note 15)	**20**	47
Transfer to special reserve	**–**	(500,000)
Balance as at 31 March	**67**	47

19. SPECIAL RESERVE

	2020 £'000s	2019 £'000s
Balance brought forward	**490,504**	–
Transfer from Capital redemption reserve	**–**	500,000
Purchased for cancellation by the Company (see note 15)	**(4,758)**	(9,496)
Balance as at 31 March	**485,746**	490,504

20. CAPITAL RESERVES

	2020			2019		
	Realised £'000s	**Investment holding gains £'000s**	**Total £'000s**	Realised £'000s	Investment holding gains £'000s	Total £'000s
Realised gains/(losses) on investments	**17,671**	**–**	**17,671**	(49,809)	–	(49,809)
Unrealised (losses)/gains on investments	**–**	**(167,341)**	**(167,341)**	–	51,122	51,122
Realised gains on derivative instruments	**1,575**	**–**	**1,575**	2,306	–	2,306
Unrealised losses on derivative instruments	**–**	**(54)**	**(54)**	–	–	–
Foreign exchange losses	**(1,908)**	**–**	**(1,908)**	(889)	–	(889)
Finance costs charged to capital	**(847)**	**–**	**(847)**	(246)	–	(246)
Expenses charged to capital	**(2,959)**	**–**	**(2,959)**	(2,731)	–	(2,731)
Capital gains tax	**(2,134)**	**–**	**(2,134)**	–	–	–
Sundry income	**–**	**–**	**–**	24	–	24
Other capital charges	**(49)**	**–**	**(49)**	(42)	–	(42)
	11,349	**(167,395)**	**(156,046)**	(51,387)	51,122	(265)
Balance brought forward	**(51,387)**	**51,122**	**(265)**	–	–	–
Balance as at 31 March	**(40,038)**	**(116,273)**	**(156,311)**	(51,387)	51,122	(265)

Included within the capital reserve movement for the period is £3,645,000 (2019: £66,000) of dividend receipts recognised as capital in nature, £636,000 (2019: £379,000) of transaction costs on purchases of investments and £373,000 (2019: £131,000) of transaction costs on sales of investments.

NOTES TO THE ACCOUNTS (continued)

21. REVENUE RESERVE

	2020 £'000s	2019 £'000s
Balance brought forward	**4,865**	–
Revenue profit for the period	**18,006**	17,370
Dividend paid in the period	**(17,014)**	(12,505)
Balance as at 31 March	**5,857**	4,865

22. NET ASSET VALUE PER SHARE

The NAV per share is based on the net assets attributable to the equity shareholders of £414,343,000 (2019: £574,155,000) and on 227,862,470 (2019: 229,812,473) shares, being the number of shares in issue at the year end.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2020	**Balance as at 31 March 2019 £'000s**	**Transactions in the year £'000s**	**Net cashflow payments £'000s**	**Foreign exchange loss £'000s**	**Balance as at 31 March 2020 £'000s**
Bank loans	**7,755**	**–**	**38,643**	**681**	**47,079**
Repurchase of shares for cancellation	**–**	**4,758**	**(4,758)**	**–**	**–**
Dividends paid	**–**	**17,014**	**(17,014)**	**–**	**–**
	7,755	**21,772**	**16,871**	**681**	**47,079**

2019	7 December 2017 (date of incorporation) £'000s	Transactions in the period £'000s	Cashflow payments £'000s	Foreign exchange gain £'000s	Balance as at 31 March 2019 £'000s
Bank loan	–	–	7,844	(89)	7,755
Repurchase of shares for cancellation	–	9,496	(9,496)	–	–
Dividends paid	–	12,505	(12,505)	–	–
Loan from subsidiary	–	(150,125)	150,125	–	–
Fund launch fees	–	710	(710)	–	–
	–	(127,414)	135,258	(89)	7,755

24. RELATED PARTY TRANSACTIONS

The following are considered related parties of the Company: the subsidiary undertakings and the associates of the Company set out under note 10, the Board of UEM, ICM and ICMIM (the Company's joint portfolio managers), ICM Investment Research Limited and ICM Corporate Services (Pty) Ltd.

During the year the Company received or made payments to its other subsidiaries as follows: from GERP £2,865,000 in settlement of investment transactions; and to UEM (HK) Limited £35,000 increasing the loan held with UEM (HK) Limited. As at 31 March 2020 the fair value of the loan was £6,420,000 and loan interest due to UEM was £1,249,000.

There were no transactions between the above associates and the Company other than transactions in the ordinary course of UEM's business. Transactions with associated undertakings are disclosed in note 10. As detailed in the Directors' Remuneration Report on pages 58 to 60, the Board received aggregate remuneration of £189,447 included within "Other expenses" for services as Directors. As at the year end, £23,800 remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £91,844 during the period under review in respect of their shareholdings in the Company. There were no further transactions with the Board during the period.

There were no transactions with ICM, ICMIM, ICM Investment Research Limited and ICM Corporate Services (Pty) Ltd, subsidiaries of ICM, other than investment management, secretarial costs, research fees and performance fees as set out in note 4, reimbursed expenses included within note 5 of £235,000 and dividends received by ICMIM of £2,000. As at the year end no payment remained outstanding to ICM and

ICMIM in respect of performance fees and £947,000 remained outstanding in respect of management, company secretarial and research fees.

25. GOING CONCERN

The financial statements have been prepared on a going concern basis. The Company's assets consist mainly of equity shares in listed companies and in most circumstances are realisable within a short timescale. The Board has considered the impact of COVID-19 and performed a detailed assessment of the Company's operational risk and resources including its ability to meet its liabilities as they fall due, by conducting stress tests and scenarios which considered the impact of severe stock market and currency volatility. In light of this work the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern, and accordingly the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

As at the year end, the Company had a £50m unsecured multicurrency loan facility with Scotiabank Europe PLC, expiring on 3 April 2021. Drawdowns under the facility are detailed in note 13. The Company will either extend or replace the facility or repay the outstanding debt when due from portfolio realisations.

26. FINANCIAL RISK MANAGEMENT

The Company's investment policy is to provide long-term total return by investing predominantly in the infrastructure, utility and related sectors, mainly in emerging markets. The Company seeks to meet its investment policy by investing principally in a diversified portfolio of both listed and unlisted companies. Derivative instruments may be used for purposes of hedging the underlying portfolio of investments. The Company has the power to take out both short and long-term borrowings. In pursuing the investment policy, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk. The Board of Directors, together with the Investment Managers, is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below. The accounting policies which govern the reported Statement of Financial Position carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 1 to the accounts. The policies are in compliance with IFRS as adopted by the European Union and best practice and include the valuation of financial assets and liabilities at fair value. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities held in the Company's portfolio and derivative financial instruments fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Company's investment policy and meets regularly to review full, timely and relevant information on investment performance and financial results. ICMIM assess exposure to market risks when making each investment decision and monitor on-going market risk within the portfolio of investments and derivatives. The Company's other assets and liabilities may be denominated in currencies other than Sterling and may also be exposed to interest rate risks. ICMIM and the Board regularly monitor these risks. The Company does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates. Gearing may be short or long-term, in Sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the Company was exposed during the year are set out below. The exchange rates applying against Sterling as at 31 March, and the average rates during the year, were as follows:

		2020	Average	2019
BRL	Brazilian Real	**6.4311**	**5.2271**	5.0711
HKD	Hong Kong Dollar	**9.6107**	**9.9395**	10.2289
INR	Indian Rupee	**93.8038**	**90.1595**	90.2688
PHP	Philippine Peso	**63.0639**	**65.3823**	68.4232
RON	Romanian Leu	**5.4604**	**5.4484**	5.5466
USD	United States Dollar	**1.2399**	**1.2717**	1.3030

The Company's assets and liabilities as at 31 March (shown at fair value, except derivatives at gross exposure value), by currency based on the country of primary exposure, are shown below:

2020	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**PHP £'000s**	**RON £'000s**	**USD £'000s**	**Other £'000s**	**Total £'000s**
Current assets	**1,254**	**631**	**963**	**686**	**432**	**40,358**	**2,226**	**46,550**
Creditors	**–**	**(529)**	**–**	**–**	**(432)**	**(47,535)**	**(40)**	**(48,536)**
Foreign currency exposure on net monetary items	**1,254**	**102**	**963**	**686**	**–**	**(7,177)**	**2,186**	**(1,986)**
Investments	**109,104**	**68,941**	**53,720**	**26,674**	**22,407**	**13,478**	**98,005**	**392,329**
Total net foreign currency exposure	**110,358**	**69,043**	**54,683**	**27,360**	**22,407**	**6,301**	**100,191**	**390,343**
Percentage of net exposures	**28.3%**	**17.7%**	**14.0%**	**7.0%**	**5.7%**	**1.6%**	**25.7%**	**100.0%**

2019	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s	Other £'000s	Total £'000s
Current assets	570	116	993	124	–	12,454	4,278	18,535
Creditors	(2,136)	(116)	–	–	–	(28,351)	(9,626)	(40,229)
Foreign currency exposure on net monetary items	(1,566)	–	993	124	–	(15,897)	(5,348)	(21,694)
Investments held at fair value through profit or loss	131,061	91,511	32,604	46,852	35,637	58,196	130,401	526,262
Total net foreign currency exposure	129,495	91,511	33,597	46,976	35,637	42,299	125,053	504,568
Percentage of net exposures	25.7%	18.1%	6.6%	9.3%	7.1%	8.4%	24.8%	100.0%

Based on the financial assets and liabilities held, and exchange rates applying, at the Statement of Financial Position date, a weakening or strengthening of Sterling against each of these currencies by 10% would have had the following approximate effect on annualised income after tax and on NAV per share:

						2020						2019
Weakening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**PHP £'000s**	**RON £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**169**	**168**	**374**	**276**	**–**	**36**	234	98	–	99	–	299
Capital return	**12,123**	**7,660**	**5,969**	**2,964**	**2,490**	**1,616**	14,562	10,168	3,623	5,206	3,960	6,466
Total return	**12,292**	**7,828**	**6,343**	**3,240**	**2,490**	**1,652**	14,796	10,266	3,623	5,305	3,960	6,765
NAV per share												
Basic – pence	**5.38**	**3.43**	**2.78**	**1.42**	**1.09**	**0.72**	6.36	4.41	1.56	2.28	1.70	2.91

						2020						2019
Strengthening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**PHP £'000s**	**RON £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	PHP £'000s	RON £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**(169)**	**(168)**	**(374)**	**(276)**	**–**	**(36)**	(234)	(98)	–	(99)	–	(299)
Capital return	**(12,123)**	**(7,660)**	**(5,969)**	**(2,964)**	**(2,490)**	**(1,616)**	(14,562)	(10,168)	(3,623)	(5,206)	(3,960)	(6,466)
Total return	**(12,292)**	**(7,828)**	**(6,343)**	**(3,240)**	**(2,490)**	**(1,652)**	(14,796)	(10,266)	(3,623)	(5,305)	(3,960)	(6,765)
NAV per share												
Basic – pence	**(5.38)**	**(3.43)**	**(2.78)**	**(1.42)**	**(1.09)**	**(0.72)**	(6.36)	(4.41)	(1.56)	(2.28)	(1.70)	(2.91)

Interest rate exposure

			2020			2019
	Within one year £'000s	**More than one year £'000s**	**Total £'000s**	Within one year £'000s	More than one year £'000s	Total £'000s
Exposure to floating rates						
Cash	**40,620**	**–**	**40,620**	11,668	–	11,668
Bank overdrafts	**(1,120)**	**–**	**(1,120)**	–	–	–
Loans	**–**	**(47,079)**	**(47,079)**	–	(7,755)	(7,755)
	39,500	**(47,079)**	**(7,579)**	11,668	(7,755)	3,913

Exposures vary throughout the period as a consequence of changes in the make-up of the net assets of the Company arising out of the investment and risk management processes. Interest received on cash balances or paid on overdrafts and loans is at ruling market rates. The Company's total returns and net assets are sensitive to changes in interest rates on cash and borrowings. Based on the financial assets and liabilities held and the interest rates pertaining at each Statement of Financial Position date, a relative decrease or increase in market interest rates by 2% would have had the following approximate effects on the income statement revenue and capital returns after tax and on the NAV per share.

	2020 2% Increase in rate £'000s	2020 2% Decrease in rate £'000s	2019 2% Increase in rate £'000s	2019 2% Decrease in rate £'000s
Revenue return	**508**	**(508)**	187	(187)
Capital return	**(659)**	**659**	(109)	109
Net assets	**(151)**	**151**	78	(78)

Other market risk exposures

The portfolio of investments, valued at £418,743,000 as at 31 March 2020 (2019: £569,134,000) is exposed to market price changes.

Based on the portfolio of investments at the Statement of Financial Position date and assuming other factors remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the Statement of Comprehensive Income capital return after tax and on the basic NAV per share:

	2020 Increase in value	2020 Decrease in value	2019 Increase in value	2019 Decrease in value
Statement of Comprehensive Income capital return £'000s	**83,580**	**(83,580)**	101,629	(113,309)
NAV per share				
Basic – pence	**36.68**	**(36.68)**	44.22	(49.30)

(b) Liquidity risk exposure

The Company is required to raise funds to meet commitments associated with financial instruments. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant given: the number and value of quoted liquid investments held in the Company's portfolio (72 valued at £406m as at 31 March 2020); and the existence of the Scotiabank Europe PLC loan facility agreement expiring on 3 April 2021.

Cash balances are held with reputable banks with high quality external credit ratings.

The Investment Managers review liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Company had a loan facility of £50m as set out in note 13. The remaining contractual maturities of the financial liabilities as at 31 March, based on the earliest date on which payment can be required, were as follows:

2020	**Three months or less £'000**	**More than three months but less than one year £'000**	**More than one year £'000**	**Total £'000**
Creditors:				
Bank overdrafts	**1,120**	**–**	**–**	**1,120**
Bank loans and interest	**153**	**414**	**47,084**	**47,651**
Other payables	**2,626**	**–**	**–**	**2,626**
Derivative financial instruments	**278**	**–**	**–**	**278**
	4,177	**414**	**47,084**	**51,675**

2019	Three months or less £'000	More than three months but less than one year £'000	More than one year £'000	Total £'000
Creditors:				
Bank loans and interest	31	85	7,870	7,986
Other payables	5,638	–	–	5,638
Derivative financial instruments	124	–	–	124
	5,793	85	7,870	13,748

(c) Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. The Board approves all counterparties used by the Company in such transactions, which must be settled on the basis of delivery against payment (except where local market conditions do not permit). A list of pre-approved counterparties is maintained and regularly reviewed by ICMIM, by Waverton and by the Board. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Cash and deposits are held with reputable banks with high quality external credit ratings.

The Company has an on-going contract with its custodians for the provision of custody services. The contracts are reviewed regularly.

Details of securities held in custody on behalf of the Company are received and reconciled monthly. To the extent that the Investment Managers and Waverton carry out duties (or cause similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the Investment Managers.

None of the Company's financial assets is past due or impaired.

(d) Fair value of financial assets and financial liabilities

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the Statement of Financial Position at fair value, or at a reasonable approximation thereof. Borrowings under the loan facility do not have a value materially different from their capital repayment amounts. Borrowings in foreign currencies are converted into Sterling at exchange rates ruling at each valuation date.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments. The Directors regularly review the principles applied by the Investment Managers to those valuations to ensure they comply with the Company's accounting policies and with fair value principles.

(e) Capital risk management

The investment policy of the Company is stated as being to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets. The capital of the Company comprises ordinary share capital and reserves equivalent to the net assets of the Company. In pursuing the long-term investment policy, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buyback share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term (up to a limit of 25% of gross assets); and pay dividends to shareholders out of reserves. Changes to ordinary share capital are set out in note 15. Dividend payments are set out in note 9. Loans are set out in note 13.

NOTES TO THE ACCOUNTS (continued)

27. FAIR VALUE HIERARCHY

IFRS 13 'Financial Instruments: Disclosures' require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

As at 31 March 2020	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments	**394,623**	**10,242**	**13,878**	**418,743**
Options – assets	**1,344**	**–**	**–**	**1,344**
Options – liabilities	**(278)**	**–**	**–**	**(278)**
	395,689	**10,242**	**13,878**	**419,809**

As at 31 March 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	527,346	19,097	22,691	569,134
Forward foreign currency contracts – assets	–	77	–	77
Forward foreign currency contracts – liabilities	–	(124)	–	(124)
	527,346	19,050	22,691	569,087

A reconciliation of fair value measurements in level 3 is set out in the following table:

	2020 £'000	2019 £'000
Balance brought forward	**22,691**	–
Purchases	**1,859**	645,377*
Sales	**(11,092)**	(572,504)*
Gains/(losses) on investments sold in the period	**1,391**	(49,844)
Losses on investments held at end of period	**(971)**	(338)
Balance as at 31 March	**13,878**	22,691

Analysed as at 31 March		
Cost of investments	**15,187**	23,029
Losses on investments	**(1,309)**	(338)
Valuation	**13,878**	22,691

*Includes investment in UEM Bermuda

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. Of Level 3 investments held as at 31 March 2020, 54% were valued using fund NAV, 17% using a multiple of earnings, 12% using the fair value of the underlying net assets and the remaining 17% were valued using alternative valuation methodologies.

OTHER FINANCIAL INFORMATION (UNAUDITED)

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, ICMIM, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy are available on ICM's website at www.icm.limited/application/files/4815/6471/6027/2018.07_ICMIM_Pillar_3_Disclosure.pdf

The Company's maximum and actual leverage as at 31 March are shown below:

		2020
Leverage exposure	**Gross method**	**Commitment method**
Maximum permitted limit	**300%**	**300%**
Actual	**111%**	**107%**

		2019
Leverage exposure	Gross method	Commitment method
Maximum permitted limit	300%	300%
Actual	111%	107%

The leverage limits are set by the AIFM and approved by the Board. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

SECURITIES FINANCING TRANSACTIONS ("SFT")

The Company has not, in the year to 31 March 2020 (2019: period from incorporation on 7 December 2017 to 31 March 2019), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the EU regulations on transparency of SFT, issued in November 2015.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Utilico Emerging Markets Trust plc will be held at The Royal Society of Chemistry, Burlington House, Piccadilly, London W1J 0BA on Tuesday, 22 September 2020 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 11, as ordinary resolutions and, in the case of resolutions 12 to 14, as special resolutions).

ORDINARY BUSINESS

1. To receive and adopt the report of the Directors of the Company and the financial statements for the year ended 31 March 2020, together with the report of the auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2020.
3. To approve the Company's dividend policy to pay four interim dividends per year.
4. To elect Mr Stobart as a Director.
5. To re-elect Mr Rennocks as a Director.
6. To re-elect Mr Milne as a Director.
7. To re-elect Ms Hansen as a Director.
8. To re-elect Mr Muh as a Director.
9. To re-appoint KPMG LLP as auditor to the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
10. To authorise the Audit & Risk Committee to determine the auditor's remuneration.

SPECIAL BUSINESS

Ordinary resolution

11. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") up to an aggregate nominal amount of £112,400 (being 5% of the aggregate nominal amount of the issued share capital excluding treasury shares of the Company as at the date of this notice) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021 but so that the Company may, at any time before such expiry, make any offer or agreement which would or might require Securities to be allotted after such expiry pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

Special Resolutions

12. That, in substitution for all existing authorities and subject to the passing of resolution 11, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) pursuant to the authority granted by resolution 11, and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash, as if section 561(1) of the Act did not apply to any such allotments or sales of equity securities, provided that this power:
    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021, except that the Company may at any time before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot or sell equity securities in pursuance of such offers or agreements;
    (b) shall be limited to the allotment of equity securities and/or sale of equity securities held in treasury for cash up to an aggregate nominal amount of £112,400 (representing 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares of the Company as at the date of this notice); and
    (c) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury at a price of not less than the net asset value per share as close as practicable to the relevant allotment or sale.
13. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 1p in the Company ("Shares"), the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases of Shares (within the meaning of section 693 of the Act), provided that:

(a) the maximum number of Shares hereby authorised to be purchased is 33,700,000 (being 14.99% of the Company's issued ordinary share capital, excluding treasury shares as at the date of this notice);

(b) the minimum price (exclusive of expenses) which may be paid for a Share shall be 1p being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for a Share shall be the higher of: (i) 5% above the average of the market value of a Share for the five business days immediately preceding the date of purchase as derived from the Daily Official List of the London Stock Exchange; and (ii) the higher of the price quoted for (a) the last independent trade of; and (b) the highest current independent bid for, any number of Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021 save that the Company may, at any time prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and the Company may purchase Shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

All Shares purchased pursuant to the above authority shall be either: (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or (ii) cancelled immediately upon completion of the purchase.

14. That the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company with effect from the conclusion of the meeting in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

By order of the Board
ICM Investment Management Limited
Company Secretary

19 June 2020

Registered Office:
The Cottage, Ridge Court
The Ridge
Epsom, Surrey KT18 7EP

NOTES:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his/her place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

2. To appoint a proxy, you may use the form of proxy enclosed with this annual report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarial certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 12:00 noon on 18 September 2020. Amended instructions must also be received by the Company's registrar by the deadline for receipt of forms of proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12:00 noon on 18 September 2020. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on +44 (0370) 707 1375 or you may photocopy the form of proxy. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.

3. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 1 and 2

above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.

5. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.

6. Pursuant to Regulation 41 (1) of The Uncertificated Securities Regulations 2001 and for the purposes of section 360B of the Companies Act 2006, the Company has specified that only shareholders registered on the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of the ordinary shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

8. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 12:00 noon on 18 September 2020. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

9. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 12:00 noon on 18 September 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of The Uncertificated Securities Regulations 2001.

10. If the Chairman, as a result of proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and Financial Conduct Authority. Any such person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

11. Any questions relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively

submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares.

13. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

14. As at 19 June 2020 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consisted of 224,853,181 ordinary shares of 1p each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total voting rights in the Company as at the date of this report are 224,853,181.

15. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting, can be accessed at www.uemtrust.co.uk.

16. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

17. Copies of the letters of the appointment and deeds of indemnity between the Company and the Directors, a copy of the Articles of Association of the Company and the register of the Directors' holdings will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date of the meeting from 15 minutes prior to commencement of the meeting until the conclusion thereof.

18. Under sections 338 and 338A of the Companies Act 2006, members meeting with the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless:

    (a) (in the case of a resolution only), it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

    (b) it is defamatory of any person; or

    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 10 August 2020 (being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

19. Any electronic address provided either in this Notice or in any related documents (including the form of proxy) may not be used to communicate with the Company for any purpose other than those expressly stated.

COMPANY INFORMATION

DIRECTORS
John Rennocks (Chairman)
Garth Milne (Deputy Chairman)
Susan Hansen
Anthony Muh
Eric Stobart, FCA (Chairman of the Audit & Risk Committee)

REGISTERED OFFICE
The Cottage
Ridge Court
The Ridge
Epsom
Surrey KT18 7EP

Company Registration Number: 11102129

Legal Entity Identifier: 2138005TJMCWR2394O39

AIFM, JOINT PORTFOLIO MANAGER AND COMPANY SECRETARY
ICM Investment Management Limited
PO Box 208
Epsom
Surrey KT18 7YF

Telephone +44 (0)1372 271486

Authorised and regulated in the UK by the Financial Conduct Authority

JOINT PORTFOLIO MANAGER
ICM Limited
34 Bermudiana Road
Hamilton HM 11
Bermuda

ADMINISTRATOR AND CUSTODIAN
JPMorgan Chase Bank N.A. – London Branch
25 Bank Street
Canary Wharf
London E14 5JP

Authorised and regulated in the UK by the Financial Conduct Authority

BROKER
Shore Capital and Corporate Limited
Cassini House, 57 St James's Street
London SW1A 1LD

Authorised and regulated in the UK by the Financial Conduct Authority

LEGAL ADVISER TO THE COMPANY
Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ

AUDITOR
KPMG LLP
15 Canada Square
London E14 5GL

Member of the Institute of Chartered Accountants in England and Wales

DEPOSITARY SERVICES PROVIDER
JP Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

REGISTRAR
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Telephone +44 (0370) 707 1375

COMPANY BANKER
Scotiabank Europe PLC
201 Bishopsgate, 6th Floor
London EC2M 3NS

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PUBLIC RELATIONS
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2nd Floor, Berkeley Square House
Berkeley Square
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London W1J 6BD

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ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority defines an Alternative Performance Measure as being a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The Company uses the following Alternative Performance Measures:

Discount/Premium – if the share price is lower than the NAV per share, the shares are trading at a discount. Shares trading at a price above NAV per share are said to be at a premium. As at 31 March 2020 the share price was 161.50p (2019: 217.90p) and the NAV per share was 181.84p (2019: 249.84p), the discount was therefore 11.2% (2019: 12.8%).

Gearing – represents the ratio of the borrowings less cash of the Company to its net assets.

	page	**Year to 31 March 2020 £'000s**	Period to 31 March 2019 £'000s
Bank overdrafts	83	**1,120**	–
Bank loans	73	**47,079**	7,755
Cash	73	**(40,620)**	(11,668)
Total debt		**7,579**	(3,913)
Net assets	73	**414,343**	574,155
Gearing (%)		**1.8**	nil

NAV per share – the value of the Company's net assets divided by the number of shares in issue (see note 22 to the accounts).

NAV/share price total return – the return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the NAV or share price in the period. The dividends are assumed to have been re-invested in the form of net assets or shares, respectively, on the date on which the dividends were paid.

Year to 31 March 2020	**Dividend rate (pence)**	**NAV (pence)**	**Share price (pence)**
31 March 2019	n/a	249.84	217.90
28 June 2019	1.800	271.28	243.00
27 September 2019	1.800	268.59	237.00
20 December 2019	1.925	256.90	232.00
27 March 2020	1.925	182.41	161.50
31 March 2020	n/a	181.84	161.50
Total return (%)		(24.9)	(23.2)

Period to 31 March 2019	Dividend rate (pence)	NAV (pence)	Share price (pence)
31 March 2018	n/a	247.22	212.00
21 September 2018	1.800	230.13	199.86
21 December 2018	1.800	230.69	198.10
29 March 2019	1.800	249.84	217.90
31 March 2019	n/a	249.84	217.90
Total return (%)		3.5	5.4

NAV/share price total return since inception – the return to shareholders calculated on a per share basis by adding dividends paid in the period and adjusting for the exercise of warrants and subscription shares in the period to the increase or decrease in the NAV/share price in the period. The dividends are assumed to have been re-invested in the form of net assets on the date on which the dividends were paid. The adjustment for the exercise of warrants and subscription shares is made on the date the warrants and subscription shares were exercised.

ALTERNATIVE PERFORMANCE MEASURES (continued)

Total return since inception	NAV 31 March 2020	Share price 31 March 2020	NAV 31 March 2019	Share price 31 March 2019
NAV 20 July 2005 (pence) [1]	**98.36**	**100**	98.36	100
Total dividend, warrants and subscription shares adjustment factor	**1.70645**	**1.76322**	1.65393	1.70247
NAV at period end (pence)	**181.84**	**161.50**	249.84	217.90
Adjusted NAV at period end (pence)	**310.30**	**284.76**	413.22	370.97
Total return (%)	**215.5**	**184.8**	320.1	271.0

[1] Date of admission to trading on the Alternative Investment Market of UEM Bermuda.

Annual compound NAV total return since inception – the annual return to shareholders calculated on the same basis as NAV total return, since inception.

Annual compound	31 March 2020	31 March 2019
Annual compound NAV total return since inception (%)	**8.1**	11.0

Ongoing charges – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee funds, expressed as a proportion of the average weekly net asset values of the Company (valued in accordance with its accounting policies) over the reporting period. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing shares.

Ongoing charges calculation (including and excluding performance fees)	*Page*	31 March 2020 £'000s	31 March 2019 £'000s
Management and administration fees	71	**4,615**	4,234
Other expenses	71	**1,787**	1,644
Total expenses for ongoing charges calculation		**6,402**	5,878
Average net asset values of the Company		**586,396**	561,273
Ongoing Charges (%)	9	**1.1**	1.0

HISTORICAL PERFORMANCE

as at 31 March	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NAV total return per ordinary share [1] (annual) (%)	**(24.9)**	3.5	6.6	26.2	1.7	12.4	(3.4)	20.9	3.4	19.5	51.1
Share price total return per ordinary share [1] (annual) (%)	**(23.2)**	5.4	7.1	24.9	(1.8)	8.2	(2.6)	20.8	7.4	28.6	43.7
Annual compound NAV total return [1] (since inception) (%)	**8.1**	11.0	11.7	12.1	10.9	11.9	11.8	13.9	12.9	14.7	13.7
Undiluted NAV per ordinary share [1] (pence)	**181.84**	249.84	247.22	251.72	206.45	209.79	192.38	205.49	175.60	175.28	157.33
Diluted NAV per ordinary share (pence)	**181.84** [2]	249.84 [2]	247.22 [2]	241.29	202.52	209.79 [2]	192.38 [2]	205.49 [2]	175.60 [2]	175.28 [2]	148.37
Ordinary share price (pence)	**161.50**	217.90	212.00	214.50	178.50	188.50	180.00	191.20	164.00	157.75	132.00
Discount [3] (%)	**(11.2)**	(12.8)	(14.2)	(11.1)	(11.9)	(10.1)	(6.4)	(7.0)	(6.6)	(10.0)	(11.0)
Earnings per ordinary share (basic)											
– Capital (pence)	**(68.29)**	(0.12)	4.66	44.46	(5.50)	18.53	(12.13)	30.71	1.19	25.63	48.57
– Revenue (pence)	**7.88**	7.47	9.27	7.80	8.23	4.98	4.80	5.20	4.12	5.61	4.67
Total (pence)	**(60.41)**	7.35	13.93	52.26	2.73	23.51	(7.33)	35.91	5.31	31.24	53.24
Dividends per ordinary share (pence)	**7.575**	7.200	7.000	6.650	6.400	6.100	6.100	5.800	5.500	5.200	4.800
Gross assets [4] (£m)	**461.4**	581.9	579.8	579.0	455.2	479.2	433.4	452.1	382.9	393.4	344.5
Equity holders' funds (£m)	**414.3**	574.2	579.8	532.2	436.6	447.4	410.2	442.9	378.5	383.2	319.9
Ordinary shares bought back (£m)	**4.8**	9.5	21.9	10.0	3.0	–	3.9	–	4.9	11.5	16.0
Net cash/(overdraft) (£m)	**39.5**	11.7	8.1	15.3	12.6	0.5	(0.9)	2.6	(1.8)	(0.7)	2.0
Bank loans (£m)	**(47.1)**	(7.8)	0.0	(46.8)	(18.7)	(31.9)	(23.1)	(9.2)	(4.4)	(10.2)	(24.7)
Net (debt)/cash (£m)	**(7.6)**	3.9	8.1	(31.5)	(6.1)	(31.4)	(24.0)	(6.6)	(6.2)	(10.9)	(22.7)
Net (gearing)/cash on net assets (%)	**(1.8)** [1]	0.7	1.4	(5.9)	(1.4)	(7.0)	(5.9)	(1.5)	(1.6)	(2.8)	(7.1)
Management and administration fees and other expenses											
– excluding performance fee (£m)	**6.4**	5.9	5.7	5.2	4.5	4.6	3.7	3.4	3.9	3.1	2.5
– including performance fee (£m)	**6.4**	5.9	5.7	14.3	4.5	7.7	3.7	12.9	3.6	9.6	2.5
Ongoing charges figure [1]											
– excluding performance fee (%)	**1.1**	1.0	1.0	1.1	1.1	1.1	0.9	0.8	0.9	0.8	0.8
– including performance fee (%)	**1.1**	1.0	1.0	2.9	1.1	1.8	0.9	3.2	0.9	2.5	0.8

(1) See Alternative Performance Measures on pages 99 to 100
(2) There was no dilution
(3) Based on diluted NAV
(4) Gross assets less liabilities excluding loans

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