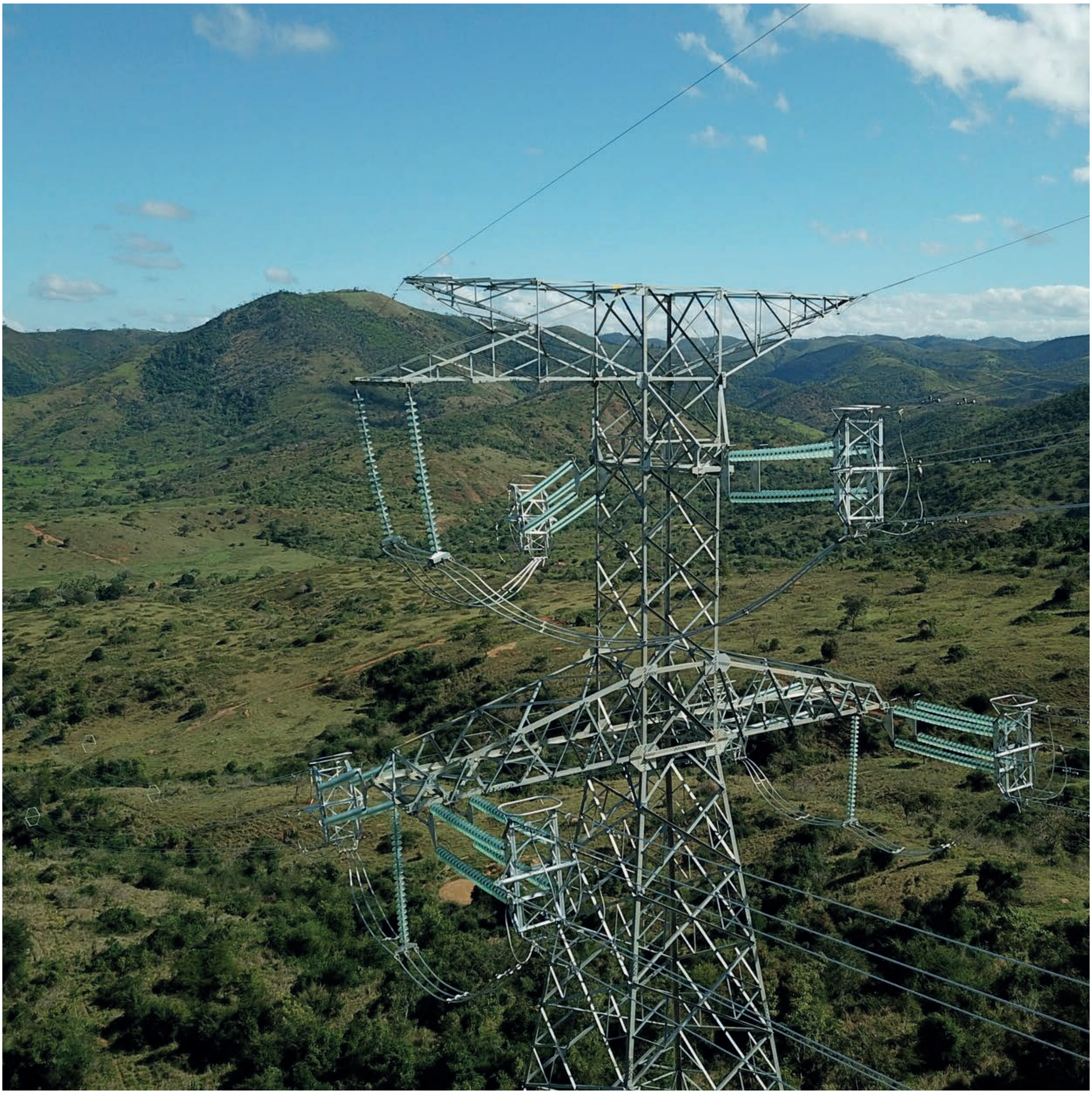
UTILICO

Emerging Markets Trust plc

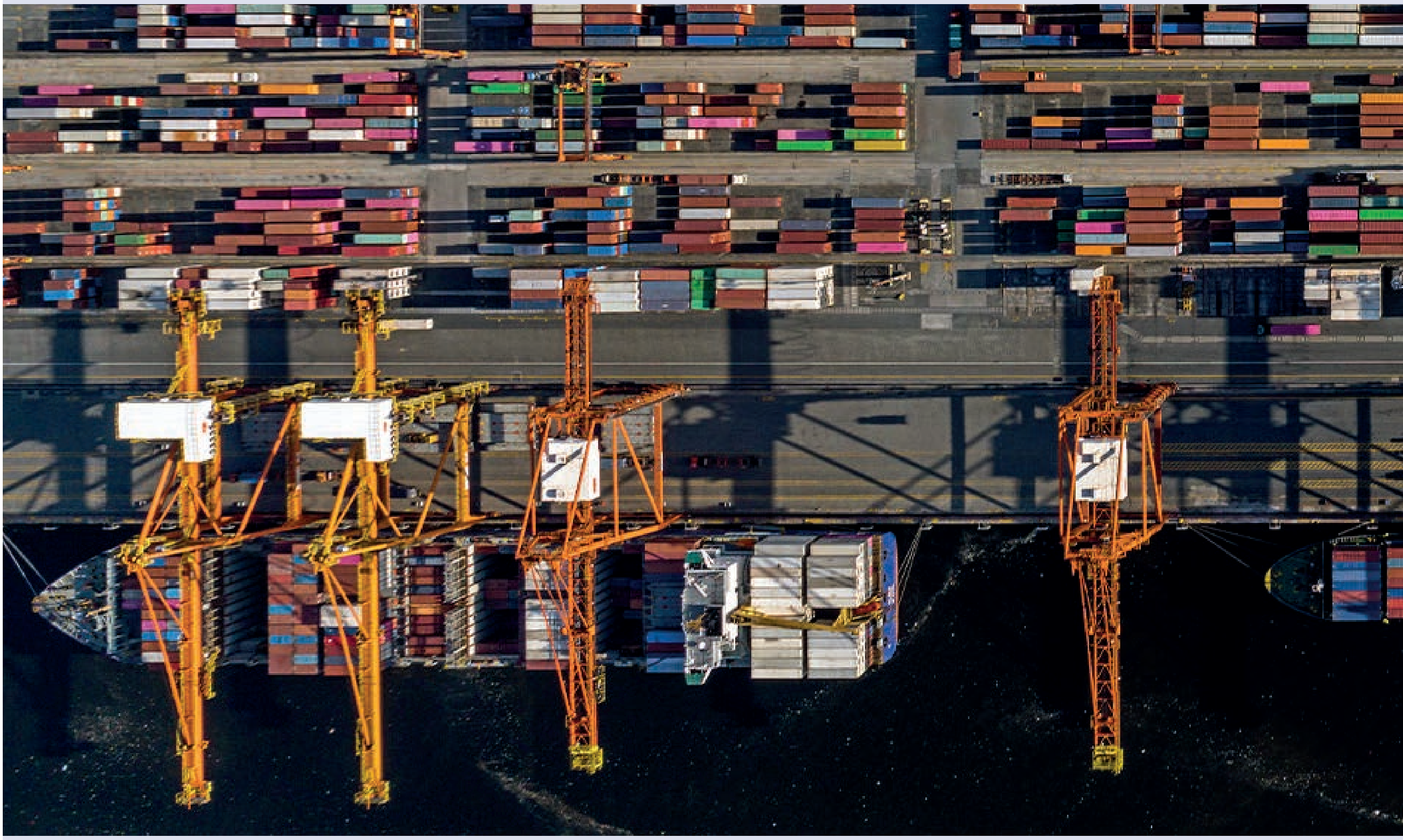


2023

REPORT AND ACCOUNTS

MANAGED BY ICM

EMERGING CITIES | EMERGING WEALTH | EMERGING OPPORTUNITIES



International Container Terminal Services, Inc. (The Philippines)

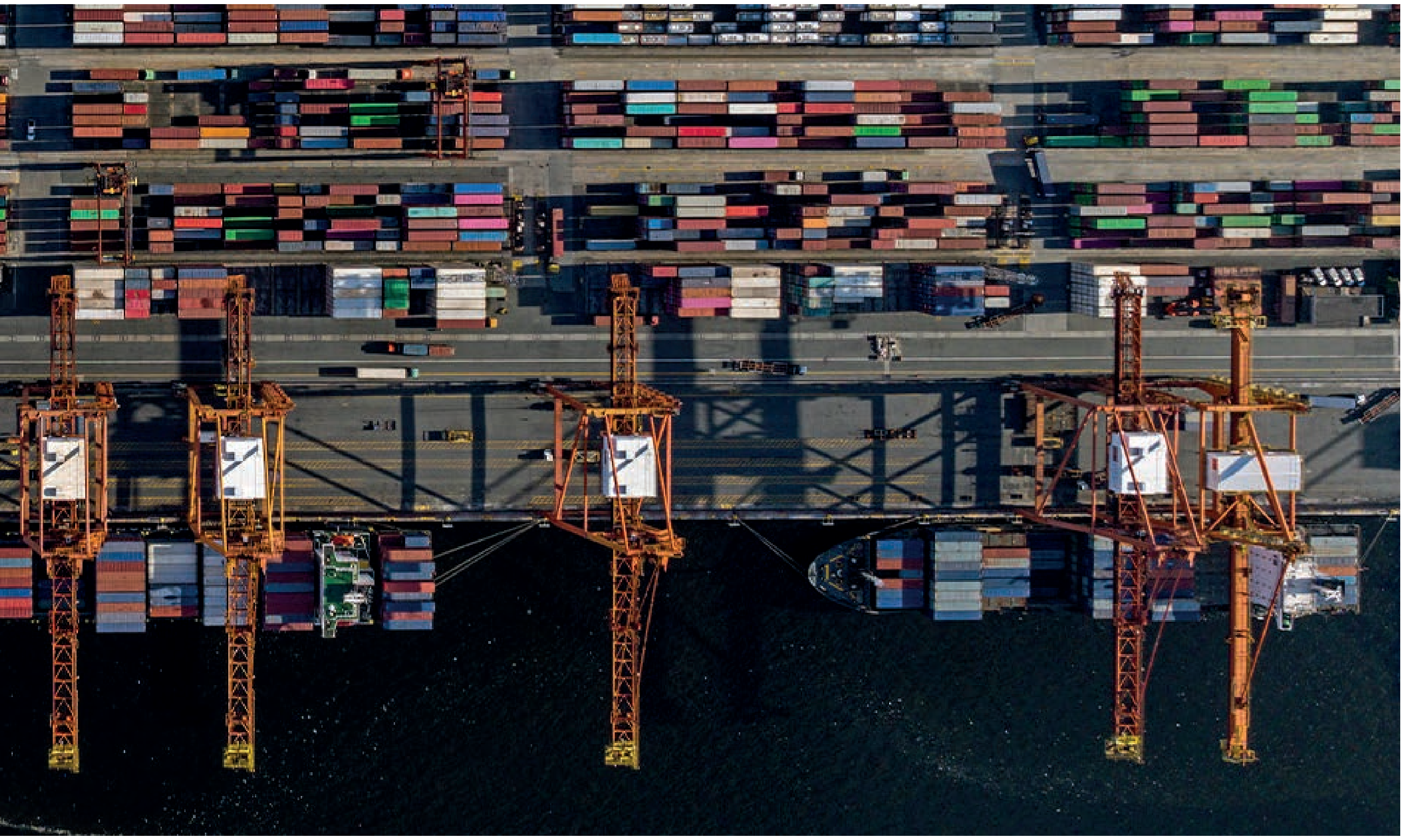
Utilico Emerging Markets Trust plc's investment objective is to provide long-term total return through a flexible investment policy that permits UEM to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

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 a long-term record of outperformance

WHY UTILICO EMERGING MARKETS TRUST PLC?



Utilico Emerging Markets Trust plc is a unique UK listed fund focused on global infrastructure megatrends in emerging markets.

UNIQUE EXPOSURE

UEM offers a diverse portfolio of high conviction, bottom-up investments in utilities and infrastructure, providing unique exposure to emerging markets megatrends.

REAL ASSETS DRIVING COMPELLING RETURNS

The portfolio of operational infrastructure assets benefitting from megatrends typically offers attractive growth and yields. As a result of long term cash flows, which are often underpinned by established regulatory frameworks, the portfolio provides predictable, sustainable and growing income.

EXPERIENCED MANAGEMENT

Since UEM's inception in 2005, the portfolio has been managed by a dedicated, active investment team with a long track record of investing successfully in this highly specialised asset class.

STRONG PERFORMANCE

As at 31 March 2023, UEM has delivered a 9.3% annualised NAV total return over 17 years with a 3.8% dividend yield and has outperformed the MSCI Emerging Markets Index over the last one, three, and five years and since inception.

CONTENTS

China Gas Holdings Limited (China)

FINANCIAL CALENDAR

Year End
31 March

Annual General Meeting
19 September 2023

Half Year
30 September

Dividends Payable
March, June, September and December

The business of Utilico Emerging Markets Trust plc ("UEM" or 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 – Alupar Investimento S.A. (Brazil) – Andre S Prietsch

FINANCIAL HIGHLIGHTS

Petalite Limited (UK)

NET ASSET VALUE ("NAV") TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*	REVENUE EARNINGS OF 9.40P PER SHARE	DIVIDENDS OF 8.45P PER SHARE
2.1%	**0.8%**	**↑15.1%**	**↑5.6%**
(2022: 14.9%)	(2022: 17.6%)	(2022: ↑0.5%)	(2022: ↑2.9%)

* See Alternative Performance Measures on pages 96 and 97

UEM turned in a strong performance in the second half of the year and delivered a positive NAV total return of 2.1% for the year to 31 March 2023.

CURRENT YEAR PERFORMANCE

NAV TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*	NAV OF 250.91P PER SHARE*	SHARE PRICE OF 217.00P
2.1%	**0.8%**	**↓1.3%**	**↓3.1%**
(2022: 14.9%)	(2022: 17.6%)	(2022: ↑11.2%)	(2022: ↑13.4%)

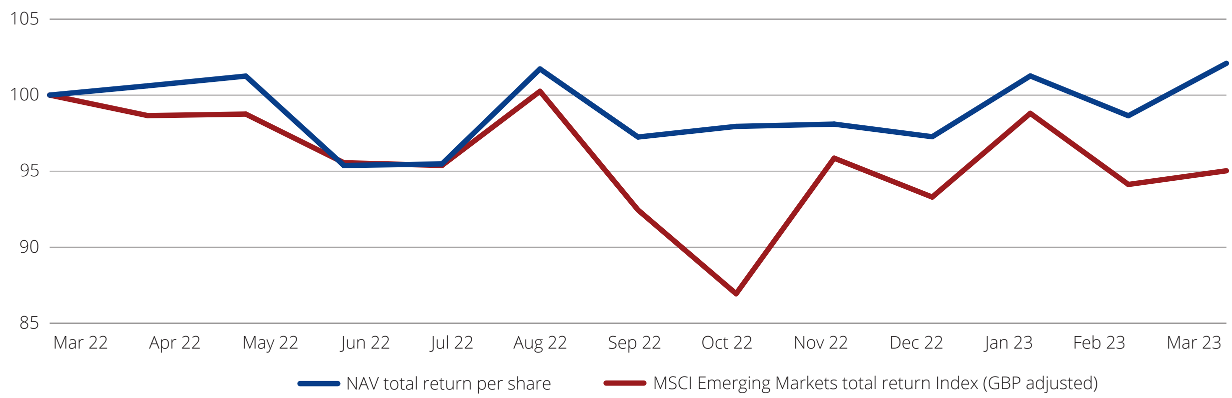
DIVIDENDS OF 8.45P PER SHARE	DIVIDENDS PAID	INVESTED	REALISED
↑5.6%	**£17.2m**	**£108.9m**	**£126.6m**
(2022: ↑2.9%)	(2022: £17.5m)	(2022: £124.5m)	(2022: £176.9m)

12.5M SHARES BOUGHT BACK	TOTAL REVENUE RETURN INCOME	ONGOING CHARGES*	NET DEBT INCREASED TO
£27.2m	**£24.3m**	**1.4%**	**£36.1m**
(2022: £13.9m)	(2022: £22.6m)	(2022: 1.4%)	(2022: £23.2m)

* See Alternative Performance Measures on pages 96 and 97

TOTAL RETURN COMPARATIVE PERFORMANCE [(1)]

from 31 March 2022 to 31 March 2023



[(1)] Rebased to 100 as at 31 March 2022

Source: ICM and Bloomberg

PERFORMANCE SUMMARY

	31 March 2023	31 March 2022	% change 2023/22
NAV total return per share[1] (annual) (%)	2.1	14.9	n/a
Share price total return per share[1] (annual) (%)	0.8	17.6	n/a
Annual compound NAV total return[1] (since inception - 20 July 2005) (%)	9.3	9.7	n/a
NAV per share[1] (pence)	250.91	254.22	(1.3)
Share price (pence)	217.00	224.00	(3.1)
Discount[1] (%)	(13.5)	(11.9)	n/a
Earnings per share (basic)			
- Capital (pence)	(6.61)	24.49	(127.0)
- Revenue (pence)	9.40	8.17	15.1
Total (pence)	2.79	32.66	(91.5)
Dividends per share			
- 1st quarter (pence)	2.00	2.00	0.0
- 2nd quarter (pence)	2.15	2.00	7.5
- 3rd quarter (pence)	2.15	2.00	7.5
- 4th quarter (pence)	2.15[2]	2.00	7.5
Total (pence)	8.45	8.00	5.6
Gross assets[3] (£m)	542.5	569.6	(4.8)
Equity holders' funds (£m)	507.4	545.9	(7.1)
Shares bought back (£m)	27.2	13.9	95.7
Net (overdraft)/cash (£m)	(1.0)	0.5	(300.0)
Bank loans (£m)	(35.1)	(23.7)	48.1
Net debt (£m)	(36.1)	(23.2)	55.6
Gearing[1] (%)	(7.1)	(4.3)	n/a
Management and administration fees and other expenses	7.4	7.3	1.4
Ongoing charges figure[1]	1.4	1.4	n/a

[1] See Alternative Performance Measures on pages 96 and 97
[2] The fourth quarterly dividend has not been included as a liability in the accounts
[3] Gross assets less liabilities excluding loans

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

CHAIRMAN'S STATEMENT

JOHN RENNOCKS
Chairman

The year to 31 March 2023 has continued to be truly challenging for all, including investors. From the war in Ukraine through to inflation and sharply higher central bank interest rates; to rising geopolitical friction; and to the challenges on climate change and significant natural disasters. Understandably, volatility in most markets has been elevated as uncertainty has dominated.

UEM turned in a strong performance in the second half of the year and importantly delivered a positive NAV total return of 2.1% for the year to 31 March 2023. This was once again significantly ahead of the MSCI EM total return Index which was down 5.0% over the same period.

UEM measures its performance on a total return basis over the long term and the Investment Managers are seeking long term performance to be above 10.0% per annum including a rising dividend. Over one, three and five years and since inception, UEM has outperformed the MSCI EM Index. It is pleasing to highlight the long term annual compound NAV total return since inception to 31 March 2023 of 9.3% exceeding the MSCI EM total return Index of 7.6%.

GLOBAL ECONOMY

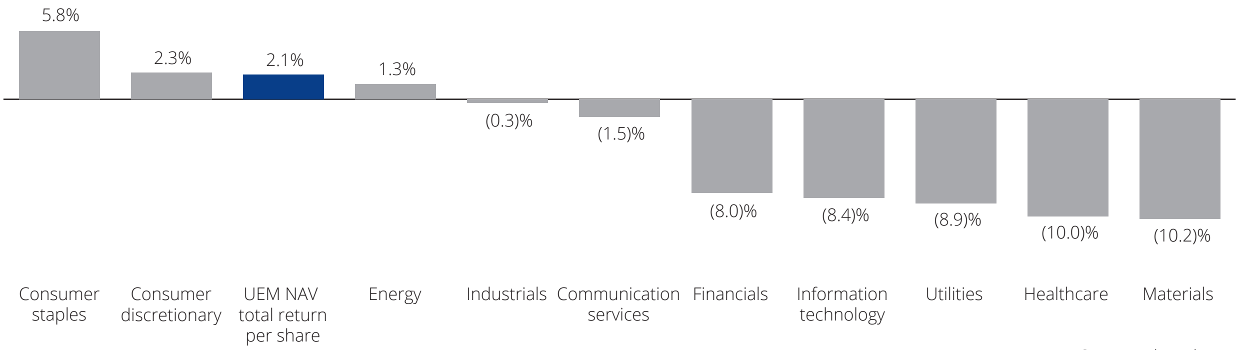
As referred to earlier, there are numerous headwinds currently faced by the markets, each of which is challenging in its own right. We have historically discussed a number of these and they largely remain unresolved. We continue to witness a significant rise in nationalism, wealth inequality and global immigration. All of these issues and challenges no doubt tear at the fabric of our societies and institutions.

One positive is that Covid looks to be behind us. The World Health Organisation finally declared the Covid emergency over in May 2023. At the time of publishing UEM's half yearly report in November 2022, we were deeply concerned about the challenges faced by China given their zero Covid policy. The about-turn by China on Covid was a surprise in both its timing and approach. We had expected China to vaccinate its population and slowly lift restrictions in the summer this year. Faced with the highly infectious Omicron variant already penetrating the wider Chinese population and the heavy burden of ineffective lockdowns, the decision to go from zero Covid tolerance to total tolerance was bold. Certainly, at an investee level, it has had very limited impact on the ability of corporates to run their businesses today.

Unfortunately the same cannot be said of the war in Ukraine. It remains devastating on a number of levels. The harshness of the Russian army will be a wound on

MSCI EMERGING MARKETS SECTOR INDEX TOTAL RETURNS (GBP ADJUSTED)

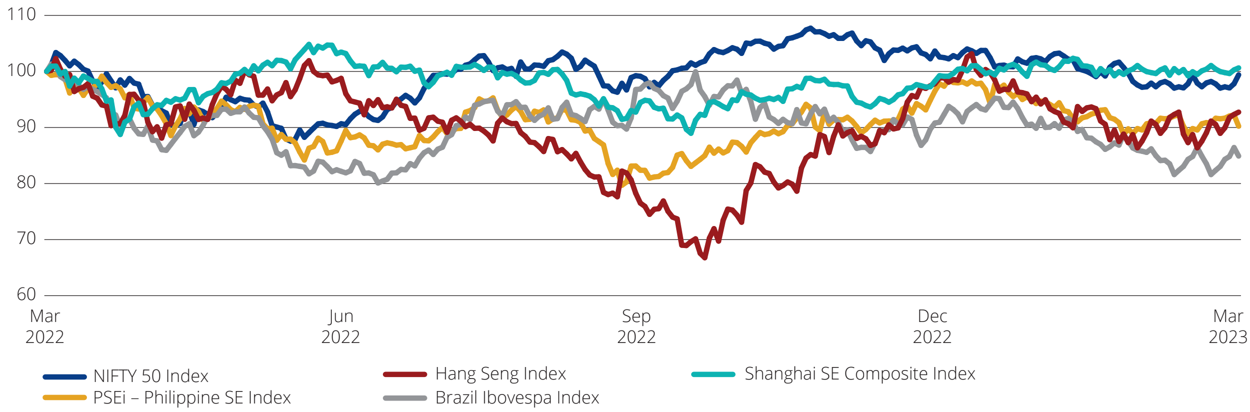
from 31 March 2022 to 31 March 2023



Source: Bloomberg

INDICES MOVEMENTS

from 31 March 2022 to 31 March 2023



Rebased to 100 as at 31 March 2022

Source: Bloomberg

liberal societies for decades to come. The need to have resilient and diversified supply chains, energy security, green energy and increased defence capabilities will see resources diverted and reinvested with an urgency and scale not witnessed in our lifetime. This shift will give rise to new opportunities for investors, including UEM.

The legacy of Covid and the West's response to it has undoubtedly led to higher debt and higher inflation, and the Russian war in Ukraine has seen sharply higher commodity prices and accelerating inflation. The response by the Central Banks to higher inflation has been to rapidly raise interest rates to bring inflation under control. The surprising part has been the resilience in the labour market where in most Western countries, unemployment levels are at record lows. This is good for workers but ultimately negative for the inflation outlook if it persists, as wage demands will keep inflation high.

EMERGING MARKETS

Most EM markets were down over the year reflecting local headwinds, higher interest rates and lower valuations. Brazil's Bovespa Index was down 15.1%, the Philippine PSEI Index was down 9.8% and the Hong Kong Hang Seng Index was down 7.3%. Some markets have held up, most notably India's Sensex which was up by 0.7%. A common theme has been rising inflation in Latam and Eastern Europe and weakening property markets in Asia. Of note is the volatility – at its low the Hang Seng Index was down over 30.0% and the Philippine PSEI was down over 20.0%.

In comparison most currencies were up against UK Sterling although for UEM notably the Brazilian Real, Chinese Renminbi and Indian Rupee were all down 0.2%, 1.7% and 1.8% respectively. Again, volatility was high. The Hong Kong Dollar was at one point during the year up over 20.0% and the Indian Rupee was up by 15.0% against Sterling.

Most commodities have moved lower during the period under review as supply chains have adjusted, with oil down by 26.1%, wheat down by 31.2% and soybean down by 12.6%. Although copper moved higher, up by 16.0%. But most remain elevated compared to historic levels which is feeding through into inflation.

UNLISTED INVESTMENTS (LEVEL 3 INVESTMENTS)

UEM has over the years invested in unlisted businesses at a modest level. This remains true today. As at 31 March 2023 the value of the unlisted portfolio has risen to 10.8% which has been driven primarily by the revaluation of Petalite Limited ("Petalite"). UEM is unable to invest further in unlisted investments while the valuation of its unlisted portfolio is over 10.0% of gross assets. Petalite is a disruptive technology start up business and gives UEM exposure to the electric vehicles revolution through charging infrastructure. UEM invested a modest amount, some £1.5m for an interest of approximately 30.0%. Following external fund raising, in which UEM invested a further £1.25m, and significant progress, our holding in Petalite was valued upwards in the year to £28.6m.

REVENUE EARNINGS AND DIVIDEND

It is excellent to see UEM's revenue earnings per share ("EPS") increase by 15.1% to 9.40p given the wider market challenges as inflation and interest rates have risen sharply during the year to 31 March 2023.

UEM has declared one quarterly dividend of 2.00p and three quarterly dividends of 2.15p each, totalling 8.45p per share, a 5.6% increase over the previous year. Dividends remain fully covered by income. The retained earnings revenue reserves increased by £2.3m in the year to £9.6m as at 31 March 2023, equal to 4.74p per share.

The Board would like to re-emphasise that UEM's portfolio is predominantly invested in relatively liquid, cash-generative companies which have long-duration operational, infrastructure and utility assets that the Company's Investment Managers believe are structurally undervalued and offer the potential for excellent total returns.

SHARE BUYBACKS

Disappointingly UEM's share price discount widened over the year from 11.9% as at 31 March 2022 to 13.5% as at 31 March 2023. This remains above the level that the Board would wish to see over the medium term. The Company has continued buying back shares for cancellation, with 12.5m shares bought back in the year to 31 March 2023, at an average price of 215.45p and total cost of £27.2m.

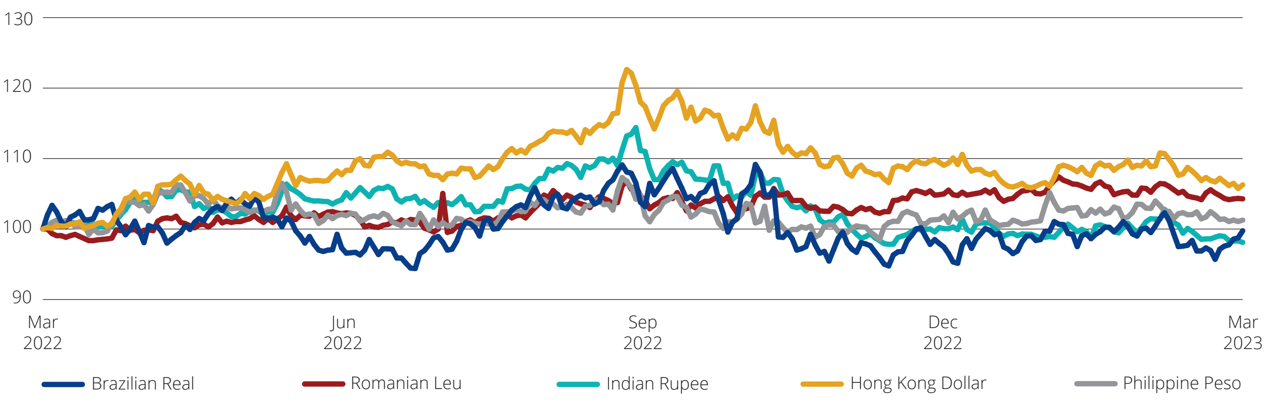
While the Board is keen to see the discount narrow, any share buyback remains an independent investment decision. Historically the Company has bought back shares if the discount widens in normal market conditions to over 10.0%. Since inception, UEM has bought back 75.1m ordinary shares totalling £138.8m. The buybacks now represent significantly more than the initial IPO capitalisation of UEM Limited when it came to market in July 2005. The share buybacks have contributed 0.8% to UEM's total returns.

ONGOING CHARGES

Ongoing charges were unchanged at 1.4% for the year to 31 March 2023, a good result especially given the wider inflationary environment.

CURRENCY MOVEMENTS vs STERLING

from 31 March 2022 to 31 March 2023



Rebased to 100 as at 31 March 2022

Source: Bloomberg

BOARD

We announced plans for board refreshment in 2021, which included the appointments of Mark Bridgeman and Isabel Liu later that year and after the 2022 Annual General Meeting ("AGM") Anthony Muh stepped down from the Board. Continuing with these initiatives, Susan Hansen has confirmed her intention to retire from the Board following the conclusion of UEM's next AGM in September 2023. Susan has brought significant insight, experience and challenge to the Board since she joined in 2013.

As noted in the half yearly report, the Directors have reviewed the composition of the Board and the current intention is to continue as a Board of four Directors. This will be kept under review as part of the annual Board evaluation process.

ADVISER AND INVESTOR COMMUNICATION

We referred to proposals for increased investor communication in the half yearly report and the continued focus on marketing UEM to the wider investment community. As part of these initiatives we were pleased to announce, after a competitive pitch process, the appointments of Barclays as joint corporate broker alongside Shore Capital, and RMS Partners to help lead investor engagement with regional institutions and private client fund managers. We also draw investors' attention to UEM's website which has extended its content significantly, providing comprehensive insights from the Investment Managers on areas such as individual EM countries and portfolio stocks.

UEM is working with its advisers to rejuvenate the marketing presentation and draw attention to a number of megatrend tailwinds benefitting UEM, see page 19. Our drive is to improve investor knowledge and broaden its investor base, especially retail.

Santos Brasil Participacoes S.A. (Brazil)

DIVIDEND PER SHARE OF 8.45P, UP BY

5.6%

FOR THE YEAR TO 31 MARCH 2023

OUTLOOK

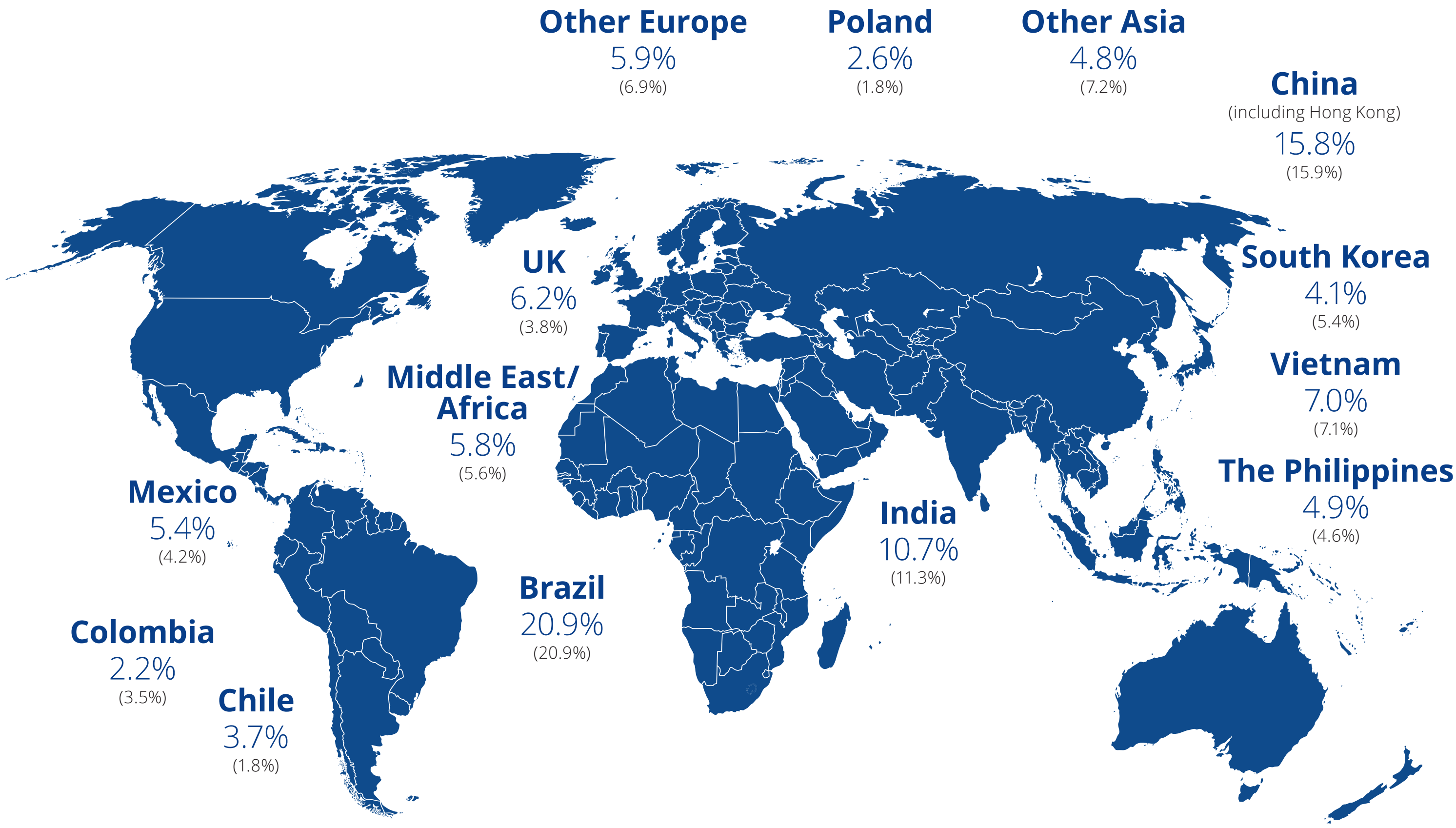
The megatrends driving much of the global growth in emerging markets are strengthening. We see UEM's portfolio as well placed to benefit from these megatrends.

The investee company's management teams have demonstrated an enviable ability to seize the opportunity even in these challenging markets. We remain optimistic for UEM.

John Rennocks
Chairman

16 June 2023

GEOGRAPHICAL INVESTMENT EXPOSURE AS AT 31 MARCH 2023



Figures in brackets as at 31 March 2022.

Source: ICM

TOP THIRTY COMPANIES

1	2	3	4	5
5.2%	**4.9%**	**3.8%**	**3.4%**	**3.1%**
Petalite Limited	**International Container Terminal Services, Inc.**	**Alupar Investimento S.A.**	**Orizon Valorizacao de Residuos S.A.**	**Gujarat State Petronet Limited**
Renewables	**Ports and Logistics**	**Electricity**	**Water and Waste**	**Gas**
An electric vehicle charging infrastructure company based in the UK.	A global port management company headquartered in the Philippines.	A Brazilian holding company for electricity transmission and renewable assets.	A waste treatment operator in Brazil.	A natural gas transmission and distribution company in India.
28,607 Fair value £'000s	**26,584** Fair value £'000s	**20,643** Fair value £'000s	**18,432** Fair value £'000s	**17,085** Fair value £'000s

6	7	8	9	10
2.8%	**2.4%**	**2.4%**	**2.3%**	**2.3%**
India Grid Trust	**Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.**	**FPT Corporation**	**Power Grid Corporation of India Limited**	**Citic Telecom International Holdings Limited**
Electricity	**Airports**	**Data Services and Digital Infrastructure**	**Electricity**	**Telecommunications**
An infrastructure investment trust with electricity transmission and solar assets in India.	A Mexican airport operator.	An information technology and telecommunications service company in Vietnam.	An electricity transmission company in India.	A telecommunications service provider in Asia.
15,057 Fair value £'000s	**13,146** Fair value £'000s	**12,983** Fair value £'000s	**12,755** Fair value £'000s	**12,489** Fair value £'000s

Note: % of total investments
For more information on the top ten companies, see the holdings review starting on page 26.

TOP THIRTY COMPANIES (continued)

31 March 2023	Company *(Country)*	Description	Fair value £'000s	% of total investment
11	**VinaCapital Vietnam Opportunity Fund Ltd** *(Vietnam)*	Investment trust	12,092	2.2
12	**CGN Capital Partners Infra Fund 3** *(Hong Kong)*	Renewable assets fund	11,615	2.1
13	**China Gas Holdings Limited** *(China)*	Gas distributor	11,395	2.1
14	**Rumo S.A.** *(Brazil)*	Rail-based logistics operator	10,939	2.0
15	**China Datang Corporation Renewable Power Co., Limited** *(China)*	Electricity generation	10,857	2.0
16	**Engie Energia Chile S.A.** *(Chile)*	Electricity generation and transmission	10,745	2.0
17	**Korean Internet Neutral Exchange Inc.** *(South Korea)*	Data centre operator	10,388	1.9
18	**Aguas Andinas S.A.** *(Chile)*	Water distributor and sanitation	9,708	1.8
19	**Umeme Limited** *(Uganda)*	Electricity distributor	9,637	1.8
20	**Centrais Eletricas Brasileiras S.A.** *(Brazil)*	Electricity generation and transmission	9,621	1.8
21	**Santos Brasil Participacoes S.A.** *(Brazil)*	Port operator	9,612	1.8
22	**KunLun Energy Company Limited** *(China)*	Gas transmission and distributor	9,473	1.7
23	**InPost S.A.** *(Poland)*	Logistics operator	9,345	1.7
24	**Grupo Aeroportuario del Pacifico, S.A.B. de C.V.** *(Mexico)*	Airport operator	8,901	1.6
25	**Vamos Locacao de Caminhoes Maquinas e Equipamentos S.A.** *(Brazil)*	Trucks and machinery leasing and sales	8,875	1.6
26	**Powergrid Infrastructure Investment Trust** *(India)*	Infrastructure investment trust	8,181	1.5
27	**Conversant Solutions Pte Ltd** *(Singapore)*	Technology company	7,877	1.4
28	**Telelink Business Services Group** *(Bulgaria)*	Information technology service provider	7,726	1.4
29	**Shanghai International Airport Co., Ltd** *(China)*	Airport operator	7,508	1.4
30	**Grupo Traxion S.A.B. de C.V.** *(Mexico)*	Logistics operator	7,220	1.3
	Other investments		176,161	32.3
	Total portfolio		545,657	100.0

PERFORMANCE SINCE INCEPTION (20 JULY 2005)

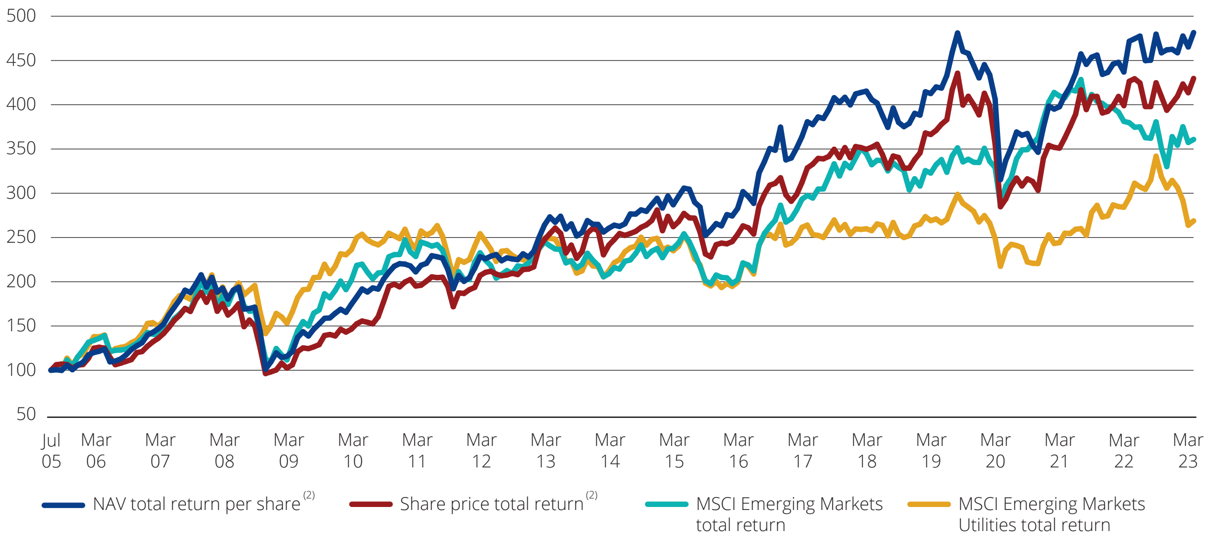
NAV ANNUAL COMPOUND TOTAL RETURN*	NAV TOTAL RETURN PER SHARE*	SHARE PRICE TOTAL RETURN PER SHARE*
9.3%	**381.6%**	**329.7%**

75.1M SHARES BOUGHT BACK	DIVIDENDS PER SHARE INCREASED FROM 1.50P TO	DIVIDENDS PAID CUMULATIVE
£138.8m	**8.45p**	**£220.6m**

* See Alternative Performance Measures on pages 96 and 97

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

from 20 July 2005 to 31 March 2023

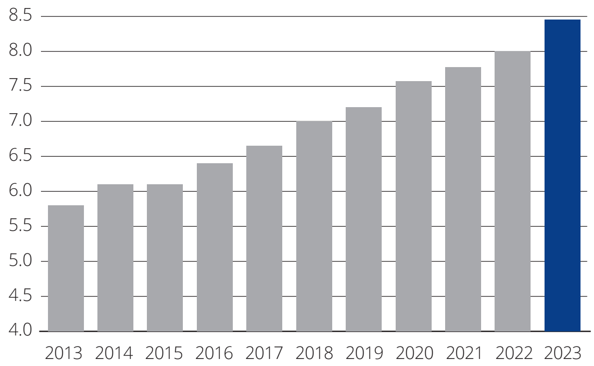


(1) Rebased to 100 as at 20 July 2005
(2) Adjusted for the exercise of warrants and subscription shares

Source: ICM and Bloomberg

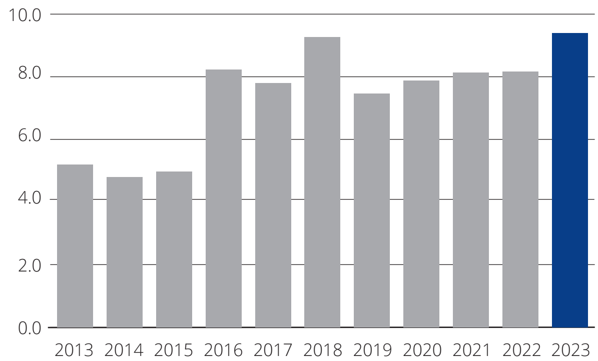
TEN YEAR PERFORMANCE

DIVIDENDS PER SHARE (pence)
from March 2013 to March 2023



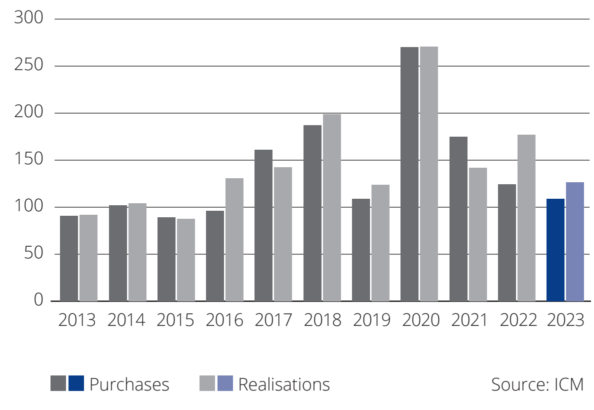
Source: ICM

REVENUE EARNINGS PER ORDINARY SHARE (pence)
from March 2013 to March 2023



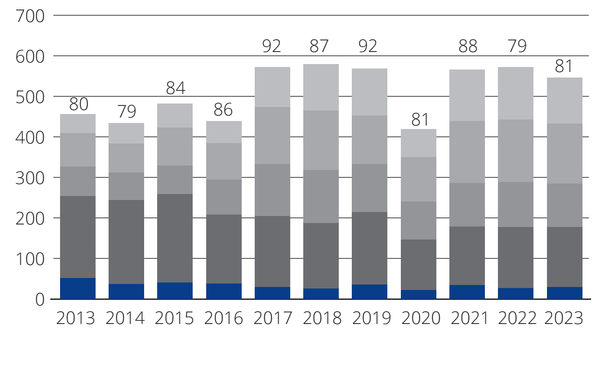
Source: ICM

INVESTMENT PURCHASES AND REALISATIONS (£m)
from March 2013 to March 2023



Source: ICM

PORTFOLIO PROGRESSION (£m) AND NUMBER OF HOLDINGS
from March 2013 to March 2023



Source: ICM

UEM invests primarily in companies and sectors displaying the characteristics of essential services or monopolies, benefitting from global megatrends.

INVESTMENT MANAGERS' REPORT

CHARLES JILLINGS
Investment Manager

It is pleasing to see UEM deliver another positive NAV gain, with a NAV total return for the year of 2.1%, building on last year's 14.9% uplift and the prior year's 30.2% return. This performance was again significantly ahead of the MSCI EM total return Index which was down by 5.0% during the year to 31 March 2023 and down by 6.9% in the year to 31 March 2022. As previously noted, UEM's asset sector class was largely overlooked by the markets early in the pandemic, which focused on the shift to working from home. This led to markets rewarding the technology sector shares, but since the approval of the Covid-19 vaccines, the market has shifted and now the embedded value in UEM's portfolio is being increasingly recognised.

UEM's one year, three years, five years and since inception performance is ahead of the MSCI Index. UEM has delivered this together with a rising dividend; a low Beta (as at 31 March 2023, UEM's five year Beta was 0.76x); and with a portfolio which is very different from the MSCI Index (UEM's active share is over 95.0%). This should be compelling to investors who want exposure to emerging markets, top performance and comparatively low levels of volatility.

We were surprised by China's decision to go from zero Covid tolerance to total tolerance. We assumed China would vaccinate then exit their zero Covid policy in the summer of 2023. It has been very pleasing to see that globally the focus on Covid has evaporated and in our travels to India, Poland, Mexico, Chile and Brazil this year, Covid was hardly mentioned.

However, the world is still faced with a number of unresolved deep-seated challenges. As noted in the Chairman's Statement these range from inflation to climate change. Given we have highlighted a number of these issues before we will focus on four topics in particular that we discuss at length as an investment team. Finding consensus on these issues has been and continues to be challenging.

INFLATION AND INTEREST RATES

Inflation has risen sharply and remained elevated in the developed economies. An undoubted driver of this has been tight labour markets which has led to wage inflation as buying power shifts to the wider workforce. If left unaddressed this will cause further inflationary pressures and may become embedded in economies.

We have been surprised by the tightness of labour markets. Unemployment levels are at record lows in many countries. Our view is that the combination of workers suffering from long Covid and increased social care falling on families, together with early retirement has all contributed to the reduction in the available labour force.

Inflation has also been exacerbated by changes in supply chains. The drive for food security, energy independence and the shift to nearshoring however will all have likely added to the cost of supply chains. The lowest cost of production is no longer the sole driver of decisions.

Commodities have also played a part in inflation reflecting an imbalance as demand exceeds supply in certain products. This is likely to continue as decades of under-investment cannot be redressed overnight.

Further, the response to the Ukraine war will see an increased drive for energy security, supply chain security and military security. These three challenges are likely to be pursued at a significant pace and will result in heightened demand for commodities. Structurally we therefore see commodity demand rising and pricing to remain on the upside.

To address the rising inflationary outlook in the developed world, Central Banks have raised interest rates at a rapid pace. We expect we are at the point where interest rates plateau before declining. The "lower for longer" mantra has been replaced by "higher for longer".

A point to note is that Latam has seen inflationary pressures well ahead of the developed world and its Central Banks have responded firmly and early. Most Latam countries have Central Bank interest rates of over 10.0%. Correspondingly we are seeing inflation in Latam firmly roll over. Our expectation is that a number of Central Banks are now in a position to lower interest rates.

UMEME LIMITED (UGANDA) (“UMEME”)

Umeme is the largest energy distributor in Uganda, distributing around 97.0% of all the electricity in the country.

Inflation has not been as much of a challenge in Asia. We suspect this results from higher unemployment levels at the start of Covid. As a consequence, wage pressures are lower, as is inflation. It is worth noting China’s inflation is running at under 2.0%.

UKRAINE

The war in Ukraine has gone on longer than we expected but has had less of a long-term impact on energy and wheat markets than we thought. Both these commodities have seen their prices fall significantly over the year. As such, inflationary pressures are much reduced for these two commodities.

However, the wider global inflationary legacy is expected to persist. The threat from energy supply and supply chain security will require significant investment to address these two concerns and inflationary pressures will remain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Climate change remains at the forefront of global debate, heightened by the increased impact of climate disasters worldwide. ICM has committed to measuring and reducing its own carbon emissions through a range of initiatives. As an investor who expects our investees to consider their impact on the environment, it is therefore important to lead by example.

Energy transition is a megatrend which is the catalyst that will enable nations to reach their net zero commitments. As the transition intensifies attention will turn to new technologies within supply chains. Production will face increased scrutiny from downstream industries, investors and the public over ESG issues. The transition will need to be carefully managed to ensure that the impact generated from clean technologies is maximised. ICM’s approach therefore encompasses the need to understand the upstream supply chains of investees’ products.

CLIMATE CHANGE

The war in Ukraine has been a true setback for the globally supported aim of reducing carbon emissions. However, the best way to address the energy shortfall may be to invest in green technologies and electric vehicles, thereby achieving two ambitions at once, energy security and green energy supply.

The past year has provided a stark reminder of the devastation that can arise from climate change-related disasters. Climate-driven events are becoming more frequent and severe. China featured twice in the ten most costly climate change-related disasters in 2022. Climate change risk is monitored across the portfolio, however predicting the likelihood and impact of events remains a difficult task. Currently, we see geographical diversification as the best way to mitigate the risk posed by climate-related disasters.

PORTFOLIO

UEM’s gross assets (less liabilities excluding loans) decreased to £542.5m as at 31 March 2023 from £569.6m as at 31 March 2022. This reflects valuation uplifts offset by net realisations to fund, in part, the share buybacks of £27.2m in the year.

At the year end the top thirty holdings accounted for 67.7% of the total portfolio (31 March 2022: 65.6%). There have been nine new entrants into the top thirty holdings over the year. UEM increased its investment in China Gas Holdings Limited (“China Gas”) by 42.9%, Aguas Andinas S.A. (“Aguas Andinas”) by 203.1%, Centrais Eletricas Brasileiras S.A. (“Eletrobras”) by 73.6%, InPost S.A. (“InPost”) by 53.2% and Vamos Locacao de Caminhoes Macquinas e Equipamentos S.A. (“Vamos”) by 93.6%. Shanghai International Airport Co., Ltd (“SHIA”) is a new investment in the year. This together with some strong share price performances from China Gas up by 10.4%, Aguas Andinas up 38.6%, InPost up 46.0% and SHIA up 13.3% moved them all into the top thirty holdings. Umeme Limited saw its share price recover by 74.2% and is now in nineteenth position in our portfolio. Grupo Traxion S.A.B. de C.V. rose into the top thirty as we reduced other holdings.

SECTOR SPLIT OF INVESTMENTS

Electricity
17.4%
(15.5%)

Ports and Logistics
17.0%
(19.3%)

Data Services and Digital Infrastructure
13.1%
(15.6%)

Renewables
12.7%
(9.7%)

Gas
7.5%
(8.4%)

Airports
7.4%
(4.8%)

Telecommunications
6.7%
(8.6%)

Water and Waste
6.6%
(4.0%)

Other
4.5%
(5.6%)

Infrastructure Investment Funds
3.7%
(4.9%)

Road and Rail
3.4%
(3.6%)

Figures in brackets as at 31 March 2022

IN THE YEAR TO 31 MARCH 2023

BRAZIL REMAINS UEM'S LARGEST COUNTRY EXPOSURE
20.9%
(2022: 20.9%)

CHINA REMAINS UEM'S SECOND LARGEST COUNTRY EXPOSURE
15.8%
(2022: 15.9%)

INDIA REMAINS UEM'S THIRD LARGEST COUNTRY EXPOSURE
10.7%
(2022: 11.3%)

See page 10 for the full geographic exposure

LATAM'S EXPOSURE
32.2%
(2022: 30.4%)

ASIA'S EXPOSURE
47.3%
(2022: 51.5%)

REST OF THE WORLD
20.5%
(2022: 18.1%)

Source: ICM

UEM exited from PT Link Net Tbk following an offer for the business at a premium. UEM reduced its investment in Simpar S.A., My E.G. Services Berhad, Ocean Wilsons Holdings Limited, Corporacion Financiera Colombiana S.A., China Everbright Greentech Limited, Societe Nationale des Telecommunications du Senegal, Naver Corporation Limited and KT Corporation, all of which fell outside the top thirty holdings.

Purchases in the portfolio decreased again to £108.9m in the year ended 31 March 2023 (31 March 2022: £124.5m) and realisations decreased to £126.6m (31 March 2022: £176.9m). This reflects investment activity more in line with long term averages. An active decision was taken to slowly increase UEM's debt as confidence in investee companies grew. UEM ended the year with its bank loans drawn to £35.1m, 70.2% of the available £50.0m facility.

There have been some small sector shifts during the year to 31 March 2023 and more detail is set out on page 17. On a geographical basis there were some small changes again and more detail is set out on page 10.

LEVEL 3 INVESTMENTS

UEM ended the year with level 3 investments totalling £58.7m (31 March 2022: £48.1m), representing 10.8% of total investments (31 March 2022: 8.4%). UEM's level 3 investments increased mainly as a result of the revaluation of Petalite. UEM first invested in Petalite in March 2020, since which time the electric vehicle charging technology company has won several UK government innovation grants, and further developed, patented and certified its core SDC technology. SDC, or Sinusoidal Direct Current, is a revolutionary method of converting AC to DC more efficiently and with a higher degree of reliability than existing "full bridge" technology used in electric vehicle chargers. In June 2022 Petalite received investment from AM Impact Partners, a strategic investor, in a funding round in which UEM also participated. The funding round was completed at a premium to the carrying valuation as reported in the March 2022 annual accounts, which resulted in an uplift of £9.9m to NAV during the period ended 31 March 2023. Attention is drawn to note 26(d) of the accounts which provides more information on Petalite's valuation methodology and the 50% level of sensitivity to its fair value which has been applied. UEM is a 28.6% shareholder in Petalite.

BANK DEBT

UEM's net debt, being bank loans and net overdrafts, increased from £23.2m as at 31 March 2022 to £36.1m as at 31 March 2023, as UEM actively increased its investment positions. UEM's £50.0m committed multicurrency loan facility is with The Bank of Nova Scotia, London Branch, and matures in March 2024.

REVENUE RETURN

Revenue income increased by 7.7% to £24.3m in the year to 31 March 2023, from £22.6m in the prior year. This is a good outcome given the uncertain markets.

Management fees and other expenses were flat at £3.0m in the year to 31 March 2023, unchanged from the year to 31 March 2022. This is a positive given the inflationary pressures in the wider market. Finance costs remained modest at £0.2m (31 March 2022: £0.1m). Taxation remained largely unchanged at £1.6m during the year ended 31 March 2023 (31 March 2022: £1.5m).

Profit for the year increased by 8.6% to £19.5m from £17.9m for the prior year. EPS was higher, increasing by 15.1% to 9.40p compared to the prior year of 8.17p due to the higher earnings and reduced average number of shares in issue following the buybacks. Dividends per share ("DPS") of 8.45p were fully covered by earnings.

Retained revenue reserves rose to £9.6m as at 31 March 2023, equal to 4.74p per share.

CAPITAL RETURN

The portfolio losses were £8.4m on the capital account during the year to 31 March 2023. Losses on foreign exchange were £0.5m and therefore the resultant total income loss on the capital account was £8.9m against prior year gains of £59.6m.

Management and administration fees were almost flat at £4.3m (31 March 2022: £4.2m).

Finance costs increased to £0.7m from £0.5m as a result of higher interest costs. There was a taxation gain of £0.2m (31 March 2022: loss of £1.2m) which arose mainly from Indian capital gains tax reductions. The net effect of the above was a loss on capital return of £13.7m (31 March 2022: a gain of £53.7m).

Charles Jillings
ICM Investment Management Limited
and ICM Limited

16 June 2023

MEGATRENDS DRIVING UPSIDE IN EMERGING MARKETS

ENERGY TRANSITION

- Lower or net zero emissions targets to combat climate change requires decarbonisation of the energy matrix.
- Geopolitical concerns are driving energy security higher up the agenda as countries look to cut reliance on imported oil/gas.
- Huge investment in wind/solar assets and supporting grid and battery storage infrastructure across EM.
- Displacement of dirty coal- and oil-fired assets with cleaner and more flexible gas-fired facilities.

SOCIAL INFRA

- Most emerging market countries lack adequate essential social infrastructure.
- The growing middle class is demanding better quality services and infrastructure.
- Rapid urbanisation is driving the need for huge investments in infrastructure, transportation, communication and internet services, creating exciting opportunities for portfolio companies.

GLOBAL TRADE

- Emerging market economies offer strong domestically-driven growth, as well as a growing share of world exports driving international trade.
- The increasingly multi-polar world and the reshaping of the competitive environment will provide EM countries with new opportunities.
- As a result of Covid-19 and recent geopolitical pressures, there has been an increase in nearshoring and the need to diversify supply chains.

DIGITAL INFRA

- Data drives innovation, enables personalisation and enhances decision making driving social and commercial returns.
- Technology facilitates EM companies to market and deliver goods and services to a potentially global customer base.
- New innovative and disruptive applications developed in EM are driving new business models and efficiencies

ALUPAR INVESTIMENTO S.A.

Alupar Investimento S.A. is a holding company for electricity generation and transmission assets in Brazil, Peru and Colombia. It has 30 transmission projects, with 6,974km of operational electricity lines and 822MW renewable energy generation assets. UEM first invested in 2013.

IN THE YEAR TO 31 DECEMBER 2022, REVENUES INCREASED

15.5%

AND EBITDA 17.1%

Andre S Prietsch

GRUPO AEROPORTUARIO DEL CENTRO NORTE, S.A.B. DE C.V.

Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. is a Mexican airport operator. It operates thirteen international airports in central and northern states of Mexico, including Monterrey, one of Mexico's largest business and industrial areas. In 2022, it served over 23.0m passengers. UEM first invested in 2015.

IN THE YEAR TO 31 DECEMBER 2022,
REVENUES INCREASED

34.0%

AND EBITDA 43.9%

FPT CORPORATION

FPT Corporation is the largest information technology service company in Vietnam. It also provides fibre broadband and data centre services. Its education division has over 100,000 students enrolled in its private schools, colleges and university. UEM first invested in 2019.

IN THE YEAR TO 31 DECEMBER 2022,
REVENUES INCREASED

23.4%

AND EBITDA 16.6%

OUR INVESTMENT APPROACH

ICM is a long-term investor and typically 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 compelling investments. ICM has approximately USD 1.8bn of assets directly under management and is responsible indirectly for a further USD 22.5bn 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 the investment portfolio comprises a series of bottom-up decisions. ICM typically does not 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 an attractive valuation with strong risk/return expectations at the time of investment.

When reviewing investment opportunities, as part of the investment process ICM will look to understand the material ESG factors.

ICM incorporates ESG factors into the investment process in three key ways:

01 UNDERSTANDING

In-depth analysis of the key issues that face potential and current holdings, as well as a deep understanding of the industry in which they operate.

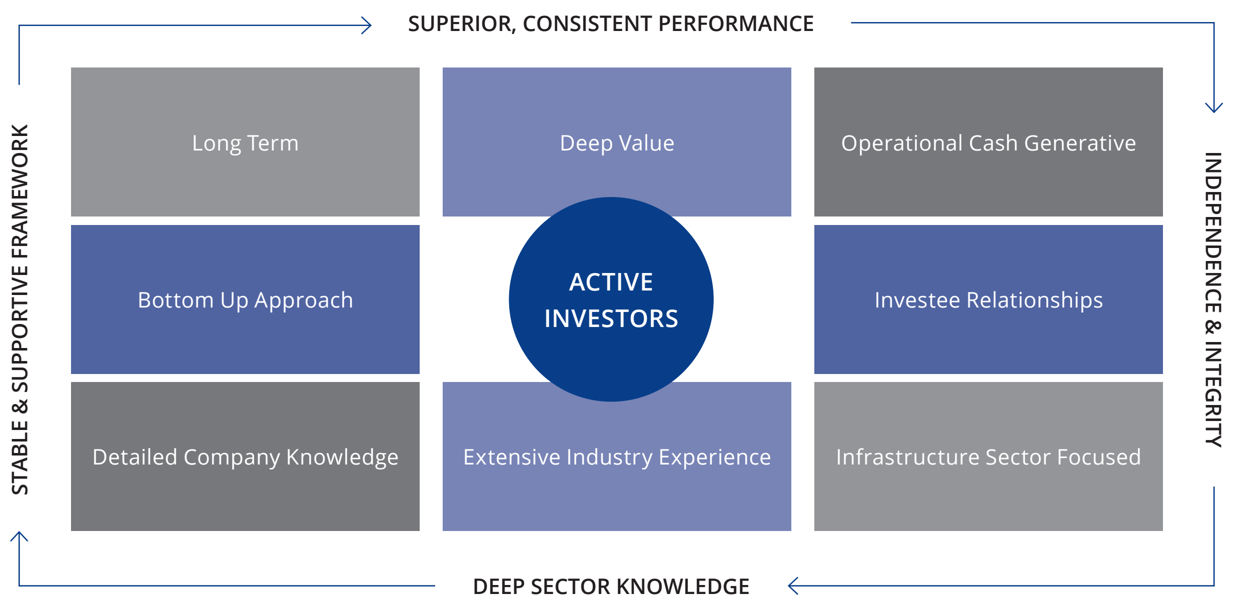
02 INTEGRATION

Incorporate the output of the 'Understanding' component into the full company analysis to ensure a clear and complete picture of the investment opportunity is obtained.

03 ENGAGEMENT

Engage with investee companies on the key issues on a regular basis, both virtually and on location, where possible, to discuss and identify any gaps in their ESG policy to further develop and improve their ESG disclosure and implementation.

We seek out and make compelling investments



ICM works to create value by harnessing our experience and expertise to generate and grow strong relationships with our stakeholders

We are focused on creating sustainable long-term value for our shareholders, team and the broader community through our:

VALUES

ICM's origins date back to 1988 and our organisation has evolved with offices now spanning the globe. We are focused on our values of:

- Independence and Integrity
- Creativity and Innovation
- Excellence
- Accountability

TEAM

We are proud of our diverse and inclusive environment for our teams to work in, which reflects the diversity of our communities.

INVESTMENT PRACTICES

Our deep and extensive research and understanding of the companies, sectors and markets we invest in moderates our risk and creates value for our investors. Our status as a signatory of the United Nations-supported Principles of Responsible Investment emphasises our commitment to integrating ESG factors into our investment decision making process.

FINANCIAL

Strong balance sheet and disciplined capital allocation to drive sustainable growth and shareholder value.

PLATFORMS

Technology, and digital and analytics enable our investment platforms to deliver growth for our shareholders.

COMMUNITIES

ICM supports the ICM Foundation, which has identified sustainable, effective and focused education where the biggest impact can be made on individuals and in communities. Over the past decade ICM and its stakeholders have contributed over USD 16.5m to not-for-profit and community organisations.

ESG SPOTLIGHT

The Board believes that it is in shareholders' interests to consider ESG factors when selecting and retaining investments and has asked the Investment Managers to take these into account when investing. Details of how ESG forms part of the integrated research analysis, decision-making and ongoing monitoring are set out on page 38. Where companies in the portfolio are assessed as having a relatively low ESG score ICM's approach is to engage with the companies directly with the objective of seeing improvements over time. Set out below are examples of the approach taken with two of UEM's investments.

ORIZON
VALORIZAÇÃO DE RESÍDUOS

A leader in Brazil offering a comprehensive range of waste management and value recovery solutions, from recycling through biogas and power generation.

ESG ANALYSIS:

Orizon has strong environmental credentials and its core business plays a crucial role in reducing greenhouse gas emissions. Orizon was the first company in Brazil to implement clean power generation systems at its ecoparks. The facilities can capture and treat the methane gas produced by decomposing waste, either for sale or for on-site use. The ecoparks handle approximately 10% of all compliantly treated waste volumes in Brazil, with this figure due to grow as capacity increases. On-site biogas power plants at two of Orizon's ecoparks have a generation capacity greater than 190,000 MWh per year, enough to supply power to 290,000 people.

ICM ESG CONCLUSION:

As a company that promotes the circular economy, Orizon is well placed to benefit from the opportunities that arise from climate change and the energy transition.

InPost
out of the box

A leading e-commerce logistics infrastructure player primarily in Poland operating automated parcel machines, with a growing presence in France and the UK.

ESG ANALYSIS:

InPost continues to be focused on its ESG commitments and has a comprehensive ESG approach. Although having an aggressive expansion policy, InPost has and continues to make good steps to reach its target of becoming climate neutral by 2025 in scope 1 and 2 emissions and the entire supply chain (including scope 3) by 2040.

ICM ESG CONCLUSION:

Only a year after InPost released its ESG strategy there is evidence of the strategy taking shape with the most significant achievement being the development of InPost's decarbonisation strategy. There is a clear path to implementation which will enable InPost to efficiently continue its ESG journey.

LARGEST HOLDINGS OVERVIEW

Rumo SA (Brazil)

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS

32.6%

(2022: 31.0%) OF TOTAL INVESTMENTS

THE VALUE OF THE TWENTY LARGEST HOLDINGS REPRESENTS

52.3%

(2022: 50.3%) OF TOTAL INVESTMENTS

THE VALUE OF THE THIRTY LARGEST HOLDINGS REPRESENTS

67.7%

(2022: 65.6%) OF TOTAL INVESTMENTS

THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS

81

(2022: 79)

The value of convertible securities represents 0.0% (2022: 1.8%) of the portfolio. The value of fixed income securities represents 3.4% (2022: 2.6%) of the portfolio.

TEN LARGEST HOLDINGS REVIEW

1

Country	UK
Sector	Renewables
Fair Value £'000s	28,607
% of total investments	5.2%

PETALITE LIMITED ("PETALITE") is an unlisted early-stage company based in the UK. Petalite has developed an innovative electric vehicle charging technology called SDC which offers greater reliability and efficiency than is currently available in the market, filing its first patent application in 2016.

UEM first invested in Petalite in March 2020, enabling it to validate the technology with certification of the Power Core modular unit. UEM's funding was augmented by Innovate UK awards, and to date Petalite has won seven grants totalling over £12.0m to support the UK's transition to net zero. This includes a £1.4m grant won in November 2022 for developing charging infrastructure for electric vertical take-off and landing aircraft.

In June 2022 strategic investor AM Impact Partners ("AMIP") invested in a funding round alongside UEM, which also converted its convertible loan note into equity as part of the transaction. AMIP co-founder Ashley Unwin was subsequently appointed Chairman of the Board, and Petalite has now established a go-to-market strategy to commercialise its technology in the coming year. At the end of March 2023, the carrying value of Petalite was increased to the valuation of the June 2022 fundraise.

2

Country	The Philippines
Sector	Ports and Logistics
Fair Value £'000s	26,584
% of total investments	4.9%

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. ("ICT") is a global port management company in the business of acquiring, developing, managing and operating container ports and terminals worldwide. ICT operates 33 terminals in 20 countries across six continents, handling 12.2m containers in 2022.

During 2022, ICT continued to benefit from the improvement in trade activities and easing of Covid-19 lock down restrictions, resulting in volumes for the full year 2022 increasing by 9.4%. Volume growth coupled with management's continued focus on improving container tariff rates and container mix, resulted in yields increasing 9.0% and gross revenues for FY22 increasing by 20.3%. Despite the inflationary pressures witnessed during the year, management's ongoing stringent cost control ensured that EBITDA for 2022 increased by 23.7% and EBITDA margin expanded to 62.8%, another record high. Adjusted net income was up by 43.3% with the dividend again increasing by 15.0% to PHP 10.0, which includes a special dividend of PHP 1.44, payable as ICT continues to experience an increasing free cash flow position.

ICT's share price decreased by 5.1% in the year to 31 March 2023. UEM increased its position in ICT by 4.2%.

3

Country	Brazil
Sector	Electricity
Fair Value £'000s	20,643
% of total investments	3.8%


Andre S Prietsch

ALUPAR INVESTIMENTO S.A. ("ALUPAR") is a holding company for assets focused on the electricity transmission and generation sectors in Brazil, Peru and Colombia. It has 30 transmission projects totalling 7,964km of electricity lines of which 6,974km are operational, and 822MW of renewable energy generation assets.

Over the past three years Alupar has been investing heavily in several new projects, expanding its transmission network kilometres by over 40% and commissioning a new 94MW hydro plant in Peru. All operational transmission lines are in Brazil with fixed revenue concession contracts which benefit from annual inflation adjustments. In July 2022 indexation increases of 11.7% for IPCA-linked concessions and 10.7% for IGPM-linked concessions were applied. These inflation adjustments, combined with the contribution of new projects resulted in underlying group revenue growth of 15.5% and EBITDA growth of 17.1% in its financial year to 31 December 2022. Dividends per share increased by 46%.

Alupar's share price decreased by 2.5% in the year to 31 March 2023. UEM's shareholding in Alupar was unchanged over the period.

4

Country	Brazil
Sector	Water and Waste
Fair Value £'000s	18,432
% of total investments	3.4%

ORIZON VALORIZACAO DE RESIDUOS S.A. ("ORIZON") is Brazil's leader in waste management and operates 15 sanitary landfill sites. Referred to as "ecoparks" by Orizon, these sites are sophisticated complexes which require specialised infrastructure to safely process waste. This includes sorting facilities to remove recyclable materials such as metals, plastics and cardboard; leachate collection and treatment; biogas extraction; and waste-to-energy services. With over 8.0m tons of waste processed in 2022, Orizon is the market leader in a highly fragmented market with 10.2% market share. The UN recognises the collection and use of biogas as directly reducing emissions, thereby qualifying Orizon's activities for carbon credits.

In 2022, Orizon acquired Estre's landfill assets, a milestone acquisition which almost doubled its processed volume. This acquisition will also increase significantly Orizon's capacity in value-added activities, like biogas extraction. In the financial year to 31 December 2022, Orizon delivered 65.0% and 76.0% pro forma revenue and EBITDA growth, respectively.

UEM's position in Orizon increased 68.7% in the year to 31 March 2023. Orizon's share price was up by 18.2% during the period.

TEN LARGEST HOLDINGS REVIEW (continued)

5

Gujarat State Petronet Limited
The Energy Lifeline of Gujarat

Country	India
Sector	Gas
Fair Value £'000s	17,085
% of total investments	3.1%

GUJARAT STATE PETRONET LIMITED ("GSPL") is the main gas transmission company in Gujarat State in India, controlled by Gujarat State Petronet, a government entity. GSPL has 2,700km of gas pipelines connected to domestic gas fields and LNG terminals. GSPL also has a 54% stake in Gujarat Gas, a listed city gas distribution company.

Elevated LNG prices have resulted in an extremely challenging operating environment for GSPL. In the twelve months to 31 March 2023, gas transmission volumes declined by 25.0% as the economic impact of high prices stifled demand and encouraged customers to switch to alternate fuel sources. Demand from the power sector plummeted by almost 75% as gas-fired electricity was uneconomic. However, several successive tariff increases offset this and preserved margins, with revenues and EBITDA increasing by 1.9% and 3.6% respectively. DPS relating to March 2023 year end was up by 150% on the prior year.

In the twelve months to 31 March 2023 GSPL's share price increased by 2.1%; UEM's shareholding in GSPL was unchanged over the period.

6

IndiGrid

Country	India
Sector	Electricity
Fair Value £'000s	15,057
% of total investments	2.8%

INDIA GRID TRUST ("INDIGRID") is an infrastructure investment trust listed on the Bombay Stock Exchange which owns power transmission assets in India. It has 42 lines totalling 7,790km and 12 substations, with the assets having an average of 29 years' remaining contract life. The trust is managed by KKR, which is also a 24% shareholder.

In November 2022, Indigrid completed the acquisition of the 208km Raichur Sholapur transmission project and subsequently signed an agreement with Sterlite to acquire the 626km KTL project. These two projects increase the AUM of the trust by 8.0% to INR228bn (USD 2.8bn). In the twelve months to 31 March 2023, revenue and EBITDA grew by 5.1% and 4.3% respectively. The trust is required to pay out at least 90% of cash flows, which is paid in quarterly dividends, and over the twelve-month period the aggregate dividends per unit were increased by 4.7%.

UEM's position in Indigrid was reduced by 8.4% in the period and during the year Indigrid's share price declined by 8.8%.

7

Country	Mexico
Sector	Airports
Fair Value £'000s	13,146
% of total investments	2.4%

GRUPO AEROPORTUARIO DEL CENTRO NORTE, S.A.B. DE C.V. ("OMA") is one of the three listed airport operators in Mexico that has a 50-year concession ending in 2048 to operate, manage and develop 13 international airports in central and northern Mexico. OMA's concession includes Monterrey International Airport, located in Mexico's second largest business and industrial centre, and contributes to 47.1% of total traffic. Of the 23.3m passengers handled by OMA in 2022, 88.3% were domestic and 11.7% international, with around two thirds of passengers travelling for corporate purposes rather than visiting family and friends or for leisure. FY22 passenger volumes were higher than pre-pandemic levels illustrating the robust recovery OMA has witnessed, which is reflected in the strong financial results, with full year 2022 revenues up by 34.0% YoY and up by 22.6% compared to pre-Covid-19 levels in 2019. Given the high operational leverage of an airport, EBITDA for FY22 was up 43.9% YoY and increased by 25.5% versus FY19 with EBITDA margin in FY22 reaching 71.2%. Net income was up by 26.5% for the year with dividends increasing 233.1%.

OMA's share price increased by 35.9% in the year to 31 March 2023, with UEM maintaining its position in OMA.

8

Country	Vietnam
Sector	Data Services and Digital Infrastructure
Fair Value £'000s	12,983
% of total investments	2.4%

FPT CORPORATION ("FPT") is a Vietnamese technology and telecommunications company. FPT provides IT services to large multinationals globally, and to the public sector and enterprise customers domestically. Additionally, FPT is a major provider of fixed line broadband, internet, data centre and cloud services in Vietnam though its FPT Telecom subsidiary.

2022 was another good year for FPT with strong growth reported in each of its three primary segments. The global IT services segment reported revenues growing by 30.1% to over USD 800m, and profit before tax ("PBT") up 22.9% in the year to 31 December 2022. Domestic IT services also reported impressive PBT growth of 19.2% on an 8.1% increase in sales. FPT Telecom reported revenue growth of 16.1% for the year and PBT advanced by 17.6% driven by a 9.0% increase in broadband subscribers and Pay TV customer growth of over 20.0%, as well as strong demand for its data centres. FPT continues to expand its broadband network into new districts and is investing in new long distance and undersea fibre to meet customers' increasing data demands. Overall, FPT reported consolidated revenue growth of 23.4% and a 22.2% growth in net profit attributable to shareholders.

FPT's share price declined by 11.3% for the year to 31 March 2023 (adjusted for the 20.0% bonus issue in June 2022). The MSCI Vietnam Index declined by 35.2% over the same period. UEM's position in FPT increased 6.5% during the year.

9

Country	India
Sector	Electricity
Fair Value £'000s	12,755
% of total investments	2.3%

POWER GRID CORPORATION OF INDIA ("POWERGRID") is the national electricity grid operator in India and is 51% owned by the Indian government. Powergrid transmits 45% of the country's power through 174,000km of transmission lines and 270 substations. Tariffs for most of its transmission lines are regulated and are calculated on a return on asset base.

With the rapid rollout of new renewable assets in India, there is a significant need for additional grid connectivity and capacity. As the dominant player, Powergrid has been in a strong position to win several Tariff Based Competitive Bidding auctions for new projects. In the twelve months to 31 March 2023, Powergrid reported INR 92bn in capital expenditure investing in new transmission line projects, with revenue growth of 9.5% and EBITDA increasing by 7.5%. Total dividends per share were flat even though the special dividend in the prior period was not repeated.

During the year Powergrid's share price increased by 4.0% and UEM's shareholding in Powergrid was unchanged.

10

Country	China
Sector	Telecommunications
Fair Value £'000s	12,489
% of total investments	2.3%

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED ("CITIC") is a telecommunications and IT services provider principally operating in and connecting Hong Kong, Macau and mainland China to the rest of the world with international voice, text message and secure data connections. Citic also provides data centre, cloud computing, cyber security and related services. Citic controls CTM, the dominant telecoms operator in Macau and Acclivis, a Singapore based IT services provider.

Despite the headwinds of low visitor numbers to Hong Kong and Macau and suppressed business confidence, especially in Macau, Citic reported pleasing results for the full year to 31 December 2022. Revenues grew by 6.6% in the year to 31 December 2022 and reported net profit was 10.7% higher than 2021. Citic raised dividends by 8.9%. Citic continues to report very strong growth of 52.4% for its corporate messaging services, driven by SMS notifications (e.g. for passcodes, payment verification and marketing applications). These services generated over HKD 2.5bn (USD 325m) in 2022, over a quarter of Citic's revenue.

Citic's share price rose by 11.1% in the year to 31 March 2023 and additionally Citic's shareholders received significant dividends during the period equating to 8.0% of the share price on 31 March 2022. UEM's position in Citic decreased 11.3% during the year.

STRATEGIC REPORT

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 EM.

STRATEGY AND BUSINESS MODEL

UEM invests in accordance with the objective set out 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).

The Company has a £50.0m committed multicurrency revolving facility with The Bank of Nova Scotia, London Branch until 15 March 2024. 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.

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 and special reserve.

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 2023 are set out in the attached accounts. The dividends in respect of the year, which total 8.45p per share, have been declared by way of four interim dividends.

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 EM total return Index
- 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 96 and 97.

Year ended 31 March	2023	2022
NAV total return per share (%)	2.1	14.9
MSCI EM total return Index (GBP adjusted) (%)	(5.0)	(6.9)
Share price (pence)	217.00	224.00
Discount to NAV (%)	(13.5)	(11.9)
Percentage of issued shares bought back during the year (based on opening share capital) (%)	5.8	3.0
Revenue earnings per share (pence)	9.40	8.17
Ongoing charges figure (%)	1.4	1.4

A graph showing the NAV total return performance compared to the MSCI EM total return Index, can be found on page 4. The ten-year record on page 98 shows historic data for the Company and its predecessor, UEM Limited.

Discount to NAV: The Board monitors the premium/discount at which the Company's shares trade in relation to its NAV. During the year the Company's shares traded at a discount relative to NAV in a range of 10.8% to 17.2% and an average discount of 13.8%. 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 12,531,811 shares were bought back and cancelled during the year, representing 5.8% 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 one quarterly dividend of 2.00p per share and three quarterly dividends, each of 2.15p per share, in respect of the year ended 31 March 2023. The fourth quarterly dividend will be paid on 23 June 2023 to shareholders on the register on 2 June 2023. The total dividend for the year was 8.45p per share (2022: 8.00p 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 for the year ended 31 March 2023 was 1.4% (2022: 1.4%). 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 2023, 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.

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. 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.

During the year the Audit & Risk Committee also discussed and monitored a number of emerging risks that could potentially impact the Company, the principal ones being geopolitical risk and climate change risk. The Audit & Risk Committee has determined that they are not currently sufficiently material to be categorised as separate key risks and are considered within investment risk and market risk below. The Covid-19 pandemic, which emerged in 2020, gave rise to significant challenges for businesses worldwide and this was also taken into account as part of the assessment of risks to the Company.

The principal risks and uncertainties currently faced by the Company and the controls and actions to mitigate those risks, are described below. 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 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 balance sheets, good cash flows, the ability to pay and sustain dividends, good asset bases and market conditions. In addition, ESG factors are also considered when selecting and retaining investments and political risks associated with investing in EM 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, geo-political confrontations, climate 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 programmes 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 95. The Audit & Risk Committee monitors the performance and controls (including business continuity procedures) of the service providers at regular intervals. All listed and a number of unlisted investments are held in custody for the Company by JPMorgan Chase Bank N.A. – London Branch. 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 2023, UEM had net gearing on net assets of 7.1%. 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.

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, reflecting the long-term strategy of the Company and is in line with the five-yearly cycle of the Company's continuation vote.

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 next opportunity for shareholders to vote on the continuation of the Company is at the AGM in September 2026.

As part of this assessment the Board considered a number of stress tests, including short term reverse stress testing, and scenarios which considered the impact of severe stock market and currency volatility on shareholders' funds over a five-year period. Initially, the Company's projections were adjusted to reflect a material reduction in the value of its investments in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. The first stress test considered a fall in markets of 30% in the first year with recovery of 10% per annum thereafter. A second test considered a fall in markets of 30% and adverse sterling movement, the Company's reporting currency, of 10% in the first year with a further fall in markets of 20% in the second year and no movement thereafter. The results demonstrated the impact on the Company's NAV, its expenses, and its ability to meet its liabilities over that period. As a result of this analysis, 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, including lenders. 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 49 to 54. 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, the Directors confirm that they have considered Section 172 factors when making decisions, including in relation to:

- the appointment of a joint broker and a regional marketing adviser, following a competitive pitch process;
- the repurchase of the Company's shares, in line with the Board's policy to buy back shares for cancellation in normal market conditions if they are trading at a discount in excess of 10%;
- the recommendation that shareholders vote in favour of the Company's dividend policy at the forthcoming AGM; and
- the recommendation that shareholders vote in favour of the renewal of the buyback and allotment authorities as set out in the notice of AGM.

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. The concept of responsible investing has always been a core component of the investment process and the Investment Managers employ a disciplined investment process that seeks to both uncover opportunities and evaluate potential risks, while striving for the best possible return outcomes. When reviewing any investment opportunity, the Investment Managers look to understand the relevant ESG issues in conjunction with the financial, macro and political drivers as part of its investment process, populating an internally built ESG framework due to lack of appropriate coverage from external providers. Relevant and material ESG opportunities and risks can meaningfully affect investment performance, therefore the consideration of ESG issues forms part of the integrated research analysis, decision-making and ongoing monitoring.

The Investment Managers believe that "G" is the core foundation on which all else is built, as strong governance within a company ensures that minority shareholder interests are aligned with other shareholders, management and stakeholders. The Investment Managers' "G" assessment therefore includes questions covering shareholders' rights, transparency and related parties, as well as audit and accounting, board composition and effectiveness, executive oversight and compensation. Each area is assessed and weighted, and the Investment Managers then apply an aggregated weighting towards "G" in line with the strong empirical evidence linking robust corporate governance and performance.

The "E" and "S" are also focal points for the Investment Managers, as assessing key environmental and social risks are essential to a long-term sustainable business model. The Investment Managers identify the most material "E" and "S" risks that are believed to affect each sector and companies are then assessed against each risk. The results from this analysis feed into an "E" and "S" score for each company reflecting, for each material risk, whether suitable/sustainable plans are in place, how clear the company has been in disclosing its approach and how well it is doing against its objective to manage such risk.

Where a portfolio company is assessed as having a relatively low "E", "S" and/or "G" score, ICM's approach is to engage with the company to see improvements over time. ESG considerations provide a way to identify and review the long-term drivers of an investment that are not found within the financial accounts, thereby enabling the Investment Managers to fully question a company's investment potential from a number of perspectives. Examples of ESG progress on two portfolio companies are set out on page 24.

Where possible, the Investment Managers aim to visit companies to access an in-person opportunity to ask management teams what they perceive to be the key operational, social, and environmental issues, as well as a chance to see assets operating first-hand. ESG disclosures are not always easy to understand given they may not be openly reported or consistently disclosed. The Investment Managers believe that engaging with companies directly is the best first step. Where necessary, the Investment Managers will question and challenge an investee company's management team directly to ensure a full understanding of any challenges and opportunities.

Given the Investment Managers are long term investors, engagement with management teams is and will remain paramount to the investment approach. On behalf of UEM as shareholder, the Investment Managers work actively with investee companies to incorporate stronger ESG principles and vote in a considered manner (including against resolutions) to drive positive change. As referred to above, the Investment Managers believe that governance factors are fundamental to an investment.

ICM is a signatory to the United Nations-supported Principles for Responsible Investment, which is an international network of investors working together to implement its six aspirational principles. The Investment Managers believe that good stewardship is essential and these principles align with its philosophy to protect and increase the value of its investments.

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 three male directors and two female directors. 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 52 and 53.

GREENHOUSE GAS EMISSIONS AND STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

All the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations. In addition, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

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 FINANCES 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 ESG issues, as outlined on page 38.

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 16 June 2023.

By order of the Board
ICM Investment Management Limited
Company Secretary

16 June 2023

INVESTMENT MANAGERS AND TEAM

ICMIM, a company authorised and regulated by the FCA, was the Company's AIFM during the year ended 31 March 2023 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 1.8bn

IN FUNDS DIRECTLY AND IS RESPONSIBLE INDIRECTLY FOR A FURTHER USD 22.5BN OF ASSETS IN SUBSIDIARY INVESTMENTS. ICM HAS OVER 80 STAFF BASED IN OFFICES IN BERMUDA, CAPE TOWN, DUBLIN, LONDON, SEOUL, 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 financial services, water and waste sectors. He is currently a director of Somers Limited and Waverton Investment Management 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 been a director in multiple companies in the financial services, utility, mining and technology sectors. He is currently a non-executive director of ASX listed Resimac Group Limited and H.R.L Morrison & Co Limited.

SENIOR CORE TEAM ASSISTING ON UEM INCLUDE:

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

Jonathan Groocock, deputy portfolio manager, 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. Mr Groocock qualified as a CFA charterholder in 2005 and is a non executive director of Petalite Limited.

Mark Lebbell 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 joined the Board in 2015 and was appointed Chairman in 2016. 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 a Fellow of the Institute of Chartered Accountants of England and Wales.

MARK BRIDGEMAN*

Mark Bridgeman joined the Board in 2021. He is UEM's Senior Independent Director and Chairman of the Remuneration Committee. His background is in fund management spending 19 years with Schroders plc with various roles including Emerging Markets Fund Manager and Global Head of Research. He left Schroders in 2009 to manage a rural estate and farming business in Northumberland and was formerly President of the Country Land & Business Association. He is currently a non-executive director of abrdn China Investment Company Limited.

SUSAN HANSEN

Susan Hansen joined the Board in 2013. She is a chartered accountant and MBA graduate and has worked in financial services since 1980. She is currently a director of Resimac Group Limited (see page 45) a non-bank lending company listed on the Australian Securities Exchange and the principal of a financial training organisation 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.

ISABEL LIU*

Isabel Liu joined the Board in 2021. She has over 25 years' global experience investing equity in infrastructure, including the AIG Asian Infrastructure Fund, the ABN AMRO Global Infrastructure Fund and was managing director of the Asia Pacific investment business of John Laing plc. More recently Isabel served as a non-executive director of Pensions Infrastructure Platform. She has been a board member of Transport Focus, the consumer watchdog for public transport and England's highways, and Heathrow Airport's Consumer Challenge Board. She is currently a non-executive director of Schroder Oriental Income Fund Limited and Gresham House Energy Storage Fund plc.

ERIC STOBART*

Eric Stobart joined the Board in 2019 and is Chairman of UEM's Audit & Risk Committee. He has spent most of his career in merchant and commercial banking, latterly as a senior executive at Lloyds Banking Group. He was for 12 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. Currently he chairs or is a member of the trustee board of three pension schemes with combined assets of some £2.7bn. Mr Stobart is a chartered accountant with an MBA from London Business School.

*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 2023.

STATUS OF THE COMPANY

UEM was incorporated on 7 December 2017. On 3 April 2018, as a result of the proposals to redomicile UEM Limited to the United Kingdom, the shareholders of UEM Limited exchanged all their shares in UEM Limited for shares in the Company on a one for one basis and UEM Limited became a wholly owned subsidiary of the Company. All the assets of UEM Limited were transferred to the Company and UEM Limited 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")

The Company is an Alternative Investment Fund ("AIF") falling within the scope of, and subject to, the requirements of the AIFMD. The Company has 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

In accordance with the Investment Management Agreement ("IMA"), the Company pays to ICMIM and ICM a management fee based on a tiered structure comprising 1.0% of NAV up to £500m; 0.9% of NAV above £500m up to £750m; 0.85% of NAV above £750m up to £1,000m; and 0.75% of NAV above £1,000m. This structure has been in place since 1 April 2021 and replaced the previous arrangement which comprised a management fee of 0.65% per annum of NAV together with a performance related fee. The management fee is payable quarterly in arrears, with such fee apportioned between ICMIM and ICM as agreed by them. The IMA may be terminated on not less than six months' notice in writing and further details of the amounts payable to ICMIM and ICM 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 considered 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 EM total return Index. 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 Investment Management Limited ("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 2023, all listed and a number of unlisted investments were 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.

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 2.00p per share was paid on 23 September 2022 and a dividend of 2.15p per share was paid on 16 December 2022 and 24 March 2023. A dividend of 2.15p per share was declared on 22 May 2023 and will be paid on 23 June 2023.

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 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. This is set out in note 25 to the accounts. 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 currently 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 49 to 54, 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 42. 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 AGM.

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 57.

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 2023 the issued share capital of the Company and the total voting rights were 202,212,256 shares. As at the date of this report, the share capital of the Company and total voting rights were 201,471,467 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 2023 the Company purchased 12,531,811 shares for cancellation. The current authority to repurchase shares was granted to Directors on 20 September 2022 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 net assets total return performance exceeds 10% 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 Limited.

CONTINUATION OF THE COMPANY

UEM has been established with an unlimited life although the Company's Articles of Association provide for a continuation vote to be put to shareholders every five years. The continuation vote was passed at the AGM held in 2021 and shareholders will therefore have further opportunities to vote on the continuation of the Company in 2026 and every fifth AGM 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
City of London Investment Management Company Limited	34,425,869	17.1
UIL Limited	20,126,014	10.0
Lazard Asset Management LLC	18,737,825	9.3
Rathbone Investment Management Limited	10,728,364	5.3
Ameriprise Financial, Inc.	10,127,839	5.0

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.

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 12 resolutions. Resolutions 1 to 10 (inclusive) will be proposed as ordinary resolutions and resolutions 11 and 12 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 2023 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 7 (inclusive) – Re-election of the Directors

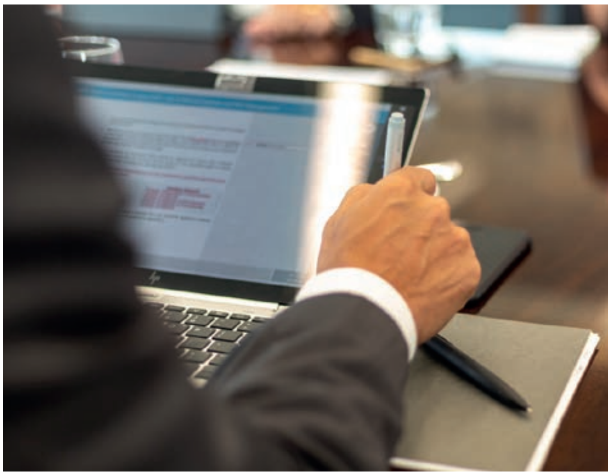
The biographies of the Directors are set out on page 42 and are incorporated into this report by reference.

Resolution 4 relates to the re-election of Mr John Rennocks. 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 5 relates to the re-election of Mr Mark Bridgeman. Mr Bridgeman's experience in the investment management industry and with other investment funds means that he brings significant expertise in investment matters to his role on the Board.

Resolution 6 relates to the re-election of Ms Isabel Liu. Ms Liu's long career in infrastructure investing brings in-depth knowledge and expertise in such matters to her role as Director.

Resolution 7 relates to the re-election of Mr Eric Stobart. 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.

Ordinary Resolutions 8 and 9 – 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 10 – 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 £201,470 per annum, which is equivalent to 20,147,000 ordinary shares of 1p each and represents approximately 10% 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 2024 unless renewed prior to that date at an earlier general meeting.

DIRECTORS' REPORT (continued)

Special Resolution 11 – 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. This resolution 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 £201,470 which is equivalent to 20,147,000 ordinary shares of 1p each and represents approximately 10% 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 2024 unless renewed prior to that date at an earlier general meeting.

Special Resolution 12 – Authority to buy back shares

This resolution seeks to renew the authority granted to the 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 30,200,000 ordinary shares (being approximately 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 2024.

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.

RECOMMENDATION

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

By order of the Board
ICM Investment Management Limited, Secretary

16 June 2023

CORPORATE GOVERNANCE STATEMENT

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
SENIOR INDEPENDENT DIRECTOR: Mark Bridgeman

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	MANAGEMENT ENGAGEMENT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
All independent NEDs CHAIRMAN: Eric Stobart	All independent NEDs CHAIRMAN: John Rennocks	The Board as a whole performs this function	All independent NEDs CHAIRMAN: Mark Bridgeman
KEY OBJECTIVE: • to oversee the financial reporting and control environment.	**KEY OBJECTIVES:** • to review the performance of the Investment Managers and the Administrator; and • to review the performance of other service providers.	**KEY OBJECTIVES:** • to regularly review the Board's structure and composition; and • to consider any new appointments.	**KEY OBJECTIVE:** • to set the remuneration policy for the Directors 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 management, 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 2023, 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
- 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. 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. Two board meetings a year are usually held in countries where the Company holds investments and, as part of its monitoring and risk management responsibilities, 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 2023 and the attendance by the Directors was as follows:

	Board	Audit & Risk Committee	Management Engagement Committee	Remuneration Committee
Number of meetings held during the year	4	3	1	1
John Rennocks	4	3	1	1
Mark Bridgeman	4	3	1	1
Susan Hansen	4	n/a	n/a	n/a
Isabel Liu	4	3	1	1
Anthony Muh (retired 20 September 2022)	2/2	1/1	1	1
Eric Stobart	4	3	1	1

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 chaired by Mr Stobart. Further details of the Audit & Risk Committee are provided in its report starting on page 58.

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 2023, 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 Bridgeman, comprises all the independent Directors of the Company. Further details are provided in the Directors' Remuneration Report on page 55.

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 2023 or subsequently up to the date of this report.

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 supports the principles of boardroom diversity, including gender and ethnicity, progressive refreshing and succession planning and such matters are discussed by the Board as a whole at least annually. The Company's policy is that the Board should be comprised of directors with a diverse range of skills, knowledge and experience and that any new appointments should be made on the basis of merit, against objective criteria including diversity. The Listing Rules, requires companies to report against the following three diversity targets:

(i) At least 40% of individuals on the board are women;

(ii) At least one of the senior board positions (defined in the Listing Rules as the chair, CEO, SID and CFO) is held by a woman; and

(iii) At least one individual on the board is from a minority ethnic background

As at 31 March 2023, UEM complies with targets (i) and (iii). As provided for in the Listing Rules, investment companies do not need to report against target (ii) if it is inapplicable. The Board believes that, since UEM is an externally managed investment company which does not have executive management functions, including the roles of CEO or CFO, this target is not applicable.

The Board has chosen to align its diversity reporting reference date with the Company's financial year end. As required by the Listing Rules, further details in relation to the three diversity targets are set out in the tables below. The information was obtained by asking each of the Directors how they wished to be categorised for the purposes of these disclosures:

31 March 2023	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)
Men	3	60%	
Women	2	40%	Not applicable
Other	–	–	See above
Not specified/prefer not to say	–	–	

31 March 2023	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)
White British or other White (including minority-white groups)	4	80%	
Mixed/Multiple Ethnic Groups	-	-	
Asian/Asian British	1	20%	Not applicable
Black/African/Caribbean/Black British	-	-	See above
Other ethnic group, including Arab	-	-	
Not specified/prefer not to say	-	-	

The Board currently consists of three men and two women. As referred to in the Chairman's statement, Ms Hansen has indicated her intention to retire from the Board at this year's AGM and the current intention is to continue as a Board of four Directors. This will mean that target (i) will not be complied with following 19 September 2023. Given the relatively small size of UEM's Board, any change in membership has a much greater impact on the representation of a particular group. The Board will continue to have regard to boardroom diversity, including gender and ethnicity, during its consideration of succession planning and future Board appointments.

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.

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 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 Senior Independent Director 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 factsheets 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, Senior Independent Director 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

16 June 2023

DIRECTORS' REMUNERATION REPORT

MARK BRIDGEMAN
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 62.

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. There were no changes to the remuneration policy during the year.

All the Directors invest the full amount of their fees (net of tax) in the shares of the Company. The review in respect of the year ending 31 March 2024 has resulted in the increases being applied to the annual fees as detailed in the table below.

Year ending 31 March	2024 £'000s	2023* £'000s
Chairman	52.5	50.0
Chairman of the Audit & Risk Committee	49.1	46.7
Directors	38.9	37.0

*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 20 September 2022. Of the votes cast, 99.95% were in favour and 0.05% 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 20 September 2022. Of the votes cast, 99.94% were in favour and 0.06% were against. A resolution to approve the remuneration policy will be put to shareholders at the AGM in 2025.

DIRECTORS' REMUNERATION REPORT (continued)

DIRECTORS' ANNUAL REPORT ON REMUNERATION (AUDITED)

A single figure for the total remuneration of each Director who served during the year ended 31 March 2023 is set out in the table below.

Director	2022/23 Shares purchased[(1)]	2022/23 Entitlement £[(2)]	2022/23 Taxable benefits £[(3)]	2022/23 Total £	2021/22 Shares purchased[(1)]	2021/22 Entitlement £[(2)]	2021/22 Taxable benefits £[(3)]	2021/22 Total £
John Rennocks (Chairman)	**12,982**	**50,000**	**–**	**50,000**	11,855	47,600	–	47,600
Mark Bridgeman	**9,819**	**37,000**	**451**	**37,451**	5,200	18,548	413	18,961
Susan Hansen	**17,340**	**37,000**	**1,000**	**38,000**	15,721	35,200	850	36,050
Isabel Liu	**12,432**	**37,000**	**–**	**37,000**	4,129	12,681	18	12,699
Gareth Milne[(4)]	**–**	**–**	**–**	**–**	4,050	16,697	–	16,697
Anthony Muh[(5)]	**8,191**	**17,409**	**1,000**	**18,409**	15,721	35,200	850	36,050
Eric Stobart	**11,933**	**46,725**	**–**	**46,725**	10,841	44,500	–	44,500
Totals	**72,697**	**225,134**	**2,451**	**227,585**	67,517	210,426	2,131	212,557

(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 comprise amounts reimbursed for expenses incurred in carrying out business for the Company

(4) Retired 21 September 2021

(5) Retired 20 September 2022

(6) There were no payments to third parties included in the fees referred to in the table above. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

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 2023 and the prior year. 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	2023 £'000s	2022 £'000s	Change £'000s
Aggregate Directors' emoluments	225	210	15
Aggregate dividends	17,239	17,379	(140)
Aggregate share buybacks	27,159	13,898	13,261

ANNUAL PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The following table sets out the annual percentage change in Directors' remuneration compared to the previous year.

Year ended 31 March	2023 Fees %	2022 Fees %	2021 Fees %
John Rennocks	5.0	3.5	0.0
Mark Bridgeman	5.1	n/a	n/a
Susan Hansen	5.1	3.5	0.0
Isabel Liu	5.1	n/a	n/a
Anthony Muh	5.1	3.5	0.0
Eric Stobart	5.0	3.5	0.0

DIRECTORS' BENEFICIAL SHARE INTERESTS (AUDITED)

The beneficial shareholdings of the Directors who served during the year are set out below:

As at 31 March	16 June 2023	31 March 2023	31 March 2022
John Rennocks[1]	208,227	208,227	192,343
Mark Bridgeman	15,019	15,019	3,337
Susan Hansen	162,150	162,150	140,921
Isabel Liu[2]	23,230	20,348	10,931
Anthony Muh	n/a	250,069[3]	239,998
Eric Stobart[4]	60,000	60,000	43,000

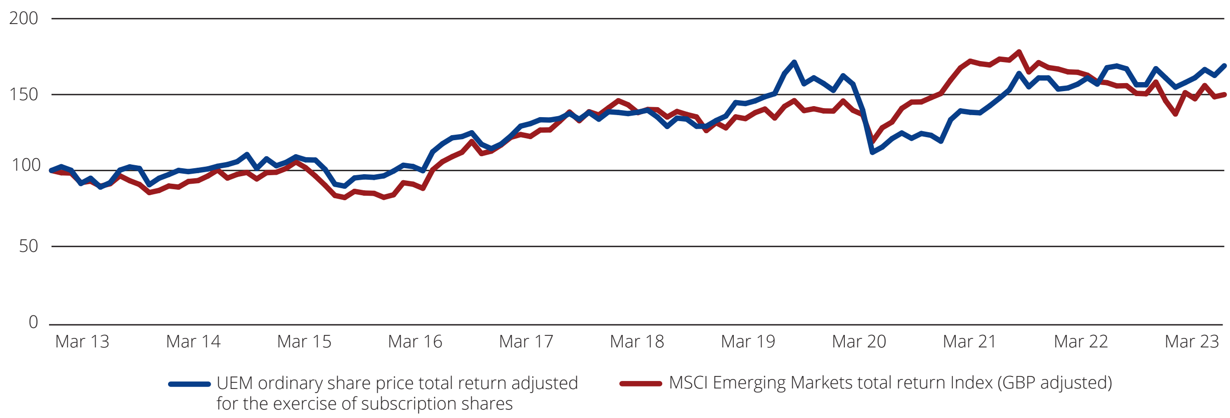
[1] Including 2,645 shares held by Mrs Rennocks
[2] The shares are held by Ms Liu's husband, Mak Lo Chiu
[3] As at 20 September 2022, the date Mr Muh retired from the Board
[4] Including 5,500 shares held by Mrs Stobart

COMPANY PERFORMANCE

Including the performance of UEM Limited, the graph below compares, for the ten years ended 31 March 2023, 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 EM total return Index. The MSCI EM total return Index has been used as the Company invests across a broad spread of emerging markets.

TOTAL RETURN COMPARATIVE PERFORMANCE

from 31 March 2013 to 31 March 2023



Rebased to 100 as at 31 March 2013

Source: ICM and Bloomberg

On behalf of the Board
Mark Bridgeman
Chairman of the Remuneration Committee

16 June 2023

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 2023.

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 2023, 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 Limited since 2012. 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 in 2020. 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 as the Board considers the auditor is best placed to provide this work. 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 £nil for the year ended 31 March 2023 (2022: £nil).

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 2023 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 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 it is satisfied that, taken as a whole, the annual financial report for the year to 31 March 2023 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.

AUDIT & RISK COMMITTEE REPORT (continued)

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 Audit & Risk Committee and partner rotation; and
- reasonableness of the audit fees.

For the year ended 31 March 2023, 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 36. 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

16 June 2023

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 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 UK adopted International Accounting Standards and the Companies Act 2006.

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, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted International Accounting Standards and of the Companies Act 2006;
- 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.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

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 16 June 2023 and signed on its behalf by:

John Rennocks
Chairman

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 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows 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 2023 and of its return for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 and Risk Committee.

We were first appointed as auditor by Directors on 7 February 2018. The period of total uninterrupted engagement is for the five financial years ended 31 March 2023. 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	£5.5m (2022:£5.7m) 1% (2022: 1%) of total assets	
Key audit matters		**vs 2022**
Recurring risks	Valuation of certain Level 3 Investments	▲
	Carrying amount of non – derivative level 1 investments	◀▶

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

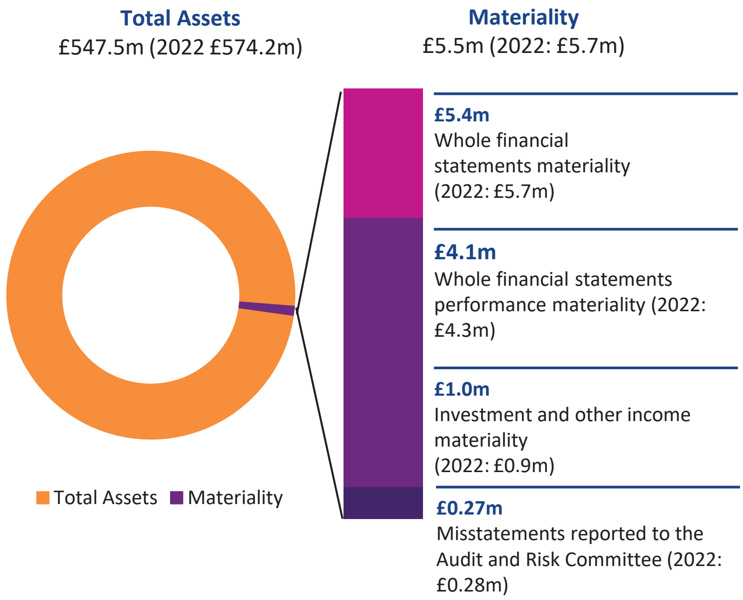
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect 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 2022), 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 certain level 3 investments (Certain specific investments within the total of level 3 investments of £58.7 million; 2022: £48.1million) *Refer to page 59 (Audit Committee Report), page 72 (accounting policy), pages 77 to 78 and 86 to 89 (financial disclosures).*	**Subjective Valuation** 10.7% (2022: 8.4%) 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, milestone analysis, revenue multiples and valuing fund interest by reference to their reported Net Asset Value. There is a significant risk over the judgements and estimates inherent in the valuation and therefore this is one of the key areas that our audit has focused on. The effect of this matter is that, as part of our risk assessment, we determined that certain level 3 investment valuations have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole The factors considered in assessing which unlisted investments were subject to significant risk included the quantum of the individual investment, performance of the investment, nature of the asset held as well as the estimation uncertainty of the methodology and inputs used. We assessed that the level of risk associated with this matter has increased in the year as both the quantum of the balance, and the level of judgement associated with certain unobservable inputs have increased. The quantum of the investments subject to the significant risk is £28.6m out of a total unlisted investment balance of £58.7m. The financial statements note 26(d) discloses the range/sensitivity estimated by the Company.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below: Our procedures included: — **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 valuation experience:** We challenged the investment manager on key judgements affecting investee company valuations, such as discount factors and the choice of benchmark for multiples. We compared key underlying operational and financial data inputs to external sources, 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 understanding of milestones completed during the year. We also obtained an understanding of existing and prospective investee company cash flows to understand 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; — **Our Corporate Finance Expertise:** Through the use of our Corporate Finance specialists, we assessed the valuation methodology and the completeness and accuracy of peer group comparable companies, as well as relevant benchmarks or multiples based on their knowledge and experience of the industry; and — **Assessing transparency:** We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of certain 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 certain Level 3 investments to be acceptable (2022: acceptable).

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

	The risk	Our response
Carrying amount of non-derivative Level 1 investments (£483.1m; 2022: £519.9m) *Refer to page 59 (Audit Committee Report), page 72 (accounting policy), pages 77 to 78 and 89 (financial disclosures).*	**Low risk, high value:** The Company's portfolio of non-derivative Level 1 investments makes up 88.2% (2022: 90.5%) 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.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence. Our procedures included: — **Tests of detail:** Agreed the valuation of 100% of non-derivative Level 1 investments in the portfolio to externally quoted prices; and — **Enquiry of custodians:** All investments in non-derivative level 1 investments were agreed 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 (2022: 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 £5.5m (2022: £5.7m), determined with reference to a benchmark of total assets, of which it represents 1% (2022: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2022 : 75%) of materiality for the financial statements as a whole, which equates to £4.1m (2022 : £4.3m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £1.0m (2022: £0.9m) and performance materiality of £0.8m (2022: £0.7m) to investment and other income, for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the Company's members' assessment of the financial performance of the Company.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.27m (2022: £0.28m), or £0.1m in relation to investment and other income (2022: £0.09m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

The scope of the audit work performed was fully substantive as we did not rely upon the Company's internal control over financial reporting.

4. 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").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and its ability to operate over this period were:

— The impact of a significant reduction in the valuation of investments and the implications for the Company's debt covenants;

— The liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due;

— The operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's liquid investment position (and the results of their stress testing).

We considered whether the going concern disclosure in note 1 and 25 of the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

— we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

— we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;

— we have nothing material to add or draw attention to in relation to the Directors' statement in note 1 and note 25 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 the going concern period, and we found the going concern disclosure in note 1 and note 25 to be acceptable; and

— the related statement under the Listing Rules set out on page 44 is materially consistent with the financial statements and our audit knowledge.

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 above conclusions are not a guarantee that the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

— Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;

— Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and

— Reading Board and Audit and Risk Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of level 3 investments. We evaluated the design and implementation of the relevant controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Based on these procedures, we selected journal entries for testing, which included material post-closing journal entries.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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 and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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), distributable profits legislation, and its qualification as an Investment Trust under UK taxation 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.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

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: money laundering, data protection, bribery and corruption legislation 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 and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. 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

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

— the directors' confirmation within the Strategic Report on page 34 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 how emerging risks are identified, 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.

6. We have nothing to report on the other information in the Annual Report (continued)

We are also required to review the viability statement, set out on page 36 and 37 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

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 judgements 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 perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- 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;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. 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.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 61, 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 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 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.

The Company will be including these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format

9. 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

16 June 2023

KPMG

STATEMENT OF COMPREHENSIVE INCOME

Notes		Revenue return £'000s (for the year to 31 March 2023)	Capital return £'000s (for the year to 31 March 2023)	Total return £'000s (for the year to 31 March 2023)	Revenue return £'000s (for the year to 31 March 2022)	Capital return £'000s (for the year to 31 March 2022)	Total return £'000s (for the year to 31 March 2022)
10	(Losses)/gains on investments	–	(8,389)	(8,389)	–	58,293	58,293
20	Foreign exchange (losses)/gains	–	(515)	(515)	–	1,333	1,333
3	Investment and other income	24,326	–	24,326	22,593	–	22,593
	Total income/(loss)	**24,326**	**(8,904)**	**15,422**	22,593	59,626	82,219
4	Management and administration fees	(1,394)	(4,336)	(5,730)	(1,451)	(4,240)	(5,691)
5	Other expenses	(1,651)	–	(1,651)	(1,590)	–	(1,590)
	Profit/(loss) before finance costs and taxation	**21,281**	**(13,240)**	**8,041**	19,552	55,386	74,938
6	Finance costs	(169)	(674)	(843)	(119)	(469)	(588)
	Profit/(loss) before taxation	**21,112**	**(13,914)**	**7,198**	19,433	54,917	74,350
7	Taxation	(1,638)	212	(1,426)	(1,500)	(1,188)	(2,688)
	Profit/(loss) for the year	**19,474**	**(13,702)**	**5,772**	17,933	53,729	71,662
8	**Earnings per share (basic) – pence**	**9.40**	**(6.61)**	**2.79**	8.17	24.49	32.66

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 for the year and therefore the profit for the year is also the total comprehensive income for the year, as defined in International Accounting Standard 1 (revised).

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

The notes on pages 72 to 89 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year to 31 March 2023

Notes		Ordinary share capital £'000s	Merger reserve £'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 2022	**2,148**	**76,706**	**197**	**459,736**	**(139)**	**7,268**	**545,916**
16,18, 19	Shares purchased by the Company and cancelled	**(125)**	**–**	**125**	**(27,159)**	**–**	**–**	**(27,159)**
20,21	(Loss)/profit for the year	**–**	**–**	**–**	**–**	**(13,702)**	**19,474**	**5,772**
9	Dividends paid in the year	**–**	**–**	**–**	**–**	**–**	**(17,155)**	**(17,155)**
	Balance as at 31 March 2023	**2,023**	**76,706**	**322**	**432,577**	**(13,841)**	**9,587**	**507,374**

for the year to 31 March 2022

Notes		Ordinary share capital £'000s	Merger reserve £'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 2021	2,213	76,706	132	473,634	(53,868)	6,879	505,696
16,18, 19	Shares purchased by the Company and cancelled	(65)	–	65	(13,898)	–	–	(13,898)
20,21	Profit for the year	–	–	–	–	53,729	17,933	71,662
9	Dividends paid in the year	–	–	–	–	–	(17,544)	(17,544)
	Balance as at 31 March 2022	2,148	76,706	197	459,736	(139)	7,268	545,916

The notes on pages 72 to 89 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Notes	as at 31 March	2023 £'000s	2022 £'000s
	Non-current assets		
10	Investments	**545,657**	571,686
	Current assets		
11	Other receivables	**1,444**	1,477
	Cash and cash equivalents	**456**	1,104
		1,900	2,581
	Current liabilities		
12	Other payables	**(3,461)**	(2,799)
13	Bank loans	**(35,102)**	–
		(38,563)	(2,799)
	Net current liabilities	**(36,663)**	(218)
	Total assets less current liabilities	**508,994**	571,468
	Non-current liabilities		
13	Bank loans	**–**	(23,662)
14	Provision for capital gains tax	**(1,620)**	(1,890)
	Net assets	**507,374**	545,916
	Equity attributable to equity holders		
16	Ordinary share capital	**2,023**	2,148
17	Merger reserve	**76,706**	76,706
18	Capital redemption reserve	**322**	197
19	Special reserve	**432,577**	459,736
20	Capital reserves	**(13,841)**	(139)
21	Revenue reserve	**9,587**	7,268
	Total attributable to equity holders	**507,374**	545,916
22	**Net asset value per share**		
	Basic – pence	**250.91**	254.22

The notes on pages 72 to 89 form part of these financial statements.

Approved by the Board on 16 June 2023 and signed on its behalf by

John Rennocks
Chairman

Utilico Emerging Markets Trust plc
Registered in England, No 11102129

STATEMENT OF CASH FLOWS

Year to 31 March	**2023 £'000s**	2022 £'000s
Operating activities		
Profit before taxation	**7,198**	74,350
Deduct investment income – dividends	**(22,671)**	(21,604)
Deduct investment income – interest	**(1,627)**	(988)
Deduct bank Interest received	**(28)**	(1)
Add back interest charged	**843**	588
Add back losses/(gains) on investments	**8,389**	(58,293)
Add back foreign exchange losses/(gains)	**515**	(1,333)
Increase in other receivables	**(31)**	(16)
Decrease in other payables	**(88)**	(4,701)
Net cash outflow from operating activities before dividends and interest	**(7,500)**	(11,998)
Interest paid	**(646)**	(600)
Dividends received	**22,417**	21,556
Investment income – interest	**475**	190
Bank interest received	**28**	1
Taxation paid	**(1,691)**	(2,465)
Net cash inflow from operating activities	**13,083**	6,684
Investing activities		
Purchase of investments	**(106,821)**	(122,600)
Sales of investments	**125,649**	176,372
Net cash inflow from investing activities	**18,828**	53,772
Financing activities		
Repurchase of shares for cancellation	**(27,159)**	(13,898)
Dividends paid	**(17,155)**	(17,544)
Drawdown of bank loans	**35,385**	52,101
Repayment of bank loans	**(24,440)**	(77,576)
Net cash outflow from financing activities	**(33,369)**	(56,917)
(Decrease)/increase in cash and cash equivalents	**(1,458)**	3,539
Cash and cash equivalents at the start of the year	**452**	(3,184)
Effect of movement in foreign exchange	**(20)**	97
Cash and cash equivalents as at the end of the year	**(1,026)**	452
Comprised of:		
Cash	**456**	1,104
Bank overdraft	**(1,482)**	(652)
Total	**(1,026)**	452

The notes on pages 72 to 89 form part of these financial statements.

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 UK adopted International Accounting Standards, 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 the Companies Act 2006.

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 July 2022, do not conflict with the requirements of International Financial Reporting Standards ("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 both equity and loans, 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 (including those ordinarily classified as subsidiaries under IFRS 10 but exempted by that financial reporting standard from requirement to be consolidated) 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. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy and information about the Company is provided internally on this basis to the Company's Directors and key management personnel. Gains and losses on investments and on derivatives are analysed within the Statement of Comprehensive Income as capital return. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board in accordance with IFRS and International Private Equity and Venture Capital Valuation Guidelines. In exercising its 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, net asset values, earnings multiples, recently orderly transactions in similar securities, time to expected repayment and other relevant factors (see key valuation techniques on pages 86 to 88).

(d) Subsidiary undertakings

Subsidiary undertakings of the Company, which are held as part of the investment portfolio (see note 1(c) above), 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 year 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 80% to capital return and 20% to revenue return.

– expenses incidental to the acquisition or disposal of Investments 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, by either purchasing shares in the market around each quarter end or, if the shares are trading at a premium to the net asset value, allotting new shares by dividing the net fee entitlement by the net asset value on the date of allotment.

(k) Finance costs

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

Finance costs are allocated 80% to capital return and 20% to revenue return.

(l) Taxation

Taxation currently payable is calculated using tax rules and rates in force at the year end, based on taxable profit for the year, 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 Limited received from the issue of new ordinary shares over the nominal value of such shares was 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 year 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 area requiring the most significant judgement and estimation in the preparation of the financial statements is the 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 10.8% of total investments as at 31 March 2022 (8.4% of total investments as at 31 March 2022).

3. INVESTMENT AND OTHER INCOME

Year to 31 March			2023			2022
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Investment income						
Dividends*	**22,671**	**–**	**22,671**	21,604	–	21,604
Interest	**1,627**	**–**	**1,627**	988	–	988
Total investment income	**24,298**	**–**	**24,298**	22,592	–	22,592
Other income						
Bank interest	**28**	**–**	**28**	1	–	1
Total income	**24,326**	**–**	**24,326**	22,593	–	22,593

*Includes scrip dividends of £346,000 (2022: £948,000)

4. MANAGEMENT AND ADMINISTRATION FEES

Year to 31 March			2023			2022
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Payable to: ICM/ICMIM						
– management, secretarial and research fees	**1,084**	**4,336**	**5,420**	1,124	4,496	5,620
– performance fee adjustment in respect of prior year	**–**	**–**	**–**	–	(256)	(256)
Administration fees	**310**	**–**	**310**	327	–	327
	1,394	**4,336**	**5,730**	1,451	4,240	5,691

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. 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 UK version of the EU Alternative Investment Fund Managers Directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority.

The annual management fee is a tiered structure as follows: 1.0% of NAV up to and including £500m; 0.9% of NAV exceeding £500m up to and including £750m; 0.85% of NAV exceeding £750m up to and including £1,000m; and 0.75% of NAV exceeding £1,000m, payable quarterly in arrears. The management fee is allocated 80% to capital return and 20% to revenue return. The investment management agreement may be terminated upon six months' notice.

ICMIM also provides company secretarial services to the Company, with the Company paying £70,000 (31 March 2022: £70,000) equivalent to 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 80% to capital return and 20% 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			2023			2022
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Auditor's remuneration:						
for audit services[1]	**111**	**–**	**111**	86	–	86
Broker and consultancy fees	**109**	**–**	**109**	128	–	128
Custody fees	**549**	**–**	**549**	648	–	648
Depositary fees	**129**	**–**	**129**	138	–	138
Directors' fees for services to the Company						
(see Directors' Remuneration Report on pages 55 to 57)	**225**	**–**	**225**	210	–	210
Travel expenses	**215**	**–**	**215**	5	–	5
Professional fees	**48**	**–**	**48**	118	–	118
Sundry expenses	**265**	**–**	**265**	257	–	257
	1,651	**–**	**1,651**	1,590	–	1,590

All expenses are stated gross of irrecoverable VAT, where applicable.

[1] Total auditor's remuneration for audit services, exclusive of VAT, amounted to £110,000, £100,000 for the year to 31 March 2023 and £10,000 for additional audit costs for the year to 31 March 2022 (2022: £85,000, £75,000 for the year to 31 March 2022 and £10,000 for additional audit costs for the year to 31 March 2021).

NOTES TO THE ACCOUNTS (continued)

6. FINANCE COSTS

Year to 31 March			2023			2022
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
On loans and bank overdrafts	**169**	**674**	**843**	119	469	588

7. TAXATION

(a) Analysis of charge in the year :

Year to 31 March			2023			2022
Tax on ordinary activities	**Revenue £'000s**	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
UK corporation tax at 19.0% (2022: 19.0%)	**–**	**–**	**–**	–	–	–
Overseas tax suffered	**1,638**	**–**	**1,638**	1,500	–	1,500
Capital gains tax	**–**	**58**	**58**	–	822	822
Deferred tax (see note 14)	**–**	**(270)**	**(270)**	–	366	366
Total tax charge for the year	**1,638**	**(212)**	**1,426**	1,500	1,188	2,688

The Company is liable to Indian capital gains tax and the deferred tax in the capital account is in respect of capital gains tax on Indian investment holding gains that will be taxed in future years on realisations of the investments.

(b) Factors affecting current tax charge for the year

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

Year to 31 March			2023			2022
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Net profit/(loss) before taxation	**21,112**	**(13,914)**	**7,198**	19,433	54,917	74,350
Corporation tax at 19.0%	**4,011**	**(2,644)**	**1,367**	3,692	10,434	14,126
Effects of:						
Non taxable dividend income	**(3,607)**	**–**	**(3,607)**	(3,476)	–	(3,476)
Non taxable capital returns	**–**	**1,692**	**1,692**	–	(11,329)	(11,329)
Overseas tax suffered	**1,638**	**–**	**1,638**	1,500	–	1,500
Excess expenses not utilised in the year	**–**	**–**	**–**	694	–	694
Tax attributable to expenses and finance costs charged to capital	**–**	**–**	**–**	(895)	895	–
Double taxation relief	**(265)**	**187**	**(78)**	(15)	–	(15)
Movement in tax losses that no deferred tax asset is recognised on	**(139)**	**765**	**626**	–	–	–
Capital gains tax	**–**	**(212)**	**(212)**	–	1,188	1,188
Total tax charge for the year	**1,638**	**(212)**	**1,426**	1,500	1,188	2,688

As at 31 March 2023, the Company had net surplus management expenses of £23,253,000 (2022: £19,957,000) and a non-trade loan relationship deficit of £299,000 (2022: £299,000), giving total unutilised tax losses of £23,552,000 (2022: £20,256,000). A deferred tax asset has not been recognised in respect of these tax losses because the Company is not expected to generate taxable income in the future in excess of the deductible expenses of those future periods and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of the existing management expenses and non-trade loan relationship deficit. The Company has an unrecognised deferred tax asset of £5.9m as at 31 March 2023 (2022: £5.0m) based on the corporation tax rate of 25% which took effect from 1 April 2023.

8. EARNINGS PER SHARE

Year to 31 March	2023 £'000s	2022 £'000s
Revenue return	**19,474**	17,933
Capital return	**(13,702)**	53,729
Total return	**5,772**	71,662
	Number	Number
Weighted average number of shares in issue during the year	**207,220,648**	219,416,396
	Pence	Pence
Revenue return per share	**9.40**	8.17
Capital return per share	**(6.61)**	24.49
Total profit per share	**2.79**	32.66

9. DIVIDENDS

Year to 31 March	Record date	Payment date	2023 £'000s	2022 £'000s
2021 Fourth quarterly dividend of 2.00p per share	**04-Jun-21**	**23-Jun-21**	**–**	4,415
2022 First quarterly dividend of 2.00p per share	**03-Sep-21**	**24-Sep-21**	**–**	4,393
2022 Second quarterly dividend of 2.00p per share	**03-Dec-21**	**17-Dec-21**	**–**	4,385
2022 Third quarterly dividend of 2.00p per share	**04-Mar-22**	**25-Mar-22**	**–**	4,351
2022 Fourth quarterly dividend of 2.00p per share	**06-Jun-22**	**24-Jun-22**	**4,250**	–
2023 First quarterly dividend of 2.00p per share	**02-Sep-22**	**23-Sep-22**	**4,164**	–
2023 Second quarterly dividend of 2.15p per share	**02-Dec-22**	**16-Dec-22**	**4,384**	–
2023 Third quarterly dividend of 2.15p per share	**03-Mar-23**	**24-Mar-23**	**4,357**	–
			17,155	17,544

The Directors have declared a fourth quarterly dividend in respect of the year ended 31 March 2023 of 2.15p per share payable on 23 June 2023 to shareholders on the register at close of business on 2 June 2023. The total cost of the dividend, which has not been accrued in the results for the year to 31 March 2023, is £4,334,000 based on 201,579,356 shares in issue at the record date, see note 16 for changes in share capital.

10. INVESTMENTS

Year to 31 March	2023 £'000s	2022 £'000s
Cost of investments brought forward	**523,644**	576,074
Net unrealised profits/(losses) brought forward	**48,042**	(10,323)
Valuation brought forward	**571,686**	565,751
Purchases at cost	**108,938**	124,508
Sales proceeds	**(126,638)**	(176,916)
(Losses)/profits on investments	**(8,329)**	58,343
Valuation as at 31 March	**545,657**	571,686
Analysed as at 31 March		
Cost of investments	**491,177**	523,644
Net unrealised gains on investments	**54,480**	48,042
Valuation	**545,657**	571,686

The Company received £126,638,000 (2022: £176,916,000) from investments sold in the year. The book cost of these investments when they were purchased was £141,405,000 (2022: £176,938,000). 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.

NOTES TO THE ACCOUNTS (continued)

Year to 31 March Gains/(losses) on investments	2023 £'000	2022 £'000
Net loss on investments sold	**(14,767)**	(22)
Other capital charges	**(60)**	(50)
Movement in unrealised gains	**6,438**	58,365
Total (losses)/gains on investments	**(8,389)**	58,293

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 2023 and as at 31 March 2022, 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	2023 Fair value £'000s	2022 Fair value £'000s
UEM (HK) Limited[(1)]	Hong Kong	1,000 ordinary shares	100	**1,498**	–
UEM Mauritius Holdings Limited[(2)]	Bermuda	Loan	100	**–**	–

(1) Incorporated on 26 January 2017 and commenced trading on 18 July 2017 to carry on business as an investment company (see note 24 for related party transactions).

(2) 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 IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following associated undertakings as at 31 March 2023 and 31 March 2022 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	Petalite Limited	Pitch Hero Holdings Limited
Country of incorporation	Isle of Man	United Kingdom	United Kingdom
Country of listing	Unlisted	Unlisted	Unlisted
Country of operations	Bulgaria & Romania	United Kingdom	United Kingdom
Number of ordinary shares held	155	10,725	62,874
Percentage of ordinary shares held	25.3%	28.6%	36.7%

Transactions with associated undertaking were as follows:

East Balkan Properties plc ("East Balkan")

During the year the Company received £1,303,000 from East Balkan Properties plc by way of a capital return.

Petalite Limited ("Petalite")

During the year the Company participated in an equity raise in Petalite, in which it invested £1.25m. At that time, the Company also converted its £1,000,000 investment of 10% convertible loan note into equity and the Company received loan interest of £131,000. At the year end the Company held 10,725 equity shares and continued to hold 29.4% of the undiluted shareholding of Petalite (31 March 2022: 29.4%). Factoring in dilutive options the Company's stake in Petalite is 28.6%.

Pitch Hero Holdings Limited ("Pitch Hero")

Pursuant to a loan agreement dated 1 March 2021 under which UEM has agreed to loan monies to Pitch Hero, UEM advanced to Pitch Hero a loan of £300,000. As at 31 March 2023, the balance of the loan and interest outstanding was £470,000 (31 March 2022: £158,000). The loan bears interest at an annual rate of 5.0% and is repayable on 1 March 2024.

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	**2023 % of class of instruments held**	2022 % of class of instruments held
Korean Internet Neutral Exchange Inc.	South Korea	Ordinary shares	**5.6**	4.8
Orizon Valorizacao De Residuos S.A.	Brazil	Ordinary shares	**3.9**	2.6
Telelink Business Services Group	Bulgaria	Ordinary shares	**13.9**	13.9
Umeme Limited	Uganda	Ordinary shares	**8.4**	8.4

11. OTHER RECEIVABLES

	2023 £'000s	2022 £'000s
Accrued income	**796**	796
Sales for future settlement	**548**	607
Overseas tax recoverable	**24**	29
Other debtors	**76**	45
	1,444	1,477

12. OTHER PAYABLES

	2023 £'000s	2022 £'000s
Bank overdraft	**1,482**	652
Interest payable	**221**	24
Other creditors and accruals	**1,758**	1,834
Purchases awaiting settlement	**–**	289
	3,461	2,799

13. BANK LOANS
– CURRENT LIABILITIES

	2023 £'000s	2022 £'000s
EUR 12.0m repayable March 2024	**10,544**	–
GBP 10.0m repayable March 2024	**10,000**	–
USD 18.0m repayable March 2024	**14,558**	–
	35,102	–

– NON-CURRENT LIABILITIES

	2023 £'000s	2022 £'000s
EUR 28.0m repayable March 2024	**–**	23,662

The Company has an unsecured committed senior multicurrency revolving facility of £50,000,000 with the Bank of Nova Scotia, London Branch expiring on 15 March 2024. 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. PROVISION FOR CAPITAL GAINS TAX

	2023 £'000s	2022 £'000s
Balance brought forward	**1,890**	1,524
(Decrease)/increase in provision for Indian tax on capital gains	**(270)**	366
Balance as at 31 March	**1,620**	1,890

Provision is made for deferred tax in respect of capital gains tax on chargeable investment holding gains in India.

15. 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.

16. ORDINARY SHARE CAPITAL

	Number	2023 £'000	Number	2022 £'000
Issued, called up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	**214,744,067**	**2,148**	221,273,374	2,213
Purchased for cancellation by the Company	**(12,531,811)**	**(125)**	(6,529,307)	(65)
Balance as at 31 March	**202,212,256**	**2,023**	214,744,067	2,148

During the year the Company bought back for cancellation 12,531,811 (2022: 6,529,307) ordinary shares at a total cost of £27,159,000 (2022: £13,898,000). A further 740,789 ordinary shares have been purchased for cancellation at a total cost of £1,661,000 since the year end.

17. MERGER RESERVE

	2023 £'000s	2022 £'000s
Balance brought forward and carried forward	**76,706**	76,706

18. CAPITAL REDEMPTION RESERVE

	2023 £'000s	2022 £'000s
Balance brought forward	**197**	132
Purchased for cancellation by the Company (see note 16)	**125**	65
Balance as at 31 March	**322**	197

19. SPECIAL RESERVE

	2023 £'000s	2022 £'000s
Balance brought forward	**459,736**	473,634
Purchased for cancellation by the Company (see note 16)	**(27,159)**	(13,898)
Balance as at 31 March	**432,577**	459,736

20. CAPITAL RESERVES

			2023			2022
	Realised £'000s	**Investment holding gains £'000s**	**Total £'000s**	Realised £'000s	Investment holding gains £'000s	Total £'000s
Realised losses on investments	**(14,767)**	**–**	**(14,767)**	(22)	–	(22)
Unrealised gains on investments	**–**	**6,438**	**6,438**	–	58,365	58,365
Foreign exchange (losses)/gains	**(515)**	**–**	**(515)**	1,333	–	1,333
Finance costs charged to capital	**(674)**	**–**	**(674)**	(469)	–	(469)
Expenses charged to capital	**(4,336)**	**–**	**(4,336)**	(4,240)	–	(4,240)
Capital gains tax	**212**	**–**	**212**	(1,188)	–	(1,188)
Other capital charges	**(60)**	**–**	**(60)**	(50)	–	(50)
	(20,140)	**6,438**	**(13,702)**	(4,636)	58,365	53,729
Balance brought forward	**(48,181)**	**48,042**	**(139)**	(43,545)	(10,323)	(53,868)
Balance as at 31 March	**(68,321)**	**54,480**	**(13,841)**	(48,181)	48,042	(139)

Included within the capital reserve movement for the year is £1,303,000 (2022: £3,975,000) of dividend receipts recognised as capital in nature, £189,000 (2022: £169,000) of transaction costs on purchases of investments and £251,000 (2022: £436,000) of transaction costs on sales of investments.

21. REVENUE RESERVE

	2023 £'000s	2022 £'000s
Balance brought forward	**7,268**	6,879
Revenue profit for the year	**19,474**	17,933
Dividend paid in the year	**(17,155)**	(17,544)
Balance as at 31 March	**9,587**	7,268

22. NET ASSET VALUE PER SHARE

The net asset value per share is based on the net assets attributable to the equity shareholders of £507,374,000 (2022: £545,916,000) and on 202,212,256 (2022: 214,744,067) shares, being the number of shares in issue at the year end.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2023	**Balance as at 31 March 2022 £'000s**	**Transactions in the year £'000s**	**Net cashflow £'000s**	**Foreign exchange loss £'000s**	**Balance as at 31 March 2023 £'000s**
Bank loans	**23,662**	**–**	**10,945**	**495**	**35,102**
Repurchase of shares for cancellation	**–**	**27,159**	**(27,159)**	**–**	**–**
Dividends paid	**–**	**17,155**	**(17,155)**	**–**	**–**
	23,662	**44,314**	**(33,369)**	**495**	**35,102**

2022	Balance as at 31 March 2021 £'000s	Transactions in the year £'000s	Net cashflow £'000s	Foreign exchange loss £'000s	Balance as at 31 March 2022 £'000s
Bank loans	50,373	–	(25,475)	(1,236)	23,662
Repurchase of shares for cancellation	–	13,898	(13,898)	–	–
Dividends paid	–	17,544	(17,544)	–	–
	50,373	31,442	(56,917)	(1,236)	23,662

24. RELATED PARTY TRANSACTIONS

The following are considered related parties of the Company: the subsidiary undertakings and the associated undertakings of the Company set out under note 10, the Board of UEM, ICM and ICMIM (the Company's joint portfolio managers), Mr Saville, Mr Jillings (a key management person of ICMIM) and UIL Limited.

As at 31 March 2022 the fair value of the loan held with UEM (HK) Limited was £12,543,000 and loan interest accrued was £52,000. In the year, UEM(HK) Limited repaid £2,120,000 and £879,000 loan interest was capitalised and added to the balance of the loan. As at 31 March 2023 the fair value of the loan held with UEM (HK) Limited was £10,118,000 and loan interest accrued was £71,000. As at 31 March 2023, the fair value of the equity holdings held in UEM(HK) Limited was £1,498,000 (2022: £nil). During the year the Company did not receive or make payments to UEM Mauritius Holdings Limited.

There were no transactions between the associated undertakings and the Company other than transactions in the ordinary course of UEM's business and these are set out in note 10. As detailed in the Directors' Remuneration Report on pages 55 to 57, the Board received aggregate remuneration of £225,000 (31 March 2022: £210,000) included within "other expenses" for services as Directors. As at the year end, £nil (31 March 2022: £nil) remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £45,000 (31 March 2022: £80,000) during the year under review in respect of their shareholdings in the Company. There were no further transactions with the Board during the year.

There were no transactions with ICM or ICMIM other than investment management, secretarial costs, research fees as set out in note 4 and reimbursed expenses included within Other Expenses of £134,000 (31 March 2022: £60,000). As at the year end £1,330,000 (31 March 2022: £1,393,000) remained outstanding in respect of management, company secretarial and research fees.

Mr Jillings received dividends totalling £38,000 (31 March 2022: £27,000) and UIL Limited received dividends totalling £2,051,000 (31 March 2022: £2,831,000). There were no transactions with Mr Saville in the year.

25. GOING CONCERN

Notwithstanding that the Company has reported net current liabilities of £36,663,000 as at 31 March 2023 (31 March 2022: £218,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The Board's going concern assessment has focused on the forecast liquidity of the Company for at least twelve months from the date of approval of the financial statements. This analysis assumes that the Company would, if necessary, be able to meet its short-term obligations through the sale of listed securities, which represented 89.2% of the Company's total portfolio as at 31 March 2023. As part of this assessment the Board has considered a severe but plausible downside that reflects the impact of the Company's key risks and an assessment of the Company's ability to meet its liabilities as they fall due assuming a significant reduction in asset values and accompanying currency volatility.

The Board also considered reverse stress testing to identify the reduction in the valuation of liquid investments that would cause the Company to be unable to meet its net liabilities, being primarily the bank loan. The Board is confident that the reduction in asset values implied by the reverse stress test is not plausible even in the current volatile environment.

As at the year end, the Company had a £50m multicurrency loan facility with Bank of Nova Scotia expiring on 15 March 2024. 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. Consequently, the Directors believe that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

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 in conformity with the requirements of Companies Act 2006 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 assesses exposure to market risks when making each investment decision and monitors 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 (2022: Brazilian Real, Hong Kong Dollar, Indian Rupee, South Korean Won, Phillipine Peso and United States Dollar) . The exchange rates applying against Sterling as at 31 March, and the average rates during the year, were as follows:

		2023	Average	2022
BRL	Brazilian Real	**6.2691**	**6.2078**	6.2567
HKD	Hong Kong Dollar	**9.7061**	**9.4513**	10.3112
INR	Indian Rupee	**101.6145**	**96.7972**	99.7692
MXN	Mexican Peso	**22.3253**	**23.7016**	26.2566
PHP	Philippine Peso	**67.2196**	**66.6092**	68.1301
USD	United States Dollar	**1.2364**	**1.2058**	1.3166

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:

2023	BRL £'000s	HKD £'000s	INR £'000s	MXN £'000s	PHP £'000s	USD £'000s	Other £'000s	Total £'000s
Current assets	**141**	**–**	**165**	**–**	**21**	**(1,060)**	**405**	**(328)**
Creditors	**–**	**–**	**(1,621)**	**–**	**–**	**(91)**	**(35,168)**	**(36,880)**
Foreign currency exposure on net monetary items	**141**	**–**	**(1,456)**	**–**	**21**	**(1,151)**	**(34,763)**	**(37,208)**
Investments	**109,417**	**59,737**	**56,669**	**29,267**	**26,584**	**35,623**	**169,234**	**486,531**
Total net foreign currency exposure	**109,558**	**59,737**	**55,213**	**29,267**	**26,605**	**34,472**	**134,471**	**449,323**
Percentage of net exposures (%)	**24.4**	**13.3**	**12.3**	**6.5**	**5.9**	**7.7**	**29.9**	**100.0**

NOTES TO THE ACCOUNTS (continued)

2022	BRL £'000s	HKD £'000s	INR £'000s	KRW £'000s	PHP £'000s	USD £'000s	Other £'000s	Total £'000s
Current assets	179	–	146	445	–	97	1,514	2,381
Creditors	–	–	(9)	–	–	(652)	(24,011)	(24,672)
Foreign currency exposure on net monetary items	179	–	137	445	–	(555)	(22,497)	(22,291)
Investments	109,839	69,722	64,347	31,022	26,510	28,054	183,708	513,202
Total net foreign currency exposure	110,018	69,722	64,484	31,467	26,510	27,499	161,211	490,911
Percentage of net exposures (%)	22.4	14.2	13.1	6.4	5.4	5.6	32.9	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:

						2023						2022
Weakening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**MXN £'000s**	**PHP £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	KRW £'000s	PHP £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**518**	**252**	**432**	**116**	**139**	**–**	266	222	441	64	–	–
Capital return	**12,157**	**6,637**	**6,297**	**3,252**	**2,954**	**3,958**	12,204	7,747	7,150	3,447	2,946	3,117
Total return	**12,675**	**6,889**	**6,729**	**3,368**	**3,093**	**3,958**	12,470	7,969	7,591	3,511	2,946	3,117
NAV per share												
Basic – pence	**6.12**	**3.32**	**3.25**	**1.63**	**1.49**	**1.91**	5.68	3.63	3.46	1.60	1.40	1.42

Strengthening of Sterling	**BRL £'000s**	**HKD £'000s**	**INR £'000s**	**MXN £'000s**	**PHP £'000s**	**USD £'000s**	BRL £'000s	HKD £'000s	INR £'000s	KRW £'000s	PHP £'000s	USD £'000s
Statement of Comprehensive Income return after tax												
Revenue return	**(518)**	**(252)**	**(432)**	**(116)**	**(139)**	**–**	(266)	(222)	(441)	(64)	–	–
Capital return	**(12,157)**	**(6,637)**	**(6,297)**	**(3,252)**	**(2,954)**	**(3,958)**	(12,204)	(7,747)	(7,150)	(3,447)	(2,946)	(3,117)
Total return	**(12,675)**	**(6,889)**	**(6,729)**	**(3,368)**	**(3,093)**	**(3,958)**	(12,470)	(7,969)	(7,591)	(3,511)	(2,946)	(3,117)
NAV per share												
Basic – pence	**(6.12)**	**(3.32)**	**(3.25)**	**(1.63)**	**(1.49)**	**(1.91)**	(5.68)	(3.63)	(3.46)	(1.60)	(1.40)	(1.42)

Interest rate exposure

			2023			2022
	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	**456**	**–**	**456**	1,104	–	1,104
Bank overdrafts	**(1,482)**	**–**	**(1,482)**	(652)	–	(652)
Loans	**(35,102)**	**–**	**(35,102)**	–	(23,662)	(23,662)
	(36,128)	**–**	**(36,128)**	452	(23,662)	(23,210)

Exposures vary throughout the year 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.

	2023 **2% increase in rate £'000s**	**2023** **2% decrease in rate £'000s**	2022 2% increase in rate £'000s	2022 2% decrease in rate £'000s
Revenue return	**(161)**	**161**	(86)	86
Capital return	**(562)**	**562**	(379)	379
Net assets	**(723)**	**723**	(465)	465

Other market risk exposures

The portfolio of investments, valued at £545,657,000 as at 31 March 2023 (2022: £571,686,000) 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:

	2023 **Increase in value**	**2023** **Decrease in value**	2022 Increase in value	2022 Decrease in value
Statement of Comprehensive Income capital return £'000s	**108,564**	**(108,564)**	113,743	(113,743)
NAV per share				
Basic – pence	**53.69**	**(53.69)**	52.97	(52.97)

(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 (73 valued at £486,694,000 as at 31 March 2023); and the existence of the Bank of Nova Scotia, London Branch loan facility agreement expiring on 15 March 2024.

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 has 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:

2023	**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	**1,482**	**–**	**–**	**1,482**
Bank loans and interest	**690**	**36,458**	**–**	**37,148**
Other payables	**428**	**–**	**–**	**428**
	2,600	**36,458**	**–**	**39,058**

2022	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	652	–	–	652
Bank loans and interest	112	267	24,002	24,381
Other payables	730	–	–	730
	1,494	267	24,002	25,763

(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.

Level 3 financial instruments Valuation methodology

The objective of using valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses proprietary valuation models, which are compliant with IPEV guidelines and IFRS 13 and which are usually developed from recognised valuation techniques. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows of the financial instrument being valued, determination of the probability of counterparty default and prepayments, peer group multiple and selection of appropriate discount rates.

Fair value estimates obtained from such models are adjusted for any other factors, such as controlling interest, historical and projected financial data, entity specific strengths and weaknesses, or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction.

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. The level 3 assets comprise of a number of unlisted investments at various stages of development and each has been assessed based on its industry, location and business cycle. The valuation methodologies include net assets, discounted cash flows, cost of recent investment or last funding round, or listed peer comparison or peer group multiple as appropriate. Where applicable, the Directors have considered observable data and events to underpin the valuations. A discount has been applied, where appropriate, to reflect both the unlisted nature of the investments and business risks.

Sensitivity of level 3 financial investments measured at fair value to changes in key assumptions.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. While the Directors believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The sensitivities shown in the table below give an indication of the effect of applying reasonable and possible alternative assumptions.

In assessing the level of reasonably possible outcomes consideration was also given to the impact on valuations of the increased level of volatility in equity markets since early 2022, principally reflecting concerns about increasing rates of inflation, tightening energy supplies, rising interest rates and the Ukraine war. The impact on the valuations has been varied and largely linked to their relevant sectors and this has been reflected in the level of sensitivities applied.

For each unlisted holding valued over £5.0m, the significant valuation inputs have been sensitised by a percentage deemed to reflect the relative degree of estimation uncertainty.

The following table shows the sensitivity of the fair value of level 3 financial investments to changes in key assumptions.

As at 31 March 2023

Investment	**Investment type**	**Valuation methodology**	**Risk weighting**	**Sensitivity +/-**	**Carrying amount £'000s**	**Sensitivity £'000s**
Petalite	**Equity**	**Last funding round**	**High**	**50%**	**28,607**	**14,304**
UEM (HK) Limited	**Equity/Loan**	**NAV**	**Low**	**10%**	**11,615**	**1,162**
Conversant Pte Ltd	**Equity**	**Last funding round**	**Medium**	**20%**	**7,877**	**1,575**
Other investments	**Equity**	**Various**	**Medium**	**20%**	**5,956**	**1,191**
Other investments	**Equity**	**Various**	**Low**	**10%**	**4,187**	**419**
Other investments	**Loans**	**Discounted cash flows**	**Medium**	**20%**	**450**	**90**
Total					**58,692**	**18,741**

As at 31 March 2022

Investment	Investment type	Valuation methodology	Risk weighting	Sensitivity +/-	Carrying amount £'000s	Sensitivity £'000s
Petalite	Equity	Milestone analysis	High	40%	17,621	7,048
UEM (HK) Limited	Loan	NAV	Low	10%	12,543	1,254
Conversant Pte Ltd	Equity	Last funding round	Medium	20%	7,267	1,453
Other investments	Equity	Various	Medium	20%	6,547	1,309
Other investments	Equity	Various	Low	10%	3,632	363
Other investments	Equity	Last funding round	High	30%	350	105
Other investments	Loans	Various	High	30%	150	45
Total					48,110	11,577

Petalite

UEM holds 10,725 ordinary shares in Petalite and, as at 31 March 2023, carried this investment at £28.6m. The cost of this investment was £2.8m (2022: £1.5m).

Valuation Methodology: Petalite has been valued based on the most recent equity fundraising event that occurred in June 2022. Petalite is an unlisted early stage company based in the UK. Petalite has developed an innovative electric vehicle charging technology which offers greater reliability and efficiency than is currently available in the market, filing its first patent application in 2016. Petalite has validated the technology with certification of the Power Core modular unit. In the period since the last fundraising, Petalite has progressed satisfactorily and has established a go-to-market strategy to commercialise its technology in the coming year. While the Directors consider that the last fundraise price remains representative of fair value as at 31 March 2023, Petalite's fair value has been given a sensitivity of 50% (2022: 40%) reflecting the high level of uncertainty due to the length of time since the last fundraise and the fact that the company remains pre-revenue. As Petalite has yet to commercialise its technology and is pre-revenue it remains reliant on external funding.

Key valuation inputs: Most recent fundraise price of £2,667 per ordinary share. A triangulation exercise utilising Petalite's peer multiples has been carried out to support this valuation.

Sensitivities: Should the value of Petalite move by 50% the gain or loss would be £14.3m.

UEM (HK) Limited

Valuation methodology: UEM (HK) Limited holds CGN Capital Partners Infra Fund 3 ("CGN"). The Company has used CGN's NAV and carried its investment at £11.6m as at 31 March 2023 (2022: £12.5m). The cost of this investment was £8.7m (2022: £9.4m). CGN is a Chinese wind and solar farm developer and operator in mainland China and its NAV was valued using valuation techniques consistent with IFRS and is subject to annual audit. CGN's financial assets at fair value are all unlisted equity investments, with fair value estimated by the method of discounted cash flow and these investments have been given a sensitivity of 10% (2022: 10%) to reflect a degree of uncertainty over the managers valuations.

Key valuation inputs: Market value for portfolio of investments.

Sensitivities: Should the value of UEM (HK) Limited move by 10% the gain or loss would be £1.2m.

Conversant Pte Ltd ("Conversant")

The Company holds 2,158,246 ordinary shares in Conversant and, as at 31 March 2023, carried this investment at £7.9m. The cost of this investment was £4.7m (2022: £4.7m).

Valuation Methodology: Conversant has been valued based on the most recent equity fundraising event that occurred in June 2022. Conversant is a Singapore incorporated content delivery network provider primarily for delivery of media as well as security for both websites and media delivery. Conversant has performed satisfactorily and its revenues have increased in the period since the last fundraising. While the Directors consider that the last fundraise price remains representative of fair value as at 31 March 2023, Conversant's fair value has been given a sensitivity of 20% (2022: 20%) to reflect a level of uncertainty due to the length of time since the last fundraise.

Key valuation inputs: Most recent fundraise price of SGD 6.00 per ordinary share.

Sensitivities: Should the value of Conversant move by 20% the gain or loss would be £1.6m.

(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 16. Dividend payments are set out in note 9. Loans are set out in note 13.

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 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments	**483,146**	**3,818**	**58,693**	**545,657**

As at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	519,853	3,723	48,110	571,686

2022: During the year one stock with value of £1.7m was transferred from level 1 to level 2 due to the investee company shares trading irregularly, three stocks with value of £8.0m were transferred from level 2 to level 1 due to the investee companies shares resuming regular trading in the year, one stock with value of £0.8m was transferred from level 3 to level 1 due to the investee company shares becoming listed and one stock transferred from level 1 to level 3 at nil value due to the investee company shares being suspended from trading. The book costs and fair values were transferred using the 31 March 2021 balances except for the stock that was suspended, the book cost and fair value transferred at the time of suspension.

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

	2023 £'000	2022 £'000
Balance brought forward	**48,110**	20,869
Transfer to level 1	**–**	(828)
Purchases	**3,691**	7,205
Sales	**(4,423)**	(255)
Gains/(losses) on investments sold in the year	**1,760**	(1,764)
Gains on investments held at end of year	**9,555**	22,883
Balance as at 31 March	**58,693**	48,110

Analysed as at 31 March		
Cost of investments	**29,484**	28,456
Gains on investments	**29,209**	19,654
Valuation	**58,693**	48,110

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 https://www.icm.limited/icm-investment-management.
The Company's maximum and actual leverage as at 31 March are shown below

		2023
Leverage exposure	**Gross method**	**Commitment method**
Maximum permitted limit	**300%**	**300%**
Actual	**107%**	**107%**

		2022
Leverage exposure	Gross method	Commitment method
Maximum permitted limit	300%	300%
Actual	105%	105%

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 years to 31 March 2023 and 31 March 2022, 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 UK version of the EU regulation 2015/2365 on transparency of SFT which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended.

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, 19 September 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 10, as ordinary resolutions and, in the case of resolutions 11 and 12, 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 2023, together with the report of the auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2023.
3. To approve the Company's dividend policy to pay four interim dividends per year.
4. To re-elect Mr John Rennocks as a Director.
5. To re-elect Mr Mark Bridgeman as a Director.
6. To re-elect Ms Isabel Liu as a Director.
7. To re-elect Mr Eric Stobart as a Director.
8. 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.
9. To authorise the Directors to determine the auditor's remuneration.

SPECIAL BUSINESS

Ordinary resolution

10. 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 £201,470 (being 10% 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 2024 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

11. That, in substitution for all existing authorities and subject to the passing of resolution 10, 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 10, 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 2024, 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 £201,470 (representing 10% 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.

12. 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 30,200,000 (being 14.99% of the Company's issued ordinary share capital, excluding treasury shares of the Company, 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) that stipulated by article 5(6) of the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019; 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 2024 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.

By order of the Board
ICM Investment Management Limited
Company Secretary

16 June 2023

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 10:00 a.m. on 15 September 2023. 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.eproxyappointment.com/login. 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 10:00 a.m. on 15 September 2023. 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 10:00 a.m. on 15 September 2023. Instructions on how to vote through CREST can be found by accessing the CREST manual via www.euroclear.com. 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 10:00 a.m. on 15 September 2023. 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 16 June 2023 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consisted of 201,471,467 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 Notice are 201,471,467.
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 7 August 2023 (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)
Mark Bridgeman
Susan Hansen
Isabel Liu
Eric Stobart, FCA

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
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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

BROKERS
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

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation 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
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Bristol BS13 8AE

Telephone +44 (0370) 707 1375

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

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PUBLIC RELATIONS
Montford Communications Limited
2nd Floor, Berkeley Square House
Berkeley Square
Mayfair
London W1J 6BD

Telephone + 44 (0)20 7887 6287

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 2023 the share price was 217.00p (2022: 224.00p) and the NAV per share was 250.91p (2022: 254.22p), the discount was therefore 13.5% (2022: 11.9%).

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

Year to 31 March	*Page*	**2023 £'000s**	2022 £'000s
Bank overdrafts	*79*	**1,482**	652
Bank loans	*70*	**35,102**	23,662
Cash	*70*	**(456)**	(1,104)
Total debt		**36,128**	23,210
Equity holders' funds	*70*	**507,374**	545,916
Gearing (%)		**7.1**	4.3

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 year to the increase or decrease in the NAV or share price in the year. 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 2023	**Dividend rate (pence)**	**NAV (pence)**	**Share price (pence)**
31 March 2022	**n/a**	**254.22**	**224.00**
24 June 2022	**2.00**	**238.47**	**208.00**
23 September 2022	**2.00**	**260.38**	**221.00**
16 December 2022	**2.15**	**234.69**	**204.00**
24 March 2023	**2.15**	**246.23**	**210.00**
31 March 2023	**n/a**	**250.91**	**217.00**
Total return (%)		**2.1**	**0.8**

Year to 31 March 2022	Dividend rate (pence)	NAV (pence)	Share price (pence)
31 March 2021	n/a	228.54	197.50
23 June 2021	2.000	250.93	224.00
24 September 2021	2.000	248.92	220.00
17 December 2021	2.000	243.91	216.00
25 March 2022	2.000	247.03	214.00
31 March 2022	n/a	254.22	224.00
Total return (%)		14.9	17.6

NAV/share price total return since inception – the return to shareholders calculated on a per share basis by adding dividends paid in the year and adjusting for the exercise of warrants and subscription shares in the year to the increase or decrease in the NAV/share price in the year. 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.

Total return since inception	NAV 31 March 2023	Share price 31 March 2023	NAV 31 March 2022	Share price 31 March 2022
NAV/Share price 20 July 2005 (pence)[1]	**98.36**	**100.00**	98.36	100.00
Total dividend, warrants and subscription shares adjustment factor	**1.88776**	**1.98031**	1.82499	1.90409
NAV/Share price at year end (pence)	**250.91**	**217.00**	254.22	224.00
Adjusted NAV/Share price at year end (pence)	**473.66**	**429.73**	463.95	426.52
Total return (%)	**381.6**	**329.7**	371.7	326.5

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

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 2023	31 March 2022
Annual compound NAV total return since inception (%)	**9.3**	9.7

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 share.

Ongoing charges calculation (excluding performance fee)	*Page*	31 March 2023 £'000s	31 March 2022 £'000s
Management and administration fees	*68*	**5,730**	5,947
Other expenses	*68*	**1,651**	1,590
Total expenses for ongoing charges calculation		**7,381**	7,537
Average net asset values of the Company		**512,080**	532,661
Ongoing Charges (%)		**1.4**	1.4

HISTORICAL PERFORMANCE

as at 31 March	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NAV total return per ordinary share[1] (annual) (%)	**2.1**	14.9	30.2	(24.9)	3.5	6.6	26.2	1.7	12.4	(3.4)	20.9
Share price total return per ordinary share[1] (annual) (%)	**0.8**	17.6	27.3	(23.2)	5.4	7.1	24.9	(1.8)	8.2	(2.6)	20.8
Annual compound NAV total return[1] (since inception) (%)	**9.3**	9.7	9.4	8.1	11.0	11.7	12.1	10.9	11.9	11.8	13.9
Undiluted NAV per ordinary share[1] (pence)	**250.91**	254.22	228.54	181.84	249.84	247.22	251.72	206.45	209.79	192.38	205.49
Diluted NAV per ordinary share (pence)	**250.91[2]**	254.22[2]	228.54[2]	181.84[2]	249.84[2]	247.22[2]	241.29	202.52	209.79[2]	192.38[2]	205.49[2]
Ordinary share price (pence)	**217.00**	224.00	197.50	161.50	217.90	212.00	214.50	178.50	188.50	180.00	191.20
Discount[3] (%)	**(13.5)**	(11.9)	(13.6)	(11.2)	(12.8)	(14.2)	(11.1)	(11.9)	(10.1)	(6.4)	(7.0)
Earnings per ordinary share (basic)											
- Capital (pence)	**(6.61)**	24.49	45.73	(68.29)	(0.12)	4.66	44.46	(5.50)	18.53	(12.13)	30.71
- Revenue (pence)	**9.40**	8.17	8.13	7.88	7.47	9.27	7.80	8.23	4.98	4.80	5.20
Total (pence)	**2.79**	32.66	53.86	(60.41)	7.35	13.93	52.26	2.73	23.51	(7.33)	35.91
Dividends per ordinary share (pence)	**8.450**	8.000	7.775	7.575	7.200	7.000	6.650	6.400	6.100	6.100	5.800
Gross assets[4] (£m)	**542.5**	569.6	556.1	461.4	581.9	579.8	579.0	455.2	479.2	433.4	452.1
Equity holders' funds (£m)	**507.4**	545.9	505.7	414.3	574.2	579.8	532.2	436.6	447.4	410.2	442.9
Ordinary shares bought back (£m)	**27.2**	13.9	12.1	4.8	9.5	21.9	10.0	3.0	–	3.9	–
Net (overdraft)/cash (£m)	**(1.0)**	0.5	(3.2)	39.5	11.7	8.1	15.3	12.6	0.5	(0.9)	2.6
Bank loans (£m)	**(35.1)**	(23.7)	(50.4)	(47.1)	(7.8)	0.0	(46.8)	(18.7)	(31.9)	(23.1)	(9.2)
Net (debt)/cash (£m)	**(36.1)**	(23.2)	(53.6)	(7.6)	3.9	8.1	(31.5)	(6.1)	(31.4)	(24.0)	(6.6)
Net (gearing)/cash on net assets (%)	**(7.1)**	(4.3)	(10.6)	(1.8)	0.7	1.4	(5.9)	(1.4)	(7.0)	(5.9)	(1.5)
Management and administration fees and other expenses											
- excluding performance fee[5] (£m)	**7.4**	7.3	5.0	6.4	5.9	5.7	5.2	4.5	4.6	3.7	3.4
- including performance fee[5] (£m)	**7.4**	7.3	10.1	6.4	5.9	5.7	14.3	4.5	7.7	3.7	12.9
Ongoing charges figure[1]											
- excluding performance fee (%)	**1.4[5]**	1.4[5]	1.1	1.1	1.0	1.0	1.1	1.1	1.1	0.9	0.8
- including performance fee (%)	**1.4[5]**	1.4[5]	2.1	1.1	1.0	1.0	2.9	1.1	1.8	0.9	3.2

[1] See Alternative Performance Measures on pages 96 and 97
[2] There was no dilution
[3] Based on diluted NAV
[4] Gross assets less liabilities excluding loans
[5] Investment Management Agreement amended from 1 April 2021 and the performance fee discontinued

EMERGING CITIES | EMERGING WEALTH | EMERGING OPPORTUNITIES

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