

**ABOUT US:** UEM is a closed end investment company, traded on the London Stock Exchange, registered in Bermuda. Registered No 36941

**OBJECTIVE:** To provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

**INVESTMENT APPROACH:** To seek to invest 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.

## MAY 2017

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	244.36p
NAV (undiluted cum income)	255.33p
Share Price	221.50p
(Discount) / Premium to diluted NAV	(9.4%)
NAV Total Return since launch *	286.2%
Annual average compound return *	12.0%
Historic Dividend paid per share (last 12 months)	6.58p
Historic Dividend Yield (last 12 months)	3.0%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,406,551

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	32.50p
Shares in issue	37,828,282
Exercise Price	183.00p
Exercise Dates (last business day of each)	Aug 17 and Feb 18

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£589.2m
Bank Debt	£49.4m
Shareholders' Funds	£539.8m
Gearing (based on AIC definition)	8.9%

GEARING AIC – standardised gearing calculation as recommended by the AIC is based on net assets

### MANAGEMENT & ADMINISTRATIVE FEES

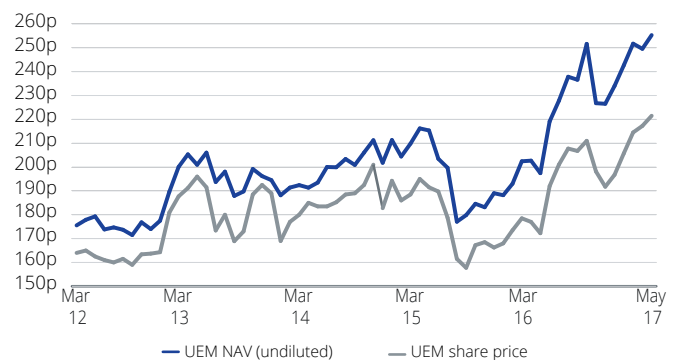
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£220k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that financial year

### INVESTMENT MANAGERS

Utilico Emerging Markets Limited is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

[www.icm.limited](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.limited)

### ORDINARY SHARES PERFORMANCE



### PERFORMANCE (Total return\*)

	1 month	3 months	1 year	3 years	Inception
Share Price	2.0%	8.7%	33.6%	34.4%	239.3%
Net Asset Value	2.3%	6.1%	33.8%	45.5%	286.2%

### ROLLING 12 MONTH PERFORMANCE (Total return\*)

12 Months to	May 17	May 16	May 15	May 14	May 13
Share Price	33.6%	(6.7%)	7.8%	(0.9%)	22.1%
Net Asset Value	33.8%	(5.2%)	14.7%	(3.1%)	18.7%

### KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	Sep, Dec, Mar & Jun
Dividend Paid Dates	Sep, Dec, Mar & Jun
Continuation Vote	To be proposed at the AGM in 2021

### BOARD

John Rennocks	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	

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



## PERFORMANCE

In May, UEM's cum income undiluted was up by 2.3%, underperforming the MSCI Emerging Markets Total Return Index which, over the period was up by 3.2%. The undiluted NAV was 255.33p and diluted NAV was 244.36p.

During May, emerging markets performance was mixed. Romania's Bucharest BET Index continued its strong performance and was up by 6.5% on the back of investors continuing to be attracted to the proposed higher dividend pay-outs by state owned companies. Hong Kong's Hang Seng Index was also up for the period by 4.2%, whilst the Philippine's PSEi Index was up by 2.3%. The Brazil Bovespa Index fared less well and was down by 4.1% due to the breaking news that President Temer was embroiled in an alleged cover-up scheme involving the jailed former speaker of the lower house of Congress. The impact has resulted in question marks being raised over Temer's presidential position and the reform agenda which could be delayed, if not scrapped completely. The Shanghai Composite Index in China was also down for the period by 1.2% as partially affected by the first Moody's downgrade since 1989 on debt risk, challenging the view that the nation's leadership will be able to rein in leverage whilst maintaining the pace of growth.

Currency wise, Sterling marginally weakened over the period following the snap UK General Election announcement in April which caused the currency to strengthen, as opinion polls have started to indicate the potential for a "hung" parliament. The Euro appreciated against sterling by 3.5%, also aided by the French Presidential election of Emmanuel Macron which has re-engaged the Franco German alliance increasing confidence in the Eurozone once more. Within the emerging markets the Mexican Peso had more modest gains of 1.7% against Sterling, whilst both the Chinese Renminbi and Malaysian Ringgit appreciated by 1.6%.

## PORTFOLIO

There was only one change to the top twenty holdings in May, with Metro Pacific Investments being replaced by Pampa Energia. Pampa Energia is the largest integrated energy company in Argentina, with upstream assets of over 2,300 producing wells providing electricity generation (more than 3,400MW), transmission via the co-control of Transener and Transba and distribution, through Edenor, serving 2.9m customers in the North and Northwest of Buenos Aires. Pampa's share price in May advanced by 14.7% on the back of solid first quarter results, which saw EBITDA growth of 256%.

Other strong performers over the month within the top twenty were the Romanian companies, Transgaz and Conpet. Both companies' shares prices were up by 18.6% and 13.6% respectively as they continue to benefit from the proposed higher dividend pay-outs by state owned companies. Malaysia Airports also performed well, up by 14.6% due to better than expected passenger numbers reported for April and solid first quarter results. International Container Terminals also reported solid first quarter results with EBITDA up 16.4% for the period helping to increase its share price over the period by 12.4%.

The notable declines in the top twenty were China Resources Gas, down by 9.0% and SJVN which was down by 8.5%. China Resources Gas was affected by the release of a consultation document by the regulator, indicating that the regulated return could be reduced to 6% from the proposed 8% whilst SJVN saw profit taking by shareholders.

Purchases during the month totalled £13.0m and sales amounted to £6.2m.

## DEBT

Borrowings increased from £48.4m to £49.4m during May. The debt was drawn in Hong Kong Dollars and Euros and at the end of May was at HK\$209.9m and €32.8m.

## OTHER

UEM's share price ended May up by 2.0% to 221.50p with the discount marginally increasing to 9.4% to diluted NAV. The price of the subscription shares increased by 21.5% to 32.50p.

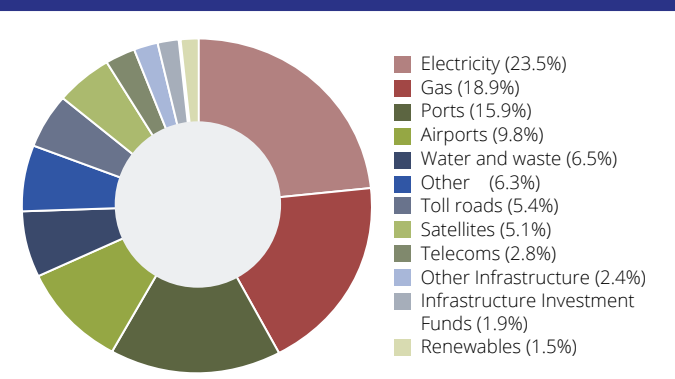
A fourth quarterly dividend of 1.70p per ordinary share in respect of the year ended 31 March 2017, bringing the total for the year end to 6.65p, an increase of 3.9%. The fourth quarterly dividend will be paid on 16 June 2017 to shareholders on the register on 2 June 2017.

*Charles Jillings*  
ICM Investment Management Limited and ICM Limited

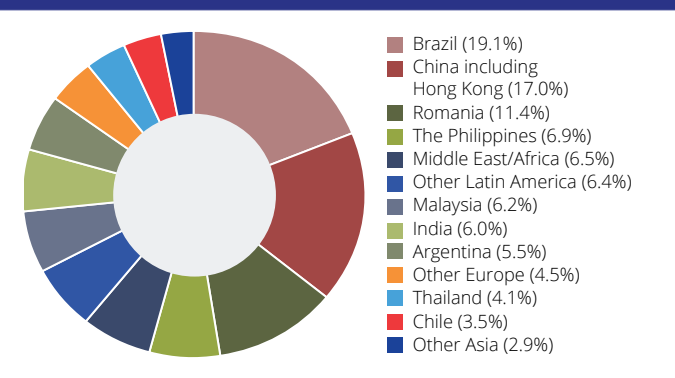
## TOP 20 HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	5.3%
2. Ocean Wilsons Holdings Limited	4.3%
3. Alupar Investimento S.A.	3.8%
4. Malaysia Airport Holdings Berhad	3.7%
5. Transgaz S.A.	3.5%
6. Transelectrica SA	3.3%
7. Conpet S.A.	3.2%
8. Rumo S.A.	2.8%
9. Eastern Water Resources Development and Management PCL	2.8%
10. APT Satellite Holdings Limited	2.7%
11. Shanghai International Airport Co Ltd	2.6%
12. MyEG Services Berhad	2.4%
13. Yuexiu Transport Infrastructure Limited	2.4%
14. SJVN Limited	2.3%
15. China Gas Holdings Ltd	2.3%
16. China Resources Gas Group Ltd	2.2%
17. Transportadora de Gas del Sur S.A.	2.2%
18. Engie Energia Chile S.A.	2.0%
19. Power Grid Corporation of India Limited	2.0%
20. Pampa Energia S.A.	1.6%
<b>Total Top 20</b>	<b>57.4%</b>

## SECTOR SPLIT OF INVESTMENTS (on a look-through basis)



## GEOGRAPHICAL SPLIT OF INVESTMENTS (on a look-through basis)



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