

ABOUT US: UEM is a Bermuda registered closed end investment company, listed on the London Stock Exchange. Registration N° 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 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.

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ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	187.89p
Share Price	168.90p
(Discount) / Premium to diluted NAV	(10.1%)
NAV Total Return since launch*	139.9%
Annual average compound return*	12.7%
Historic Dividend Yield	3.5%
Shares in issue	213,243,793
Ticker	UEML

* Including dividends and return on warrants converted in August 2010

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£422.4m
Bank Debt	£(21.8)m
Shareholders' Funds	£400.7m
Gearing* (based on AIC definition)	4.0%

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

BOARD

Alexander Zagoreos	Garry Madeiros
Kevin O'Connor	Anthony Muh

INVESTMENT MANAGER

Utilico Emerging Markets Limited is managed by ICM Limited. ICM is a Bermuda company and has assets under management of over £1.5bn. www.icm.bm

TEAM

Duncan Saville	Jonathan Grocock
Charles Jillings	Mark Lebbell
Jacqueline Broers	Ross Wilding

MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.5%
Administration Fee	£210k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark

PERFORMANCE



PERFORMANCE (total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	(5.3%)	(11.0%)	8.3%	34.8%	105.5%
Net Asset Value	(4.4%)	(8.1%)	11.6%	29.8%	128.2%

ROLLING 12 MONTH PERFORMANCE (total return including dividends)

12 months to	Aug 13	Aug 12	Aug 11	Aug 10	Aug 09
Share Price	8.3%	8.5%	10.1%	30.6%	(14.6%)
Net Asset Value	11.6%	6.3%	5.5%	32.3%	(10.1%)

KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	Aug, Nov, Feb & May
Dividend Paid Dates	Sep, Dec, Mar & Jun
Winding up provision	To be proposed at the AGM in 2016



PERFORMANCE

UEM's cum income NAV was down 5.1% during August from 198.08p to 187.89p, although adjusted for a 1.525p dividend the decline was 4.4%. This performance was slightly lower than the MSCI Emerging Markets Total Return Index, which declined by 3.6% in Sterling terms in the month.

Economic data points continue to be encouraging, supporting the widespread belief that the global economy is recovering. Of note US unemployment data continues to tick downwards, hitting 7.3% at the end of August. But economic news and its implications for the wider markets was mostly usurped by the geopolitical ramifications of the deteriorating situation in Syria and the lack of political harmony within the UN and even individual governments. Heightened expectations of Western involvement in another Middle East conflict has driven oil prices higher and seen a general increase in market volatility.

EM markets were generally poor in August. Notable weakness was seen in Thailand and the Philippines, with the SET and PSEi falling 9.1% and 8.5% respectively. The KLCI (Malaysia) fell 2.5% while the Hang Seng (Hong Kong) market was broadly flat. A notable outlier here was the BOVESPA (Brazil) which increased by 3.7% in the month, continuing to rally off July lows.

However even this performance was more than offset by FX rates, with EM currencies weak across the board. Against Sterling the Brazilian Real depreciated by 6.2% in August, while Thai Baht and Philippine Peso fell 4.9% and 4.8% respectively.

Exceptional weakness was seen in the Indian Rupee and Indonesian Rupiah, both of which devalued by over 10% against Sterling. Both of these countries run significant current account deficits, which leaves them vulnerable to capital outflows. Other countries such as Turkey, Hungary and South Africa are also heavily exposed here.

Commodity prices continued to recover, with gold up 5.3% to \$1,395/oz and Brent Crude Oil up 5.9% in August. Industrial metals also showed signs of improvement, with copper and iron ore up 3.1% and 7.5% respectively.

PORTFOLIO

There was no change to the constituents of the top ten. Six of the holdings saw share price decreases, including China Gas Holdings, down 8.6%, AsiaSat, down 6.5%, and CCR, down 3.6%. COPASA has been exceptionally disappointing, with shares falling 20.6% in August. Since end-March COPASA shares are down 41.7%, reflecting deterioration in sentiment to the Brazilian water sector following delays in the implementation of regulatory tariff increases for its main listed peer, SABESP. That the two companies are regulated by separate entities seems to have had little bearing on the stock price movements; meanwhile operational metrics continue to show robust growth.

Eastwater and Gasco shares dropped about 1.0% during the month, while MyEG was unchanged. In positive territory, Ocean Wilsons and Malaysia Airports were both up about 1.0%, as well as ICT shares, up 2.8%.

Exacerbating the generally weak share price performances was the continued depreciation of EM currencies against Sterling. Notable weakness was seen in the Brazilian Real, which depreciated by 6.2% in August, while the Thai Baht, Philippine Peso, and Malaysian Ringgit fell 4.9%, 4.8% and 3.3% respectively. As over 50% of UEM's assets have unhedged exposure to these four currencies, this presented a significant headwind to overall performance.

Purchases during the month amounted to £4.2m and realisations totalled £8.5m.

DEBT & CASH

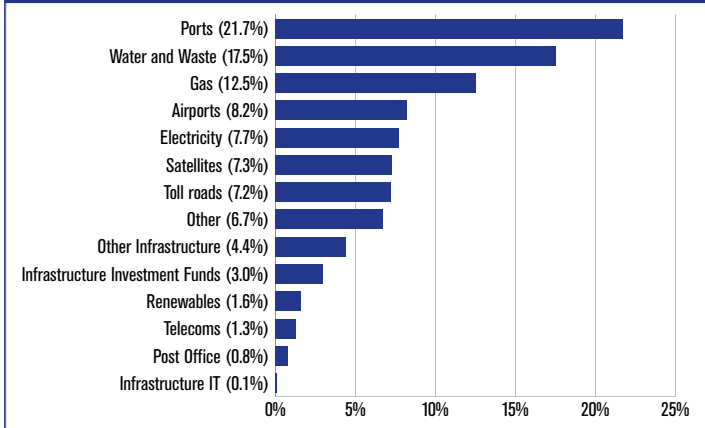
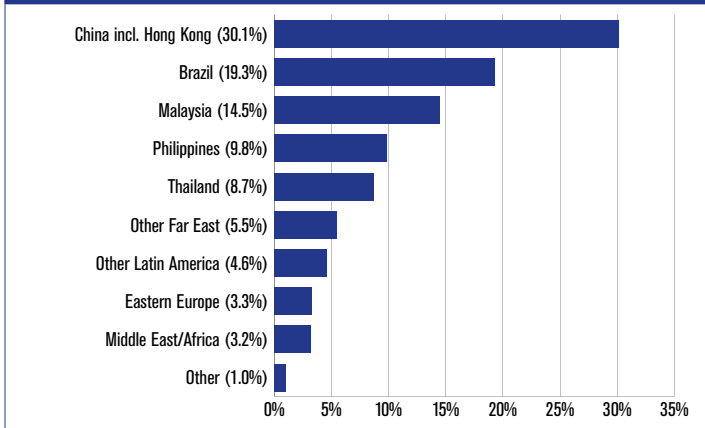
Bank debt decreased in the month to £21.8m and was drawn as £17.5m and €5.0m.

OTHER

UEM's ordinary share price fell 6.2% during August, to 168.90p, and the discount widened to 10.1%. UEM shares went ex-dividend by 1.525p on 7 August 2013.

TOP TEN HOLDINGS

	% of gross assets
1 International Container Terminal Services Inc.	8.6%
2 Eastern Water Resources Development and Management PCL	8.3%
3 Malaysia Airport Holdings Berhad	8.0%
4 Ocean Wilsons Holdings Limited	5.4%
5 China Gas Holdings Ltd	4.8%
6 MyEG Services Berhad	4.3%
7 Asia Satellite Telecommunications Holdings Limited	4.1%
8 Gasco SA	3.6%
9 Companhia de Saneamento de Minas Gerais (COPASA)	2.5%
10 Companhia de Concessionarias Rodoviarias S.A. (CCR)	2.5%
Total Top 10	52.1%

SECTORAL SPLIT OF INVESTMENTS

GEOGRAPHICAL SPLIT OF INVESTMENTS


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