

**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.

## AUGUST 2016

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.37p
NAV (diluted cum income)	228.67p
NAV (undiluted cum income)	237.87p
Share Price	207.75p
(Discount) / Premium to diluted NAV	(9.1%)
NAV Total Return since launch *	200.3%
Annual average compound return *	12.1%
Historic Dividend paid per share (last 12 months)	6.50p
Historic Dividend Yield (last 12 months)	3.1%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,462,599

\*Including dividends and return on warrants converted in August 2010

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	23.13p
Shares in issue	42,605,893
Exercise Price	183.00p
Exercise Dates (last business day of each)	Feb 17, Aug 17 and Feb 18

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£522.6m
Bank Debt	£19.6m
Shareholders' Funds	£503.0m
Gearing* (based on AIC definition)	0.9%

\*GEARING AIC - standardised gearing calculation as recommended by the AIC is now 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 including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	4.2%	21.6%	32.7%	34.1%	163.1%
Net Asset Value*	4.5%	18.1%	32.8%	31.7%	188.7%

\*Diluted

### ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12
Share Price	32.7%	(11.1%)	15.2%	8.3%	8.5%
Net Asset Value*	32.8%	(9.9%)	11.5%	11.6%	6.3%

\*Diluted

### 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
Continuation Vote	To be proposed at the AGM in 2016

### BOARD

Alexander Zagoreos	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	John Rennocks

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



## PERFORMANCE

UEM's cum income NAV (undiluted) increased by 5.1% during August, ending the month at 237.87p. This was ahead of the MSCI Emerging Markets Total Return Index which rose by 3.9% in Sterling terms over the month. The NAV on a diluted basis increased by 4.5% to 228.67p.

Emerging markets and currencies both strengthened in August, with twelve-month highs being recorded during the month at the Brazilian Bovespa, Thai SET, Indian SENSEX and the Chilean IPSA Indices. Meanwhile the Hang Seng in Hong Kong also hovered near one-year highs, up by 5.0%. By comparison, the Shanghai Composite Index and Romanian BET Index remain below highs reached in 2015, though both saw strong gains in the month, up by 3.6% and by 4.6% respectively. The Philippine PSEi was down by 2.2%.

Markets were buoyed by improving economic data including the official PMI in China rising to 50.4 in August from 49.9 in July, ahead of analyst forecasts and signalling a return to growth. This was further supported by factory output growth accelerating with the index rising to 52.6, the highest reading this year. In Brazil the Senate undertook a historic vote to impeach Dilma Rousseff from the presidency, paving the way for her centre-right successor, Michel Temer. Meanwhile the Romanian economy continued to post impressive growth, with GDP up by 6% in the second quarter.

Sterling weakened against most developed and emerging markets currencies in August. The US Dollar strengthened by 1.4% against Sterling for the month as a whole, with similar movements in the Brazilian Real up by 1.3%, Malaysian Ringgit up by 1.7%, Romanian Leu up by 1.2% and Philippine Peso up by 2.5%. The main outlier for UEM's portfolio was the Chilean Peso, which declined by 2.3% against Sterling in August.

## PORTFOLIO

There were two changes to the top 20 holdings in the portfolio during August. The shareholding in Gas Natural Chile, the piped gas business demerged from Gasco in June, was tendered in full to parent company Gas Natural Fenosa. The offer received was determined to be fair in consideration of regulatory risks and the likely lack of liquidity in shares post-tender. TAESA also exited the top 20 primarily due to going ex-dividend during the month.

In the place of these two stocks, the top 20 saw Conpet re-enter following a 9.1% share price appreciation during August, as well as China Everbright International, formerly a top 10 position in UEM which was reduced in April 2015 during very buoyant markets. China Everbright International shares increased by 18.7% during August following robust interim results showing excellent growth in financials and a strong project pipeline.

Including the new entrants, fourteen of the top 20 stocks advanced during August. By far the best performer was International Container Terminals, up by 30.9%, following strong results showing margin gains as well as excellent volume growth, up by 16% year-on-year. There were also strong share price performances by Rumo Logistica, up by 18.1%, and China Resources Gas, up by 15.3% during the month. UEM's largest holding Malaysia Airports saw share price appreciation of 5.9%. By comparison, the largest decliners during August were Metro Pacific Investments down by 7.6%, Engie Energia Chile down by 5.4%, and Alupar was down by 3.7%.

Purchases during the month for the portfolio amounted to £18.3m and realisations totalled £22.9m, a relatively high level of activity mainly due to the tender of Gas Natural Chile and substantial re-investment of the proceeds.

## DEBT

Borrowings at the month end totalled £19.6m, drawn in £9.4m and HK\$104m. This was 1.0% higher than at the end of July due to currency movements.

## OTHER

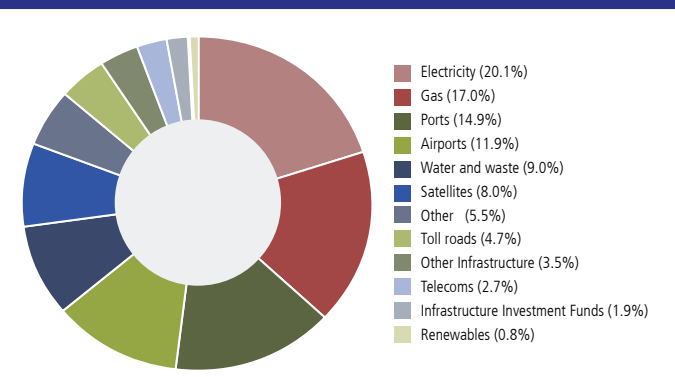
UEM's share price ended August at 207.75p, an increase of 3.4% over the month. The discount widened to 12.7% to the undiluted NAV. The price of the subscription shares rose by 1.7% to 23.13p.

On 6 September 2016, UEM issued and allotted 3,463,903 ordinary shares following the exercise of conversion rights by Subscription Shareholders.

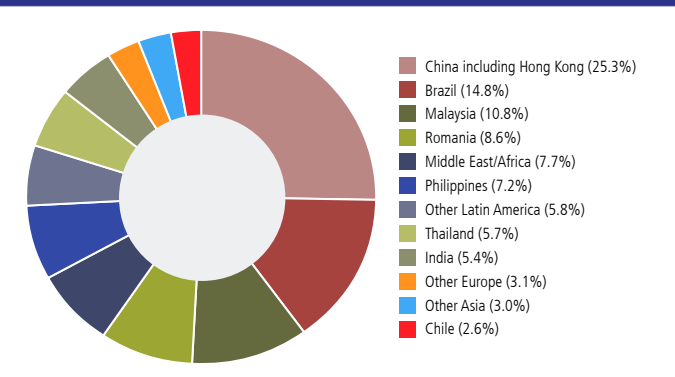
## TOP 20 HOLDINGS

	% of gross assets
1. Malaysia Airport Holdings Berhad	7.0%
2. China Gas Holdings Ltd	6.3%
3. International Container Terminal Services Inc.	5.1%
4. Eastern Water Resources Development and Management PCL	4.4%
5. Ocean Wilsons Holdings Limited	4.4%
6. APT Satellite Holdings Limited	3.9%
7. MyEG Services Berhad	3.3%
8. Alupar Investimento S.A.	3.1%
9. Transelectrica SA	3.1%
10. China Resources Gas Group Ltd	2.8%
11. Rumo Logistica Operadora Multimodal S.A.	2.5%
12. Transgaz S.A.	2.5%
13. Yuexiu Transport Infrastructure Limited	2.4%
14. Shanghai International Airport Co Ltd	2.0%
15. SJVN Limited	2.0%
16. Metro Pacific Investments Corporation	1.8%
17. Conpet S.A.	1.8%
18. Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.	1.6%
19. Engie Energia Chile S.A.	1.6%
20. China Everbright International Limited	1.6%
<b>Total Top 20</b>	<b>63.2%</b>

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



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



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