

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.

JANUARY 2017

ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.37p
NAV (diluted cum income)	226.06p
NAV (undiluted cum income)	234.01p
Share Price	196.75p
(Discount) / Premium to diluted NAV	(13.0%)
NAV Total Return since launch *	199.3%
Annual average compound return *	11.7%
Historic Dividend paid per share (last 12 months)	6.50p
Historic Dividend Yield (last 12 months)	3.3%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,872,748

*Including dividends and return on warrants converted in August 2010

SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	17.88p
Shares in issue	39,141,990
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	£542.6m
Bank Debt	£46.8m
Shareholders' Funds	£495.8m
Gearing* (based on AIC definition)	7.5%

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

MANAGEMENT & ADMINISTRATIVE FEES

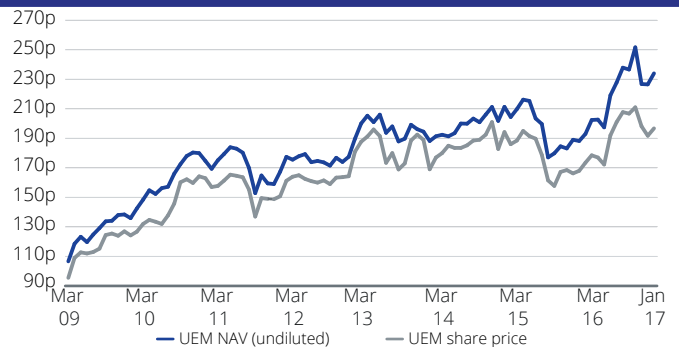
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£220k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that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

ORDINARY SHARES PERFORMANCE



PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	2.6%	(6.0%)	21.0%	27.5%	153.7%
Net Asset Value*	3.5%	(4.1%)	23.6%	30.1%	187.7%

*Diluted

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13
Share Price	21.0%	(10.3%)	18.6%	(3.2%)	23.0%
Net Asset Value*	23.6%	(8.0%)	15.5%	2.5%	16.0%

*Diluted

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	



PERFORMANCE

For January, UEM's cum income undiluted NAV was up by 3.3%, ending the month at 234.01p, slightly below the MSCI Emerging Markets Total Return Index which was up by 3.6% in Sterling terms for the period. The NAV on a diluted basis was up by 3.5% to 226.06p.

Emerging markets started the year well, with the majority of markets seeing positive performance with the Brazilian Bovespa Index increasing over January by 7.4%, the Hang Seng Index (Hong Kong) increasing by 6.2% and the Bucharest BET Index (Romania) up by 6.1%. In comparisons emerging market currencies saw a mixed performance against Sterling. The Brazilian Real appreciated by 1.6% against Sterling, with the Romanian Leu up by 1.5%, whilst the Mexican Peso depreciated by 2.5% and the Philippine Peso and Hong Kong Dollar both depreciated by 1.9%.

January saw the inauguration of Donald Trump as the 45th President of the US, which has resulted in him making headlines firstly with his demands that Mexico should pay for his proposed "Wall" and secondly with his attempted ban on immigrants from seven specific countries. The global markets continue to wait to hear what his proposed plans are for his "America First" protectionist policies. Elsewhere in the Americas, the Brazilian Central Bank in January unanimously decided to accelerate the pace of monetary easing by cutting the Selic rate by 75bps to 13.0% pa ahead of a consensus 50bps cut.

Within India, companies have started to issue their first quarterly earnings releases since demonetisation indicating a lower impact on corporate profitability than expected, whilst the fiscally prudent budget delivered in January with additional focus towards the liberalisation of foreign direct investment and transparency has continued to help market momentum. In China, the release of 4Q16s GDP growth of 6.8% ahead of market consensus at 6.7% has also been a positive.

PORTFOLIO

There was no change to the top 20 holdings in the UEM portfolio in January. Nineteen of the stocks increased in value with only one, Eastern Water Resources, seeing a marginal decrease in its share price of 0.9%. Rumo Logistica, the Brazilian rail based logistics operator, saw the largest increase for the period, with its share price up by 22.3% driven by positive conditions for one of its concession renewals being released. Conpet's share price for the period also increased by 14.2%, partially on the back of decent FY16 results (EBITDA and net income up by 3.5% and by 8.5% respectively) and partially due to rumours in the Romanian media that the government is looking to raise dividend payouts to 90% for State Owned Enterprises. The latter news also boosted Transelectrica and Transgaz, which saw their share prices increase by 10.6% and by 9.5% respectively. Power Grid's share price also saw a solid performance over the period, up by 13.7% on news that it has tendered a 1,830km transmission project worth INR57bn (US\$850m), which will be one of the longest links in the world.

Purchases during the month amounted to £7.3m and realisations totalled £15.0m as the investment managers sought to take advantage of the positive price movements to trim some positions in the portfolio.

DEBT

Borrowings at the month end totalled £46.8m, drawn in HK\$209.9m and €29.5m.

OTHER

UEM's share price ended January up by 2.6% to 196.75p with the discount marginally widening to 15.9% to the undiluted NAV. The price of the subscription shares increased by 9.2% to 17.88p.

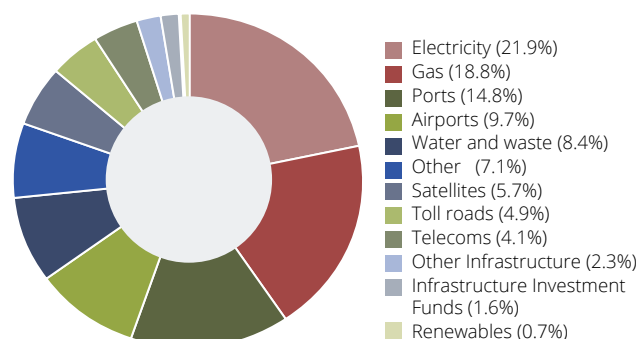
UEM bought back and cancelled 32,667 ordinary shares at a price of 199.00p during the month. UEM has continued to buy back in February.

On 2 February 2017, UEM declared a third quarterly interim dividend of 1.70p per ordinary share in respect of the year ending 31 March 2017, which will be paid on 17 March 2017 to shareholders on the register on 24 February 2017, in line with expectations. The ex-dividend date will be 23 February 2017.

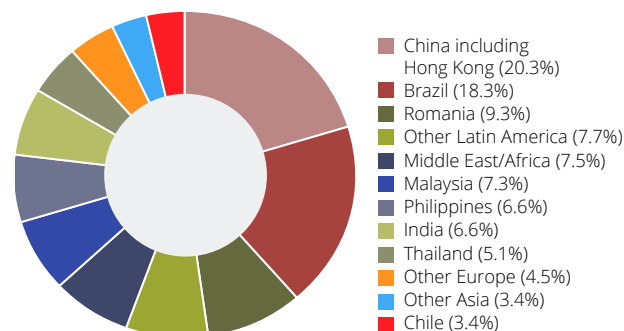
TOP 20 HOLDINGS

	% of gross assets
1. Malaysia Airport Holdings Berhad	4.7%
2. Ocean Wilsons Holdings Limited	4.6%
3. International Container Terminal Services Inc.	4.5%
4. China Gas Holdings Ltd	4.3%
5. Eastern Water Resources Development and Management PCL	3.9%
6. Alupar Investimento S.A.	3.7%
7. Transelectrica SA	3.2%
8. APT Satellite Holdings Limited	2.8%
9. Rumo Logistica Operadora Multimodal S.A.	2.8%
10. Transgaz S.A.	2.7%
11. China Resources Gas Group Ltd	2.5%
12. SJVN Limited	2.3%
13. MyEG Services Berhad	2.3%
14. Yuexiu Transport Infrastructure Limited	2.2%
15. Conpet S.A.	2.2%
16. Shanghai International Airport Co Ltd	2.1%
17. Engie Energia Chile S.A.	2.0%
18. Metro Pacific Investments Corporation	1.9%
19. Power Grid Corporation of India Limited	1.8%
20. Transmissora Alianca de Energia Eletrica S.A.	1.6%
Total Top 20	58.1%

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



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



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