

**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 2018

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	256.74p
NAV (undiluted cum income)	266.82p
Share Price	223.00p
Discount to diluted NAV	(13.1%)
NAV Total Return since launch *	313.9%
Annual average compound return *	12.0%
Historic Dividend paid per share (last 12 months)	6.80p
Historic Dividend Yield (last 12 months)	3.0%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,233,849

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	36.25p
Shares in issue	28,865,465
Exercise Price	183.00p
Exercise Date	28 February 2018

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£600.8m
Bank Debt	£37.2m
Shareholders' Funds	£563.6m
Gearing (based on AIC definition)	5.7%

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

### MANAGEMENT & ADMINISTRATIVE FEES

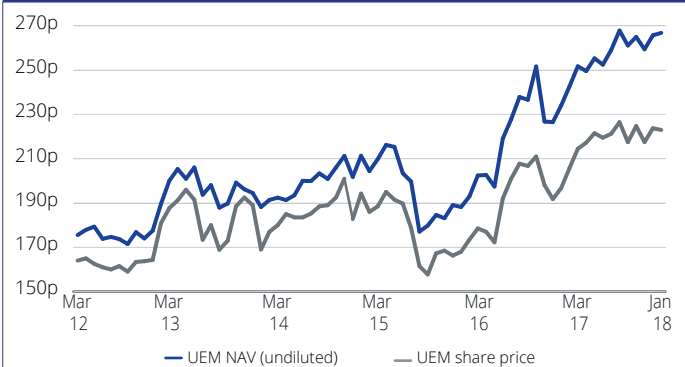
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£227k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that 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	(0.3%)	0.0%	17.8%	28.3%	251.6%
Net Asset Value	0.4%	1.3%	17.9%	39.5%	313.9%

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

12 Months to	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14
Share Price	17.8%	21.7%	(10.4%)	18.9%	(3.4%)
Net Asset Value	17.9%	27.9%	(7.5%)	15.8%	2.3%

### KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
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

UEM's cum income NAV (undiluted) increased 0.4% during January, ending the month at 266.82p. This was behind the MSCI Emerging Markets Total Return Index which rose by 3.1% in Sterling terms over the month. The NAV on a diluted basis increased by 0.9% to 256.74p.

Most emerging markets posted particularly strong gains in January. This included the Brazilian Bovespa, which was up by 11.1% in January following a Brazilian Court unanimously upholding the conviction of former President Lula da Silva. The outcome was welcomed by markets as it not only demonstrates independence of judiciary and implementation of anti-corruption measures, but also means that Lula could now be ineligible to stand in the elections due in October. This increases the likelihood of a more market-friendly candidate being elected to the Presidency.

Other emerging markets were similarly strong, with the Hang Seng in Hong Kong up by 9.9% following final GDP growth figures for 2017 in China coming out at 6.9%, beating economists' expectations. The Romanian BET was also up by 8.0%, as the economy delivered equally strong growth for 2017.

Partly offsetting this growth in markets, almost all EM currencies depreciated against Sterling in January. Particular weakness was evident in the Philippine Peso, down 7.4%, the Hong Kong Dollar, down by 4.9%, and the Indian Rupee, down 4.5% against Sterling.

## PORTFOLIO

There were two changes to the top 20 holdings in the portfolio during January. Malaysian e-government technology company MyEG was replaced by Enel Americas due to dis-investment in the former company. Enel Americas is a Chilean-listed holding company with electricity utility assets predominantly in Brazil, Argentina, Peru and Colombia. Powergrid India was replaced by Romanian closed-end investment fund Fondul Proprietatea due to relative performance. UEM has been invested in both Enel Americas and Fondul Proprietatea for more than five years.

All of the top twenty stocks aside from one advanced during January, with notably strong share price appreciation seen at Conpet, up 18.2%, and Energisa, Transgaz, and Rumo, up 11.0%, 10.9% and 10.0% respectively.

The only stock to post a decline was China Resources Gas, which fell by 9.3% following the Hebei provincial government's announcement that it would no longer approve new rural coal-to-gas conversions. This measure has been put in place to prevent a reoccurrence of the severe gas shortages seen in the northern provinces of China during last month, triggering concerns over the very near-term growth prospects of gas distribution companies.

Purchases during the month for the portfolio amounted to £7.5m and realisations totalled £11.1m.

## DEBT

Borrowings at the month end totalled £37.2m, drawn in EUR 24.1m and USD 22.9m. This was 2.9% lower than that as of the end of December 2017, due to the paydown of some of the HKD-denominated loans which were rolled into USD loans.

## OTHER

UEM's share price ended January at 223.00p, a decrease of 0.3% over the month. The diluted NAV discount widened to 13.1%. The price of the Subscription Shares ("S shares") rose 9.8% to 36.25p.

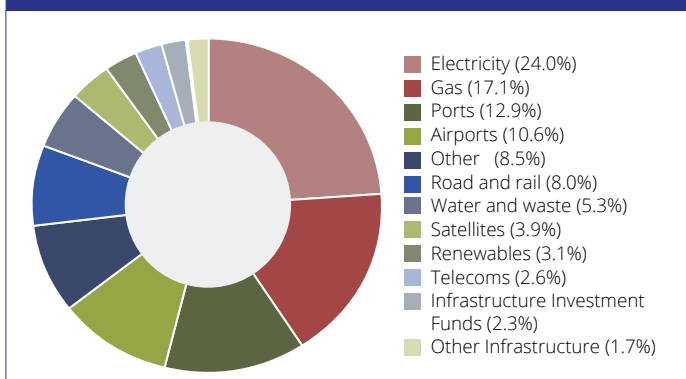
During the month UEM bought back and cancelled 0.9m ordinary shares at an average price of 228.13p. UEM also bought back and cancelled 4.5m S shares at an average price of 39.26p. Following these transactions there were 211,233,849 Ordinary Shares and 28,865,465 S shares in issue. The final subscription date for the S shares is on 28 February 2018.

*Charles Jillings*  
ICM Investment Management Limited and ICM Limited

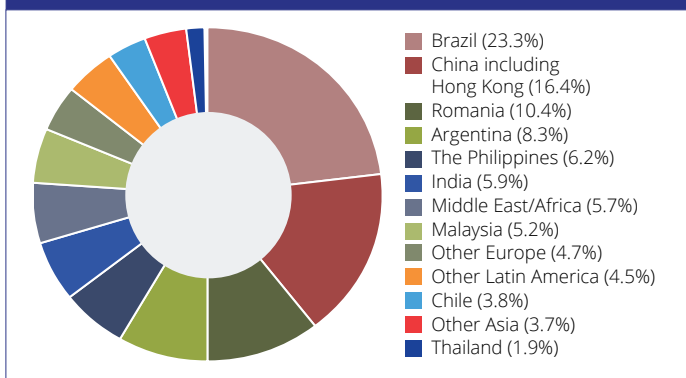
## TOP TWENTY HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	4.7%
2. Ocean Wilsons Holdings Limited	4.4%
3. Alupar Investimento S.A.	3.6%
4. Transgaz S.A.	3.3%
5. Shanghai International Airport Co Ltd	3.1%
6. Malaysia Airport Holdings Berhad	2.9%
7. Yuexiu Transport Infrastructure Limited	2.9%
8. Transportadora de Gas del Sur S.A.	2.7%
9. Bolsas Y Mercados Argentinos	2.6%
10. Cia de Gas de Sao Paulo (Comgas)	2.6%
11. Conpet S.A.	2.5%
12. Transelectrica SA	2.5%
13. Energisa S.A.	2.3%
14. Rumo S.A.	2.3%
15. China Resources Gas Group Ltd	2.2%
16. SJVN Limited	2.2%
17. APT Satellite Holdings Limited	2.2%
18. Engie Energia Chile S.A.	2.1%
19. Enel Americas S.A.	1.8%
20. Fondul Proprietatea SA	1.7%
<b>Total Top 20</b>	<b>54.6%</b>

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



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



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