

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.

JUNE 2017

ORDINARY SHARES

Ticker: UEM.L

| | |
|---|-------------|
| NAV at launch | 98.36p |
| NAV (diluted cum income) | 241.92p |
| NAV (undiluted cum income) | 252.46p |
| Share Price | 219.50p |
| (Discount)/Premium to diluted NAV | (9.3%) |
| NAV Total Return since launch* | 284.4% |
| Annual average compound return* | 11.9% |
| Historic Dividend paid per share (last 12 months) | 6.65p |
| Historic Dividend Yield (last 12 months) | 3.0% |
| Ongoing charges figure excluding performance fee | 1.1% |
| Shares in issue | 211,406,551 |

SUBSCRIPTION SHARES

Ticker: UEMS.L

| | |
|--|-------------------|
| Share Price | 33.25p |
| 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 | £584.7m |
| Bank Debt | £51.0m |
| Shareholders' Funds | £533.7m |
| Gearing (based on AIC definition) | 6.9% |

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 and www.icmim.limited

ORDINARY SHARES PERFORMANCE



PERFORMANCE (Total return*)

| | 1 month | 3 months | 1 year | 3 years | Inception |
|-----------------|---------|----------|--------|---------|-----------|
| Share Price | (0.1%) | 3.1% | 18.6% | 33.1% | 238.9% |
| Net Asset Value | (0.5%) | 1.0% | 19.0% | 39.0% | 284.4% |

ROLLING 12 MONTH PERFORMANCE (Total return*)

| 12 Months to | Jun 17 | Jun 16 | Jun 15 | Jun 14 | Jun 13 |
|-----------------|--------|--------|--------|--------|--------|
| Share Price | 18.6% | 5.1% | 6.8% | 9.5% | 12.5% |
| Net Asset Value | 19.0% | 11.4% | 4.8% | 6.5% | 16.0% |

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 Renocks | 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 June, UEM's cum income undiluted NAV declined by 0.5% (when adjusted for the 1.70p quarterly dividend paid during the month) underperforming the MSCI Emerging Markets Total Return Index which was up by 0.4%. The undiluted NAV was 252.46p and diluted NAV was 241.92p.

Emerging markets performance was mixed. Romania's Bucharest BET Index reversed its recent strong performance and declined by 10.4% partly on concerns over the possible introduction of corporate taxes based on turnover rather than profit and fears that a mandatory private pension contribution system could be scrapped.

The Bovespa Index in Brazil was up by 0.3%, despite a deepening leadership crisis with President Temer being charged with corruption at the end of the month. Brazilian CPI fell to 3.0% in June, the lowest level in 10 years and well below the Central Bank's 4.5% target, reinforcing expectations of rate cuts. China's economy remains robust with Q2 17 GDP growth expected to be around 6.8%. Exports in June were up 8.7% year-on-year and domestic consumer spending remains strong, with retail sales growth in June expected to be similar to May's 10.7% rise. Concerns over leverage and the potential for fiscal tightening persist but equity markets remain bullish with the Shanghai Composite index gaining by 2.4% for the month.

Sterling was volatile during the month following the unexpected UK election result, although movements for the month of June as a whole ended up relatively modest with Sterling ending the month up by 0.6% versus the USD but down by 0.8% against the Euro. In the emerging markets, the most significant moves in UEM's major currencies were the Brazilian Real, which declined 2.7% against Sterling and the Mexican Peso which conversely gained 2.7% against the Pound.

PORTFOLIO

There was only one change to the top twenty holdings in June, with Mexican Airport group, OMA replacing Pampa Energia. OMA's share price rose by 8.7% in month.

Chinese gas distributors strengthened significantly, with China Gas up by 33.6% and China Resources Gas up by 11.6%. UEM took profits on the China Gas position, which moved from seventh to seventeenth position in the top twenty. Eastern Water gained by 6.7% during the month.

UEM's Romanian stocks paid significant dividends in June, with yields (based on share prices at the end of May) of 11.7% for Conpet, 10.4% for Transgaz and 6.8% for Transelectrica. However, share prices reversed May's rally and declined more than the dividend payouts, with Conpet down by 16.8%, Transelectrica down by 10.8% and Transgaz down by 10.7% (after adjusting for the dividends).

Purchases during the month totalled £14.2m and sales amounted to £27.0m.

DEBT

Borrowings remained at HKD209.9m and EUR32.8m, with the Sterling liability marginally higher at £49.5m at 30 June 2017. Cash balances increased by £13.0m due to the net sale of investments.

OTHER

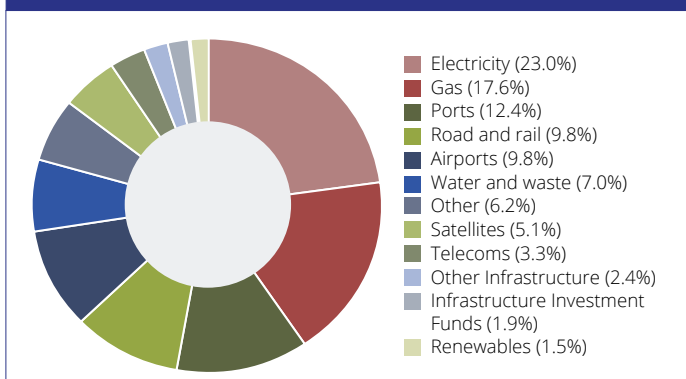
UEM's share price declined by 0.9% to 219.50p during June. Adjusted for the 1.70p dividend that was paid on 16 June, the total return was down by 0.1%. The discount marginally decreased to 9.3% of the diluted NAV. The price of the subscription shares increased by 2.3% to 33.25p.

Charles Jillings
ICM Investment Management Limited and ICM Limited

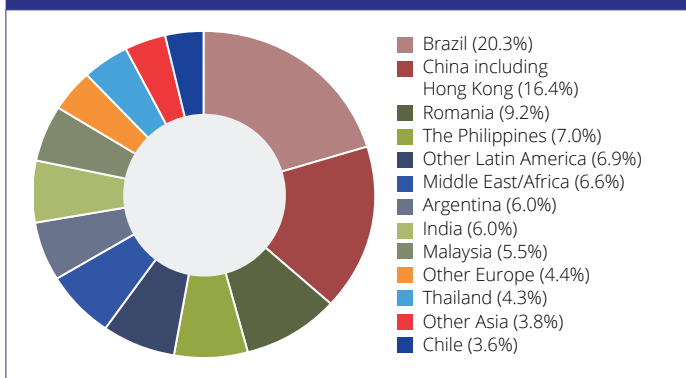
TOP 20 HOLDINGS

| | % of gross assets |
|---|-------------------|
| 1. International Container Terminal Services Inc. | 5.1% |
| 2. Ocean Wilsons Holdings Limited | 4.4% |
| 3. Alupar Investimento S.A. | 3.7% |
| 4. Rumo S.A. | 3.2% |
| 5. Malaysia Airport Holdings Berhad | 3.0% |
| 6. Eastern Water Resources Development and Management PCL | 3.0% |
| 7. Transgaz S.A. | 2.8% |
| 8. Transelectrica SA | 2.7% |
| 9. APT Satellite Holdings Limited | 2.6% |
| 10. Shanghai International Airport Co Ltd | 2.6% |
| 11. China Resources Gas Group Ltd | 2.4% |
| 12. Yuexiu Transport Infrastructure Limited | 2.4% |
| 13. SJVN Limited | 2.3% |
| 14. MyEG Services Berhad | 2.3% |
| 15. Transportadora de Gas del Sur S.A. | 2.2% |
| 16. Conpet S.A. | 2.2% |
| 17. China Gas Holdings Ltd | 2.1% |
| 18. Power Grid Corporation of India Limited | 2.0% |
| 19. Engie Energia Chile S.A. | 2.0% |
| 20. Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. | 1.8% |
| Total Top 20 | 54.8% |

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



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



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