

**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.

## FEBRUARY 2017

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	233.34p
NAV (undiluted cum income)	242.69p
Share Price	205.75p
(Discount) / Premium to diluted NAV	(11.8%)
NAV Total Return since launch *	208.5%
Annual average compound return *	11.9%
Historic Dividend paid per share (last 12 months)	6.58p
Historic Dividend Yield (last 12 months)	3.2%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	210,777,511

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

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	22.13p
Shares in issue	39,141,990
Exercise Price	183.00p
Exercise Dates (last business day of each)	Aug 17 and Feb 18

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£558.4m
Bank Debt	£46.9m
Shareholders' Funds	£511.5m
Gearing* (based on AIC definition)	3.6%

\*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	5.4%	5.5%	22.4%	27.0%	164.4%
Net Asset Value*	4.0%	8.0%	24.3%	31.8%	196.8%

\*Diluted

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

12 Months to	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13
Share Price	22.4%	(3.3%)	8.5%	(2.5%)	20.1%
Net Asset Value*	24.3%	(2.5%)	10.0%	(1.3%)	16.1%

\*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

UEM's cum income undiluted NAV total return was up by 4.4% in February, ahead of the MSCI Emerging Markets Total Return Index which was up by 4.2% over the month. The undiluted NAV was 242.69p and diluted NAV was 233.34p.

Markets continued their positive run in February as the 'reflation trade' continued on the back of what would appear to be meaningful synchronized growth momentum across key global economies, in addition to President Trump's much discussed plans for tax reform and infrastructure spend in the US. Emerging markets continued their positive performance for the year with the majority of markets being up over the month: the Romanian Bucharest BET Index increased by 6.0%, the Indian Sensex Index was up by 3.9%, the Chilean IPSA Index was up by 3.8% and the Brazil Bovespa Index increased by 3.1%. The strong performance was mirrored by currency performance, as the majority of currencies appreciated against Sterling. Over the month, the Mexican Peso appreciated by 5.0%, the Indian Rupee by 2.9% and the Brazilian Real by 2.2%. The Romanian Leu however depreciated against Sterling by 1.2%.

The US market continues to see positives in President Trump's "America First" approach. The Chinese market returned positively after the Chinese New Year, as February's PMI continued to increase to 51.6, ahead of market expectations. Within India, GDP growth for the quarter end December 2016 was recorded at 7.0%, compared to 7.4% in the prior quarter, a much better outcome than was forecast following November's demonetisation. Brazil continued to see the central bank cutting the basic interest rate by 75bps to 12.25%, which is in contrast to Mexico where the interest rate was increased to a near eight year high in an attempt to fight inflation, partially resulting from the depreciation of the Mexican Peso.

## PORTFOLIO

In February, there was no change to the constituents in the top 20 holdings in the UEM portfolio. Fourteen of the stocks increased in value with Rumo and Transgaz seeing the greatest increases, up by 14.3% and 12.4% respectively. Rumo's share price continued to increase on the back of positive news relating to potential concession renewal terms, as well as an expected increase in agricultural output in Brazil. Transgaz's upward momentum continued on the back of the expectation that the government is looking to raise dividend payouts to 90% for State Owned Enterprises. Yuexiu Transport Infrastructure also increased over the period by 9.1% as a result of good 2016 annual results. Alupar increased by 7.4% on the back of positive momentum in Brazil and Conpet's share price was up by 6.9% as the stock is about to join the Romanian Bucharest BET Index.

Purchases during the month amounted to £10.0m and realisations totalled £25.3m 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 £46.9m, drawn in HK\$209.9m and €29.5m.

## OTHER

UEM's share price ended February at 205.75p with the discount marginally reducing to 15.2% to the undiluted NAV. The price of the subscription shares increased by 23.8% to 22.13p.

UEM bought back and cancelled 1.1m ordinary shares at an average price of 205.50p during the month. UEM has continued to buy back in March.

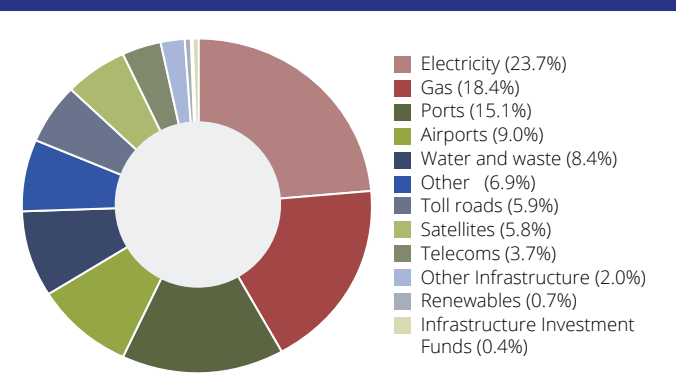
On 1 March 2017, UEM issued 1,313,708 ordinary shares following the exercise of conversion rights by Subscription Shareholders.

The UEM ordinary shares went ex-dividend on 23 February 2017, which is payable on 17 March 2017.

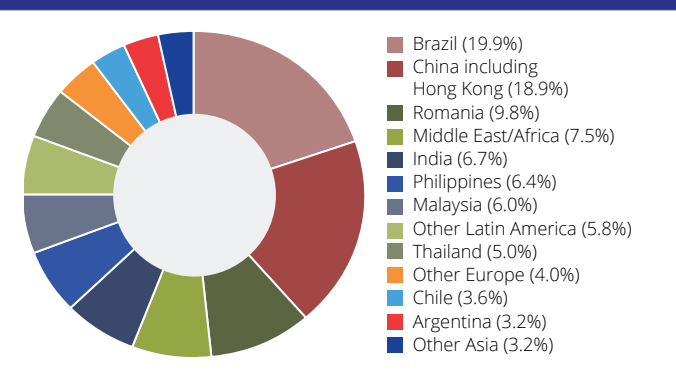
## TOP 20 HOLDINGS

	% of gross assets
1. Ocean Wilsons Holdings Limited	4.3%
2. International Container Terminal Services Inc.	4.2%
3. Alupar Investimento S.A.	3.9%
4. Eastern Water Resources Development and Management PCL	3.7%
5. Malaysia Airport Holdings Berhad	3.7%
6. Traselectrica SA	3.3%
7. China Gas Holdings Ltd	3.1%
8. Rumo Logistica Operadora Multimodal S.A.	3.0%
9. Transgaz S.A.	2.9%
10. APT Satellite Holdings Limited	2.9%
11. Yuexiu Transport Infrastructure Limited	2.5%
12. China Resources Gas Group Ltd	2.3%
13. SJVN Limited	2.3%
14. Conpet S.A.	2.2%
15. Shanghai International Airport Co Ltd	2.0%
16. Engie Energia Chile S.A.	2.0%
17. MyEG Services Berhad	1.9%
18. Metro Pacific Investments Corporation	1.8%
19. Power Grid Corporation of India Limited	1.7%
20. Transmissora Alianca de Energia Eletrica S.A.	1.7%
<b>Total Top 20</b>	<b>55.4%</b>

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



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



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