

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.

DECEMBER 2017

ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	254.50p
NAV (undiluted cum income)	265.74p
Share Price	223.75p
Discount to diluted NAV	(12.1%)
NAV Total Return since launch *	312.2%
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	212,137,932

SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	33.00p
Shares in issue	33,358,557
Exercise Price	183.00p
Exercise Date	28 February 2018

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£602.0m
Bank Debt	£38.3m
Shareholders' Funds	£563.7m
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 and www.icmim.limited

ORDINARY SHARES PERFORMANCE



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	3.7%	3.7%	21.2%	36.9%	252.7%
Net Asset Value	3.1%	2.4%	21.3%	45.5%	312.2%

ROLLING 12 MONTH PERFORMANCE (Total return*)

	12 Months to Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Share Price	21.2%	19.8%	(5.8%)	0.0%	18.9%
Net Asset Value	21.3%	23.2%	(2.6%)	7.0%	13.0%

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

UEM's cum income NAV (undiluted) increased by 3.1% during December, adjusting for the 1.70p dividend paid during December, ending the month at 265.74p. This was behind the MSCI Emerging Markets Total Return Index which advanced by 3.7% in Sterling terms over the same period. The NAV on a diluted basis ended the month at 254.50p.

Markets worldwide were generally stronger in December, with some emerging markets, particularly those in Latin America, posting strong gains. In the US, bullish economic data led to the expected rise in interest rates during the month and a number of emerging markets followed suit, including China and Mexico. Romania raised rates for the first time in a decade in early January.

After November's weakness, Chile's stock market rebounded strongly following an unexpectedly resounding victory in the presidential election by the right wing candidate Sebastián Piñera. Chile's ISPA Index advanced 11.2%. The Brazilian Bovespa Index increased by 6.2%, Mexico's Bolsa IPC advanced 4.8% and Malaysia's Bursa Malaysia Index increased by 4.6%. The Shanghai Composite declined by 0.3%, in contrast to the 2.5% gain in Hong Kong's Hang Seng Index.

Sterling was marginally weaker against most currencies, declining by 0.1% against the US Dollar and decreasing by 0.8% against the Euro.

The Chilean Peso bounced back from the prior month's declines, advancing 5.4% against Sterling. In contrast, the Mexican Peso declined by 4.8% against Sterling in December.

PORTFOLIO

There were no changes to the constituents of the top twenty holdings in the portfolio during December. Performance was generally positive, with twelve of the top twenty stocks advancing, some significantly, and eight declining.

The best performing stock in percentage terms during December was BYMA, the Argentinian Stock Exchange, which gained 39.5% in December, on the back of higher stock market trading volumes and the company's inclusion in the Merval Index. Enel Energia Chile advanced in line with the Chilean market, gaining 11.9% in the month. Shanghai Airport's share price advanced 9.4% and Energisa was up by 9.0%.

Other strong gainers included Malaysia Airports, up by 6.4%, Alupar, up by 5.4% and MyEG, up by 5.2% during December.

Three stocks posted declines in excess of 3.0%. Two of these were Romanian utilities Transelectrica and Tranzgas, which declined by 7.4% and 3.5% respectively. China Resources Gas declined by 5.8% in December.

Purchases were £15.0m, significantly ahead of realisations of £8.3m during the month.

DEBT

Borrowings remained drawn as EUR 24.1m, USD 13.2m and HKD 76.0m at the month end with the Sterling equivalent increased slightly to £38.3m due to exchange rate movements.

OTHER

UEM's share price ended December at 223.75p, an increase of 2.9% over the month and a total return including the 1.70p dividend of 3.7%. The discount narrowed to 12.1% to the diluted NAV. The price of the subscription shares increased by 12.3% to 33.00p.

During the month, UEM bought back and cancelled 100,000 subscription shares at a price of 30.00p per share.

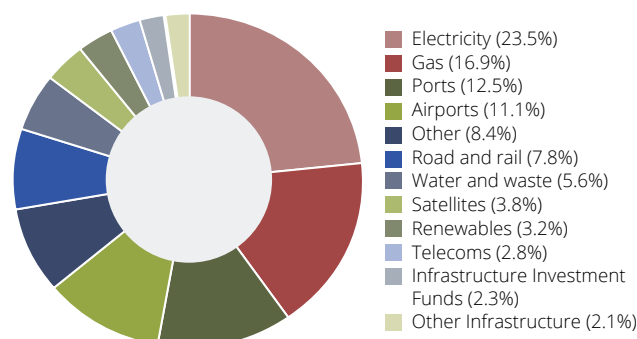
A second quarterly dividend of 1.70p per ordinary share in respect of the year ending 31 March 2018, was paid on 20 December 2017 to shareholders on the register as at 8 December 2017. .

Charles Jillings
ICM Investment Management Limited and ICM Limited

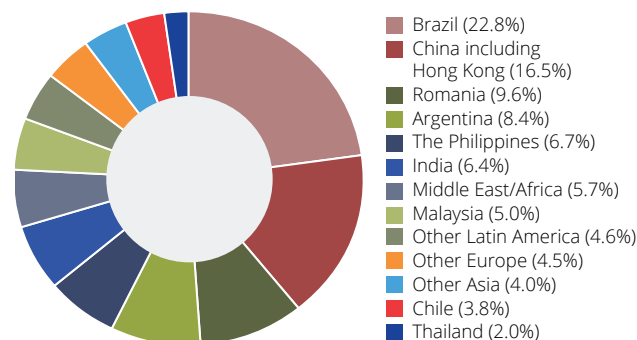
TOP TWENTY HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	5.0%
2. Ocean Wilsons Holdings Limited	4.4%
3. Alupar Investimento S.A.	3.6%
4. Shanghai International Airport Co Ltd	3.0%
5. Transgaz S.A.	3.0%
6. Yuexiu Transport Infrastructure Limited	3.0%
7. Malaysia Airport Holdings Berhad	2.9%
8. Transportadora de Gas del Sur S.A.	2.8%
9. Bolsas Y Mercados Argentinos	2.7%
10. Cia de Gas de Sao Paulo (Comgas)	2.5%
11. China Resources Gas Group Ltd	2.4%
12. Transelectrica SA	2.3%
13. SJVN Limited	2.3%
14. Engie Energia Chile S.A.	2.2%
15. Conpet S.A.	2.2%
16. Energisa S.A.	2.1%
17. Rumo S.A.	2.1%
18. MyEG Services Berhad	2.1%
19. APT Satellite Holdings Limited	2.0%
20. Power Grid Corporation of India Limited	1.8%
Total Top 20	54.4%

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



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



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