

**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 minimise risk by investing mainly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure, communications or companies with unique product or market position.

## MAY 2016

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.37p
NAV (diluted cum income)	195.01p
NAV (undiluted cum income)	197.43p
Share Price	172.25p
(Discount) / Premium to diluted NAV	(11.7%)
NAV Total Return since launch *	162.8%
Annual average compound return *	10.9%
Historic Dividend paid per share (last 12 months)	6.30p
Historic Dividend Yield (last 12 months)	3.7%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,462,599

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

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	15.50p
Shares in issue	42,605,893
Exercise Price	183.00p
Exercise Dates (last business day of each)	Aug 16, Feb 17 Aug 17 and Feb 18

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£436.0m
Bank Debt	£18.6m
Shareholders' Funds	£417.4m
Gearing* (based on AIC definition)	2.7%

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

### MANAGEMENT & ADMINISTRATIVE FEES

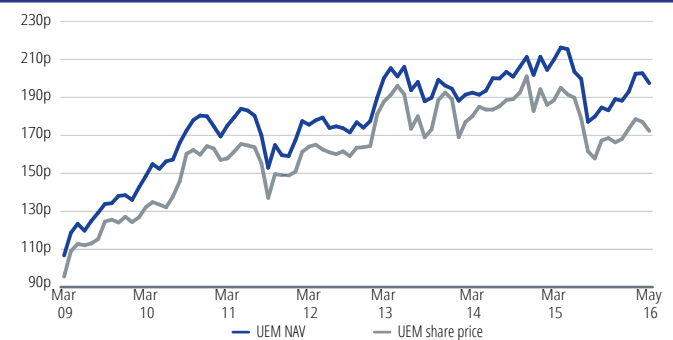
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£220k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that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

### PERFORMANCE



### PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	(2.7%)	(0.7%)	(6.8%)	(1.2%)	124.3%
Net Asset Value*	(2.2%)	1.0%	(6.5%)	2.9%	151.2%

\*Diluted

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

12 Months to	May 16	May 15	May 14	May 13	May 12
Share Price	(6.8%)	6.9%	(1.0%)	22.5%	1.4%
Net Asset Value*	(6.5%)	13.7%	(3.1%)	19.1%	0.3%

\*Diluted

### KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	Aug, Nov, Feb & May
Dividend Paid Dates	Sep, Dec, Mar & Jun
Continuation Vote	To be proposed at the AGM in 2016

### BOARD

Alexander Zagoreos	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	John Rennocks

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



## PERFORMANCE

UEM's cum income NAV (undiluted) declined by 2.6% during May to end the month at 197.43p. The NAV on a diluted basis decreased by 2.2% to 195.01p. The MSCI Emerging Markets Total Return Index also declined in May, falling by 3.1% in Sterling terms over the month.

Currency volatility increased due to concerns over the UK's EU referendum in June and on the direction of US interest rates. The Federal Reserve indicated that interest rates in the US could rise as soon as June or July, if economic data was supportive.

The Brazilian market fell by 10.1% during the month, reversing some of the strong gains in the months immediately prior. Other major markets saw more modest movements. Amongst the indices posting declines were the FTSE Bursa Malaysia (down by 2.8%), the Hang Seng Index (down by 1.2%), the Shanghai Composite (down by 0.7%) and the Chilean IPSA Index (down by 1.7%). Markets that rose during May included India (SENSEX Index up by 4.1%), The Philippines (PSEi Index up by 3.4%) and Thailand (SET Index up by 1.4%).

Sterling ended the month stronger against most currencies, the major exceptions being the US Dollar which gained 0.6% against Sterling and the Philippine Peso, which was up by 0.9%. The Brazilian Real fell 3.6% against Sterling in May, as did the Chilean Peso. The Malaysian Ringgit fell by 4.8% and the Romanian Lei fell by 2.9%.

Commodities were mixed with the price of oil continuing its recovery and Brent Crude Oil increasing by 3.2% to US\$49.69/bbl. Copper was down by 8.1% and Gold ended the month down by 6.0% at US\$1215.32/oz.

## PORTFOLIO

There was one change to the constituents of the top 20 this month with Metro Pacific re-entering the top 20, replacing Nilesat, which declined after payment of its annual dividend.

Only eight of the twenty stocks reported share price rises, with twelve declining (when adjusted for dividend payments during the month). Grupo Aeroportuario del Centro Norte, the Mexican airport group, was the best performer, with a gain of 6.0%. MyEG gained 5.1% and Metro Pacific was up by 4.0%.

The largest decliners were ICT, which decreased by 11.8%, Alupar was down by 7.2% and APT Satellite was down by 5.2%.

Purchases during the month for the portfolio amounted to £3.1m and realisations totalled £0.4m.

## DEBT

Borrowings at the month end remained drawn down as £9.4m and HK\$104.0m. The debt liability in Sterling terms increased slightly to £18.6m due to the movement in exchange rates.

## OTHER

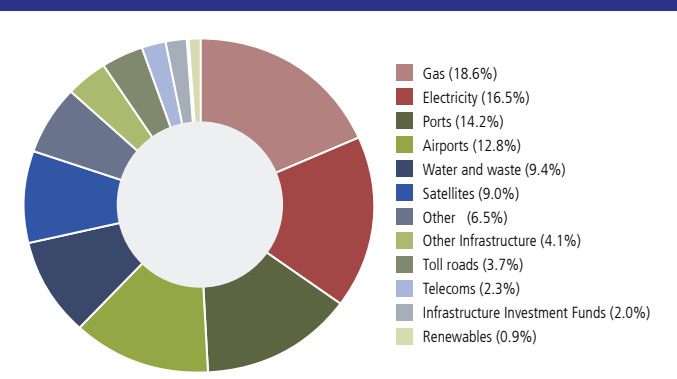
UEM's share price ended May at 172.25p, a decline of 2.7% for the month. The discount increased to 11.7% to the diluted NAV. The price of the Subscription Shares fell 2.00p to 15.50p.

UEM declared a fourth quarterly interim dividend of 1.625p per ordinary share in respect of the year ended 31 March 2016, which was paid on 20 June 2016 to shareholders on the register on 3 June 2016. The ex-dividend date was 2 June 2016.

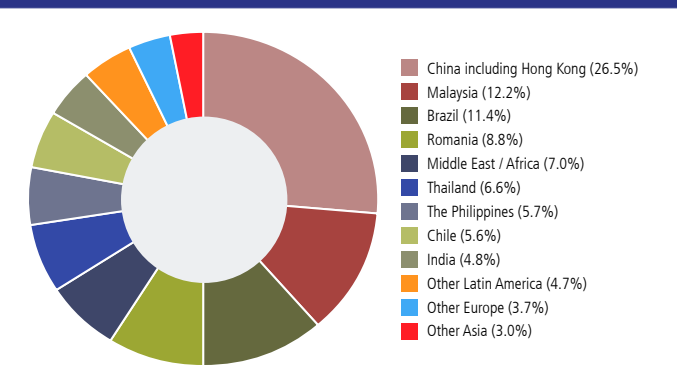
## TOP 20 HOLDINGS

	% of gross assets
1. Malaysia Airport Holdings Berhad	7.6%
2. China Gas Holdings Ltd	5.8%
3. Eastern Water Resources Development and Management PCL	5.1%
4. APT Satellite Holdings Limited	4.5%
5. Ocean Wilsons Holdings Limited	4.4%
6. MyEG Services Berhad	4.0%
7. International Container Terminal Services Inc.	3.8%
8. Transelectrica SA	3.4%
9. Gasco S.A.	3.3%
10. Transgaz S.A.	2.4%
11. China Resources Gas Group Ltd	2.4%
12. Shanghai International Airport Co Ltd	2.3%
13. Alupar Investimento S.A.	2.1%
14. Conpet S.A.	1.8%
15. Yuexiu Transport Infrastructure Limited	1.8%
16. Metro Pacific Investments Corporation	1.8%
17. E.CL S.A.	1.7%
18. SJVN Limited	1.7%
19. Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.	1.7%
20. Asia Satellite Telecommunications Company Limited	1.7%
<b>Total Top 20</b>	<b>63.3%</b>

## SECTOR SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



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