

# UTILICO EMERGING MARKETS LIMITED



30 September 2011

**OBJECTIVE:** To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets.

## ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	152.85p
Share Price	137.00p
(Discount) / Premium to diluted NAV	(10.4%)
Annual average compound return (including dividends)	10.6%
Historic Dividend Yield	3.5%
Shares in issue	215,528,793
Ticker	UEM.L

## GROSS ASSETS BREAKDOWN

Investments	£ 337.7m
Cash less current liabilities	£ 4.0m
Gross Assets less Current Liabilities	£ 341.6m
Investments as a percentage of gross assets less current liabilities	98.8%

## CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 341.6m
Bank Debt	(£ 12.2m)
Shareholders' Funds	£ 329.4m
Effective gearing on Ordinary Shares	1.04x

## KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM Date	12 September 2011
Ex-Dividend Dates	June & December
Dividend Paid Dates	June & December
Winding up provision	To be proposed at the AGM in 2016

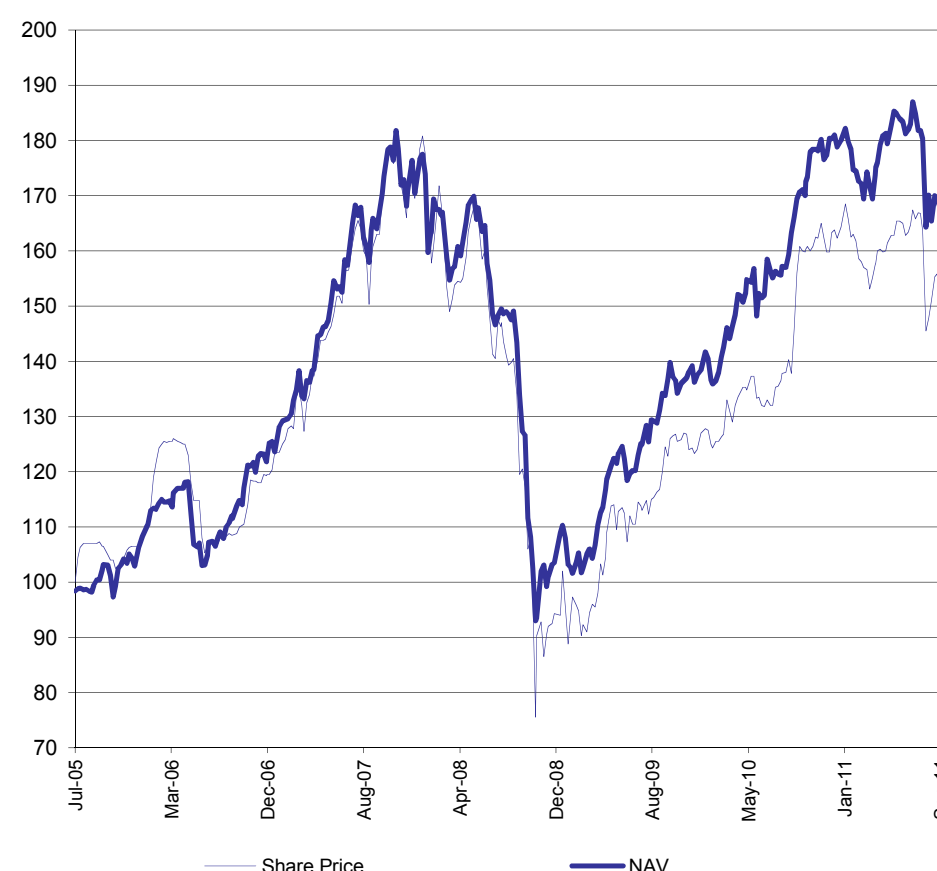
## MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.5%
Administration Fee	£210k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark

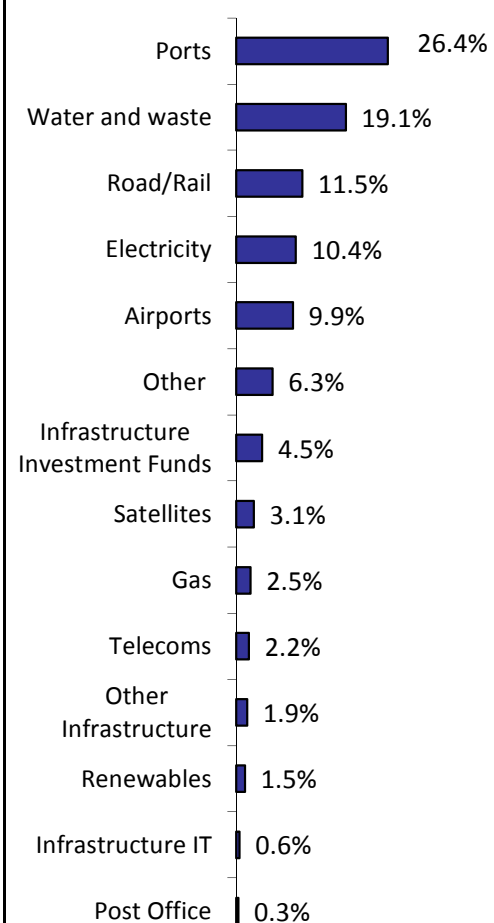
## FURTHER INFORMATION

Further information regarding Utilico Emerging Markets Limited (including copies of the company's admission document and weekly NAV releases) is available on the company's website at [www.uem.bm](http://www.uem.bm)

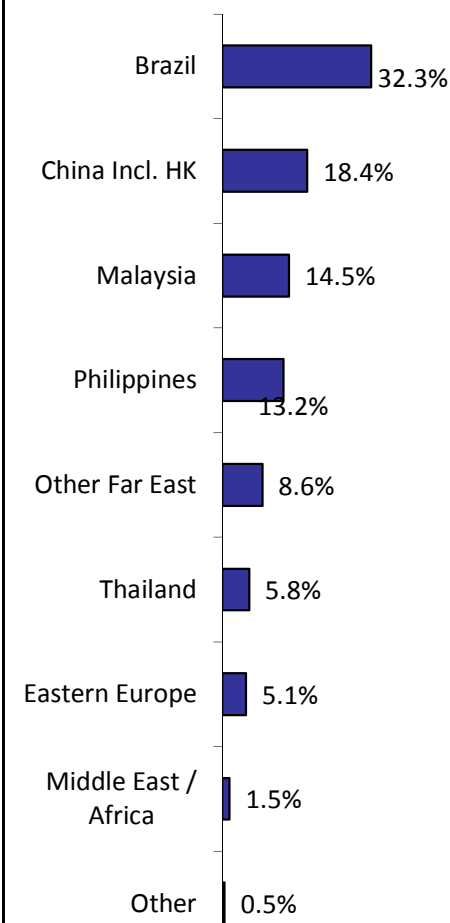
## PERFORMANCE



## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



## TOP TEN HOLDINGS

1	Intl Container Terminals	10.9%
2	Malaysia Airport	8.9%
3	Ocean Wilsons Holdings Limited	8.7%
4	Eastern Water Resources PCL	5.5%
5	Cia Saneamento Minas Gerais (COPASA)	4.5%
6	Companhia de Concessoes Rodoviaras (CCR)	3.2%
7	Santos Brasil Part	3.2%
8	AES Tiete SA	3.2%
9	Infrastructure India	3.0%
10	Tractebel Energia	2.6%
Total Top 10		53.7%

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## MONTHLY COMMENT

### PERFORMANCE

UEM's cum income NAV decreased by 10.1% and ended the month of September at 152.85p per share, but marginally ahead of the MSCI Emerging Markets Index (GBP adjusted) which retreated by 10.9% during the month.

The world's focus remains on the continuing debt concerns, most notably the situation in Greece and the Eurozone.

In China fears are growing over an impending debt crisis as the economy showed signs of a slowdown. Reports state that many private sector enterprises are facing bankruptcy due to credit tightening.

Worries over the outlook for the global economy sent commodity prices lower, with oil prices falling steadily from their high at the beginning of September of \$115.21 to \$104.26 at month end. Gold prices fell back 17.0% from their high of \$1900.23 to \$1623.97.

The Brazilian Real weakened considerably against Sterling down 11.8% in the month, the Malaysian Ringgit also fell 2.4%. However the Chinese Renminbi was up 4.2% against Sterling at September month end, reflecting strength in the US Dollar.

### PORTFOLIO

All of the top ten holdings were down over the month. The greatest share price loss was a 17.5% fall in Companhia de Saneamento Minas Gerais (Copasa) GDR's (denominated in US Dollars). The Brazilian listed ordinary shares were only down 5.0% with most of the loss on the GDR's due to the Brazilian Real's weakness.

The other big losses were Santos Brasil down 15.3%, Malaysia Airports down 15.1% and AES Tiete down 11.6%.

Investments during the month totalled £8.8m whilst realisations totalled £12.7m. Within the top ten we invested a further £1.5m in Santos Brasil and realised £3.2m from CCR. A new entry to the top ten is Infrastructure India, a closed ended investment fund, investing in Indian infrastructure assets. Due to the recent merger between Infrastructure India and Indian Energy, a similar fund and also a UEM asset, our holding in Infrastructure India increased and replaces Asia Satellite in the top ten.

### DEBT & CASH

Bank debt increased in Sterling terms to £12.2m during the month, drawn entirely in US Dollars. Cash balances increased to £7.3m.

### OTHER

UEM's discount at the month end widened to 10.4% and UEM's ordinary share price fell 11.8%.

### INVESTMENT TEAM

The investment manager ICM Limited ("ICM") is primarily responsible for running the investment portfolio.

#### Duncan Saville

Mr Saville, aged 54, is a director of UEM's Investment Manager, ICM Limited. He is a chartered accountant. He is a non-executive director of Infratil Limited and Vix-ERG Limited and was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Limited.

#### Charles Jillings (Director)

Mr Jillings, aged 55, is a Director of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings qualified as a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He has been a director of a number of listed companies and he is a director of East Balkan Properties plc (former Chairman) and Global Equity Risk Protection Limited.

Assisting them are:

#### Jacqueline Broers

Jacqueline Broers, aged 31, has been involved in the running of Utilico Emerging Markets Limited since September 2010. Prior to joining the investment team, Ms Broers worked in the Corporate Finance team at Lehman Brothers/Nomura. Ms Broers is a qualified chartered accountant.

#### Jonathan Chi

Jonathan Chi, aged 41, has been involved in the running of Utilico Emerging Markets Limited since December 2005 and is based in Singapore. Prior to joining the investment team Mr Chi was a financial accountant for a funds management company and is a Fellow of the Institute of Chartered Accountants in Australia.

#### Jonathan Grocock

Jonathan Grocock, aged 33, has been involved in the running of Utilico Emerging Markets Limited since February 2011. Prior to joining the investment team Mr Grocock was an equity research analyst at Investec and is a CFA charterholder.

#### Mark Lebbell

Mark Lebbell, aged 39, has been involved in the running of Utilico Emerging Markets Limited since its inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institute of Electrical Engineering and Technology.

#### James Smith

James Smith, aged 39, has been involved in the running of Utilico Emerging Markets Limited since its inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 1999. Mr Smith is a barrister and a member of the Institute of Chartered Accountants in England and Wales.

The information presented on this factsheet is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to buy and sell investments. If you are in any doubt as to the appropriate course of action, we would recommend that you consult your own independent financial adviser, stockbroker, solicitor, accountant or other professional adviser.

Past performance is no guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount they originally invested. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete.

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