

# UTILICO EMERGING MARKETS LIMITED



31 January 2012

**OBJECTIVE:** To provide long-term total return by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

ORDINARY SHARES	
NAV at launch	98.37p
NAV (cum income)	167.37p
Share Price	150.75p
(Discount) / Premium to diluted NAV	(9.9%)
Annual average compound return (including dividends)	11.9%
Historic Dividend Yield	3.2%
Shares in issue	215,528,793
Ticker	UEM.L

GROSS ASSETS BREAKDOWN	
Investments	£ 360.2m
Cash less current liabilities	£ 0.6m
Gross Assets less Current Liabilities	£ 360.7m
Investments as a percentage of gross assets less current liabilities	99.8%

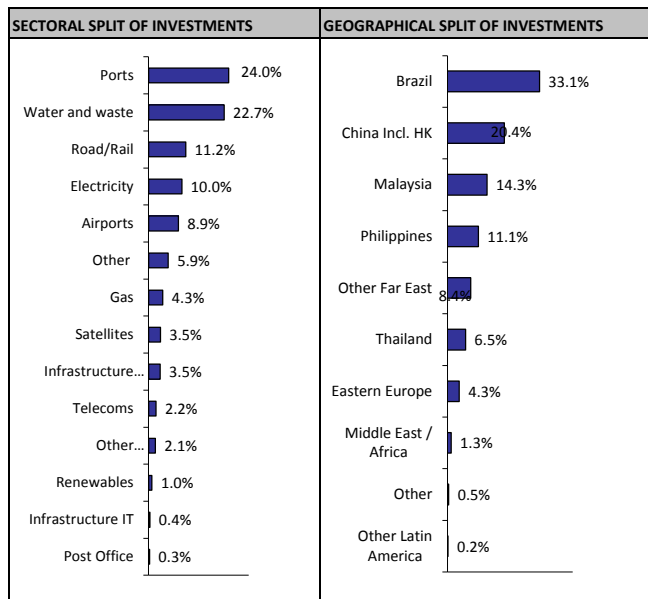
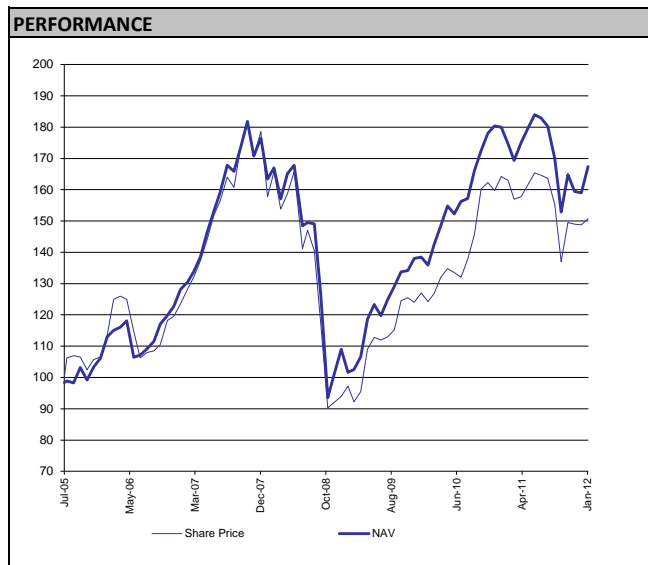
CAPITAL STRUCTURE	
Gross Assets less Current Liabilities	£ 360.7m
Bank Debt	£ 0.0m
Shareholders' Funds	£ 360.7m
Effective gearing on Ordinary Shares	1.00x

KEY DATES	
Launch Date	20 July 2005
Year End	31 March
AGM Date	12 September 2011
Ex-Dividend Dates	June & November
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)

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TOP TEN HOLDINGS		
1	Intl Container Terminals	8.6%
2	Malaysia Airport	8.3%
3	Ocean Wilsons Holdings Limited	7.9%
4	Eastern Water Resources PCL	6.2%
5	Cia Saneamento Minas Gerais (COPASA)	5.7%
6	Santos Brasil Part	3.5%
7	Tractebel Energia	3.0%
8	Energias do Brasil	2.8%
9	Asia Satellite Tele	2.8%
10	Infrastructure India	2.7%
Total Top 10		51.5%



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## MONTHLY COMMENT

### PERFORMANCE

UEM's cum income NAV was up 5.2% in January, ending the month at 167.37p per share. This was however an underperformance compared to the MSCI Emerging Markets Index which surged 9.5% in Sterling terms.

Whilst the Eurozone sovereign and banking issues remain largely unsolved, signs of tentative recovery in the US economy helped push markets higher and emerging markets had a positive start to the year.

The Bovespa in Brazil rose 11.1% during the month as unemployment fell sharply to a record low of 4.7% in December (from 5.2% in November) and the Central Bank's board said that there was a high probability of further interest rate cuts, which may be sustainable below 10% in the long term. The Brazilian Real gained 6.5% against the USD and 4.9% against Sterling during the month.

In China, where the New Year was celebrated towards the end of the month, the Hang Seng Index rose 10.6%. In contrast, the FTSE Bursa Malaysia index fell 0.6% in January.

### PORTFOLIO

Nine of the ten stocks in the top 10 posted gains during the month.

Brazilian stocks were particularly strong. Ocean Wilsons' share price rose 15.5% to 1230p, more than reversing the losses posted in December. Shares in Copasa were up 15.8% and Santos Port shares gained 9.3% in Brazilian Real terms.

International Container Terminals' shares were up 5.8%. The only decliner in the top ten was Infrastructure India, which fell 5.7% during the month.

During the month, £9.4m was invested and sale proceeds totalled £18.5m.

### DEBT & CASH

Bank debt was entirely repaid by the end of the month with cash balances (less current liabilities) at the end of January standing at £0.6m.

### OTHER

The ordinary share price rose 2.00p to end the month at 150.75p, a widened discount to NAV of 9.9% at the month end.

### 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, Jacqueline worked in the Corporate Finance team at Lehman Brothers/Nomura.

#### 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.

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