

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (the FSMA) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in Utilico Emerging Markets Limited (the **Company**), please forward this document and the accompanying Form of Proxy or Form of Instruction (as appropriate) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. The distribution of this document and/or the accompanying documents in jurisdictions other than the UK, including the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK), may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

A copy of this document, which comprises a prospectus and circular relating to the Company prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (**FCA**) made under Section 84 of the FSMA, has been approved by the FCA in accordance with section 85 of FSMA and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules by being available at www.uem.bm. This document and the information contained herein relates expressly to the Subscription Shares.

Applications will be made to the FCA for the Subscription Shares to be admitted to the standard segment of the Official List of the UK Listing Authority and to the London Stock Exchange for the Subscription Shares to be admitted to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and that dealings in the Subscription Shares on the London Stock Exchange's Main Market will commence on or around 24 September 2015.

Utilico Emerging Markets Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 36941)

Prospectus and Circular to Shareholders

Bonus Issue of up to 42,648,758 Subscription Shares and adoption of New Bye-laws and

Notice of Special General Meeting

AIFM and Joint Portfolio Manager
ICM Investment Management Limited

Joint Portfolio Manager
ICM Limited

Financial adviser
Westhouse Securities Limited

Westhouse Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company in connection with the Bonus Issue and no-one else and, subject to the responsibilities and liabilities imposed by FSMA, will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person in relation to the contents of this document or on any other matter referred to in this document. Westhouse Securities Limited is not responsible for the contents of this document. This does not exclude or limit any responsibility which Westhouse Securities Limited may have under the FSMA or the regulatory regime established thereunder.

Notice of a Special General Meeting of the Company to be held at Vineyard Hotel, Colinton Road, Newlands 7700, Cape Town, South Africa on Tuesday, 22 September 2015 at 9.05 a.m. (local time) (or, if later, as soon as practicable following the conclusion of the 2015 Annual General Meeting) is set out at the end of this Prospectus. The Bonus Issue described in this document is conditional upon Shareholder approval of the Resolutions to be proposed at the Special General Meeting. Shareholders are requested to complete and return the Form of Proxy or Form of Instruction (as appropriate) accompanying this document for the Special General Meeting as soon as possible.

To be valid, a Form of Proxy for use at the Special General Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 4.00 p.m. (BST) on 18 September 2015. In view of this requirement, investors holding Ordinary Shares in the Company through Depositary Interests in uncertificated form should ensure that Forms of Instruction are returned to the DI Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 4.00 p.m. (BST) on 17 September 2015. For Depositary Interest holders to give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 4.00 p.m. (BST) on 17 September 2015. For this purpose, the time receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

The Ordinary Shares are not, and the Subscription Shares will not be, registered under the Securities Act or under the relevant laws of any State of the United States or any state, province or territory of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK). Subject to certain exceptions, the Subscription Shares issued under the Bonus Issue may not, directly or indirectly, be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK) or to, or for the account or benefit of, US Persons (as defined in Regulation S made under the Securities Act). The Subscription Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Bonus Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The attention of Restricted Shareholders and other recipients of this document who are residents or citizens of any country outside the UK is drawn to the section entitled "Restricted Shareholders" in Part I of this document.

The whole text of this document should be read. The attention of potential investors is drawn in particular to the section of this document entitled "Risk Factors".

Prospective investors should inform themselves as to: (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, holding or disposal of Subscription Shares or the exercise of the Subscription Share Rights.

Dated: 3 September 2015

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SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A-E (A.1-E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and Warnings		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the full text of this Prospectus by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of a member state of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who are responsible for this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of this document for the resale or final placement of securities by financial intermediaries.
Section B – Issuer and any guarantor		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	The issuer’s legal and commercial name is Utilico Emerging Markets Limited.
B.2	Domicile/Legal Form/ Legislation/Country of Incorporation	The Company was incorporated in Bermuda on 9 June 2005 as an exempted, closed-end investment company with limited liability under the Bermuda Companies Act with registered number 36941.
B.5	Group structure	The Company has a wholly-owned subsidiary in Mauritius, Utilico Emerging Markets (Mauritius), to facilitate direct investments in India. In addition, the Company holds shares linked to a segregated account in Global Equity Risk Protection Limited, an unquoted exempted company incorporated in Bermuda and registered as a segregated accounts company (GERP). This account which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. In accordance with IFRS, the segregated account in GERP is classified as a subsidiary of the Company and its financial results are included within the accounts of the Group.

B.6	Major shareholders	<p>As at 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus) insofar as is known to the Company the following persons hold, directly or indirectly, 5 per cent. or more of the Company's issued share capital:</p> <table border="1" data-bbox="619 297 1394 555"> <thead> <tr> <th data-bbox="619 371 676 389">Name</th> <th data-bbox="1129 322 1230 389">Number of Ordinary Shares</th> <th data-bbox="1270 297 1394 389">Percentage of issued ordinary share capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="619 405 916 427">Utilico Investments Limited</td> <td data-bbox="1102 405 1230 427">44,371,179</td> <td data-bbox="1337 405 1394 427">20.8</td> </tr> <tr> <td data-bbox="619 434 815 456">Bank of Montreal</td> <td data-bbox="1102 434 1230 456">20,362,478</td> <td data-bbox="1353 434 1394 456">9.4</td> </tr> <tr> <td data-bbox="619 463 967 486">Lazard Asset Management LLC</td> <td data-bbox="1102 463 1230 486">19,189,466</td> <td data-bbox="1353 463 1394 486">8.9</td> </tr> <tr> <td data-bbox="619 492 1031 515">Investec Wealth & Investment Limited</td> <td data-bbox="1102 492 1230 515">12,308,522</td> <td data-bbox="1353 492 1394 515">5.7</td> </tr> <tr> <td data-bbox="619 521 1046 544">Rathbone Investment Management Ltd</td> <td data-bbox="1102 521 1230 544">10,728,364</td> <td data-bbox="1353 521 1394 544">5.0</td> </tr> </tbody> </table> <p>None of the shareholders referred to in the table above has different voting rights from any other holder of shares in respect of any shares held by them.</p> <p>The Company is not aware of any person who directly or indirectly, jointly or severally, owns or could exercise control over the Company.</p>	Name	Number of Ordinary Shares	Percentage of issued ordinary share capital	Utilico Investments Limited	44,371,179	20.8	Bank of Montreal	20,362,478	9.4	Lazard Asset Management LLC	19,189,466	8.9	Investec Wealth & Investment Limited	12,308,522	5.7	Rathbone Investment Management Ltd	10,728,364	5.0																		
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B.7	Historical financial information	<p>The key audited figures that summarise the financial condition of the Group in respect of the year ended 31 March 2015 (and the corresponding figures for the years ended 31 March 2014 and 31 March 2013) which have been extracted directly on a straightforward basis from the historical information are set out in the following table.</p> <table border="1" data-bbox="619 1003 1394 1384"> <thead> <tr> <th data-bbox="619 1093 826 1120"></th> <th colspan="3" data-bbox="1002 1003 1358 1055">As at or for the period ended 31 March (audited)</th> </tr> <tr> <th data-bbox="619 1061 826 1084"></th> <th data-bbox="1023 1061 1070 1084">2013</th> <th data-bbox="1182 1061 1230 1084">2014</th> <th data-bbox="1342 1061 1390 1084">2015</th> </tr> </thead> <tbody> <tr> <td data-bbox="619 1093 826 1120">Net Assets (£'000)</td> <td data-bbox="979 1093 1070 1115">442,887</td> <td data-bbox="1139 1093 1230 1115">410,235</td> <td data-bbox="1299 1093 1390 1115">447,361</td> </tr> <tr> <td data-bbox="619 1126 916 1178">Net Asset Value per share basic (pence)</td> <td data-bbox="995 1149 1070 1171">205.49</td> <td data-bbox="1155 1149 1230 1171">192.38</td> <td data-bbox="1315 1149 1390 1171">209.79</td> </tr> <tr> <td data-bbox="619 1182 847 1205">Total income (£'000)</td> <td data-bbox="995 1182 1070 1205">91,726</td> <td data-bbox="1139 1182 1230 1205">(12,107)</td> <td data-bbox="1315 1182 1390 1205">59,861</td> </tr> <tr> <td data-bbox="619 1216 932 1267">Profit/(loss)/ before taxation (£'000)</td> <td data-bbox="995 1238 1070 1261">78,479</td> <td data-bbox="1139 1238 1230 1261">(16,367)</td> <td data-bbox="1315 1238 1390 1261">51,176</td> </tr> <tr> <td data-bbox="619 1272 970 1294">Profit/(loss) for the year (£'000)</td> <td data-bbox="995 1272 1070 1294">77,403</td> <td data-bbox="1139 1272 1230 1294">(15,666)</td> <td data-bbox="1315 1272 1390 1294">50,134</td> </tr> <tr> <td data-bbox="619 1305 906 1357">Earnings/(loss) per share (pence)</td> <td data-bbox="1011 1328 1070 1350">35.91</td> <td data-bbox="1171 1328 1230 1350">(7.33)</td> <td data-bbox="1331 1328 1390 1350">23.51</td> </tr> <tr> <td data-bbox="619 1361 927 1384">Dividend per share (pence)</td> <td data-bbox="1027 1361 1070 1384">5.8</td> <td data-bbox="1187 1361 1230 1384">6.1</td> <td data-bbox="1347 1361 1390 1384">6.1</td> </tr> </tbody> </table> <p>The Group's NAV per Ordinary Share at 31 March 2012 was 175.60 pence, which had increased to a NAV per Ordinary Share of 209.79 pence as at 31 March 2015.</p> <p>Save for this, there was no significant change in the Group's financial condition and operating results during or subsequent to the period covered by the historical financial information.</p>		As at or for the period ended 31 March (audited)				2013	2014	2015	Net Assets (£'000)	442,887	410,235	447,361	Net Asset Value per share basic (pence)	205.49	192.38	209.79	Total income (£'000)	91,726	(12,107)	59,861	Profit/(loss)/ before taxation (£'000)	78,479	(16,367)	51,176	Profit/(loss) for the year (£'000)	77,403	(15,666)	50,134	Earnings/(loss) per share (pence)	35.91	(7.33)	23.51	Dividend per share (pence)	5.8	6.1	6.1
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B.8	Pro forma financial information	Not applicable. No pro-forma financial information is included in this Prospectus.																																				
B.9	Profit forecast	Not applicable. No profit forecast has been made in this Prospectus.																																				
B.10	Qualifications in the audit report	Not applicable. There are no qualifications in the audit reports on the historical financial information.																																				

B.11	Working capital	Not applicable. The Company is of the opinion that it has sufficient working capital for the Group's present requirements, that is, for at least 12 months from the date of this Prospectus.
B.34	Investment policy	<p><i>Investment Objective</i></p> <p>The Company's investment objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in Emerging Markets.</p> <p><i>Investment Policy</i></p> <p>The Company's investment policy is flexible and permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in Emerging Markets, including (but not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service and/or monopolistic characteristics and in any new infrastructure or utility which may arise mainly in Emerging Markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.</p> <p>The Company focuses on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but has the flexibility to invest in markets worldwide. The Company generally seeks to invest in Emerging Market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.</p> <p>The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities. The Company may also use derivative instruments such as American Depositary Receipts, promissory notes, contracts for difference, financial futures, call and put options and warrants for investment purposes and efficient portfolio management.</p> <p>The Company may, from time to time, actively seek to protect the Company's portfolio and balance sheet from major corrections. This would include foreign currency hedges, interest rate hedges, stock market index put and call options, and similar instruments.</p> <p>There will be no material change to the Company's investment policy (including the investment limits set out below) without the prior approval of the Financial Conduct Authority and Ordinary Shareholders.</p> <p><i>Investment Restrictions</i></p> <p>The Board has prescribed the following restrictions on the investment policy, all of which are at the time of investment unless otherwise stated:</p> <ul style="list-style-type: none"> • Unquoted and untraded investments must not exceed 10 per cent. of the Company's Gross Assets at the time of investment. This restriction does not apply to the Company's holding of shares in a segregated account of GERP, an unquoted Bermuda segregated accounts company. This account, which is structured as the Bermuda equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company;

		<ul style="list-style-type: none"> • No single investment (including any investment in GERP) may exceed 20 per cent. of Gross Assets at the time of investment; • Investments other than in infrastructure, utility and related sector companies and in GERP must not exceed 20 per cent. of Gross Assets at the time of investment; • Investments in a single country must not exceed 50 per cent. of Gross Assets at the time of investment; • Not more than 10 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment funds which are listed on the Official List); • Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such funds more than 15 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made; and • Derivative transactions are carried out by GERP on behalf of the Company to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50 per cent. of the value of UEM's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards. <p>None of the above restrictions will require the realisation of any assets of the Company where any restriction is breached as a result of an event outside of the control of the Joint Portfolio Managers which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant restriction can again be complied with.</p> <p>Shareholders will be informed in the annual report and accounts of the Company of the actions taken by the Joint Portfolio Managers in the event of any breach of the above investment restrictions.</p>
B.35	Borrowing limits	<p>The Company may, from time to time, use bank borrowings for short-term liquidity purposes. In addition, the Board may gear the Company by borrowing on a longer term basis for investment purposes. Borrowings at the time of drawdown must not result in gearing (being total borrowings measured against Gross Assets) exceeding 25 per cent. Borrowings may be drawn down in Sterling, US Dollars or any currency for which there is a corresponding asset within the Company's portfolio (at the time of drawing down the value drawn must not exceed the value of the corresponding asset in the portfolio).</p>

		<p>The Company's use of derivative instruments may also gear the Company. There is no limit to the Company's use of derivative instruments however the Company itself generally does not use derivative instruments which have a gearing effect. The Company uses derivative instruments such as American Depositary Receipts and promissory notes as a way to invest in certain jurisdictions for a variety of reasons, including for increased liquidity and for regulatory reasons. Such instruments do not have a gearing effect. However GERP does hold derivative instruments which may gear the Company. The Company's segregated portfolio held in GERP may not exceed 20 per cent. of its Gross Assets. Within this limit, GERP may not hold more than 50 per cent. of the Company's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.</p>
B.36	Regulatory status	<p>The Company operates under the Bermuda Companies Act, but is otherwise not regulated in Bermuda.</p> <p>The Company is not regulated or authorised by the Financial Conduct Authority but is subject to the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules applicable to closed-ended investment companies.</p>
B.37	Typical investor	<p>An investment in the Company is intended for institutional or high net worth/sophisticated investors who are seeking exposure to the infrastructure, utility and related sectors in Emerging Markets through a relatively concentrated portfolio of investments and are aware of the risks, including the potential volatility of investing in Emerging Markets. Any investor must be able to accept the possibility of losses and an investment in the Company is only intended for investors who can afford to set aside the invested capital for a number of years.</p>
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	<p>Not applicable. The Company does not have any investments which individually constitute 20 per cent. or more of the Gross Assets of the Company.</p>
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	<p>Not applicable. The Company does not have any investments which individually constitute 40 per cent. or more of the Gross Assets of the Company.</p>
B.40	Service providers	<p><i>AIFM and Joint Portfolio Managers</i></p> <p>Pursuant to a management agreement dated 31 March 2015 (the Management Agreement), ICM Investment Management Limited (ICMIM) has been appointed, with effect from 13 April 2015, to act as the Company's alternative investment fund manager (AIFM) with sole responsibility for risk management and both ICMIM and ICM Limited (ICM) have been appointed as joint portfolio managers of the Company (the Joint Portfolio Managers). In addition to its duties as AIFM, ICMIM also provides company secretarial services to the Company.</p> <p>The aggregate annual management fee payable by the Company under the Management Agreement is 0.65 per cent.</p>

		<p>of net assets, payable quarterly in arrears which will be apportioned between the Joint Portfolio Managers in accordance with a management services agreement between them. The annual management fee is adjusted for fees earned by the Joint Portfolio Managers in respect of investment holdings managed or advised by them. The Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent. The maximum amount of a performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of the Company and any performance fee in excess of this cap will be written off. No performance fee is payable until the Net Asset Value exceeds the high watermark established when a performance fee was last paid, adjusted for capital events and dividends paid since its establishment.</p> <p>In addition to the management fee and the performance fee, ICMIM receives a fee equal to one-third of the total employment costs incurred by it in employing a suitably experienced person to provide company secretarial services to the Company.</p> <p>The Joint Portfolio Managers are also reimbursed for all out-of-pocket costs and expenses incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties.</p> <p>The Management Agreement continues unless or until terminated by either party giving to the other not less than six months' notice in writing or unless otherwise terminated with cause upon immediate written notice from the non-defaulting party/(ies) to the defaulting party/(ies).</p> <p><i>Administrator</i></p> <p>F&C Management Limited has been appointed as administrator to the Company. The Administration Agreement is terminable on six months' notice in writing by either party or on shorter notice in the event of breach of contract or insolvency. The Administrator is paid an annual fee of £220,000 for its company administration, dealings and valuation services. The Company will also reimburse the Administrator in respect of reasonable out-of-pocket expenses properly incurred in the performance of its duties.</p> <p><i>Depositary services provider</i></p> <p>The Company has appointed J.P.Morgan Europe Limited (JP MEL) to provide depositary services under Articles 21(7), (8)(b) and (9) of the AIFM Directive, according to the terms of a depositary services agreement dated 13 April 2015 to which both the Company and ICMIM are parties (the Depositary Services Agreement). The services provided by JP MEL include:</p> <ul style="list-style-type: none"> • general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of Net Asset Value calculations, the application of income, and the ex-post review of investment transactions;
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		<ul style="list-style-type: none"> • monitoring the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company, ICMIM or JP MEL acting on behalf of the Company; and • verifying the Company's ownership of its assets other than financial instruments and maintaining records sufficient for verification of the Company's ownership rights. <p>JP MEL receives an annual fee for its services of 2.2 basis points on the Company's net asset value, subject to a minimum fee of £25,000 per annum.</p> <p>The Depositary Services Agreement is terminable on 90 days' notice in writing by either party or on shorter notice in the event of breach of contract or insolvency.</p> <p><i>Custodians</i></p> <p>JPMorgan Chase Bank N.A. – Jersey Branch (JPMCB) has been appointed to provide custodial services pursuant to a novation and amendment agreement dated 13 April 2015 in accordance with the terms of a Global Custody Agreement dated 12 July 2005 (Global Custody Agreement). The services provided by JPMCB include the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive and retaining custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.</p> <p>JPMCB's appointment as custodian is terminable, <i>inter alia</i>, upon 60 days' notice given by either party.</p> <p>JPMCB receives safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of which vary country by country, together with JPMCB's reasonable out-of-pocket or incidental expenses. The amount paid by the Company to JPMCB for the year ended 31 March 2015 was £389,000 and the Directors do not anticipate that the annual charges going forward will be materially different and therefore the estimated maximum amount payable per annum is £500,000.</p> <p>The Company has also appointed Bermuda Commercial Bank Limited (BCB) to act as custodian in respect of such cash and other investments as the Company shall from time to time deposit with it. The fees payable to BCB depend on the nature and quantity of the assets deposited with BCB and there is no minimum fee. The fees paid to BCB for the year ended 31 March 2015 were £10,000 and the Directors do not anticipate that the annual fees going forward will be materially different and therefore the estimated maximum amount payable per annum is £20,000.</p> <p>There is no obligation on the Company to deposit any assets with BCB. The agreement can be terminated on three months' notice by either party.</p> <p><i>Registration services</i></p> <p>Computershare Investor Services (Bermuda) Limited (Computershare Bermuda) has been appointed to maintain the Company's share register in Bermuda. Computershare</p>
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		<p>Bermuda liaises with Computershare Investor Services PLC, the DI Depositary and UK transfer agent, for the transfer and settlement of Depositary Interests.</p> <p>The Company has entered into a registrar agreement (the Registrar Agreement) with Computershare Bermuda which may be terminated, <i>inter alia</i>, on six months' notice by either party. In return for providing such services Computershare Bermuda is entitled to an annual fixed fee of £7,224 payable quarterly in arrears and to certain activity fees under the Registrar Agreement, plus reimbursement by the Company of certain expenses incurred by Computershare Bermuda in connection with its duties.</p> <p><i>DI Depositary and custody services</i></p> <p>Computershare Investor Services PLC has been appointed as depositary for the settlement of Depositary Interests. The Company has entered into an agreement for the provision of depositary and custody services with Computershare Investor Services PLC, which may be terminated, <i>inter alia</i>, on six months' notice by either party.</p> <p>In return for providing the depositary and custody services, the DI Depositary is entitled to a set-up fee and ongoing annual fees. The fees paid to Computershare Investor Services PLC under the agreement for the year ended 31 March 2015 were £36,000 and the Directors do not anticipate that the annual fees going forward will be materially different and therefore the estimated maximum amount payable per annum is £60,000.</p> <p><i>Bermuda Assistant Secretary</i></p> <p>BCB Charter Corporate Services Limited is the Company's Bermuda Assistant Secretary.</p>
B.41	Regulatory status of investment manager and custodians	<p>ICMIM, the Company's AIFM and joint portfolio manager, is authorised and regulated by the Financial Conduct Authority.</p> <p>ICM, the Company's joint portfolio manager is licensed to carry on business in Bermuda including providing investment advice to the Company by the Minister of Business Development and Tourism of Bermuda.</p> <p>JPMEL is authorised and regulated in the United Kingdom by the Financial Conduct Authority.</p> <p>JPMCB is regulated by the Jersey Financial Services Commission and is registered under the Banking Business (Jersey) Law 1991 (as amended) in the conduct of "deposit-taking business", Fund Services Business and Money Services Business under the Financial Services (Jersey) Law 1988.</p> <p>BCB is licensed and regulated by the Bermuda Monetary Authority.</p>
B.42	Calculation of Net Asset Value	<p>The Net Asset Value and the Net Asset Value per Share will be calculated (and rounded to two decimal places), in pounds Sterling by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on each Business Day. The Net Asset Value per Ordinary Shares will be announced through the London Stock Exchange without delay once calculated.</p>

B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.																																							
B.44	No financial statements have been made up	Not applicable. Financial statements have been made up.																																							
B.45	Portfolio	<p>As at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus), the Group's investment portfolio comprised 89 investments with an aggregate value (unaudited), on that date, of £379.5 million, as valued as at their closing prices in accordance with the Company's accounting policies.</p> <p>The following table provides unaudited summary details of the eleven largest investments in the Company's portfolio as at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus).</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Market Value (£'000)</th> <th>Percentage of Gross Assets</th> </tr> </thead> <tbody> <tr> <td>MyEG Services Berhad</td> <td>29,183</td> <td>7.5</td> </tr> <tr> <td>International Container Terminal Services, Inc.</td> <td>25,632</td> <td>6.6</td> </tr> <tr> <td>China Gas Holdings Limited</td> <td>23,259</td> <td>6.0</td> </tr> <tr> <td>Eastern Water Resources Development and Management PCL</td> <td>22,409</td> <td>5.7</td> </tr> <tr> <td>Malaysia Airports Holdings Berhad</td> <td>21,071</td> <td>5.4</td> </tr> <tr> <td>APT Satellite Holdings Limited</td> <td>19,857</td> <td>5.1</td> </tr> <tr> <td>Ocean Wilsons Holdings Limited</td> <td>19,645</td> <td>5.0</td> </tr> <tr> <td>Gasco S.A.</td> <td>11,344</td> <td>2.9</td> </tr> <tr> <td>Transelectrica S.A.</td> <td>10,170</td> <td>2.6</td> </tr> <tr> <td>Asia Satellite Telecommunications (Holdings) Limited</td> <td>8,996</td> <td>2.3</td> </tr> <tr> <td>Transgaz S.A.</td> <td>8,858</td> <td>2.3</td> </tr> <tr> <td>Total top 11 investments held</td> <td>200,424</td> <td>51.4</td> </tr> </tbody> </table>	Company	Market Value (£'000)	Percentage of Gross Assets	MyEG Services Berhad	29,183	7.5	International Container Terminal Services, Inc.	25,632	6.6	China Gas Holdings Limited	23,259	6.0	Eastern Water Resources Development and Management PCL	22,409	5.7	Malaysia Airports Holdings Berhad	21,071	5.4	APT Satellite Holdings Limited	19,857	5.1	Ocean Wilsons Holdings Limited	19,645	5.0	Gasco S.A.	11,344	2.9	Transelectrica S.A.	10,170	2.6	Asia Satellite Telecommunications (Holdings) Limited	8,996	2.3	Transgaz S.A.	8,858	2.3	Total top 11 investments held	200,424	51.4
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B.46	Net Asset Value	As at 31 August 2015 (being the latest practicable date prior to the publication of this Prospectus), the Net Asset Value of the Company was £377.6 million (unaudited) and the Net Asset Value per Ordinary Share was 177.08 pence (unaudited).																																							
Section C – Securities																																									
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>																																							
C.1	Type and class of securities being offered	<p>The Company is proposing to issue up to 42,648,758 Subscription Shares of 0.005 pence each in the capital of the Company to Qualifying Shareholders on the basis of one Subscription Share for every five Existing Ordinary Shares held on the Record Date, subject to the passing of the Resolutions set out in the Notice of Special General Meeting. The Subscription Shares will be issued by way of a bonus issue to Qualifying Shareholders.</p> <p>The ISIN for the Subscription Shares will be BMG931071374 and the SEDOL will be BZ0S611. The ticker will be UEMS.</p>																																							
C.2	Currency of the securities issue	The Subscription Shares will be denominated in Sterling.																																							

C.3	Number of shares issued	<p>As at 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus), the Company had 213,243,793 Ordinary Shares in issue, all of which are fully paid.</p> <p>The nominal value of each Ordinary Share is 10 pence.</p>
C.4	Description of the rights attaching to the securities	<p>The Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights) no right to be redeemed (although the Company may elect to purchase Subscription Shares).</p> <p>Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders. In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, Subscription Shareholders may receive a payment out of the surplus assets. This payment may not necessarily be an amount equal to the market value of their Subscription Shares.</p>
C.5	Restrictions on the free transferability of the securities	<p>Subject as provided below, any Shareholder may transfer all or any of his shares by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The Directors may refuse to register any transfer of shares unless the instrument of transfer is lodged with the Company, at such place as the Board shall appoint for the purpose, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.</p> <p>The Company's existing Bye-laws provide that Directors may refuse to register a transfer:</p> <ul style="list-style-type: none"> (a) of any Ordinary Share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis; (b) where the holding of such Ordinary Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole; (c) of any Shares owned or which appear to be owned directly by any person who, by virtue of his holding, may in the opinion of the Directors give rise to a breach of any applicable law or requirement in any jurisdiction or may cause or be likely to cause the Company, the Shareholders or the Joint Portfolio Managers some legal, pecuniary or material disadvantage or cause or be likely to cause the assets of the Company to be considered "plan assets" within the meaning of the regulations adopted under the US Employee Retirement Income Security Act of 1974, as amended (ERISA), or which holding would or might result in the Company or the Joint Portfolio Managers being required to register or qualify under the US Investment Companies Act of 1940, as amended or other US law; or (d) where permission of the BMA to the transfer is required but has not been obtained.

		<p>Under the Company's existing Bye-laws the Board may also require the compulsory transfer of any Shares owned or which appear to be owned by any person described in paragraph (c) above.</p> <p>In order to comply with technical guidance issued by the UK Listing Authority since the Company's migration to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange, the new Bye-laws proposed to be adopted by the Company in connection with the implementation of the Bonus Issue will remove the discretion of the Board to refuse to register a transfer or require the compulsory transfer of Shares in the circumstances described in paragraphs (b) and (c) above and instead under the new Bye-laws, the Board may decline to transfer, convert or register a transfer of Shares, or may require the transfer of any Shares, which are owned or appear to be owned by a Non-Qualified Holder.</p> <p>For these purposes a Non-Qualified Holder means any person: (a) whose ownership of Shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Internal Revenue Code; (b) whose ownership of Shares may cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the Shares is not a "qualified purchaser" as defined in the US Investment Company Act); (c) whose ownership of Shares may cause the Company to register under the US Exchange Act, the US Securities Act or any similar legislation; (d) whose ownership of Shares may cause the Company not being considered a "foreign private issuer" as such term is defined in rule 3b4(c) under the US Exchange Act; or (e) whose ownership of Shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Internal Revenue Code).</p> <p>The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.</p>
C.6	Admission	<p>Applications will be made to the UK Listing Authority for the Subscription Shares to be admitted to the standard segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on its Main Market.</p> <p>It is expected that Admission will occur, and that dealings will commence at 8.00 a.m. on 24 September 2015.</p>
C.7	Dividend policy	<p>The Subscription Shares carry no right to any dividend or other distribution by the Company.</p> <p>The Company intends to distribute as dividends substantially all of the Company's income profits arising in each accounting period and the Company has the flexibility to pay dividends from capital reserves. Although it is the Company's intention to grow the dividend progressively, there is no guarantee of any particular level of profits or return being achieved. Distributions</p>

		<p>on the Ordinary Shares are expected to be paid quarterly each year, and are expected to be made by way of interim dividends to be declared in July, November, January and April.</p> <p>The Company will only pay dividends on the Ordinary Shares to the extent that it is able to meet the solvency tests set out in the Bermuda Companies Act and provided that dividends are not made from share capital (which includes share premium).</p>
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Section D – Risks

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
D.2	Key information on the key risks that are specific to the issuer	<p>The key risk factors relating to the Company, its investment policy and investment portfolio are:</p> <ul style="list-style-type: none"> • the Company's investments are likely to be concentrated in the infrastructure, utility and related sectors in Emerging Markets and accordingly an investment in the Ordinary Shares may be regarded as representing a different risk than investment in a generalist investment company; • there is no assurance that future political and economic conditions in the individual countries in which the Company's assets may be invested will not result in their governments adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, thereby influencing the ability of the investments to generate profits. Such policy changes could extend to the expropriation of assets; • in certain Emerging Markets, investment by foreign investors may require consents or be subject to limitations, and repatriation of investment income, capital and the proceeds of sales by foreign investors may require government registration and/or approval. The Company could be adversely affected by delays in or a refusal to grant any required government approval or by any lack of availability of foreign exchange; • trading volume on the stock exchanges within Emerging Markets can be substantially less than in the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in more developed markets; • the Company's portfolio will be invested predominantly in securities which are not denominated or quoted in Sterling, the base currency of the Company. The movement of exchange rates between Sterling and any other currencies in which the Company's investments are denominated or the base currency of an investor may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the Company's investments. Hedging arrangements relating to foreign currency returns and exposures, if any are put in place, may or may not have the desired effect; and • the performance of the investment portfolio depends to a great extent on correct assessments of the future course of price movements of securities and other investments

		<p>selected by the Joint Portfolio Managers. There can be no assurance that the Joint Portfolio Managers will be able to accurately predict these price movements. With respect to the investment strategies utilised by the Joint Portfolio Managers, there is always some, and occasionally a significant, degree of market risk.</p>
D.3	Key information on the key risks specific to the securities	<p>The key risk factors relating to the Ordinary Shares are:</p> <ul style="list-style-type: none"> • there can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by the holders of the Ordinary Shares; • although the Ordinary Shares will be listed on the premium segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange, it is possible that there may not be a liquid market in them and holders of the Ordinary Shares may have difficulty selling them; • the value of the Ordinary Shares can go down as well as up. The market price of the Ordinary Shares may not fully reflect their underlying Net Asset Value and holders of the Ordinary Shares may be unable to realise their investments through the secondary market at Net Asset Value; • the Net Asset Value per Ordinary Share will be diluted if the Subscription Share Rights are exercised at a time when the Net Asset Value per Ordinary Share is greater than the Subscription Price; • on each occasion the Subscription Share Rights are exercised, this may dilute the holdings of Ordinary Shareholders; and • in the event of a winding-up of the Company prior to the exercise of Subscription Share Rights, Subscription Shareholders may receive a payment out of the assets which would otherwise be available for distribution amongst the Ordinary Shareholders. <p>All risks relating to the Ordinary Shares, including those summarised above, will also apply to the Subscription Shares (in so far as they give an entitlement to subscribe for Ordinary Shares). Other key risks relating to the Subscription Shares are:</p> <ul style="list-style-type: none"> • Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement in the market price of the Subscription Shares; • there is no guarantee that the Subscription Shares will have a positive market value, or that the realisable value of the Subscription Shares will reflect their published market price; • in the case of any Subscription Shares whose Subscription Share Rights have not been exercised on or before the final date for exercising such rights, such Subscription Shares may cease to have any value; and • market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares.

Section E – Offer		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
E.1	Net proceeds and costs of the Issue	<p>Although there can be no certainty as to whether any or all of the Subscription Share Rights will be exercised, if all of the Subscription Share Rights were exercised prior to the Final Subscription Date the net proceeds that could arise on such exercise would be approximately £76.3 million, based on a Net Asset Value per Ordinary Share of 177.08 pence on 31 August 2015, (being the latest practicable date prior to the publication of this Prospectus), and assuming 42,648,758 Subscription Shares are issued pursuant to the Bonus Issue. It should be noted, however, that the Subscription Price will be calculated as at 23 September 2015 and therefore the above figure is illustrative only.</p> <p>The Company's expenses in connection with the Bonus Issue are estimated to amount to approximately £300,000 (inclusive of VAT) and will be borne by the Company.</p>
E.2a	Reason for offer, use of proceeds and estimated amount of net proceeds	<p>The Directors believe that the Bonus Issue is an attractive way of increasing the funds available to the Company to take advantage of investment opportunities in accordance with its investment policy and thereby assist in the growth of the Company's investment portfolio. The Directors also consider that the Bonus Issue will have the following advantages:</p> <ul style="list-style-type: none"> • the Subscription Shares are expected to represent an attractive way for investors to participate in any future NAV growth of the Company through conversion into Ordinary Shares at a predetermined price; • Qualifying Shareholders will receive securities which may be traded in a similar fashion to their existing Ordinary Shares; • Qualifying Shareholders will receive securities which are qualifying investments for the purposes of a stocks and shares ISA and permitted investments for the purposes of a SIPP; • the ongoing charges per Ordinary Share are expected to fall on the exercise of the Subscription Share Rights as the capital base of the Company will increase and the Company's fixed costs will be spread across a larger number of Ordinary Shares; • liquidity in the market for the Ordinary Shares may improve on exercise of the Subscription Share Rights as the number of Ordinary Shares in issue will increase; and • the Bonus Issue may broaden the Company's shareholder base as the Subscription Shares are bought and sold in the market, attracting new investors and improving liquidity for Shareholders. <p>In due course, upon the Subscription Share Rights being exercised, the Directors intend to invest the net proceeds of such subscriptions in accordance with the Company's investment objective and published investment policy.</p>

E.3	Terms and conditions of the offer	The Bonus Issue is conditional on the Resolutions at the Special General Meeting being passed and Admission becoming effective at 8.00 a.m. on 24 September 2015 (or such later time and date as the Company and the Joint Portfolio Managers may agree).
E.4	Material interests	Not applicable. No interest is material to the Bonus Issue.
E.5	Name of person selling Securities/ lock up agreements	Not applicable. No person or entity is offering to sell Shares as part of the Bonus Issue.
E.6	Dilution	<p>Pursuant to the Bonus Issue, each Qualifying Shareholder will be issued with one Subscription Share for every five Existing Ordinary Shares held by such Qualifying Shareholder on the Record Date.</p> <p>If a Qualifying Shareholder exercises all of his Subscription Share Rights before the Final Subscription Date, his percentage interest in the ordinary share capital of the Company as at the Final Subscription Date should not be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue.</p> <p>A Qualifying Shareholder's shareholding may, however, be diluted during the period ending on the Final Subscription Date, depending on how many Subscription Share Rights that Shareholder chooses to exercise on each Subscription Date, and the difference between the Subscription Price and the Net Asset Value per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to each exercise of Subscription Share Rights.</p> <p>As Restricted Shareholders will not receive Subscription Shares pursuant to the Bonus Issue, such Shareholders may be diluted by up to 20 per cent. of their respective shareholdings, depending on the aggregate number of Subscription Share Rights which are exercised on or before the Final Subscription Date.</p>
E.7	Expenses charged to the investor	Not applicable. There are no expenses charged directly to investors by the Company.

RISK FACTORS

The Directors consider the factors set out below to be those which are material at the date of this document. A shareholding in the Company is suitable only for investors capable of evaluating the risks and merits of such a shareholding and who have sufficient resources to bear any loss (including total loss) which may result from the shareholding. Prospective shareholders, therefore, should consult an independent financial adviser authorised under FSMA before investing. Furthermore, if Shareholders are in doubt as to the consequences of acquiring, holding or disposing of the Subscription Shares or exercising the Subscription Share Rights they should consult an independent financial adviser authorised under the FSMA.

Shareholders should note that the risks relating to the Company, its investments, the Subscription Shares and the Ordinary Shares summarised in the section of this document headed “Summary” are the risks that the Company believes to be the most essential to an informed assessment by a prospective investor of whether to consider an investment in the Subscription Shares or Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but also, among other things, the risks and uncertainties described below.

The following risks are those material risks of which the Directors are aware. Additional risks which are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the Company.

RISKS RELATING TO THE COMPANY

The Company is an investment company. Investment companies aim to generate returns for shareholders by investing in other companies. As an investment company may invest in a range of different companies, sectors and geographic regions, it may represent a method for investors to gain a diversified investment exposure. However, Shareholders should be aware of certain factors which apply to the Company and to investment companies, as set out below.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company’s assets will occur or that the investment objective of the Company will be achieved. Investors may not get back the full amount invested. The price of Ordinary Shares and the income from Ordinary Shares may go down as well as up.

Past performance

The past performance of the Company and other investment companies managed or advised by the Joint Portfolio Managers or their affiliates is not indicative of the future performance of the Company. There can be no guarantee that the Company’s investment objective will be achieved. The Company’s ability to achieve returns may be adversely affected in the event of significant or sustained changes in market returns or volatility. Prospective investors should regard an investment in the Company as long-term in nature and they may not recover the full amount initially invested or any amount at all.

As with any investment in companies, the Company’s investments may fall in value with the maximum loss on such investments being the value of the initial investment and, where relevant, any gains or subsequent investments made.

Investment strategies

The success of the investment strategies followed by the Joint Portfolio Managers depends upon the Joint Portfolio Managers’ success at correctly interpreting market data. Any factor which would make it more difficult to buy or sell investments in any country where the Company may invest may have an adverse affect on the profitability of the Company. No assurance can be given that the strategies to be used will be successful under all or any market conditions.

The performance of the Company’s investment programme depends to a great extent on correct assessments of the future course of price movements of securities and other investments selected

by the Joint Portfolio Managers. There can be no assurance that the Joint Portfolio Managers will be able to accurately predict these price movements. With respect to the investment strategies utilised by the Joint Portfolio Managers, there is always some, and occasionally a significant, degree of market risk. The continuing globalisation of markets, the mobility of capital and the increasing size of pools of capital, such as Exchange Traded Funds, could in certain circumstances introduce structural market risks by increasing distortions in the markets and thereby exerting further pressures on the market prices of the Company's investments.

Political and country risks

The Company was established to invest in infrastructure, utility and related companies based in Emerging Markets where the regulatory framework for infrastructure, utility and related companies is still developing. There is no assurance that future political and economic conditions in the individual countries in which the Company directly or indirectly invests will not result in their governments adopting different policies with respect to foreign investment in infrastructure, utility and related companies. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, thereby influencing the Company's ability to generate profits. Such policy changes could extend to the expropriation of assets.

In certain Emerging Markets, investment by foreign investors may require consents or be subject to limitations, and repatriation of investment income, capital and the proceeds of sales by foreign investors may require government registration and/or approval. The Company could be adversely affected by delays in or a refusal to grant any required government approval or by any lack of availability of foreign exchange.

Companies in Emerging Markets are not always subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies incorporated in the United Kingdom. In addition, there may be less government supervision and regulation of stock exchanges, brokers and listed companies in some of the Emerging Markets in which the Company may invest directly or indirectly compared to countries with more advanced securities markets.

Trading volume on the stock exchanges within Emerging Markets can be substantially less than in the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in more developed markets.

The economies of the Emerging Markets can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments in currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

Utilities sectors

The Company's investments are concentrated in the infrastructure, utility and related companies sectors and accordingly the Company may be regarded as representing a different risk than a generalist investment company.

The companies in which the Company invests are, in general, exposed to a higher level of political and regulatory risk than companies in the stock market as a whole. In certain countries, the infrastructure and utilities regulatory framework is still developing. The existing dominant market position of some infrastructure and utility companies may be eroded as their sectors are exposed to greater competition as a result of regulatory steps.

The Company may invest in newly privatised companies or companies which subsequently become privatised and this may involve additional risks relating to the capital structures of such companies.

Special situations

The Company may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganisations, bankruptcies and

similar transactions. There exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time, or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there may be uncertainty concerning the outcome of transactions involving financially troubled companies in which the Company may invest, there is a potential risk of loss by the Company of its entire investment in such companies which may have a material adverse effect on future Shareholder returns.

Competition

A number of private equity houses, institutions and other investors have become active in seeking private equity investments in infrastructure, utility and related companies in Emerging Markets. Competition for a limited number of attractive investment opportunities may lead to a delay in investment and may increase the price at which investments may be made and reduce the potential profits.

Other investment types

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds, and to invest in unlisted securities. The Company may also use derivative instruments such as American Depositary Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options and warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments. There may not be a price correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the investments which are the subject of the hedge, on the other hand, leading to losses due to the Company's hedging strategy. In addition, an active market may not exist for a particular derivative instrument at any particular time, meaning that the Company is unable to hedge against a particular risk. No assurance can be given that the hedging strategies which may be used by the Company will be successful under all or any market conditions.

These instruments are also subject to credit, liquidity and interest rate risks. Adverse changes in the financial position of an issuer of such securities or economic conditions generally may increase counterparty risk by impairing the ability of the issuer to make payments of interest or principal. Furthermore, if any of the Company's counterparties were to default on their obligations under derivative contracts it could have a material adverse effect on the Company, including its financial position.

The Company holds shares in a segregated account of GERP, an unquoted Bermuda segregated accounts company, for the sole purpose of carrying out derivative transactions at the request of and on behalf of the Company in order that it may make investments more efficiently and for the purposes of efficient portfolio management. Under the terms of a loan agreement entered into between GERP and the Company, GERP may draw down funds from the Company to meet certain costs and liabilities arising from any assets held in the Company's segregated account. Accordingly, in the event that the Company's hedging policies (implemented through its investment in GERP) lead to losses being suffered or funds being required by GERP, the Company may be obliged to advance funds to GERP under the terms of such loan agreement. Although the Company does not currently expect to be required to provide material loans to GERP, if the Company is required to provide such loans this could result in losses being suffered by the Company and have a material adverse effect on the Company, including its financial position.

The Company may invest in unlisted and unquoted securities. These types of securities are generally subject to higher valuation uncertainties and liquidity risks than securities listed or traded on a regulated market.

A proportion of the Company's portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements.

Borrowings

The Company uses gearing. Gearing can be employed in a variety of ways, including direct borrowing, buying securities on margin and the use of futures, warrants, options and other derivative products. Generally, gearing is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. This exposes investors to increased risk as gearing can increase the portfolio's market exposure and volatility. In particular, whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares. Furthermore, should any fall in the underlying asset value result in the Company breaching financial covenants contained in any loan facilities, the Company may be required to repay such borrowings in whole or in part together with any attendant costs. Such a requirement could result in the Company being forced to sell investments at lower prices than would normally be obtained. This could adversely affect the capital and income returns to Shareholders.

Economic conditions

The Company and its investments are materially affected by conditions in the global financial markets and economic conditions throughout the world, including, but not limited to, rising interest rates, inflation, business and consumer confidence, availability of credit, currency exchange rates and controls, changes in laws, trade barriers, commodity prices, terrorism and political uncertainty. These factors are outside the Company's and the Joint Portfolio Managers' control and may affect the level and volatility of securities prices and the liquidity and the value of investments, which could adversely affect the Company's profitability, Net Asset Value and the price of the Company's Shares.

During periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments.

Exchange Risks

The Company invests predominantly in securities which are not denominated or quoted in Sterling, the base currency of the Company. The Company's Net Asset Value is reported in Sterling, some or all of the borrowings of the Company may be incurred (and interest paid) in Sterling and dividends (if any) will be declared and paid in Sterling. The movement of exchange rates between Sterling and any other currencies in which the Company's investments are denominated or the base currency of an investor may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the investments made by the Company. Hedging arrangements relating to foreign currency returns and exposures, if any are put in place, may or may not have the desired effect.

Potential conflicts of interest

The Joint Portfolio Managers currently also serve as joint portfolio managers to Utilico Investments Limited as well as the Company, and may be involved in other financial, investment or professional activities in the future, including advising other investment clients. In particular, they may provide investment management, investment advice or other services in relation to funds which may have similar investment policies to that of the Company. As a result, the Joint Portfolio Managers may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they or their respective affiliates may have a greater financial interest.

The Joint Portfolio Managers have undertaken to take all reasonable steps to avoid conflicts of interest and to identify, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Company and Shareholders, and to ensure that the Company is treated fairly.

The Company and Utilico Investments Limited both invest in infrastructure, utility and related companies. As a result it is possible that conflicts of interest may arise with regard to potential investments. To minimise this risk an investment allocation policy has been adopted by both companies. This policy is described in paragraph 6 of Part 3 of this Prospectus.

Risks relating to the Joint Portfolio Managers

The Joint Portfolio Managers have, subject to compliance with the Company's investment policy, substantial discretion in the management and investment allocation of the Company's assets including the selection and timing of investments and divestments. While the Board will review compliance with the investment policy and may direct the Joint Portfolio Managers to take certain actions in connection with the Company's investments, the Board is not expected to review or approve all individual investment decisions.

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Joint Portfolio Managers and their ability to attract and retain suitable staff. The Joint Portfolio Managers have endeavoured to ensure that the principal members of their management teams are suitably incentivised, but the retention of such staff cannot be guaranteed.

There can be no assurance that the Board will be able to find a replacement manager if the Joint Portfolio Managers resign. In this event the Directors would have to formulate and put to the Shareholders proposals for the future of the Company.

Operational and reputational risks

The Company relies heavily on the Joint Portfolio Managers' and Administrator's financial, accounting and other data processing systems. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss, a disruption of its businesses, regulatory intervention or reputational damage. The Company's disaster recovery programmes may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Company for its losses, if at all. It is also possible that, from time to time, the Joint Portfolio Managers or the Company will be named as parties to litigation, which could cause substantial reputational damage to the Company or disrupt its investment strategy, business or potential growth.

Calculation of Net Asset Value

In calculating the Company's Net Asset Value the Administrator will rely on the Board's valuations of unlisted companies in which the Company invests. Such valuations may be unaudited or may be subject to little verification or other due diligence and may not comply with generally accepted accounting practices or other valuation principles. If the realisable value of the Company's assets is less than its valuation of those assets this may have a material adverse effect on future shareholder returns.

RISKS RELATING TO THE ORDINARY SHARES

Discounts

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The price of shares can therefore fluctuate and may represent a discount or premium to the net asset value per share. This discount or premium is itself variable as conditions for supply and demand for a company's shares change. This can mean that the share price can fall when the net asset value per share rises, or *vice versa*.

Fluctuations in the share price could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Company's operating results, business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities.

The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

Liquidity

The Company is a closed-ended vehicle. Accordingly, Shareholders have no right to have their Ordinary Shares or Subscription Shares repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Ordinary Shares or Subscription Shares on the stock market.

Market liquidity in the shares of investment companies is sometimes less than market liquidity in shares issued by larger companies traded on the London Stock Exchange. The market price of the Ordinary Shares may be subject to greater fluctuations on small volumes of shares and thus the Ordinary Shares may be difficult to sell at a particular price.

There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the Subscription Shares. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.

Dividends and income

The Company's investment objective is to provide long-term total return and not to provide any particular level of dividend. Dividends on the Ordinary Shares will depend on dividends or other income returns on the Company's portfolio, which may reduce. The income derived from the Ordinary Shares (if any) can go down as well as up.

Dilution

The allotment of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. On each occasion the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if a Qualifying Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Share Rights before their expiry, that Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. If, as is likely, the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights.

Rights of the Subscription Shares on Liquidation

In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, Subscription Shareholders may receive a payment out of the assets which would otherwise be available for distribution amongst the holders of the Ordinary Shares.

RISKS RELATING TO THE SUBSCRIPTION SHARES

Unsuitability as a short term investment

Investment in the Subscription Shares may not be suitable as a short-term investment. The value of a Subscription Share may go down as well as up.

Price volatility

Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Subscription Shares. The market price of the Subscription Shares may therefore be volatile.

Realisable value

The market price of the Subscription Shares will be determined by market forces (including the NAV and market price of an Ordinary Share) and there is no guarantee that they will have a positive market value. The published market price of the Subscription Shares will typically be their mid-market price. Due to the potential difference between the mid-market price of the Subscription Shares and the price at which Subscription Shares can be sold, there is no guarantee that the realisable value of the Subscription Shares will reflect their published market price.

In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, Subscription Shareholders may receive a payment out of the assets which would otherwise be available for distribution amongst the holders of Ordinary Shares. This payment to Subscription Shareholders may not necessarily be an amount equal to the market value of their Subscription Shares.

In the case of any Subscription Shares whose Subscription Share Rights have not been exercised on or before the Final Subscription Date, such Subscription Shares will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale would exceed the costs of exercise of such rights. In such circumstances, the trustee will either exercise all or some of the outstanding Subscription Share Rights and sell the Ordinary Shares issued on such exercise in the market, or if it appears to the trustee that doing so is likely to raise greater net proceeds, it may accept any offer available to the Subscription Shareholders for the purchase of the issued Subscription Shares. The net proceeds of any such sale (after deducting the costs of exercising the Subscription Share Rights, if applicable, (including payment of the Subscription Share Price) and any other costs and expenses incurred in relation to such sale) will be remitted to the Subscription Shareholders unless the amount to which a Subscription Shareholder is entitled is less than £5.00 per Subscription Shareholder in which case such sum shall be retained for the benefit of the Company.

Liquidity

Although Subscription Shares are tradable securities, market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares. It is possible that there may not be a liquid market in the Subscription Shares and investors may have difficulty in selling such securities.

Suspension of trading

The Company has applied for the Subscription Shares to be admitted to trading on the Main Market of the London Stock Exchange and to listing on the standard segment of the Official List of the UK Listing Authority. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Subscription Shares may affect the ability of the Shareholders to realise their investments.

Ordinary Share risks

The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, are affected by the same risk factors as the Ordinary Shares as set out in this section headed "Risks relating to the Ordinary Shares".

However, although the price of the Subscription Shares is linked to the price of the Ordinary Shares, the price of a Subscription Share may not follow that of an Ordinary Share because of other factors contributing to their respective prices, for example supply and demand. Further, the price of a

Subscription Share is affected by factors that do not affect the Ordinary Share price, such as the remaining duration of the Subscription Share Rights.

TAXATION

General

Representations in this Prospectus concerning the taxation of Shareholders and the Company are based on current law and practice. These are, in principle, subject to change and Shareholders should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. **If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.**

Any change in the taxation legislation or taxation regime applicable to the Company could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Any changes in the tax treatment of dividends or interest received by the Company may reduce the returns to Shareholders.

Risk of being treated as an offshore fund

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds. Whilst the Company has been advised that it should not be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Investors should not expect to realise their investment at a value calculated by reference to NAV per Share.

LEGAL AND REGULATORY

General

The Company must comply with the provisions of the Bermuda Companies Act and, as its Ordinary Shares are admitted to the premium segment of the Official List and are traded on the Main Market on the London Stock Exchange, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules. A breach of the Bermuda Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the Listing Rules could result in the Company's shares being suspended from listing.

Takeover Protection

The Company is incorporated in Bermuda and is managed and controlled outside the UK. For those reasons the City Code does not apply to the Company. It is emphasised that, although the Ordinary Shares arising on exercise of the Subscription Share Rights will be admitted to the premium segment of the Official List and will be traded on the Main Market, the Company is not and will not be subject to takeover regulation in the UK. It follows that Shareholders are not entitled to the protections afforded by the City Code, and there are no similar protections under Bermuda law.

The Company's Bye-laws contain certain provisions intended to incorporate specific protections set out in the City Code into the Company's constitution. The Bye-laws do not import all of the provisions of the City Code, however, and the implementation of the Bye-laws by the Directors will inevitably differ from how the Panel would implement the relevant rules of the City Code. In addition, the Directors have discretion as to whether to utilise their powers under the Bye-laws or not in any particular circumstances. There can be no guarantee, therefore, that the provisions of the Bye-laws will provide any significant protection for Shareholders in a situation where an individual investor or a group of investors acting in concert acquires Ordinary Shares representing 30 per cent. or more of that class of issued share capital of the Company.

Enforcement of Judgements

As the Company is a Bermuda exempted company, the rights of Shareholders are governed by Bermuda law and the Memorandum of Association and Bye-laws of the Company. The rights of Shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Most of the Directors referred to in this Prospectus are not

residents of the UK and a significant part of the Company's assets is expected to be located outside of the UK. As a result, it may be difficult for investors to effect service of process on those persons in the UK or to enforce UK judgements obtained in the UK courts against the Company or those persons who may be liable under UK law.

Alternative Investment Fund Managers Directive

The AIFM Directive, which was due to be transposed by EU member states into national law by July 2013 (and has been transposed in the United Kingdom) seeks to regulate alternative investment fund managers (in this paragraph, **AIFM**) and imposes obligations on managers who manage alternative investment funds (in this paragraph, **AIF**) in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM needs to comply with various obligations in relation to the AIF, which may create significant additional compliance costs, some of which may be passed to investors in the AIF.

The Company is a non-EU AIF for the purposes of the AIFM Directive and related regimes in relevant EU member states. Following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in AIFs that are established outside the EU (such as the Company) to investors in that EU member state will be prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country (in this case Bermuda) and the relevant EU member state entering into regulatory co-operation agreements with one another. The Company cannot guarantee that such conditions will be satisfied. Bermuda has entered into a co-operation agreement with the United Kingdom. In cases where the conditions are not satisfied, the ability of the Company to market its shares or raise further equity capital in the relevant EU member states may be limited or removed.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to carry on its business or to market future issues of its Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, business prospects, financial condition, returns to Shareholders including dividends, NAV and/or the market price of the Ordinary Shares.

NMPI REGULATIONS

On 1 January 2014 the Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the **NMPI Regulations**) came into force in the UK. The NMPI Regulations extend the application of the existing UK regime restricting the promotion of unregulated collective investment schemes by FCA-authorised persons (such as independent financial advisers) to other "non-mainstream pooled investments" (or NMPIs).

From 1 January 2014, FCA-authorised independent financial advisers and other financial advisers are restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors.

The Ordinary Shares and Subscription Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because the investment returns received in connection with the Shares are wholly or predominantly linked to, contingent on, highly sensitive to or dependent on, the performance of or changes in the value of shares, debentures or government and public securities.

If the Ordinary Shares cease to be excluded securities for the purposes of the NMPI Regulations and the FCA does not otherwise grant a waiver, the ability of the Company to raise further capital from retail investors may be affected. In this regard, it should be noted that, whilst the publication and distribution of a prospectus (including this Prospectus) is exempt from the NMPI Regulations, other communications by "approved persons" could be restricted (subject to any exemptions or waivers).

UNITED STATES (US) TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The Government of the United States of America and the Government of Bermuda have entered into a Model 2 intergovernmental agreement (the **US-Bermuda IGA**) in relation to the application of FATCA in Bermuda and to Bermuda persons. The US-Bermuda IGA provides for applicable/affected Bermuda persons to register and/or enter into agreements and/or file required information directly with the US Internal Revenue Service (the **IRS**), including due diligence, reporting and withholding. The US-Bermuda IGA is intended to ensure that there are no local restrictions on or prohibitions for a Bermuda person to comply with FATCA. Assuming registration and compliance pursuant to the US-Bermuda IGA, a non-US financial institution (a **foreign financial institution** or **FFI**) would be treated as compliant with FATCA and not subject to withholding.

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets (**US source payments**) to certain categories of recipient, including: (a) an FFI that does not comply with the terms of FATCA and is not otherwise exempt (a **nonparticipating FFI**); and (b) an accountholder which has failed to comply with certain documentation or information requirements under FATCA and is not otherwise exempt (a **recalcitrant accountholder**). Pursuant to the terms of the US-Bermuda IGA, certain Bermuda financial institutions (**reporting financial institutions**) will be required to provide certain information about their accountholders who are specified US persons or nonparticipating FFIs (both as defined in the US-Bermuda IGA) to the IRS, and to withhold on US source payments to accountholders which are nonparticipating FFIs and, in certain limited circumstances, recalcitrant accountholders, pursuant to the terms of an FFI Agreement (as defined in the US-Bermuda IGA).

The Company has registered with the IRS as a reporting financial institution for the purposes of FATCA. Accordingly, the Company has entered into and will be required to comply with the terms of an FFI Agreement (as defined in the US-Bermuda IGA), including the reporting and withholding requirements in respect of Shareholders and their interests outlined above. However, for so long as the Shares are admitted to trading on the Main Market of the London Stock Exchange, the Company may not need to carry out any reporting or withholding in respect of the Shareholders or their interests (whether or not the Shareholders are nonparticipating FFIs, specified US persons or recalcitrant accountholders) to the extent that the Shares are treated as regularly traded on an established securities market and do not, therefore constitute financial accounts for FATCA purposes. In such circumstance, the Company may still need to file a nil return with the IRS.

The Company has shown that it is complying with the terms of FATCA by entering into and complying with the terms of an FFI Agreement and all other terms of the reporting and withholding system contemplated by the US-Bermuda IGA and FATCA (insofar as applicable under the terms of the US-Bermuda IGA). No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is not able to do so, a 30 per cent. withholding tax may be imposed on US source payments made to the Company, which may reduce the amounts available to it to make payments to its Shareholders.

In light of the above, Shareholders in the Company will be required to provide certain information to the Company to comply with the terms of the reporting system.

UK-Bermuda Intergovernmental Agreement

In November 2014 the governments of the UK and Bermuda signed an intergovernmental agreement (**UK-Bermuda IGA**) under which certain disclosure requirements are imposed in respect of certain investors in the Company who are resident in the UK or, in the case of entities, are controlled by one or more residents in the UK. According to guidance which is currently published in draft form, the UK-Bermuda IGA is to be implemented through Bermuda's domestic legislation. Accordingly, the full impact of the UK-Bermuda IGA on the Company and its reporting responsibilities pursuant to the UK-Bermuda IGA remain uncertain.

Common Reporting Standards

In 2014, the OECD announced the 'Common Reporting Standard' (**CRS**) which is intended to become an international standard for financial account reporting. As a result, Bermuda is likely to sign up to further intergovernmental agreements with other countries (future IGAs) similar to the US and UK IGAs for reporting to the fiscal authorities (**foreign fiscal authorities**) of countries that adopt the CRS. The US has not yet adopted the CRS and one difference to note between the US IGA and the CRS is that reporting is to be made between the competent authorities of the relevant jurisdictions (rather than between the Company and foreign fiscal authorities directly). At this time, neither the identity of the competent authority in Bermuda for the purposes of the CRS (**Competent Authority**) nor the mechanism through which the Company would provide information to the Competent Authority is yet known.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares or of exercising the Subscription Share Rights, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

IMPORTANT NOTICES

Shareholders should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights; (b) any foreign exchange restrictions applicable to the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the holding, transfer or other disposal of Subscription Shares or the exercise of the Subscription Share Rights. Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any Shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled “Risk Factors”, which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Directors’ current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations and growth strategy.

Subject to any obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 8 of this Prospectus.

NO INCORPORATION OF WEBSITE

The contents of the Company’s website at www.uem.bm do not form part of this Prospectus.

PRESENTATION OF INFORMATION

Currency presentation

Unless otherwise indicated, all references in this Prospectus to “Sterling”, “pounds Sterling”, “£” or “pence” are to the lawful currency of the UK; and all references to “US dollars” and “US\$” are to the lawful currency of the United States.

Latest Practicable Date

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is close of business on 1 September 2015.

Definitions

A list of defined terms used in this Prospectus is set out at pages 102 to 107.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales or Bermuda (as appropriate) and are subject to changes therein.

EXPECTED TIMETABLE

<i>Event</i>	<i>2015</i>
Latest time and date for receipt of Forms of Instruction from holders of Depositary Interests	4.00 p.m. on 17 September
Latest time and date for receipt of Forms of Proxy	4.00 p.m. on 18 September
Special General Meeting to approve the Bonus Issue and adopt the New Bye-laws	9.05 a.m. (local time) on 22 September*
Record Date for the Bonus Issue	5.00 p.m. on 22 September
Announcement of the Subscription Price	23 September
Admission of the Subscription Shares to the standard segment of the Official List and dealings in the Subscription Shares commence	8.00 a.m. on 24 September
Subscription Shares in uncertificated form credited to CREST accounts	24 September
Share certificates despatched in respect of Subscription Shares in certificated form	Week commencing 28 September
	<i>2016</i>
First date on which Subscription Share Rights can be exercised	29 February
	<i>2018</i>
Final date on which Subscription Share Rights can be exercised	28 February

* The SGM will be held at Vineyard Hotel, Colinton Road, Newlands 7700, Cape Town, South Africa on Tuesday, 22 September 2015 at 9.05 a.m. (local time) (or, if later, as soon as practicable following conclusion of the 2015 Annual General Meeting).

Notes:

The times and dates set out in the Expected Timetable above and mentioned throughout this document (save for the time and date of the Special General Meeting) may be adjusted by the Company, in which event details of the new times and dates will be notified, as required, to the UK Listing Authority and the London Stock Exchange, and, where appropriate, to Shareholders.

Unless otherwise stated, all references to times in this document are to London time.

DEALING CODES

The dealing codes for the Subscription Shares will be as follows:

ISIN	BMG931071374
SEDOL	BZ0S611
Ticker	UEMS

DIRECTORS, MANAGERS AND ADVISERS

Directors	Alexander Zagoreos (<i>Chairman</i>) Garth Milne (<i>Deputy Chairman</i>) Susan Hansen Garry Madeiros OBE Anthony Muh The business address of the Directors is at the Company's registered office
Registered Office	19 Par-la-Ville Road Hamilton HM 11 Bermuda Tel: +1441 295 5678
AIFM, Joint Portfolio Manager and Secretary	ICM Investment Management Limited PO Box 208 Epsom Surrey KT18 7YF A representative of the AIFM can be contacted on tel: +44 (0) 1372 271 486
Joint Portfolio Manager	ICM Limited 19 Par-la-Ville Road Hamilton HM 11 Bermuda
Assistant Secretary	BCB Charter Corporate Services Limited 19 Par-la-Ville Road Hamilton HM 11 Bermuda
Administrator	F&C Management Limited Exchange House Primrose Street London EC2A 2NY
Financial adviser and broker	Westhouse Securities Limited 110 Bishopsgate London EC2N 4AY
Legal Adviser to the Company as to English law	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Legal Adviser to the Company as to Bermuda law	Appleby (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM EX Bermuda
Reporting Accountants and Registered Auditor	KPMG LLP 15 Canada Square London E14 5GL

Depository Services Provider	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
Custodians	JPMorgan Chase Bank N.A. JPMorgan House Grenville Street St Helier Jersey JE4 8QH Channel Islands Bermuda Commercial Bank Limited 19 Par-la-Ville Road Hamilton HM 11 Bermuda
Registrar	Computershare Investor Services (Bermuda) Limited 5 Reid Street Hamilton HM11 Bermuda
Registrar to the Depositary Interests and CREST Agent	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY
Principal Bankers	Scotiabank Europe plc 201 Bishopsgate 6th Floor London EC2M 3NS

PART 1

LETTER FROM THE CHAIRMAN

Utilico Emerging Markets Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 36941)

Directors:

Alexander Zagoreos (*Chairman*)
Garth Milne (*Deputy Chairman*)
Susan Hansen
Garry Madeiros OBE
Anthony Muh

Registered Office:

19 Par-la-Ville Road
Hamilton HM 11
Bermuda

3 September 2015

To holders of Ordinary Shares and Depositary Interests

**Proposed Bonus Issue of up to 42,648,758 Subscription Shares on a one for five basis,
adoption of New Bye-laws and Notice of Special General Meeting**

INTRODUCTION

The Board announced today a bonus issue of Subscription Shares to Existing Ordinary Shareholders. Implementation of the Bonus Issue requires amendments to the Bye-laws to provide for the rights of the Subscription Shares. The Bonus Issue is therefore conditional on the passing of the Resolutions to be proposed at the Special General Meeting of the Company to be held at Vineyard Hotel, Colinton Road, Newlands 7700, Cape Town, South Africa on Tuesday 22 September 2015 at 9.05 a.m. (local time). The Bonus Issue is also conditional on the admission of the Subscription Shares to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange.

The purpose of this Prospectus is to provide you with details and to explain the benefits of the Bonus Issue and to set out the reasons why the Directors are recommending that you vote in favour of the Resolutions.

THE BONUS ISSUE

The Company is proposing to issue Subscription Shares to Qualifying Shareholders on the basis of one Subscription Share for every five Existing Ordinary Shares, subject to the passing of the Resolutions set out in the Notice of Special General Meeting. The Subscription Shares will be issued by way of a bonus issue to Qualifying Shareholders and will be listed on the standard segment of the Official List and tradable on the Main Market of the London Stock Exchange. The ISIN of the Subscription Shares is BMG931071374 and the ticker is UEMS. Up to 42,648,758 Subscription Shares will be issued pursuant to the Bonus Issue and their par value of 0.005 pence per share (being £2,132.44 in aggregate if 42,648,758 Subscription Shares are issued) will be paid up in full out of the Company's share premium account.

Qualifying Shareholders' entitlements will be assessed against the Register on the Record Date, being 22 September 2015. Fractions of Subscription Shares will not be allotted or issued and entitlements will be rounded down to the nearest whole number of Subscription Shares.

THE SUBSCRIPTION SHARE RIGHTS

Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share on exercise of the Subscription Shares Rights and on payment of the Subscription Price.

The Subscription Share Rights may be exercised on the last business day of each of February 2016, August 2016, February 2017, August 2017 and February 2018, following which they will lapse. Subscription Shareholders will be sent a reminder of their Subscription Share Rights in advance of these dates. The Ordinary Shares arising on exercise of the Subscription Share Rights will be allotted within ten Business Days of the relevant exercise date. To be exercised, a notice of exercise must be

received by Computershare no later than 5.00 p.m. on the Business Day before the relevant Subscription Date.

Subscription Shares will rank equally with each other and will not carry the right to receive any dividends from the Company or to attend and/or vote at general meetings of the Company (although the Subscription Shareholders have the right to vote in certain circumstances where a variation of the Subscription Share Rights is proposed). However, Ordinary Shares arising on the exercise of the Subscription Share Rights will rank *pari passu* with the Ordinary Shares currently in issue.

The full terms of the Subscription Shares are set out in Part 6 of this Prospectus.

SUBSCRIPTION PRICE

The Subscription Price will be equal to the unaudited published NAV per Ordinary Share as at 5.00 p.m. on 22 September 2015, plus a one per cent. premium to such NAV per Ordinary Share, rounded up to the nearest whole pence.

The NAV for the purposes of calculating the Subscription Price will be the unaudited value of the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their par value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The New Bye-laws will provide that the Subscription Price is subject to adjustment upon the occurrence of certain corporate events affecting the Company before the Final Subscription Date in February 2018. The relevant corporate events include consolidations or sub-divisions of share capital, pre-emptive offers of securities to Ordinary Shareholders, takeover offers and the liquidation of the Company. Such adjustments serve to protect either the intrinsic value or the time value of the Subscription Shares, or both.

The percentage premium applying on exercise and the resulting Subscription Price reflect the Board's confidence in the Company's medium to long-term prospects and its hope that Qualifying Shareholders will be able to exercise their Subscription Share Rights and acquire Ordinary Shares on favourable terms in the future.

It is expected that an announcement setting out the Subscription Price will be made on 23 September 2015.

BENEFITS OF AND REASONS FOR THE BONUS ISSUE

The Directors believe that the Bonus Issue is an attractive way of increasing the funds available to the Company to take advantage of investment opportunities in accordance with its investment policy and thereby assist in the growth of the Company's investment portfolio. The Directors also consider that the Bonus Issue will have the following advantages:

- the Subscription Shares are expected to represent an attractive way for investors to participate in any future NAV growth of the Company through conversion into Ordinary Shares at a predetermined price;
- Qualifying Shareholders will receive securities which may be traded in a similar fashion to their existing Ordinary Shares;
- Qualifying Shareholders will receive securities which are qualifying investments for the purposes of a stocks and shares ISA and permitted investments for the purposes of a SIPP;
- the ongoing charges per Ordinary Share are expected to fall on the exercise of the Subscription Share Rights as the capital base of the Company will increase and the Company's fixed costs will be spread across a larger number of Ordinary Shares;
- liquidity in the market for the Ordinary Shares may improve on exercise of the Subscription Share Rights as the number of Ordinary Shares in issue will increase; and

- the Bonus Issue may broaden the Company's shareholder base as the Subscription Shares are bought and sold in the market, attracting new investors and improving liquidity for Shareholders.

IMPLEMENTATION OF THE BONUS ISSUE

The implementation of the Bonus Issue will require Shareholders to approve the Resolutions which are to be proposed at the Special General Meeting, as set out below under the heading "Special General Meeting". If passed, the Resolutions will:

- increase the Company's authorised share capital from £135,001,000 to £135,005,000 by the creation of 80 million shares of par value of 0.005 pence each, and that such shares be designated as Subscription Shares, having the rights and being subject to the restrictions set out in the New Bye-laws proposed to be adopted by the Company;
- approve the adoption of the New Bye-laws containing the Subscription Share Rights;
- disapply the pre-emption rights contained in the Bye-laws in relation to the issue of up to 42,648,758 Subscription Shares and the allotment of the Ordinary Shares pursuant to the exercise of the Subscription Share Rights;
- authorise the consolidation, sub-division or redemption of any share capital in connection with the exercise of the Subscription Share Rights so as to enable conversion of the Subscription Shares into Ordinary Shares in accordance with the Subscription Share Rights; and
- authorise the purchase by the Company of Subscription Shares representing up to 14.99 per cent. of the Company's issued Subscription Shares immediately following Admission (subject to certain conditions), as more fully described under the heading "Authority to Repurchase Shares" below.

AUTHORITY TO REPURCHASE SHARES

In order to allow the Company to repurchase Subscription Shares, the Company is seeking authority at the Special General Meeting to buy back up to 14.99 per cent. of the issued Subscription Shares immediately following Admission. This authority to purchase Subscription Shares is contained within Resolution 4. This is in addition to the authority being sought at the 2015 Annual General Meeting to make market purchases of Ordinary Shares representing (subject to certain conditions) up to 14.99 per cent. of the Company's then issued ordinary share capital.

Repurchases of Ordinary Shares and Subscription Shares will be made through the market at the discretion of the Board, and will only be made when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules. Purchases through the market will not exceed the higher of: (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for: (a) the last independent trade of; or (b) the highest current independent bid for, any number of Ordinary Shares or Subscription Shares, as applicable, on the trading venue where the purchase is carried out. In addition, repurchases of Ordinary Shares will only be made in the market at prices below the prevailing NAV per Ordinary Share. Ordinary Shares repurchased might not be cancelled but rather held as treasury shares and may be subsequently re-issued. Any Subscription Shares repurchased will be cancelled and will not be held in treasury for re-issue or resale.

It is anticipated that authorisation for repurchases of both Ordinary Shares and Subscription Shares will be sought at the annual general meeting in 2016 and beyond.

ADOPTION OF NEW BYE-LAWS

If the Resolutions are approved, the New Bye-laws will be adopted. The New Bye-laws will set out the Subscription Share Rights.

In addition, in order to comply with technical guidance issued by the UK Listing Authority since the Company's migration to the premium segment of the Official List and to trading on the main market of the London Stock Exchange, the New Bye-laws will not include the existing provisions relating to

the transfer of Shares which give the Board discretion to refuse to register a transfer of Shares: (a) where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole; or (b) in favour of any person who, by virtue of his holding, may in the opinion of the Directors give rise to a breach of any applicable law or requirement in any jurisdiction or may cause or be likely to cause the Company, the Shareholders or the Joint Portfolio Managers some legal, pecuniary or material disadvantage or cause or be likely to cause the assets of the Company to be considered “plan assets” within the meaning of the regulations adopted under the US Employee Retirement Income Security Act of 1974, as amended (**ERISA**), or which holding would or might result in the Company or the Joint Portfolio Managers being required to register or qualify under the US Investment Companies Act of 1940, as amended or other US law. The Board also currently has the discretion to require the compulsory transfer of Shares in the circumstances described in (b) above. Instead of these existing provisions, under the New Bye-laws, the Board may decline to transfer, convert or register a transfer of Shares, or may require the transfer of any Shares, which are owned or appear to be owned by a Non-Qualified Holder.

Except as described above, the New Bye-laws will not otherwise vary from the Existing Bye-laws.

The New Bye-laws will be on display at the registered office of the Company and at the offices of Norton Rose Fulbright LLP from the date of this Prospectus until the end of the Special General Meeting and at the Special General Meeting itself for the duration of the meeting and for at least 15 minutes prior to the meeting.

ADMISSION AND DEALINGS

Applications will be made to the UK Listing Authority for the Subscription Shares to be admitted to the standard segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on its Main Market. It is expected that Admission will occur, and that dealings will commence, on 24 September 2015. On Admission, the Subscription Shares will confer rights to subscribe for new Ordinary Shares representing, in aggregate, up to 20 per cent. of the then issued ordinary share capital of the Company.

The Subscription Shares will be in registered form and may be held either in certificated form or as Depositary Interests in uncertificated form and settled through CREST. CREST is a computerised paperless settlements system, which allows securities to be transferred via electronic means, without the need for a written instrument of transfer. Foreign securities cannot be held or traded in the CREST system. To enable investors to settle their Subscription Shares through CREST, the DI Depositary will hold the relevant Subscription Shares and will issue dematerialised Depositary Interests representing the underlying Subscription Shares to the relevant Qualifying Shareholders. Dealings in the Subscription Shares in advance of the crediting of the relevant Depositary Interests acquired shall be at the risk of the person concerned.

The DI Depositary will hold the Subscription Shares on trust for the respective underlying Subscription Shareholders. This trust relationship is documented in a deed executed by the DI Depositary. The Depositary Interests are independent English securities and are held on a register maintained by the Registrars. The Depositary Interests have the same security code as the Subscription Shares that they represent and do not require a separate admission to the London Stock Exchange.

Shareholders wishing to settle Subscription Shares through CREST can transfer their holding to the DI Depositary, which will then issue Depositary Interests representing the relevant transferred Subscription Shares. The Depositary Interest holder will not hold a certificate evidencing the underlying Subscription Share. Depositary Interests are issued on a one-for-one basis against the relevant Subscription Shares that they represent for all purposes. Any payments received by the DI Depositary will be passed on to each Depositary Interest holder noted on the Depositary Interest register as the beneficial owner of the relevant Subscription Shares.

Participation in CREST is voluntary and Shareholders who wish to hold the Subscription Shares outside of CREST will be entered on the Register of Members and issued with a share certificate evidencing ownership.

Application will be made by the DI Depository for Depository Interests representing the Subscription Shares to be admitted to CREST on Admission.

Investors should be aware that Subscription Shares delivered in certificated form are likely to incur, on an ongoing basis, higher dealing costs than those Subscription Shares held through CREST. Subscription Shares initially issued in certificated form may subsequently be exchanged for Depository Interests, which can be deposited into CREST in accordance with the procedure described above. Certificates in respect of Subscription Shares held in certificated form are expected to be despatched in the week commencing 28 September 2015 or as soon as practicable thereafter.

Temporary documents of title will not be issued pending the delivery of Subscription Shares to the persons entitled thereto.

The Ordinary Shares resulting from the exercise of the Subscription Share Rights will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

COSTS OF THE BONUS ISSUE

The Company's fixed expenses in connection with the Bonus Issue are estimated to amount to approximately £300,000 (inclusive of VAT). These expenses will be borne by the Company and will be taken into account in the Company's NAV with effect from the date of this Prospectus.

RESTRICTED SHAREHOLDERS

The issue of Subscription Shares to persons who have a registered or mailing address in Restricted Territories may be affected by the law or regulatory requirements of the relevant jurisdiction. The Subscription Shares are not being issued to Restricted Shareholders. The Board will allot any Subscription Shares due to Restricted Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of sale will be paid to the Restricted Shareholders entitled to them save that entitlements of less than £5.00 per Restricted Shareholder will be retained by the Company for its own account.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit any Shareholder to receive Subscription Shares under the Bonus Issue if the Company, in its sole and absolute discretion, is satisfied at any time prior to the Special General Meeting that the transaction in question is exempt from, or not subject to the legislation or regulations giving rise to the restrictions in question.

Restricted Shareholders who believe that they are entitled to take up Subscription Shares under the Bonus Issue should contact Computershare as soon as possible to discuss the matter. The telephone number for Computershare is +44 (0)370 702 0000.

Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

TAXATION

The attention of Shareholders is drawn to the summary of United Kingdom tax matters set out in Part 7 of this Prospectus.

Shareholders should note that Subscription Shares are qualifying investments for the purposes of an ISA and will constitute permitted investments for the purposes of a SIPP. The exercise of Subscription Share Rights may affect the annual subscription limit available for further investment into an ISA in the relevant year. Any Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional adviser.

NET PROCEEDS FROM THE SUBSCRIPTION SHARES

Although there can be no certainty as to whether any or all of the Subscription Share Rights will be exercised, if the Bonus Issue proceeds and all of the Subscription Share Rights are exercised, the

net proceeds that could arise on such exercise would be approximately £76.3 million, based on a NAV of 177.08 pence on 31 August 2015 (being the latest practicable date prior to the publication of this Prospectus) and assuming 42,648,758 Subscription Shares are issued pursuant to the Bonus Issue. It should be noted, however, that the Subscription Price will be calculated as at the Record Date, not as at 31 August 2015, and therefore the above figures are for illustrative purposes only.

DILUTION

The allotment and issuance of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital will be under option immediately following the Bonus Issue. On each occasion that the Subscription Share Rights are exercised, this will dilute the shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights or who have sold their Subscription Shares. However, if a Qualifying Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Share Rights before their expiry, that Qualifying Shareholder's resulting percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. If, as is likely, the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the applicable Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights.

SPECIAL GENERAL MEETING

The Bonus Issue is conditional on, amongst other things, the approval by Shareholders of all the Resolutions to be proposed at a Special General Meeting of the Company which has been convened for 9.05 a.m. (local time in South Africa) on 22 September 2015 (or, if later, as soon as practicable following the conclusion of the 2015 Annual General Meeting convened for the same day). If passed, the Resolutions will allow the Company to implement the Bonus Issue, including the adoption of the New Bye-laws.

The Resolutions that will be put to Shareholders at the Special General Meeting are:

- **Resolution 1** to increase the Company's authorised share capital from £135,001,000 to £135,005,000 by the creation of 80 million shares of par value of 0.005 pence each, and such shares to be designated as Subscription Shares, having the rights and being subject to the restrictions set out in the New Bye-laws proposed to be adopted by the Company;
- **Resolution 2** to approve the adoption of the New Bye-laws containing the rights attaching to the Subscription Shares and the new provisions relating to the restrictions on transfer of Shares (as described under the heading "Adoption of New Bye-Laws" in this Part 1) in substitution for, and to the exclusion of, the Existing Bye-Laws;
- **Resolution 3** to authorise the consolidation, sub-division or redemption of any share capital in connection with the exercise of the Subscription Share Rights so as to enable conversion of the Subscription Shares into Ordinary Shares in accordance with the Subscription Share Rights;
- **Resolution 4** to authorise the purchase by the Company of Subscription Shares representing up to 14.99 per cent. of the Company's issued Subscription Shares immediately following Admission; and
- **Resolution 5** to disapply the pre-emption rights contained in the Bye-laws in relation to the issue of the Subscription Shares and the allotment of the Ordinary Shares pursuant to the exercise of the Subscription Share Rights.

Each of Resolutions 1 to 4 will require the approval of a simple majority of the votes cast in favour of it. Resolution 5 will require the approval of a 75 per cent. majority of the votes cast in respect of it.

The Board is recommending Shareholders to vote in favour of all the Resolutions to be proposed at the Special General Meeting.

All Shareholders are entitled to attend and vote at the Special General Meeting. In accordance with the Bye-laws, all Shareholders present in person (or being a corporation, by representative) or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Share held. In order to ensure that a quorum is present at the Special General Meeting, it is necessary for at least two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative).

The formal notice convening the Special General Meeting is set out at the end of this Prospectus.

ACTION TO BE TAKEN

Shareholders who hold their Ordinary Shares in certificated form will find enclosed with this Prospectus a Form of Proxy for use in relation to the Special General Meeting. Shareholders who hold their Ordinary Shares in certificated form are urged to complete and return the Form of Proxy so as to be received by the Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 4.00 p.m. (BST) on 18 September 2015.

Shareholders who hold their Ordinary Shares through Depositary Interests in uncertificated form will find enclosed a Form of Instruction for use at the Special General Meeting to instruct the DI Depositary how to vote on their behalf. Shareholders who hold their Ordinary Shares through Depositary Interests in uncertificated form are urged to complete and return the Form of Instruction so as to be received by the Company's DI Depositary, Computershare Investor Services PLC, at The Registrar of the Depositary Interests, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 4.00 p.m. (BST) on 17 September 2015. For Depositary Interest holders to give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 4.00 p.m. (BST) on 17 September 2015. For this purpose, the time receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Submitting a Form of Proxy will not preclude a Shareholder from attending the Special General Meeting and voting in person should they so wish.

RECOMMENDATION

The Board considers that the Bonus Issue and the passing of the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly the Board unanimously recommends Shareholders to vote in favour of the Resolutions to be proposed at the Special General Meeting.

The Directors intend to vote in favour of all the Resolutions in respect of their own personal beneficial holdings of Ordinary Shares which amount to 1,350,709 Ordinary Shares in aggregate (representing approximately 0.63 per cent. of the issued ordinary share capital of the Company, excluding treasury shares, as at 1 September 2015).

Yours faithfully

Alexander Zagoreos
(Chairman)

PART 2

THE COMPANY

1. INTRODUCTION

The Company is an exempted, closed ended Bermuda incorporated investment company. It was incorporated on 9 June 2005 and its shares were admitted to trading on the Alternative Investment Market of the London Stock Exchange and the Bermuda Stock Exchange in July 2005, after raising £52.5 million (before expenses) and a £22.5 million portfolio of existing investments was transferred to the Company by Utilico Investment Trust plc. Since its launch the Company has raised a further £182.3 million in aggregate (net of expenses) through two C share issues in May 2006 and December 2007 respectively. The Company has also raised in aggregate £26.1 million following the exercise of warrants and S shares, in addition to having bought back over 26 million Ordinary Shares since launch. The Company migrated its listing from the Alternative Investment Market to the London Stock Exchange's main market for listed securities, and its Ordinary Shares were admitted to the premium segment of the Official List, on 14 October 2011. The Company delisted from the Bermuda Stock Exchange on 15 November 2011.

As at 31 March 2015, the Company had an audited Net Asset Value of approximately £447.4 million and a Net Asset Value per Ordinary Share of 209.79 pence, and as at 31 August 2015 (the latest practicable date prior to the publication of this Prospectus) an unaudited Net Asset Value of £377.6 million and an unaudited Net Asset Value per Ordinary Share of 177.08 pence. The Company announces its Net Asset Value to the London Stock Exchange on a daily basis and publishes all recent information on its website: www.uem.bm.

2. INVESTMENT RATIONALE

The Directors consider that there continue to be a range of sound investment opportunities in infrastructure, utility and related sectors, in particular in Emerging Markets. Infrastructure, utility and related sector companies generally have predictable cash flows and secure business franchises which provide them with a level of protection in an economic downturn and, at the same time, position them for growth as economic activity picks up. Under public ownership, infrastructure, utility and related sector companies have, in general, underinvested and underperformed and the effect of privatisation to date has, in most cases, been to create a change in management culture with a focus on operational and efficiency savings and investment. Business development opportunities have also been pursued by the privatised companies. At present, there is likelihood in some Emerging Market countries of tighter regulation and increased competition. However, notwithstanding this, the Directors believe that the essential nature of most infrastructure, utility and related sector companies means that they should continue to have, in general, stable future earnings and progressive dividend policies.

In summary, the Directors believe that the degree of pricing power, regulated environment, predictability of earnings, asset based nature of infrastructure, utility and related sector companies and the essential services provided by them will continue to make the infrastructure, utility and related sectors an attractive investment opportunity.

The Directors believe that in Emerging Markets the returns from investing in infrastructure, utility and related sector companies are expected to be generally more consistent, whilst recognising that certain elements of risk may also be higher. The Directors believe that the potential for economic growth in developing countries, combined with the relative under-development of their stock markets, should continue to provide the Company with attractive opportunities for investment. The Directors believe that the number of investment opportunities in Emerging Markets is likely to increase over time due to the trend in many countries towards privatisation, free-market economic policies and greater use of stock markets by companies to raise finance.

3. INVESTMENT OBJECTIVE

The Company's investment objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in Emerging Markets.

4. INVESTMENT POLICY

The Company's investment policy is flexible and permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in Emerging Markets, including (but not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service and/or monopolistic characteristics and in any new infrastructure or utility which may arise mainly in Emerging Markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.

The Company focuses on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but has the flexibility to invest in markets worldwide. The Company generally seeks to invest in Emerging Market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities. The Company may also use derivative instruments such as American Depositary Receipts, promissory notes, contracts for difference, financial futures, call and put options and warrants for investment purposes and efficient portfolio management. The Company may also use derivative instruments such as American Depositary Receipts, promissory notes, contracts for difference, financial futures, call and put options, and warrants for the purpose of efficient portfolio management.

The Company may, from time to time, actively seek to protect the Company's portfolio and balance sheet from major corrections. This would include foreign currency hedges, interest rate hedges, stock market index put and call options, and similar instruments.

Investment Restrictions

The Board has prescribed the following restrictions on the investment policy, all of which are at the time of investment unless otherwise stated:

- Unquoted and untraded investments must not exceed 10 per cent. of the Company's Gross Assets at the time of investment. This restriction does not apply to the Company's holding of shares in a segregated account of GERP, an unquoted Bermuda segregated accounts company. This account, which is structured as the Bermuda equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company;
- No single investment (including any investment in GERP) may exceed 20 per cent. of Gross Assets at the time of investment;
- Investments other than in infrastructure, utility and related sector companies and in GERP must not exceed 20 per cent. of Gross Assets at the time of investment;
- Investments in a single country must not exceed 50 per cent. of Gross Assets at the time of investment;
- Not more than 10 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment funds which are listed on the Official List);
- Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such

funds more than 15 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made; and

- Derivative transactions are carried out by GERP on behalf of the Company to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50 per cent. of the value of UEM's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

None of the above restrictions will require the realisation of any assets of the Company where any restriction is breached as a result of an event outside of the control of the Joint Portfolio Managers which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant restriction can again be complied with.

Shareholders will be informed in the annual report and accounts of the Company of the actions taken by the Joint Portfolio Managers in the event of any breach of the above investment restrictions.

Borrowing and gearing policy

The Board carefully considers the Company's policy in respect of the level of equity exposure. The Board takes responsibility for the Company's gearing strategy and sets guidelines to control it, which it may change from time to time. The Company may, from time to time, use bank borrowings for short-term liquidity purposes. In addition, the Directors may gear the Company by borrowing on a longer term basis for investment purposes. Borrowings at the time of drawdown must not result in gearing (being total borrowings measured against Gross Assets) exceeding 25 per cent.

Borrowings may be drawn down in Sterling, US Dollars or any currency for which there is a corresponding asset within the Company's portfolio (at the time of drawing down the value drawn must not exceed the value of the corresponding asset in the portfolio).

The Company's use of derivative instruments may also gear the Company. There is no limit to the Company's use of derivative instruments however the Company itself generally does not use derivative instruments which have a gearing effect. The Company uses derivative instruments such as American Depositary Receipts and promissory notes as a way to invest in certain jurisdictions for a variety of reasons, including for increased liquidity and for regulatory reasons. Such instruments do not have a gearing effect. However GERP does hold derivative instruments which may gear the Company. The Company's segregated portfolio held in GERP may not exceed 20 per cent. of its gross assets. Within this limit, GERP may not hold more than 50 per cent. of the Company's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

As at 31 August 2015 (the latest practicable date prior to the publication of this Prospectus) the Company's borrowings were equal to approximately £17.8 million.

As required by the Listing Rules, there will be no material change to the Company's investment policy without prior approval of the Financial Conduct Authority and Ordinary Shareholders.

5. INVESTING APPROACH

The Company seeks to identify and invest in undervalued investments predominantly in the infrastructure, utility and related sectors, mainly in Emerging Markets. The Joint Portfolio Managers aim to identify securities where underlying values and growth prospects are not reflected in the market price. This is often as a result of strong growth drivers, but can include changes in regulation, technology, market motivation, potential for financial engineering, competition or shareholder indifference.

The Board and ICMIM, as AIFM, review the risk profile of the Company every six months. Agreed risk parameters are established and compliance is reviewed at quarterly Board meetings.

The Company seeks 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 a unique product or market position. Most investee companies are asset-backed, have good cash flows and offer good dividend yields. The Company generally seeks to invest in companies with strong management who have the potential to grow their business and who have an appreciation of and ability to manage risk.

The Company may, from time to time, actively seek to protect the Company's portfolio and balance sheet from major corrections. This would include foreign currency hedges, interest rate hedges, stock market index put and call options, and similar instruments.

The Company believes it is generally appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach, including encouraging the optimisation of capital structures and business efficiencies. The investment team maintains regular contact with investee companies and the Company is often among its investee companies' largest institutional shareholders.

The Company aims to maximise value for Shareholders by holding a relatively concentrated portfolio of securities and invests through instruments appropriate to the particular situation. The Company is prepared to hold investments in unlisted securities up to a maximum of 10 per cent. of Gross Assets at the time of investment when the attractiveness of the investment justifies the risks and lower liquidity associated with unlisted investments. ICMIM, as the Company's AIFM, controls stock specific, sector and geographic risks by continuously monitoring the exposures in the portfolio. In depth continual analysis of the fundamentals of investee companies allows ICMIM to assess the financial risks associated with any particular stock. The portfolio is typically made up of 60 to 90 stocks.

6. AIFM AND JOINT PORTFOLIO MANAGERS

The Company has appointed ICM Investment Management Limited as its alternative investment fund manager (**AIFM**), with sole responsibility for risk management and ICMIM and ICM jointly provide portfolio management services, in each case subject to the overriding supervision of the Directors. Further details on the Joint Portfolio Managers are contained in Part 3 of this Prospectus.

7. INVESTMENT PORTFOLIO

Details of the eleven largest holdings in the Company's portfolio, its geographical spread and sectoral weighting, all as at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus), are set out in Part 4 of this Prospectus.

8. DIVIDEND POLICY

The Company intends to distribute as dividends substantially all of the Company's income profits and the Company has the flexibility to pay dividends from capital reserves. Although it is the Company's intention to grow the dividend progressively, there is no guarantee of any particular level of profits or return being achieved. Distributions on the Ordinary Shares are expected to be paid quarterly each year, and are expected to be made by way of interim dividends to be declared in July, November, January and April.

The Company will only pay dividends on the Ordinary Shares to the extent that it is able to meet the solvency tests in the Bermuda Companies Act and provided that dividends are not made from share capital. The Subscription Shares carry no right to any dividends or other distributions by the Company.

9. CAPITAL STRUCTURE

As at the date of this Prospectus, the Company's issued share capital is comprised of Ordinary Shares which are admitted to trading on the Main Market of the London Stock Exchange and are listed on the premium segment of the Official List.

If the Bonus Issue is approved, the Company's issued share capital will comprise Ordinary Shares and Subscription Shares. Applications will be made to the UK Listing Authority and to the London

Stock Exchange for all of the Subscription Shares issued pursuant to the Bonus Issue to be admitted to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange.

The Ordinary Shares carry the right to receive all dividends declared by the Company. On a winding up, provided the Company has satisfied all of its liabilities, the Ordinary Shareholders are entitled to all of the surplus assets of the Company, except in the case of a winding-up prior to the exercise of the Subscription Share Rights, when the Subscription Shareholders may be entitled to receive a payment out of the surplus assets.

10. FURTHER SHARE ISSUES

The Company's authorised share capital is such that further issues of equity securities can be made. Although the Bermuda Companies Act does not confer any pre-emption rights on Shareholders on any further issue, the Company's Bye-laws do incorporate such rights, as required by the Listing Rules.

Subject to market conditions then prevailing and to all necessary consents and approvals being obtained, the Board may decide to make one or more further issues of Ordinary Shares for cash from time to time.

11. DISCOUNT MANAGEMENT

As a closed-ended company whose Ordinary Shares are currently traded on the Main Market of the London Stock Exchange, such Ordinary Shares may trade at a discount to their respective Net Asset Value per Ordinary Share. The Directors take a pro-active approach to discount management through the mechanisms described below.

Purchases of Shares by the Company

The Company has been granted authority to make market purchases of up to 14.99 per cent. of its issued Ordinary Shares. The Company's existing authority to make purchases of its Ordinary Shares will expire at the conclusion of the 2015 Annual General Meeting. A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at the 2015 Annual General Meeting and at each annual general meeting of the Company thereafter.

Any purchases pursuant to this buy-back authority granted to the Company will be made at prices below the prevailing Net Asset Value per Ordinary Share.

If Resolution 4 is passed at the Special General Meeting, the Company will be granted authority to make market purchases of up to 14.99 per cent. of its issued Subscription Shares immediately following Admission. This authority, if granted, will expire at the conclusion of the 2016 annual general meeting of the Company. A renewal of the authority to make market purchases of Subscription Shares will be sought from Shareholders at each annual general meeting of the Company for so long as the Subscription Shares remain in issue.

The Directors consider that it is advantageous to Shareholders for the Company to have the authority to make purchases of its own Shares as and when the Board considers the timing to be favourable. However, use of these authorities will be regarded as an investment decision and will ultimately depend upon market conditions and the Board's judgement of its likely effectiveness in increasing Net Asset Value and/or reducing the discount.

The maximum price paid will not exceed the higher of: (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for: (a) the last independent trade of; or (b) the highest current independent bid for, any number of Ordinary Shares or Subscription Shares, as applicable, on the trading venue where the purchase is carried out. In addition, repurchases of Ordinary Shares will only be made in the market at prices below the prevailing NAV per Ordinary Share. Ordinary Shares repurchased might not be cancelled but rather held as treasury shares and may be subsequently re-issued. Any

Subscription Shares repurchased will be cancelled and will not be held in treasury for re-issue or resale.

Purchases of Ordinary Shares and Subscription Shares by the Company will be funded out of the Company's assets available for repurchases or, if appropriate, from short term borrowings incurred by the Company.

Tender Facility

Subject to certain limitations and the Directors exercising their discretion to operate the Tender Facility or any variation on any relevant occasion, Shareholders may request the repurchase of all or part of their holding of Ordinary Shares for cash pursuant to a Tender Facility. The price at which Ordinary Shares may be tendered under the Tender Facility will usually be set at a 5 per cent. discount to the NAV per Ordinary Share to allow for the costs of the exercise. To ensure that Utilico Investments Limited's shareholding in the Company is not increased to a significantly larger percentage as a result of such tenders, Utilico Investments Limited will always be given the opportunity to tender a relevant proportion of its holding of Ordinary Shares so as to maintain its percentage shareholding in the Company at the same level immediately prior to the relevant Tender Date. The maximum number of Ordinary Shares which may be tendered pursuant to the Tender Facility in any financial year will be limited to 12.5 per cent. of the Ordinary Shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back *pro rata*. Any Ordinary Shares bought back pursuant to the Tender Facility may be cancelled or held in treasury.

Subject to the limitations set out below and the Directors' discretion being exercised on any relevant occasion, the Tender Facility may operate annually on the Tender Date. The Tender Facility is not expected to be made available in circumstances where the annual compound growth rate of the Gross Assets exceeds 10 per cent. or where the Company's performance exceeds its benchmark index by 15 per cent. or more in the relevant period. Given the Company's performance to date the Tender Facility has not yet been operated.

If the Directors choose to operate the Tender Facility on any given Tender Date, they will send Ordinary Shareholders a circular setting out the terms and conditions of the Tender Facility, together with a Tender Form which should be completed by Ordinary Shareholders who wish to tender their Ordinary Shares pursuant to the Tender Facility. Ordinary Shareholders who wish to tender their Ordinary Shares pursuant to the Tender Facility should return their completed Tender Form in accordance with the timetable set out in the relevant circular. Repurchases pursuant to the Tender Facility will be effected at the average Net Asset Value per Ordinary Share for the seven days prior to the relevant Tender Date less a discount of 5 per cent. Cheques in respect of successful tenders are expected to be despatched (at the recipient's risk) within 21 business days following the relevant Tender Date.

Shareholders and prospective investors should note that the operation of a Tender Facility is discretionary and they should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions or the proportion of Ordinary Shares which may be sold pursuant to a Tender Facility.

12. LIFE OF THE COMPANY

Although the Company does not have a fixed life, the Directors consider it desirable to give Shareholders the periodic opportunity to review the future of the Company. A resolution will be proposed that the Company should continue as presently constituted at the annual general meeting of the Company to be held in 2016 and at every fifth annual general meeting thereafter. If the relevant continuation resolution is not passed, the Directors will be required to formulate proposals to be put to Shareholders relating to the future of the Company having regard to, *inter alia*, prevailing market conditions and applicable regulations and legislation.

13. PROFILE OF TYPICAL INVESTOR

An investment in the Shares is intended for institutional or high net worth/sophisticated investors who are seeking exposure to the infrastructure, utility and related sectors in Emerging Markets through a relatively concentrated portfolio of investments and are aware of the risks, including the potential volatility of investing in Emerging Markets. Any investor must be able to accept the possibility of losses and an investment in the Shares is only intended for investors who can afford to set aside the invested capital for a number of years.

14. TAXATION

It is the intention of the Directors that the Company will continue to be managed in such a way as to ensure that it is only resident in Bermuda for tax purposes. The attention of Shareholders and prospective investors is drawn to the summary of Bermuda and UK tax matters set out in Part 7 of this Prospectus.

Any information given in this Prospectus concerning tax is based on current law, practice and regulation (which may change), is given by way of general summary only and does not constitute legal or tax advice to any Shareholder or prospective investor.

Shareholders and prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

15. ISAs

The Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Share Rights should be eligible to be held in a stocks and shares ISA, subject to the applicable annual subscription limit (£15,240 for the tax year 2015/2016). Subscription Shares acquired pursuant to the Bonus Issue may be added to a stocks and shares ISA to the extent that they are received in respect of Ordinary Shares already held in the ISA. Subscription Shares acquired in the secondary market will be qualifying investments for ISA purposes.

16. RISK FACTORS

The Company's business is dependent on many factors and Shareholders and prospective investors should read the whole of this Prospectus and in particular the section entitled "Risk Factors" on pages 18 to 28 (inclusive).

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS OF THE COMPANY

Alexander Zagoreos *(Non-executive Chairman)*

Mr Zagoreos, appointed in June 2005, was educated at Columbia University and was awarded an BA, MBA and Masters degree in International Affairs. He is Chairman of the Company and the Company's Management Engagement Committee. He is senior adviser of Lazard Asset Management, where he was formerly responsible for emerging market products and closed-end investment companies. Mr Zagoreos has over 40 years of investment experience. He is currently chairman of Alpha Andromeda Trust and Taiwan Opportunities Fund and a director of Aberdeen Emerging Markets Smaller Companies Opportunities Fund, Inc. He is a special adviser to The World Trust Fund and former manager of Lazard Emerging World Investors LP, and is on the boards of a number of investment companies and charitable organisations.

Garth Milne *(Non-executive Deputy Chairman)*

Mr Milne, reappointed in November 2014, has been involved in the investment company sector for over 40 years, and has been a consultant to the Board for the last four years. Mr Milne resigned as a director of the Company in 2010 as he was chairman of Westhouse Holdings plc, the holding company of the Company's broker, Westhouse Securities Limited; he stepped down from the board of Westhouse Holdings plc in November 2014 and therefore is no longer conflicted. He is a director of Invesco Perpetual UK Smaller Companies Investment Trust plc.

Susan Hansen *(Non-executive Director)*

Ms Hansen, appointed in September 2013, is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking, and is a director of RESIMAC Limited, a securitisation company, as well as the principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited, a registered Not for Profit organisation in New Zealand. Ms Hansen was formerly chief executive officer of Viaduct Harbour Holdings limited and is a member of the Institute of Chartered Accountants in Australia.

Garry Madeiros OBE *(Non-executive Director)*

Mr Madeiros, appointed in June 2007, was formerly president and Chief Executive Officer of BELCO Holdings Limited (now Ascendant Group Limited) and Bermuda Electric Light Company Limited. He is a director of BF&M Limited and BF&M Life Insurance Company. He is a chartered accountant, Chairman of the Company's Audit Committee and has served on a number of corporate, community and Government boards. He is a Justice of the Peace and a fellow of the Bermuda Institute of Chartered Accountants.

Anthony Muh *(Non-executive Director)*

Mr Muh, appointed in October 2010, is an investment professional with more than 25 years' experience in the investment management industry. He is an executive director of H.R.L. Morrison & Co, chairman of JIDA Capital Partners Limited, a China focused sustainable infrastructure investment management company and a director of a number of its subsidiary companies in China. He previously headed up the Asia Pacific operations of Alliance Trust PLC and for over a decade was the Asia Pacific chief investment officer at Citigroup and Salomon Brothers Asset Management. He is a past Chairman and Fellow of the Hong Kong Securities and Investment Institute and a member of the Asia Advisory Board for Euromoney Institutional Investor PLC and is the current vice chairman and council member of Asia Corporate Governance Association.

All of the Directors, apart from Susan Hansen, are regarded as independent of the Joint Portfolio Managers.

2. MANAGEMENT OF THE COMPANY

The Directors are responsible for the determination of the Company's investment objective and investment policy and have overall responsibility for its day-to-day activities, including the review of investment activity and performance. The Company has, however, entered into the Management Agreement with ICMIM and ICM under which ICMIM has been appointed as the Company's AIFM with sole responsibility for risk management and both ICMIM and ICM have been appointed as joint portfolio managers with responsibility for the management of the Company's assets, subject in each case to the overriding supervision of the Directors.

ICMIM is authorised and regulated by the Financial Conduct Authority to act as an alternative investment fund manager pursuant to the AIFM Regulations.

ICM, the Company's joint portfolio manager is licensed to carry on business in Bermuda including providing investment advice to the Company by the Minister of Business Development and Tourism of Bermuda.

Further details of the Management Agreement are summarised in paragraph 7.1 of Part 8 of this Prospectus.

In addition to its duties, as AIFM and joint portfolio manager, ICMIM also provides company secretarial services to the Company.

Investment philosophy

The Joint Portfolio Managers' investment philosophy is to focus on investments where they believe the underlying value is not reflected in the market price. This philosophy has the following features:

- searching for under-valued companies that are often under-rated and under-researched;
- analysing opportunities arising through technological development, market changes, competition or shareholder issues;
- using knowledge of and expertise in financial engineering and different financial instruments;
- developing techniques to compare companies across geographical regions and across industries;
- maintaining close working relationships with investee companies including visiting their key operational sites;
- maintaining a strong understanding of the infrastructure, utility and related sectors and their regulation; and
- possessing a sensitivity to step changes resulting from developments in regulation and competition.

In accordance with the Company's investment policy, the Joint Portfolio Managers may also use hedging instruments, where appropriate, to protect the Company's portfolio from market volatility.

Investment process

The Joint Portfolio Managers follow a systematic investment process. They source and analyse investment opportunities before making investments where they believe they would offer good value. ICMIM and ICM are the joint portfolio managers to two listed funds, the Company and Utilico Investments Limited, and ICM has a number of other investment mandates, including private equity, fixed interest and mining. The Joint Portfolio Managers have an established network of industry contacts and investment opportunities are sourced through a combination of sector knowledge and monitoring and a review of markets. Between them, the Joint Portfolio Managers have a good long term record in stock selection across the infrastructure and utilities sectors and of financial and investment structuring.

Investment Performance

The Net Asset Value performance of the Company and, for comparison purposes, the MSCI Emerging Markets Index (GBP adjusted), from inception in July 2005 to 31 August 2015 is set out in the table below:

	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Inception (%)
Company – total return	-11.9	-9.9	12.4	24.9	129.6
MSCI Emerging Markets Index (GBP adjusted) – total return	-15.4	-16.5	-3.0	-3.0	105.7

Source: The Company, Datastream and MSCI

The past performance of the Company is not a guide to future performance. The value of the Ordinary Shares, and any income from them, can fall as well as rise and an investor may get back less than the amount invested.

3. INVESTMENT OUTLOOK

Market volatility has continued to rise throughout the last 12 months. As the US and UK central banks head tentatively towards interest rate normalisation and the introduction of gradual interest rate increases, most other central banks are moving in the opposite direction. The central banks of Europe and Japan have introduced Quantitative Easing and China has adopted an accommodative stance towards its markets, as have Australia's and New Zealand's central banks. Against this backdrop global GDP and in particular China's GDP has weakened. This has resulted in weak demand for commodities which coupled with their oversupply has seen most commodity prices sharply down. Lower commodity prices and weaker GDP have together driven lower inflation and in some cases deflation. We have seen Switzerland decouple the Franc from the Euro and countries such as Switzerland, Denmark and Sweden move to a negative interest rate environment. These are not normal markets and the fallout from the global financial crisis remains with us and is yet to play out in full. Against this background emerging market economies have seen significant currency pressures and a slowing of GDP. Although these pressures are expected to continue in the short term, the Company's performance is driven by stock selection and the Joint Portfolio Managers remain confident that attractive long-term investments can be made.

4. GLOBAL EQUITY RISK PROTECTION LIMITED

The Company holds 3,920 Class B non-voting shares in GERP which is a Bermuda registered segregated account company. GERP allows the Company to put in place hedging positions in a way that ensured efficient, fast dealing and satisfied the "best execution" requirements across the various funds. The Company's aggregate investment in GERP may not exceed 20 per cent. of its Gross Assets at the time of investment.

Each of GERP's segregated accounts (including the Company's) is ring-fenced from the other segregated accounts such that no other segregated account has any claim or exposure to any assets or liabilities of any other segregated account. There is a central GERP corporate administrator which oversees the administration of the various accounts but the corporate administrator does not trade on its own account and all of its expenses are allocated against and funded by each of the segregated accounts. The directors of GERP are Duncan Saville, Charles Jillings and Alasdair Younnie.

The Company's segregated account in GERP is solely for carrying out derivative transactions at the request of and on behalf of the Company in order that it may make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options (when taking into account the underlying long position and offsetting the derivative position). In addition to the above overall limit, GERP also has in place the following exposure limits at the time of investment:

- GERP may not hold more than 50 per cent. of the value of the Company's segregated portfolio in GERP in index options; and

- GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

The Board and ICMIM, as AIFM, regularly reviews the investments in GERP from a risk management perspective.

The Joint Portfolio Managers monitors and manages GERP's operational and anticipated portfolio risks and considers on an ongoing basis the aggregate investment in GERP for the purpose of ensuring that risk levels are appropriate and the guidelines set by the Board are adhered to.

The Company has entered into a loan agreement with GERP in order to fund the Company's segregated account in GERP. Under the loan agreement GERP may draw down funds from the Company to meet any costs and liabilities arising from the assets held in the Company's segregated account. As at 26 August 2015, being the latest practicable date prior to publication of this Prospectus, the Company's segregated account in GERP had net liabilities of £29.9 million.

5. CO-INVESTMENT

Opportunities may arise for the Company to co-invest alongside companies associated with, or managed by, the Joint Portfolio Managers (or their respective associates). The Company (and other clients of the Joint Portfolio Managers) will be given the opportunity to invest in opportunities falling within its (or their) investment policy, *pro rata* to their assets available for investment in priority to the Joint Portfolio Managers (and their respective associates). The Company will, subject to the approval of the Directors, be free to co-invest, subject in each case to the Company's investment policy, when it is felt to be in its interests and would intend to do so. The ability to co-invest may be beneficial as it may enable the Company to benefit from more advantageous terms than would be available for a smaller investment made by the Company alone. The terms on which the Company co-invests will be no less favourable than the terms on which any company associated with, or managed by, the Joint Portfolio Managers (or their respective associates) invests.

6. RELATIONSHIP WITH UTILICO INVESTMENTS LIMITED

Whilst the Company and Utilico Investments Limited are two separate entities, each with their own board of directors and shareholders, they currently have, to a certain extent, overlapping investment policies, similar portfolio methodologies and have each appointed the Joint Portfolio Managers to provide portfolio management services who use the same individuals to conduct investment research on behalf of both companies.

Investment allocation

As the Joint Portfolio Managers provide investment advice to both the Company and Utilico Investments Limited (among other clients) an investment allocation policy has been put in place between the Company and Utilico Investments Limited, which is intended to provide transparency for shareholders in each company. The investment allocation policy is as follows:

- investments in infrastructure, utility and related sectors in Emerging Markets will first be offered in full to the Company;
- if the Company is technically able to make the investment, but the Joint Portfolio Managers believe it is inappropriate for it to do so, either in part or in full, (for example, this may be due to sector or geographical weighting issues or lack of funds) then the matter will be referred to the Chairman of the Company;
- if the Chairman agrees with the Joint Portfolio Managers' decision, then Utilico Investments Limited will be free to make the investment (to the extent that the opportunity remains) if it wishes to do so;
- if the Company is incapable of making any part of the investment, then Utilico Investments Limited will be free to take up the balance of the investment if it wishes to do so; and
- in circumstances where both the Company and Utilico Investments Limited invest in the same securities at the same time, they will invest on substantially the same terms.

The Company's investment objective is to invest predominantly in Emerging Markets. However, the Company has the flexibility to make investments in infrastructure, utility and related sector companies outside Emerging Markets, including making investments in developed markets. Where the Joint Portfolio Managers identify an investment in infrastructure, utility and related sector companies in a developed market which they believe would be suitable for the Company and is in accordance with its investment policy, a similar allocation policy to that set out above will be adopted, but with Utilico Investments Limited being offered the relevant investment opportunity in the first instance. In the event that Utilico Investments Limited is unable or does not wish to take up the relevant investment opportunity in full, then the Company will be free to make that investment (to the extent that the opportunity remains).

7. POTENTIAL CONFLICTS OF INTEREST

ICMIM and ICM currently serve as the joint portfolio managers of Utilico Investments Limited, as well as the Company, and they and their associates may be involved in other financial, investment or professional activities in the future, including providing investment management and/or advisory services to other investment clients. In particular, they may provide investment management, investment advice or other services in relation to investment companies which may have similar investment policies and objectives to that of the Company. As a result, ICMIM and/or ICM may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they or their affiliates may have a greater financial interest.

In accordance with the AIFM Directive, the Joint Portfolio Managers have undertaken to take all reasonable steps to avoid conflicts of interest. If such conflicts of interest cannot be avoided, the Joint Portfolio Managers shall take all reasonable steps to identify, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Company and Shareholders and to ensure that the Company is treated fairly.

8. MANAGEMENT AND PERFORMANCE FEES

Management fee

Under the terms of the Management Agreement, an aggregate annual management fee of 0.65 per cent. of net assets is payable by the Company quarterly in arrears which is apportioned between the Joint Portfolio Managers in accordance with a management services agreement between them. The annual management fee is adjusted for fees earned by the Joint Portfolio Managers in respect of investment holdings managed or advised by them. The Joint Portfolio Managers are also reimbursed for all out-of-pocket costs and expenses incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties.

Performance fee

In addition to the management fee, the Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent. The maximum amount of a performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of the Company and any performance fee in excess of this cap will be written off. No performance fee is payable until the Net Asset Value exceeds the high watermark established when a performance fee was last paid, adjusted for capital events and dividends paid since its establishment (the **Hurdle**). The Hurdle will be adjusted for any capital event (including but not limited to bonus issues, any repayment or otherwise that reduces the funds attributable to Shareholders and any new issue of equity) and any dividends paid following the period in respect of which a performance fee was last paid are also taken into account.

Any performance fee payable will be paid 50 per cent. in cash and 50 per cent. in Ordinary Shares. The number of Ordinary Shares to which the Joint Portfolio Managers are entitled (**Performance Shares**) will be the number of Ordinary Shares that, when valued at the fully diluted Net Asset Value per Ordinary Share at the end of the financial year to which the performance fee relates, equals 50 per cent. of the performance fee. The full performance fee (if any) is payable to the Joint Portfolio

Managers as soon as practicable following the end of the financial year in order to reduce the risk to the Company of material movements in the price of Performance Shares between the end of the financial year and the date of payment. Any subsequent adjustment to the performance fee arising out of the audit process for the relevant financial year will be paid to or recouped from the Joint Portfolio Managers in cash within seven days of the publication of the annual report and accounts for the relevant financial year. The Joint Portfolio Managers will make reasonable endeavours to purchase the Performance Shares in the market at a price (including transaction costs) equal to or below the fully diluted Net Asset Value per Ordinary Share at the time of such purchase and the Company will reimburse the Joint Portfolio Managers in cash for such purchases. In the event that the Joint Portfolio Managers are unable to purchase some or all of the Performance Shares in the market at or below the fully diluted Net Asset Value per Ordinary Share at the time of such purchase, the Company will issue to the Joint Portfolio Managers new Ordinary Shares equivalent to any shortfall.

For the purposes of determining the amount of any performance fee payable in respect of any financial year, there shall be deducted from the performance fee an amount equal to the aggregate amount of any performance fees received during the relevant financial year by the Joint Portfolio Managers (or any of their respective associates) from any third party in respect of any asset from time-to-time comprised within the Company's portfolio during the relevant financial year.

9. OTHER SERVICE PROVIDERS

Administration

F&C Management Limited has been appointed as administrator to the Company. It is a subsidiary within the F&C Management Group, which is in turn wholly owned by the Bank of Montreal Group. The Administrator is regulated by the FCA and its registered office is at Exchange House, Primrose Street, London EC2A 2NY. Its telephone number at this office is +44 (0) 20 7628 8000.

The Administrator's appointment is terminable, *inter alia*, upon six months' notice in writing by either party.

Under the terms of the Administration Agreement, the Administrator is entitled to a fee of £220,000 per annum payable monthly in arrears. A summary of the main provisions of the Administration Agreement is set out in paragraph 7.2 of Part 8 of this Prospectus.

Depositary services provider

The Company has appointed JPMEL to provide depositary services under Articles 21(7), (8)(b) and (9) of the AIFM Directive, under the terms of the Depositary Services Agreement. JPMEL is authorised and regulated in the United Kingdom by the FCA.

The services provided by JPMEL as depositary services provider include:

- general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of Net Asset Value calculations, the application of income, and the ex-post review of investment transactions;
- monitoring the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company, ICMIM or JPMEL acting on behalf of the Company; and
- verifying the Company's ownership of its assets other than financial instruments and maintaining records sufficient for verification of the Company's ownership rights.

JPMEL receives an annual fee for its services under the Depositary Services Agreement of 2.2 basis points on the Company's Net Asset Value, subject to a minimum fee of £25,000 per annum.

The Depositary Services Agreement is terminable on 90 days' notice in writing by either party or on shorter notice in the event of breach of contract or insolvency.

A summary of the main provisions of the Depositary Services Agreement is set out in paragraph 7.3 of Part 8 of this Prospectus.

Custody

The Company has appointed JPMCB to provide custodial services pursuant to a novation agreement dated 13 April 2015 in accordance with the terms of a Global Custody Agreement dated 12 July 2005 (**Global Custody Agreement**). The services provided by JPMCB include the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive and retaining custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.

JPMCB is regulated by the Jersey Financial Services Commission and is registered under the Banking Business (Jersey) Law 1991 (as amended) in the conduct of "deposit-taking business", Fund Services Business and Money Services Business under the Financial Services (Jersey) Law 1988.

JPMCB's appointment as custodian is terminable, *inter alia*, upon 60 days' notice given by either party.

JPMCB receives safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of which vary country-by-country, together with JPMCB's reasonable out-of-pocket or incidental expenses. The amount paid by the Company to JPMCB for the year ended 31 March 2015 was £389,000 and the Directors do not anticipate that the annual charges going forward will be materially different and therefore the estimated maximum amount payable per annum is £500,000.

A summary of the main provisions of the Global Custody Agreement is set out in paragraph 7.5 of Part 8 of this Prospectus.

The Company has also appointed BCB to act as custodian in respect of such cash and other investments (mainly unlisted) as the Company shall from time to time deposit with it. BCB is a limited liability company and was incorporated and registered in Bermuda on 21 February 1969 under the Bermuda Companies Act with registered number LC 1404. BCB operates under the Bermuda Companies Act and is licensed and regulated by the BMA. Its registered office and principal place of business is 19 Par-la-Ville Road, Hamilton HM 11, Bermuda (telephone number 001 441 295 5678).

The fees payable to BCB depend on the nature and quantity of the assets deposited with BCB and there is no minimum fee. The fees paid to BCB for the year ended 31 March 2015 were £10,000 and the Directors do not anticipate that the annual fees going forward will be materially different and therefore the estimated maximum amount payable per annum is £20,000.

A summary of the main provisions of the custody agreement with BCB is set out in paragraph 7.6 of Part 8 of this Prospectus.

Registration services

Computershare Bermuda has been appointed to maintain the register of Shareholders in Bermuda. Computershare Bermuda liaises with Computershare Investor Services PLC, the DI Depository and UK transfer agent, for the transfer and settlement of Depository Interests.

The Company has entered into a Registrar Agreement with Computershare Bermuda which may be terminated, *inter alia*, on six months' notice by either party. In return for providing such services Computershare Bermuda is entitled to an annual fixed fee of £7,224 payable quarterly in arrears and to certain activity fees under the Registrar Agreement, plus reimbursement of certain expenses incurred by Computershare Bermuda in connection with its duties from the Company.

DI Depository and custody services

Computershare Investor Services PLC has been appointed as depository for the settlement of Depository Interests. The Company has entered into an agreement for the provision of depository and custody services with Computershare Investor Services PLC, which may be terminated, *inter alia*, on six months' notice by either party.

In return for providing the depository and custody services the DI Depository is entitled to an annual fee. The fee paid to Computershare Investor Services PLC under the agreement for the year ended

31 March 2015 was £36,000 and the Directors do not anticipate that the annual fees going forward will be materially different and therefore the estimated maximum amount payable per annum is £60,000.

Company secretarial services

In addition to its duties, as AIFM and joint portfolio manager, ICMIM also provides company secretarial services to the Company pursuant to the Management Agreement. ICMIM receives a fee equal to one-third of the total employment costs incurred by it in employing a suitably experienced person to provide the company secretarial services to the Company.

Assistant Secretary

BCB Charter Corporate Services Limited is the Company's assistant secretary.

10. FINANCIAL REPORTING AND INFORMATION

Net Asset Value

The Net Asset Value of the Company and the Net Asset Value per Ordinary Share are calculated (and rounded to two decimal places), in pounds Sterling by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on each Business Day. The Net Asset Value per Ordinary Share of each class will be announced through the London Stock Exchange without delay once calculated.

Investments are measured at the Board's estimate of fair value at the reporting date, in accordance with IAS 39 Financial Instruments: Recognition and Measurement. Fair value is the amount for which an asset (or liability) could be exchanged between knowledgeable, willing parties in an arm's length transaction.

- **Publicly traded securities** – Investments listed in an active market are valued at their closing bid price on the reporting date. When a bid price is not available, the price of the most recent reported transaction would normally be used. Market bid prices are used even in situations where the Company holds a large position and a sale could reasonably affect the quoted price.
- **Unquoted securities** – The determination of fair value for unquoted securities where there is little, if any, market activity is achieved by the application of a valuation technique that is appropriate for the circumstances. This will make the maximum use of market-based information and is consistent with methodology generally used by market participants.

Valuation is normally determined using one of the following valuation methodologies:

Start up and early stage investments:

In the absence of revenues, profits, assets or cash flows, the approach used will be cost combined with set milestones to measure expectations and fair value.

Established investments:

There are three approaches to valuing established investments: multiples; discounted earnings; and recent investments. Depending on the investment and the relevance of the approach, any or all of these valuation methods could be used.

Appropriate market multiples will vary by instrument, but would typically be by reference to one or more of, but not limited to, net earnings ratio, EV/EBITDA ratio, dividend yield, discount to net asset value or yield to maturity.

Discounted earnings multiples will use maintainable earnings discounted at appropriate rates to reflect the value of the business. Where there has been a recent investment in an investee company, the price of that investment will provide a basis of the valuation.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation procedure as they consider is reasonable in

the circumstances having taken advice from the Company's auditors. The Directors may delegate to the Joint Portfolio Managers any of their discretions under the valuation guidelines.

The preparation of valuations may be suspended in circumstances where the underlying data necessary to value the Company's investments cannot readily, or without undue expenditure, be obtained. Such suspension will be communicated to investors via a Regulatory Information Service.

Accounting policies

The audited accounts of the Group are prepared in pounds Sterling under International Financial Reporting Standards, which the Directors believe is an acceptable body of generally accepted accounting practice. Under International Financial Reporting Standards (**IFRS**), the Group prepares an income statement and a statement of changes in equity, which discloses revenue and capital results, including net investment gains.

The Group has from 1 April 2014 adopted IFRS 10 Consolidated Financial Statements, IFRS11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement. Utilico Emerging Markets (Mauritius) and the Global Equity Risk Protection Limited segregated account continue to be consolidated under IFRS 10.

The management fee and finance costs are allocated between capital and revenue on a 70/30 basis respectively. All other expenses are allocated to revenue, except the performance fee and costs incidental to the acquisition or disposal on investments which are taken to capital.

Reports and accounts

The annual accounts of the Group are made up to 31 March in each year, with copies of the annual report and accounts ordinarily sent to Shareholders in July. Shareholders also receive an unaudited interim report covering the first six months of each financial year to 30 September. The interim report is ordinarily sent to Shareholders in December of each year.

11. MEETINGS

It is intended that all general meetings of the Company will be held outside the United Kingdom. Annual general meetings of the Company are typically held in September of each year. Shareholders are entitled to attend and vote at all general meetings of the Company.

12. CORPORATE GOVERNANCE

Bermuda does not have its own corporate governance code. As a Bermuda incorporated company with a premium listing on the Official List, the Company is required to comply with the UK Corporate Governance Code issued by the Financial Reporting Council (the **UK Corporate Governance Code**). The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the **AIC Code**) by reference to the AIC Corporate Governance Guide for Investment Companies (the **AIC Guide**). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- nomination of a senior independent director.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being a Bermuda-incorporated investment company with external investment managers. In particular, all of the Company's day-to-day investment management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company therefore has not reported further in respect of these provisions.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Joint Portfolio Managers and Administrator, whose controls are monitored by the Board and which include audit and risk assessment. It is therefore felt that there is no need for the Company to have its own internal audit function. However, this is reviewed annually by the Audit Committee. Action will be taken to remedy any significant failings or weaknesses identified from the review of the effectiveness of the internal control system.

In view of the requirement of the Bye-laws that all Directors retire by rotation, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by the AIC Code. In addition, the Board has considered provision B.7.1 in the UK Corporate Governance Code published in September 2014 recommending that all directors of FTSE 350 companies should be subject to annual re-election. The Board believes that the current election system, with each Director being re-elected to the Board at least every three years or re-elected annually if they have served more than nine years or are "non-independent", is sufficient as annual re-elections could pose risks to the continuity and stability of the Board. Any non-independent director is subject to annual re-election.

The Company does not have a standing Nomination Committee.

Details of the Group's ten largest investments are published monthly and in the annual and half-yearly reports; a full list of investments is not published.

The Board has constituted the following committees:

Audit Committee

The Company has established a separately chaired Audit Committee, chaired by Mr Madeiros, whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements, and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy. The terms of reference detailing the scope and duties of the Audit Committee are available on the Company's website www.uem.bm.

The Audit Committee meets at least three times a year. Two of the planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from the Joint Portfolio Managers and Administrator on their internal controls. Representatives of the Joint Portfolio Managers and the Administrator attend all meetings.

The Audit Committee consists of all the Directors of the Company, except Susan Hansen. Alexander Zagoreos, the Chairman of the Company, is a member of the Audit Committee but he does not have a vote. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit Committee.

The primary role of the Audit Committee is to review the Company's accounting policies, the contents of the accounts, the adequacy and scope of the external audit and compliance with regulatory and financial reporting requirements. In addition, it also reviews the provision of non-audit services by the external auditors, the risks to which the Company is exposed and the controls in place to mitigate those risks.

The Audit Committee has access to the Administrator's group audit committee, and reports its findings to the Board.

The Board retains ultimate responsibility for all aspects relating to the annual and half-yearly accounts and other significant published financial information.

The Board has reviewed and accepted the Joint Portfolio Managers' anti-bribery and corruption and whistleblowing policies. It has also noted the whistleblowing policy of the Administrator.

Management Engagement Committee

The Board has appointed a Management Engagement Committee, chaired by Mr Zagoreos, which operates within written terms of reference clearly setting out its authority and duties. Copies of the terms of reference are available on the Company's website at www.uem.bm.

The Management Engagement Committee is comprised of the independent Directors of the Company and meets at least once a year.

The Management Engagement Committee undertakes an annual formal evaluation of the performance of, and fees paid to, the Joint Portfolio Managers for the services provided under the Management Agreement, together with the fees and other terms of that agreement. The Management Engagement Committee also considers the effectiveness of the administration services provided by the Joint Portfolio Managers and Administrator, including the timely identification and resolution of areas of accounting judgement and implementation of new regulatory requirements, and the performance of other third party service providers.

Remuneration Committee

The Company's Remuneration Committee is comprised of the whole Board and is chaired by Mr Milne. It operates within written terms of reference setting out its authority and duties. Copies of the terms of reference are available on the Company's website at www.uem.bm.

The Remuneration Committee is responsible for reviewing and making recommendations to the Board in respect of the fees payable to Directors.

PART 4

THE INVESTMENT PORTFOLIO

1. ELEVEN LARGEST INVESTMENTS

The following table provides unaudited summary details of the eleven largest investments in the Group's portfolio as at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus).

Company	Market Value (£'000)	Percentage of Gross Assets
MyEG Services Berhad (MyEg)	29,183	7.5
International Container Terminal Services, Inc. (ICTS)	25,632	6.6
China Gas Holdings Limited (China Gas)	23,259	6.0
Eastern Water Resources Development and Management PCL (Eastern Water)	22,409	5.7
Malaysia Airports Holdings Berhad (Malaysia Airports)	21,071	5.4
APT Satellite Holdings Limited (APT)	19,857	5.1
Ocean Wilsons Holdings Limited (Ocean Wilsons)	19,645	5.0
Gasco S.A. (Gasco)	11,344	2.9
Transelectrica S.A. (Transelectrica)	10,170	2.6
Asia Satellite Telecommunications (Holdings) Limited (Asiasat)	8,996	2.3
Transgaz S.A. (Transgaz)	8,858	2.3
Total top 11 investments held	200,424	51.4

Source: Company

Set out below is background information relating to the holders of each of the eleven largest investments in the Group's portfolio.

MyEG

MYEG is a concessionaire for the Malaysian E-Government programme. MYEG's systems allow Malaysian citizens and businesses to transact with the government electronically, as an alternative to visiting government offices or post office counters. Through its portal, MYEG offers a range of services, such as driving licence and car tax renewal, vehicle registration, payment of traffic fines and renewal of immigrant workers' permits. The company is part of a consortium currently implementing a GST (sales tax) monitoring system, which will record and report cash register transactions. For the year to June 2015, MYEG reported an increase in revenues of 28.8 per cent. and EBITDA growth of 28.9 per cent. MYEG's share price in the year to 31 March 2015 increased by 96.5 per cent. to MYR2.78, after adjusting for a 2 for 1 stock split during the period.

ICTS

ICTS is a Philippines-based port operator which acquires, develops, manages and operates small-to-medium-sized container terminals across the globe. As at 31 December 2014, ICTS's portfolio consisted of 29 terminal facilities spanning 21 countries. The company handled a total of 7.4 million Twenty-foot equivalent units in the year to 31 December 2014, an increase of 17.9 per cent. on the previous year. Strong growth was the result of contributions from new terminals in Mexico and Honduras, the start of operations in Iraq and the consolidation of operations in Yantai Port in China. Group revenues and EBITDA increased by 24.5 per cent. and 17.4 per cent. respectively. Normalised net income decreased by 3.8 per cent. ICTS's share price at 31 March 2015 was unchanged at PHP108.00.

China Gas

China Gas owns and operates natural gas and liquefied petroleum gas (LPG) infrastructure, including city gas pipelines, gas storage and transmission facilities and gas refilling stations. As of 31 March 2015 China Gas had secured 273 city gas concessions, 13 long-distance natural gas pipeline

projects, 98 LPG distribution projects and 520 compressed/liquefied natural gas refilling stations throughout China. Its concessions cover 28.4m households, of which only 44.3 per cent. were connected as of 31 March 2015. Over 70 per cent. of its natural gas volumes sold is to commercial and industrial customers. In the year to 31 March 2015 China Gas reported total piped gas volume growth of 11.6 per cent., while LPG sales volumes grew by 37.4 per cent. The strong volume and connections growth, as well as M&A, resulted in group revenues increasing by 21.8 per cent., EBITDA by 24.7 per cent., and normalised earnings by 28.9 per cent. In the year to March 2015, China Gas Holdings' share price increased by 4.5 per cent.

Eastern Water

Eastern Water operates the main water pipeline systems which supply untreated water (so called "raw water") to Thailand's industrialised Eastern Seaboard. In addition the company has a treated water supply business which operates water treatment and supply concessions in nine separate areas. In their financial year to December 2014 raw water volumes sold grew by just 0.1 per cent., while tap water volumes sold increased by 10.6 per cent. The lack of growth in raw water volumes reflects a decline in usage by PWA, Eastern Water's principal customer, which services residential households, offset by demand from industrial estate customers. A tariff cut for PWA at end-13 was more than offset by increases for industrial estates. In the year to December 2014, group revenues grew by 13.0 per cent., EBITDA by 5.0 per cent., and normalised earnings by 1.4 per cent. Dividends per share were increased by 7.1 per cent. In the year to March 2015, Eastern Water's share price fell by 4.4 per cent.

Malaysia Airports

Malaysia Airports operates 39 (out of 40) airports in Malaysia, including the flagship KL International Airport. Though Malaysia Airports' passenger movements increased by 4.7 per cent. in the year to 31 December 2014, operations were impacted by the tragic events of MH370 and MH17 which resulted in weaker international demand and the nationalisation of Malaysia Airlines. Group revenue (excluding construction) increased 8.9 per cent. on the year, while EBITDA increased 4.1 per cent. Normalised net income, which was impacted by higher financing costs, declined 48.5 per cent. Malaysia Airports increased its holding in Turkey's Istanbul Sabiha Gokcen Airport (ISG) from 20 per cent. to 100 per cent. in the period, financing the purchase with a discounted rights issue. ISG is a key airport in Turkey and realised passenger growth of 25.4 per cent. in 2014. In the year to 31 March 2015, Malaysia Airports' share price declined by 11.1 per cent. to MYR6.97.

APT

APT is an owner and operator of telecommunications satellites. The company has three owned satellites and one leased satellite. It aims to launch a new satellite in the fourth quarter of 2015 to replace the satellite that it is currently leasing. Revenue growth in 2014 was up 9.6 per cent., although revenues in the second half were not as strong as those reported in the first six months of the year and the company was cautious on its outlook for 2015, with satellite capacity in the Asian market increasing faster than demand, in contrast to recent years. In the year to 31 March 2015 APT's share price was down 3.6 per cent. to HK\$8.75.

Ocean Wilsons

Ocean Wilsons is a Bermuda-based investment company listed on both the London and Bermuda Stock Exchanges. The company has two principal subsidiaries: Wilson Sons, in which it owns a 58.3 per cent. controlling stake; and Ocean Wilsons Investment Limited. Wilson Sons is one of Brazil's largest maritime service providers (listed on the San Paulo and Luxembourg Stock Exchanges), engaged in activities including harbour and ocean towage, container terminal operation (Tecon Rio Grande and Tecon Salvador), offshore support, logistics, small vessel construction and ship agency operation. In the year to 31 December 2014, Ocean Wilsons recorded a 4.1 per cent. decline in revenue, a 5.2 per cent. decline in EBITDA and a 41.2 per cent. decline in net income as a result of weak container operations at Wilson Sons. The investment portfolio posted a time-weighted return of 4.7 per cent. In the year to 31 March 2015, Ocean Wilsons' share price declined by 22.8 per cent. to 845.00p.

Gasco

Gasco owns and operates natural gas and LPG infrastructure in Chile, Columbia and Argentina. Its main assets include a 51.8 per cent. stake in Metrogas, the monopoly city gas supplier in Santiago with 595,000 customers, and a 20 per cent. stake in GNL Quintero, the largest liquefied natural gas regasification terminal in Chile. Gasco's LPG distribution business has an estimated 27 per cent. market share in Chile and 21 per cent. in Columbia. In the year to 31 December 2014 natural gas volumes sold in Chile increased by 8.6 per cent., while LPG volumes sold fell by 2.3 per cent., which combined with effective tariff increases resulted in revenue growth of 10.9 per cent. An investigation into excessive profitability has meant that Gasco was unable to pass through higher input costs, with the result that EBITDA fell by 8.2 per cent., and normalised earnings fell by 25.8 per cent. Gasco increased its dividend per share by 118.6 per cent. including a CLP182.00 per share special dividend. In the year to 31 March 2015 Gasco's share price fell 11.7 per cent.

Transelectrica

Transelectrica manages and operates the Romanian electricity transmission system and provides the electricity exchanges between central and eastern European countries. It is a wholly-regulated entity which is currently in its third regulatory period which runs from 1 July 2014 to 30 June 2019, and the Romanian government holds a 59.7 per cent. stake in the company. In the year to 31 December 2014 billed volumes fell 1.0 per cent. which were offset by tariff increases to deliver revenue growth of 14.0 per cent. Good cost control, in particular reduced transmission losses, boosted EBITDA growth to 32.5 per cent. and normalised earnings grew by 78.0 per cent. Dividends per share were increased by 25.8 per cent. In the year to 31 March 2015 Transelectrica's share price increased by 69.9 per cent.

Asiasat

Asiasat is an owner and operator of telecommunications satellites. The company has six satellites broadcasting more than 450 television and radio channels to over 50 countries in the Asia Pacific region. In recent years, the company has seen strong demand for its services, driven by the increasing affordability of satellite television equipment and services across Asia, particularly in the Indian sub-continent. However, in the past year or so, increasing competition has resulted in a cyclical decline in some prices, which has had a negative impact on reported revenues. Two new satellites, which were launched in 2014, have yet to generate revenues as major prospective customers await government approval to commence services, a process that has taken longer than expected. On 12 May 2015, GE, a major shareholder in Asiasat, sold its stake to a fund managed by Carlyle Group for the equivalent of HK\$26.00 per share. A special dividend of HK\$11.89 per share was paid to all shareholders in July 2015. In the year to 31 March 2015, Asiasat's share price was down 10.9 per cent. to HK\$28.50.

Transgaz

Transgaz manages and operates the Romanian gas transmission system and is 58.5 per cent. owned by the Romanian government. Its domestic transmission activities are fully regulated by the National Regulatory Authority for Energy, and the company is in its third regulatory cycle. International transit activities include dispatch, maintenance and operation of dedicated pipelines transmitting Russian natural gas from Ukraine to Bulgaria. In the year to 31 December 2014 domestic gas volumes transmitted increased 5.5 per cent., which combined with tariff increases resulted in group revenue and EBITDA growth of 9.6 per cent. and 9.2 per cent. respectively. Normalised earnings grew by 11.2 per cent. and dividends per share were increased 26.2 per cent. In the year to 31 March 2015 Transgaz's share price increased by 39.2 per cent.

2. GEOGRAPHICAL DISTRIBUTION OF INVESTMENTS

The following table shows the geographical weighting of the Group's portfolio as at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus).

Geographical area	Percentage of total portfolio
China (including Hong Kong)	27.5
Malaysia	14.4
Brazil	10.3
Philippines	8.2
Other Asia	8.2
Romania	7.8
Other Latin America	7.3
Thailand	7.2
Middle East/Africa	6.3
Other Europe	2.8

Source: Company

3. SECTORAL DISTRIBUTION OF INVESTMENTS

The following table shows the sectoral distribution of the Group's portfolio as at 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus).

Sector	Percentage of total portfolio
Gas	16.5
Ports	15.6
Electricity	13.8
Satellites	10.5
Water and waste	10.2
Airports	8.7
Other infrastructure	7.7
Other	6.7
Toll roads	4.5
Infrastructure investment funds	3.2
Telecoms	2.2
Renewables	0.4

Source: Company

PART 5

FINANCIAL INFORMATION

1. STATUTORY ACCOUNTS FOR THE THREE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015

Statutory accounts of the Group for the three financial years ended 31 March 2013, 2014 and 2015, in respect of which the Group's auditors, KPMG Audit plc (in the case of the statutory accounts for the financial year ended 31 March 2013) and KPMG LLP (in the case of the statutory accounts for the financial years ended 31 March 2014 and 2015), have given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Group and of the profit or loss (as applicable) of the Group, for each of the three financial years ended 31 March 2013, 2014 and 2015, and have been prepared in accordance with IFRS as adopted by the EU, have been incorporated into this Prospectus by reference.

On 23 September 2013 the Group appointed KPMG LLP as auditor because KPMG Audit plc had advised the Group that it had instigated an orderly wind down of its business, with future audit work being transferred to its parent entity, KPMG LLP. KPMG LLP is a member of Institute of Chartered Accountants in England and Wales.

2. PUBLISHED ANNUAL REPORTS AND AUDITED ACCOUNTS FOR THE THREE FINANCIAL YEARS ENDED 31 MARCH 2013, 2014 AND 2015

2.1 Historical financial information

The published annual reports and audited accounts for the Group for the three financial years ended 31 March 2013, 2014 and 2015, which have been incorporated in this Prospectus by reference, included, on the pages specified in the table below, the following information:

Nature of Information	Annual report and accounts for the year ended 31 March (audited)		
	2013 Page No(s)	2014 Page No(s)	2015 Page No(s)
Statement of Comprehensive Income/Income Statement	35	49	52
Statement of Changes in Equity	37	51	54
Balance Sheet	39	53	56
Statement of Cashflow	40	54	57
Accounting policies	41-43	55-57	58-60
Notes to the accounts	41-62	55-74	58-77
Report of the independent auditor	34	47-48	50-51
Chairman's statement	6	4-5	5-6
Investment Manager's report	7-10	7-12	7-11
Business Review	–	14-19	13-19
Report of the Directors	19-25	28-37	28-39

2.2 Selected financial information

The key figures that summarise the Group's financial condition in respect of the three financial years ended 31 March 2013, 2014 and 2015 (audited) which have been extracted without material adjustment from the historical financial information referred to in paragraph 2.1 of this Part 5, are set out in the following table:

	As at or for the period ended 31 March (audited)		
	2013	2014	2015
Net Assets (£'000)	442,887	410,235	447,361
Net Asset Value per share basic (pence)	205.49	192.38	209.79
Total income (£'000)	91,726	(12,107)	59,861
Profit/(loss)/before taxation (£'000)	78,479	(16,367)	51,176
Profit/(loss) for the year (£'000)	77,403	(15,666)	50,134
Earnings/(loss) per share (pence)	35.91	(7.33)	23.51
Dividend per share (pence)	5.8	6.1	6.1

2.3 Operating and financial review

The Group's published annual reports and accounts for the three financial years ended 31 March 2013, 2014 and 2015 included, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms); details of the Group's investment activity and portfolio exposure, and changes in its financial condition for each of those years.

Nature of Information	Annual report and accounts for the year ended 31 March (audited)		
	2013 Page No(s)	2014 Page No(s)	2015 Page No(s)
Chairman's statement	6	4-5	5-6
Investment Manager's report	7-10	7-12	7-11
Ten largest holdings	11-16	20-25	21-26
Group performance summary	4	6	4

The causes of material changes in the capital value of the Group's assets in these three financial years can be summarised as follows:

- (a) in the year to 31 March 2013, the Group made gains on investments of £82,990,000. £12,982,000 of these related to gains on investments sold in the year, with unrealised gains on investments held at the year-end of £70,008,000;
- (b) in the year to 31 March 2014, the Group made losses on investments of £19,767,000. £1,913,000 of these related to losses on investments sold in the year, with an unrealised loss on investments held at the year-end of £17,854,000; and
- (c) in the year to 31 March 2015, the Group made gains on investments of £45,390,000. £21,225,000 of these related to gains on investments sold in the year, with unrealised gains on investments held at the year-end of £24,165,000.

2.4 Capital resources

The Company is funded by both equity and debt, with the debt provided through a £50 million facility from Scotiabank Europe Plc pursuant to a senior secured multicurrency revolving agreement which expires on 30 April 2016 (the **Bank Facility**). As at 31 August 2015, the latest practicable date prior to the publication of this Prospectus, approximately £17.8 million of the Bank facility was drawn down and the Company's borrowings represented approximately 4.5 per cent. of the Company's Gross Assets (source: Company unaudited assets and liabilities schedule). The Bank Facility is secured over the assets of the Company.

In addition to the Bank Facility, the Company has the ability to employ indirect indebtedness through its use of contracts for difference. These contracts are used for the purpose of efficient portfolio management. They can be closed out at any time and are settled net monthly on an on-going basis.

The Directors intend to restrict bank borrowings on a longer term basis to 25 per cent. of Gross Assets at the time of draw down.

The Company generates its cash flows from the sale of investments and dividend and interest income and uses these resources to purchase investments, to pay the expenses of the Company, to service bank debt and to pay dividends.

2.5 Availability of annual reports and accounts for inspection

Copies of the Group's and Company's annual reports and audited accounts for the three financial years ended 31 March 2013, 2014 and 2015 are available for inspection at the address set out in paragraph 16 of Part 8 of this Prospectus and also at www.uem.bm.

3. CAPITALISATION AND INDEBTEDNESS

The following table shows the Group's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 July 2015 and the Group's audited capitalisation as at 31 March 2015 (being the last date in respect of which the Group has published financial information):

	31 July 2015 (unaudited) £'000
Indebtedness	
Total Current Debt	
Guaranteed	–
Secured	17,346
Unguaranteed/unsecured	241
	<u>17,587</u>
Total Non-Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
	<u>17,587</u>
	31 March 2015 (audited) £'000
Capitalisation	
Shareholder equity	
Ordinary share capital	21,324
Share premium account	3,796
Special reserve	204,587
Other non-distributable reserve	11,093
Capital reserves	203,380
Revenue reserve	3,181
	<u>447,361</u>

There has been no capitalisation movement from the last published financial information at 31 March 2015 to 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus). The following table shows the Company's unaudited net indebtedness as at 31 July 2015.

	31 July 2015 (unaudited) £'000
A. Cash	10,589
B. Cash equivalent	–
C. Trading securities	–
D. Liquidity (A+B+C)	10,589
E. Current financial receivable	567
F. Current bank debt	–
G. Current portion of non-current debt	–
H. Trading securities payable	241
I. Other current financial debt	17,346
J. Current financial debt (F+G+H+I)	17,587
K. Net current financial indebtedness (J-E-D)	6,431
L. Non-current bank loans	–
M. Bonds issued	–
N. Other non-current loans	–
O. Non-current financial indebtedness (L+M+N)	–
P. Net financial indebtedness (K+O)	6,431

The Group has contingent indebtedness in the form of derivative financial instruments being the fair value of equity put options entered into for the purposes of efficient portfolio management. As at 31 July, the fair value of the derivative contracts was £904,000.

The Group has no further indirect or contingent indebtedness.

4. NAV

The Company's unaudited Net Asset Value as at 31 August 2015 (being the latest practicable date prior to the publication of this Prospectus) was £377.6 million and the unaudited Net Asset Value per Ordinary Share as at that date was 177.08 pence.

PART 6

PARTICULARS OF THE SUBSCRIPTION SHARES

Conditional upon the passing of the Resolutions at the Special General Meeting and Admission, the Subscription Shares are expected to be issued on 24 September 2015 and will carry the rights described below. The Existing Bye-laws will be replaced with the New Bye-laws which will incorporate these rights.

1. SUBSCRIPTION SHARE RIGHTS

- (a) A registered holder for the time being of a Subscription Share (a **Subscription Shareholder**) shall have a right (a **Subscription Share Right**) to subscribe in cash for one Ordinary Share by following the procedures set out in paragraph 1(d) below (in the case of Subscription Shares in certificated form (**Certificated Subscription Shares**)) and in paragraph 1(e) below (in the case of Subscription Shares in uncertificated form (**Uncertificated Subscription Shares**)). Subscription Share Rights may be exercised by notice to the Company in the 30 days preceding the last Business Day in February in 2016, 2017 and 2018 and the last Business Day in August in 2016 and 2017 (each such date being a **Subscription Date** and the last Business Day in February 2018 being the **Final Subscription Date**). The price per Ordinary Share payable on the exercise of Subscription Share Rights (the **Subscription Price**) shall be determined by the Company as being equal to the unaudited published Net Asset Value per Ordinary Share as at the close of business on 22 September 2015, plus a 1 per cent. premium to such Net Asset Value per Ordinary Share, rounded up to the nearest whole pence. The **Net Asset Value** or **NAV** for the purpose of calculating the Subscription Price means the unaudited value of all the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their par value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The Subscription Price shall be payable in full in Sterling on subscription.

It is expected that the Subscription Price will be announced via a Regulatory Information Service on or around 23 September 2015.

- (b) Each Subscription Share has a Subscription Share Right to one Ordinary Share, but the Subscription Price (and/or the number of Subscription Shares in issue) will be subject to adjustment as provided in paragraph 2 below. No fraction of an Ordinary Share will be issued on the exercise of Subscription Share Rights and no refund will be made to a Subscription Shareholder in respect of any part of the Subscription Price paid by that Subscription Shareholder which represents such a fraction (if any) provided that if the Subscription Share Rights represented by more than one Subscription Share are exercised by the same Subscription Shareholder on the relevant Subscription Date then the number of Ordinary Shares to be issued to such Subscription Shareholder in relation to all such Subscription Shares exercised shall be aggregated and whether any fractions then arise shall be determined accordingly.
- (c) The Subscription Shares registered in a holder's name will be evidenced by a Subscription Share certificate issued by the Company or, in the case of Uncertificated Subscription Shares, by means of any relevant computer-based system enabling title to units of a security to be evidenced and transferred without a written instrument (the **Relevant Electronic System** or **Relevant System**). The Company shall be under no obligation to issue a Subscription Share certificate to any person holding Uncertificated Subscription Shares.
- (d) In order to exercise the Subscription Share Rights, in whole or in part, which are conferred by any Certificated Subscription Shares, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document as the Company may, in its absolute discretion, accept) (a **Certificated Subscription Notice**) at the office of the Registrars during the period of 30 days ending on the Business Day before the relevant Subscription Date,

having completed the notice of exercise of Subscription Share Rights thereon (or by giving such other notice of exercise of Subscription Share Rights as the Board may, in its absolute discretion, accept), accompanied by a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are exercised. The Directors may, in their absolute discretion, accept as valid, notices of exercise of Subscription Share Rights which are received after the relevant Subscription Date provided they are accompanied by the correct remittance, as described above. Once lodged, a notice of exercise of Subscription Share Rights shall be irrevocable save with the consent of the Directors. To be effective, any statutory and regulatory requirements for the time being applicable must also be complied with.

- (e) The Subscription Share Rights which are conferred by any Uncertificated Subscription Shares shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the relevant Subscription Date if, during the period of 30 days ending on the Business Day before the relevant Subscription Date: (i) an Uncertificated Subscription Notice is received as referred to below; and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised is received by the Company or by such person as it may require for these purposes. For these purposes, an **Uncertificated Subscription Notice** shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and facilities and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the holder of the Subscription Shares concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (f) Not earlier than 56 days nor later than 30 days before the relevant Subscription Date, the Company shall give notice in writing to the holders of the issued Subscription Shares reminding them of their Subscription Share Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.
- (g) Ordinary Shares to be issued pursuant to the exercise of Subscription Share Rights which are conferred by any Certificated Subscription Shares will be allotted not later than 14 days after and with effect from the relevant Subscription Date. Certificates in respect of such Ordinary Shares, together, if applicable, with a new share certificate for the balance of any Certificated Subscription Shares in respect of which the Subscription Share Rights have not been exercised, will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the relevant Subscription Date to the person(s) in whose name(s) the Subscription Share is/are registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).
- (h) Ordinary Shares to be issued pursuant to the exercise of Subscription Share Rights which are conferred by Uncertificated Subscription Shares will be allotted not later than 14 days after and with effect from the relevant Subscription Date and the Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be evidenced by means

of the Relevant Electronic System as a holding of the person(s) in whose name(s) the Subscription Shares in respect of which Subscription Share Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any like tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose and to the facilities and requirements of the Relevant Electronic System) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.

- (i) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Share Rights shall be issued in certificated form where such Subscription Share Rights were conferred by Certificated Subscription Shares or in uncertificated form where such Subscription Share Rights were conferred by Uncertificated Subscription Shares.
- (j) Ordinary Shares allotted pursuant to the exercise of Subscription Share Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant Subscription Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant Subscription Date, provided that, on any allotment falling to be made pursuant to paragraph 3(g) below, the Ordinary Shares to be allotted shall not rank for any dividend or other distribution declared, paid or made by reference to a record date prior to the date of actual allotment.
- (k) For so long as the Ordinary Shares are admitted to listing on the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange, it is the intention of the Company to apply to the UK Listing Authority and to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Subscription Share Rights to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange respectively and, if such an application is made, the Company will use all reasonable endeavours to obtain the admissions pursuant thereto not later than 28 days after the relevant Subscription Date. The Ordinary Shares arising pursuant to any exercise of Subscription Share Rights will be allotted subject to admission to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market.
- (l) The Subscription Shares and the Ordinary Shares arising on the exercise of Subscription Share Rights have not been and will not be registered under the Securities Act or the securities laws of any other Restricted Territory and the relevant exemptions have not been and will not be obtained from the securities commission or similar regulatory authority of any province of Canada. The Subscription Shares, the Subscription Share Rights and the Ordinary Shares to be issued upon exercise of the Subscription Share Rights may not be offered, sold, resold, taken up, exercised, renounced, transferred or delivered, directly or indirectly, into or within any Restricted Territory or to any citizen or resident of any Restricted Territory (a **Restricted Person**) or to or for the benefit of any such person. Persons subscribing for Ordinary Shares in connection with the exercise of Subscription Share Rights shall (unless the relevant Ordinary Shares can lawfully be allotted to them) be deemed to represent and warrant to the Company that they are not a Restricted Person and that they are not subscribing for such Ordinary Shares for the account of any Restricted Person and are not subscribing with a view to the re-offer or re-sale of such Ordinary Shares, directly or indirectly, in any Restricted Territory and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Ordinary Shares in any Restricted Territory or to or for the benefit of any Restricted Person.
- (m) The exercise of Subscription Share Rights by any Subscription Shareholder or beneficial owner of the Subscription Shares who is a Restricted Person or the right of such a Subscription Shareholder or beneficial holder to receive the Ordinary Shares falling to be issued to them following the exercise of their Subscription Share Rights, will be subject to such other

requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the Securities Act, the Investment Company Act and any rules or regulations promulgated thereunder) and the laws of any other Restricted Territory.

2. ADJUSTMENTS OF SUBSCRIPTION SHARE RIGHTS

The Subscription Price (and/or the number of Subscription Shares in issue) shall from time to time be adjusted in accordance with the provisions of this paragraph 2 and the Company shall not take any of the actions which would require such an adjustment unless there shall be available for issue sufficient Subscription Share and Ordinary Share capital to implement such adjustment and to satisfy in full all Subscription Share Rights remaining exercisable without the need for passing any further resolutions of Shareholders provided that in no event shall the Subscription Price be lower than the nominal value of an Ordinary Share:

- (a) If and whenever there shall be an alteration on a date (or by reference to a record date) on or before the Final Subscription Date in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and (y) the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- (b) If and whenever the Company shall allot to Ordinary Shareholders any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued *in lieu* of a cash dividend) on a date (or by reference to a record date) on or before the Final Subscription Date, the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such allotment and (y) the denominator shall be the aggregate nominal amount of the issued and allotted Ordinary Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Ordinary Shares.
- (c) If and whenever the Company shall make a cash distribution of capital profits or capital reserves on a date (or by reference to a record date) on or before the Final Subscription Date, the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the aggregate net asset value (excluding revenue reserves) of the Group immediately after such distribution and (y) the denominator shall be the aggregate net asset value (excluding revenue reserves) of the Group immediately before such distribution and such adjustment shall become effective as at the date of payment of such distribution.
- (d) If on a date (or by reference to a record date) on or before the Final Subscription Date, the Company makes any offer or invitation (whether by way of rights issue, open offer or otherwise but not being an offer to which paragraph 3(g) below applies or an offer made in connection with scrip dividend arrangements) to the Ordinary Shareholders (subject to such exclusions as may be necessary to deal with legal, regulatory or practical problems in any jurisdiction) to subscribe for new Ordinary Shares or for securities convertible into or exchangeable for Ordinary Shares or conferring rights to subscribe for Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3(g) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Share Rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (g)) on which the same could have been exercised on that date, provided that, if the Directors so resolve in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the

same offer or invitation is made to the then Subscription Shareholders but the Subscription Price shall be adjusted:

- (i) in the case of an offer of Ordinary Shares for subscription by way of rights (a **Rights Offer**) at a price higher than the Net Asset Value of an Ordinary Share and less than the market price of an Ordinary Share at the date of announcement of the terms of the offer, by multiplying the Subscription Price by a fraction of which (x) the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of Ordinary Shares comprised in such Rights Offer would purchase at such market price and (y) the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription;
- (ii) in the case of a Rights Offer at a price less than the net asset value of an Ordinary Share at the date of announcement of the terms of the offer, or such other date as may be specified for this purpose by the Board, the formula in (i) above shall apply save that the references to market price shall be substituted by references to net asset value; and
- (iii) in any other case, in such manner as the independent financial advisers appointed by the Board (acting as experts and not arbitrators) (the **Financial Advisers**) shall report in writing to be fair and reasonable.

Any such adjustments shall become effective, in the case of (i) and (ii) above, as at the date of allotment of the Ordinary Shares which are the subject of the offer or invitation and, in the case of (iii) above, as at the date determined by the Financial Advisers.

For the purposes of this paragraph 2, and for the purposes of paragraph 3 and paragraph 4 below: (i) **market price** shall mean the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained, making an appropriate adjustment if the Ordinary Shares to be issued pursuant to the offer or invitation do not rank, on some or all of the relevant dealing days, *pari passu* as to dividends or other distributions with the Ordinary Shares in issue on those days; and (ii) **net asset value** shall mean the value of the Company's assets (excluding revenue items for the current financial year) minus all prior charges at their par value and the costs of the Rights Offer.

- (e) No adjustment will be made to the Subscription Price pursuant to paragraphs 2(a), (b), (c) or (d) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(e)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest whole pence. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- (f) Whenever the Subscription Price is adjusted as provided in accordance with paragraphs 2(a) to (e) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above), the Company shall issue, for no payment, additional Subscription Shares, registered as fully paid, to each Subscription Shareholder at the same time as such adjustment takes effect. The number of additional Subscription Shares to which a Subscription Shareholder will be entitled shall be the number of existing Subscription Shares held by them multiplied by the fraction:

$$(A - B)/B$$

where:

A = the Subscription Price which would have been payable if the Subscription Share Rights had been exercisable and had been exercised immediately prior to the relevant adjustment pursuant to paragraph 2(a) to (e) above; and

B = the Subscription Price as adjusted pursuant to paragraph 2(a) to (e) above.

Fractions of Subscription Shares will not be allotted to Subscription Shareholders but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £5.00 per Subscription Shareholder will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Subscription Shares will be issued within 21 days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable the adjustment to be made to the Subscription Shareholder's holding of Subscription Shares in the Relevant Electronic System. The Directors may capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par the additional Subscription Shares so created and to be issued as provided in this paragraph 2(f).

- (g) Whenever the Subscription Price is adjusted in accordance with this paragraph by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above, the number of Ordinary Shares into which each holder of Subscription Shares is entitled to convert such Subscription Shares will be reduced accordingly.
- (h) The Company shall give notice to holders of Subscription Shares within 28 days of any adjustment made pursuant to paragraphs 2(a) to (g) above, which will be notified through a Regulatory Information Service.
- (i) If a holder of Subscription Shares shall become entitled to exercise their Subscription Share Rights pursuant to paragraph 3(g) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B+C) - D$$

where:

- A = the reduction in the Subscription Price;
- B = the Subscription Price which would, but for the provisions of this paragraph 2(i), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above) if the Subscription Share Rights were exercisable on the date on which the Company shall become aware as provided in paragraph 3(g) below;
- C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and
- D = the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made,

provided that:

- (i) if the application of the above formula would, in the absence of this proviso (i), have reduced the Subscription Price to below the nominal value of an Ordinary Share, the number of Ordinary Shares into which a Subscription Share may convert pursuant to paragraph 3(g) below shall be adjusted in such manner as the Financial Advisers shall report to be appropriate to achieve the same economic result for the Subscription

Shareholders as if the Subscription Price had been reduced without regard to this proviso (i); and

- (ii) no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 3(g) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(i).

- (j) For the purpose of determining whether paragraph 3(i) below shall apply and accordingly whether each Subscription Shareholder is to be treated as if their Subscription Share Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B+C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(j), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above) if the Subscription Share Rights were exercisable on the date on which the order or the effective resolution referred to in paragraph 3(i) shall be made or passed (as the case may be);

C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the earliest of the following dates: (i) the date of an announcement by the Board of their intention to convene a special general meeting for the purpose of passing a resolution, or presenting a petition for a court order, to wind up the Company; (ii) the date of the notice of a special general meeting convened for the purpose of passing a resolution to wind up the Company; (iii) the date of commencement of the winding up of the Company by the court; and (iv) the date of suspension by the London Stock Exchange of dealings in the Subscription Shares prior to the making of any such announcement by the Board; and

D = the amount (as determined by the Financial Advisers) of the assets available for distribution in the liquidation of the Company in respect of each Ordinary Share, taking into account for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights and the Subscription Price which would be payable on the exercise of such Subscription Share Rights (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above but ignoring any adjustment to be made pursuant to this paragraph 2(j)),

provided that no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

- (k) Notwithstanding the provisions of paragraphs 2(a) to 2(j) above, in any circumstances, where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided under the said provisions in order to give a result which is fair and reasonable, the Company may appoint the Financial Advisers to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner including without limitation making an adjustment calculated on a

different basis and/or to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate in order to give a result which is fair and reasonable.

- (l) Where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Board in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances such modification shall be made in the operation of the foregoing provisions as may be advised by the Financial Advisers to be in their opinion appropriate in order to give such a result.

3. OTHER PROVISIONS

So long as any Subscription Share Rights remain capable of exercise:

- (a) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders):
 - (i) subject to paragraph 4 below, issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to Ordinary Shareholders *pro rata* to their existing holdings or at the election of the Ordinary Shareholders instead of cash in respect of all or part of a dividend or dividends or the issue of further Subscription Shares to the Subscription Shareholders in accordance with the rights attaching to the Subscription Shares; or
 - (ii) on or by reference to a record date falling within the period of six weeks ending on the relevant Subscription Date, make any such allotment as is referred to in paragraph 2(b) above or any such cash distribution as is referred to in paragraph 2(c) above or any such offer or invitation as is referred to in paragraph 2(d) above (except by extending to the Subscription Shareholders any such offer or invitation or as otherwise provided in paragraph 2(d));
- (b) subject to paragraph 4 below, the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital (save as to the date from which such shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or to issue further Ordinary Shares which carry, as compared to the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividends or the return of capital;
- (c) the Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(d) if, in either case, the Company would on any subsequent exercise of the Subscription Share Rights be obliged to issue Ordinary Shares at a discount to nominal value;
- (d) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders or for a reduction not involving any payment to Shareholders) reduce any of its share capital, any uncalled or unpaid liability in respect of any of its share capital or any of its non-distributable reserves provided that the Company shall not be restricted by this paragraph 3(d) from reducing its share capital or from cancelling or reducing any other non-distributable reserve in connection with, or from making, any purchase of: (i) Ordinary Shares at prices below the net asset value per Ordinary Share as envisaged by paragraph 3(j) below; or (ii) Subscription Shares as envisaged by paragraph 6 below;
- (e) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Share Rights;

- (f) except in the circumstances where paragraph 2(d) applies, the Company shall not grant (or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, any Ordinary Shares, the nominal amount of which, together with the aggregate nominal amount of any Ordinary Shares over which options or rights of subscription or conversion (including those of the Subscription Shares) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the nominal amount of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of a special resolution of the Subscription Shareholders) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of subscription for, or issue any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;
- (g) subject as provided in paragraph 3(h) below, if at any time an offer is made to all Ordinary Shareholders (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware on or before the relevant Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of it becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise their Subscription Share Rights on the terms (subject to any adjustments pursuant to paragraphs 2(a) to (g) and subject to paragraph 2(i) above) on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under sections 99 to 102 of the Bermuda Companies Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(g) and references herein to such an offer shall be read and construed accordingly;
- (h) if under any offer as referred to in paragraph 3(g) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available to Subscription Shareholders an offer of securities to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which the Financial Advisers shall consider to be fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to such Financial Advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise their Subscription Share Rights on the basis referred to in paragraph 3(g) above and, subject to the offer referred to in paragraph 3(g) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued share capital of the Company not already owned by it or its associates, any Director shall be irrevocably authorised as attorney for the Subscription Shareholders who have not accepted the offer of securities:
- (i) to subscribe for ordinary shares in the offeror in exchange for the relevant securities (subject to applicable law);
 - (ii) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror in respect of Certificated Subscription Shares, or to take or procure the taking of such action as shall be required in accordance with and subject to the CREST Regulations and the facilities and requirements of the Relevant Electronic System concerned in respect of Uncertificated Subscription Shares, in consideration of the issue of securities to subscribe for ordinary shares in the offeror as aforesaid whereupon all the Subscription Share Rights shall lapse; and
 - (iii) to do such acts and things as may be necessary or appropriate in connection therewith including to take account of the fact that Subscription Shares may be held in uncertificated form;

- (i) if:
 - (i) an order is made or an effective resolution is passed for winding up of the Company (except for the purpose of reconstruction, amalgamation, merger or unitisation on terms sanctioned by a special resolution of the Subscription Shareholders); and
 - (ii) in such winding up and on the basis that all Subscription Share Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the relevant Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the Ordinary Shareholders, including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights (taking into account any adjustments pursuant to paragraphs 2(a) to (g) and 2(j), 2(k) and 2(l) above), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price, each Subscription Shareholder shall be treated as if immediately before the date of such order or resolution (as the case may be) his Subscription Share Rights had been exercisable and had been exercised in full on the terms (subject to any adjustments pursuant to paragraphs 2(a) to (g) and 2(j), 2(k) and 2(l) above) on which the same could have been exercised if they had been exercisable and had been exercised in full but at any reduced Subscription Price immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the Ordinary Shareholders such sum as they would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Subscription Share equal to the Subscription Price (subject to any adjustments pursuant to paragraphs 2(a) to (g) and 2(j), 2(k) and 2(l) above). Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company; and
- (j) notwithstanding paragraphs 3(a) to (i) above, the Company may, without the sanction of a special resolution of the Subscription Shareholders:
 - (i) issue new Ordinary Shares at a price equal to or greater than Net Asset Value per Ordinary Share;
 - (ii) purchase any of its own equity share capital (whether by tender, by private treaty or through the market);
 - (iii) hold its Ordinary Shares in treasury and sell any such Ordinary Shares held in treasury;
 - (iv) effect a reduction in its share premium account unless prohibited by paragraph 3(d) above; and
 - (v) purchase or redeem any Deferred Shares in accordance with paragraph 9.

4. ISSUE OF C SHARES

- (a) Notwithstanding the provisions of paragraph 3 above, a Qualifying C Share Issue (as defined in paragraph 4(b) below) shall not constitute a modification, alteration or abrogation of the rights attached to the Subscription Shares (and shall not require the sanction of a special resolution of the Subscription Shareholders) even though it may involve a modification of the rights attached to the existing Ordinary Shares or the creation or issue of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the Net Asset Value per Ordinary Share.
- (b) For the purposes of this paragraph 4, a **Qualifying C Share Issue** means an issue by the Company of shares which will, within one year of the date of issue thereof, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue (other than, if the case requires, as regards dividends or other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of subscription shares or warrants (whether on the same terms and

conditions as the Subscription Shares or otherwise) and any matters reasonably incidental to the process by which such shares are converted into Ordinary Shares, including but not limited to the creation, issue, sub-division, consolidation, redesignation, purchase, redemption or cancellation of any share capital of the Company, including share capital with preferred or deferred rights.

5. MODIFICATION OF RIGHTS

All or any of the rights for the time being attached to the Subscription Shares may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a special resolution of the Subscription Shareholders.

6. PURCHASE

The Company shall have the right to purchase Subscription Shares in the market, by tender or by private treaty, but:

- (a) such purchases will be limited to the maximum price payable per Subscription Share as specified in the Listing Rules from time to time applicable to equity securities; and
- (b) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike.

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for reissue or resale.

7. TRANSFER

Each Subscription Share will be in registered form and will be transferable:

- (a) in the case of Certificated Subscription Shares, by an instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (b) in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a fraction of a Subscription Share may be effected.

8. GENERAL

- (a) The Company will, concurrently with the issue of the same to the Ordinary Shareholders, send to each Subscription Shareholder (or, in the case of joint holders, to the first named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statements sent to Ordinary Shareholders *in lieu* thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to Ordinary Shareholders.
- (b) For the purposes of these conditions, **special resolution of the Subscription Shareholders** means a resolution proposed at a meeting of the Subscription Shareholders duly convened and quorate and passed by a majority consisting of not less than three quarters of the votes cast, whether on a show of hands or on a poll.
- (c) Subject as provided in paragraph 7 above, the provisions of the New Bye-laws relating to notice of meetings, untraced members, lost certificates and the registration, transfer and transmission of Ordinary Shares shall, *mutatis mutandis*, apply to the Subscription Shares as if they were Ordinary Shares.
- (d) Any determination or adjustment made pursuant to these terms and conditions by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (e) Any references in these particulars to a statutory provision shall include that provision as from time to time modified or re-enacted.

- (f) Subject to paragraph 3(i) above, Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights as provided in paragraph 8(k) below) no right to be redeemed (although the Company may elect to purchase Subscription Shares pursuant to paragraph 6 above). Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders and, save as provided in paragraph 3(i) above, have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of 0.005 pence, being the nominal value of each Subscription Share (in respect of which Subscription Share Rights have not been exercised) held (which rights rank immediately after the rights of the Ordinary Shareholders to be repaid the nominal value of 10 pence for each Ordinary Share).
- (g) If, immediately after any Subscription Date (other than the Final Subscription Date) and after taking account of any Subscription Share Rights exercised on that date, Subscription Share Rights shall have been exercised or cancelled in respect of 75 per cent. or more of the Subscription Shares originally issued (subject to the adjustment of the number of Subscription Shares in accordance with paragraph 2 above including any further Subscription Shares issued in accordance with the New Bye-laws), the Company shall be entitled at any time within the next following 14 days to serve notice in writing on the holders of the Subscription Shares then in issue of its intention to appoint a trustee for the purposes set out in this paragraph 8(g) (the **Early Subscription Trustee**) upon the expiry of 21 days from the date of such notice (the **Notice Period**) and for this purpose the Notice Period shall expire at 3.00 p.m. on the 21st day from the date of such notice. Such notice shall set out a new Final Subscription Date and will include all necessary details and instructions to enable the exercise of the Subscription Share Rights. Forthwith after the expiry of the Notice Period, the Company shall appoint the Early Subscription Trustee who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the expiry of the Notice Period either:
- (i) exercise all (or such proportion as it may in its absolute direction determine) of the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised immediately prior to the expiry of the Notice Period and sell in the market the Ordinary Shares resulting from such exercise; or
 - (ii) (if it appears to the Early Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the issued Subscription Shares (or such proportion of such Subscription Shares as the Early Subscription Trustee may in its absolute direction determine).

The Early Subscription Trustee shall distribute *pro rata* the proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto (being, regardless of whether the Early Subscription Trustee has exercised all or only a proportion of unexercised Subscription Share Rights or has accepted any offer for the purchase of all or only a proportion of the issued Subscription Shares, all holders of the Subscription Shares in issue immediately prior to such exercise or acceptance) at the risk of such persons as soon as practicable and in any event within 28 days after the expiry of the Notice Period, provided that entitlements of under £5.00 per Subscription Shareholder shall be retained for the benefit of the Company. Following the expiry of the Notice Period, if the Early Subscription Trustee shall not exercise the Subscription Share Rights then outstanding within the period of 14 days following such expiry as set out in this paragraph 8(g) (and such trustee's decision in respect thereof shall, in the absence of unreasonableness, be final and binding on all holders of the issued Subscription Shares), all Subscription Share Rights shall lapse. Where the Early Subscription Trustee exercises some but not all of such Subscription Share Rights or sells some but not all such Subscription Shares in accordance with this paragraph, any Subscription

Share Rights which are not so exercised and all Subscription Share Rights attaching to Subscription Shares not so sold shall immediately lapse.

- (h) Within seven days following the Final Subscription Date the Company shall appoint a trustee (the **Final Subscription Trustee**) who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the Final Subscription Date, either:
 - (i) exercise all (or such proportion as it may in its absolute direction determine) the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised on the Final Subscription Date and sell in the market the Ordinary Shares resulting from such exercise; or
 - (ii) (if it appears to the Final Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the issued Subscription Shares (or such proportion of such Subscription Shares as the Final Subscription Trustee may in its absolute direction determine).

The Final Subscription Trustee shall distribute *pro rata* the proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto (being, regardless of whether the Final Subscription Trustee has exercised all or only a proportion of unexercised Subscription Share Rights or has accepted any offer for the purchase of all or only a proportion of the issued Subscription Shares, all holders of the Subscription Shares in issue immediately prior to such exercise or acceptance) at the risk of such persons within 56 days of the Final Subscription Date, provided that entitlements of under £5.00 per Subscription Shareholder shall be retained for the benefit of the Company. If the Final Subscription Trustee shall not exercise the Subscription Share Rights within the period of 14 days following the Final Subscription Date as set out in this paragraph 8(h) (and such trustee's decision in respect thereof shall be final and binding on all holders of issued Subscription Shares), all Subscription Share Rights shall lapse. Where the Final Subscription Trustee exercises some but not all of such Subscription Share Rights or sells some but not all such Subscription Shares in accordance with this paragraph, any Subscription Share Rights which are not so exercised and all Subscription Share Rights attaching to Subscription Shares not so sold shall immediately lapse.

- (i) The Board shall, in its discretion, as an alternative to the procedures in paragraphs 8(g) or 8(h) above have the right to make a payment to the holder of each issued Subscription Share of an amount equal to the Board's best estimate of the amount which would be received by Subscription Shareholders were such procedures to be followed and upon making such payment the Subscription Share Rights shall lapse.
- (j) The Early Subscription Trustee or the Final Subscription Trustee (as appropriate) shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (k) The Company shall give effect to Subscription Share Rights in accordance with this paragraph 8(k) or in such other manner as may be authorised by law. For the purposes of this paragraph 8(k) the **Relevant Shares** shall mean those Subscription Shares in respect of which Subscription Share Rights are exercised.
 - (i) To enable such subscription to be effected, the Directors may determine to repurchase or redeem at par the Relevant Shares on any Subscription Date out of the profits of the Company which would otherwise be available for distribution. In the event that the Directors determine to repurchase or redeem the same at par out of such profits, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and such holder shall be deemed to have appointed the secretary of the Company (or any other

person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:

- a. the Subscription Price; and
 - b. the amount of the repurchase or redemption monies to which the holder is entitled, and, in any such case, the Certificated Subscription Notice or Uncertificated Subscription Notice (as the case may be, a **Subscription Notice**) given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the repurchase or redemption monies payable to such holder in subscribing for such Ordinary Shares at such price.
- (ii) To enable such subscription to be effected, the Directors may determine to repurchase or redeem at par the Relevant Shares on any Subscription Date out of the proceeds of a fresh issue of Ordinary Shares. In the event that the Directors determine to repurchase or redeem the same at par out of such proceeds, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and shall authorise the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:
- a. the Subscription Price; and
 - b. the amount of the repurchase or redemption monies to which the holder is entitled, and, in any such case, the Subscription Notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the repurchase or redemption monies payable to such holder in subscribing for such Ordinary Shares at such price.
- (iii) To enable such subscription to be effected, the Directors may determine to effect such subscription by means of a consolidation and sub-division of the Relevant Shares. In such case the requisite consolidation and sub-division shall be effected by consolidating into one share all the Relevant Shares held by any holder or joint holders and in respect of which a Subscription Notice shall have been given in respect of any Subscription Date (treating holdings of the same holders or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and, if the Directors so determine, any Ordinary Shares allotted to such holder or joint holder pursuant to paragraph 8(k)(v) and converting (and, if necessary, sub-dividing) such consolidated share into Ordinary Shares of 10 pence each (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of which one share for every complete 10 pence (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of the nominal amount of the consolidated share shall be Ordinary Shares (fractional entitlements to an Ordinary Share being disregarded) and the balance (if any) of such consolidated share shall be deferred shares (**Deferred Shares**) which shall carry the limited rights set out in the New Bye-laws and paragraph 9 below but in particular will be capable of being repurchased or redeemed by the Company without further authorisation.
- (iv) In relation to any Relevant Shares that are to be repurchased or redeemed in accordance with paragraph 8(k)(i) or 8(k)(ii) above and that are, on any Subscription Date, in uncertificated form, the Directors shall be entitled in their absolute discretion to determine the procedures for the repurchase or redemption of such Relevant Shares (subject always to the facilities and requirements of the Relevant Electronic System). Without prejudice to the generality of the foregoing, the procedures for the repurchase or redemption of any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of an issuer instruction to the operator of the Relevant Electronic System requesting or requiring the deletion of any computer based entries in the relevant system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors so determine (by notice in writing

to the holder concerned), require the holder of the Relevant Shares concerned to change the form of the Relevant Shares from uncertificated form to certificated form prior to the relevant Subscription Date.

- (v) To enable any subscription to be effected in accordance with this paragraph 8(k)(v) the Directors may capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par shares to be allotted and issued, credited as fully paid, to and amongst the Subscription Shareholders exercising their Subscription Share Rights in accordance with their respective entitlements.
 - (vi) Where the Subscription Share Rights attaching to any Subscription Shares have lapsed in accordance with the provisions of the New Bye-laws, such Subscription Shares will be reclassified as Deferred Shares with immediate effect from the date of such lapse.
- (l) The Directors may make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the evidencing, issue, conversion and transfer of Uncertificated Subscription Shares, the payment of any monies in respect of Uncertificated Subscription Shares and otherwise for the purpose of implementing and/or supplementing the provisions of the New Bye-laws and the CREST Regulations and the facilities and requirements of the Relevant Electronic System concerned; and such arrangements and regulations (as the case may be) shall have the same effect as if set out in the New Bye-laws.

9. DEFERRED SHARES

- (a) The Deferred Shares arising as a result of a conversion by means of consolidation and subdivision as provided in paragraph 8(k)(iii) above, or otherwise on the lapse of Subscription Share Rights, shall: (i) on a return of assets in a winding up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares, plus the payment of £1,000 on each Ordinary Share; (ii) entitle the holder to a dividend at a fixed rate of 0.001 per cent. of the total nominal amount thereof payable on the date falling six months after the date on which they arise, to the holders of Deferred Shares on the Register at that date, but shall confer no other right to share in the profits of the Company; and (iii) not entitle the holder to receive notice of or to attend or vote at any general meeting of the Company, and such conversion or reclassification shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or purchase the same (in accordance with the provisions of the Bermuda Companies Act) without making any payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation and/or purchase to retain the certificate for such Deferred Shares.
- (b) The Company may at its option at any time after the creation of any Deferred Shares repurchase or redeem all or any of the Deferred Shares then in issue, at a price not exceeding 0.1 pence for all the Deferred Shares repurchased or redeemed, at any time upon giving the registered holder(s) of such share or shares not less than 14 days' previous notice in writing of its intention so to do, fixing a time and place for their repurchase or redemption.
- (c) If and whenever the Company shall determine to repurchase or redeem pursuant to the foregoing paragraph less than the total of the Deferred Shares then in issue, those to be repurchased or redeemed shall be selected by the drawing of lots. At the time and place so fixed, each such registered holder shall be bound to surrender to the Company the certificate for their Deferred Shares which are to be repurchased or redeemed in order that such shares may be cancelled.

PART 7

TAXATION

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Shares for investment purposes only, and not for the purposes of any trade. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

BERMUDA TAXATION

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares.

The Company has received an undertaking from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act, 1966, as amended, that, in the event that there is enacted in Bermuda any legislation imposing: (a) tax computed on profits or income; (b) tax computed on any capital asset, gain or appreciation; or (c) any tax in the nature of estate duty or inheritance tax, such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or any land leased or let to the Company.

As an exempted company, the Company is liable to pay the Bermuda Government an annual government fee which is currently US\$18,670.

UK TAXATION

Introduction

The following paragraphs are intended only as a general guide and are based on current legislation and HM Revenue & Customs (HMRC) published practice, which is subject to change at any time (possibly with retrospective effect). They are of a general nature, do not constitute tax advice and apply only to Shareholders who are resident in the UK, who are the absolute beneficial owners of their Shares and who hold their Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities, insurance companies or collective investment schemes. If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK and so that the Company does not carry out any trade in the UK (whether or not through a permanent establishment situated there). On this basis, the Company should not be liable for UK taxation on its income and gains other than certain income deriving from a UK source.

UK Shareholders

Subscription Shares

For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains, the receipt of the Subscription Shares arising from the Bonus Issue will be treated as a re-organisation of

the share capital of the Company. Accordingly, the Subscription Shares will be treated as the same asset as the Shareholder's holding of Ordinary Shares and as having been acquired at the same time as the Shareholder's holding of Ordinary Shares was acquired. As a result of the Bonus Issue the Shareholder's original base cost in his or her Ordinary Shares will be apportioned between his or her Ordinary Shares and the Subscription Shares by reference to their respective market values on the day on which the Subscription Shares are admitted to trading on the London Stock Exchange's Main Market. That is to say, the base cost of such a Shareholder's Ordinary Shares is deemed to be the actual base cost to the Shareholder of those Ordinary Shares multiplied by a fraction whose numerator is A and whose denominator is (A+B), where A is the market value of the Ordinary Shares on the day on which the Subscription Shares are admitted to trading, and B is the market value of the Subscription Shares on the same date. The base cost of the Subscription Shares is deemed to be the actual base cost of the Ordinary Shares less the deemed base cost of the Ordinary Shares calculated as described above.

On the exercise of the Subscription Share Rights, the Ordinary Shares issued pursuant to such exercise will be treated as the same asset as the Subscription Shares in respect of which the Subscription Share Rights are exercised. The base cost of each such Ordinary Share will be the deemed base cost of the Subscription Share that it replaces, calculated as described above, plus the Subscription Price.

Income

Shareholders who are resident in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax or corporation tax in respect of dividends paid by the Company.

UK resident individual Shareholders who are additional rate taxpayers are currently liable to income tax at 37.5 per cent., higher rate taxpayers are currently liable to income tax at 32.5 per cent. and other individual taxpayers are currently liable to income tax at 10 per cent. A tax credit equal to 10 per cent. of the gross dividend (also equal to one-ninth of the cash dividend received) should currently be available to set off against a Shareholder's total income tax liability. The effect of the tax credit is that a basic rate taxpayer will have no further tax to pay, a higher rate taxpayer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which also equals 25 per cent. of the net dividend received) and an additional rate taxpayer will have to account for additional tax equal to 27.5 per cent. of the gross dividend (or 30.56 per cent. of the cash dividend received). The tax credit will not be available to any individual who owns (together with connected persons) 10 per cent. or more of the class of issued share capital of the Company in respect of which the dividend is paid.

The UK Government has announced in its Summer Budget 2015 a reform to simplify the taxation of dividends received by UK resident individuals. The UK Government intends to replace the dividend tax credit with a new annual tax-free allowance of £5,000 of dividend income for all UK resident individual Shareholders with effect from April 2016. To the extent that dividend income exceeds £5,000, tax will be imposed at the rates of 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

A UK resident corporate Shareholder will be liable to UK corporation tax (currently 20 per cent.) unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is likely that dividends will fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

Chargeable gains

Any gains on disposals by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains. UK resident Shareholders who are individuals (or otherwise not within the charge to UK corporation tax) and who are basic rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 18 per

cent. Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 28 per cent. No indexation allowance will be available to such Shareholders but they may be entitled to an annual exemption from capital gains (this is £11,100 for the tax year 2015/2016).

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on disposals of Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposals of Ordinary Shares but will not create or increase an allowable loss.

Capital losses realised on a disposal of Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

The Directors have been advised that the Company should not be an offshore fund for the purposes of the rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010.

Other taxation matters

The attention of UK resident or ordinarily resident Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares. This applies if the Company is a "close" company for the purposes of UK taxation. A company is "close" if, broadly, it is either controlled by five or fewer participators or by participators who are also directors, or five or fewer directors (or directors who are participators) possess or are entitled to acquire rights to a greater part of the company's assets in a distribution or winding up. A participator for these purposes is broadly any person having a share or interest in the capital or income of the Company. It is not anticipated that the Company would be regarded as a close company if it were resident in the UK although this cannot be guaranteed.

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of sections 714 to 751 of the Income Tax Act 2007. These sections contain anti-avoidance legislation dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of the undistributed profits of the Company. This legislation will, however, not apply if such a Shareholder can satisfy HM Revenue & Customs either:

- (a) that it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding a liability to UK taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (b) that all of the relevant transactions were genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding a liability to UK taxation.

Shareholders relying on this exemption are required to note this in their self-assessment return. The attention of companies resident in the UK is drawn to the controlled foreign companies legislation contained in Part 9A of TIOPA. If the Company were regarded as being controlled by persons resident in the UK for UK tax purposes, the legislation applying to controlled foreign companies may apply to corporate shareholders who are resident in the UK and who alone, or with connected persons, hold an interest of at least 25 per cent. in the Company. If relevant, a UK corporation taxpayer may be subject to tax on the part of the Company's "chargeable profits" apportioned to it in accordance with the controlled foreign companies rules.

Non-UK Shareholders

Shareholders who are not resident (or temporarily non-resident) in the UK and do not carry on a trade, profession or vocation through a branch, agency or other form of permanent establishment in the UK with which the Shares are connected will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of their Shares. However, non-UK Shareholders will need to take specific professional advice about their individual tax position.

ISAs

The Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Share Rights should be eligible to be held in a stocks and shares ISA, subject to the applicable annual subscription limit (£15,240 for the tax year 2015/2016). Subscription Shares acquired pursuant to the Bonus Issue may be added to a stocks and shares ISA to the extent that they are received in respect of Ordinary Shares already held in the ISA. Subscription Shares acquired in the secondary market will be qualifying investments of ISA purposes. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Subscription Shares or Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. The Subscription Price paid upon the exercise of the Subscription Shares Rights would contribute towards the annual subscription limit in the year in which the Subscription Share Right was exercised, unless the Subscription Price were paid out of cash already within the Shareholder's stocks and shares ISA, or with cash subscribed in the same tax year to a cash ISA held by the Shareholder and transferred to the Shareholder's stocks and shares ISA. Sums received by a Shareholder on a disposal of Subscription Shares or Ordinary Shares would not count towards the Shareholder's annual limit; but a disposal of Subscription Shares or Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year. Individuals wishing to invest in Subscription Shares through an ISA should contact their professional advisers regarding their eligibility.

Self Invested Pension Plans (SIPPs)

The Ordinary Shares and Subscription Shares in the Company will constitute permitted investments for SIPPs.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of Subscription Shares or the Ordinary Shares arising on the exercise of the Subscription Share Rights. UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Shares executed within, the UK or which "relates to any matter or thing done or to be done" in the UK, although in practice any such instrument will not require stamping in order for the Register of Members to be updated. Unstamped transfer instruments, however, may not be used for certain official purposes (e.g. civil litigation and updating the share registers of UK incorporated or registered companies) in the UK until they are duly stamped. Provided that Shares are not registered in any register of the Company kept in the UK and are not paired with shares issued by a UK company, any agreement to transfer Shares, including any paperless transfers of Shares within the CREST system, should not be subject to SDRT. No stamp duty liability should arise on paperless transfers of Shares within the CREST system either, on the basis that the transfer should not be effected by executing a transfer instrument.

Where Depository Interests in respect of the Ordinary Shares or Subscription Shares are traded within CREST, there should be no charge to SDRT due to the provisions of the Stamp Duty Reserve Tax (UK Depository Interests in Foreign Securities) Regulations 1999, provided that the Shares are not registered in any register of the Company kept in the UK.

PART 8

GENERAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on page 34 of this Prospectus, and the Company, accept responsibility for the information contained in this Prospectus, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their and its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. HISTORY AND STATUS

- 2.1 Utilico Emerging Markets Limited was incorporated in Bermuda on 9 June 2005 as an exempted, closed-end investment company with limited liability under the Bermuda Companies Act with registered number 36491 and with the name Utilico Emerging Markets Utilities Limited. The Company changed its name to Utilico Emerging Markets Limited on 31 July 2006. The Company has an unlimited life.
- 2.2 The Company operates under the Bermuda Companies Act, but is otherwise not regulated in Bermuda.
- 2.3 The Company is not regulated or authorised by the Financial Conduct Authority but is subject to the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules applicable to closed-ended investment companies.
- 2.4 The Company's registered office is in Bermuda and is located at 19 Par-la-Ville Road, Hamilton HM 11, Bermuda. The Company's telephone number at this office is +1441 295 5678.
- 2.5 The Company's accounting period ends on 31 March of each year. The first accounting period ended on 31 March 2006 and the last completed accounting period ended on 31 March 2015.

3. SHARE CAPITAL

- 3.1 The following table shows the authorised and issued share capital of the Company as at 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus):

	Ordinary Shares
Number of shares issued (fully paid)	213,243,793
Nominal Value of issued shares (£)	21,324,379
Number of authorised shares	1,350,010,000
Nominal Value of authorised shares (£)	135,001,000

- 3.2 The Company's issued share capital history during the last three financial years is set out below:
- (a) no new Ordinary Shares were issued or bought back by the Company during the financial year ended 31 March 2013 and the issued share capital as at 31 March 2013 was 215,528,793 Ordinary Shares;
- (b) 1,300,000 Ordinary Shares were bought back on 28 June 2013 and a further 985,000 Ordinary Shares were bought back on 2 July 2013. As at 31 March 2014 the issued share capital was 213,243,793 Ordinary Shares;
- (c) no new Ordinary Shares were issued or bought back by the Company during the financial year ended 31 March 2015 and the issued share capital as at 31 March 2015 was 213,243,793 Ordinary Shares; and
- (d) since 31 March 2015 to 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus) no new Ordinary Shares have been issued or bought back by the Company.

- 3.3 Under the Directors' letters of appointment remuneration is received in the form of Ordinary Shares (**Fee Shares**). The number of Fee Shares to which each Director is entitled is determined by dividing the entitlement by the lower of the market value and the fully diluted Net Asset Value on the date of allocation. Fee Shares are purchased in the market on behalf of, or issued to, each Director as soon as possible after each quarter end.
- 3.4 Save for the proposed Bonus Issue of Subscription Shares, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option and there are currently no securities convertible or exchangeable into the Company's share capital in issue.
- 3.5 All of the Ordinary Shares are, and all of the Subscription Shares will be, in registered form. The Company, through the DI Depositary, has established a depositary arrangement under English Law whereby depositary interests in registered form (**Depositary Interests**), established pursuant to a deed of trust executed by the DI Depositary operating under English law acting as depositary, and representing Ordinary Shares and Subscription Shares, will be issued to investors who wish to hold their Ordinary Shares or Subscription Shares in electronic form within the CREST system. Accordingly, settlement of transactions in Ordinary Shares and Subscription Shares, represented by Depositary Interests may take place within the CREST system if the relevant investors so wish. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, including depositary interests, to be held in electronic rather than paper form. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Further information regarding the depositary arrangement and the holding of Ordinary Shares and Subscription Shares in the form of Depositary Interests is available from the DI Depositary, Computershare Investor Services PLC, whose contact details are set out on page 33 of this Prospectus.
- 3.6 The liability of Ordinary Shareholders is limited to the amount payable in respect of the Ordinary Shares held by them.
- 3.7 The rights attaching to the Ordinary Shares are set out in paragraph 6 of this Part 8. The rights attaching to the Subscription Shares are set out in Part 6 of this Prospectus.
- 3.8 The Company's Bye-laws and Memorandum of Association authorise the Directors to allot an unlimited number of equity securities subject to pre-emption rights for existing Shareholders on the issue of the Company's shares for cash. Resolution 5 is being proposed at the Special General Meeting to dis-apply such pre-emption rights in respect of up to 42,648,758 Subscription Shares pursuant to the Bonus Issue. Where Shares are issued for non-cash consideration the pre-emption rights will not apply.
- 3.9 A resolution of the Company was passed at the Company's annual general meeting held on 16 September 2014, which granted the Company the authority to make market purchases of up to 31,965,240 Ordinary Shares (equivalent to approximately 14.99 per cent. of the issued ordinary share capital as at the date of the notice of the 2014 annual general meeting). This authority will expire at the conclusion of the 2015 Annual General Meeting unless it is varied, revoked or renewed at the Company's 2015 Annual General Meeting or at any other special general meeting. It is proposed that this authority will be renewed at the 2015 Annual General Meeting. The maximum price paid for purchases made pursuant to this authority will not be more than the price permitted by the Listing Rules at the time of purchase (which currently set a price equal to 5 per cent. above the average market value of the Ordinary Shares as derived from the Daily List of the London Stock Exchange for the five business days before the purchase is made or the higher of: (i) the price of the last independent trade; and (ii) the highest current bid at the time of purchase), and any purchases made will be in accordance with the Listing Rules and the Bermuda Companies Act. In any event no purchase of Ordinary Shares will be made at a price in excess of the Net Asset Value of the Ordinary Shares (as determined by the Directors on a date falling not more than 10 days before the date of purchase).
- 3.10 If Resolution 4 is passed at the Special General Meeting, the Company will be authorised to make market purchases of up to 6,393,048 Subscription Shares or such lower number of

Subscription Shares equivalent to 14.99 per cent. of the issued Subscription Shares immediately following Admission.

- 3.11 As of the date of this Prospectus, the Company has no listed or unlisted securities not representing share capital.
- 3.12 Under section 103 of the Bermuda Companies Act, the holders of not less than 95 per cent. of each class of share may give notice to the remaining Shareholders of that class to acquire their shares of the relevant class on the terms set out in the notice.
- 3.13 The ISIN of the Ordinary Shares is BMG931151069. The ISIN of the Subscription Shares is BMG931071374.

4. DIRECTORS' AND OTHER INTERESTS

- 4.1 The Directors do not have any options over Shares. As at the date of this Prospectus, the interests of the Directors and the persons connected (within the meaning of section 252 of the UK Companies Act 2006) with them (all of which are beneficial) in the share capital of the Company are as follows:

Name	No. of Ordinary Shares	Percentage of the Company's issued share capital
Alexander Zagoreos	504,155	0.24
Susan Hansen	27,812	0.01
Garth Milne	611,551	0.29
Garry Madeiros	125,928	0.06
Anthony Muh	81,263	0.04

- 4.2 The maximum aggregate amount of remuneration payable to the Directors permitted under the existing Bye-laws is £200,000 per annum. A resolution is being proposed at the 2015 Annual General Meeting to increase the maximum amount to £250,000. The Directors' fees will be paid in the form of Fee Shares as described in paragraph 3.3 above.
- 4.3 In the financial year ended 31 March 2015, Alexander Zagoreos received a fee of £40,500 (increasing to £42,000 with effect from 1 April 2015) and each of the other Directors received a fee of £30,000 (increasing to £31,000 with effect from 1 April 2015), except for Kevin O'Connor who received £19,000 having retired on 17 November 2014 and Garth Milne who was appointed on 17 November 2014 and accordingly received a pro-rated fee of £11,200. In addition, Garry Madeiros received a further fee of £7,500 (increasing to £8,000 with effect from 1 April 2015) for acting as the Chairman of the Audit Committee. All of the Directors' fees were paid in the form of Fee Shares as described in paragraph 3.3 above and resulted in the Directors acquiring an aggregate of 88,517 Fee Shares in respect of the financial year ended 31 March 2015, including 9,601 Fee Shares acquired for Mr Kevin O'Connor, who retired as a director of the Company on 17 November 2014. The Directors were not paid any amount of remuneration by way of benefits in kind, pension contributions or any contingent or deferred compensation by the Company for their services in all capacities to the Company. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.
- 4.4 It is estimated that the aggregate emoluments (including benefits in kind and pension contributions (of which none are to be made)) of the Directors for the period ending 31 March 2016 will amount to no more than £174,000 and will be satisfied in the form of Fee Shares as described in paragraph 3.3 above.
- 4.5 There are no existing or proposed service contracts between any of the Directors and the Company.
- 4.6 The appointment of each of the non-executive Directors is subject to the provisions of the Bye-laws relating to retirement by rotation and, following re-election, are re-appointed for three year terms. Non-independent Directors are subject to annual re-election as is every Director who has held office as a director for more than nine years.

- 4.7 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company. The Company maintains directors' and officers' liability insurance for the benefit of the Directors.
- 4.8 There are currently no conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties. If a Director has a potential conflict of interest between his duties to the Company and his private interests or other obligations owed to third parties on any matter, the relevant Director will disclose his conflict of interest to the rest of the Directors, and may only be counted in the quorum and entitled to vote in respect of such matter in accordance with paragraph 6.8 below.
- 4.9 None of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which has been effected by it since its incorporation.
- 4.10 The companies and partnerships of which the Directors currently are or have been members of the administrative, management or supervisory bodies or partners at any time during the five years preceding the date of this Prospectus (excluding subsidiaries of such companies or partnerships) are as follows:

Director	Current directorships/partnerships	Former directorships/partnerships
Alexander Zagoreos	Alpha Andromeda Trust Taiwan Opportunities Fund Aberdeen Emerging Markets Smaller Companies Opportunities Fund Inc.	Gartmore Emerging Pacific Investment Trust plc JPMorgan European Investment Trust Plc Jupiter Global Green Investment Trust plc The New Zealand Investment Trust plc The Egypt Trust The World Trust Fund Probank (Athens)
Susan Hansen	RESIMAC Limited Cognitive Education Limited Susan Hansen Limited	Utilico Investments Limited
Garth Milne	Invesco Perpetual UK Smaller Companies Investment Trust plc	Westhouse Holdings plc Real Estate Opportunities Limited (voluntary liquidation)
Garry Madeiros	BF&M Limited BF&M Insurance Company Limited	BELCO Properties Limited BELCO Holdings Limited Bermuda Electric Light Company Limited Bermuda Gas & Utility Company Limited BTS Limited
Anthony Muh	Infratil Limited Clearpool Capital Holdings Limited HRL Morrison & Co HRL Morrison & Co Capital Management Limited HRL Morrison & Co Capital Management (Int) Limited HRL Morrison & Co Asia Limited Asia Corporate Governance Association	Citibank Global Asset Management (Asia) Limited Salomon Brothers Asset Management Asia Pacific Limited AT Asset Management (Asia-Pacific) Limited Clearpool Capital Management Limited Hong Kong Securities Institute

- 4.11 None of the Directors has:
- any convictions in relation to fraudulent offences for at least the previous five years;
 - been declared bankrupt or been the subject of an individual voluntary arrangement within the previous five years;
 - save as set out above, been a director of a company, a member of the administrative, management or supervisory body or a senior manager of a company within the previous five years which has gone into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;

- (d) been a partner or a senior manager in a partnership which has gone into compulsory liquidation, administration or a partnership voluntary arrangement where he was a partner within the previous five years;
- (e) been subject to the receivership of any personal assets within the previous five years;
- (f) been a partner or a senior manager in a partnership which has gone into receivership where he was a partner within the previous five years;
- (g) been the subject of any official public incrimination or sanctions by any statutory or regulatory authority (including designated professional bodies) or disqualified by a court from acting as a director of a company or as member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any company within the previous five years.

4.12 Other than those persons set out below as at 1 September 2015, being the latest practicable date prior to publication of this Prospectus, the Company is not aware of any persons holding, directly or indirectly, 5 per cent. or more of the Company's issued share capital:

Name	No. of Ordinary Shares	Percentage of issued ordinary share capital
Utilico Investments Limited	44,371,179	20.8
Bank of Montreal	20,362,478	9.4
Lazard Asset Management LLC	19,189,466	8.9
Investec Wealth & Investment Limited	12,308,522	5.7
Rathbone Investment Management Ltd	10,728,364	5.0

4.13 The Company is not aware of any persons who directly or indirectly, jointly or severally at the date of this Prospectus exercise or could exercise control over the Company or immediately following Admission will exercise or would be able to exercise control over Company.

4.14 No Shareholders have voting rights attached to their Ordinary Shares they hold which are different to the voting rights attached to any other Ordinary Shares issued by the Company.

5. MEMORANDUM OF ASSOCIATION

The Company's objects are contained in its Memorandum of Association at paragraph 6. They are, *inter alia*, to invest its capital and to acquire, hold, sell, dispose of and deal in real property outside Bermuda and personal property of all kinds.

6. EXISTING BYE-LAWS

The Existing Bye-laws of the Company contain provisions, *inter alia*, to the following effect:

6.1 Voting

Shareholders have the right to receive notice of and to attend and vote at general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder present in person (or, being a corporation, by representative) or by proxy shall have one vote in respect of every Ordinary Share held by him.

6.2 Variation of Rights

- (a) Subject to the Bermuda Companies Act, the special rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by proxy a majority of the issued shares of the relevant class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those shareholders who are present shall be a quorum). Every holder of shares of the relevant class shall be entitled at such meeting to one vote for every such share held by him on a poll.

- (b) The special rights conferred upon the Ordinary Shares shall not be deemed to be varied by the exercise of any power under the disclosure provisions requiring Shareholders to disclose an interest in the Company's Ordinary Shares as set out in the Bye-laws.

6.3 **Offers of shares**

- (a) Subject to the provisions of the Bye-laws and without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by resolution determine or if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
- (b) Subject to the Bye-laws, the unissued shares shall be at the disposal of the Directors, and they may allot, grant options over, issue warrants in respect of or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they determine. Whilst there are no provisions of Bermuda law equivalent to the provisions of the UK Companies Act 2006 which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash, the Bye-laws incorporate such rights into the Bye-laws, in accordance with the requirements of the Listing Rules.
- (c) The Company may also pay such brokerages and/or commissions as may be lawful.
- (d) No person shall be recognised by the Company as holding any shares upon any interest other than an absolute right of the registered holder to the entirety of a share.

6.4 **Notice requiring disclosure of interest in shares**

The Directors may serve notice on any Shareholder requiring that Shareholder to disclose to the Company the identity of any person (other than the Shareholder) who has an interest in the shares held by the Shareholder. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the Shareholder shall not be entitled to vote in general meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Bye-laws) shall be registered until the default is rectified.

In addition, the Board may serve notice on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to:

- (a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under sections 1471 to 1474 of the United States Internal Revenue Code of 1986 Treasury Regulations made thereunder and any agreement relating thereto (including, any amendments, modification, consolidation, re-enactment or replacement thereof made from time to time) (**FATCA**) or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction (**Similar Laws**); or

- (b) avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such Shareholder by the Company); or
- (c) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the US Internal Revenue Code of 1986 or under Similar Laws.

If any Shareholder (a **Defaulting Shareholder**) is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the continued holding of shares in the Company by the Defaulting Shareholder shall be deemed to cause or be likely to cause the Company and/or its Shareholders a pecuniary and material disadvantage for the purposes of paragraph 6.6 below and the Board may, in its discretion, require the Defaulting Shareholder to transfer its shares in accordance with paragraph 6.6 below.

6.5 **Transfer of shares**

Subject as provided below, any Shareholder may transfer all or any of his shares by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor.

The Directors may refuse to register any transfer of shares unless the instrument of transfer is lodged with the Company, at such place as the Board shall appoint for the purpose, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The Directors may refuse to register a transfer:

- (a) of any Ordinary Share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis;
- (b) where the holding of such Ordinary Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole;
- (c) of any Shares owned or which appear to be owned directly by any person who, by virtue of his holding, may in the opinion of the Directors give rise to a breach of any applicable law or requirement in any jurisdiction or may cause or be likely to cause the Company, the Shareholders or the Investment Manager of the Company from time to time some legal, pecuniary or material disadvantage or cause or be likely to cause the assets of the Company to be considered "plan assets" within the meaning of the regulations adopted under the US Employee Retirement Income Security Act of 1974, as amended (**ERISA**), or which holding would or might result in the Company or the investment managers of the Company from time to time the being required to register or qualify under the US Investment Companies Act of 1940, as amended or other US law; or
- (d) where permission of the BMA to the transfer is required but has not been obtained.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year. The New Bye-laws proposed to be adopted in connection with the Bonus Issue will remove the Directors' discretion to refuse to register a transfer in the circumstances described in paragraphs (b) and (c) above, as described under the heading "Adoption of New Bye-laws" in Part 1 of this Prospectus and instead, if the New Bye-laws are adopted, the Directors may decline to transfer, convert or register a transfer of Shares which are owned or appear to be owned by a Non-Qualified Holder.

6.6 **Compulsory transfer of shares**

The Board may require the transfer of any shares owned or which appear to be owned directly by any person described in paragraph 6.5(c) above. The New Bye-laws proposed to be adopted in connection with the Bonus Issue will remove the Directors' discretion to require the compulsory transfer of shares in these circumstances and instead, if the New Bye-laws are adopted, the Directors may require the transfer of any Shares, which are owned or appear to be owned by a Non-Qualified Holder.

6.7 **Alteration of capital and purchase of shares**

The Company may from time to time, subject to the provisions of the Bermuda Companies Act, purchase its own shares in any manner authorised by the Bermuda Companies Act.

The Bermuda Companies Act provides that the Company may by resolution consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Association; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish its authorised share capital accordingly; and convert its fully paid shares into shares denominated in a different currency.

The Company may by resolution reduce its share capital or any share premium account, in any manner permitted by and with and subject to any consent required by the Bermuda Companies Act.

6.8 **Interests of Directors**

- (a) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest, directly or indirectly, in shares or debentures or other securities of the Company).
- (b) Subject to the Bermuda Companies Act, a Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) a contract, arrangement, transaction or proposal concerning the offer of shares, debentures or other securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to or may participate;
 - (iv) any proposal concerning any other Company in which he is interested, directly or indirectly, as an officer, creditor or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of any such company (or of any third company through which his interest is derived) or of the voting rights of such company;
 - (v) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or

- (vi) any proposal for the purchase or maintenance of insurance for the benefit of the Director or persons including the Directors.
- (c) Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (d) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

6.9 Remuneration of Directors

- (a) The Directors shall be remunerated quarterly for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £200,000 per annum (or such sum as the Company in general meeting shall from time to time determine). A resolution is being proposed at the 2015 Annual General Meeting to increase the maximum amount to £250,000. The Directors' fees will be satisfied with the Fee Shares as described in paragraph 3.3 above. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, Board or committee meetings or otherwise in connection with the performance of their duties.
- (b) A Director may hold any other office or place of profit within the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine.
- (c) The Directors may from time to time appoint one or more of their body to the office of managing director or to any other office for such term and at such remuneration and upon such terms as they determine.

6.10 Retirement of Directors

- (a) Directors shall be subject to retirement by rotation and any Director who retires shall be eligible for re-appointment. One third of the Directors will retire at each annual general meeting. Any Director who retires may offer himself for reappointment.
- (b) A Director shall not be required to hold any qualification shares.
- (c) No person shall be or become incapable of being appointed a Director by reason of having attained the age of 70 or any other age and no Director shall be required to vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

6.11 Dividends and distribution of assets on a winding up

- (a) Subject to the rights of persons entitled to shares with special rights as to dividends, the Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.
- (b) No dividend shall be paid other than from the profits (including for the avoidance of doubt all gross revenues) resulting from the Company's business.
- (c) The Directors may if they think from time to time pay the Shareholders such interim dividends as appear to be justified by the profits of the Company.
- (d) No dividend or other amount payable to any Shareholder shall bear interest against the Company. Any dividend unclaimed on the earlier of: (1) seven years from the date when it first became payable; or (2) the date on which the Company is wound up, shall be forfeited automatically, without the necessity for any declaration or other action by the Company. Payment by the Company of any unclaimed dividend or other amount payable

in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

- (e) The Directors are also empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute.
- (f) If the Company should be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may with the authority of a shareholder resolution and any other sanction required by Bermuda Companies Act, divide amongst the members *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes or property, and may determine how such division should be carried out as between the members or different classes of members.

6.12 **Borrowing**

- (a) The Directors may exercise all and any powers of the Company to borrow money.
- (b) Any person lending money to the Company shall be entitled to assume that the Company is acting in accordance with the Bye-laws and shall not be concerned to enquire whether such provisions have in fact been complied with.

6.13 **Register of Shareholders**

The register of Shareholders is the hard copy register of Shareholders kept in Bermuda pursuant to section 65 of the Bermuda Companies Act.

The register of Depositary Interests representing the Ordinary Shares is kept by the DI Depositary in the United Kingdom.

6.14 **Meetings**

Annual general meetings typically are held on such date and at such place as the Directors may determine. Notices convening each annual general meeting, together with the annual accounts and reports, are sent to Shareholders at least 21 clear days before the date fixed for the meeting.

All general meetings other than annual general meetings are called special general meetings and notice for such meetings is sent to Shareholders at least 14 clear days before the date fixed for the meeting.

6.15 **Life of the Company**

At the annual general meeting of the Company to be held in 2016 a resolution will be proposed that the Company should continue as presently constituted and at every fifth annual general meeting thereafter. If a continuation resolution is not passed at the relevant general meeting, the Directors will be required to formulate proposals to be put to Shareholders relating to the future of the Company having regard to, *inter alia*, prevailing market conditions and applicable regulations and legislation.

7. MATERIAL CONTRACTS

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this Prospectus; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

7.1 **Management Agreement**

The Management Agreement dated 31 March 2015 between the Company, ICMIM and ICM pursuant to which ICMIM has been appointed, with effect from 13 April 2015, to act as the Company's alternative investment fund manager with sole responsibility for risk management, and both ICMIM and ICM have been appointed as the joint portfolio managers of the Company. In addition to its duties as AIFM, ICMIM also provides company secretarial services to the Company.

The aggregate annual management fee payable by the Company under the Management Agreement is 0.65 per cent. of net assets, payable quarterly in arrears which will be apportioned between the Joint Portfolio Managers in accordance with a management services agreement entered into between them. The annual management fee is adjusted for fees earned by the Joint Portfolio Managers in respect of investment holdings managed or advised by them. The Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent. The maximum amount of a performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of the Company and any performance fee in excess of this cap will be written off. No performance fee is payable until the net asset value exceeds the high watermark established when a performance fee was last paid, adjusted for capital events and dividends paid since its establishment.

In addition to the management fee and the performance fee, ICMIM receives a fee equal to one-third of the total employment costs incurred by it in employing a suitably experienced person to provide company secretarial services to the Company.

The Joint Portfolio Managers are also reimbursed for all out of pocket costs and expenses incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties.

The Management Agreement continues unless or until terminated by either party giving to the other not less than six months' notice in writing or unless otherwise terminated with cause upon immediate written notice from the non-defaulting party/(ies) to the defaulting party/(ies).

The Joint Portfolio Managers have the benefit of an indemnity from the Company in relation to liabilities incurred by them in the discharge of their duties under the Management Agreement other than those arising by reason of any fraud, wilful default, negligence or bad faith or breach of the Management Agreement on the part of the Joint Portfolio Managers or their delegates.

The Management Agreement is governed by English law.

7.2 **Administration Agreement**

The Administration Agreement dated 29 June 2015 between the Company, the Administrator and the Joint Portfolio Managers whereby the Company has appointed the Administrator to provide administrative services to the Company. Under the Administration Agreement, the Administrator has the authority to delegate the discharge of certain of its functions thereunder with the consent of the Company, not to be unreasonably withheld or delayed. The Administrator shall not be responsible for the performance by such third party of any duties delegated to them under the Administration Agreement, save as to negligence in the selection of a third party or in the on-going monitoring and management of the service provided by such third party.

The Administration Agreement is terminable on six months' notice in writing or on shorter notice in the event of breach of contract or insolvency.

The Administrator is paid an annual fee of £220,000 for its company administration and valuation services. The Company will reimburse the Administrator in respect of reasonable out-of-pocket expenses properly incurred in the performance of its duties.

The Administrator has the benefit of an indemnity from the Company under the terms of the Administration Agreement in relation to liabilities incurred in the discharge of its duties other than those arising by reason of any bad faith, fraud, wilful default or negligence.

The Administration Agreement is governed by English law.

7.3 **Depositary Services Agreement**

The Depositary Services Agreement dated 13 April 2015 made between the Company, J.P.Morgan Europe Limited (**JPMEL**) and ICMIM pursuant to which the Company has appointed JPMEL to provide depositary services under articles 21(7), (8)(b) and (9) of the AIFM Directive. The services provided by JPMEL include:

- general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of net asset value calculations, the application of income, and the ex-post review of investment transactions;
- monitoring the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company, ICMIM or JPMEL acting on behalf of the Company; and
- verifying the Company's ownership of its assets other than financial instruments and maintaining records sufficient for verification of the Company's ownership rights.

JPMEL receives an annual fee for its services of 2.2 basis points on the Company's net asset value, subject to a minimum fee of £25,000 per annum.

The Depositary Services Agreement is terminable on 90 days' notice in writing by either party or on shorter notice in the event of breach of contract or insolvency.

The Company has agreed to indemnify JPMEL against any liabilities that may be imposed on or incurred by JPMEL in connection with or arising of its performance under the Depositary Services Agreement other than as a result of its fraud, negligence or wilful misconduct.

The Depositary Services Agreement is governed by the English law.

7.4 **DI Depositary Services Agreement**

The DI Depositary Services Agreement is dated 14 July 2005 and sets out that the DI Depositary has agreed to act as CREST agent and UK transfer agent for the Company. In return for providing the depositary and custody services the DI Depositary is entitled to an annual fee. The DI Depositary Services Agreement may be terminated by either party on six months' notice.

7.5 **Global Custody Agreement**

The novation and amendment agreement dated 13 April 2015 between the Company, JPMorgan Chase Bank, N.A. – London Branch (**JPMorgan**) and JPMorgan Chase Bank, N.A. – Jersey Branch (**JPMCB**) pursuant to which JPMorgan's rights and obligations under the Global Custody Agreement were novated to JPMCB. JPMCB has the benefit of an indemnity from the Company against liabilities arising in the absence of JPMCB's wilful misfeasance, bad faith, negligence, fraud or reckless disregard of its duties under this agreement. JPMCB receives safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of which vary country by country, together with JPMCB's reasonable out-of-pocket or incidental expenses. The Global Custody Agreement with JPMCB is terminable on 60 days' notice.

The Global Custody Agreement is governed by English law.

7.6 **BCB Custody Agreement**

A custody agreement dated 20 January 2011 between the Company and BCB pursuant to which BCB acts as the Company's custodian in respect of such cash and investments as the Company may from time to time deposit with BCB. The fees payable to BCB depend on the

nature and quantity of the assets deposited with BCB and there is no minimum fee. There is no obligation on the Company to deposit any assets with BCB. The agreement can be terminated on three months' notice by either party.

The BCB Custody Agreement is governed by Bermuda law.

7.7 Facility Agreement

A £50 million secured multi-currency revolving loan facility made between the Company and Scotiabank Europe PLC (**Scotiabank**) dated 23 February 2012 (as amended by supplemental agreements dated 13 February 2014, 26 March 2014, 16 April 2014 and 13 April 2015 respectively) (the **Facility Agreement**). The base currency of the facility is Sterling, although individual loans may be drawn down in any currency acceptable to Scotiabank. The final repayment date for the loan is 30 April 2016.

The Company may not make further drawdowns where its debt to asset ratio is above 25 per cent. (the **Debt/Asset Limit**) or where a drawdown would exceed: (a) amounts it is permitted to borrow under regulations applicable to it; (b) amounts it is permitted to borrow under the Company's policies; or (c) 20 per cent. of the Company's Gross Assets if its rating falls below the BBB credit rating. The Debt/Asset Limit is adjusted depending on the value of the Company and the Group.

Scotiabank has a floating charge over the assets of the Company and has been assigned the Company's rights under certain material contracts, by way of security in respect of amounts owing under the facility. This security has been established by debentures under English and Bermuda law dated 23 February 2012 and a Jersey security agreement dated on or around 13 April 2013.

The Facility Agreement bears interest at an annual rate and contains representations, warranties, undertakings, events of default and indemnities which are customary for facility agreements of this nature.

The Facility Agreement is governed by English law.

8. INVESTMENT RESTRICTIONS

8.1 If and for so long as required by the Listing Rules of the UK Listing Authority in relation to closed-ended investment companies, the Company has adopted the following investment and other restrictions:

- (a) the Company will at all times invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- (b) the Company will not conduct any trading activity which is significant in the context of the Company (or, if applicable, its group as a whole); and
- (c) not more than 10 per cent. in aggregate of the value of the Company's total assets at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment funds which are listed on the Official List).

8.2 The Company shall not invest more than 15 per cent. in aggregate of the value of its total assets at the time of investment in other closed-ended investment funds listed on the Official List.

9. WORKING CAPITAL

In the Company's opinion, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

10. LITIGATION

There have been no governmental, legal or arbitration proceedings (and no such proceedings are pending or threatened of which the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

11. SIGNIFICANT CHANGE

Save for the fall in the unaudited value of the Group's net assets from approximately £447.4 million (audited) as at 31 March 2015 to £377.6 million (unaudited) as at 31 August 2015 (being the latest practicable date prior to the publication of this Prospectus) and a corresponding fall in the NAV per Ordinary Share from 209.79 pence per Ordinary Share (audited) to 177.08 pence per Ordinary Share (unaudited) over the same period, there has been no significant change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest audited annual results of the Group were published.

12. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 25 to the financial statements for the years ending 31 March 2013 and 2015 and note 24 to the financial statements for the year ending 31 March 2014, each of which are incorporated by reference into this Prospectus, the Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to the Regulation (EC) No 1606/2002) at any time during the three financial years to 31 March 2013, 2014 and 2015 or during the period from 1 April 2015 to 1 September 2015 (being the latest practicable date prior to the publication of this Prospectus) other than it being a party to the Management Agreement (described in paragraph 7.1 of this Part 8).

13. TAKEOVER PROVISIONS

To the extent permitted under the Bermuda Act, Bye-law 173 of the Company's Existing Bye-laws (**Bye-law 173**) adopts certain of the provisions of the City Code, including provisions dealing with compulsory takeover offers (to the extent permitted by Bermuda law), which are to be administered by the Board. Bye-law 173 has effect only during such times as the City Code does not apply to the Company.

Pursuant to Bye-law 173 a person must not: (i) acting by himself or with persons determined by the Board to be acting in concert, seek to acquire an interest in shares in the Company which carry 30 per cent. or more of the voting rights attributable to the Ordinary Shares; or (ii) acting by himself or with persons determined by the Board to be acting in concert, are interested in Ordinary Shares which in the aggregate carry 30 per cent. but not more than 50 per cent. of the voting rights, and seek to acquire, by himself or with persons determined by the Board to be acting in concert, an interest in additional shares which, taken together with the interest in shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights, except as a result of a "permitted acquisition" (meaning an acquisition either consented to by the Board, or made in compliance with Rule 9 of the City Code, or arising from the repayment of a stock borrowing arrangement on arm's length commercial terms); or (iii) effect or purport to effect an acquisition which would breach or not comply with Rules 4, 5, 6 or 8 of the City Code (as amended from time to time), if the Company were subject to the City Code.

Where the Board has reason to believe that any of such circumstances has taken place, it may take all or any of the following measures: (i) require the person(s) appearing to be interested in the shares of the Company to provide such information as the Board considers appropriate; (ii) have regard to such public filings as may be necessary to determine any of the matters under Bye-law 173; (iii) make any determination under Bye-law 173 as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any; (iv) determine that the voting rights attached to such shares in breach of the Bye-laws (the **Excess Shares**), are from a particular time incapable of being exercised for a definite or indefinite period; (v) determine that some or all of the Excess Shares are to be sold; (vi) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and (vii) taking such actions as it thinks fit for the purposes of Bye-law 173 including prescribing rules not

inconsistent with Bye-law 173, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations, or interim determinations, executing documents on behalf of a Shareholder, converting any Excess Shares held in uncertificated form into certificated form and vice versa, paying costs and expenses out of proceeds of sale, and changing any decision or determination or rule previously made.

The Board has the full authority to determine the application of Bye-law 173, including the deemed application of the whole or any part of the City Code, and such authority shall include all the discretion that the Panel would exercise if the whole or part of the City Code applied. Any resolution or determination made by the Board, any Director or the chairman of any meeting acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes.

14. DISCLOSURE REQUIREMENTS AND NOTIFICATION OF INTEREST IN SHARES

Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited expectations, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within four trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a Shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- reaches, exceeds or falls below 5 per cent. and each 5 per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or
- reaches, exceeds or falls below an applicable threshold referred to above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

Such notification must be made using the prescribed form TR1 available from the FCA's website at <http://www.fsa.gov.uk>. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the third trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

15. MISCELLANEOUS

- 15.1 The Company currently has no employees.
- 15.2 The Company does not own or lease any land or buildings.
- 15.3 No application is being made for the Subscription Shares to be listed, or dealt in, on any stock exchange or investment exchange other than the Main Market.
- 15.4 Save pursuant to the Bonus Issue, none of the Subscription Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Subscription Shares to be admitted to the Official List.
- 15.5 The Company's Ordinary Shares are, and the Subscription Shares will be, denominated in Sterling.
- 15.6 The Company has a wholly-owned subsidiary, Utilico Emerging Markets (Mauritius), to facilitate direct investments in India. Utilico Emerging Markets (Mauritius) was incorporated in Mauritius on 6 September 2011, as an investment company with limited liability under the Mauritian Companies Act with company number 105014. In addition, the Company holds shares linked to a segregated account in GERP. This account which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. In accordance with IFRS, the segregated account in GERP is classified as a subsidiary undertaking of the Company and its financial results are included within the accounts of the Group.

- 15.7 ICMIM which has been appointed as the Company's AIFM and as a joint portfolio manager under the Management Agreement was incorporated and registered in England on 27 February 2013, with registered number 8421482. The principal place of business of ICMIM is PO Box 208, Epsom, Surrey KT18 7YF (a representative of ICMIM can be contacted on telephone number + 44 (0) 1372 271486). ICMIM is subject to the provisions of the Companies Act 2006 and is authorised and regulated in the United Kingdom by the Financial Conduct Authority.
- 15.8 ICM which has been appointed as a joint portfolio manager under the Management Agreement was incorporated and registered in Bermuda on 18 June 2010 as an exempted company incorporated with limited liability with registered number 44350. The principal place of business of the ICM is 19 Par-La-Ville Road, Hamilton HM11, Bermuda (a representative of ICM can be contacted on telephone number + 44 (0) 1372 271486). ICM is subject to the provisions of the Bermuda Companies Act and has a licence to carry on business in Bermuda including providing investment advice to the Company granted by the Minister of Business Development and Tourism of Bermuda.
- 15.9 The auditors to the Company for the financial period ended 31 March 2013 were KPMG Audit plc of 15 Canada Square, London E14 5GL and the auditors of the Company for the two financial periods ended 31 March 2014 and 2015 were KPMG LLP of 15 Canada Square, London E14 5GL.
- 15.10 Where information in this document has been sourced from a third party, the Company confirms that that information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.
- 15.11 There are no material interests to the Bonus Issue, including conflicting areas that are material to the Bonus Issue.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 19 Par-la-Ville Road, Hamilton HM 11, Bermuda and at the office of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Prospectus up to and including the date of Admission:

- (a) the Existing Bye-laws of the Company;
- (b) the annual accounts for the three financial years ended 31 March 2013, 2014 and 2015; and
- (c) the New Bye-laws.

17. AVAILABILITY OF THIS DOCUMENT

A copy of this Prospectus is available for inspection at <http://www.morningstar.co.uk/uk/nsm>.

3 September 2015

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

2015 Annual General Meeting	the annual general meeting of the Company convened for 22 September 2015
Administration Agreement	the amended and restated administration agreement between the Company, the Administrator and the Joint Portfolio Managers, a summary of which is set out in paragraph 7.2 of Part 8 of this Prospectus
Administrator	F&C Management Limited
Admission	admission of the Subscription Shares to the standard segment of the Official List and to trading on the Main Market becoming effective in accordance with the Listing Rules and the Admission and Disclosure Standards
Admission and Disclosure Standards	the admission and disclosure standards of the London Stock Exchange for securities to be admitted to trading, as amended from time to time
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance, as amended from time to time
AIC Guide	the AIC Corporate Governance Guide for Investment Companies
AIF	an alternative investment fund
AIFM	an alternative investment fund manager
AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council
AIFM Regulations	the Alternative Investment Fund Manager Regulation 2013
Audit Committee	the audit committee of the Board
Bank Facility	the £50 million secured multi-currency revolving loan facility provided to the Company pursuant to the Facility Agreement
BCB	Bermuda Commercial Bank Limited
Bermuda Companies Act	the Bermuda Companies Act 1981, as amended from time to time
BMA	the Bermuda Monetary Authority
Board	the board of directors of the Company or any duly authorised committee thereof
Bonus Issue	the issue to Qualifying Shareholders of up to 42,648,758 Subscription Shares on the basis of one Subscription Share for every five Existing Ordinary Shares held on the Record Date
BST	British Summer Time
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays)
Bye-laws	the bye-laws of the Company, as amended from time to time
certificated or in certificated form	not in uncertificated form

City Code	the City Code on Takeovers and Mergers
Company	Utilico Emerging Markets Limited
Computershare Bermuda	Computershare Investor Services (Bermuda) Limited
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Depositary	J.P.Morgan Europe Limited
Depositary Interests	the dematerialised depositary interests issued by the DI Depositary representing the underlying Ordinary Shares or, as the case may, be Subscription Shares
Depositary Services Agreement	the depositary services agreement between the Company, JPMEL and ICMIM, a summary of which is set out in paragraph 7.3 of Part 8 of this Prospectus
DI Depositary	Computershare Investor Services PLC
DI Depositary Services Agreement	the custody and service agreement between the Company and the DI Depositary, a summary of which is set out in paragraph 7.4 of Part 8 of this Prospectus
Directors	the directors of the Company as listed on page 34 of this Prospectus
Disclosure and Transparency Rules	the disclosure rules and the transparency rules made by the FCA under the Part VI of the FSMA, as amended from time to time
EEA	the European Economic Area
EEA State	a member state of the EEA
Emerging Markets	predominantly countries included in leading emerging market indices
ERISA	the regulations adopted under the United States Employee Retirement Income Security Act 1974
Euroclear	Euroclear UK & Ireland Limited, being the operator of the CREST UK system
Existing Bye-laws	the Bye-laws in force as at the date of this Prospectus
Existing Ordinary Shares	the Ordinary Shares in issue on the Record Date, and Existing Ordinary Shareholders shall mean holders of the Existing Ordinary Shares
Facility Agreement	the facility agreement between the Company and Scotiabank Europe PLC (Scotiabank) dated 23 February 2012 (as amended by supplemental agreements dated 13 February 2014, 26 March 2014, 16 April 2014 and 13 April 2015 respectively) relating to the Bank Facility, a summary of which is set out in paragraph 7.7 of Part 8 of this Prospectus
Final Subscription Date	28 February 2018 or such earlier date as may be determined in accordance with the Subscription Share Rights
Financial Conduct Authority or FCA	the United Kingdom Financial Conduct Authority (or any successor entity or entities) and where applicable, acting as the competent authority for the purposes of admission to the Official List

Form of Instruction	the form of instruction to be used by holders of Depository Interests to indicate to the DI Depository how they wish their voting rights to be exercised in respect of the SGM which accompanies this document
Form of Proxy	the form of proxy for use at the SGM which accompanies this Prospectus
FSMA	the Financial Services and Markets Act 2000 (as amended)
GERP	Global Equity Risk Protection Limited, an unquoted exempted company incorporated in Bermuda and registered as a segregated accounts company
Global Custody Agreement	the custody agreement dated 12 July 2005 between JPMorgan Chase Bank N.A – London Branch and the Company, as novated to JPMCB pursuant to the novation and amendment agreement dated 13 April 2015 made between the Company, JPMorgan Chase Bank N.A – London Branch and JPMCB, a summary of which is set out in paragraph 7.5 of Part 8 of this Prospectus
Gross Assets	the unaudited aggregate value of the total assets of the Company, including assets represented by principal monies borrowed by the Company, less current liabilities (not including contingent liabilities other than principal monies borrowed) of the Company, determined in accordance with the accounting policies adopted by the Company from time to time
Group	the Company and its subsidiary undertakings (including GERP)
HMRC	Her Majesty's Revenue & Customs
IASB	the International Accounting Standards Board
ICM	ICM Limited, a joint portfolio manager of the Company
ICMIM	ICM Investment Management Limited, the Company's AIFM and a joint portfolio manager of the Company
Investment Company Act	the US Investment Company Act of 1940, as amended
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time
Joint Portfolio Managers	ICMIM and ICM
JPMCB	JPMorgan Chase Bank N.A. – Jersey Branch
JPMEL	J.P.Morgan Europe Limited
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
Management Agreement	the management agreement between the Company, ICMIM and ICM, a summary of which is set out in paragraph 7.1 of Part 8 of this Prospectus
Management Engagement Committee	the management engagement committee of the Board

Net Asset Value or NAV	net asset value as calculated in accordance with the Company's accounting policies and the Bye-laws or the value of the net assets per Ordinary Share, as the context requires
New Bye-laws	the new Bye-laws as proposed to be adopted at the SGM
Non-Qualified Holder	any person: (i) whose ownership of Shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Internal Revenue Code; (ii) whose ownership of Shares may cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the Shares is not a "qualified purchaser" as defined in the US Investment Company Act); (iii) whose ownership of Shares may cause the Company to register under the US Exchange Act, the US Securities Act or any similar legislation; (iv) whose ownership of Shares may cause the Company not being considered a "foreign private issuer" as such term is defined in rule 3b4(c) under the US Exchange Act; or (v) whose ownership of Shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Internal Revenue Code)
Notice of the Special General Meeting	notice convening the Special General Meeting set out at the end of this Prospectus
Official List	the official list maintained by the UK Listing Authority pursuant to Part VI of FSMA
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company with the TIDM: UEM and the ISIN: BMG931151069, and Ordinary Shareholders shall mean holders of Ordinary Shares
Panel	the Panel on Takeovers and Mergers
Prospectus	this document
Prospectus Rules	the rules and regulations made by the FCA under Part VI of the FSMA, as amended from time to time
Qualifying Shareholders	Ordinary Shareholders whose names are on the Register at 5.00 p.m. on the Record Date, excluding Restricted Shareholders
Record Date	the date on which Qualifying Shareholders' entitlements to the Bonus Issue will be assessed against the Register, expected to be 5.00 p.m. on 22 September 2015
Register	the register of members of the Company
Registrars	Computershare Investor Services (Bermuda) Limited
Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Remuneration Committee	the remuneration committee of the Board
Resolutions	the resolutions to be proposed at the SGM as set out in the Notice of the Special General Meeting
Restricted Person	any citizen or resident of a Restricted Territory
Restricted Shareholders	Shareholders who are resident in, or citizens of, any Restricted Territory

Restricted Territories	any jurisdiction other than the United Kingdom, Jersey, Guernsey and the Isle of Man
Scotiabank	Scotiabank Europe PLC
SDRT	stamp duty reserve tax
SEC	the United States Securities and Exchange Commission
Securities Act	the US Securities Act of 1933, as amended
Shareholder	a holder of Ordinary Shares and/or Subscription Shares, as the context requires
Shares	Ordinary Shares and/or Subscription Shares, as the context requires
SIPP	self-invested personal pension
Special General Meeting or SGM	the special general meeting of the Company to be held on 22 September 2015, notice of which is set out at the end of this Prospectus, or any adjournment thereof
Sterling, £, pence, p	the lawful currency of the United Kingdom
Subscription Dates	last Business Day of each of February 2016, August 2016, February 2017, August 2017 and February 2018
Subscription Price	the price at which the Subscription Share Rights may be exercised in accordance with the terms and conditions of the Subscription Shares
Subscription Shares	the subscription shares of 0.005 pence each in the capital of the Company (ISIN: BMG931071374 and ticker: UEMS) to be issued pursuant to the Bonus Issue, and Subscription Shareholders shall mean holders of Subscription Shares
Subscription Share Rights	the rights attaching to the Subscription Shares as more fully set out in Part 6 of this Prospectus
Tender Date	the first business day in each year falling 30 days after the publication of the Company's annual accounts, but does not include any date on or after which a resolution to wind up the Company has been passed
Tender Facility	the facility allowing Ordinary Shareholders to tender their Ordinary Shares for purchase by the Company which will be operated by the Directors in their absolute discretion as described in paragraph 11 of Part 2 of this Prospectus
Tender Form	in the event that the Directors exercise their discretion to operate the Tender Facility, the tender form to be completed by Ordinary Shareholders wishing to tender their Ordinary Shares pursuant to the Tender Facility, in such form as the Directors shall circulate to Ordinary Shareholders prior to each Tender Date
TIOPA	the Taxation (International and Other Provisions) Act 2010
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Code of Corporate Governance published by the Financial Reporting Council
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List

uncertificated or in uncertificated form	means recorded on the Company's register of members (as being held in uncertificated form that is in CREST)
US or United States	the United States of America
US Exchange Act	means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated pursuant to it
US Internal Revenue Code	means the US Internal Revenue Code of 1986, as amended
US Investment Advisers Act	means the United States Investment Advisers Act of 1940, as amended, and the rules and regulations of the SEC promulgated pursuant to it
US Investment Company Act	means the United States Investment Company Act of 1940, as amended, and the rules and regulations of the SEC promulgated pursuant to it
US Person	any person who is a US Person within the meaning of Regulation S adopted under the Securities Act
US Securities Act	means the US Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated pursuant to it
US\$ or US dollars	the lawful currency of the United States
VAT	value added tax
Westhouse Securities	Westhouse Securities Limited

NOTICE OF SPECIAL GENERAL MEETING

Utilico Emerging Markets Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 36941)

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Company will be held at Vineyard Hotel, Colinton Road, Newlands 7700, Cape Town, South Africa on:

22 September 2015 at 9.05 a.m. (local time) (or, if later, as soon as practicable following the conclusion of the annual general meeting convened for the same day)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out below. Resolutions 1 to 4 will need to be passed by a simple majority of votes cast in respect of them and Resolution 5 requires a 75 per cent. majority in order to be validly passed.

Agenda

1. Elect a Chairman, if necessary.
2. Read Notice convening this meeting.

3. Resolutions

Each of the following resolutions shall be conditional upon the UK Listing Authority agreeing to admit to the standard segment of the Official List the Subscription Shares to be issued pursuant to the bonus issue (the **Bonus Issue**) described in the prospectus (the **Prospectus**) issued by the Company dated 3 September 2015 and London Stock Exchange plc agreeing to admit such Subscription Shares to trading on its main market for listed securities:

1. **As an Ordinary Resolution**, accept the recommendation of the Directors and resolve, subject to the approval of Resolutions 2 to 5 below, that the authorised share capital of the Company be and is hereby increased from £135,001,000 to £135,005,000 by the creation of 80 million shares of 0.005 pence each in the capital of the Company (the **Subscription Shares**), each Subscription Share having the rights and being subject to the restrictions set out in the Bye-laws of the Company proposed to be adopted pursuant to Resolution 2 below.
2. **As an Ordinary Resolution**, accept the recommendation of the Directors and resolve, subject to the approval of Resolution 1 above and Resolutions 3 to 5 below, to adopt the Bye-laws contained in the draft document produced to the meeting and for the purpose of identification signed by the Chairman of the Meeting as the Bye-laws of the Company in substitution for, and to the exclusion of, the existing Bye-laws of the Company.
3. **As an Ordinary Resolution**, accept the recommendation of the Directors and resolve, subject to the approval of Resolutions 1 and 2 above and Resolutions 4 and 5 below, that any consolidation, sub-division, or redemption of share capital required in the opinion of the Directors to give effect to the Subscription Share Rights (including the exercise of the Subscription Share Rights) be and are hereby approved.
4. **As an Ordinary Resolution**, accept the recommendation of the Directors and resolve, subject to the approval of Resolutions 1 to 3 above and Resolution 5 below, in addition to any existing authority to make purchases of ordinary shares of 10p each in the Company, that the Company be and is hereby generally and unconditionally authorised to make market purchases of Subscription Shares, provided that:
 - (a) the maximum number of Subscription Shares hereby authorised to be purchased shall be an amount equal to 14.99 per cent. of the Company's issued Subscription Share capital immediately following Admission (as defined in the Prospectus);
 - (b) the minimum price which may be paid for a Subscription Share is 0.005 pence;

- (c) the maximum price (exclusive of expenses payable by the Company) which may be paid for a Subscription Share shall be the higher of:
 - (i) 105 per cent. of the average of the middle market quotations (as derived from the Official List) for the five business days prior to the date on which such Subscription Shares are contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;
 - (d) such purchases shall be made in accordance with the Bermuda Companies Act; and
 - (e) unless renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 save that the Company may, prior to such expiry, enter into a contract to purchase Subscription Shares which will or may be completed or executed wholly or partly after the expiration of such authority.
5. **As a Special Resolution**, accept the recommendation of the Directors and resolve, subject to the approval of Resolutions 1 to 4 above, that, for the purpose of Bye-law 11 of the Bye-laws proposed to be adopted pursuant to Resolution 2 above, and in addition to any existing authority conferred on the Company pursuant to the Company's existing Bye-laws, the Company may issue Relevant Securities (as defined in the Bye-laws proposed to be adopted pursuant to Resolution 2) representing up to **42,648,758** Subscription Shares pursuant to the Bonus Issue and any other Relevant Securities which are required to be issued pursuant to the exercise of the Subscription Share Rights (as defined in the Bye-laws proposed to be adopted pursuant to Resolution 2) and/or in accordance with the rights attaching to the Subscription Shares otherwise than on a pre-emptive basis, provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting by Special Resolution (as defined in the Bye-laws proposed to be adopted pursuant to Resolution 2)) at the earlier of the conclusion of the Annual General Meeting to be held in 2016 or 18 months from the date of this resolution but so that this power shall enable the Company to make such offers or agreements before such expiry which would or might otherwise require Relevant Securities to be issued after such expiry and the Directors may issue Relevant Securities in pursuance of such offer or agreement as if such expiry had not occurred.

By Order of the Board

Secretary
3 September 2015

Notes:

1. Only the holders of Ordinary Shares registered on the register of member of the Company at close of business (London Time) on 18 September 2015 shall be entitled to attend and vote or be represented at the meeting in respect of the Ordinary Shares registered in their name at that time. Changes to entries on the register after close of business (London time) on 18 September 2015 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a shareholder from attending the meeting and voting in person if he/she wishes to do so.
4. To be valid, a Form of Proxy for use at the Special General Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 4.00 p.m. (BST) on 18 September 2015.
5. Investors holding Ordinary Shares in the Company through Depositary Interests in uncertificated form should ensure that Forms of Instruction are returned to the DI Depositary, Computershare Investor Services PLC, at The Registrar of the Depositary Interests, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 4.00 p.m. (BST) on 17 September 2015.
6. For Depositary Interest holders to give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 4.00 p.m. (BST) on 17 September 2015. For this purpose, the time receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

