

# UTILICO EMERGING MARKETS LIMITED



31 December 2011

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

## ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	159.04p
Share Price	148.75p
(Discount) / Premium to diluted NAV	(6.5%)
Annual average compound return (including dividends)	11.2%
Historic Dividend Yield	3.2%
Shares in issue	215,528,793
Ticker	UEM.L

## GROSS ASSETS BREAKDOWN

Investments	£ 350.7m
Cash less current liabilities	£ 1.2m
Gross Assets less Current Liabilities	£ 351.8m
Investments as a percentage of gross assets less current liabilities	99.7%

## CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 351.8m
Bank Debt	(£ 9.1m)
Shareholders' Funds	£ 342.8m
Effective gearing on Ordinary Shares	1.03x

## KEY DATES

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

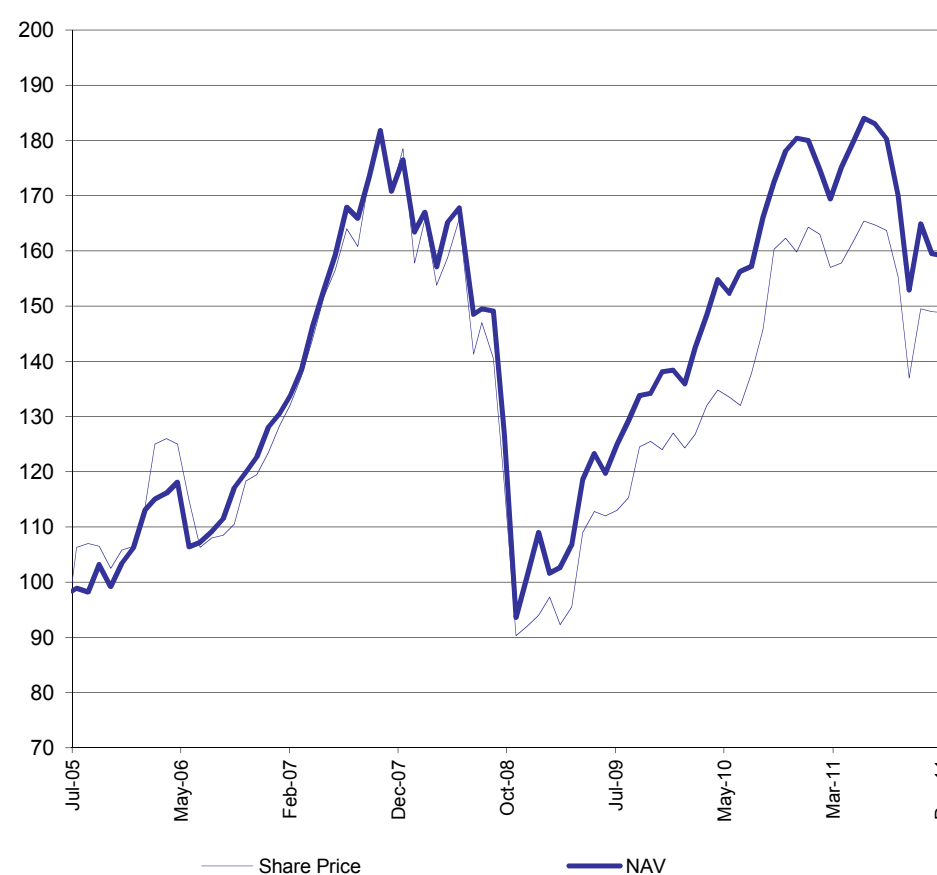
## MANAGEMENT & ADMINISTRATIVE FEES

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

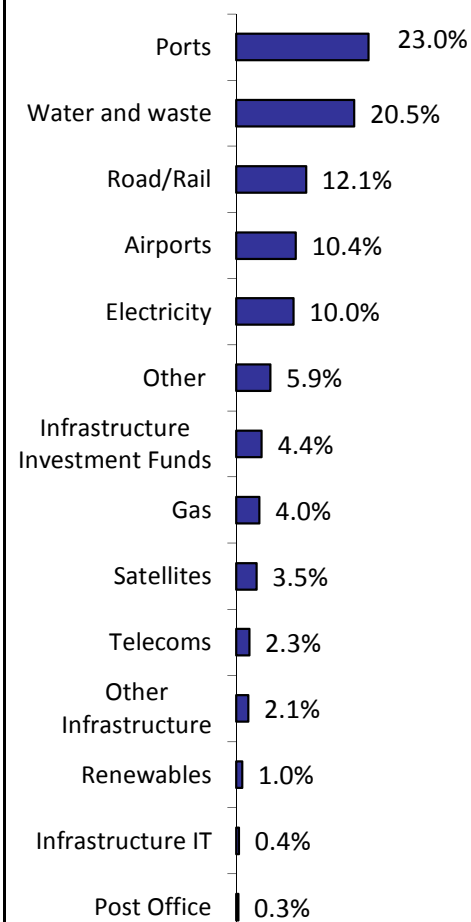
## FURTHER INFORMATION

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

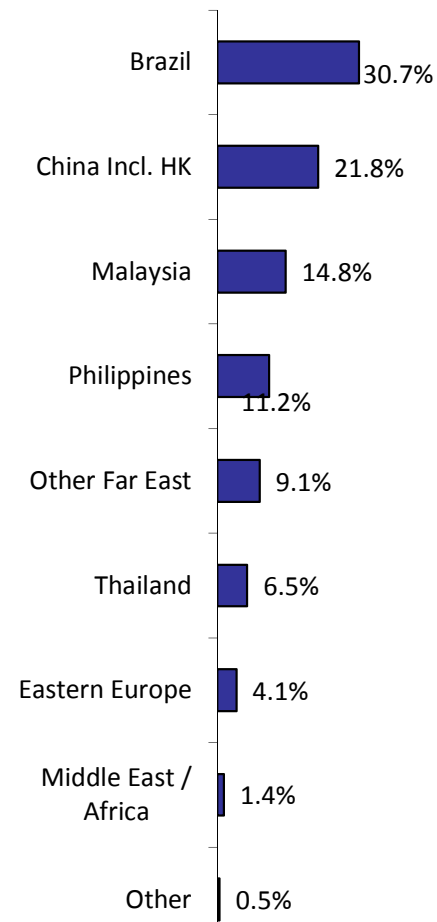
## PERFORMANCE



## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



## TOP TEN HOLDINGS

1	Malaysia Airport	9.5%
2	Intl Container Terminals	8.8%
3	Ocean Wilsons Holdings Limited	7.0%
4	Eastern Water Resources PCL	6.0%
5	Cia Saneamento Minas Gerais (COPASA)	4.9%
6	Santos Brasil Part	3.2%
7	Infrastructure India	2.9%
8	Tractebel Energia	2.9%
9	Companhia de Concessoes Rodoviaras (CCR)	2.9%
10	Asia Satellite Tele	2.7%
Total Top 10		50.9%

31 December 2011

## MONTHLY COMMENT

### PERFORMANCE

UEM's cum income NAV was down 0.3% during December and ended the month at 159.04p. This was broadly in line with the MSCI EM Index (sterling adjusted) which was flat at the end of the month.

Equity and bond market sentiment continued to be dogged by the Eurozone crisis. During the month there was another EU summit, at which the UK refused to sign up to an EU treaty change. It later refused to contribute to an IMF funding plan. The Euro weakened to \$1.29 against the US Dollar and S&P put a number of European countries on credit watch, subsequently downgrading nine countries including France, Italy and Spain in early January.

China reduced the deposit reserve ratio required by major banks in a bid to encourage lending. The reserve ratio was raised a number of times in the first half of 2011.

The Malaysian Ringgit and the Chinese Renminbi both strengthened by around 2% against Sterling during the month, but the Brazilian Real and Thai Baht were weaker by a similar magnitude.

### PORTFOLIO

Within the top ten, five stocks declined and five posted modest gains. The most notable decliners were Ocean Wilsons, which recorded a further 9.4% decline in its share price during the month and Malaysia Airports which was down 6.3%.

During the month, £4.6m was invested and sale proceeds totalled £3.3m.

### DEBT & CASH

Bank debt increased to £9.1m, with cash balances ending December at £1.2m. UEM settled its interim dividend of 3.75p per share during the month.

### OTHER

UEM's discount at the month end narrowed slightly to 6.5% with UEM's ordinary share price down 0.25p on the month to end December at 148.75p.

During December UEM became a constituent of the FTSE Small Cap and FTSE All Share Indices and was placed on the FTSE 250 Index Reserve List.

### INVESTMENT TEAM

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

#### Duncan Saville

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

#### Charles Jillings (Director)

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

Assisting them are:

#### Jacqueline Broers

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

#### Jonathan Chi

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

#### Jonathan Grocock

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

#### Mark Lebbell

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

#### James Smith

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

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

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

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