

**ABOUT US:** UEM is a Bermuda registered closed end investment company, listed on the London Stock Exchange. Registration N° 36941

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

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

Manager & Secretary: ICM Limited Registered Office: Trinity Hall, 43 Cedar Avenue, Hamilton HM 12, Bermuda UK Contact: Telephone: 01372 271 486 Fax: 01372 271 495

### ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	194.52p
Share Price	189.00p
(Discount) / Premium to diluted NAV	(2.8%)
NAV Total Return since launch *	148.2%
Annual average compound return *	12.8%
Historic Dividend Yield	3.2%
Shares in issue	213,243,793
Ticker	UEML

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

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£452.0m
Bank Debt	£(37.2)m
Shareholders' Funds	£414.8m
Gearing* (based on AIC definition)	7.8%

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

### BOARD

Alexander Zagoreos	Garry Madeiros	Susan Hansen
Kevin O'Connor	Anthony Muh	

### INVESTMENT MANAGER

Utilico Emerging Markets Limited is managed by ICM Limited. ICM is a Bermuda company and has assets under management of over £1.5bn. [www.icm.bm](http://www.icm.bm)

### TEAM

Duncan Saville	Jonathan Grocock
Charles Jillings	Mark Lebbell
Jacqueline Broers	Ross Wilding

### MANAGEMENT & ADMINISTRATIVE FEES

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

### PERFORMANCE



### PERFORMANCE (total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	(1.8%)	10.1%	18.7%	24.7%	127.2%
Net Asset Value	(0.9%)	3.3%	13.0%	16.9%	136.5%

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

12 months to	Dec 13	Dec 12	Dec 11	Dec 10	Dec 09
Share Price	18.7%	13.5%	(6.3%)	33.1%	44.2%
Net Asset Value	13.0%	14.4%	(8.7%)	33.5%	34.9%

### KEY DATES

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



FURTHER INFORMATION regarding Utilico Emerging Markets Limited is available on the Company's website at [www.uem.bm](http://www.uem.bm)



## PERFORMANCE

UEM's cum income NAV declined 0.9% during December from 196.19p to 194.52p. This compares with a decline of 2.5% in the MSCI Emerging Markets Total Return Index in Sterling terms.

Markets were mixed in December. Generally, the developed markets continued to advance, with the S&P 500 and Dow Jones Industrial Average both posting record highs on 31 December. In the US, the Federal Reserve signalled that it would "modestly reduce" its long-term bond purchases, "reflecting cumulative progress and improved outlook for the job market".

Emerging markets were more mixed, with continued weakness in Thailand, due to the ongoing political instability. The SET Index fell 5.3% and the currency fell 3.4% against Sterling. A snap election has been called for February.

There was also weakness in the Philippines market (PSEi Index down 5.1%) and to a lesser extent, Brazil, (Bovespa Index down 1.9%). In contrast, the Bursa Malaysia index rose 3.0%.

Weakness of the emerging markets' currencies against a strong Sterling continued to weigh on NAV performance. Sterling gained 1.1% against the USD and HKD, 2.2% against the Brazilian Real and 2.8% against the Malaysian Ringgit.

## PORTFOLIO

Given the market and currency headwinds during the month, the performance of the portfolio was generally good, with six of the top ten stocks reporting gains in value in Sterling terms. In local currency terms, seven out of the top ten stocks reported share price rises during December.

The constituents of the top ten were unchanged during December. For the second month running, China Everbright International was the strongest performer in the top ten, with its shares up 19.8% during the month. The company announced a proposal to take a majority stake in HanKore Environment Tech Group, by injecting its water assets. HanKore is a Singapore listed Chinese water treatment company.

China Gas Holdings was also a strong performer, with shares up 8.8% in December. MyEG gained 6.0%, Malaysia Airports was up 3.7%, Ocean Wilsons gained 2.0% and there were modest gains for APT Satellite and International Container Terminals. AsiaSat was down 4.0%, Eastern Water fell 2.4% and Gasco was down 1.8%.

Purchases during the month totalled £8.4m whilst realisations amounted to £1.1m.

## DEBT & CASH

Bank debt was increased to £37.2m, which was drawn as £13.5m Sterling, €5.0m and US\$ 22.5m.

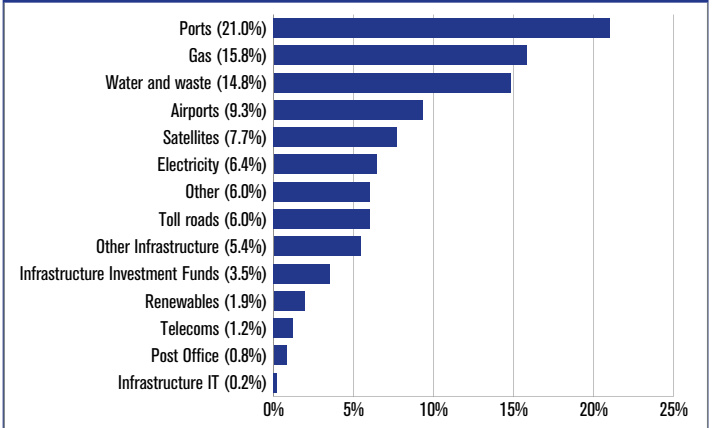
## OTHER

UEM's share price fell by 1.8% to 189.00p, with the discount widening to 2.8%.

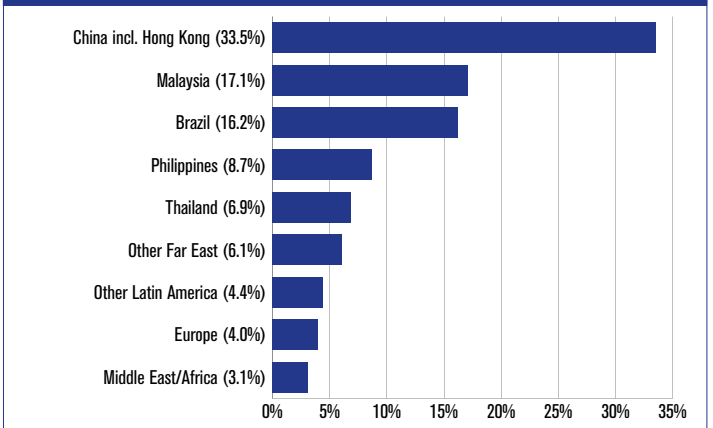
## TOP TEN HOLDINGS

	% of gross assets
1 Malaysia Airport Holdings Berhad	9.1%
2 International Container Terminal Services Inc.	7.7%
3 Eastern Water Resources Development and Management PCL	6.7%
4 China Gas Holdings Ltd	6.0%
5 Ocean Wilsons Holdings Limited	5.7%
6 MyEG Services Berhad	5.3%
7 Asia Satellite Telecommunications Holdings Limited	3.7%
8 Gasco SA	3.5%
9 China Everbright International Limited	3.1%
10 APT Satellite Holdings Limited	3.1%
<b>Total Top 10</b>	<b>53.9%</b>

## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



This document is only directed at persons in the United Kingdom who are investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, high net worth companies, unincorporated associations and other persons as defined in Article 49 of that Order or others to whom this document can lawfully be distributed or given, inside the United Kingdom, without approval of an authorised person. Any other person should not rely on it or act on it and any investment or investment activity to which it relates will not be engaged in with them