

ABOUT US: UEM is a closed end investment company, traded on the London Stock Exchange, registered in Bermuda. Registered No 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 invest 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.

FEBRUARY 2018

ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	255.91p
NAV (undiluted cum income)	265.92p
Share Price	220.00p
Discount to diluted NAV	(14.0%)
NAV Total Return since launch *	315.4%
Annual average compound return *	11.9%
Historic Dividend paid per share (last 12 months)	6.90p
Historic Dividend Yield (last 12 months)	3.1%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	210,406,455

SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	38.35p
Shares in issue	28,865,465
Exercise Price	183.00p
Exercise Date	28 February 2018

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£607.6m
Bank Debt	£48.1m
Shareholders' Funds	£559.5m
Gearing (based on AIC definition)	6.2%

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

MANAGEMENT & ADMINISTRATIVE FEES

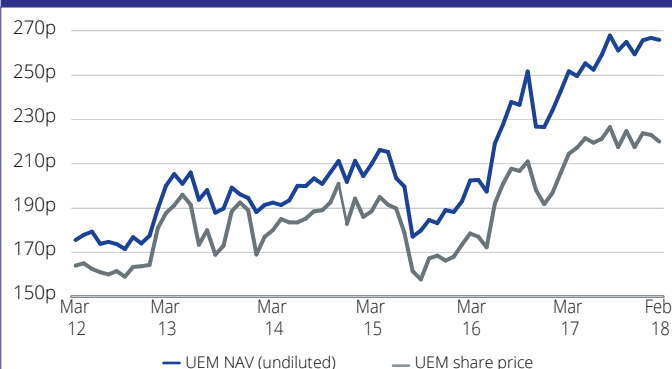
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£227k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that financial year

INVESTMENT MANAGERS

Utilico Emerging Markets Limited is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

www.icm.limited and www.icmim.limited

ORDINARY SHARES PERFORMANCE



PERFORMANCE (Total return*)

	1 month	3 months	1 year	3 years	Inception
Share Price	(0.6%)	2.8%	12.0%	33.3%	249.6%
Net Asset Value	0.4%	3.9%	14.1%	44.7%	315.4%

ROLLING 12 MONTH PERFORMANCE (Total return*)

12 Months to	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14
Share Price	12.0%	23.2%	(3.4%)	8.7%	(2.5%)
Net Asset Value	14.1%	28.7%	(1.5%)	10.2%	(1.4%)

KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	September, December, March & June
Dividend Paid Dates	September, December, March & June
Continuation Vote	To be proposed at the AGM in 2021

BOARD

John Renocks	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	

TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	

* Total return is calculated based on undiluted NAV plus dividends reinvested and adjusted for the exercise of warrants and subscription shares



PERFORMANCE

UEM's cum income NAV (undiluted) increased by 0.3% during February, adjusting for the 1.80p dividend which was paid on 1 March 2018, ending the month at 265.92p. The ex-dividend date was 15 February 2018. This represented an outperformance against the MSCI Emerging Markets Total Return Index which retreated 1.6% in Sterling terms over the same period.

The majority of emerging market indices declined in February, mirroring weakness observed in developed markets as concerns of rising bond yields and higher U.S. inflation saw the S&P 500 close the month 3.9% lower. Following strong gains in January, Hong Kong's Hang Seng Index was particularly weak, recording a decline of 6.2% amid lower-than-anticipated Chinese PMI data. Similarly, the China-Shanghai Composite Index ended the month down by 6.4%.

Brazil's Bovespa, Thailand's SET and Romania's BET indices bucked the downward trend, posting gains of 0.5%, 0.2% and 1.0%, respectively. Romania remained a top performer following strong growth recorded last month, with markets predicting expansionary fiscal policy will continue to support the country's economic growth, despite rising inflation expectations.

February's negative market performance was partly offset by a weaker Sterling, which registered declines against the majority of emerging markets currencies over the period. Top performers included the Chilean Peso, Hong Kong Dollar and Thai Baht, recording gains of 4.3%, 3.2% and 3.0%, respectively, against Sterling for the month.

PORTFOLIO

There was only one change to the top twenty holdings in the portfolio during February. Newly-listed airport operator, Corporacion America Airports, replaced Romanian investment fund Fondul Proprietatea following UEM's participation in the company's Initial Public Offering. Corporacion America Airports operates a portfolio of airports across Latin America, with key assets in Argentina and Uruguay. The company began trading on the New York Stock Exchange on 1 February 2018.

The performance across the top twenty was mixed in February, though most holdings recorded share price declines. Top performers included Energisa, Shanghai Airport and China Resources Gas, posting gains of 9.0%, 3.6% and 2.3%, respectively. Energisa shares reacted positively to a preliminary fourth-cycle tariff review published by the Brazilian regulator, ANEEL.

Argentinian gas transporter, TGS, recorded the steepest decline, down by 10.4% on the previous month, followed by Romanian transmission company, Transelectria, which declined by 5.9%.

Purchases during the month were £29.8m while realisations totalled £33.6m.

DEBT

Borrowings at the month end totalled £48.1m. This was 29.3% higher than borrowings recorded for January 2017, reflecting funds drawn for new purchases.

OTHER

UEM's share price ended the month at 220.00p, a decline of 1.3% over the previous month. However, it should be noted that UEM shares went ex-dividend in February. Adjusting for this, a decrease of 0.5% was recorded on the month. The price of the Subscription Shares ("S shares") rose by 5.8% to end the month at 38.35p.

UEM bought back 827,394 ordinary shares for cancellation at an average price of 218.50p in February.

On 23 February, UEM announced that the Company had published proposals to redomicile UEM to the United Kingdom by way of a scheme of arrangement and issue of ordinary shares in Utilico Emerging Markets Trust plc, a new investment trust established in the UK.

In light of the redomicile proposals, UEM declared early a fourth quarterly interim dividend of 1.80p per ordinary share in respect of the year ending 31 March 2018, which will be paid on 13 April 2018 to shareholders on the register on 23 March 2018. The ex-dividend date will be 22 March 2018.

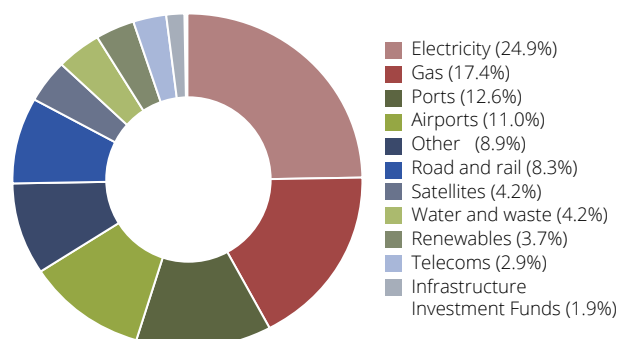
On 28 February, holders of UEM S shares exercised their rights to subscribe for 20,456,514 ordinary shares at a price of 183.00p. Outstanding S shares with rights unexercised totalled 8,408,951. Of these, 3,650,000 were subsequently placed in the market by the appointed trustee and the remainder were acquired by UEM for cancellation. Following the allotment of Ordinary Shares and buybacks for cancellation, UEM had 234,508,636 Ordinary Shares outstanding.

Charles Jillings
ICM Investment Management Limited and ICM Limited

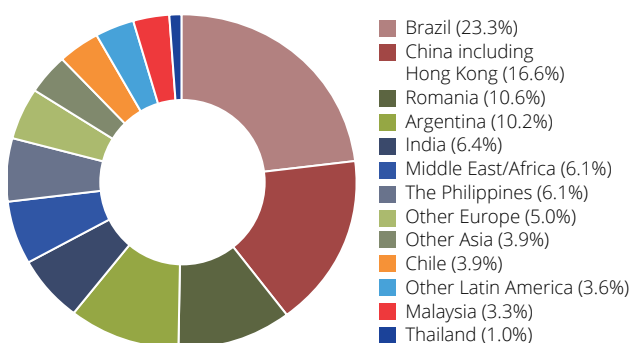
TOP TWENTY HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	4.7%
2. Ocean Wilsons Holdings Limited	4.1%
3. Alupar Investimento S.A.	3.5%
4. Transgaz S.A.	3.2%
5. Yuexiu Transport Infrastructure Limited	3.0%
6. Cia de Gas de Sao Paulo (Comgas)	2.8%
7. Bolsas Y Mercados Argentinos	2.8%
8. Malaysia Airport Holdings Berhad	2.6%
9. Energisa S.A.	2.5%
10. Conpet S.A.	2.5%
11. Transportadora de Gas del Sur S.A.	2.5%
12. Shanghai International Airport Co Ltd	2.4%
13. Transelectrica SA	2.4%
14. China Resources Gas Group Ltd	2.3%
15. Rumo S.A.	2.3%
16. SJVN Limited	2.2%
17. Engie Energia Chile S.A.	2.2%
18. APT Satellite Holdings Limited	2.1%
19. Enel Américas S.A	2.0%
20. Corporación América Airports S.A.	1.9%
Total Top 20	54.0%

SECTOR SPLIT OF INVESTMENTS (on a look-through basis)



GEOGRAPHICAL SPLIT OF INVESTMENTS (on a look-through basis)



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