

# UTILICO EMERGING MARKETS LIMITED

30 April 2010



**OBJECTIVE:** To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets.

## KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM Date	23 September 2009
Ex-Dividend Dates	June & December
Dividend Paid Dates	June & December
Warrant Exercise Dates	31 January & 31 July
Warrant Expiry	July 2010
Winding up provision	To be proposed at the AGM in 2012

## GROSS ASSETS BREAKDOWN

Investments and options	£ 359.5m
Cash less current liabilities	£ 0.5m
Gross Assets less Current Liabilities	£ 360.0m
Investments as a percentage of gross assets less current liabilities	99.9%

## CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 360.0m
Bank Debt	(£ 24.6m)
Contract For Differences net Debt	£ 0.0m
Shareholders' Funds	£ 335.4m
Effective gearing on Ordinary Shares	1.07x

## ORDINARY SHARES

NAV at launch	98.37p
NAV (undiluted, cum income)	164.96p
NAV (diluted, cum income)	154.80p
Share Price	134.75p
(Discount) / Premium to diluted NAV	(13.0%)
Annual average compound return (including dividends)	14.5%
Historic Dividend Yield	3.9%
Shares in issue	203,312,819
Ticker	UEM.L

## WARRANTS AND S SHARES

	S Shares	Warrants
Price	35.25p	34.75p
Warrants/S shares in issue	8,606,709	29,087,134
Ticker	UEMS.L	UEMW.L
Exercise Terms	1 ordinary share at a subscription price of 100p	

## MANAGEMENT & ADMINISTRATIVE FEES

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

## TOP 10 HOLDINGS

1	Malaysia Airport	11.5%
2	Ocean Wilsons Holdings Limited	7.8%
3	Intl Container Terminals	6.1%
4	Eastern Water Resources PCL	4.2%
5	Puncak Niaga Holdings	4.2%
6	AES Tiete SA	4.1%
7	Cia Saneamento Minas Gerais (COPASA)	3.9%
8	Companhia de Concessoes Rodoviaras (CCR)	3.7%
9	Xiniao Gas Holdings	2.9%
10	Sichuan Expressway	2.5%
	Total Top 10	50.9%

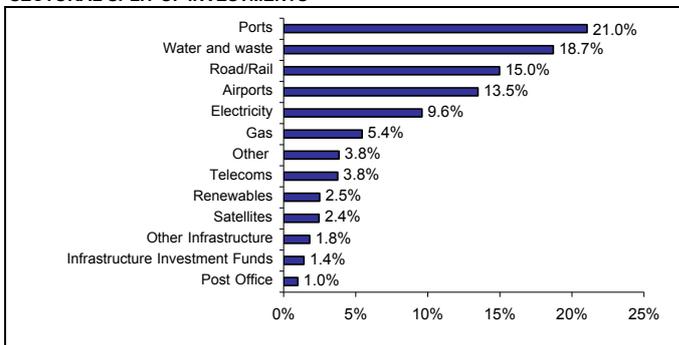
## FURTHER INFORMATION

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)

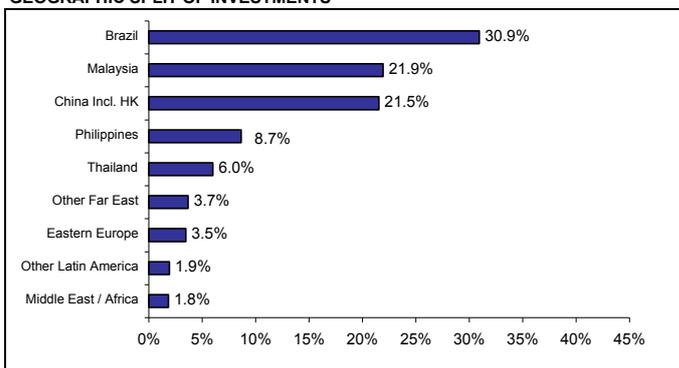
## PERFORMANCE



## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHIC SPLIT OF INVESTMENTS



**MONTHLY COMMENT****PERFORMANCE**

April was a strong month for UEM with the NAV (cum-income undiluted) increasing by 4.8% to 164.96p. This compares favourably to the MSCI Emerging Markets Index (GBP adjusted) which gained just 0.1%. As in March, investment performance was the main driver the gains rather than currency movements. The ports sector was particularly strong.

The strength of UEM's performance was also highlighted against the developed markets with the FTSE All Share, FTSE Utilities and Dow Jones World Utilities (GBP adjusted) indices falling by 1.6%, 1.0% and 1.7% respectively during the month.

Of UEM's key currencies, only the Brazilian Real and Malaysian Ringgit strengthened during the month, increasing by 2.1% and 1.5% against sterling respectively.

As the global recovery continues, divergence in performance between economies is becoming more apparent. The emerging economies of Asia and Latin America are doing well on the back of continued recovery in demand, while commodity driven economies such as Australia and Canada are benefiting from strength in global commodity demand. The indebted economies with low levels of exposure to natural resources are struggling.

**PORTFOLIO**

During April investments of £6.7m were made into the portfolio, partly funded by sales of £4.5m.

Of the top ten stocks in UEM, the strongest rises were seen in International Container Terminals and Xinao Gas which increased 22.6% and 20.2% respectively. Both were supported by positive management comments on their outlook for the year as well as delivering strong recent results.

Overall, we are seeing much improved operational data on the back of increasing economic activity, with port volumes, toll road traffic and airport passenger growth all showing signs of significant increases in the first quarter of 2010 compared to a year ago.

**DEBT & CASH**

Bank debt was little changed at £24.6m (March: £24.7m) whilst cash declined slightly from GBP5.6m to GBP5.1m.

**OTHER**

UEM's Ordinary share price increased by 2.1% during April, and at the end of April stood at a discount of 13.0% to the diluted NAV. The S Shares and Warrants increased by 15.6% and 13.9% during the month respectively.

**INVESTMENT TEAM**

The investment manager Ingot Capital Management Pty Limited ("ICM") is primarily responsible for running the investment portfolio in conjunction with the advice received from the Executive Director.

**ICM represented by Mr Duncan Saville**

Mr Saville aged 52, is a director of Utilico's investment manager, ICM. He is a chartered accountant with experience in corporate finance and corporate investment. His companies have invested in the utility sector for over twenty years. He was formerly a non-executive director of The Special Utilities Investment Trusts PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport and is currently a non-executive director of Infratil Ltd & Vix-ERG Ltd.

**MR CHARLES JILLINGS (Executive Director)**

Mr Jillings, aged 53, is the executive Director of the Company. He is responsible for the 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 set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies.

Assisting them are:

**MR JAMES SMITH**

James Smith, aged 37, has been involved in the running of Utilico Emerging Markets Limited and Utilico Limited since their inception and before that 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.

**MR MARK LEBBELL**

Mark Lebbell, aged 37, has been involved in the running of Utilico Emerging Markets Limited and Utilico Limited since their inception and before that 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 Engineers.

**MR ITTAN ALI**

Ittan Ali, aged 37, has been employed by The Analysis & Research Company Ltd since March 2008 and was previously employed at TRW Investment Management as a Pan European fund manager. Prior to that he was employed for six years as a fund manager with Majedie Investments plc. Mr Ali is an associate of the UK Society of Investment Professionals

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

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

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

Utilico Emerging Markets Limited

Registered Office: Canon's Court, 22 Victoria St, Hamilton HM12, Bermuda

Contact Office: PO Box 208, Epsom, Surrey KT18 7YF Telephone: 01372 271486 Fax: 01372 271495

[www.uem.bm](http://www.uem.bm)