



Investor Presentation

Annual results March 2017

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A diversified investment fund focused on securing long-term total returns from emerging markets

Contents

- Overview
- Financial Highlights
- Investment Strategy
- Portfolio
- Performance

Presenter

Charles Jillings – Portfolio Manager

Portfolio manager of UEM since inception and responsible for the day-to-day running of UEM and the investment portfolio

A qualified chartered accountant with extensive experience in corporate finance and asset management. Over thirty years of experience in international financial markets

Director of a number of companies including ICM Limited, ICM Investment Research Limited and ICM Investment Management Limited

Stood down from the UEM Board in March 2012 to improve corporate governance and strengthen the independence of the board

Overview

An established closed end investment company on a stable financial footing

Award winning company established in 2005 and listed on the London Stock Exchange

- Gross assets less current liabilities of £579.0m
- Gearing of 8.8%

Proven investment strategy focused on long-term total return

- Underpinned by operational and cash generative investments
- Mainly in developed emerging markets
- Over 95.0% of portfolio in listed entities mostly paying dividends
 - regular reporting
 - better corporate governance framework

Diversified asset portfolio mitigates market risk

- Single stock exposure limit of 20% (10% internal limit) of gross assets
- Single country exposure limit of 50% (30% internal limit) of gross assets

Strong management team with impressive track record in the sector

- ICM Investment Management Limited appointed as its Alternative Investment Fund Manager
- Jointly managed with ICM Limited
 - a Bermuda based investment manager
 - manages over £16.0bn in funds, directly and indirectly, in a range of mandates



Financial Highlights

For the year ended 31 March 2017

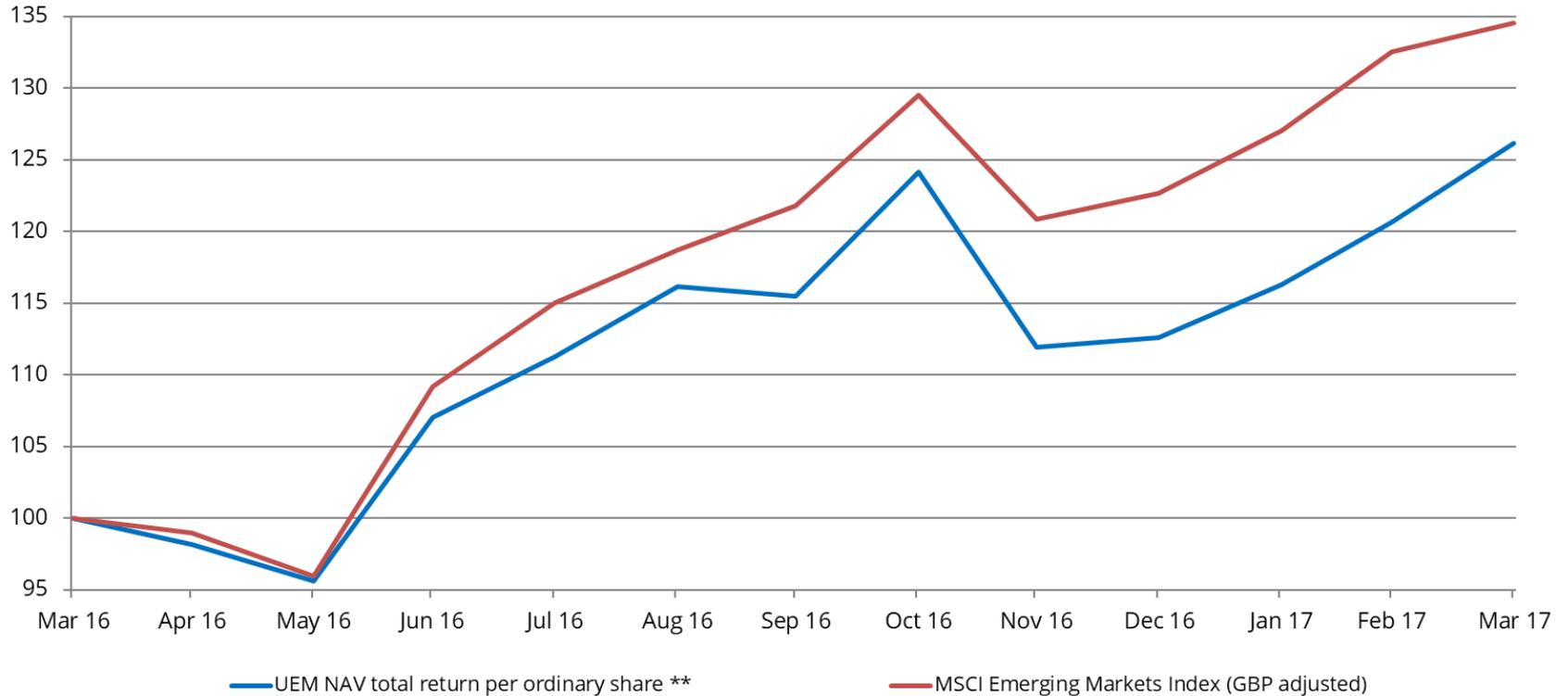
- NAV total return of 26.2%
- Diluted NAV of 241.29p per ordinary share, up 19.1%
- Revenue earnings per ordinary share (diluted) of 7.70p
- Dividends per ordinary share increased to 6.65p, up 3.9%
- Discount to NAV of 11.1%
- Bought back 4.8m shares at an average price of 206.02p at a cost of £10.0m
- Issued 4.8m new shares on early exercise of the Subscription shares raising £8.7m for UEM
- Invested £161.2m and realised £142.2m
- Unlisted investments remain under 5.0% at 3.5% of the portfolio
- Ongoing charges remain at 1.1% of average net assets (excluding performance fee)
- Alexander Zagoreos stepped down and John Rennocks stepped up as Chairman
- NAV annual compound total return since inception of 12.1%

Financial Highlights

For the year ended 31 March 2017

TOTAL RETURN COMPARATIVE PERFORMANCE*

March 2016 to March 2017



*Rebased to 100 at 31 March 2016

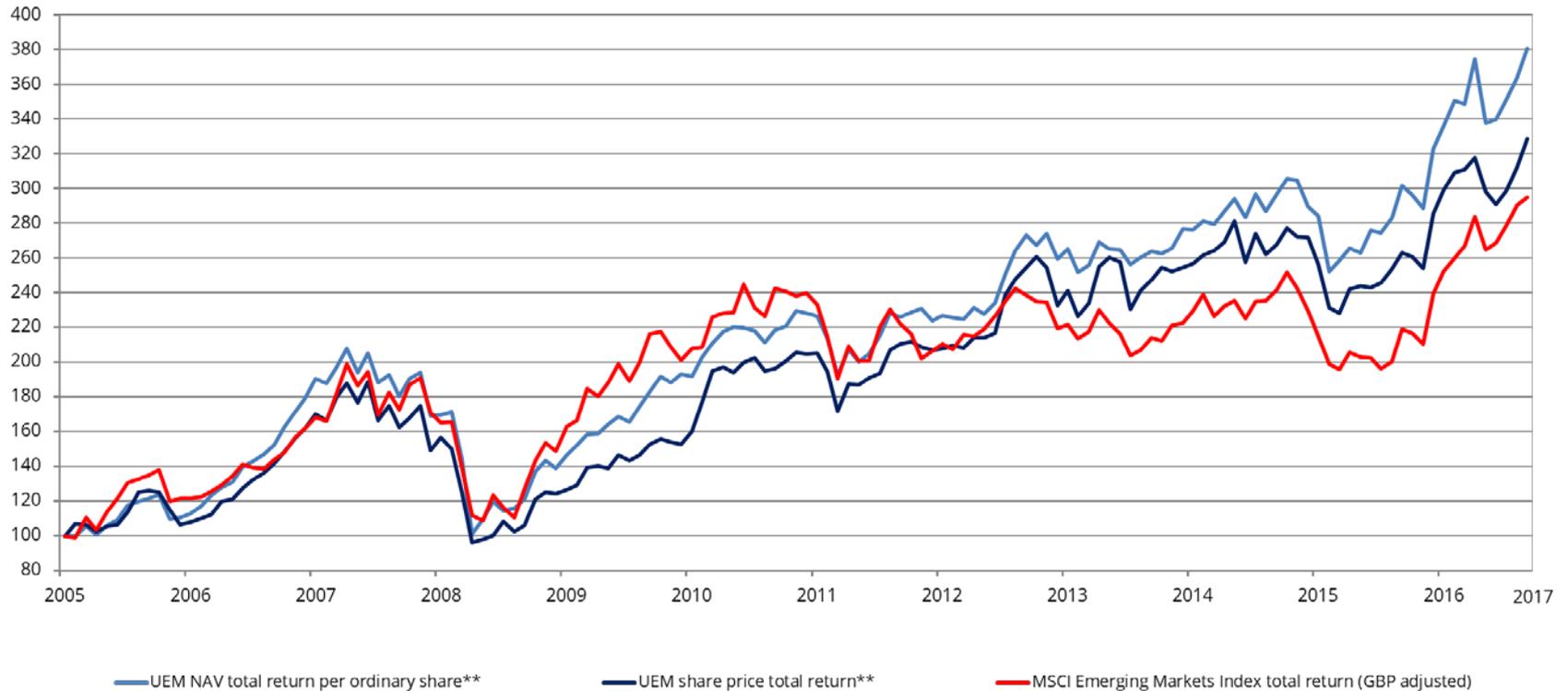
**Adjusted for the exercise of subscription shares

Source: ICM and Bloomberg

Performance since inception

Inception – 20 July 2005

HISTORIC NAV AND SHARE PRICE PERFORMANCE (pence)*
from July 2005 to March 2017



*Rebased to 100 at 20 July 2005

**Adjusted for the exercise of warrants and subscription shares



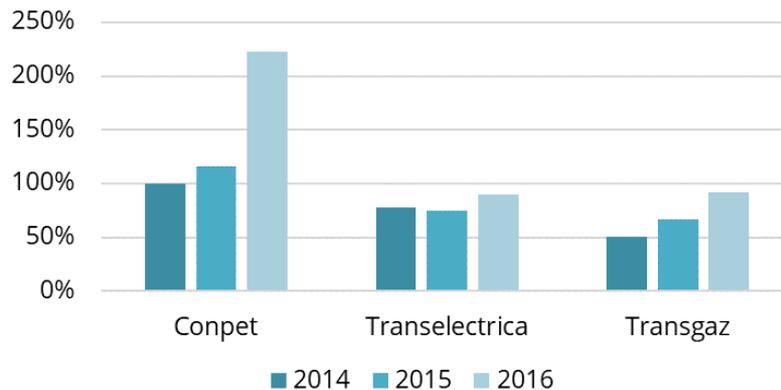
Investment Opportunity

Investment Opportunity – Romania update

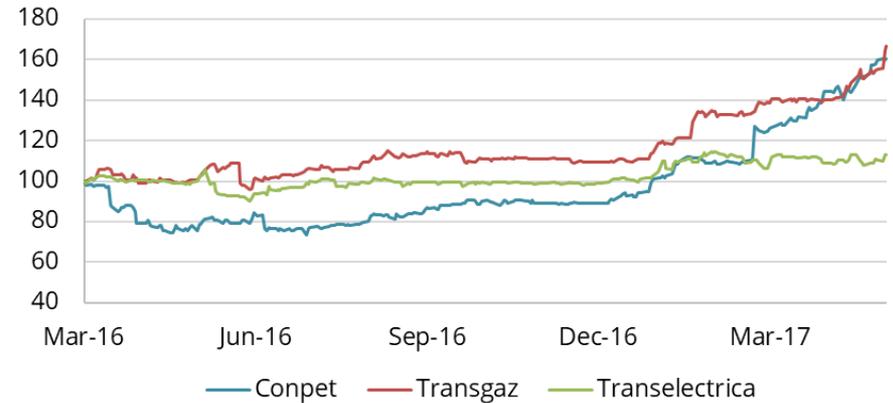
Economy

- 2016 GDP growth at 4.8%, highest in the European Union
- Q1 2017 GDP growth at 5.7%, 2017 forecast at 5.2% (Finance Ministry)
- Inflation subdued; negative during 2016
- Unemployment rate at 5.5% end-16

Dividend payout ratio



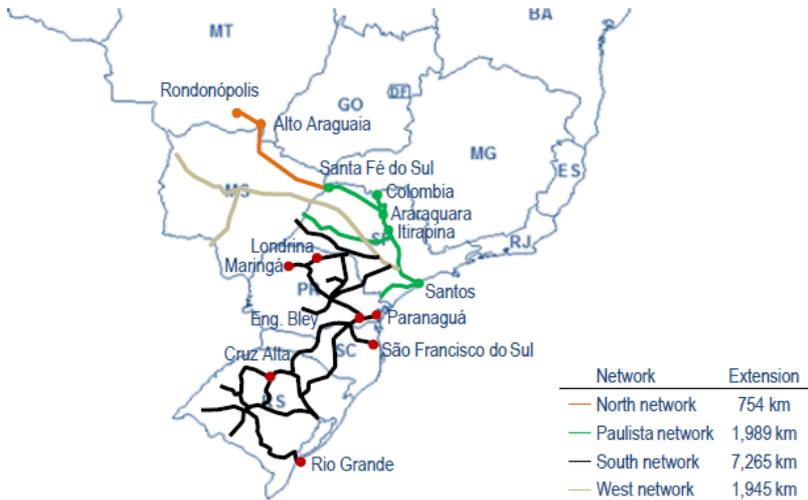
Share price (rebased to 100)



Investment Opportunity – Rumo S.A.

Overview

- Brazil's largest railroad-based logistics operator in terms of total volume transported, providing rail transport logistics, port handling and warehousing services
- Operate four concessions extending over 12,000km of railway lines in three of the main export corridors for agricultural commodities in Brazil, covering 71% of Brazilian grain exports and 91% of Brazilian sugar exports
- Strong management team



Capital raise in April 2016 turning point for the company

- Raised R\$2.6bn in April 2016 at R\$2.50 per share to help fund R\$8.5bn capex planned and reduce leverage
- Investment to significantly increase market share of freight transportation and improve efficiency of existing network

Solid financial outlook

EBITDA Margin



EBITDA (R\$bn)





Investment Strategy

Investment Strategy

Focused on long-term total return via diversified portfolio of operational, cash generative investments

Investing predominantly in listed companies and sectors displaying the characteristics of essential services or monopolies:

- Utilities
- Transportation infrastructure
- Communications infrastructure
- Monopolistic companies
- “Asset” backed (usually)
- Operational businesses rather than greenfield investments
- Cash generative (usually)

Focused on investment in emerging markets that demonstrate:

- General political stability
 - a well developed operating and legal environment
- Economic development
 - growing middle class demanding better infrastructure, utilities and related services underpinning UEM’s investment strategy
- A positive attitude towards foreign investment
- Emerging markets government encouraging FDI in infrastructure and utilities

Strong analytical approach based on growth drivers, management, environment and governance:

- Over 10 experienced sector specialists
- Bespoke database (c.900) of potential investee companies
- In-depth fundamental research including management meetings, frequent site visits and in-house investment models

Proven investment strategy targeting long-term total return:

- GDP plus investments
- Strong cash flow generation
- Operational leverage
- Experienced management team, strong corporate governance
- Dividend providing fundamental resilience in weak markets

Investment Strategy

Focused on long-term total return via diversified portfolio of operational, cash generative investments

Effective risk mitigation achieved through geographic and sector diversification:

- Strict internal limits
- Largest single holding accounts for 5.0% of gross assets and the top ten accounts for 35.8%
- Regular monitoring of performance, opportunities and threats:
 - Daily price alerts, commentary and NAV
 - Weekly analytics and research commentary
 - Monthly reports
- Independent board oversight

Investment Limits per Prospectus	Internal Management Limit	March 2017
Single investment – Not to exceed 20% of the gross assets at the time of investment	10%	5.0%
Single country – Not to exceed 50% of gross assets at the time of investment	30%	19.6 %
Unquoted investments – Not to exceed 10% of gross assets at the time of investments	5%	3.5%
Gearing – Not to exceed 25% of gross assets	25%	8.8%
Top ten investments under* (of gross assets)	60%	35.8%
No sector over* (of gross assets)	25%	24.3%

*Internal management limit not in prospectus

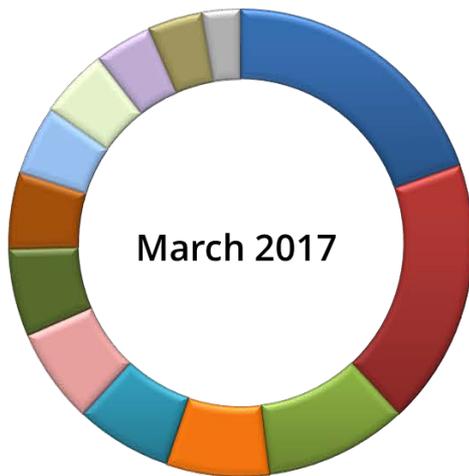


Portfolio

Portfolio

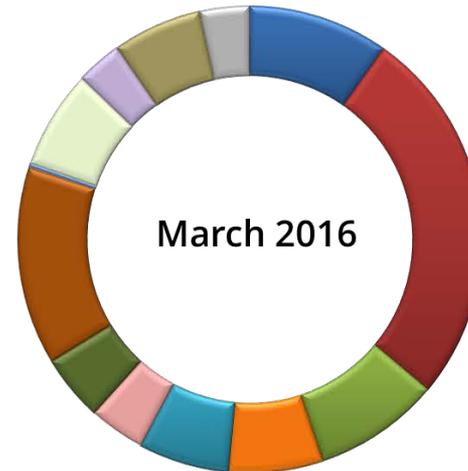
Effective risk mitigation through geographic diversification

Current holdings – Geographical weightings year on year comparison



- Brazil 19.6%
- China 18.5%
- Romania 9.9%
- Middle East / Africa 7.2%
- The Philippines 6.7%
- Other Latin America 6.6%
- India 6.1%
- Malaysia 5.3%
- Argentina 4.8%
- Thailand 4.8%
- Other Europe 4.0%
- Chile 3.8%
- Other Asia 2.7%

Source: ICM



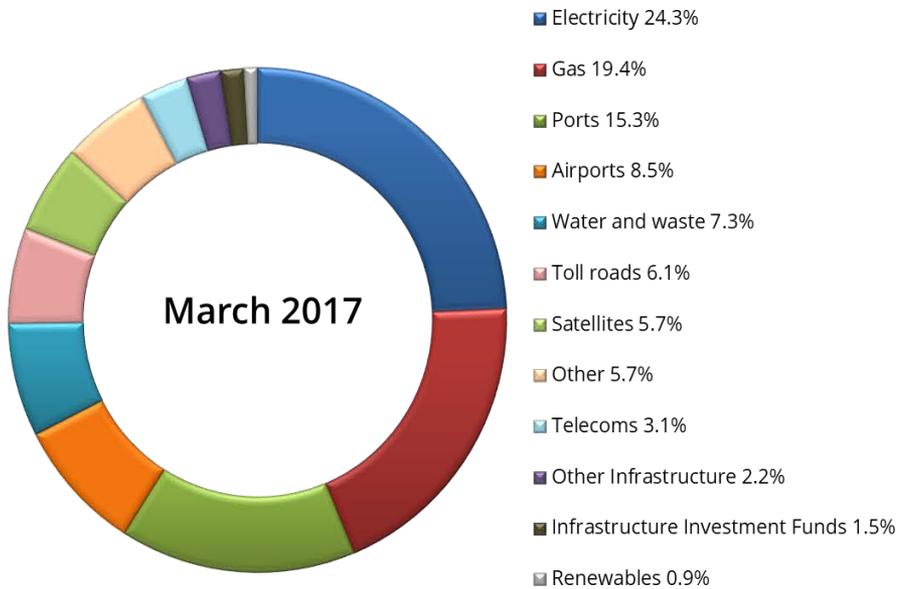
- Brazil 9.8%
- China 26.3%
- Romania 8.8%
- Middle East / Africa 6.6%
- The Philippines 6.3%
- Other Latin America 3.9%
- India 4.6%
- Malaysia 13.7%
- Argentina 0.3%
- Thailand 6.8%
- Other Europe 3.2%
- Chile 6.2%
- Other Asia 3.5%

Source: ICM

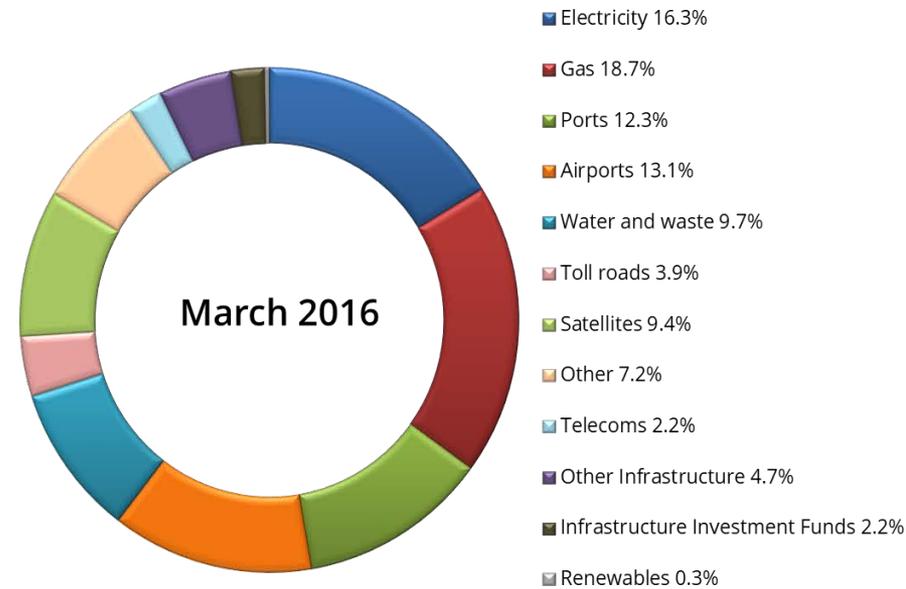
Portfolio

Effective risk mitigation through sector diversification

Current holdings – Sector weightings year on year comparison



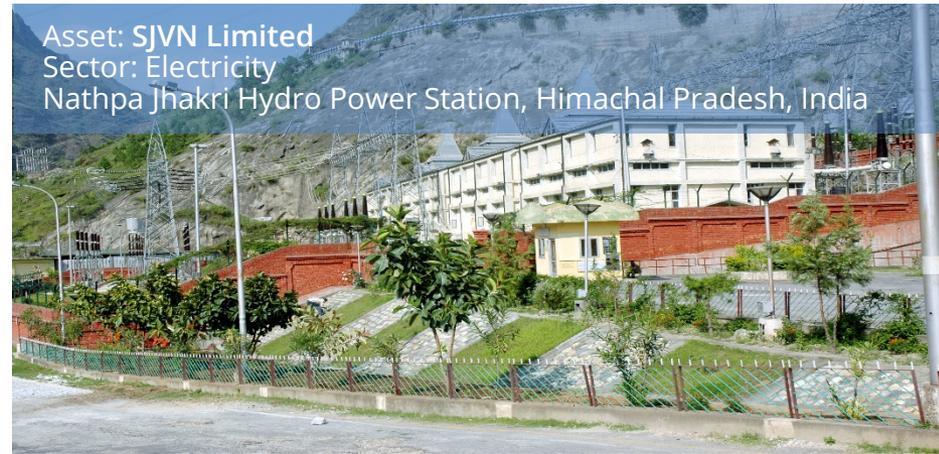
Source: ICM



Source: ICM

Portfolio

Typical portfolio investments



Portfolio

Mature, operational investments with strong cash flows

31-Mar-17	31-Mar-16	Company (Country)	Fair Value £'000s	% of total investments
1	(6)	International Container Terminal Services, Inc. (The Philippines) Global container port operator	28,913	5.0%
2	(7)	Ocean Wilsons Holdings Limited (Brazil) Port operator, provider of shipping services and worldwide investment fund	24,957	4.4%
3	(11)	Alupar Investimento S.A. (Brazil) Electricity transmission and generation	23,926	4.2%
4	(3)	Eastern Water Resources Development and Management PCL (Thailand) Water treatment and supply	20,787	3.6%
5	(2)	China Gas Holdings Limited (China) Gas distribution	19,294	3.4%
6	(9)	Transelectrica S.A. (Romania) Electricity transmission	18,894	3.3%
7	(12)	Transgaz S.A. (Romania) Gas transmission	17,463	3.1%
8	(1)	Malaysia Airport Holdings Berhad (Malaysia) Airport operator	17,450	3.0%
9	-	Rumo S.A. (Brazil) Rail based logistics operator	16,544	2.9%
10	(4)	APT Satellite Holdings Limited (Hong Kong) Satellite operator	16,499	2.9%

Portfolio (continued)

Mature, operational investments with strong cash flows

31-Mar-17	31-Mar-16	Company (Country)	Fair Value £'000s	% of total investments
11	(15)	Yuexiu Transport Infrastructure Limited (China) Toll roads operator	15,574	2.7%
12	(10)	China Resources Gas Group Ltd (China) Gas distribution	15,355	2.7%
13	(14)	Conpet S.A. (Romania) Oil pipeline operator	14,867	2.6%
14	(16)	SJVN Limited (India) Electricity generation	13,939	2.4%
15	(13)	Shanghai International Airport Co Ltd (China) Airport operator	12,546	2.2%
16	(5)	MyEG Services Berhad (Malaysia) IT Services	12,480	2.2%
17	(20)	Engie Energia Chile S.A. (Chile) Electricity generation and transmission	12,063	2.1%
18	-	Transportadora de Gas del Sur S.A. (Argentina) Gas distribution	11,594	2.0%
19	-	Power Grid Corporation of India Limited (India) Electricity transmission	10,096	1.8%
20	-	Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (Mexico) Airport operator	9,702	1.7%
		Other investments	239,321	41.8%
		Total Portfolio	572,264	100.0%



Performance

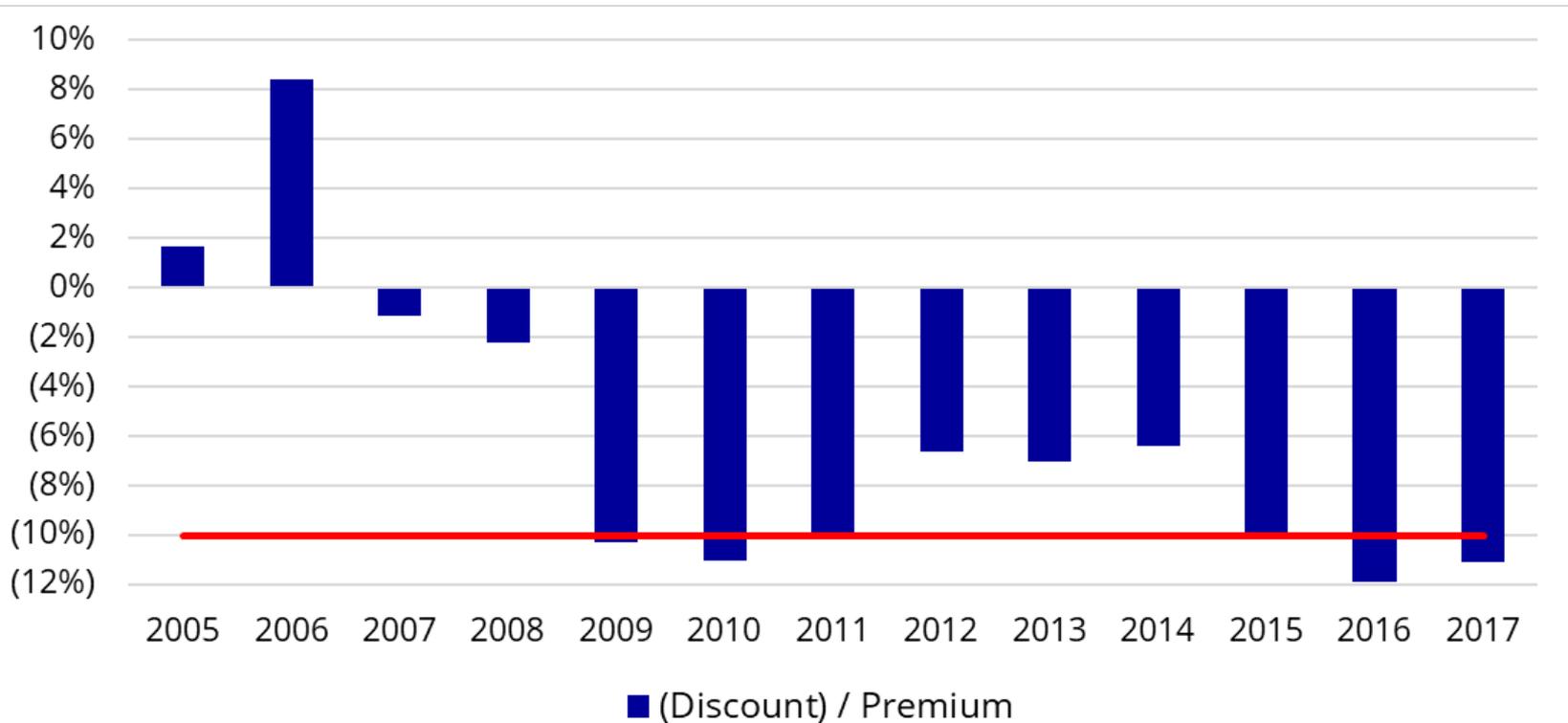
Performance

Securing long-term returns from cash generative net investments

- **NAV of 241.29p (diluted) per ordinary share**
- **Strong annualised returns since inception**
 - NAV annual compound total return since inception of 12.1%
- **Robust balance sheet with no current long- term debt**
 - Borrowings of £46.8m as at 31 March 2017 from a facility of £50m
- **Resilient portfolio**
 - Largely protected from economic cycles due to the infrastructure and utility focus
- **Specialised and disciplined investment strategy**
 - Specialist experienced team
 - Strong 'hands on' analytical approach

Performance

(Discount) / Premium to NAV



Source: ICM

Performance

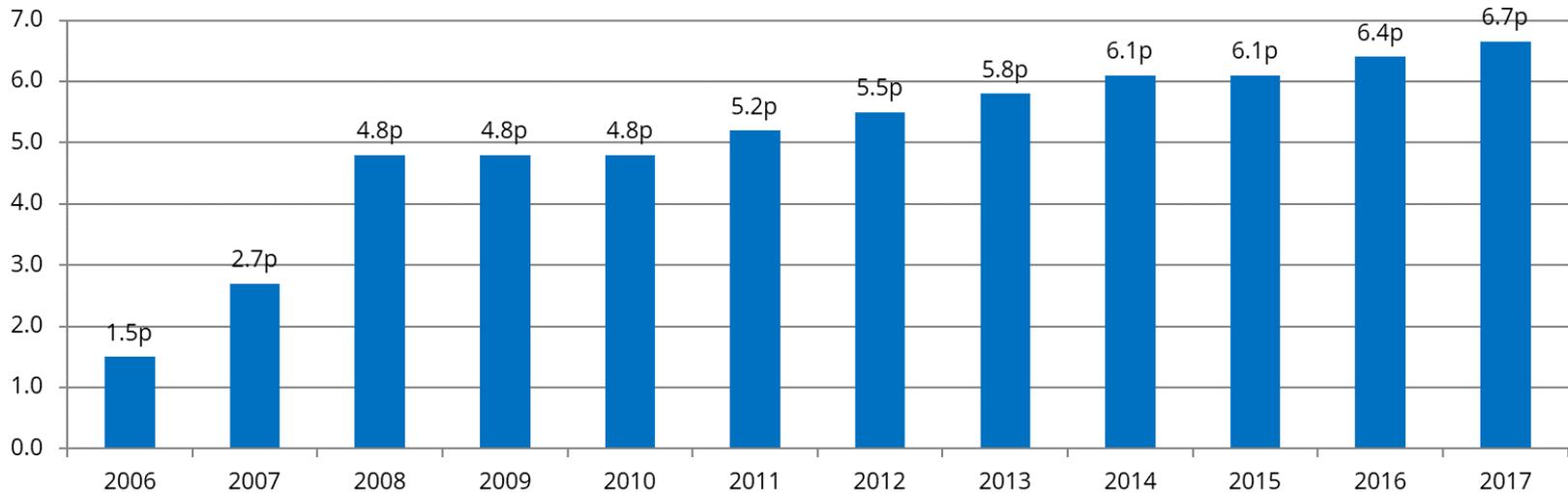
Summary Financials

Profit and Loss £000's							
(source: UEM annual report)	2011	2012	2013	2014	2015	2016	2017
Investment gains/(losses)	64,533	5,681	77,781	(25,849)	45,330	(9,649)	109,734
Income	15,190	12,710	13,945	13,742	14,531	21,418	20,153
Total income	79,723	18,391	91,726	(12,107)	59,861	11,769	129,887
Management and admin. fees	(2,086)	(2,097)	(2,249)	(2,469)	(3,075)	(2,972)	(3,446)
Other expenses	(989)	(1,787)	(1,106)	(1,349)	(1,557)	(1,515)	(1,723)
Running Costs	(3,075)	(3,884)	(3,355)	(3,818)	(4,632)	(4,487)	(5,169)
Performance fee	(6,477)	271	(9,531)	216	(3,056)	0	(9,162)
Finance costs	(1,824)	(1,867)	(361)	(658)	(997)	(392)	(649)
Profit/(loss) before tax	68,347	12,911	78,479	(16,367)	51,176	6,890	114,907

Performance

Track record of distributing profits to investors

DIVIDENDS PER ORDINARY SHARE (pence)
from March 2006 to March 2017



Source: ICM



Appendix

Appendix 1

Factsheet

Fund size:	£532.2m as at 31 March 2017
Trading:	London Stock Exchange – Main Market
Indices:	FTSE All-Share
Ordinary Shares in issue:	211.4m as at 31 March 2017
Subscription Shares in issue:	37.8m
Management fee:	0.65% of net assets plus company secretarial fee
Performance fee:	15% of performance above the higher of (i) post tax yield on FTSE Actuaries Government Securities UK Gilts 5 to 10 years Index plus inflation plus 2%, or (ii) 8%. Capped at 1.85% of average net assets
Gearing policy:	Maximum of 25% of gross assets
AIFM, Joint Portfolio Manager and Secretary:	ICM Investment Management Limited
Joint Portfolio Manager:	ICM Limited
Administrator:	F&C Management Limited (trading as BMO GAM)
Broker:	Stockdale Securities Limited
Lawyers:	Norton Rose Fulbright LLP and Appleby (Bermuda) Limited
Public Relations:	Bell Pottinger
Banker:	Scotiabank Europe PLC

Appendix 2

Investment management

Investment Management

ICM Investment Management Limited ("ICMIM")

- ICMIM was appointed as UEM's Alternative Investment Fund Manager on 13 April 2015 and joint portfolio manager alongside ICM Limited
- ICMIM is authorised and regulated by the Financial Conduct Authority

ICM Limited ("ICM")

- ICM is a Bermuda based fund manager with over £16.0bn in funds, directly and indirectly, in a range of mandates
- ICM specialises in utility & infrastructure, financial services, mining & resources, technology and fixed income and provides portfolio monitoring and research on a number of companies

- **Responsible for the investment portfolio**
- **Portfolio monitoring, research and other related services**
- **Fees**
 - Annual management fee of 0.65% p.a. of net assets, paid quarterly
 - Performance fee of:
 - 15% of performance above the higher of post tax yield on FTSE Actuaries Government Securities UK Gilts 5 to 10 years Index plus inflation plus 2%, or 8%
 - 50% paid in shares, 50% paid in cash
 - Capped at 1.85% of average net assets

Custody

JP Morgan Chase

- Based in Jersey

Bermuda Commercial Bank

- Based in Bermuda

- **Custody**
- **Fees**
 - Variable

Depository

J.P. Morgan Europe

Administration

F & C Management Limited

- Based in London

- **General Fund administration**
- **Accounting and dealing**
- **Fees**
 - £220k per annum

Appendix 3

An experienced investment management team – based in the UK

Investment Manager

Charles Jillings

- Responsible for the day-to-day running of UEM and the investment portfolio
- Stepped down from the board in March 2012 to strengthen the independence of the board
- A qualified chartered accountant with extensive experience in corporate finance and asset management. Over thirty years of experience in international financial markets
- Director of a number of companies including ICM Limited, ICM Investment Research Limited, ICM Investment Management Limited, Somers Limited, Waverton Investment Management Limited, Merrion Capital Holdings Limited, One Communications Ltd and Vix Technology Limited

Senior Analyst Team

Jacqueline Broers

- Involved in the running of UEM since 2010
- Previously Corporate Finance at Lehman Brothers / Nomura
- Chartered accountant

Jonathan Grocock

- Involved in the running of UEM since 2011
- Previously an equity research analyst at Investec
- CFA charter holder

Mark Lebbell

- Involved in the running of UEM since its inception and was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000
- Associate member of the Institute of Engineering and Technology

Appendix 4

Independent Board of Directors

John Rennocks (Chairman, appointed September 2016)

- Appointed in November 2015
- Formerly deputy chairman of Inmarsat plc and previously a director of Foreign & Colonial Investment Trust plc and JP Morgan Overseas Investment Trust plc
- Chairman of Bluefield Solar Income Fund Ltd and AFC Energy PLC
- He is a Fellow of the Institute of Chartered Accountants of England and Wales

Garth Milne (Deputy Chairman)

- Re-appointed in November 2014
- Formerly Chairman of Westhouse Holdings Limited, the holding company of UEM's broker, Stockdale Securities Limited
- Director of Invesco Perpetual UK Smaller Companies Investment Trust plc

Susan Hansen

- Appointed in September 2013
- Chartered accountant and MBA graduate and has worked in financial services since 1980
- Director of ASX listed Homeloans Limited, a non-bank lending company. Principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited

Garry Madeiros OBE

- Appointed in June 2007
- Chairman of UEM's Audit Committee
- Formerly President and Chief Executive Officer of 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 deputy chairman of the Bermuda Casino Gaming Commission and a Justice of the Peace in Bermuda

Anthony Muh

- Appointed in October 2010
- Executive director of H.R.L. Morrison & Co
- Chairman of JIDA Capital Partners Limited
- Previously headed up the Asia Pacific operations of Alliance Trust PLC
- Past Chairman and a Fellow of the Hong Kong Securities Institute and member of the Asia Advisory Board for Euromoney Institutional Investor Plc

Appendix 5

Shareholders

	Number of ordinary shares held	% held
UIL Limited	35,829,628	16.9
Lazard Asset Management LLC	22,537,694	10.7
Bank of Montreal clients, including Foreign & Colonial Investment Trust plc	19,828,309	9.4
Investec Wealth & Investment Limited	12,308,522	5.8
Rathbone Investment Management Limited	10,728,364	5.1