

**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)	188.17p
Share Price	169.00p
(Discount) / Premium to diluted NAV	(10.2%)
NAV Total Return since launch *	141.7%
Annual average compound return *	12.3%
Historic Dividend Yield	3.6%
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	£434.6m
Bank Debt	£(33.3)m
Shareholders' Funds	£401.3m
Gearing* (based on AIC definition)	7.9%

\*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)

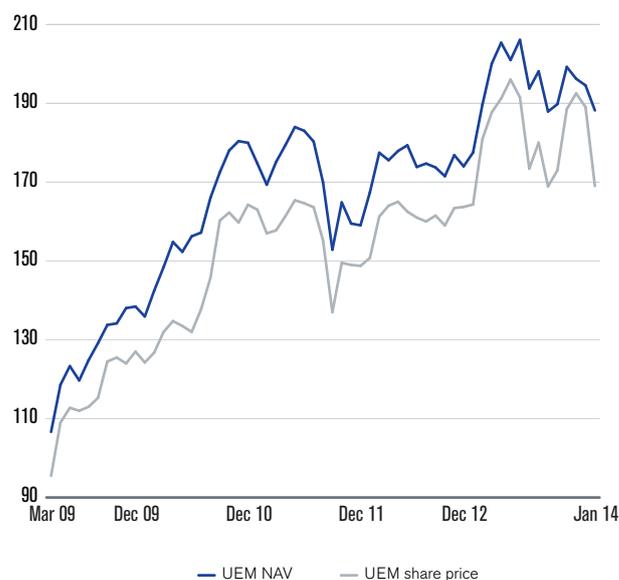
### TEAM

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	(10.6%)	(9.5%)	(3.2%)	13.4%	107.2%
Net Asset Value	(3.3%)	(4.8%)	2.5%	16.7%	130.1%

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

12 months to	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10
Share Price	(3.2%)	23.0%	(4.3%)	35.1%	32.4%
Net Asset Value	2.5%	16.0%	(1.2%)	32.1%	38.3%

### 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 was down 3.3% during January, from 194.52p at the end of December to 188.17p at the end of January. This performance was ahead of the MSCI Emerging Markets Total Return Index, which declined by 5.7% in Sterling terms in January.

After seeing many developed market indices peak at the end of December, 2014 has started poorly with the return of significant market volatility. In China the PMI retreated to 50.9 in December, signalling an unexpected cooling of momentum in the Chinese economy. At the same time, a wealth management product from China Credit Trust announced it would not be able to repay investors, re-igniting concerns over the levels of debt accumulating in the shadow banking system in China. While the product was subsequently bailed out and thereby avoided default, increasing regulatory scrutiny and tighter credit conditions hints at further distress in off-balance sheet funding vehicles.

A confluence of events has led to weak Emerging Markets performance during January. Against a backdrop of continued tapering of quantitative easing measures by the Fed, jitters over China turned into wide-spread EM turmoil following the biggest devaluation of Argentina's currency since 2002. This sparked a sell-off in EM currencies, notably in countries with wide current account deficits like Turkey and South Africa. Weaker currencies have presented a material headwind to our investments throughout this fiscal year, although much of this is offset by the long-term nature and stable income of the assets we invest in.

In January there was weakness across almost all of the major EM markets, with the Bovespa index (Brazil) falling 7.5%, the IPSA (Chile) down 7.0%, the Hang Seng (Hong Kong) market falling 5.5%, KLCI (Malaysia) off 3.4%, and the SET (Thailand) down 1.9%. The PSEi (Philippines) was one of the few indices to post positive returns in January, up 2.6%.

Sterling strengthened against most major currencies with the notable exception of the USD, against which it weakened by 0.8%. By comparison the Brazilian Real weakened 1.9% versus Sterling, the Malaysian Ringgit 1.4% and the Philippine Peso 1.3%. The Chilean Peso continues to be amongst the worst performers, declining 4.8% against Sterling in January.

Commodity prices were mixed, with gold recovering by 3.6% in USD terms but Brent Crude Oil falling 4.0% and copper 5.9% over the month.

## PORTFOLIO

There was no change to the constituents of the top ten. Seven of the holdings saw share price decreases while three increased. Gasco was the worst performer, falling 10.2% in January. This followed seasonally weak Q4 results where good local hydrology limited gas demand from thermal electricity plants. Malaysia Airport shares fell 5.9% during the month notwithstanding reporting excellent passenger growth of 23.2% in Q4, an acceleration on previous quarters' growth rates. ICT shares were also weak, falling 4.2% in the month on concerns that there would be delays to the Panama Canal expansion.

The strongest performance was delivered by our satellite investments, with APT Satellite and AsiaSat up 6.4% and 3.4% respectively. Both stocks look to be benefitting from wider market appreciation of the intrinsic value of their assets given the shortage of Ku-band capacity across Asia, as well as the durable USD-based cash flows. MyEG was broadly flat, up 0.4%.

Purchases during the month amounted to £1.8m and realisations totalled £2.8m.

## DEBT & CASH

Bank debt decreased to £33.3m and was drawn as £19.5m, \$16.0m and €5.0m.

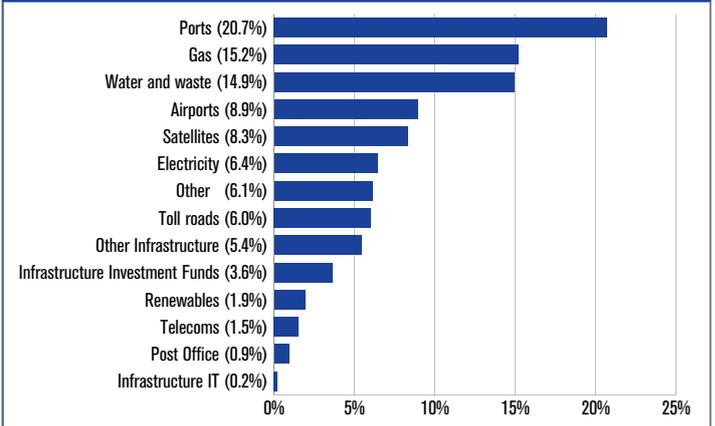
## OTHER

UEM's ordinary share price fell 10.6% during January, to 169.00p. The discount widened to 10.2%.

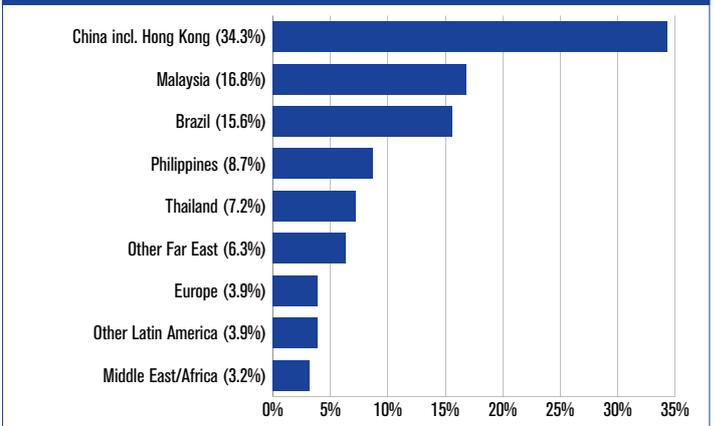
## TOP TEN HOLDINGS

	% of gross assets
1 Malaysia Airport Holdings Berhad	8.8%
2 International Container Terminal Services Inc.	7.6%
3 Eastern Water Resources Development and Management PCL	6.9%
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	4.0%
8 APT Satellite Holdings Limited	3.5%
9 China Everbright International Limited	3.2%
10 Gasco SA	3.1%
<b>Total Top 10</b>	<b>54.1%</b>

## SECTOR 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