

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.

MARCH 2017

ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.36p
NAV (diluted cum income)	241.30p
NAV (undiluted cum income)	251.74p
Share Price	214.50p
(Discount) / Premium to diluted NAV	(11.1%)
NAV Total Return since launch *	254.4%
Annual average compound return *	12.1%
Historic Dividend paid per share (last 12 months)	6.58p
Historic Dividend Yield (last 12 months)	3.1%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,406,551

*Including dividends and return on warrants converted in August 2010

SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	27.25p
Shares in issue	37,828,282
Exercise Price	183.00p
Exercise Dates (last business day of each)	Aug 17 and Feb 18

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£579.0m
Bank Debt	£46.8m
Shareholders' Funds	£532.2m
Gearing* (based on AIC definition)	5.6%

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

MANAGEMENT & ADMINISTRATIVE FEES

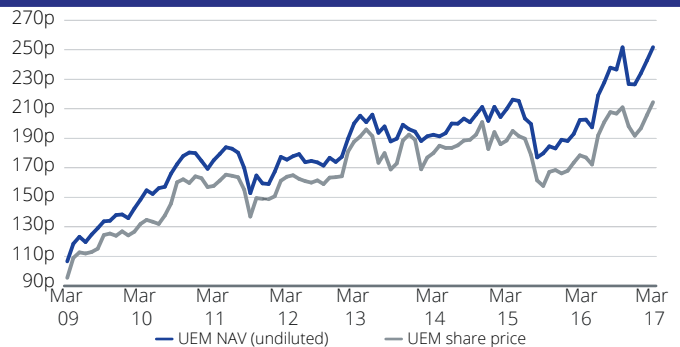
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£220k per annum
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to high watermark, with a cap on the performance fee of 1.85% of average net assets for that 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 including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	4.3%	12.8%	23.9%	32.0%	215.4%
Net Asset Value*	3.4%	11.2%	22.5%	37.4%	254.4%

*Diluted

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13
Share Price	23.9%	(2.0%)	8.1%	(2.7%)	20.3%
Net Asset Value*	22.5%	(0.5%)	12.2%	(3.3%)	20.4%

*Diluted

KEY DATES

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

BOARD

John Rennocks	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	

TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



PERFORMANCE

UEM's cum income undiluted NAV total return for March, was up by 3.7%, ahead of the MSCI Emerging Markets Total Return Index which was up by 2.1% for the month. The undiluted NAV was 251.74p and diluted NAV was 241.30p. For the year to 31 March 2016 the undiluted NAV total return was up by 25.2%.

In March, the majority of the emerging markets continued their upward momentum as the Chilean IPSA Index was up by 9.7% for the period, the Mexican Bolsa IPC index up by 3.6% and the Indian SENSEX Index up by 3.1%. The picture however was not mirrored by currency performance as most emerging market currencies depreciated against Sterling with the Brazilian Real depreciating by 2.5%, the Chilean Peso by 2.3% and the Chinese Renminbi by 1.7%. The Mexican Peso was the exception increasing against Sterling by 5.6%, as fears of NAFTA being completely demolished by President Trump have diminished.

The month of March saw the anticipated increase in the US Federal Funding Rate of 0.25bps as well as further monetary tightening in China as the PBoC increased the interest rates for its open market (OMO) reserve repo operations and the Medium Term Lending Facility (MLF) by another 10bps. The month also witnessed a number of political events. Firstly, President Trump failed to pass his healthcare reform bill. This has resulted in investors questioning whether the failure to get his healthcare reforms across the finishing line will dampen other pro-business reform agenda items, namely tax reforms and fiscal spending measures and the so called "reflation trade". Secondly, in Europe, March saw the UK Prime Minister Theresa May finally triggering Article 50, with the UK now officially set to leave the European Union in two years' time, whilst the Dutch electorate rejected the populist call to vote in Geert Wilders. Wilders' PVV party came in second and failed to be invited to form a coalition party. In India on the other hand, Prime Minister Narendra Modi saw a remarkable landslide victory in key state elections so far, surpassing expectations, therefore increasing investor's confidence that Modi will prevail in the 2019 general election.

PORTFOLIO

In March, there were two changes to the top 20 holdings in the UEM portfolio, with Metro Pacific and Transmissora Alianca de Energia Electrica ("TAESA") exiting the top 20 and being replaced by Transportadora de Gas del Sur ("TGS") and Grupo Aeroportuario del Centro Norte ("OMA"). TGS, an Argentinean gas distribution company, responsible for distributing 62% of the gas consumed in Argentina, entered the top 20 for the first time on the back of share price performance, up by 19.3% for the month and by additional investment by UEM. OMA, one of the Mexican airport operators re-entered the top 20 on back of share price performance.

Including the new entrants, eighteen of the top 20 stocks increased in value for March and only two saw a decline. International Container Terminals, now the portfolio's number one holding, increased in value by 19.0% on the back of solid full year 2016 results and an indication to the market that the company will be looking to pay a higher dividend in future years. Conpet saw its share price increase by 15.9% as it continues to benefit from the expectation that the government is looking to raise dividend pay-outs to 90% for State Owned Enterprises. China Resources Gas and China Gas Holdings saw their share prices increase by 15.8% and 8.5% respectively despite the introduction of a less favourable pricing policy for city gas distributors in Fujian Province as the market welcomed the clarification and indication that developments across other provinces will not be as negative as initially anticipated. MyEG also saw an increase of 14.2% as it reported stronger 2016 results. Both Transelectrica and Rumo saw marginal share price declines of 0.9% and 0.5% respectively.

Purchases during the month amounted to £21.6m and realisations totalled £13.9m as the investment managers looked to top up some positions as well as add some new positions to the portfolio.

DEBT

Borrowings at the month end totalled £46.8m, drawn in HK\$209.9m and €29.5m.

OTHER

UEM's share price ended March up by 4.3% to 214.50p with the discount marginally reducing to 14.8% to the undiluted NAV. The price of the subscription shares increased by 23.1% to 27.25p.

UEM bought back and cancelled 0.7m ordinary shares at an average price of 208.35p during the month.

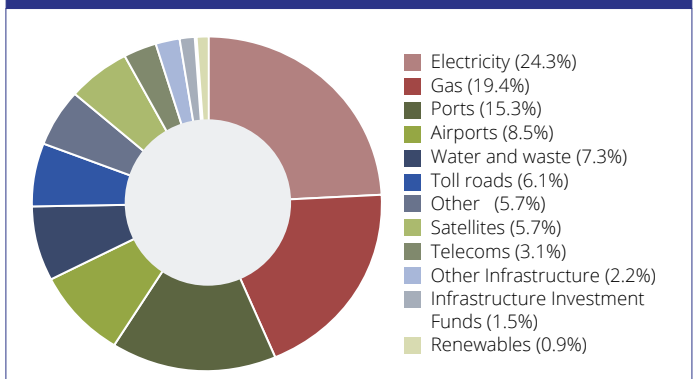
The third quarterly interim dividend of 1.70p per ordinary share in respect of the year ending 31 March 2017, was paid on 17 March 2017.

Charles Jillings
ICM Investment Management Limited and ICM Limited

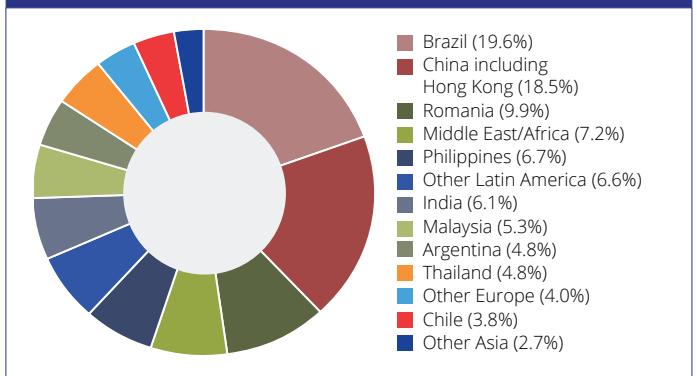
TOP 20 HOLDINGS

	% of gross assets
1. International Container Terminal Services Inc.	4.9%
2. Ocean Wilsons Holdings Limited	4.2%
3. Alupar Investimento S.A.	4.0%
4. Eastern Water Resources Development and Management PCL	3.5%
5. China Gas Holdings Ltd	3.3%
6. Transelectrica SA	3.2%
7. Transgaz S.A.	3.0%
8. Malaysia Airport Holdings Berhad	2.9%
9. Rumo S.A.	2.8%
10. APT Satellite Holdings Limited	2.8%
11. Yuexiu Transport Infrastructure Limited	2.6%
12. China Resources Gas Group Ltd	2.6%
13. Conpet S.A.	2.5%
14. SJVN Limited	2.4%
15. Shanghai International Airport Co Ltd	2.1%
16. MyEG Services Berhad	2.1%
17. Engie Energia Chile S.A.	2.0%
18. Transportadora de Gas del Sur S.A.	2.0%
19. Power Grid Corporation of India Limited	1.7%
20. Grupo Aeroportuario del Centro Norte	1.6%
Total Top 20	56.2%

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



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



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