

**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.

## August 2014

ORDINARY SHARES	
NAV at launch	98.37p
NAV (cum income)	203.38p
Share Price	188.50p
(Discount) / Premium to diluted NAV	(7.3%)
NAV Total Return since launch *	161.8%
Annual average compound return *	12.6%
Historic Dividend Yield	3.2%
Shares in issue	213,243,793
Ticker	UEM.L

\* Including dividends and return on warrants converted in August 2010

CAPITAL STRUCTURE	
Gross Assets less Current Liabilities	£445.6m
Bank Debt	£(11.9)m
Shareholders' Funds	£433.7m
Gearing* (based on AIC definition)	2.4%

\*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. <a href="http://www.icm.bm">www.icm.bm</a>

TEAM		
Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	

MANAGEMENT & ADMINISTRATIVE FEES	
Investment Management Fee	0.65% of net assets plus Company Secretarial Fee
Administration Fee	£210k
Performance Fee	15% of the outperformance of the higher of (i) benchmark plus 2% and (ii) 8%, subject to "high water" mark, with a cap on the performance fee of 1.85% of average net assets for that financial year



PERFORMANCE (total return including dividends)					
	1 month	3 months	1 year	3 years	Inception
Share Price	2.6%	3.6%	15.2%	33.6%	131.2%
Net Asset Value	2.5%	5.9%	11.5%	30.8%	150.2%

ROLLING 12 MONTH PERFORMANCE (total return including dividends)					
12 months to	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10
Share Price	15.2%	8.3%	8.5%	10.1%	30.6%
Net Asset Value	11.5%	11.6%	6.3%	5.5%	32.3%

KEY DATES	
Launch Date	20 July 2005
Year End	31 March
AGM	September
Ex-Dividend Dates	August, November, February & May
Dividend Paid Dates	September, December, March & June
Continuation Vote	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 up from 199.91p at the end of July to 203.38p at the end of August. This performance was behind the MSCI Emerging Markets Total Return Index, which increased by 4.0% in Sterling terms in August.

Geopolitical tensions remained high in the Middle East and Ukraine. In Iraq the US government announced airstrikes on ISIS militants which has checked their progress, but has also resulted in the killing of kidnapped journalists in retaliation. Meanwhile after fighting for seven weeks, Israel and Hamas agreed to an open-ended ceasefire. In Ukraine the continued incursion by Russian troops led to further sanctions by the EU, targeting Russia's state finances, energy and arms sectors.

In Brazil presidential candidate Eduardo Campos was killed in a plane crash, which resulted in his running mate Marina Silva being elevated to lead the Brazilian Socialist Party (PSB) campaign. This has seen incumbent president Dilma Rousseff's lead in the polls narrow materially, with some recent surveys showing that Silva may win the election in October. There is optimism that this will lead to a more business-friendly environment than has been achieved by Rousseff's Workers' Party (PT). With the Brazilian economy falling into recession with output down 0.6% to end-June, it is clear that reforms are needed to stimulate investment and industrial growth.

In China the HSBC/Markit PMI eased to 50.2 in August, indicating only marginal expansion in economic activity as new orders and new export orders fell to their lowest level in the past few months. The property market continued to weaken, with new home prices in 100 major cities falling an average of 0.6% in the month. Chinese authorities started loosening policy in April, and further easing steps were implemented including a cut in rates for agricultural loans by 100bps.

In line with developed markets, most major EM markets strengthened during August. Brazil saw a particularly strong performance where the Bovespa index increased 9.8% on the prospect of a new government. Markets were also strong in some Asian markets with the SET (Thailand) up 3.9%, the Sensex (India) up 2.9%, and the PSEi (Philippines) up 2.7%. The IPSA (Chile) was also strong, up 3.1%. By comparison Hong Kong and Malaysia lagged with the Hang Seng and KLCI flat on end-July.

Sterling weakened against most currencies during the month. USD strengthened by 1.7%, the Malaysian Ringgit was up 3.1%, the Brazilian Real up 2.9%, the Thai Baht up 2.2%, and the Indian Rupee up 1.8% against Sterling. The notable exception was the Chilean Peso, against which Sterling strengthened 1.4%.

Commodity prices were mixed, with gold slightly firmer up 0.4% in USD terms while Brent Crude Oil fell 2.7% and copper by 3.0% over the month. In recent months the iron ore price has been notably weak, extending its decline by 7.5% in August.

### PORTFOLIO

There was no change to the constituents of the top ten. Six of the holdings saw share price increases while four decreased.

China Gas Holdings shares were the worst performer, falling 8.0% in August as the Chinese government announced another hike in city-gate gas prices. However, a similar increase a year ago was passed through to the vast majority of customers within three months, limiting the impact on financials. Ocean Wilsons' shares fell by 2.5% after a set of lacklustre results which showed strong volume growth but a deterioration in the mix towards lower-margin transshipment cargo.

The strongest performance was delivered by Alupar, up 9.9%. While in line with the Bovespa, this also reflects the expectations of strong financial growth through H2 as its Ferreira Gomes hydro plant is commissioned. Malaysia Airports' share price recovered 2.7% during the month, while Eastwater firmed 1.8% after reporting inline results. China Everbright International and MyEG both announced excellent figures to end-June, although this was broadly expected with shares increasing only modestly, up 1.7% and 1.4% respectively.

APT Satellite, Asiasat and ICT shares were broadly flat over the month.

Purchases during the month amounted to £8.7m and realisations totalled £4.2m.

### DEBT & CASH

Bank debt remained at £11.9m and was drawn in Euros

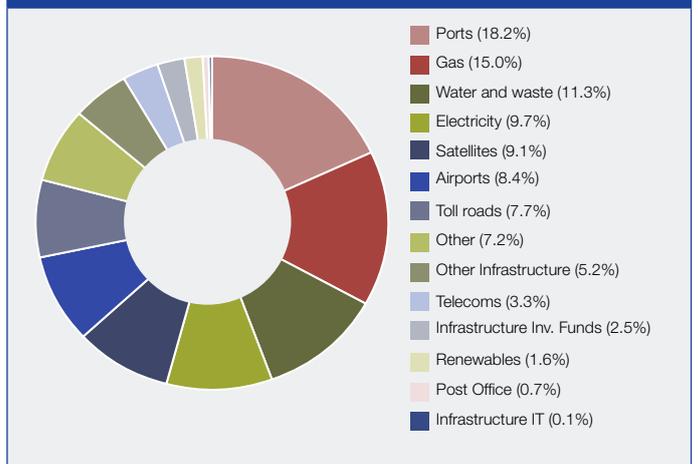
### OTHER

UEM's ordinary share price increased 1.8% during August, to 188.50p. The discount was unchanged at 7.3%.

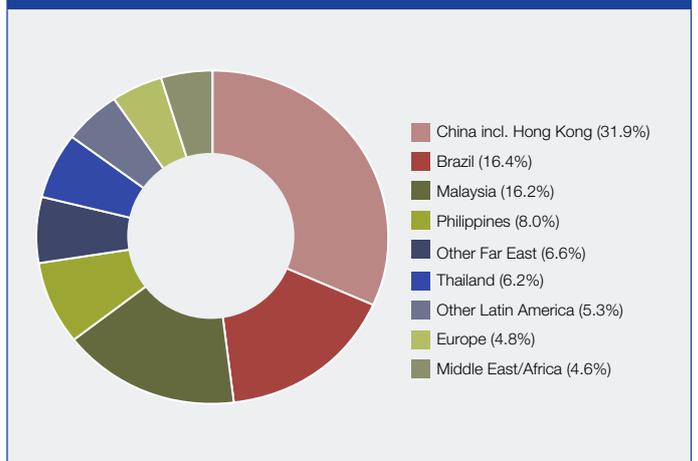
### TOP TEN HOLDINGS

	% of gross assets
1 Malaysia Airport Holdings Berhad	8.4%
2 International Container Terminal Services Inc.	6.9%
3 China Gas Holdings Ltd	6.5%
4 Ocean Wilsons Holdings Limited	6.3%
5 Eastern Water Resources Development and Management PCL	5.4%
6 MyEG Services Berhad	5.2%
7 APT Satellite Holdings Limited	4.5%
8 Asia Satellite Telecommunications Holdings Limited	3.5%
9 China Everbright International Limited	3.2%
10 Alupar Investimento SA	3.1%
<b>Total Top 10</b>	<b>53.0%</b>

### SECTOR SPLIT OF INVESTMENTS



### GEOGRAPHICAL SPLIT OF INVESTMENTS



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