

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: Canon's Court, 22 Victoria Street, Hamilton, HM12 Bermuda UK Contact: Telephone: 01372 271 486 Fax: 01372 271 495

ORDINARY SHARES

NAV at launch	98.37p
NAV Total Return since launch (including dividends)	110.3%
Annual average compound return (including dividends)	12.3%
NAV (cum income)	179.32p
Share Price	162.50p
(Discount) / Premium to diluted NAV	(9.4%)
Historic Dividend Yield	3.2%
Shares in issue	215,528,793
Ticker	UEML

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£394.6m
Bank Debt	£(8.1)m
Shareholders' Funds	£386.5m
Effective gearing on Ordinary Shares	1.02x

BOARD

Alexander Zagoreos	Garry Madeiros
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

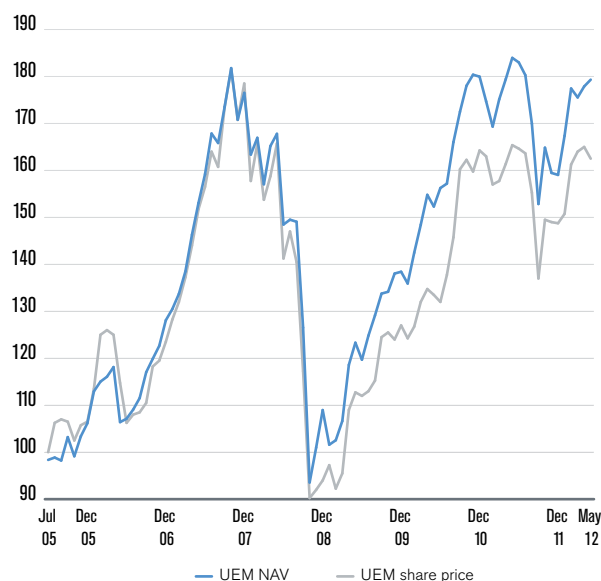
TEAM

Duncan Saville	Jonathan Grocock
Charles Jillings	Mark Lebbell
Jacqueline Broers	

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



CUMULATIVE PERFORMANCE (total return including dividends)

	1 month	3 months	1 year	5 years	Inception
Share Price	(1.5%)	0.8%	1.6%	28.1%	101.3%
Net Asset Value	0.7%	0.9%	0.3%	23.8%	110.3%

ROLLING 12 MONTH PERFORMANCE (total return including dividends)

12 months to	May 12	May 11	May 10	May 09	May 08
Share Price	1.6%	27.8%	22.9%	(28.4%)	12.1%
Net Asset Value	0.3%	14.9%	27.5%	(25.4%)	13.0%

KEY DATES

Launch Date	Wednesday, 20 July 05
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

PERFORMANCE

UEM's cum income NAV was up 0.7% in May to end the month at 179.32p per share. As in April, this positive performance was in contrast to wider equity markets, which were weaker during the month. The MSCI Emerging Markets TR Index (Sterling adjusted) fell 6.5% in May. For the first two months of UEM's financial year, the NAV has increased by 2.2% whilst the MSCI Emerging Markets TR Index (Sterling adjusted) has fallen by 12.3% over the same period.

The Eurozone crisis continued to weigh on markets. The inability of the Greek political parties to form a government following parliamentary elections and concerns over the health of the Spanish banking sector are currently the Eurozone's most significant concerns. Economic figures from the US were generally not as buoyant as in recent months.

In the Emerging Markets, worries of a slowdown in China resulted in a weakening of commodity prices. Oil fell significantly, with Brent Crude futures down 14.5% during May to little over \$100/barrel. China unexpectedly announced an interest rate cut in early June, its first cut since 2008.

PORTFOLIO

Seven of the ten largest holdings showed gains during the month in Sterling terms.

The largest gainers were Eastern Water, which was up 21.4% on the month, International Container Terminals, which was up 13.2% and Asia Satellite, which was up 4.8% after the offer for the minorities was raised from \$22.00 to \$23.50 per share.

We believe this still fundamentally undervalues Asiasat. At HK\$23.50, the historic 2011 EV/EBITDA is only 5.2x and PER 11.2x. These ratios would not suggest the company grew its EPS by an average of 19.3% over the past three years.

There were more modest gains in Malaysia Airports, Tractebel Energia and CCR.

Ocean Wilsons was the most significant faller during the month, with its shares down 13.9% during May. The share price of COPASA fell 9.8%

China Gas Holdings replaced Infrastructure India as the 10th largest holding. China Gas Holdings operates city gas concessions across China and is currently the subject of a bid from a consortium made up of ENN Energy and Sinopec.

Total investments equalled £12.8m and sales proceeds were £6.8m.

DEBT & CASH

£8.1m of bank debt was drawn at the end of May on the £50m ScotiaBank Facility. All borrowings were undertaken in USD.

OTHER

The company has published its annual results for the year to March 2012, with the annual report now available on the company's website, www.uem.bm.

The directors have declared a final dividend of 1.75p (2011: 1.45p) bringing the total dividend distributions in respect to FY March 2012 to 5.5p (2011: 5.2p). The final dividend will go ex on 20th June and will be paid on 6th July. The Board is aware of the increasing emphasis investors are placing on dividend income and intends to commence paying dividends in the current financial year on a quarterly basis. It is expected that the first quarterly dividend will be declared in August and paid in September 2012.

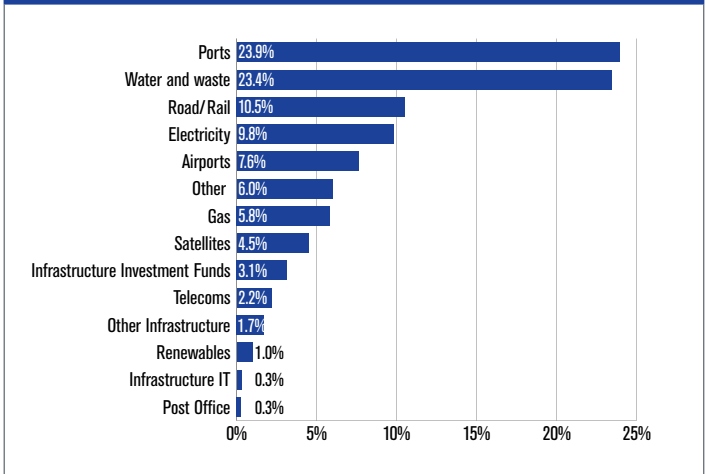
The ordinary share price fell 1.5% to end the month at 162.50p, with the NAV discount widening to 9.4% compared with 7.2% at the end of April.

On June 6th, it was announced that UEM would be a constituent of the FTSE 250, FTSE 350 and FTSE 350 Low Yield Indices from June 18th 2012.

TOP TEN HOLDINGS

	% of gross assets
1 International Container Terminals	9.1%
2 Eastern Water Resources PCL	8.8%
3 Malaysia Airports Holdings	6.9%
4 Ocean Wilsons Holdings Limited	6.1%
5 Cia Saneamento Minas Gerais (COPASA)	5.2%
6 Asia Satellite Telecommunications	3.6%
7 Santos Brasil Participacoes	3.2%
8 Tractebel Energia S.A	2.9%
9 Companhia de Concessionarios Rodoviaras (CCR)	2.8%
10 China Gas Holdings	2.5%
Total Top 10	51.0%

SECTORAL SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS

