

**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 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 unique product or market position.

## JULY 2016

### ORDINARY SHARES

Ticker: UEM.L

NAV at launch	98.37p
NAV (diluted cum income)	220.28p
NAV (undiluted cum income)	227.79p
Share Price	201.00p
(Discount) / Premium to diluted NAV	(8.8%)
NAV Total Return since launch *	190.1%
Annual average compound return *	11.8%
Historic Dividend paid per share (last 12 months)	6.40p
Historic Dividend Yield (last 12 months)	3.2%
Ongoing charges figure excluding performance fee	1.0%
Shares in issue	211,462,599

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

### SUBSCRIPTION SHARES

Ticker: UEMS.L

Share Price	22.75p
Shares in issue	42,605,893
Exercise Price	183.00p
Exercise Dates (last business day of each)	Aug 16, Feb 17 Aug 17 and Feb 18

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£501.1m
Bank Debt	£19.4m
Shareholders' Funds	£481.7m
Gearing* (based on AIC definition)	2.2%

\*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](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.limited)

### ORDINARY SHARES PERFORMANCE



### PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	4.7%	14.5%	16.0%	22.0%	154.7%
Net Asset Value*	3.4%	11.3%	13.5%	20.6%	178.5%

\*Diluted

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

12 Months to	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12
Share Price	16.0%	(0.2%)	6.3%	16.1%	1.1%
Net Asset Value*	13.5%	2.9%	4.0%	16.7%	0.0%

\*Diluted

### 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
Continuation Vote	To be proposed at the AGM in 2016

### BOARD

Alexander Zagoreos	Susan Hansen	Garry Madeiros
Garth Milne	Anthony Muh	John Rennocks

### TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	



## PERFORMANCE

UEM's cum income NAV (undiluted) increased by 4.7% during July to end the month at 227.79p, which was behind the MSCI Emerging Markets Total Return Index which rose by 5.8% in Sterling terms over the month. The NAV on a diluted basis increased by 4.1% to 220.28p.

Emerging Markets' stock markets and currencies once again generally performed positively in July. Developed Markets were also stronger, recovering after the "Brexit shock" at the end of June. Gold continued to rise, but oil dropped to US\$42.46/bbl.

The Bank of England did not cut rates as widely expected in July, although did reduce rates to 0.25% at the beginning of August. The Federal Reserve kept US rates on hold for another month.

A failed coup attempt in Turkey had little impact on emerging market sentiment, with most emerging markets moving up, most notably Brazil, where the Bovespa Index gained 11.2% in July. The notable exception was Turkey, where the BIST 30 Index fell by 2.2% for the month. The Hang Seng Index was up by 5.3% and the Thai SET was up by 5.5% in July.

Sterling remained volatile but ended the month just 0.7% weaker against the US Dollar. Many emerging market currencies were stronger against Sterling, with the Romanian Lei up by 2.8%, The Indian Rupee was up by 1.6% and the Thai Baht was up by 1.6%. Currencies that were weaker against Sterling in July included the Turkish Lira, down by 3.1%, Mexican Peso, down by 1.9% and the Malaysian Ringgit, down by 0.4%.

The price of gold increased by 2.2% to US\$1,351/oz, but Brent Crude oil was down by 14.5% to end July at US\$42.46/bbl.

## PORTFOLIO

There was one change to the constituents of the top 20 this month, with Brazilian electricity grid operator, TAESA replacing Conpet. Conpet fell out of the top 20 after distributing its annual dividend, of RON7.30, which was equivalent to 9.9% of its share price at the end of June.

The share prices of 16 of the top 20 stocks advanced and 4 declined in July. The best performers in the top twenty were all Brazilian, with TAESA, up by 34.9%, Rumo Logistica, up by 24.3%, Alupar, up by 19.7%, and Ocean Wilsons up by 18.0%. Other strong performers included Engie Energia Chile, up by 8.1%, Metro Pacific, up by 7.8%, OMA, up by 7.7% and Shanghai Airport, up by 6.9%.

China Resources Gas, which declined by 3.8% in July, was the worst performer in the portfolio. Malaysia Airports, APT Satellite and SJVN all had modest declines in the month.

Purchases during the month amounted to £11.5m and realisations totalled £15.6m.

## DEBT

Borrowings at the month end remained drawn at £9.4m and HK\$104.0m. The debt liability in Sterling terms remained at £19.4m.

## OTHER

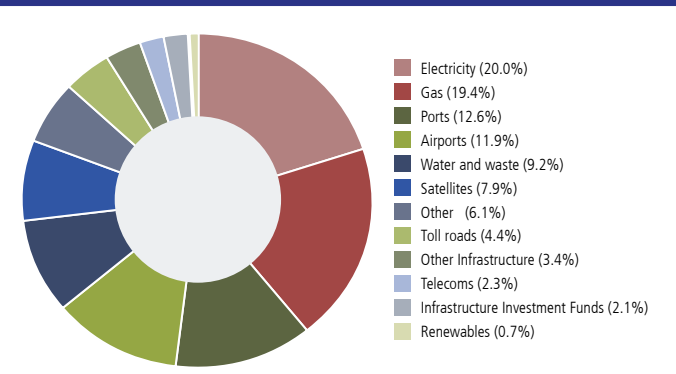
UEM's share price ended the month at 201.00p, an increase of 4.7% during July. The discount reduced to 8.8% to the diluted NAV. The price of the Subscription Shares rose by 5.00p to 22.75p.

A first quarterly dividend of 1.625p per ordinary share in respect of the year ending 31 March 2017, was declared on 4 August 2016 and will be paid on 21 September 2016 to shareholders on the register on 26 August 2016.

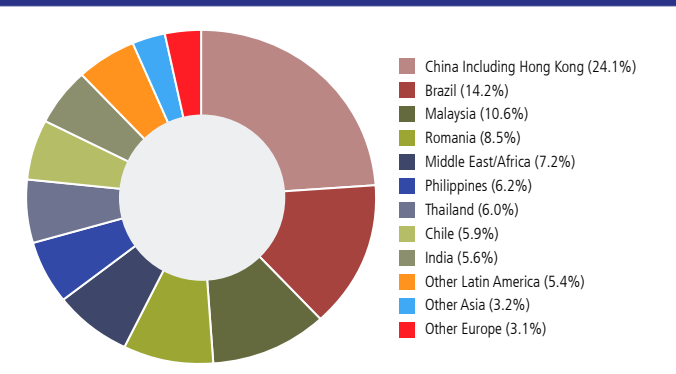
## TOP 20 HOLDINGS (on a look-through basis)

	% of gross assets
1. Malaysia Airport Holdings Berhad	6.8%
2. China Gas Holdings Ltd	6.1%
3. Eastern Water Resources Development and Management PCL	4.7%
4. Ocean Wilsons Holdings Limited	4.3%
5. International Container Terminal Services Inc.	4.0%
6. APT Satellite Holdings Limited	3.9%
7. Alupar Investimento S.A.	3.4%
8. MyEG Services Berhad	3.3%
9. Traselectrica SA	3.1%
10. Transgaz S.A.	2.5%
11. China Resources Gas Group Ltd	2.3%
12. Rumo Logistica Operadora Multimodal S.A.	2.2%
13. Gas Natural Chile S.A.	2.2%
14. Shanghai International Airport Co Ltd	2.2%
15. SJVN Limited	2.1%
16. Metro Pacific Investments Corporation	2.1%
17. Yuexiu Transport Infrastructure Limited	1.9%
18. Engie Energia Chile S.A.	1.9%
19. Transmissora Alianca de Energia Eletrica S.A.	1.8%
20. Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.	1.7%
<b>Total Top 20</b>	<b>62.5%</b>

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



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



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