

# UTILICO EMERGING MARKETS LIMITED



31 October 2010

**OBJECTIVE:** To provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets.

## ORDINARY SHARES

NAV at launch	98.37p
NAV (cum income)	178.03p
Share Price	162.25p
(Discount) / Premium to diluted NAV	(8.9%)
Annual average compound return (including dividends)	14.8%
Historic Dividend Yield	3.0%
Shares in issue	219,172,234
Ticker	UEM.L

## GROSS ASSETS BREAKDOWN

Investments and options	£ 397.3m
Cash less current liabilities	(£ 7.1m)
Gross Assets less Current Liabilities	£ 390.2m

Investments as a percentage of gross assets less current liabilities 101.8%

## CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£ 390.2m
Bank Debt	£ 0.0m
Contract For Differences net Debt	£ 0.0m
Shareholders' Funds	£ 390.2m
Effective gearing on Ordinary Shares	1.00x

## KEY DATES

Launch Date	20 July 2005
Year End	31 March
AGM Date	30 August 2010
Ex-Dividend Dates	June & December
Dividend Paid Dates	June & December
Winding up provision	To be proposed at the AGM in 2012

## MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.5%
Administration Fee	£210k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark

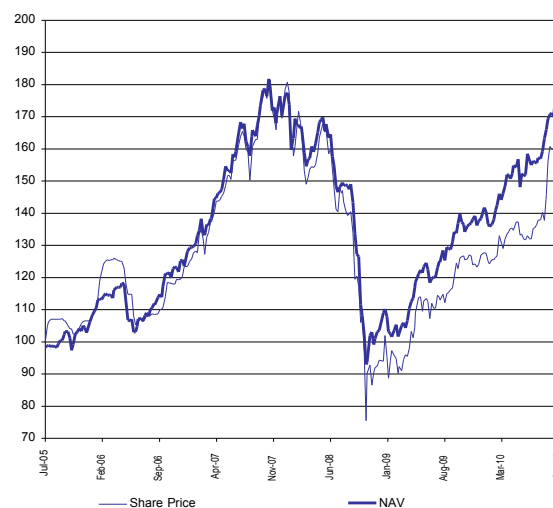
## FURTHER INFORMATION

Further information regarding Utilico Emerging Markets Limited (including copies of the company's admission document and weekly NAV releases) is available on the company's website at

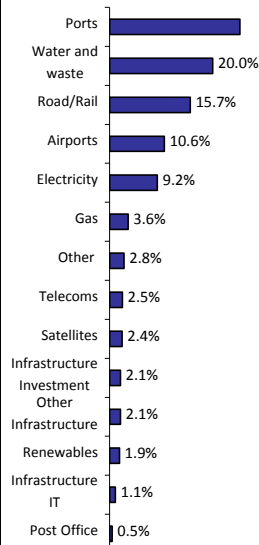
[www.uem.bm](http://www.uem.bm)

Utilico Emerging Markets Limited  
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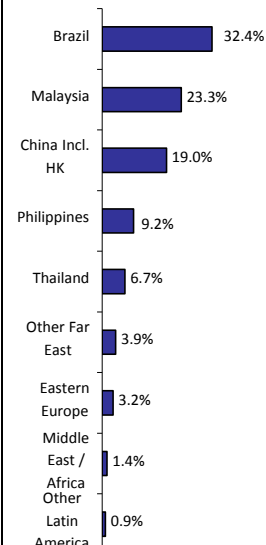
## PERFORMANCE



## SECTORAL SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



## TOP TEN HOLDINGS

1	Malaysia Airport	9.9%
2	Ocean Wilsons Holdings Limited	9.4%
3	Intl Container Terminals	8.5%
4	Eastern Water Resources PCL	6.0%
5	Puncak Niaga Holdings	4.0%
6	Cia Saneamento Minas Gerais (COPASA)	3.6%
7	Companhia de Concessoes Rodoviaras (CCR)	3.6%
8	AES Tiete SA	3.2%
9	Sichuan Expressway	2.4%
10	Santos Brasil Part	2.2%
Total Top 10		52.9%

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## MONTHLY COMMENT

### PERFORMANCE

UEM recorded another positive month in October, with the NAV increasing by 3.2%. This is in line with the MSCI EMF Index (GBP Adjusted) which gained 2.8%

Markets shrugged off continued concerns over global economic imbalances. While the Western economies are running loose monetary policies, Asian Economies are moving to tighten monetary conditions as economies show signs of imbalances.

### PORTFOLIO

October saw strong performances from the transportation infrastructure holdings within the portfolio, with International Container Terminals ("ICT"), Ocean Wilsons Holdings, Santos Brazil, and Malaysia Airports gaining 13.0%, 8.0%, 23.3%, and 6.1% respectively.

Santos Brazil's strong performance saw it enter the top 10 investments. Port stocks can represent a geared play on economic recovery, and this is particularly the case with Santos Brazil which is Brazil's largest port operator. During October it reported third quarter results which showed an increase in cargo volumes of 45.2%, leading to a growth in revenue of 47.0%, and earnings of 111.3%. Likewise, in early November ICT reported a third quarter volume increase of 21.0%, with revenue growth of 27.1% and earnings growth of 96.2%. These results illustrate the operational gearing of a port company, whereby volume and revenue movements can translate into far larger gains or losses at the net earnings line.

Results elsewhere within the portfolio continue to be encouraging.

Investments of £8.4m were made in the month, across several separate holdings and mostly outside of UEM's larger existing positions. This was funded by sales of £9.4 million as profits were taken on *inter alia* Malaysia Airport and ENN Energy (formerly known as Xinao Gas).

### DEBT & CASH

Cash balances increased from £2.7 million to £3.8 million during the month. UEM's £25 million bank facility remained undrawn.

### OTHER

UEM's Ordinary share price increased by 1.2% during October to 162.25p, and at the end of the month stood at an 8.9% discount to NAV.

## INVESTMENT TEAM

The investment manager Ingot Capital Management Pty Limited ("ICM") is primarily responsible for running the investment portfolio in conjunction with the advice received from the Executive Director.

### ICM represented by Mr Duncan Saville

Mr Saville, aged 53, is a director of UEM's investment manager, ICM. He is a chartered accountant. He is a non-executive director of Infratil Limited and Vix-ERG Limited and was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Limited.

### MR CHARLES JILLINGS (Executive Director)

Mr Jillings, aged 54, is a Director of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings is qualified as a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies. He is a director of Equest Balkan Properties plc (former Chairman) and Global Equity Risk Protection Limited. He was also until recently a director of Newtel Limited.

Assisting them are:

### MR JAMES SMITH

Mr Smith, aged 38, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 1999. Mr Smith is a barrister and a member of the Institute of Chartered Accountants in England and Wales.

### MR MARK LEBBELL

Mark Lebbell, aged 38, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institute of Electrical Engineering and Technology.

The information presented on this factsheet is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to buy and sell investments. If you are in any doubt as to the appropriate course of action, we would recommend that you consult your own independent financial adviser, stockbroker, solicitor, accountant or other professional adviser.

Past performance is no guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount they originally invested. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete.

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