

**ABOUT US:** Utilico Investments Limited is a Bermuda registered closed end investment company, listed on the London Stock Exchange. Registered No. 39480

**OBJECTIVE:** To maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.

**INVESTMENT APPROACH:** To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological, market motivation, prospective financial engineering opportunities, competition or shareholder apathy. The Company has the flexibility to make investments in a wide range of sectors and markets.

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### ORDINARY SHARES

NAV at launch of UIT	99.47p
NAV (cum income)	180.87p
Share Price	142.50p
(Discount)/Premium to Diluted NAV	(21.2%)
Annual average compound return (including dividends)*	8.7%
Historic Dividend Yield	6.8%
Shares in issue	99,157,214
Ticker	UTLL

\*Proforma based on existing capital structure at launch of UIT

ZDP SHARES	2014	2016	2018
Accrued Capital Entitlement	154.43p	154.43p	111.80p
Share Price	160.50p	167.88p	113.75p
(Discount)/Premium to NAV	3.9%	8.7%	1.7%
ZDP Cover*	3.34x	1.95x	1.43x
Yield to Redemption*	3.8%	4.5%	6.9%
ZDP Redemption Value	167.60p	192.78p	160.52p
Shares in issue	47,500,000	47,500,000	49,842,413
Ticker	UTLB.L	UTLC.L	UTLD.L

\*Based on final redemption values

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£431.2m
Bank and other Debt	£49.7m
ZDP shares 2014	£73.5m
ZDP shares 2016	£73.6m
ZDP shares 2018	£55.0m
Shareholders' Funds (Ordinary Shares)	£179.3m
	<b>£431.2m</b>
Gearing* (based on AIC definition)	142.2%

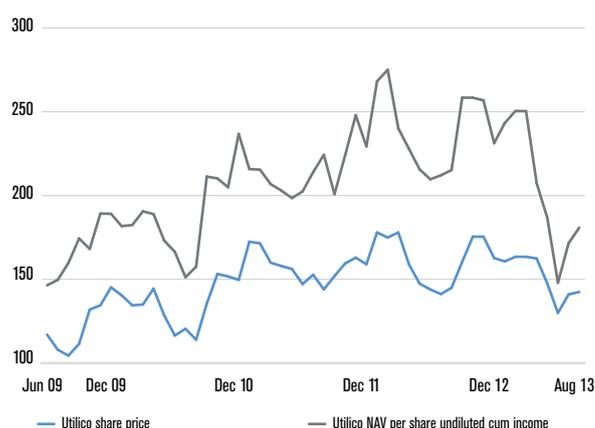
\*GEARING AIC – standardised gearing calculation as recommended by the AIC is now based on net assets

### KEY DATES

Launch Date*	Aug 2003	2014 ZDP Shares Expiry	31 Oct 14
Year End	30 June	2016 ZDP Shares Expiry	31 Oct 16
AGM Date	November	2018 ZDP Shares Expiry	31 Oct 18
Ex-Dividend Dates	August, November, February & May		
Dividend Paid Dates	September, December, March & June		

\* Utilico Investment Trust plc ("UIT") – Utilico Investments Limited's predecessor

### PERFORMANCE



### PERFORMANCE (total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	1.1%	(3.4%)	5.0%	54.4%	110.9%
Net Asset Value	5.4%	(3.1%)	(11.5%)	36.0%	120.2%

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

12 months to	Aug 13	Aug 12	Aug 11	Aug 10	Aug 09
Share Price	5.0%	5.4%	30.7%	20.6%	(44.0%)
Net Asset Value	(11.5%)	(1.0%)	(45.6%)	6.1%	(33.9%)

### INVESTMENT MANAGER

Utilico Investments Limited is managed by ICM Limited. ICM is a Bermuda company and has assets under management of £1.5bn. Further information regarding ICM Limited is available on the company's website at [www.icm.bm](http://www.icm.bm)

### TEAM

Duncan Saville  
Charles Jillings  
Jacqueline Broers  
Jonathan Grocock  
Mark Lebbell  
Ross Wilding

### BOARD

Roger Urwin  
Peter Burrows  
Michael Collier  
Susan Hansen (resigned 17 September 2013)  
Eric Stobart  
Warren McLeland (appointed 17 September 2013)

### MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.5%
Administration Fee	£295k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark





# UTILICO

## UTILICO INVESTMENTS LIMITED



### PERFORMANCE

Utilico's cum income NAV was up 5.4%, ending August at 180.87p, from 171.62p at the end of July.

Economic datapoints continue to be encouraging, supporting the widespread belief that the global economy is recovering. Of note US unemployment data continues to tick downwards, hitting 7.3% at the end of August. But economic news and its implications for the wider markets was mostly usurped by the geopolitical ramifications of the deteriorating situation in Syria and the lack of political harmony within the UN and even individual governments. Heightened expectations of Western involvement in another Middle East conflict has driven oil prices higher and seen a general increase in market volatility.

In tandem with this, developed stock market performance was mixed in August, with the S&P 500 and Eurostoxx 50 down 3.1% and 1.7% respectively, while Japan's Nikkei increased 1.6%.

EM markets were generally poor in August. Notable weakness was seen in Thailand and the Philippines, with the SET and PSEi falling 9.1% and 8.5% respectively. The KLCI (Malaysia) fell 2.5% while the Hang Seng (Hong Kong) market was broadly flat. A notable outlier here was the BOVESPA (Brazil) which increased by 3.7% in the month, continuing to rally off July lows.

However even this performance was more than offset by FX rates, with EM currencies weak across the board. Against Sterling the Brazilian Real depreciated by 6.2% in August, while Thai Baht and Philippine Peso fell 4.9% and 4.8% respectively. Exceptional weakness was seen in the Indian Rupee and Indonesian Rupiah, both of which devalued by over 10%.

Sterling also strengthened against developed markets currencies in the month, with the New Zealand Dollar depreciating by 5.0%, Australian Dollar by 2.8%, Euro by 2.8% and US Dollar 2.0%.

Commodity prices continued to recover, with gold up 5.3% to \$1,395/oz and Brent Crude Oil up 5.9% in August. Industrial metals also showed signs of improvement, with copper and iron ore up 3.1% and 7.5% respectively.

### PORTFOLIO

On a look-through basis there was one change to the top ten in August, with Seacrest replacing Jersey Electricity. Utilico has been invested in Jersey Electricity for over a decade, but has recently reduced its holding.

The improvement in commodity prices has been reflected in many mining shares, and after a strong performance in July, Resolute Mining's share price continued to strengthen, increasing by 17.3% in August. In the period Resolute released its preliminary results for the year to end-June 2013 and also a re-appraisal of its reserves and resources following the revised mine plan at Syama. This showed Resolute's share of gold reserves and resources at 3.73Moz and 7.53Moz respectively, an aggregate increase of 1.47Moz over last year.

The strength in Resolute Mining and the wider resources space was also evident in Utilico's investment in Zeta Resources, whose share price increased 24.4% during August. Zeta Resources continues to trade at a significant discount to NAV.

In New Zealand, Infratil shares were down 3.8% during the month. However this was an encouraging month for Infratil following the successful listing of (and partial exit from) Z Energy for NZ\$1.4bn. Z Energy shares firmed 3.7% in the two weeks between its IPO and end-August.

Renewable Energy Generation shares continued to strengthen, up 4.5% in the month. The share price of Utilico Emerging Markets fell 6.2% in August, including the impact of its shares going ex-dividend by 1.525p. Adjusting for this, it fell 5.3% in the month, reflecting an NAV decrease of 4.4% and a widening of the discount to 10.1%.

Purchases during the month amounted to £9.7m and realisations totalled £6.0m. This included the sale of 575,000 2018 ZDP shares at an average price of 113.50p per share.

### DEBT & CASH

Bank debt increased modestly to £50.0m, with £39.4m borrowed in Sterling and \$16m in USD. During the month the company increased its hedge against NZ\$ to NZ\$141.0m as at end-August. Other hedges were unchanged at A\$21.3m and €11.9m. The currency hedges made a positive contribution during the month.

### OTHER

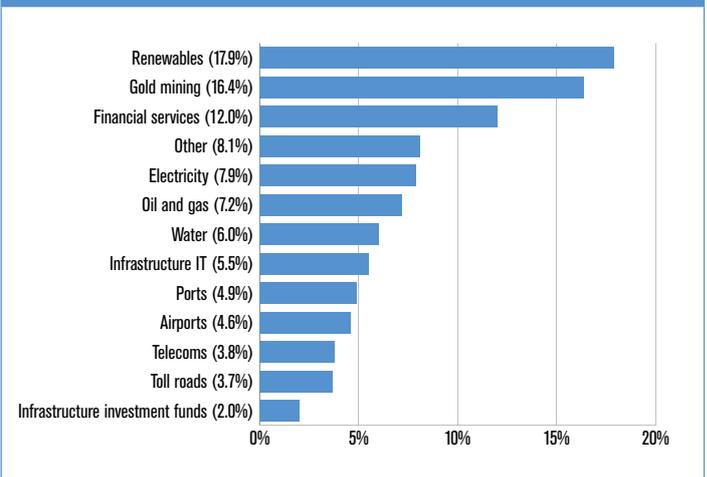
Utilico's ordinary share price increased 1.1% in August, to 142.50p. The discount to the NAV widened further to 21.2%.

There were gains of 0.4% and 1.0% in the share prices of the 2014 and 2016 ZDP shares respectively. The 2018 ZDP shares were unchanged.

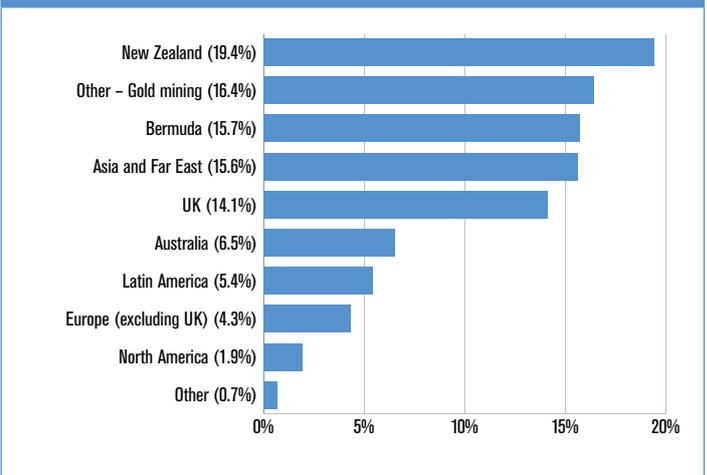
### TOP TEN HOLDINGS ON A LOOK THROUGH BASIS

	% of gross assets
1 Resolute Mining Limited	15.7%
2 Bermuda National Limited	9.6%
3 TrustPower	9.3%
4 Renewable Energy Generation Limited	4.5%
5 Vix Group (unlisted)	4.2%
6 Infratil Energy Australia	3.3%
7 Wellington International Airport	2.6%
8 Z Energy	2.5%
9 Seacrest Limited	2.2%
10 NZ Bus	2.0%
<b>Total Top 10</b>	<b>55.9%</b>

### SECTORAL SPLIT OF INVESTMENTS



### GEOGRAPHICAL SPLIT OF INVESTMENTS



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