

**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.

## June 2014

ORDINARY SHARES	
NAV at launch of UIT	99.47p
NAV (cum income)	165.53p
Share Price	128.00p
(Discount)/Premium to diluted NAV	(22.7%)
Annual average compound return (including dividends)*	7.8%
Historic Dividend Yield	7.3%
Shares in issue	99,157,214
Ticker	UTL.L

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

ZDP SHARES	2014	2016	2018
Accrued Capital Entitlement	163.70p	163.70p	118.50p
Share Price	166.25p	177.13p	128.25p
(Discount)/Premium to NAV	1.6%	8.2%	8.2%
ZDP Cover*	3.96x	2.08x	1.47x
Yield to Redemption*	2.4%	3.7%	5.3%
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

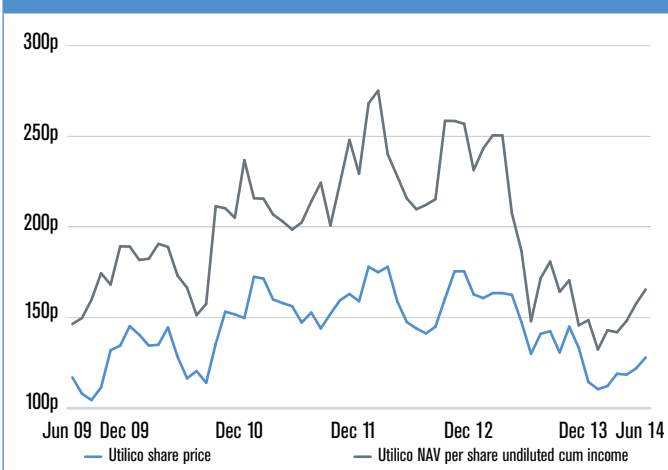
CAPITAL STRUCTURE	
Gross Assets less Current Liabilities	£402.8m
Bank and other Debt	£24.5m
ZDP shares 2014	£77.9m
ZDP shares 2016	£77.9m
ZDP shares 2018	£58.4m
Shareholders' Funds (Ordinary Shares)	£164.1m
	£402.8m
Gearing* (based on AIC definition)	145.4%

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

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

\* 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	4.9%	9.1%	5.7%	4.5%	105.0%
Net Asset Value	5.0%	18.0%	18.2%	(5.5%)	114.2%

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

12 months to	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10
Share Price	5.7%	(3.0%)	2.4%	30.7%	9.8%
Net Asset Value	18.2%	(24.8%)	6.9%	24.7%	21.8%

## 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

Charles Jillings  
Duncan Saville  
Jacqueline Broers  
Jonathan Grocock  
Mark Lebbell

## BOARD

Roger Urwin  
Peter Burrows  
Michael Collier  
Warren McLeland  
Eric Stobart

## MANAGEMENT & ADMINISTRATIVE FEES

Investment Adviser Fee	0.25%
Administration Fee	£295k
Performance Fee	15% of the outperformance over benchmark subject to "high water" mark



**FURTHER INFORMATION** regarding Utilico Investments Limited is available on the Company's website at: [www.utilico.bm](http://www.utilico.bm)

## PERFORMANCE

Utilico's cum income NAV was up 5.0% during June, from 157.71p at the end of May to 165.53p at the end of June. This performance was ahead of the FTSE All Share Index, which declined by 1.3% over the same period.

The US stock markets hit record highs again in June although most European markets were weaker.

Concerns over the potential for deflation in the Eurozone caused the European Central Bank ("ECB") to cut its benchmark interest rate during the month from 0.25% to 0.15% and open a €400m liquidity channel. The ECB's deposit rate was cut to negative 0.1%.

In the US, Federal Reserve Chair Janet Yellen reiterated that she expects interest rates to stay low "for a considerable time" after the end of the Fed's asset purchase programme. The tapering of the QE programme continues. It was announced that asset purchases would total US\$35bn in July, down from US\$45bn in June.

China's economy appears to be picking up, with the Chinese manufacturing PMI moving to 50.7 in June, from 49.4 in May. This is the first report this year above 50, indicating expansion.

There are increased tensions in the Middle East, with insurgent group ISIS making territorial gains in Iraq and rising tensions between Israelis and Palestinians.

The US markets performed well with the S&P 500 up 1.9%. In contrast, most European indices declined in June. The FTSE 100 fell 1.5%, the German DAX index fell 1.1% and France's CAC-40 fell 2.1%.

Sterling was stronger against all of the major market currencies, with the exception of the New Zealand Dollar, which gained 0.9% against Sterling. The US Dollar slipped 1.9% against the Pound, to end the month at 1.7098. Sterling gained 1.6% against the Euro and 0.5% against the Australian Dollar.

Commodity prices were generally stronger, with gold up 6.2% in USD terms, Brent Crude Oil firming up by 2.7% and copper up by 2.1% over the month.

## PORTFOLIO

The constituents of the top ten were unchanged during the month. Five of the holdings in the top ten posted share price gains during the month, two were down and three were unchanged.

Zeta Resources share price, which is listed on the Australian Stock Exchange, rose 6.5% to end June at A\$0.66 per share. Zeta's NAV rose 9.8% during June, to end the month at 95.53c per share. The share price discount to the NAV was therefore 30.9% at the end of June.

The share price of Somers Limited, which is listed on the Bermuda Stock Exchange, rose 3.6% in the month. Somers released interim results during the month, with the company's two main subsidiaries, Bermuda Commercial Bank and Waverton Investment Management (formerly J O Hambro Investment Management) both reporting strong results for the six months to 31 March.

The share price of Utilico Emerging Markets was unchanged in the month, although the company reported a 3.4% gain in its NAV. At the end of June, UEM represented 26.6% of Utilico's gross assets. Since the month end, Utilico has placed out 13,835,424 shares into the market and after this sale, UEM will represent approximately 21% of Utilico's gross assets, which we believe is an appropriate level of concentration within Utilico's portfolio. The proceeds will be primarily used to repay bank debt in the short term.

Resolute Mining was up 3.4% in the month and Infratil rose 0.6%. There were declines of 7.2% in Renewable Energy Generation and 1.1% in Augean.

Purchases during the month amounted to £2.3m and realisations totalled £0.4m.

## DEBT & CASH

Bank debt was slightly down on the month at £22.2m and was drawn as £15.0m in Sterling, £2.6m in NZ Dollar and £4.8m in US Dollar. Utilico paid a quarterly dividend of 1.875p on 13 June 2014 to shareholders on the register as at 30 May.

## OTHER

Utilico's ordinary share price rose 4.9%, broadly in line with the NAV performance, and hence the discount of 22.7% was little changed compared to the end of May.

There were gains of 0.8%, 0.7% and 4.9% in the share prices of the 2014, 2016 and 2018 ZDP shares respectively.

Utilico Finance Limited issued a prospectus detailing plans to issue up to 25m of a new class of 2020 ZDP shares. This is available on Utilico's website.

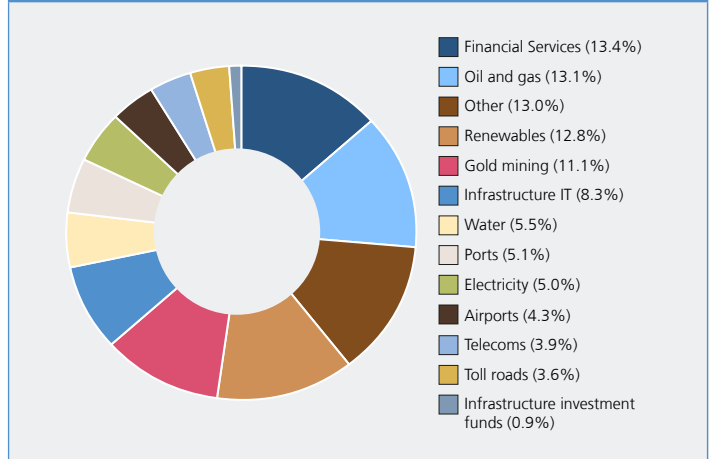
2014 ZDP holders will, subject to availability, be able to elect to roll all or some of their holdings into the new class of 2020 ZDP shares. There will also be a placing of 2020 ZDP shares not taken up by 2014 ZDP holders participating in the rollover offer. The 2020 ZDP shares will have an initial capital entitlement of 100p and a final capital entitlement of 154.90p on 31 October 2020, a GRY of 7.25%.

Utilico Finance Limited may also place up to 10m new 2016 and 10m new 2018 ZDP shares subject to a cover of 1.5x on the 2016 and 2018 ZDP shares and 1.35x on the 2020 ZDP shares.

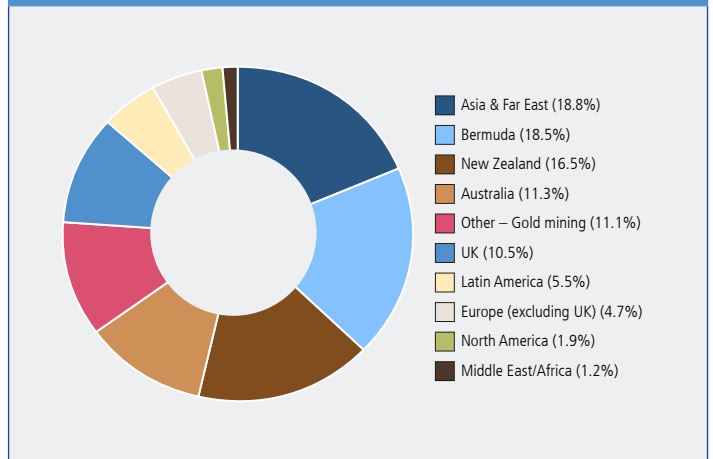
## TOP TEN HOLDINGS

	% of gross assets
1 Utilico Emerging Markets Limited	26.6%
2 Infratil Limited	15.3%
3 Somers Limited	11.1%
4 Resolute Mining Limited	10.1%
5 Zeta Resources Limited	9.0%
6 Vix Group (unlisted)	7.7%
7 Bermuda First Investment Company Limited	3.7%
8 Renewable Energy Generation Limited	2.6%
9 Augean plc	2.2%
10 Seacrest Limited	1.9%
<b>Total Top 10</b>	<b>90.2%</b>

## SECTOR SPLIT OF INVESTMENTS



## GEOGRAPHICAL SPLIT OF INVESTMENTS



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