

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.

May 2014

ORDINARY SHARES	
NAV at launch of UIT	99.47p
NAV (cum income)	157.71p
Share Price	122.00p
(Discount)/Premium to diluted NAV	(22.6%)
Annual average compound return (including dividends)*	7.5%
Historic Dividend Yield	7.7%
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	162.73p	162.73p	117.80p
Share Price	165.00p	175.88p	122.25p
(Discount)/Premium to NAV	1.4%	8.1%	3.8%
ZDP Cover*	3.84x	2.02x	1.43x
Yield to Redemption*	3.8%	3.9%	6.4%
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

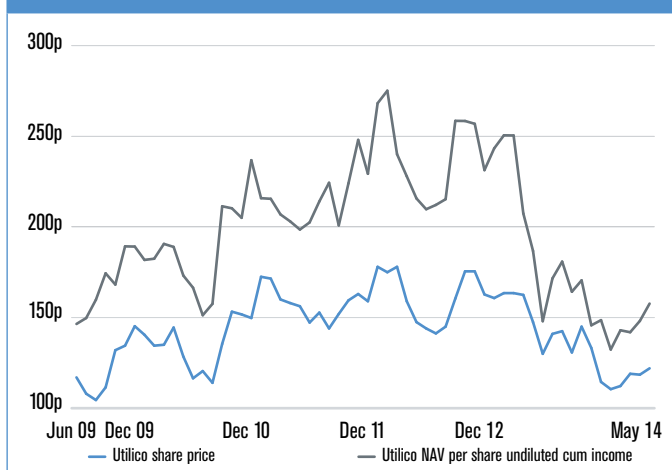
CAPITAL STRUCTURE	
Gross Assets less Current Liabilities	£391.6m
Bank and other Debt	£22.3m
ZDP shares 2014	£77.4m
ZDP shares 2016	£77.4m
ZDP shares 2018	£58.1m
Shareholders' Funds (Ordinary Shares)	£156.4m
	£391.6m
Gearing* (based on AIC definition)	150.4%

*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	4.5%	12.0%	(10.9%)	(5.4%)	97.9%
Net Asset Value	7.7%	12.9%	(10.5%)	(7.5%)	106.4%

ROLLING 12 MONTH PERFORMANCE (total return including dividends)

12 months to	May 14	May 13	May 12	May 11	May 10
Share Price	(10.9%)	6.6%	(1.3%)	25.5%	51.9%
Net Asset Value	(10.5%)	(8.9%)	12.0%	17.5%	24.6%

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

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

PERFORMANCE

Utilico's cum income NAV was up 6.4% during May from 148.16p to 157.71p. This was ahead of the 1.4% increase in the FTSE All-Share Total Return.

Developed market economies continue to improve slowly, with the US payrolls reaching 138.5m in May, finally surpassing the previous peak level of employment set in January 2008. While concerns continue to be voiced over rate of expansion in the housing market, the UK recovery looks increasingly broad-based, with manufacturing expanding by 4.4% in the year to end-April, and industrial production up 3.0%. Europe continues to see weak economic activity, with Mario Draghi taking the symbolic step after the period end of cutting the deposit rate for banks to -0.1% to stimulate lending and boost growth.

Emerging markets have seen several significant moves, notably the victory of Narendra Modi of the BJP party in the Indian elections. With majority representation and a mandate for sweeping economic reform, there are great expectations that Modi can kick-start the Indian economy after several years of stagnation. In China the manufacturing PMI rebounded from 48.1 in April to 49.7 in May, and the Chinese government signed a landmark natural gas agreement with Russia. By comparison there has been continued troubles in Thailand, with the Thai Army seizing power, while in Brazil there has been continued clashes with protestors in the run-up to the World Cup and growing concerns over power rationing.

In May many of the major markets continued to strengthen, with the S&P 500 up 2.1%, the Eurostoxx 50 up 1.4%, and the Nikkei up 2.3%. The Emerging Markets were more mixed, with the likes of the Bovespa index (Brazil) falling 0.8%, but with some very strong performances with the Sensex (India) up 8.0% and Hang Seng (Hong Kong) up 4.3%.

Sterling weakened against most major currencies with the notable exceptions of the Euro and New Zealand Dollar, against which it strengthened 0.9% and 0.7% respectively. By comparison USD strengthened by 0.7%, and the Australian Dollar by 1.1% against Sterling.

Commodity prices were mixed, with gold falling 3.2% in USD terms but Brent Crude Oil firming up by 1.2% and copper by 3.1% over the month.

PORTFOLIO

There was one change to the top ten holdings in May, with Seacrest replacing RHJ International. This was due to a mark-up in the valuation of Seacrest, with no new investment or disinvestment in these companies. Seacrest is a privately-owned Bermuda-based oil & gas exploration company which Utilico has been invested in since 2012. Seacrest has interests in 49 licences focused on basins in the North Sea, Namibia and the Celtic Sea, which are being developed with partners including Repsol, Talisman Energy and Woodside Petroleum, and has license applications pending in South East Asia and the Bay of Bengal.

Zeta Resources shares strengthened by 10.7% in May, a reflection of a 6.1% increase in net tangible asset value and a narrowing of the discount to NTA to 28.7%. In New Zealand, Infratil shares increased by 6.6% during the period following the announcement of a strategic review of its investments in Lumo Energy and Direct Connect Australia, which would seek to maximise return on investment on these businesses, including the possibility of an outright sale. Following the successful IPO of Z Energy in August 2013 the market has started to recognise the potential realisable value within Infratil's portfolio of assets. Somers and Augean shares both increased by 5.8% during the period.

Resolute Mining's share price fell 1.7% in May, reflecting weakness in the gold price. UEM shares also declined modestly by 0.8% in the month. There was no change in the share prices of Bermuda First Investment Company and Renewable Energy Generation during the period.

Purchases during the month amounted to £5.6m and realisations totalled £1.3m.

DEBT & CASH

Bank debt was broadly flat on last month at £22.3m, and was drawn as £17.5m in Sterling and £8.0m in USD. At month end, the company had hedges against NZ\$141.0m, AU\$20.0m and €11.9m.

OTHER

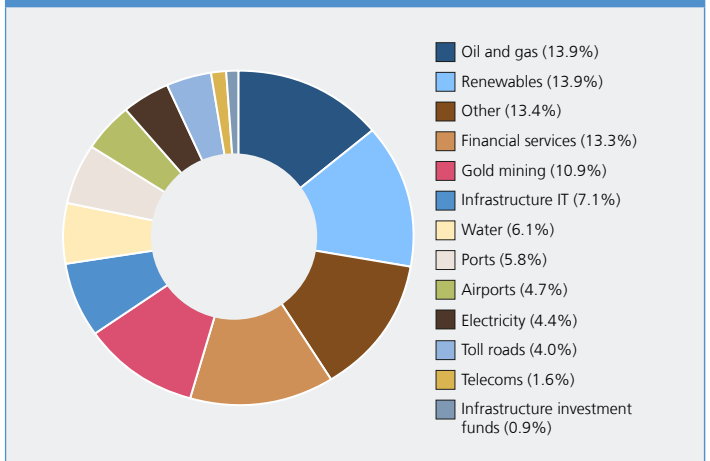
Utilico's ordinary share price increased 3.0% during May, to 122.00p. The discount to NAV widened to 22.6%.

There were gains of 0.2%, 0.5% and 3.8% in the share prices of the 2014, 2016 and 2018 ZDP shares respectively.

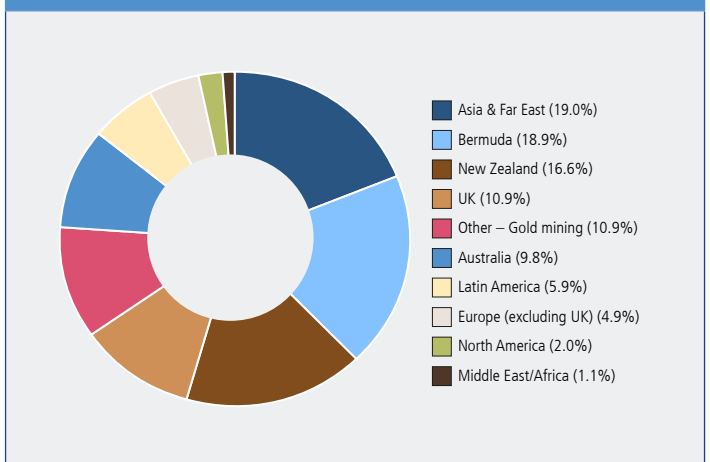
TOP TEN HOLDINGS

	% of gross assets
1 Utilico Emerging Markets Limited	27.0%
2 Infratil Limited	15.4%
3 Somers Limited	11.2%
4 Resolute Mining Limited	10.0%
5 Zeta Resources Limited	8.5%
6 Vix Group (unlisted)	6.4%
7 Bermuda First Investment Company Limited	3.9%
8 Renewable Energy Generation Limited	2.9%
9 Augean plc	2.3%
10 Seacrest Limited	1.9%
Total Top 10	89.5%

SECTOR SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



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