

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (the **FSMA**) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

A copy of this document, which comprises a prospectus in relation to Utilico Emerging Markets Trust plc (the **Company**) prepared in accordance with the Listing Rules of the UK Listing Authority (**UKLA**) and the Prospectus Rules of the Financial Conduct Authority (**FCA**) made pursuant to section 73A of the Financial Services and Markets Act 2000, as amended, has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the UKLA and the London Stock Exchange for all the Shares issued and to be issued pursuant to the Scheme to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities respectively. It is expected that Admission will become effective, and dealings therein will commence at 8.00 a.m. on 3 April 2018.

The Company and its Directors, whose names appear on page 34 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

# Utilico Emerging Markets Trust plc

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 11102129  
and registered as an investment company under section 833 of the Companies Act 2006)*

## Issue of up to 239,271,920 Shares pursuant to a Scheme of Arrangement under section 99 of the Bermuda Companies Act 1981 in respect of Utilico Emerging Markets Limited

**AIFM and Joint Portfolio Manager**  
ICM Investment Management Limited

**Joint Portfolio Manager**  
ICM Limited

**Sponsor**  
Dickson Minto W.S.

No action has been taken to permit the distribution of this Prospectus or any offer of the Shares in any jurisdiction other than the United Kingdom. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or purchase, Shares in any jurisdiction in which such offer or solicitation is unlawful and is not for distribution in or into Australia, Canada, Japan, or the Republic of South Africa. In particular, none of the Shares have been or will be registered under the applicable securities laws of Australia, Canada, Japan, or the Republic of South Africa and, subject to certain exceptions, may not be offered or sold directly or indirectly in or into Australia, Canada, Japan, or the Republic of South Africa or to any person resident in Australia, Canada, Japan, or the Republic of South Africa.

This Prospectus may not be published, distributed or transmitted by means or media, directly or indirectly in whole or in part, in or into the United States. These materials do not constitute an offer to sell, or a solicitation or an offer to buy, securities in the United States or to, or for the account or benefit of any US person (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the **US Securities Act**) (a **US Person**).

The Shares issued and/or to be issued pursuant to this Prospectus have not been and will not be registered under the US Securities Act or under the applicable state securities laws of the United States and may not be offered or sold directly or indirectly in or into the United States or to or for the account or benefit of any US Person absent: (i) registration under the US Securities Act; or (ii) an available exemption from registration under the US Securities Act. In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended (the **US Investment Company Act**).

**UEM Bermuda Shareholders should read the accompanying Scheme Circular for instructions as to how to exercise their voting rights in respect of the Scheme.**

Dickson Minto W.S. (**Dickson Minto**), which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company exclusively and for no one else in connection with the Issue and Admission. Dickson Minto will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the Issue, the Scheme or any other matter referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto by the FCA or FSMA or the regulatory regime established thereunder, Dickson Minto accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Joint Portfolio Managers, the Shares, the Issue, the Scheme or Admission and nothing in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Dickson Minto accordingly, to the fullest extent permissible by law, disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have to any person, other than the Company, in respect of this Prospectus or any such statement.

Your attention is drawn to pages 18 to 28 of this Prospectus, which set out the material risk factors associated with an investment in securities of the Company.

This Prospectus is dated 23 February 2018.

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## SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

<b>Section A – Introductions and Warnings</b>		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
<b>A.1</b>	<b>Warning</b>	<p>This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the European Union Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<b>A.2</b>	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>Not applicable. No consent has been given by the issuer or any person responsible for drawing up this Prospectus for the subsequent resale or final placement of securities by or through financial intermediaries.</p>

<b>Section B – Issuer</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>B.1</b>	Legal and commercial name	<p>The issuer's legal and commercial name is Utilico Emerging Markets Trust plc.</p>
<b>B.2</b>	Domicile and legal form	<p>The Company was incorporated in England and Wales on 7 December 2017 with registered number 11102129 as a public limited company under the UK Companies Act 2006 Act, as amended.</p>
<b>B.5</b>	Group description	<p>As at the date of this Prospectus, the Company does not have any subsidiaries or subsidiary undertakings. Upon implementation of the scheme of arrangement of Utilico Emerging Markets Limited (<b>UEM Bermuda</b>) under section 99 of the Bermuda Companies Act 1981 pursuant to which ordinary shareholders of UEM Bermuda will be issued with ordinary shares in the Company in place of their existing holdings of ordinary shares of UEM Bermuda, the Company will acquire the entire issued share capital of UEM Bermuda, together with its subsidiary undertakings, details of which are set out below (the <b>UEM Bermuda Group</b>).</p> <p>UEM Bermuda has a wholly owned subsidiary in Mauritius, Utilico Emerging Markets (Mauritius) (<b>UEM Mauritius</b>) which facilitates UEM's Bermuda direct investments in India and a wholly owned subsidiary in Hong Kong, UEM (HK) Limited (<b>UEM HK</b>) which facilitates direct investments into China.</p>

		UEM Bermuda also holds shares linked to a segregated account in Global Equity Risk Protection Limited, an unquoted exempted company incorporated in Bermuda and registered as a segregated accounts company ( <b>GERP</b> ). This account which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of UEM Bermuda. In accordance with IFRS, the segregated account in GERP is classified as a subsidiary of UEM Bermuda and its financial results are included within the accounts of the UEM Bermuda Group.																																				
<b>B.6</b>	Major shareholders	<p>As at the date of this Prospectus, the Company is controlled by ICM Limited as the sole shareholder of the Company.</p> <p>There are 28,865,465 subscription shares in issue in the capital of UEM Bermuda (<b>UEM Bermuda Subscription Shares</b>) as at the date of this Prospectus.</p> <p>The final date for UEM Bermuda's Subscription Shareholders to exercise their subscription share rights attaching to the UEM Bermuda Subscription Shares is 28 February 2018 (the <b>Final Subscription Date</b>). The UEM Bermuda Ordinary Shares issued pursuant to the exercise of the outstanding subscription share rights will be issued prior to the implementation of the Scheme.</p> <p>As at the date of this Prospectus, on the basis that no UEM Bermuda Ordinary Shares are issued pursuant to the exercise of the outstanding subscription shares rights attaching to the UEM Bermuda Subscription Shares (the <b>Subscription Share Rights</b>), insofar as is known to the Company, the Company's major shareholders are expected to be as follows:</p> <table> <thead> <tr> <th>Shareholder</th> <th>Ordinary Shares held</th> <th>% holding</th> </tr> </thead> <tbody> <tr> <td>UIL Limited</td> <td>31,431,037</td> <td>14.9</td> </tr> <tr> <td>Lazard Asset Management LLC</td> <td>20,957,317</td> <td>10.0</td> </tr> <tr> <td>Bank of Montreal</td> <td>21,558,982</td> <td>10.2</td> </tr> <tr> <td>Investec Wealth &amp; Investment Limited</td> <td>10,293,426</td> <td>4.9</td> </tr> <tr> <td>Rathbone Investment Management Limited</td> <td>10,728,364</td> <td>5.1</td> </tr> </tbody> </table> <p>As at the date of this Prospectus on the basis that all of the outstanding Subscription Share Rights are exercised (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee) and none of the entities listed below holds or exercises any Subscription Share Rights, insofar as is known to the Company, the Company's major shareholders are expected to be as follows:</p> <table> <thead> <tr> <th>Shareholder</th> <th>Ordinary Shares held</th> <th>% holding</th> </tr> </thead> <tbody> <tr> <td>UIL Limited</td> <td>31,431,037</td> <td>13.1</td> </tr> <tr> <td>Lazard Asset Management LLC</td> <td>20,957,317</td> <td>8.8</td> </tr> <tr> <td>Bank of Montreal</td> <td>21,558,982</td> <td>9.0</td> </tr> <tr> <td>Investec Wealth &amp; Investment Limited</td> <td>10,293,426</td> <td>4.3</td> </tr> <tr> <td>Rathbone Investment Management Limited</td> <td>10,728,364</td> <td>4.5</td> </tr> </tbody> </table> <p>All Shareholders will have the same voting rights in respect of the share capital of the Company.</p> <p>The Company and the Directors are not aware of any person who will, directly or indirectly, jointly or severally, exercise or could exercise control over the Company on Admission.</p>	Shareholder	Ordinary Shares held	% holding	UIL Limited	31,431,037	14.9	Lazard Asset Management LLC	20,957,317	10.0	Bank of Montreal	21,558,982	10.2	Investec Wealth & Investment Limited	10,293,426	4.9	Rathbone Investment Management Limited	10,728,364	5.1	Shareholder	Ordinary Shares held	% holding	UIL Limited	31,431,037	13.1	Lazard Asset Management LLC	20,957,317	8.8	Bank of Montreal	21,558,982	9.0	Investec Wealth & Investment Limited	10,293,426	4.3	Rathbone Investment Management Limited	10,728,364	4.5
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<b>B.7</b>	Historical financial information	Not applicable. The Company has not commenced operations and no financial statements have been made up as at the date of this Prospectus.																																				
<b>B.8</b>	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information has been included in this Prospectus.																																				
<b>B.9</b>	Profit forecast	Not applicable. There are no profit forecasts included within this Prospectus.																																				

<b>B.10</b>	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company is newly incorporated and has no historical information.																																																																		
<b>B.11</b>	Working capital insufficiency	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, which is for at least the next 12 months from the date of this Prospectus.																																																																		
<b>B.12</b>	Historical financial information relating to the UEM Bermuda Group	<p>Given that the Company will acquire the assets and liabilities of the UEM Bermuda Group, key financial information in respect of the UEM Bermuda Group has been included within this document.</p> <p>The selected historical financial information regarding the UEM Bermuda Group set out below has been extracted directly on a straightforward basis from the unaudited half-yearly reports of the UEM Bermuda Group for the six month periods ended 30 September 2016 and 2017 and from the audited annual report and accounts of the UEM Bermuda Group for the years ended 31 March 2015, 2016 and 2017.</p> <table> <thead> <tr> <th></th> <th>2015 Annual Accounts (audited)</th> <th>2016 Annual Accounts (audited)</th> <th>2017 Annual Accounts (audited)</th> <th>2016 Interim Accounts (unaudited)</th> <th>2017 Interim Accounts (unaudited)</th> </tr> </thead> <tbody> <tr> <td>Net Assets (basic) (£'m)</td> <td>447.4</td> <td>436.6</td> <td>532.2</td> <td>503.2</td> <td>561.8</td> </tr> <tr> <td>Net Assets (diluted) (£'m)</td> <td>N/A</td> <td>514.5</td> <td>601.4</td> <td>574.8</td> <td>623.6</td> </tr> <tr> <td>Net Asset Value per Ordinary Share (basic) (pence)</td> <td>209.79</td> <td>206.45</td> <td>251.72</td> <td>234.10</td> <td>261.04</td> </tr> <tr> <td>Net Asset Value per Ordinary share (diluted) (pence)</td> <td>N/A</td> <td>202.52</td> <td>241.29</td> <td>226.23</td> <td>250.46</td> </tr> <tr> <td>Total income (£'000)</td> <td>59,861</td> <td>11,769</td> <td>129,887</td> <td>77,433</td> <td>35,403</td> </tr> <tr> <td>Profit/(loss) before taxation (£'000)</td> <td>51,176</td> <td>6,890</td> <td>114,907</td> <td>69,050</td> <td>32,664</td> </tr> <tr> <td>Profit/(loss) for the period (£'000)</td> <td>50,134</td> <td>5,810</td> <td>110,784</td> <td>67,120</td> <td>29,956</td> </tr> <tr> <td>Earnings/(loss) per Ordinary Share (basic) (pence)</td> <td>23.51</td> <td>2.73</td> <td>52.26</td> <td>31.67</td> <td>14.13</td> </tr> <tr> <td>Earnings/(loss) per Ordinary Share (diluted) (pence)</td> <td>N/A</td> <td>2.73</td> <td>51.60</td> <td>31.45</td> <td>13.72</td> </tr> <tr> <td>Dividend per Ordinary Share (pence)</td> <td>6.10</td> <td>6.40</td> <td>6.65</td> <td>3.25</td> <td>3.40</td> </tr> </tbody> </table> <p>As at the date of this Prospectus, there has been no significant change in the financial or trading position of the UEM Bermuda Group since 30 September 2017 (being the end of the last interim financial period for which unaudited financial information has been published) save for a third quarterly interim dividend of 1.80 pence per UEM Bermuda Ordinary Share which has been declared and which will be paid on 1 March 2018 to UEM Bermuda Ordinary Shareholders on the register on 16 February 2018. As set out in the half yearly report of UEM Bermuda for the six months ended 30 September 2017, in the absence of unforeseen circumstances, the directors of UEM Bermuda intended to declare a dividend for the fourth quarter of the financial year ending 31 March 2018 of 1.80 pence per UEM Bermuda Ordinary Share. This dividend would typically have been paid in June 2018. However, in light of the Reorganisation Proposal and the expected timeframe for the Company to complete the proposed capital reduction to create a distributable reserve, the UEM Bermuda Directors have decided to bring the payment of that dividend forward and today declared a fourth quarterly interim dividend of 1.80p per UEM Bermuda Ordinary Share in respect of the year ending 31 March 2018. This fourth quarterly dividend will be paid on 13 April 2018 to UEM Bermuda Ordinary Shareholders on the register on 23 March 2018. Accordingly, it is expected</p>		2015 Annual Accounts (audited)	2016 Annual Accounts (audited)	2017 Annual Accounts (audited)	2016 Interim Accounts (unaudited)	2017 Interim Accounts (unaudited)	Net Assets (basic) (£'m)	447.4	436.6	532.2	503.2	561.8	Net Assets (diluted) (£'m)	N/A	514.5	601.4	574.8	623.6	Net Asset Value per Ordinary Share (basic) (pence)	209.79	206.45	251.72	234.10	261.04	Net Asset Value per Ordinary share (diluted) (pence)	N/A	202.52	241.29	226.23	250.46	Total income (£'000)	59,861	11,769	129,887	77,433	35,403	Profit/(loss) before taxation (£'000)	51,176	6,890	114,907	69,050	32,664	Profit/(loss) for the period (£'000)	50,134	5,810	110,784	67,120	29,956	Earnings/(loss) per Ordinary Share (basic) (pence)	23.51	2.73	52.26	31.67	14.13	Earnings/(loss) per Ordinary Share (diluted) (pence)	N/A	2.73	51.60	31.45	13.72	Dividend per Ordinary Share (pence)	6.10	6.40	6.65	3.25	3.40
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		that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the Directors in August 2018 for payment in September 2018.
<b>B.34</b>	Investment policy	<p>The Company has been established for the specific purpose of carrying on the existing business and operations of UEM Bermuda upon the Scheme becoming effective and implemented in accordance with its terms and its investment objective and investment policy will be the same as those of UEM Bermuda, as set out below.</p> <p><b>Investment objective</b></p> <p>The Company's investment objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.</p> <p><b>Investment policy</b></p> <p>The Company's investment policy is flexible and its investments will include (but are not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.</p> <p>The Company will focus on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but have the flexibility to invest in markets worldwide. The Company will generally seek to invest in emerging market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.</p> <p>The Company will have the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.</p> <p>The Company may also use derivative instruments such as American Depository Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options, warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments. These investments will be long term in nature.</p> <p><i>Investment restrictions</i></p> <p>The Board has prescribed the following restrictions on the investment policy, all of which are at the time of investment unless otherwise stated:</p> <ul style="list-style-type: none"> <li>• Investments in unquoted and untraded investments in aggregate must not exceed 10 per cent. of Gross Assets at the time of investment. This restriction will not apply to the Company's holding of shares linked to a segregated account of Global Equity Risk Protection Limited (<b>GERP</b>), an unquoted Bermuda segregated accounts company;</li> <li>• No single investment (including any investment by the Company in GERP) may exceed 20 per cent. of Gross Assets at the time of investment;</li> <li>• Investments other than in infrastructure, utility and related companies (including the Company's investment in GERP) must not exceed 20 per cent. of Gross Assets at the time of investment;</li> <li>• Investments in a single country must not exceed 50 per cent. of Gross Assets at the time of investment (and for these purposes investments will be considered to have been made in the countries where the</li> </ul>

		<p>relevant investee company reports that it carries out its business operations, as determined on a look-through basis);</p> <ul style="list-style-type: none"> <li>Not more than 10 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List);</li> <li>Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such funds more than 15 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made; and</li> <li>Equity markets derivative transactions will be carried out by GERP on behalf of the Company to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50 per cent. of the value of the Company's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.</li> </ul> <p>The above limits only apply at the time the investment is made and the Company will not be required to realise any assets or rebalance the Portfolio where any limit is exceeded as a result of any increases or decreases in the valuation of the particular assets which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant limit can again be complied with.</p> <p>Shareholders will be informed in the annual report and accounts of the Company of the actions taken by the Joint Portfolio Managers in the event of any breach of the above investment restrictions.</p> <p><i>Borrowing and gearing policy</i></p> <p>The Company may use bank borrowings for short-term liquidity purposes. In addition, the Board may gear the Company by borrowing on a longer term basis for investment purposes.</p> <p>The Board has set a current limit on gearing (being total borrowings measured against Gross Assets and excluding any portfolio gearing provided through the Company's investment in GERP) not exceeding 25 per cent. at the time of drawdown.</p> <p>Borrowings may be drawn down in Sterling, US Dollars or any currency for which there are corresponding assets within the Portfolio (at the time of drawdown the value drawn must not exceed the value of the relevant assets in the Portfolio).</p> <p><i>Changes to the Company's investment policy</i></p> <p>As required by the Listing Rules, there will be no material change to the Company's published investment policy (including the investment limits) without the prior approval of the FCA and Shareholders by the passing of an ordinary resolution.</p>
B.35	Borrowing limits	Under the Articles, the Company is permitted to borrow an aggregate amount equal to 25 per cent. of Gross Assets.
B.36	Regulatory status	The Company is incorporated and operates under the Companies Act 2006. The Company is not authorised or regulated as a collective investment scheme by the FCA. From Admission, it will be subject to the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange.

		<p>The Company is registered as an investment company under section 833 of the Companies Act 2006 and intends to carry on its business so that it qualifies for approval as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010 at all times.</p> <p>The Company is an alternative investment fund in the context of the AIFM Directive, and has appointed ICM Investment Management Limited as its alternative investment fund manager.</p>
<b>B.37</b>	Typical investor	<p>An investment in the Company is intended for institutional or high net worth/sophisticated investors who are seeking exposure to the infrastructure, utility and related sectors in Emerging Markets through a relatively concentrated portfolio of investments and are aware of the risks, including the potential volatility of investing in Emerging Markets. An investor must be able to accept the possibility of losses and an investment in the Company is only intended for investors who can afford to set aside the invested capital for a number of years.</p>
<b>B.38</b>	Investment of 20 per cent. or more in single underlying asset or investment company	<p>Not applicable. The Company will not have any investments which individually constitute 20 per cent. or more of the Gross Assets of the Company on Admission.</p>
<b>B.39</b>	Investment of 40 per cent. or more in single underlying asset or investment company	<p>Not applicable. The Company will not have any investments which individually constitute 40 per cent. or more of the Gross Assets of the Company on Admission.</p>
<b>B.40</b>	Applicant's service providers	<p><b>AIFM and Joint Portfolio Managers</b></p> <p>Pursuant to the novation and amendment of the existing management agreement dated 31 March 2015 made between UEM Bermuda, ICM Investment Management Limited (<b>ICMIM</b>) and ICM Limited (<b>ICM</b>), as amended by supplemental agreements respectively dated 19 June 2015, 30 June 2017 and 22 December 2017 (the <b>Novated and Amended Management Agreement</b>), ICMIM will act as the Company's alternative investment fund manager (<b>AIFM</b>) with sole responsibility for risk management and both ICMIM and ICM will act as joint portfolio managers of the Company (together the <b>Joint Portfolio Managers</b>). ICMIM has also agreed to procure the provision of certain support services (including middle office, market dealing and information technology support services) to ICMIM in relation to the provision of its services to the Company for which it will be reimbursed by the Company. In addition to its duties as joint portfolio manager, ICMIM will also provide company secretarial services to the Company.</p> <p>The aggregate annual management fee payable by the Company under the Novated and Amended Management Agreement is 0.65 per cent. of net assets, payable quarterly in arrears which will be apportioned between the Joint Portfolio Managers in accordance with a management services agreement between them. The annual management fee will be adjusted for fees earned by the Joint Portfolio Managers in respect of investment holdings managed or advised by them.</p> <p>The Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent.</p> <p>The maximum amount of the performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of the Company and any performance fee in excess of this cap will be written off.</p> <p>No performance fee will be payable until the Net Asset Value exceeds the high watermark established when a performance fee was last paid (including for these purposes, when a performance fee was last paid by</p>

	<p>UEM Bermuda), adjusted for capital events and dividends paid since its establishment.</p> <p>In addition to the management fee and the performance fee, ICMIM will receive a fee equal to 45 per cent. of the total employment costs incurred by it in employing a suitably experienced person to provide company secretarial services to the Company.</p> <p>The Joint Portfolio Managers are also reimbursed for all out-of-pocket costs and expenses properly and reasonably incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties.</p> <p>The Novated and Amended Management Agreement will continue unless or until terminated by either party giving to the other not less than six months' notice in writing or unless otherwise terminated with cause upon immediate written notice from the non-defaulting party(ies) to the defaulting party(ies).</p> <p><b>Administration services</b></p> <p>JPMorgan Chase Bank, N.A., London Branch (<b>JPMCB</b>) has been appointed by the Company pursuant to an administration services agreement dated 23 February 2018 to provide fund accounting, fund valuation and reporting administration services (the <b>JPMCB Administration Services Agreement</b>).</p> <p>JPMCB will be entitled to receive an annual fee of approximately £100,000, subject to a minimum fee of £30,000 per annum. The Company will also reimburse JPMCB in respect of reasonable out-of-pocket expenses properly incurred in the performance of its duties.</p> <p>The JPMCB Administration Services Agreement has an initial term ending one year from the date of Admission and will renew automatically for additional one year periods effective from the first anniversary of the date of the end of the initial term, unless and until a valid termination notice is given by either party on at least 180 days prior to the end of the applicable term. The JPMCB Administration Services Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.</p> <p>Pursuant to the Novated and Amended Management Agreement, ICMIM has appointed Waverton Investment Management Limited (<b>Waverton</b>) pursuant to an agreement dated 23 February 2018 to provide certain support services (including middle office, market dealing and information technology support services) to ICMIM in relation to the provision of its services to the Company (the <b>Waverton Support Services Agreement</b>).</p> <p>Waverton will be entitled to receive an annual fee of 3 basis points of the NAV, subject to a minimum fee of £4,000 per month. The Company will reimburse ICMIM for all of its costs and expenses incurred in relation to the Waverton Support Services Agreement.</p> <p>The Waverton Support Services Agreement has an initial term ending 5 years from the date of Admission, following which it may be terminated by ICMIM or Waverton providing 6 months' written notice of termination to the other. The Waverton Support Services Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.</p> <p><b>Registrar services</b></p> <p>Computershare Investor Services PLC has been appointed as the registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee calculated on the basis of the number of Shareholders, subject to a minimum annual fee of £6,400. Any additional services provided by the Registrar will incur additional charges.</p> <p>The Registrar Agreement is continue for an initial fixed term of 12 months and will continue thereafter until terminated by the Company giving not less than six months' prior written notice to the Registrar, or by the Registrar</p>
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		<p>giving not less than six months' prior written notice to the Company, in each case such notice not to expire prior to the end of the initial fixed term.</p> <p><b>Depository services</b></p> <p>JP Morgan Europe Limited (<b>JPMEL</b>) has been appointed as the depositary of the Company pursuant to the Depositary Agreement. As depositary of the Company, JPMEL will perform those duties prescribed under the AIFM Directive.</p> <p>In consideration for its services, JPMEL will be entitled to receive an annual fee of 2.20 basis points of the NAV, subject to a minimum fee of £25,000 per annum. Any additional services provided by JPMEL will incur additional charges.</p> <p>The Depositary Agreement has an initial term of one year from the date of Admission and following the initial term may be terminated by a party giving not less than one hundred and eighty (180) days' prior written notice to the others. The Depositary Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.</p> <p><b>Custody services</b></p> <p>JPMCB has been appointed to provide custodial services pursuant to the Global Custody Agreement made between the Company, JPMCB and JPMEL. The services provided by the JPMCB will include the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive and retaining custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.</p> <p>JPMCB will receive safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of which vary country by country, together with its reasonable out-of-pocket or incidental expenses.</p> <p>The Global Custody Agreement has an initial term of one year from the date of Admission and following the initial term, the Company may terminate the Global Custody Agreement by giving not less than one hundred and eighty (180) days' prior written notice to JPMCB and JPMEL, and JPMCB may terminate the agreement on one hundred and eighty (180) days' prior written notice to the Company and JPMEL. The Global Custody Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.</p>
<b>B.41</b>	Regulatory status of investment manager	<p>ICMIM, the Company's AIFM and joint portfolio manager, is authorised and regulated by the FCA.</p> <p>ICM, the Company's joint portfolio manager is licensed to carry on business in Bermuda including providing investment advice to the Company by the Minister of Business Development and Tourism of Bermuda.</p> <p>JPMEL, acting as the Company's depositary, is authorised and regulated in the United Kingdom by the FCA.</p> <p>JPMCB, acting as the Company's custodian, is authorised and regulated in the United Kingdom by the Prudential Regulation Authority.</p>
<b>B.42</b>	Calculation of Net Asset Value	JPMCB will calculate the NAV per Share on a daily basis. The NAV per Share will be announced through a Regulatory Information Service.
<b>B.43</b>	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
<b>B.44</b>	Key financial information	The Company has not commenced operations and no historical financial information on the Company is included in this Prospectus.

<b>B.45</b>	<b>Portfolio</b>	<p>Subject to the Scheme becoming effective and implemented in accordance with its terms, the Company will acquire the entire issued share capital of UEM Bermuda.</p> <p>The following table provides unaudited summary details of the 20 largest investments of the UEM Bermuda as at 21 February 2018 (being the latest practicable date prior to the publication of this document):</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;"><b>Company</b></th><th style="text-align: right; width: 20%;"><b>Market Value (£'000)</b></th><th style="text-align: right; width: 20%;"><b>% of Gross Assets of the UEM Bermuda Group</b></th></tr> </thead> <tbody> <tr> <td>International Container Terminal Services Inc.</td><td style="text-align: right;">28,520</td><td style="text-align: right;">4.8%</td></tr> <tr> <td>Ocean Wilsons Holdings Limited</td><td style="text-align: right;">25,012</td><td style="text-align: right;">4.2%</td></tr> <tr> <td>Alupar Investimento S.A.</td><td style="text-align: right;">21,203</td><td style="text-align: right;">3.6%</td></tr> <tr> <td>Transgaz S.A.</td><td style="text-align: right;">19,254</td><td style="text-align: right;">3.2%</td></tr> <tr> <td>Yuexiu Transport Infrastructure Limited</td><td style="text-align: right;">17,908</td><td style="text-align: right;">3.0%</td></tr> <tr> <td>Cia de Gas de Sao Paulo (Comgas)</td><td style="text-align: right;">16,222</td><td style="text-align: right;">2.7%</td></tr> <tr> <td>Malaysia Airport Holdings Berhad</td><td style="text-align: right;">15,857</td><td style="text-align: right;">2.7%</td></tr> <tr> <td>Transportadora de Gas del Sur S.A.</td><td style="text-align: right;">15,447</td><td style="text-align: right;">2.6%</td></tr> <tr> <td>Energisa S.A.</td><td style="text-align: right;">15,208</td><td style="text-align: right;">2.6%</td></tr> <tr> <td>Bolsas Y Mercados Argentinos</td><td style="text-align: right;">15,001</td><td style="text-align: right;">2.5%</td></tr> <tr> <td>Conpet S.A.</td><td style="text-align: right;">14,878</td><td style="text-align: right;">2.5%</td></tr> <tr> <td>Transelectrica SA</td><td style="text-align: right;">14,807</td><td style="text-align: right;">2.5%</td></tr> <tr> <td>SJVN Limited</td><td style="text-align: right;">14,772</td><td style="text-align: right;">2.5%</td></tr> <tr> <td>China Resources Gas Group Ltd</td><td style="text-align: right;">14,523</td><td style="text-align: right;">2.4%</td></tr> <tr> <td>Rumo S.A.</td><td style="text-align: right;">13,418</td><td style="text-align: right;">2.3%</td></tr> <tr> <td>Shanghai International Airport Co Ltd</td><td style="text-align: right;">13,370</td><td style="text-align: right;">2.3%</td></tr> <tr> <td>Engie Energia Chile S.A.</td><td style="text-align: right;">13,268</td><td style="text-align: right;">2.2%</td></tr> <tr> <td>APT Satellite Holdings Limited</td><td style="text-align: right;">12,988</td><td style="text-align: right;">2.2%</td></tr> <tr> <td>Enel Americas S.A.</td><td style="text-align: right;">11,846</td><td style="text-align: right;">2.0%</td></tr> <tr> <td>Corporacion America Airports SA</td><td style="text-align: right;">11,561</td><td style="text-align: right;">1.9%</td></tr> <tr> <td><b>Total top 20</b></td><td style="text-align: right;"><b>325,063</b></td><td style="text-align: right;"><b>54.7%</b></td></tr> </tbody> </table> <p>Source: UEM Bermuda.</p> <p>The following table shows the sectoral distribution of UEM Bermuda's portfolio on a look through basis as at 31 January 2018 (being the latest practicable date prior to the publication of this document):</p> <table style="width: 100%; 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<b>B.46</b>	Net Asset Value	Not Applicable. The Company has not commenced operations so has no Net Asset Value as at the date of this Prospectus. However, as at 21 February 2018 (being the latest practicable date prior to the publication of this document), the Net Asset Value of UEM Bermuda was £553.4 million (unaudited) and the Net Asset Value per UEM Bermuda Ordinary Share was 253.35 pence (unaudited).																																

### Section C – Securities

Element	Disclosure Requirement	Disclosure
<b>C.1</b>	Type and class of security	The Company intends to issue Shares of one penny each in the capital of the Company. The ISIN of the Shares is GB00BD45S967 and the SEDOL is BD45S96. Assuming that the Scheme becomes effective and is implemented in accordance with its terms, and that all the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares are exercised (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee) a total of 239,271,920 Shares will be issued pursuant to the Scheme.
<b>C.2</b>	Currency	The currency of denomination of the Shares is Sterling.
<b>C.3</b>	Number of shares issued	As at the date of this Prospectus, the share capital of the Company is £50,001.00 represented by 100 Shares of nominal value of one penny and 50,000 Redeemable Preference Shares of £1.00 each.
<b>C.4</b>	Description of the rights attaching to the securities	<p>The Shares carry the right to receive all dividends declared by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders will be entitled to all of the surplus assets of the Company.</p> <p>Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Share held.</p>

C.5	Description of the rights attaching to the securities	<p>The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:</p> <ul style="list-style-type: none"> <li>(a) it is in respect of a share which is fully paid up;</li> <li>(b) it is in respect of only one class of shares;</li> <li>(c) it is in favour of a single transferee or not more than four joint transferees;</li> <li>(d) it is duly stamped (if so required); and</li> <li>(e) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of: (i) a transfer by a recognised person where a certificate has not been issued; or (ii) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,</li> </ul> <p>provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.</p> <p>The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system.</p> <p>Further, the Board has the power to require the sale or transfer of Shares held by a Non-Qualified Holder or to refuse to register a transfer of Shares in certificated form in favour of a Non-Qualified Holder.</p>
C.6	Admission	<p>Applications will be made to the UKLA for the Shares issued and to be issued pursuant to the Scheme to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.</p> <p>It is expected that Admission will become effective and that dealings in the Shares issued pursuant to the Scheme, fully paid, will commence at 8.00 a.m. on 3 April 2018.</p> <p>No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.</p>
C.7	Dividend policy	<p>The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.</p> <p>Aggregate interim dividends of 3.40 pence per UEM Bermuda Ordinary Share have been declared and paid to UEM Bermuda Shareholders in relation to the first two quarters of the financial year ending 31 March 2018. A third quarterly interim dividend of 1.80 pence per UEM Bermuda Ordinary Share has been declared which will be paid on 1 March 2018 to UEM Bermuda Ordinary Shareholders on the register on 16 February 2018. As set out in the half yearly report of UEM Bermuda for the six months ended 30 September 2017, in the absence of unforeseen circumstances, the directors of UEM Bermuda intended to declare a dividend for the fourth quarter of the financial year ending 31 March 2018 of 1.80 pence per UEM Bermuda Ordinary Share. This dividend would typically have been paid in June 2018. However, in light of the Reorganisation Proposal and the expected timeframe for the Company to complete the proposed capital reduction to create a distributable reserve, the UEM Bermuda Directors have decided to bring the payment of that dividend forward and today</p>

		<p>declared a fourth quarterly interim dividend of 1.80p per UEM Bermuda Ordinary Share in respect of the year ending 31 March 2018. This fourth quarterly dividend will be paid on 13 April 2018 to UEM Bermuda Ordinary Shareholders on the register on 23 March 2018. Accordingly, it is expected that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the Directors in August 2018 for payment in September 2018.</p> <p>Although it is the Company's intention to grow progressively the dividends which have been paid by UEM Bermuda, there is no guarantee of any particular level of profits or returns being achieved.</p> <p>Distributions on the Shares are expected to be paid quarterly each year in September, December, March and June, and it is expected that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the Directors in August 2018 for payment in September 2018.</p>
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#### **Section D – Risks**

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>D.1</b>	Key information on the risks specific to the issuer or its industry	<p>The key risk factors relating to the Company and the sectors in which the Company invests include the following:</p> <ul style="list-style-type: none"> <li>• The Company is newly formed and has not yet made any investments. The past performance of UEM Bermuda is not indicative of the future performance of the Company.</li> <li>• The Company's investments are likely to be concentrated in the infrastructure, utility and related sectors in Emerging Markets and accordingly an investment in the Shares may be regarded as representing a different risk than investment in a generalist investment company.</li> <li>• There is no assurance that future political and economic conditions in the individual countries in which the Company's assets may be invested will not result in their governments adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, thereby influencing the ability of the investments to generate profits. Such policy changes could extend to the expropriation of assets.</li> <li>• In certain Emerging Markets, investment by foreign investors may require consents or be subject to limitations, and repatriation of investment income, capital and the proceeds of sales by foreign investors may require government registration and/or approval. The Company could be adversely affected by delays in or a refusal to grant any required government approval or by any lack of availability of foreign exchange.</li> <li>• Fraud, bribery and corruption are more common in some jurisdictions than in others. Doing business in Emerging Markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption.</li> <li>• Trading volume on the stock exchanges within Emerging Markets can be substantially less than in the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in more developed markets.</li> <li>• The Company's portfolio will be invested predominantly in securities which are not denominated or quoted in Sterling, the base currency of the Company. The movement of exchange rates between Sterling and any other currencies in which the Company's investments are denominated or the base currency of an investor may have a separate effect, unfavourable as well as favourable, on the return otherwise</li> </ul>

		<p>experienced on the Company's investments. Hedging arrangements relating to foreign currency returns and exposures, if any are put in place, may or may not have the desired effect.</p> <ul style="list-style-type: none"> <li>• The Company may not meet its investment objective or be able to achieve its stated dividend policy. There can be no assurance that any dividends will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends to be paid by the Company.</li> <li>• The performance of the investment portfolio depends to a great extent on correct assessments of the future course of price movements of securities and other investments selected by the Joint Portfolio Managers. There can be no assurance that the Joint Portfolio Managers will be able to accurately predict these price movements. With respect to the investment strategies utilised by the Joint Portfolio Managers, there is always some, and occasionally a significant, degree of market risk.</li> <li>• The Company may use gearing in the form of bank debt exposing investors to increased risk as gearing can increase the portfolio's market exposure and volatility.</li> </ul>
D.3	Key information on the risks specific to the securities	<p>The key risk factors relating to the Shares include the following:</p> <ul style="list-style-type: none"> <li>• There can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by Shareholders.</li> <li>• Although the Shares will be listed on the premium listing segment of the Official List and admitted to trading on the main market for listed securities of the London Stock Exchange, it is possible that there may not be a liquid market in them and holders of the Shares may have difficulty selling them.</li> <li>• There is no assurance that the Company will achieve its stated policy on distributions (which for the avoidance of doubt is a target only and is not a commitment or a profit forecast).</li> <li>• The value of the Shares can go down as well as up. The market price of the Shares may not fully reflect their underlying Net Asset Value and holders of the Shares may be unable to realise their investments through the secondary market at Net Asset Value.</li> </ul>

## **Section E – Offer**

Element	Disclosure Requirement	Disclosure
E.1	Net Issue Proceeds and costs of the Issue	<p>There is no associated fundraising in connection with the Scheme.</p> <p>On completion of the Scheme (and assuming that no UEM Bermuda Ordinary Shares are issued pursuant to the exercise of the outstanding subscription shares rights attaching to UEM Bermuda's Subscription Shares), had the Issue occurred on 21 February 2018 (being the latest date in respect of which UEM Bermuda has published its unaudited net asset value prior to the publication of this Prospectus), the Company's assets would have increased by approximately £552.4 million.</p> <p>The costs of the Issue and the implementation of the Scheme are expected to be approximately £1.0 million (plus applicable VAT) of which it is expected that approximately £0.4 million will be paid by UEM Bermuda and the balance of approximately £0.6 million (plus applicable VAT) will be paid by the Company.</p>
E.2a	Reason for offer and use of proceeds	The Company has been established for the specific purpose of carrying on the existing business and operations of UEM Bermuda upon the Scheme becoming effective and implemented in accordance with its terms.

		<p>UEM Bermuda announced on 14 February 2018 its intention to re-domicile its business and operations to the United Kingdom. The re-domiciliation will be effected by implementing the Reorganisation Proposal pursuant to a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda. Pursuant to the Scheme, UEM Bermuda Shareholders will exchange their UEM Bermuda Ordinary Shares held as at the Scheme Record Date for Shares in the Company on a one for one basis.</p> <p>Since the launch of UEM Bermuda in 2005 there have been a number of positive developments in the UK investment trust rules and requirements, particularly in relation to investment flexibility. In light of the recognition of UK investment trusts as an attractive structure with an established long track record of spreading investment risk, the Directors believe that redomiciling UEM Bermuda's business and operations to the United Kingdom is likely to increase its marketing appeal. Furthermore, where shareholders wish to hold shares electronically, a UK investment trust will avoid the need to have the complexity of a share structure involving depositary interests.</p> <p>In addition to the marketing benefits of redomiciling UEM Bermuda to the UK, as a UK incorporated and tax resident company, the Company should be able to benefit from the United Kingdom's extensive network of double tax treaties. The Directors are also aware of the developments over the life of UEM Bermuda in the approach taken by some countries to the taxation of capital gains of certain offshore based investors, including Bermuda. UEM Bermuda has historically suffered a very low or insignificant charge to overseas capital gains tax, but in recent years such charge has become material and had UEM Bermuda been incorporated in the United Kingdom and approved by HMRC as an investment trust, the material taxation charges reported in recent years would have been reduced substantially.</p>
E.3	Terms and conditions of the offer	<p>Pursuant to the Scheme up to 239,271,920 Shares will be issued to UEM Bermuda Shareholders on a one for one basis for every UEM Bermuda Ordinary Share held as at the Scheme Record Date (including any UEM Bermuda Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee)).</p> <p>The issue of Shares pursuant to the Scheme is conditional upon the Scheme becoming unconditional in accordance with its terms. Implementation of the Scheme is conditional on:</p> <ul style="list-style-type: none"> <li>• the Scheme being approved by a majority in number representing not less than three-fourths in value of the UEM Bermuda Shareholders present and voting in person or by proxy at the Scheme Meeting;</li> <li>• the Scheme, with or without modification, being sanctioned by the Court;</li> <li>• the Directors of UEM Bermuda not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme. The UEM Bermuda Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of UEM Bermuda and UEM Bermuda Shareholders as a whole;</li> <li>• a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration; and</li> <li>• admission of the Shares to be issued pursuant to the Scheme to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.</li> </ul> <p>If the Scheme does not become effective and implemented in accordance with its terms, the Reorganisation Proposal and the Issue will not proceed and UEM Bermuda Shareholders will continue to hold their existing UEM Bermuda Ordinary Shares.</p>

<b>E.4</b>	Material interests	Not applicable. There are no interests that are material to the Scheme or the Issue.
<b>E.5</b>	Name of person selling Securities/lock up agreements	Not applicable. There are no lock up provisions in place.
<b>E.6</b>	Dilution	Not applicable. The Company is a new entity. However, each UEM Bermuda Shareholder (other than certain overseas shareholders) will receive one Share for every UEM Bermuda Ordinary Share held as at the Scheme Record Date pursuant to the Scheme (including any UEM Bermuda Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee)).
<b>E.7</b>	Expenses charged to the Investor	<p>The costs of the Issue and the implementation of the Scheme are expected to be approximately £1.0 million (plus applicable VAT) of which it is expected that approximately £0.4 million will be paid by UEM Bermuda and the balance of approximately £0.6 million (plus applicable VAT) will be paid by the Company. If the Scheme does not become effective and implemented in accordance with its terms, all of the costs will be borne by UEM Bermuda.</p> <p>There are no direct costs payable to the Company (or charged to investors) in respect of the Issue.</p>

## RISK FACTORS

Investment in the Company carries a high degree of risk, including but not limited to the risks in relation to the Company and the Shares referred to below. If any of the risks referred to in this Prospectus were to occur, the financial position and prospects of the Company could be materially and adversely affected. If that were to occur, the trading price of the Shares and/or their Net Asset Value and/or the level of dividends or distributions (if any) received from the Shares could decline significantly and investors could lose all or part of their investment.

Investors should note that the risks relating to the Company, its industry and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Board believes to be the most essential to an assessment by an investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are the risks which are considered to be material but are not the only risks relating to the Company and the Shares. There may be additional material risks that the Company and the Board do not currently consider to be material or of which the Company and the Board are not currently aware. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any Shares.

### RISKS RELATING TO THE COMPANY AND ITS INVESTMENT STRATEGY

The Company is an investment company. Investment companies aim to generate returns for shareholders by investing in other companies. As an investment company may invest in a range of different companies, sectors and geographic regions, it may represent a method for investors to gain a diversified investment exposure. However, Shareholders should be aware of certain factors which apply to the Company and to investment companies, as set out below.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's assets will occur or that the investment objective of the Company will be achieved. Investors may not get back the full amount invested. The price of Shares and the income from Shares may go down as well as up.

#### **There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment**

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

The past performance of the Joint Portfolio Managers or other investment companies managed or advised by the Joint Portfolio Managers or their affiliates (including UEM Bermuda) is not indicative of the future performance of the Company. The Company's ability to achieve returns may be adversely affected in the event of significant or sustained changes in market returns or volatility. Prospective investors should regard an investment in the Company as long-term in nature and they may not recover the full amount initially invested or any amount at all.

As with any investment in companies, the Company's investments may fall in value with the maximum loss on such investments being the value of the initial investment and, where relevant, any gains or subsequent investments made.

**The success of the investment strategies depends on the Joint Portfolio Managers utilisation and interpretation of market data**

The success of the investment strategies followed by the Joint Portfolio Managers depends upon the Joint Portfolio Managers' success at correctly interpreting market data. Any factor which would make it more difficult to buy or sell investments in any country where the Company may invest may have an adverse effect on the profitability of the Company. No assurance can be given that the strategies to be used will be successful under all or any market conditions.

The performance of the Company's investment programme depends to a great extent on correct assessments of the future course of price movements of securities and other investments selected by the Joint Portfolio Managers. There can be no assurance that the Joint Portfolio Managers will be able to accurately predict these price movements.

With respect to the investment strategies utilised by the Joint Portfolio Managers, there is always some, and occasionally a significant, degree of market risk. The continuing globalisation of markets, the mobility of capital and the increasing size of pools of capital, such as Exchange Traded Funds, could in certain circumstances introduce structural market risks by increasing distortions in the markets and thereby exerting further pressures on the market prices of the Company's investments.

**Political and country risks**

The Company has been established for the specific purpose of carrying on the existing business and operations of UEM Bermuda upon the Scheme becoming effective and will invest in infrastructure, utility and related companies based in Emerging Markets where the regulatory framework for infrastructure, utility and related companies is still developing. There is no assurance that future political and economic conditions in the individual countries in which the Company will directly or indirectly invest will not result in their governments adopting different policies with respect to foreign investment in infrastructure, utility and related companies.

Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, thereby influencing the Company's ability to generate profits. Such policy changes could extend to the expropriation of assets. In certain Emerging Markets, investment by foreign investors may require consents or be subject to limitations, and repatriation of investment income, capital and the proceeds of sales by foreign investors may require government registration and/or approval. The Company could be adversely affected by delays in or a refusal to grant any required government approval or by any lack of availability of foreign exchange.

Companies in Emerging Markets are not always subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies incorporated in the United Kingdom. In addition, there may be less government supervision and regulation of stock exchanges, brokers and listed companies in some of the Emerging Markets in which the Company may invest directly or indirectly compared to countries with more advanced securities markets. Trading volume on the stock exchanges within Emerging Markets can be substantially less than in the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in more developed markets. The economies of the Emerging Markets can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments in currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

Government and political regimes, local laws and regulations, central bank policies, social and economic stability, protection of legal rights and the effectiveness of the legal and financial system differ materially across many Emerging Market countries, and are often subject to change at a faster pace than in more developed countries. Government intervention in the private sector and financial markets varies between different Emerging Market countries, and may include nationalisation, expropriation, confiscatory levels of taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income as well as capital. Emerging Market governments may

introduce new or impose additional registration requirements for domestic investments and restrictions on the repatriation of foreign direct or indirect investments, wage and price controls, trade barriers and other protectionist measures.

Fraud, bribery and corruption are more common in some jurisdictions than in others. Doing business in Emerging Markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. The effect of corruption can seriously constrain the development of local economies, erode stability and trust, and its macroeconomic and social costs can be significant. These effects could have a material adverse effect on the performance of the Company's investments. Although the Company will put in place policies in respect of fraud, bribery and corruption, it may not be possible for the Company to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction to which it has exposure. The Company may therefore be subject to civil and criminal penalties and to reputational damage. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Company may operate could have a material adverse effect on its business, prospects, financial condition or results of operations.

There is an increased risk of government intervention, including expropriation or nationalisation of assets or increased levels of protectionism across Emerging Markets.

Notwithstanding the foregoing, the Company will comply with any obligations applicable to the main market for listed securities of the London Stock Exchange and the premium listing segment of the Official List.

### **Utilities sectors**

The Company's investments will be concentrated in the infrastructure, utility and related companies sectors and accordingly the Company may be regarded as representing a different risk than a generalist investment company.

The businesses of the companies in which the Company will invest are highly dependent on the maintenance of effective information technology systems and there is no guarantee that such companies will be able to successfully keep up with technological improvements. Such businesses could suffer hardware or software failure relating to such IT systems which could significantly disrupt workflows and cause economic losses. Such businesses may be also subject to hacking or other attacks on such IT systems. Although anti-virus and anti-hacking measures may be in place, there is no assurance that they will successfully block and prevent all hacking or other attacks.

The companies in which the Company will invest are, in general, exposed to a higher level of political and regulatory risk than companies in the stock market as a whole. In certain countries, the infrastructure and utilities regulatory framework is still developing. The existing dominant market position of some infrastructure and utility companies may be eroded as their sectors are exposed to greater competition as a result of regulatory steps.

The Company may invest in newly privatised companies or companies which subsequently become privatised and this may involve additional risks relating to the capital structures of such companies.

### **Risks relating to the referendum on the UK's continued membership of the EU**

The Company in common with other UK listed investment companies, faces potential risks associated with the United Kingdom's decision to leave the European Union. This decision may result in prolonged uncertainty regarding aspects of the UK economy and, potentially, damage investors' confidence and may also lead to economic uncertainty in the EU as a whole. This could have adverse consequences for the prices of investments quoted on financial markets. Any of these risks could have a material adverse effect on the Company, including its financial position and may materially prejudice future Shareholder returns.

### **The Company's investments may be impacted by special situations**

The Company may invest in the securities of companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganisations,

bankruptcies and similar transactions. There exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time, or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received.

Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there may be uncertainty concerning the outcome of transactions involving financially troubled companies in which the Company may invest, there is a potential risk of loss by the Company of its entire investment in such companies which may have a material adverse effect on future Shareholder returns.

### **Other investment types**

The Company has the flexibility to invest in equity and equity-related securities, bonds, convertibles and other types of securities including non-investment grade bonds, and to invest in unlisted securities. The Company may also use derivative instruments such as American Depository Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options and warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments. There may not be a price correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the investments which are the subject of the hedge, on the other hand, leading to losses due to the Company's hedging strategy. In addition, an active market may not exist for a particular derivative instrument at any particular time, meaning that the Company is unable to hedge against a particular risk. No assurance can be given that the hedging strategies which may be used by the Company will be successful under all or any market conditions.

These instruments are also subject to credit, liquidity and interest rate risks. Adverse changes in the financial position of an issuer of such securities or economic conditions generally may increase counterparty risk by impairing the ability of the issuer to make payments of interest or principal. Furthermore, if any of the Company's counterparties were to default on their obligations under derivative contracts it could have a material adverse effect on the Company, including its financial position.

UEM Bermuda holds shares in a segregated account of GERP, an unquoted Bermuda segregated accounts company, for the sole purpose of carrying out derivative transactions at the request of and on behalf of UEM Bermuda in order that it may make investments more efficiently and for the purposes of efficient portfolio management. Under the terms of a loan agreement entered into between GERP and UEM Bermuda, GERP may draw down funds from UEM Bermuda to meet certain costs and liabilities arising from any assets held in the Company's segregated account. Following the implementation of the Scheme, it is intended that UEM Bermuda's shares in GERP will be transferred to the Company and the loan agreement between GERP and UEM Bermuda will be novated to the Company.

Accordingly, in the event that the Company's hedging policies (implemented through its investment in GERP) lead to losses being suffered or funds being required by GERP, the Company may be obliged to advance funds to GERP under the terms of the novated loan agreement. Although UEM Bermuda has historically not advanced significant loans to GERP and this is not currently expected to change, if the Company is required to provide material loans (subject to the investment restrictions contained in the Company's investment policy), this could result in losses being suffered by the Company and have a material adverse effect on the Company, including its financial position and may prejudice future Shareholder returns.

The Company may invest in unlisted and unquoted securities. These types of securities are generally subject to higher valuation uncertainties and liquidity risks than securities listed or traded on a regulated market. Further, a proportion of the Company's portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements.

**The Company may have investments for which no liquid market exists due to legal or other restrictions on transfer, or lack of demand**

Liquidity risk, which includes the risk of the Company's failure to liquidate or trade investments in a timely manner at a reasonable price, may arise in the Company's activities. The Company may invest in debt assets and other assets, including derivatives for the purposes of efficient portfolio management and managing currency risk, which are subject to legal or other restrictions on transfer, which are thinly-traded or for which no liquid market exists or which otherwise become illiquid or difficult to trade. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable and the Company may not be able to trade them when it desires to do so or to realise what it perceives to be their fair value.

Interests in investment vehicles are often subject to strict transfer restrictions and are therefore highly illiquid. Trading restrictions and illiquid investments often require more time and result in higher brokerage charges or dealer discounts, considerably worse pricing and other expenses than does trading eligible investments on national securities exchanges or in the over-the-counter markets or markets that are otherwise more liquid. The Company may not readily be able to exit such illiquid positions and, in some cases, may be contractually prohibited from exiting such positions for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

**Borrowings**

The Company expects to use gearing. Gearing can be employed in a variety of ways, including direct borrowing, buying securities on margin and the use of futures, warrants, options and other derivative products. Generally, gearing is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. This exposes investors to increased risk as gearing can increase the portfolio's market exposure and volatility. In particular, whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Shares.

Furthermore, should any fall in the underlying asset value result in the Company breaching financial covenants contained in any loan facilities that the Company may enter into, the Company may be required to repay such borrowings in whole or in part together with any attendant costs. Such a requirement could result in the Company being forced to sell investments at lower prices than would normally be obtained. This could adversely affect the capital and income returns to Shareholders.

**Economic conditions**

The Company and its investments will be materially affected by conditions in the global financial markets and economic conditions throughout the world, including, but not limited to, rising interest rates, inflation, business and consumer confidence, availability of credit, currency exchange rates and controls, changes in laws, trade barriers, commodity prices, terrorism and political uncertainty. These factors are outside the Company's and the Joint Portfolio Managers' control and may affect the level and volatility of securities' prices and the liquidity and the value of investments, which could adversely affect the Company's profitability, Net Asset Value and the price of the Shares.

During periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments.

**Competition for unlisted investments**

A number of private equity houses, institutions and other investors have become active in seeking private equity investments in infrastructure, utility and related companies in Emerging Markets. Competition for a limited number of attractive unlisted investment opportunities may lead to a delay in investment and may increase the price at which investments may be made and reduce the potential profits. As at 21 February 2018 (being the latest practicable date prior to the publication of this document) unlisted investments accounted for 4.5 per cent. of UEM Bermuda's Gross Assets.

## **Exchange Risks**

The Company will invest in securities and may incur borrowings which are not denominated or quoted in Sterling, the base currency of the Company. The Net Asset Value is reported in Sterling, some or all of the borrowings of the Company may be incurred (and interest paid) in Sterling and dividends (if any) will be declared and paid in Sterling. The movement of exchange rates between Sterling and any other currencies in which the Company's investments are denominated or the base currency of an investor may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the investments made by the Company. Hedging arrangements relating to foreign currency returns and exposures, if any are put in place, may or may not have the desired effect.

## **Credit risk of banks or other financial institutions**

Cash holdings will be subject to the credit risk of the banks or other financial institutions with which they are deposited. If any such bank, financial institution or counterparty were to become insolvent, or default on its obligations, the Company would be exposed to the potential loss of the sum deposited. This could have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.

## **The Company has no employees and is reliant on the performance of third party service providers**

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Joint Portfolio Managers, the Depositary, the Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares.

## **Shareholder Diversity**

The Shareholders may include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual holders of Shares may relate to or arise from, among other things, the nature of investments made by the Company, and the timing of the acquisition and disposition of investments. Conflicts of interest may arise in connection with decisions made by the Joint Portfolio Managers, including the selection of investments which may be more beneficial for one Shareholder than for another Shareholder. In selecting and structuring investments appropriate for the Company, the Joint Portfolio Managers will consider the investment and tax objectives of the Company as a whole, not the investment, tax or other objectives of any Shareholder individually.

## **RISKS RELATING TO THE JOINT PORTFOLIO MANAGERS**

### **Dependence upon key individuals and generally upon management of the Joint Portfolio Managers**

The ability of the Company to achieve its investment objective depends to a high degree on the managerial experience of the Joint Portfolio Managers in respect of the Company and more generally on its ability to attract and retain suitable directors and employees. The loss of any of these directors and/or employees could reduce the Company's ability to achieve its investment objective. There can be no assurance that the existing directors and employees of the Joint Portfolio Managers will be retained. The Board will monitor the performance of the Joint Portfolio Managers, but the performance of the Joint Portfolio Managers in this role, or that of any replacement, cannot be guaranteed.

**Past performance of the Joint Portfolio Managers is not a guarantee of the future performance of the Company**

The Company is reliant on the Joint Portfolio Managers to identify and manage prospective investments in order to create value for investors. This Prospectus includes certain information regarding the past performance of the Joint Portfolio Managers in respect of UEM Bermuda. However, the past performance of UEM Bermuda is not indicative, or intended to be indicative, of the future performance or results of the Company for several reasons. Differences between the circumstances of the Company and the circumstances under which the track record information in this Prospectus was generated include (but are not limited to) actual acquisitions and investments made, structure, market conditions and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons.

**Potential conflicts of interest**

The Joint Portfolio Managers currently serve as joint portfolio managers to UIL Limited (**UIL**), Somers Limited (**Somers**), Zeta Resources Limited (**Zeta**) and Allectus Capital Limited (**Allectus**), as well as the Company, and the Joint Portfolio Managers and their respective associates may be involved in other financial, investment or professional activities in the future, including advising other investment clients. In particular, they may provide investment management, investment advice or other services in relation to investment companies which may have similar investment policies and objectives to that of the Company. As a result, the Joint Portfolio Managers may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they or their respective affiliates may have a greater financial interest.

Somers, Zeta and Allectus invest in, respectively, the financial services, resources and technology sectors and UIL invests in undervalued companies worldwide. The Joint Portfolio Managers have undertaken to take all reasonable steps to avoid conflicts of interest. If such conflicts of interest cannot be avoided the Joint Portfolio Managers shall take all reasonable steps to identify, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Company and Shareholders, and to ensure that the Company is treated fairly.

There can be no assurance that the Joint Portfolio Managers will resolve all conflicts of interest with the Company in a manner that is favourable to the Company.

**The Joint Portfolio Managers have broad discretion in managing the Company's investments**

The Joint Portfolio Managers have, subject to compliance with the Company's investment policy, substantial discretion in the management and investment allocation of the Company's assets, including the selection and timing of investments and divestments. While the Board will review compliance with the investment policy and may direct the Joint Portfolio Managers to take certain actions in connection with the Company's investments, the Board is not expected to review or approve all individual investment decisions.

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Joint Portfolio Managers and their ability to attract and retain suitable staff. The Joint Portfolio Managers have endeavoured to ensure that the principal members of their management teams are suitably incentivised, but the retention of such staff cannot be guaranteed.

There can be no assurance that the Board will be able to find a replacement manager if the Joint Portfolio Managers resign. In this event the Directors would have to formulate and put to the Shareholders proposals for the future of the Company.

**Operational and reputational risks**

The Company relies heavily on the Joint Portfolio Managers' and Administrator's financial, accounting and other data processing systems. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss, a disruption of its business, regulatory intervention or reputational damage. The Company's disaster recovery programmes may not be sufficient to mitigate the harm that may result from such a disaster or disruption.

In addition, insurance and other safeguards might only partially reimburse the Company for its losses, if at all. It is also possible that, from time to time, the Joint Portfolio Managers or the Company will be named as parties to litigation, which could cause substantial reputational damage to the Company or disrupt its investment strategy, business or potential growth.

Further, the Joint Portfolio Managers may be exposed to reputational risks. In particular, they may be exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not valid, will harm their reputation. Any damage to the reputation of the Joint Portfolio Managers could result in potential counterparties and third parties being unwilling to deal with the Joint Portfolio Managers and, by extension, the Company. This could have an adverse impact on the ability of the Company to pursue its investment policy successfully.

It is also possible that, from time to time, the Joint Portfolio Managers or the Company will be named as parties to litigation, which could cause substantial reputational damage to the Company or disrupt its investment strategy, business or potential growth.

#### **Performance fees may create incentives for speculative investments by the Joint Portfolio Managers**

The performance fee payable to the Joint Portfolio Managers may result in substantially higher payments to the Joint Portfolio Managers than would have arisen had alternative arrangements, sometimes found in other investment vehicles, been entered into instead. The existence of the performance fee may create an incentive for the Joint Portfolio Managers to make riskier or more speculative investments than they would make in the absence of such a fee.

#### **Ability to terminate the Novated and Amended Management Agreement**

The Novated and Amended Management Agreement may be terminated by the Company or the Joint Portfolio Managers providing six months' written notice of termination to the other in accordance with the terms further described in paragraph 8.1 of Part VII of this Prospectus. Otherwise, the Novated and Amended Management Agreement may be terminated by the Company only in the limited circumstances.

No warranty is given by the Joint Portfolio Managers as to the performance or profitability of the Company's investment portfolio and poor investment performance would not, of itself, constitute an event allowing the Company to terminate the Novated and Amended Management Agreement. If the Joint Portfolio Managers' performance does not meet the expectations of investors and the Company is otherwise unable to terminate the Novated and Amended Management Agreement pursuant to the limited terminations rights thereunder, the NAV could suffer and the Company's business, results and/or financial condition could be adversely affected. In addition, the Company may incur significant termination expenses if it terminates the Novated and Amended Management Agreement.

### **RISKS RELATING TO THE SHARES**

#### **Liquidity**

The Company is a closed-ended investment company. Accordingly, Shareholders have no right to have their Shares repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Shares on the stock market.

Market liquidity in the shares of investment companies is frequently less than that of shares issued by larger companies traded on the London Stock Exchange. The market price of the Shares may be subject to greater fluctuations on small volumes of shares and thus the Shares may be difficult to sell at a particular price.

There can be no guarantee that a liquid market in the Shares will exist. Accordingly, Shareholders may be unable to realise their Shares at the quoted market price (or at the prevailing NAV per Share), or at all. Further, the London Stock Exchange also has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Shares may affect the ability of Shareholders to realise their investment.

## **Discount**

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The price of Shares can therefore fluctuate and may represent a discount or premium to the Net Asset Value per Share. This discount or premium is itself variable as conditions for supply and demand for a company's shares change. This can mean that the share price can fall when the net asset value per share rises, or *vice versa*. The Shares may trade at a discount to NAV and Shareholders may be unable to realise their investments through the secondary market at NAV.

Fluctuations in the Share price could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Company's operating results, business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities.

The price of the Shares may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

While the Board may seek to mitigate any discount to NAV at which the Shares may trade through the repurchase of Shares as described in Part I of this Prospectus, there can be no guarantee that it will do so or that such mechanisms will be successful and the Board accepts no responsibility for any failure of any such strategy to effect a reduction in any discount.

## **Currency risk**

If an investor's currency of reference is not Sterling, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

A majority of investments will be denominated in currencies other than Sterling. The Company will maintain its accounts and intends to pay distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Company's investments and the ultimate rate of return realised by investors.

## **Calculation of Net Asset Value**

In calculating the Net Asset Value, the Administrator will rely on the Board's valuations of unlisted companies in which the Company invests. Such valuations may be unaudited or may be subject to little verification or other due diligence and may not comply with generally accepted accounting practices or other valuation principles. If the realisable value of the Company's assets is less than its valuation of those assets this may have a material adverse effect on future shareholder returns.

## **Dividends and Income**

The Company's investment objective is to provide long-term total return and not to provide any particular level of dividend. Dividends on the Shares will depend on dividends or other income returns on the Company's portfolio, which may reduce. The income derived from the Shares (if any) can go down as well as up.

## **RISKS RELATING TO REGULATION AND TAXATION**

### **Changes in laws or regulations**

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to investment trusts. In particular, the Company is subject to the continuing obligations imposed by the UKLA on all investment companies whose shares are listed on the premium listing segment of the Official List.

ICMIM, as the Company's AIFM, is subject to, and will be required to comply with, certain regulatory requirements of the FCA, some of which affect the management of the Company.

The laws and regulations affecting the Company and/or ICMIM, as the Company's AIFM, are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or ICMIM to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In such event, the investment returns of the Company may be materially affected.

For regulatory, tax and other purposes, the Company and the Shares may potentially be treated in different ways in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as akin to holding units in a collective investment scheme, which may have an adverse effect on the taxation of Shareholders in such jurisdictions. Furthermore, in certain jurisdictions, the treatment of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Company of that information. While it will continue to comply with all regulatory requirements placed upon it, the Company may be constrained from disclosing, or may find it unduly onerous to disclose, any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain overseas jurisdictions. Failure to disclose or make available information in the prescribed manner or format, or at all, may adversely impact the portfolio investments in those jurisdictions, and therefore the price of the Shares.

### **Changes to taxation legislation**

Any change in the Company's tax status, or in taxation legislation or practice in the UK or elsewhere, could affect the value of the investments comprising the portfolio and the Company's ability to achieve its investment objective, or alter the post tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is in principle subject to change (possibly with retrospective effect) that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under Chapter 4, Part 24 of the Corporation Tax Act 2010 and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010. However, neither the Joint Portfolio Managers nor the Directors can guarantee that this approval will be maintained. The Investment Trust (Approved Company) (Tax) Regulations 2011 require an up front application to be made for approval as an investment trust. Once approved, the Company will be treated as an investment trust during the accounting period current as at the time the application is made, and will continue to have investment trust status in each subsequent accounting period, unless the Company breaches the investment trust conditions so as to be treated as no longer approved by HMRC as an investment trust, pursuant to the regulations. Breach of such conditions could, as a result, lead to the Company being subject to UK tax on its capital gains.

Existing and potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

### **Exchange controls and withholding tax**

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the investments, the effect will generally be to reduce the income received by the Company from such investments. Any reduction in the income received by the Company may lead to a reduction in the dividends, if any, paid by the Company.

## **Due Diligence and Reporting Obligations**

The Company will be required to comply with certain due diligence and reporting requirements under the International Tax Compliance Regulations 2015 as amended, which were enacted to meet the United Kingdom's obligations under FATCA, the Common Reporting Standard developed by the OECD and the EU Directive on Administrative Cooperation in Tax Matters. Shareholders may be required to provide information to the Company to enable the Company to satisfy its obligations under the regulations. In certain circumstances, the Company may be required to provide the Shareholders' information to HMRC and HMRC may pass this information on to tax authorities in other jurisdictions. Failure by the Company to comply with its obligations under the regulations may result in fines being imposed on the Company and, in such event, the target returns of the Company may be adversely affected.

## **RISKS RELATING TO THE SCHEME**

### **No guarantee that the Scheme will be implemented**

The implementation of the Scheme is subject to a number of conditions, details of which are set out in Part I of this Prospectus and there is no certainty that the Scheme and the Issue will become effective and implemented in accordance with their terms.

The implementation of the Scheme is conditional, among other things, upon the Scheme Resolution at the Scheme Meeting being passed and the sanctioning of the Scheme by the Court. In the event that the Scheme Resolution is not passed or the Scheme is not sanctioned by the Court, the Scheme will not be implemented and the Issue will not proceed.

If the Scheme is not implemented, UEM Bermuda Shareholders will continue to hold their UEM Bermuda Ordinary Shares, and UEM Bermuda will be responsible for the payment of all costs and fees which will have been incurred in connection with the proposed implementation the Scheme

## IMPORTANT INFORMATION

This Prospectus has been approved by the FCA as a Prospectus which may be used to offer securities to the public for the purposes of section 73A FSMA and the Prospectus Directive. No arrangement has, however, been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this Prospectus may be prohibited in some countries. Prospective investors must not treat the contents of this Prospectus or any other communications from the Company, the Joint Portfolio Managers, Dickson Minto or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

This Prospectus should be read in its entirety before UEM Bermuda Shareholders make any decision as to how to cast their votes on the Scheme. In assessing an investment in the Company, investors should rely only on the information in this Prospectus and any supplementary prospectus published by the Company prior to Admission. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and such supplementary prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Board, the Joint Portfolio Managers or Dickson Minto and any of their respective affiliates, directors, officers, employees or agents or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of this Prospectus nor any issue of Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or UEM Bermuda since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Apart from the liabilities and responsibilities (if any) which may be imposed on Dickson Minto by the FCA or FSMA or the regulatory regime established thereunder, Dickson Minto does not make any representation or warranty, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Joint Portfolio Managers, the Shares, the Issue, the Scheme or Admission. Dickson Minto (and its affiliates, directors, officers or employees) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

Dickson Minto and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, UEM Bermuda, the Company or the Joint Portfolio Managers for which they would have received fees. Dickson Minto and its affiliates may provide such services to the Company, the Joint Portfolio Managers, or any of its affiliates in the future.

### INVESTMENT CONSIDERATIONS

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss, for whom an investment in the Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment.

Typical investors in the Company are expected to be institutional and sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations, partnerships and trustees of high value trusts and private clients (some of whom may invest through brokers). Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

The contents of this Prospectus or any other communications from the Company or the Joint Portfolio Managers and any of their respective affiliates, directors, officers, employees or agents are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Shares.

Investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long term investment. There can be no assurance that the Company's investment objective will be achieved. It should be remembered that the price of securities and the income from them can go down as well as up.

The Company has been advised that the Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company; (ii) the Shares are to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities; and (iii) ICMIM, as AIFM, is authorised and regulated in the UK by the FCA. The manager of a UCITS or NURS should, however, satisfy itself that the Shares are eligible for investment by that UCITS or NURS, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Articles, which investors should review. A summary of the Articles can be found in Part VII of this Prospectus.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts.

All forward looking statements address matters that involve risks and uncertainties and are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results of operations, performance or achievement or industry results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Prospectus.

Any forward looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements.

These forward looking statements apply only as of the date of this Prospectus. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward looking statement whether as a result of new information, future

developments or otherwise. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Nothing in the preceding paragraphs should be taken as limiting or seeking to qualify the working capital statement in paragraph 12 of Part VII of this Prospectus.

## DATA PROTECTION

The information that a prospective investor in the Company provides in documents in connection with its acquisition of Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (**personal data**) will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Joint Portfolio Managers or their respective affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors in the United Kingdom (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates as to the disclosure and use of such data in accordance with these provisions.

## REGULATORY INFORMATION

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue and/or circulation of this Prospectus may be prohibited in some countries.

## NO INCORPORATION OF WEBSITE

The content of the Company's website at [www.uem.limited](http://www.uem.limited) does not form part of this Prospectus.

Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Admission alone and should consult their professional advisers prior to deciding how to cast their votes in relation to the Scheme.

## **PRESENTATION OF INFORMATION**

### **Market, economic and industry data**

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Presentation of financial information**

UEM Bermuda prepares its financial information under International Financial Reporting Standards (as adopted by the EU) (**IFRS**). The financial information contained or incorporated by reference in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **DEFINITIONS**

A list of defined terms used in this Prospectus is set out on pages 93 to 99 of this Prospectus.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

## EXPECTED TIMETABLE

	2018
Publication of this Prospectus	23 February
Publication of the Scheme Circular	23 February
Scheme Meeting	20 March
Court hearing to sanction the Scheme	28 March
Scheme Effective Date	28 March 2018
Date which the Scheme is implemented and Admission and unconditional dealings in Shares commence	3 April 2018
Crediting of CREST stock accounts in respect of the Shares issued pursuant to the Scheme	3 April 2018
Share certificates in respect of Shares issued pursuant to the Scheme in certificated form despatched by post	in the week commencing 2 April 2018 or as soon as practicable thereafter

**Notes:**

- (1) All references to times in this Prospectus are to London times.
- (2) All times and dates in the Expected Timetable and in this Prospectus (where permitted by law) may be subject to adjustment. Any changes to the Expected Timetable set out above will be notified through an RIS.

## DEALING CODES

The dealing codes for the Shares will be as follows:

ISIN	GB00BD45S967
SEDOL	BD45S96
Ticker	UEM
Legal Identification Number	2138005TJMCWR2394O39

## DIRECTORS, JOINT PORTFOLIO MANAGERS AND ADVISERS

<b>Directors</b>	John Rennocks ( <i>Chairman</i> ) Susan Hansen Garry Madeiros OBE Garth Milne Anthony Muh
<b>Registered Office</b>	The Cottage Ridgecourt The Ridge Epsom Surrey KT18 7EP United Kingdom
<b>AIFM, Joint Portfolio Manager and Company Secretary</b>	ICM Investment Management Limited PO Box 208, Epsom Surrey KT18 7YF United Kingdom
	A representative of the AIFM can be contacted by telephone on: + 44 (0) 1372 271 486
<b>Joint Portfolio Manager</b>	ICM Limited 34 Bermudiana Road Hamilton HM 11 Bermuda
<b>Administrator</b>	JPMorgan Chase Bank N.A. – London Branch 25 Bank Street Canary Wharf London E14 5JP
<b>Sponsor</b>	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Broker</b>	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
<b>Solicitors to the Company</b>	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL
<b>Depository</b>	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
<b>Custodian</b>	JPMorgan Chase Bank N.A. – London Branch 25 Bank Street Canary Wharf London E14 5JP

**Registrar**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE

**Principal Banker**

Scotiabank Europe plc  
201 Bishopsgate  
6th Floor  
London EC2M 3NS

**Public Relations**

Montfort Communications Limited  
2nd Floor, Berkeley Square House  
Berkeley Square, Mayfair  
London W1J 6BD

## PART I

### THE COMPANY

#### Introduction

UEM Bermuda is an exempted, closed ended Bermuda incorporated investment company that was incorporated on 9 June 2005. Its ordinary shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

The Net Asset Value performance of UEM Bermuda and, for comparison purposes, the MSCI Emerging Markets index (GBP adjusted), from UEM Bermuda's inception in June 2005 to 31 January 2018 is set out in the table below<sup>(1)</sup>:

	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Inception (%)
Company – total return	4.9	17.9	39.5	65.3	313.9
MSCI Emerging Markets index (GBP adjusted) – total return	10.2	25.0	48.1	48.0	245.5

Source: UEM Bermuda, Datastream and MSCI

On 14 February 2018, UEM Bermuda announced its intention to re-domicile to the United Kingdom.

The Company has been established for the specific purpose of carrying on the existing business and operations of UEM Bermuda upon the Scheme becoming effective and implemented in accordance with its terms and its investment objective and investment policy will be the same as those of UEM Bermuda.

Pursuant to the novation of UEM Bermuda's existing management agreement the Company has appointed ICM Investment Management Limited (**ICMIM**) to act as the Company's alternative investment fund manager with sole responsibility for risk management and both ICMIM and ICM Limited (**ICM**) have been appointed as the joint portfolio managers of the Company. Except for the provision of their services under the Novated and Amended Management Agreement to the Company, in place of UEM Bermuda, there have been no material changes to the terms of the existing management agreement with UEM Bermuda.

The Board of the Company will also be identical to the board of UEM Bermuda, with John Rennocks continuing to act as Chairman.

#### Reorganisation Proposal

The Reorganisation Proposal will be implemented by way of a scheme of arrangement pursuant to section 99 of the Companies Act 1981 of Bermuda. Upon the Scheme becoming effective and implemented in accordance with its terms:

- UEM Bermuda Shareholders (other than certain overseas shareholders) will exchange their shares in UEM Bermuda for Shares in the Company on the basis of one Share for every UEM Bermuda Ordinary Share held as at the Scheme Record Date (including any UEM Bermuda Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee)); and
- UEM Bermuda will become a wholly-owned subsidiary of the Company. As a result, the Company will indirectly acquire all of UEM Bermuda's assets and liabilities (including its investment portfolio) with effect from Admission. The Company will carry on the existing business and operations of UEM Bermuda and will have the same investment objective and the same investment policy as UEM Bermuda.

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(1) The past performance of UEM Bermuda is not a guide to future performance of the Company. The value and income from the Company's Shares to be issued pursuant to the Scheme can fall as well as rise and an investor may get back less than the amount invested.

The Net Asset Value of the Company and the Net Asset Value per Share will depend on the value of UEM Bermuda's assets and liabilities (including the costs of the Scheme and the Issue) as at the date of Admission. As at 21 February 2018 (being the latest practicable date prior to the publication of this document), the Net Asset Value of UEM Bermuda was £553.4 million (unaudited) and the Net Asset Value per UEM Bermuda Ordinary Share was 253.35 pence (unaudited).

The issue of Shares pursuant to the Scheme is conditional upon the Scheme becoming unconditional and implemented in accordance with its terms. Implementation of the Scheme is conditional on:

- the Scheme being approved by a majority in number representing not less than three-fourths in value of the UEM Bermuda Shareholders present and voting in person or by proxy at the Scheme Meeting;
- the Scheme, with or without modification, being sanctioned by the Court;
- the Directors of UEM Bermuda not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme. The UEM Bermuda Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of UEM Bermuda and UEM Bermuda Shareholders as a whole;
- a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration; and
- Admission of the Shares to be issued pursuant to the Scheme

If the Scheme does not become effective and implemented in accordance with its terms, the Reorganisation Proposal and the Issue will not proceed and UEM Bermuda Shareholders will continue to hold their existing UEM Bermuda Ordinary Shares.

### **Rationale for the Reorganisation Proposal**

Since the launch of UEM Bermuda in 2005 there have been a number of positive developments in the UK investment trust rules and requirements, particularly in relation to investment flexibility. In light of the recognition of UK investment trusts as an attractive structure with an established long track record of spreading investment risk, the Directors believe that redomiciling UEM Bermuda's business and operations to the United Kingdom is likely to increase its marketing appeal. Furthermore, where shareholders wish to hold shares electronically, a UK investment trust will avoid the need to have the complexity of a share structure involving depositary interests.

In addition to the marketing benefits of redomiciling UEM Bermuda to the UK, as a UK incorporated and tax resident company, the Company should be able to benefit from the United Kingdom's extensive network of double tax treaties. The Directors are also aware of the developments over the life of UEM Bermuda in the approach taken by some countries to the taxation of capital gains of certain offshore based investors, including Bermuda. UEM Bermuda has historically suffered a very low or insignificant charge to overseas capital gains tax, but in recent years such charge has become material and had UEM Bermuda been incorporated in the United Kingdom and approved by HMRC as an investment trust, the material taxation charges reported in recent years would have been reduced substantially.

### **The Company**

The Company is a newly established public limited company incorporated in England and Wales on 7 December 2017 with registered number 11102129. The Company is registered as an investment company under section 833 CA 2006 and intends to carry on its business at all times so that it qualifies for approval as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010 (as amended). The registered address of the Company is The Cottage, Ridgecourt, The Ridge, Epsom, Surrey KT18 7EP.

Applications will be made to the UK Listing Authority for the Shares issued and to be issued pursuant to the Scheme to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main

market for listed securities. Implementation of the Scheme will be conditional on Admission of the Company's shares becoming effective.

It is expected that Admission will become effective and that dealings in the Shares issued pursuant to the Scheme, fully paid, will commence at 8.00 a.m. on 3 April 2018.

### **Investment Objective and Policy**

The investment objective and investment policy of the Company are the same as those of UEM Bermuda, as set out below:

#### ***Investment objective***

The Company's investment objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

#### ***Investment policy***

The Company's investment policy is flexible and its investments will include (but are not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.

The Company will focus on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but have the flexibility to invest in markets worldwide. The Company will generally seek to invest in emerging market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Company will have the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.

The Company may also use derivative instruments such as American Depository Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options, warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments. These investments will be long term in nature.

#### ***Investment restrictions***

The Board has prescribed the following restrictions on the investment policy, all of which are at the time of investment unless otherwise stated:

- Investments in unquoted and untraded investments in aggregate must not exceed 10 per cent. of Gross Assets at the time of investment. This restriction will not apply to the Company's holding of shares linked to a segregated account of Global Equity Risk Protection Limited (**GERP**), an unquoted Bermuda segregated accounts company;
- No single investment (including any investment by the Company in GERP) may exceed 20 per cent. of Gross Assets at the time of investment;
- Investments other than in infrastructure, utility and related companies (including the Company's investment in GERP) must not exceed 20 per cent. of Gross Assets at the time of investment;
- Investments in a single country must not exceed 50 per cent. of Gross Assets at the time of investment (and for these purposes investments will be considered to have been made in the countries where the relevant investee company reports that it carries out its business operations, as determined on a look-through basis);
- Not more than 10 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated

investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List);

- Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, the Company shall not invest in such funds more than 15 per cent. in aggregate of the value of the total assets of the Company at the time the investment is made; and
- Equity markets derivative transactions will be carried out by GERP on behalf of the Company to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50 per cent. of the value of the Company's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

The above limits only apply at the time the investment is made and the Company will not be required to realise any assets or rebalance the Portfolio where any limit is exceeded as a result of any increases or decreases in the valuation of the particular assets which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant limit can again be complied with.

Shareholders will be informed in the annual report and accounts of the Company of the actions taken by the Joint Portfolio Managers in the event of any breach of the above investment restrictions.

#### *Borrowing and gearing policy*

The Company may use bank borrowings for short-term liquidity purposes. In addition, the Board may gear the Company by borrowing on a longer term basis for investment purposes.

The Board has set a current limit on gearing (being total borrowings measured against Gross Assets and excluding any portfolio gearing provided through the Company's investment in GERP) not exceeding 25 per cent. at the time of drawdown.

Borrowings may be drawn down in Sterling, US Dollars or any currency for which there are corresponding assets within the Portfolio (at the time of drawdown the value drawn must not exceed the value of the relevant assets in the Portfolio).

The Company has received credit approval from Scotiabank Europe plc for a three year £50 million unsecured multicurrency revolving bank facility which it is expected will be entered into on or within a short period following Admission.

#### *Changes to the Company's investment policy*

As required by the Listing Rules, there will be no material change to the Company's published investment policy (including the investment limits) without the prior approval of the FCA and Shareholders by the passing of an ordinary resolution.

### **Investment Approach**

The Company will adopt the same investment approach as UEM Bermuda and will seek to identify and invest in undervalued investments predominantly in the infrastructure and utility sectors, mainly in emerging markets. The Joint Portfolio Managers aim to identify securities where underlying value and growth prospects are not reflected in the market price. This is often as a result of strong growth drivers, but can include changes in regulation, technology, market motivation, potential for financial engineering, competition or shareholder indifference.

The Company will 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 a unique product or market position. Most investee companies will be asset backed, have good cash flows and offer good dividend yields. The Company will generally seek to invest in companies with strong management which have the potential to grow their business and who have an appreciation of, and ability to manage, risk.

The Company believes it is generally appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging a review of capital structures and business efficiencies. The Joint Portfolio Managers will maintain regular contact with the investee companies and it is anticipated that the Company will often be among the largest international shareholders.

The Company will aim to maximise value for Shareholders by holding a relatively concentrated portfolio of securities and invest through instruments appropriate to the particular situation. The Company is prepared to hold investments in unlisted securities when the attractiveness of the investment justifies the risks and lower liquidity associated with unlisted investments. ICMIM, as the Company's AIFM, will control stock-specific and sector and geographic risk by continuously monitoring the exposures in the portfolio. In depth continual analysis of the fundamentals of investee companies will allow ICMIM to assess the financial risks associated with any particular stock. The portfolio will typically be made up of 60 to 90 stocks.

### **Dividend policy**

The Board and the Joint Portfolio Managers attach great importance to maintaining dividends per Share since dividends form a key component of the total return to Shareholders.

Aggregate interim dividends of 3.40 pence per UEM Bermuda Ordinary Share have been declared and paid to UEM Bermuda Shareholders in relation to the first two quarters of the financial year ending 31 March 2018. A third quarterly interim dividend of 1.80 pence per UEM Bermuda Ordinary Share has been declared which will be paid on 1 March 2018 to UEM Bermuda Ordinary Shareholders on the register on 16 February 2018. As set out in the half yearly report of UEM Bermuda for the six months ended 30 September 2017, in the absence of unforeseen circumstances, the directors of UEM Bermuda intended to declare a dividend for the fourth quarter of the financial year ending 31 March 2018 of 1.80 pence per UEM Bermuda Ordinary Share. This dividend would typically have been paid in June 2018. However, in light of the Reorganisation Proposal and the expected timeframe for the Company to complete the proposed capital reduction to create a distributable reserve, the UEM Bermuda Directors have decided to bring the payment of that dividend forward and today declared a fourth quarterly interim dividend of 1.80 pence per UEM Bermuda Ordinary Share in respect of the year ending 31 March 2018. This fourth quarterly dividend will be paid on 13 April 2018 to UEM Bermuda Ordinary Shareholders on the register on 23 March 2018. Accordingly, it is expected that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the Directors in August 2018 for payment in September 2018.

Although it is the Company's intention to grow progressively the dividends which have been paid by UEM Bermuda, there is no guarantee of any particular level of profits or returns being achieved.

Distributions on the Shares are expected to be paid quarterly each year in September, December, March and June, and it is expected that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the Directors in August 2018 for payment in September 2018.

In determining dividend payments the Board will take account of factors such as income forecasts, retained revenue reserves and the Company's dividend payment record. However, in order to maintain its approval as an investment trust, the Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.

The Company will seek to maintain the above dividend policy. To the extent that the Company's net income (calculated as received revenue less the operating costs of the Company charged to the revenue column of the Company's income statement) in any financial period exceeds the amount paid as dividend, this excess may be retained by the Company for use in smoothing future dividend payments (subject to satisfying the requirements for maintaining investment trust status). Conversely, to the extent that the payment of the dividend would represent an amount greater than the Company's net income (calculated as above) for the relevant period, such dividend payment would have to be made out of the capital profits of the Company.

Pursuant to a special resolution dated 14 February 2018, the Company has been granted authority to apply to court to sanction the cancellation of the amount standing to the credit of the Company's

capital redemption reserve as described below under the heading "Capital Structure". The resultant reserve may be used, where the Board considers it appropriate, by the Company for the purposes of paying dividends to Shareholders and, in particular, smoothing payments of dividends to Shareholders. There is no guarantee that the Board will in fact make use of such reserve for the purposes of the payment of dividends to Shareholders.

There is no assurance that the Company will achieve its stated policy on distributions as set out above (which for the avoidance of doubt is a target only and is not a commitment or a profit forecast). Accordingly, potential investors should not place any reliance on this stated policy in deciding whether or not to invest in the Company and should not assume that the Company will make any distributions at all and should decide for themselves whether or not the stated distribution policy is reasonable or achievable.

### **Capital Structure**

Immediately following the Scheme becoming effective and implemented in accordance with its terms, the Company's issued share capital will comprise Ordinary Shares including those to be issued pursuant to the Scheme and the 50,000 Redeemable Preference Shares which have been issued in order for the Company to obtain a certificate to commence business in accordance with the 2006 Act.

Upon the Company acquiring all of UEM Bermuda Shares pursuant to the Scheme a merger reserve will be created in the books of the Company which will reflect the difference between the fair value of UEM Bermuda as at the implementation of the Scheme and the nominal value of the Ordinary Shares issued pursuant to the Scheme.

In order to create a distributable reserve for the Company which could be used in the future for the payment of dividends and/or the buy-back of shares, it is intended that the amount standing to the credit of the Company's merger reserve will be capitalised by way of a bonus issue of a new class of redeemable deferred shares and that in accordance with the rights and restrictions attaching to the redeemable deferred shares (as set out in the Articles and summarised in paragraph 4.2(d) of Part VII of this Prospectus), all the redeemable deferred shares will then be immediately redeemed and cancelled. The redemption and cancellation of the redeemable deferred shares will give rise to a capital redemption reserve equal to the aggregate nominal value of the redeemed shares and a resolution to cancel the amount standing to the credit of the Company's capital redemption reserve was approved by a special resolution passed on 14 February 2018. The cancellation of the Company's capital redemption reserve will be subject to the sanction of the High Court of England and Wales and the Company intends to apply for such sanction as soon as reasonably practicable following Admission.

It is also intended that on or around Admission all the Redeemable Preference Shares in the Company's issued share capital will be redeemed and cancelled in accordance with their terms so that following such redemption, the Company's issued share capital will only comprise Ordinary Shares.

### **Repurchase of Shares**

The Directors consider that it is advantageous to Shareholders for the Company to have the authority to make purchases of its own Shares as and when the Board considers the timing to be favourable. The Directors will consider using share repurchases to assist in limiting any discount and discount volatility of the Shares, if and when the Shares trade at a level which makes their repurchase attractive. However, use of such authority will be regarded as an investment decision and will ultimately depend upon market conditions and the Board's judgement of its likely effectiveness in increasing Net Asset Value and/or reducing the discount.

The Board has been granted general authority pursuant to a special resolution dated 14 February 2018 to make market purchases of Shares, provided that the number of the Shares to be acquired, other than pursuant to an offer made to Shareholders generally, between the date of that resolution and the first annual general meeting of the Company shall not exceed 14.99 per cent. of the Shares issued pursuant to the Scheme.

Purchases of Shares by the Company will be funded out of the Company's distributable reserves in accordance with the 2006 Act. Pursuant to a special resolution dated 14 February 2018, the Company has been granted authority to apply to court to sanction the cancellation of the amount standing to the credit of the Company's capital redemption reserve as described above under the heading "Capital Structure". The resultant reserve may be used, where the Board considers it appropriate, by the Company for the purposes of making repurchases of Shares. However, there is no guarantee that the Board will in fact make use of such reserve for the purposes of the repurchase of Shares.

All Share repurchases will be conducted in accordance with the 2006 Act and Listing Rules applicable from time to time and will be announced to the market on the same or the following day. Accordingly, the maximum price paid will not exceed the higher of: (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for: (a) the last independent trade of; or (b) the highest current independent bid for, any number of Shares, on the trading venue where the purchase is carried out. In addition, repurchases of Shares will only be made in the market at prices below the prevailing NAV per Share.

Shares repurchased might not be cancelled but rather held as treasury shares and may be subsequently re-issued. Shares may only be reissued from treasury at a price which, after issue costs, is not less than the NAV per Share at the relevant time.

**The exercise by the Directors of the Company's powers to repurchase Shares and the timing and structure of any such purchases is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion.**

#### **Tender Facility**

Subject to certain limitations and the Directors exercising their discretion to operate the Tender Facility or any variation on any relevant occasion, Shareholders may request the repurchase of all or part of their holding of Ordinary Shares for cash pursuant to a Tender Facility.

The price at which Ordinary Shares may be tendered under the Tender Facility will usually be set at a 5 per cent. discount to the NAV per Ordinary Share to allow for the costs of the exercise.

The maximum number of Ordinary Shares which may be tendered pursuant to the Tender Facility in any financial year will be limited to 12.5 per cent. of the Ordinary Shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back *pro rata*. Any Ordinary Shares bought back pursuant to the Tender Facility may be cancelled or held in treasury.

Subject to the limitations set out below and the Directors' discretion being exercised on any relevant occasion, the Tender Facility may operate annually on the Tender Date. The Tender Facility is not expected to be made available in circumstances where the annual compound growth rate of the Gross Assets exceeds 10 per cent. or where the Company's performance exceeds its Benchmark Index by 15 per cent. or more in the relevant period.

If the Directors choose to operate the Tender Facility on any given Tender Date, they will send Shareholders a circular setting out the terms and conditions of the Tender Facility, together with a Tender Form which should be completed by Shareholders who wish to tender their Ordinary Shares pursuant to the Tender Facility. Shareholders who wish to tender their Ordinary Shares pursuant to the Tender Facility should return their completed Tender Forms in accordance with the timetable set out in the relevant circular.

Repurchases pursuant to the Tender Facility will be effected at the average Net Asset Value per Ordinary Share for the seven days prior to the relevant Tender Date less a discount of 5 per cent. Cheques in respect of successful tenders are expected to be despatched (at the recipient's risk) within 21 business days following the relevant Tender Date. Shareholders and prospective investors should note that the operation of a Tender Facility is discretionary and will be subject to the Company having sufficient distributable reserves from which the repurchases can be funded in accordance

with the 2006 Act and they should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions or the proportion of Ordinary Shares which may be sold pursuant to a Tender Facility.

### **Further issues of Shares**

The Board has been granted general authority by way of a special resolution dated 14 February 2018 to allot further Shares following Admission in addition to those Shares to be issued pursuant to the Scheme representing up to approximately one third of the Shares in issue immediately following Admission, such authority lasting until the first annual general meeting of the Company expected to be held in 2019. Other than for any Shares issued in satisfaction of any performance fee payable to the Joint Portfolio Managers (as described under the heading "Performance Fee" in Part II of this Prospectus) or to the Directors in accordance with their letters of appointment in respect of their annual fee, this authority is limited to issuing Shares representing up to 5 per cent. of the Shares in issue immediately following Admission. To the extent that this authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority. A further special resolution was also passed at the same date to disapply Shareholders' pre-emption rights over Shares representing up to 5 per cent. of the Shares in issue immediately following Admission so that the Board will not be obliged to offer any such new Shares to Shareholders *pro rata* to their existing holdings.

However, except where authorised by Shareholders, no Shares will be issued at a price which is less than the NAV per Share at the time of their issue unless they are first offered *pro rata* to Shareholders on a pre-emptive basis.

### **Life of the Company**

The Company has been established with an unlimited life. However, the Directors consider it desirable to give Shareholders the periodic opportunity to review the future of the Company. Therefore, a resolution will be proposed that the Company should continue as presently constituted at the annual general meeting of the Company to be held in 2021 and at every fifth annual general meeting thereafter.

If the relevant continuation resolution is not passed, the Directors will be required to formulate proposals to be put to Shareholders relating to the future of the Company having regard to, *inter alia*, prevailing market conditions and applicable regulations and legislation.

### **Taxation**

Information on the UK tax treatment of the Shares is set out in Part VI of this Prospectus.

**Any information given in this Prospectus concerning tax is based on current law, practice and regulation (which may change), is given by way of general summary only and does not constitute legal or tax advice to any Shareholder or prospective investor.**

**Any investor who is in any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.**

### **ISAs, Junior ISAs and SIPP**

Insofar as is possible, the Directors intend to manage the affairs of the Company so that the Shares will be qualifying investments for the purposes of ISAs and a Junior ISA. Accordingly, the Shares will be eligible for inclusion in the stocks and shares components of an ISA and a Junior ISA, subject to applicable subscription limits.

To the extent that UEM Bermuda Shareholders hold their UEM Bermuda Ordinary Shares in an ISA or Junior ISA, they will be able to continue to hold their Shares in the Company in their ISA or Junior ISA.

The opportunity to invest through an ISA is restricted to certain UK resident individuals aged 18 or over. UK resident individuals aged under 18 can invest in a Junior ISA. Individuals wishing to invest through an ISA should contact their professional advisers regarding their eligibility.

The Shares will constitute permitted investments for SIPP.

## **Risk factors**

The Company's business depends on many factors, and investors are advised to read the whole of this Prospectus and in particular the section headed "Risk factors" on pages 18 to 28 of this Prospectus.

## PART II

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### The Board

The Board has overall responsibility for the Company's activities and the determination of its investment policy and strategy, including the review of investment activity and performance and the control and supervision of the Joint Portfolio Managers.

The Directors, all of whom are non executive, are as follows:

**John Rennocks** (Chairman), was appointed to the board of UEM Bermuda in November 2015 and elected Chairman in September 2016, has broad experience in conventional and renewable electricity generation and in biotechnology, support services and manufacturing, having previously served as deputy chairman and senior independent director of Inmarsat plc and as finance director of a number of public limited companies (including Smith and Nephew plc, PowerGen plc, British Steel plc and Corus Group plc) and as a non-executive chairman or director of several companies, including Foreign & Colonial Investment Trust plc and JP Morgan Overseas Investment Trust plc. He is currently chairman of Bluefield Solar Income Fund Limited and AFC Energy PLC. He is a Fellow of the Institute of Chartered Accountants of England and Wales.

**Susan Hansen**, was appointed to the board of UEM Bermuda in September 2013 and is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking and is a director of Homeloans Limited, a non-bank lending company listed on the Australian Stock Exchange, as well as the principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited, a registered charity in New Zealand. She is a member of the Institute of Chartered Accountants of Australia and New Zealand.

**Garry Madeiros** OBE, was appointed to the board of UEM Bermuda in June 2007, was formerly president and chief executive officer of BELCO Holdings Limited (now named Ascendant Group Limited) and Bermuda Electric Light Company Limited. He is currently a director of BF&M Limited and BF&M Life Insurance Company. He is a chartered accountant, Chairman of the Company's Audit Committee and he has served on a number of corporate, education, community and Bermudian Government boards. He is a Justice of the Peace and a fellow of the Bermuda Institute of Chartered Accountants.

**Garth Milne**, was re-appointed to the board of UEM Bermuda in November 2014, has been involved in the investment company sector for over 40 years. He is a director of Invesco Perpetual UK Smaller Companies Investment Trust plc.

**Anthony Muh**, was appointed to the board of UEM Bermuda in October 2010, is an investment professional with 30+ years' experience in the investment management industry. He is a Partner and executive director of H.R.L. Morrison & Co, chairman of JIDA Capital Partners Limited, a China focused sustainable infrastructure investment management company and a director of a number of its subsidiary companies in China. He previously headed up the Asia Pacific operations of Alliance Trust PLC and for over 10 years was the Asia Pacific chief investment officer at Citigroup and Salomon Brothers Asset Management. He is past Chairman and a Fellow of the Hong Kong Securities Institute and a member of the Asia Advisory Board at Euromoney Institutional Investor Plc. Anthony is the current Vice Chairman and council member of Asia Corporate Governance Association, a regional body working closely with regulators and stakeholders to improve governance standards across the region.

The Directors are independent of the Joint Portfolio Managers apart from Susan Hansen because she is a director of another company associated with ICM.

## **Management of the Company**

The Directors are responsible for the determination of the Company's investment objective and investment policy and have overall responsibility for its day-to-day activities, including the review of investment activity and performance.

Pursuant to the existing management agreement dated 31 March 2015 made between UEM Bermuda and the Joint Portfolio Managers (the **UEM Bermuda Management Agreement**), ICMIM acts as UEM Bermuda's alternative investment fund manager with sole responsibility for risk management and both ICMIM and ICM act as joint portfolio managers with responsibility for the management of UEM Bermuda's assets, subject in each case to the overriding supervision of the directors of UEM Bermuda.

However, pursuant to a novation of the UEM Bermuda Management Agreement made between UEM Bermuda and the Joint Portfolio Managers, ICMIM will act as the Company's alternative investment fund manager with sole responsibility for risk management and both ICMIM and ICM will act as joint portfolio managers with responsibility for the management of the Company's assets, subject in each case to the overriding supervision of the Directors.

ICMIM is authorised and regulated by the FCA to act as an alternative investment fund manager pursuant to the AIFM Regulations.

ICM, the Company's joint portfolio manager, is licensed to carry on business in Bermuda, including providing investment advice to the Company, by the Minister of Business Development and Tourism of Bermuda.

The Novated and Amended Management Agreement may be terminated by the Company or the Joint Portfolio Managers providing six months' written notice of termination to the other and there is no initial term of appointment of the Joint Portfolio Managers. Further details of the Novated and Amended Management Agreement are summarised in paragraph 8.1 of Part VII of this Prospectus.

In addition to its duties joint portfolio manager of the Company, ICMIM also provides company secretarial services to the Company.

ICMIM has also agreed to procure the provision of certain support services (including middle office, market dealing and information technology support services) in relation to the provision of its services to the Company as described below in this Part II under the heading "Administration Services".

## ***Investment philosophy***

The Joint Portfolio Managers' investment philosophy is to focus on investments where they believe the underlying value is not reflected in the market price. This philosophy has the following features:

- searching for under-valued companies that are often under-rated and under-researched;
- analysing opportunities arising through technological development, market changes, competition or shareholder issues;
- using knowledge of and expertise in financial engineering and different financial instruments;
- developing techniques to compare companies across geographical regions and across industries;
- maintaining close working relationships with investee companies including visiting their key operational sites;
- maintaining a strong understanding of the infrastructure, utility and related sectors and their regulation; and
- possessing a sensitivity to step changes resulting from developments in regulation and competition.

In accordance with the Company's investment policy, the Joint Portfolio Managers may also use hedging instruments, where appropriate, to protect the Company's portfolio from market volatility.

### **Investment process**

The Joint Portfolio Managers follow a systematic investment process. They source and analyse investment opportunities before making investments where they believe they would offer good value. In addition to UEM Bermuda, ICMIM and ICM are the joint portfolio managers to a further listed fund, UIL Limited and ICM has a number of other investment mandates, including private equity, fixed interest and mining. The Joint Portfolio Managers have an established network of industry contacts and investment opportunities are sourced through a combination of sector knowledge and monitoring and a review of markets. Between them, the Joint Portfolio Managers have a good long term record in stock selection across the infrastructure and utilities sectors and of financial and investment structuring.

### **Investment outlook**

Markets remain outside the normal historic parameters. From a monetary policy perspective, unconventional tools are continuing to be deployed, such as negative interest rates and Quantitative Easing (“QE”) still being implemented in Europe and Japan. However, the US economy has strengthened to the point where Quantitative Tightening (“QT”) is now in place and inflation looks set to rise, including wage inflation. This in turn has seen increased market expectations that interest rates will need to rise faster.

The rising dislocation between “QE” and “QT” is likely to result in increased volatility; in the last month volatility has been seen to spike and markets correct. Corporates remain in a goldilocks scenario (global growth, low interest rates and low inflation) which should be beneficial when reflected in rising revenues and increasing margins and consequently good earnings growth. This should have positive implications for the Company’s portfolio.

Longer term trends in emerging markets mean urbanisation remains a driver of city GDP and the rising middle class within cities remains a “consumer” of the Company’s infrastructure and utility investments.

A caution should be made about geopolitical events and populism. There continues to be a strong populist influence and this could lead to changing outcomes which the Company and the Joint Portfolio Managers may not always foresee. Further increased geopolitical tensions, especially in the Middle East could also have implications for the markets. While macro, political and geopolitical events will influence markets, the Company’s investment approach and performance will continue to be driven by individual stock selection and a diversified portfolio.

### **Global Equity Risk Protection Limited**

UEM Bermuda holds 3,920 Class B non-voting shares in GERP which is a Bermuda registered segregated account company. Following the implementation of the Scheme, it is expected that UEM Bermuda’s shares in GERP will be transferred to the Company and the loan agreement between GERP and UEM Bermuda will be novated to the Company.

GERP has been established as the investment vehicle through which funds and other accounts managed by the Joint Portfolio Managers may carry out derivative transactions. The Company’s shareholding in GERP will allow the Company to put in place hedging positions in a way that ensures efficient, fast dealing and satisfy the “best execution” requirements across the various funds managed by the Joint Portfolio Managers. In accordance with the Company’s investment policy, the Company’s aggregate investment in GERP may not exceed 20 per cent. of its Gross Assets at the time the investment is made.

Each of GERP’s segregated accounts (which will include the Company’s) is ring-fenced from the other segregated accounts such that no other segregated account has any claim or exposure to any assets or liabilities of any other segregated account. There is a central GERP corporate administrator which oversees the administration of the various accounts but the corporate administrator does not trade on its own account and all of its expenses are allocated against and funded by each of the segregated accounts. The directors of GERP are Duncan Saville, Charles Jillings and Alasdair Younnie.

The Company's segregated account in GERP will be used solely for carrying out derivative transactions at the request of and on behalf of the Company in order that it may make investments more efficiently and for the purposes of efficient portfolio management (as defined on page 94). The use of GERP enables the Company and other funds managed by the Joint Portfolio Managers to achieve efficiencies and obtain better terms by aggregating their orders than would be the case if the Company's derivative transactions were executed on a stand-alone basis. GERP spreads its investments risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options (when taking into account the underlying long position and offsetting the derivative position). In addition to the above overall limit, the following exposure limits will apply at the time of investment:

- GERP may not hold more than 50 per cent. of the value of the Company's segregated portfolio in GERP in index options; and
- GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

The Board and ICMIM, as AIFM, will regularly review the investments in GERP from a risk management perspective.

The Joint Portfolio Managers will monitor and manage GERP's operational and anticipated portfolio risks and will consider on an ongoing basis the aggregate investment in GERP for the purpose of ensuring that risk levels are appropriate and the guidelines set by the Board are adhered to.

UEM Bermuda has entered into a loan agreement with GERP in order to fund UEM Bermuda's segregated account in GERP, which will be novated to the Company following implementation of the Scheme (the **GERP Loan Agreement**). Under the GERP Loan Agreement, GERP may draw down funds from the Company to meet any costs and liabilities arising from the assets held in the Company's segregated account (subject to the investment restrictions contained in the Company's investment policy). As at 21 February 2018, being the latest practicable date prior to publication of this Prospectus, UEM Bermuda's segregated account in GERP had net liabilities of £0.0 million.

### **Co-investment opportunities**

Opportunities may arise for the Company to co-invest alongside companies associated with, or managed by, the Joint Portfolio Managers (or their respective associates). The Company (and other clients of the Joint Portfolio Managers) will be given the opportunity to invest in opportunities falling within its (or their) investment policy, *pro rata* to their assets available for investment in priority to the Joint Portfolio Managers (and their respective associates). The Company will, subject to the approval of the Directors, be free to co-invest, subject in each case to the Company's investment policy, when it is felt to be in its interests and would intend to do so. The ability to co-invest may be beneficial as it may enable the Company to benefit from more advantageous terms than would be available for a smaller investment made by the Company alone. The terms on which the Company co-invests will be no less favourable than the terms on which any company associated with, or managed by, the Joint Portfolio Managers (or their respective associates) invests.

### **Relationship with UIL Limited**

Whilst UEM Bermuda and UIL Limited are two separate entities, each with their own board of directors and shareholders, they currently have, to a certain extent, overlapping investment policies, similar portfolio methodologies and have each appointed the Joint Portfolio Managers to provide portfolio management services who use the same individuals to conduct investment research on behalf of both companies.

### **Investment allocation**

As the Joint Portfolio Managers currently provide investment advice to both UEM Bermuda and UIL Limited (among other clients) an investment allocation policy has been put in place between UEM Bermuda and UIL Limited, which is intended to provide transparency for shareholders in each company. Upon implementation of the Scheme, the same allocation policy will apply between the Company and UIL Limited and is as set out below:

- investments in infrastructure, utility and related sectors in Emerging Markets will first be offered in full to the Company;
- if the Company is technically able to make the investment, but the Joint Portfolio Managers believe it is inappropriate for it to do so, either in part or in full, (for example, this may be due to sector or geographical weighting issues or lack of funds) then the matter will be referred to the Chairman of the Company;
- if the Chairman agrees with the Joint Portfolio Managers' decision, then UIL Limited will be free to make the investment (to the extent that the opportunity remains) if it wishes to do so;
- if the Company is incapable of making any part of the investment, then UIL Limited will be free to take up the balance of the investment if it wishes to do so; and
- in circumstances where both the Company and UIL Limited invest in the same securities at the same time, they will invest on substantially the same terms.

The Company's investment objective is to invest predominantly in Emerging Markets. However, the Company has the flexibility to make investments in infrastructure, utility and related sector companies outside Emerging Markets, including making investments in developed markets. Where the Joint Portfolio Managers identify an investment in infrastructure, utility and related sector companies in a developed market which they believe would be suitable for the Company and is in accordance with its investment policy, a similar allocation policy to that set out above will be adopted, but with UIL Limited being offered the relevant investment opportunity in the first instance. In the event that UIL Limited is unable or does not wish to take up the relevant investment opportunity in full, then the Company will be free to make that investment (to the extent that the opportunity remains).

### **Potential conflicts of interest**

The Joint Portfolio Managers currently serve as joint portfolio managers to UIL Limited (**UIL**), Somers Limited (**Somers**), Zeta Resources Limited (**Zeta**) and Allectus Capital Limited (**Allectus**), as well as the Company, and the Joint Portfolio Managers and their respective associates may be involved in other financial, investment or professional activities in the future, including advising other investment clients. In particular, they may provide investment management, investment advice or other services in relation to investment companies which may have similar investment policies and objectives to that of the Company. As a result, the Joint Portfolio Managers may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they or their respective affiliates may have a greater financial interest.

Somers, Zeta and Allectus invest in, respectively, the financial services, resources and technology sectors and UIL invests in undervalued companies worldwide.

The Joint Portfolio Managers have undertaken to take all reasonable steps to avoid conflicts of interest. If such conflicts of interest cannot be avoided the Joint Portfolio Managers shall take all reasonable steps to identify, manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of the Company and Shareholders, and to ensure that the Company is treated fairly.

There can be no assurance that the Joint Portfolio Managers will resolve all conflicts of interest with the Company in a manner that is favourable to the Company.

### **Management and performance fees**

The management and performance fees payable by the Company to the Joint Portfolio Managers will be the same as those currently payable by UEM Bermuda and are summarised below:

#### **Management fee**

Under the terms of the Novated and Amended Management Agreement, the Company will pay the Joint Portfolio Managers an aggregate management fee of 0.65 per cent. per annum of the Company's net assets attributable to its Shareholders. The management fee will be calculated and payable monthly in arrears and will be apportioned between the Joint Portfolio Managers in accordance with a management services agreement between them.

The annual management fee is adjusted for fees earned by the Joint Portfolio Managers in respect of investment holdings managed or advised by them. The Joint Portfolio Managers are also reimbursed for all out-of-pocket costs and expenses properly and reasonably incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties.

#### **Performance Fee**

In addition to the annual management fee, the Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent.

The maximum amount of a performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of the Company and any performance fee in excess of this cap will be written off.

No performance fee will be payable until the Net Asset Value exceeds the high watermark established when a performance fee was last paid (including for these purposes, when a performance fee was last paid by UEM Bermuda), adjusted for capital events and dividends paid since its establishment (the **Hurdle**). The Hurdle will be adjusted for any capital event (including but not limited to bonus issues, any repayment or otherwise that reduces the funds attributable to Shareholders and any new issue of equity) and any dividends paid following the period in respect of which a performance fee was last paid are also taken into account.

Any performance fee payable will be paid 50 per cent. in cash and 50 per cent. in Shares. The number of Shares to which the Joint Portfolio Managers are entitled (**Performance Shares**) will be the number of Shares that, when valued at the Net Asset Value Ordinary Share at the end of the financial year to which the performance fee relates, equals 50 per cent. of the performance fee. The full performance fee (if any) is payable to the Joint Portfolio Managers as soon as practicable following the end of the financial year in order to reduce the risk to the Company of material movements in the price of Performance Shares between the end of the financial year and the date of payment. Any subsequent adjustment to the performance fee arising out of the audit process for the relevant financial year will be paid to or recouped from the Joint Portfolio Managers in cash within seven days of the publication of the annual report and accounts for the relevant financial year.

The Joint Portfolio Managers will make reasonable endeavours to purchase the Performance Shares in the market at a price (including transaction costs) equal to or below the Net Asset Value per Share at the time of such purchase and the Company will reimburse the Joint Portfolio Managers in cash for such purchases. In the event that the Joint Portfolio Managers are unable to purchase some or all of the Performance Shares in the market at or below the Net Asset Value per Share at the time of such purchase, the Company will issue to the Joint Portfolio Managers new Shares equivalent to any shortfall. For the purposes of determining the amount of any performance fee payable in respect of any financial year, there shall be deducted from the performance fee an amount equal to the aggregate amount of any performance fees received during the relevant financial year by the Joint Portfolio Managers (or any of their respective associates) from any third party in respect of any asset from time-to-time comprised within the Company's portfolio during the relevant financial year.

#### **Other service providers**

##### **Administration Services**

JPMorgan Chase Bank, N.A., London Branch (**JPMCB**) has been appointed by the Company pursuant to an administration services agreement dated 23 February 2018 to provide fund accounting, fund valuation and reporting services (the **JPMCB Administrative Services Agreement**). JPMCB is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and its registered office is at 25 Bank Street, Canary Wharf, London E14 5JP.

For its services under the JPMCB Administrative Services Agreement, JPMCB will be entitled to receive an annual fee of approximately £100,000, subject to a minimum fee of £30,000 per annum.

The Company will also reimburse JPMCB in respect of reasonable out-of-pocket expenses properly incurred in the performance of its duties.

The JPMCB Administration Services Agreement has an initial term ending one year from the date of Admission and will renew automatically for additional one year periods effective from the first anniversary of the date of the end of the initial term, unless and until a valid termination notice is given by either party on at least 180 days prior to the end of the applicable term. The JPMCB Administration Services Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

A summary of the main provisions of the JPMCB Administration Services Agreement is set out in paragraph 8.2 of Part VII of this Prospectus.

ICMIM has appointed Waverton Investment Management Limited (**Waverton**) pursuant to an agreement dated 23 February 2018 to provide certain support services (including middle office, market dealing and information technology support services) to ICMIM in relation to the provision of its services to the Company (the **Waverton Support Services Agreement**).

Waverton will be entitled to receive an annual fee of 3 basis points of the NAV, subject to a minimum fee of £4,000 per month. The Company will reimburse ICMIM for all of its costs and expenses incurred in relation to the Waverton Support Services Agreement.

The Waverton Support Services Agreement has an initial term ending 5 years from the date of Admission, following which it may be terminated by ICMIM or Waverton providing 6 months' written notice of termination to the other. The Waverton Support Services Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

#### ***Depository services***

The Company has appointed JP Morgan Europe Limited (**JPMEL**) to act as its depositary for the purposes of the AIFM Directive, under the terms of the Depositary Agreement. JPMEL is authorised and regulated in the United Kingdom by the FCA.

As depositary of the Company, JPMEL will perform those duties prescribed under the AIFM Directive.

In consideration for its services, JPMEL will be entitled to receive an annual fee of 2.20 basis points of the NAV, subject to a minimum fee of £25,000 per annum. Any additional services provided by JPMEL will incur additional charges.

The Depositary Agreement has an initial term of one year from the date of Admission and following the initial term may be terminated by a party giving not less than one hundred and eighty (180) days' prior written notice to the others. The Depositary Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

A summary of the main provisions of the Depositary Agreement is set out in paragraph 8.3 of Part VII of this Prospectus.

#### ***Custody services***

The Company has also appointed JPMCB to provide custodial services pursuant to the Global Custody Agreement. JPMCB is authorised and regulated in the United Kingdom by the Prudential Regulation Authority.

The services to be provided by JPMCB include the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive and retaining custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.

JPMCB will receive safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of which vary country by country, together with its reasonable out-of-pocket or incidental expenses.

The Global Custody Agreement has an initial term of one year from the date of Admission and following the initial term, the Company may terminate the Global Custody Agreement by giving not

less than one hundred and eighty (180) days' prior written notice to JPMCB and JPMEL, and JPMCB may terminate the agreement on one hundred and eighty (180) days' prior written notice to the Company and JPMEL. The Global Custody Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

A summary of the main provisions of the Global Custody Agreement is set out in paragraph 8.4 of Part VII of this Prospectus.

#### ***Registrar***

Computershare Investor Services PLC has been appointed as the registrar of the Company.

The Registrar will be responsible for the maintenance of the Register, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee calculated on the basis of the number of Shareholders, subject to a minimum annual fee of £6,400. Any additional services provided by the Registrar will incur additional charges.

The Registrar Agreement is for an initial fixed term of twelve months, and will continue thereafter until terminated by the Company giving not less than six months' prior written notice to the Registrar, or by the Registrar giving not less than six months' prior written notice to the Company, in each case such notice not to expire prior to the end of the initial fixed term.

A summary of the main provisions of the Registrar Agreement is set out in paragraph 8.6 of Part VII of this Prospectus.

#### ***Auditor***

The Auditor to the Company is KPMG LLP. KPMG LLP is independent of the Company and is registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

The Auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to IFRS.

#### ***Company secretarial services***

In addition to its duties as joint portfolio manager, ICMIM also provides company secretarial services to the Company pursuant to the Novated and Amended Management Agreement. ICMIM will receive a fee equal to 45 per cent. of the total employment costs incurred by it in employing a suitably experienced person to provide the company secretarial services to the Company.

#### **Financial reporting and information**

##### ***Net Asset Value***

The Net Asset Value of the Company and the Net Asset Value per Share are calculated (and rounded to two decimal places), in pounds Sterling by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on each Business Day. The Net Asset Value per Share will be announced through the London Stock Exchange without delay, once calculated.

Investments are measured at the Board's estimate of fair value at the reporting date, in accordance with IFRS 9: Financial Instruments. Fair value is the amount for which an asset (or liability) could be exchanged between knowledgeable, willing parties in an arm's length transaction.

- Valuation is Publicly traded securities – Investments listed in an active market are valued at their closing bid price on the reporting date. When a bid price is not available, the price of the most recent reported transaction would normally be used. Market bid prices are used even in situations where the Company holds a large position and a sale could reasonably affect the quoted price.

- Unquoted securities – The determination of fair value for unquoted securities where there is little, if any, market activity is achieved by the application of a valuation technique that is appropriate for the circumstances. This will make the maximum use of market-based information and is consistent with methodology generally used by market participants.

Valuation is normally determined using one of the following valuation methodologies:

*Start up and early stage investments:*

In the absence of revenues, profits, assets or cash flows, the approach used will be cost combined with set milestones to measure expectations and fair value.

*Established investments:*

There are three approaches to valuing established investments: multiples; discounted earnings; and recent investments. Depending on the investment and the relevance of the approach, any or all of these valuation methods could be used.

Appropriate market multiples will vary by instrument, but would typically be by reference to one or more of, but not limited to, net earnings ratio, EV/EBITDA ratio, dividend yield, discount to net asset value or yield to maturity.

Discounted earnings multiples will use maintainable earnings discounted at appropriate rates to reflect the value of the business. Where there has been a recent investment in an investee company, the price of that investment will provide a basis of the valuation.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation procedure as they consider is reasonable in the circumstances having taken advice from the Company's auditors. The Directors may delegate to the Joint Portfolio Managers any of their discretions under the valuation guidelines.

The Board may temporarily suspend the calculation of NAV during a period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, disposal or valuation of investments or other transactions in the ordinary course of the Company's business are not reasonably practicable without being materially detrimental to the interests of Shareholders or if, in the opinion of the Board: (i) the NAV cannot be fairly calculated; (ii) there is a breakdown of the means of communication normally employed in determining the calculation of NAV; or (iii) it is not reasonably practicable to determine the NAV on an accurate and timely basis. Any suspension in the calculation of the NAV, to the extent required under the Articles or by the Listing Rules, will be notified through an RIS as soon as practicable after any such suspension occurs.

***Accounting Policies***

The audited accounts of the Company will be prepared in pounds Sterling under International Financial Reporting Standards as adopted by the European Union, which the Directors believe is an acceptable body of generally accepted accounting practice. Under IFRS, the Company will prepare an income statement and a statement of changes in equity, which discloses revenue and capital results, including net investment gains.

Expenses are allocated to revenue return except the management fees and borrowing costs which will be allocated 70 per cent. to capital return, with the remaining 30 per cent. to revenue return and the performance fee and other expenses of a capital nature which will be allocated to capital return.

***Reports and Accounts***

The annual accounts of the Company will be made up to 31 March in each year, with copies of the annual report and accounts ordinarily sent to Shareholders in June. Annual general meetings of Company are expected to be held in September each year, with the first annual general meeting expected to be held in September 2019. Shareholders will also receive an unaudited consolidated half yearly report covering the first six months of each financial year to 30 September. The half yearly report will ordinarily be sent to Shareholders in November of each year.

## Meetings

It is intended that all general meetings of the Company will be held in the United Kingdom. The Company will hold an annual general meeting every year commencing in 2019. All Shareholders are entitled to attend and vote at general meetings of the Company.

## Corporate governance

The Board is committed to high standards of corporate governance. As an English incorporated company with a premium listing on the Official List, the Company will be required to comply with the UK Corporate Governance Code issued by the Financial Reporting Council (the **UK Corporate Governance Code**). The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the **AIC Code**) by reference to the AIC Corporate Governance Guide for Investment Companies (the **AIC Guide**). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders.

As a newly incorporated company, the Company does not comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code but, the Company intends to join the AIC on or around Admission and arrangements have been put in place so that, with effect from Admission, the Company will comply with the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- nomination of a senior independent director.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an investment company with external investment managers. In particular, all of the Company's day-to-day investment management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company therefore will not report further in respect of these provisions.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Joint Portfolio Managers and Administrator, whose controls are monitored by the Board and which include audit and risk assessment. It is therefore felt that there is no need for the Company to have its own internal audit function. However, this will be reviewed annually by the Audit & Risk Committee. Action will be taken to remedy any significant failings or weaknesses identified from the review of the effectiveness of the internal control system.

In view of the requirement of the Articles that all Directors retire by rotation, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by the AIC Code. In addition, the Board has considered provision B.7.1 in the UK Corporate Governance Code published in April 2016 recommending that all directors of FTSE 350 companies should be subject to annual re-election. The Board believes that the current election system, with each Director being re-elected to the Board at least every three years or re-elected annually if they have served more than nine years or are "non-independent", is sufficient as annual re-elections could pose risks to the continuity and stability of the Board. Any non-independent director will be subject to annual re-election.

The Company does not have a separate Nomination Committee and the Board as a whole undertakes the work which would otherwise be undertaken by these Committees.

The Board has constituted the following committees:

#### **Audit Committee**

The Company has established a separately chaired Audit Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements, and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy. The terms of reference detailing the scope and duties of the Audit Committee are available on the Company's website [www.uem.limited](http://www.uem.limited).

The Audit Committee will meet at least three times a year. Two of the planned meetings will be held prior to the Board meetings to approve the half yearly and annual results and the Audit & Risk Committee will receive information from the Joint Portfolio Managers and the Administrator on their internal controls. Representatives of the Joint Portfolio Managers and the Administrator will attend all meetings.

The Audit Committee is composed of the independent Directors, except John Rennocks, and is chaired by Garry Madeiros. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit Committee.

The primary role of the Audit Committee will be to review the Company's accounting policies, the contents of the accounts, the adequacy and scope of the external audit and compliance with regulatory and financial reporting requirements. In addition, it will also review the provision of non-audit services by the external auditors, the risks to which the Company is exposed and the controls in place to mitigate those risks.

The Board will retain ultimate responsibility for all aspects relating to the annual and half-yearly accounts and other significant published financial information.

The Board has reviewed and accepted the Joint Portfolio Managers' anti-bribery and corruption and whistleblowing policies.

#### **Management Engagement Committee**

The Board has appointed a Management Engagement Committee, chaired by John Rennocks, which operates within written terms of reference clearly setting out its authority and duties. Copies of the terms of reference are available on the Company's website at [www.uem.limited](http://www.uem.limited).

The Management Engagement Committee is comprised of all the Directors and will meet at least once a year.

The Management Engagement Committee will undertake an annual formal evaluation of the performance of, and fees paid to, the Joint Portfolio Managers for the services provided under the Management Agreement, together with the fees and other terms of that agreement. The Management Engagement Committee will also consider the effectiveness of the administration services provided by JPMCB, including the timely identification and resolution of areas of accounting judgement and implementation of new regulatory requirements, and the performance of other third party service provider.

#### **Remuneration Committee**

The Company's Remuneration Committee is comprised of the whole Board and is chaired by Mr Milne. It operates within written terms of reference setting out its authority and duties. Copies of the terms of reference are available on the Company's website at [www.uem.limited](http://www.uem.limited). The Remuneration Committee is responsible for reviewing and making recommendations to the Board in respect of the fees payable to Directors.

### PART III

## THE PORTFOLIO

Subject to the Scheme becoming effective and implemented in accordance with its terms, upon Admission UEM Bermuda will become a wholly-owned subsidiary of the Company. As a result, the Company will indirectly acquire all of UEM Bermuda's assets and liabilities (including its investment portfolio) with effect from Admission.

The following table provides unaudited summary details of the 20 largest investments of the UEM Bermuda as at 21 February 2018 (being the latest practicable date prior to the publication of this Prospectus):

<b>Company</b>	<b>Market Value (£'000)</b>	<b>% of Gross Assets of the UEM Bermuda Group</b>
International Container Terminal Services Inc.	28,520	4.8%
Ocean Wilsons Holdings Limited	25,012	4.2%
Alupar Investimento S.A.	21,203	3.6%
Transgaz S.A.	19,254	3.2%
Yuexiu Transport Infrastructure Limited	17,908	3.0%
Cia de Gas de Sao Paulo (Comgas)	16,222	2.7%
Malaysia Airport Holdings Berhad	15,857	2.7%
Transportadora de Gas del Sur S.A.	15,447	2.6%
Energisa S.A.	15,208	2.6%
Bolsas Y Mercados Argentinos	15,001	2.5%
Conpet S.A.	14,878	2.5%
Transelectrica SA	14,807	2.5%
SJVN Limited	14,772	2.5%
China Resources Gas Group Ltd	14,523	2.4%
Rumo S.A.	13,418	2.3%
Shanghai International Airport Co Ltd	13,370	2.3%
Engie Energia Chile S.A.	13,268	2.2%
APT Satellite Holdings Limited	12,988	2.2%
Enel Americas S.A.	11,846	2.0%
Corporacion America Airports SA	11,561	1.9%
<b>Total top 20</b>	<b>325,063</b>	<b>54.7%</b>

Source: UEM Bermuda.

The following table shows the sectoral distribution of UEM Bermuda's portfolio on a look through basis as at 31 January 2018 (being the latest practicable date prior to the publication of this Prospectus):

<b>Sector</b>	<b>Percentage of total portfolio</b>
Electricity	24.0
Gas	17.1
Ports	12.9
Airports	10.6
Other	8.5
Road and rail	8.0
Water and waste	5.3
Satellites	3.9
Renewables	3.1
Telecoms	2.6
Infrastructure investment funds	2.3
Other infrastructure	1.7
	<b>100.00</b>

Source: UEM Bermuda.

The following table shows the geographic distribution of UEM Bermuda's portfolio on a look through basis as at 31 January 2018 (being the latest practicable date prior to the publication of this Prospectus):

<b>Geographical area</b>	<b>Percentage of total portfolio</b>
Brazil	22.3
China including Hong Kong	16.4
Romania	10.4
Argentina	8.3
The Philippines	6.2
India	5.9
Middle East/Africa	5.7
Malaysia	5.2
Other Europe	4.7
Other Latin America	4.5
Other Asia	3.7
Chile	3.8
Thailand	1.9
	<hr/>
	100.00

Source: UEM Bermuda.

**Existing and prospective investors should note that UEM Bermuda's existing investment portfolio and the proportions of the portfolio held in each stock will not necessarily be the same as that which, in effect, will be acquired by the Company pursuant to the Scheme.**

## PART IV

### FINANCIAL INFORMATION RELATING TO THE UEM BERMUDA GROUP

#### 1. STATUTORY ACCOUNTS

Statutory accounts of the UEM Bermuda Group for the three financial years ended 31 March 2015, 2016 and 2017 (together the **Annual Accounts**), in respect of which UEM Bermuda Group's auditors, KPMG LLP have given unqualified opinions that the accounts give a true and fair view of the state of affairs of the UEM Bermuda Group and of the profit or loss (as applicable) of the UEM Bermuda Group, for each of the periods set out above, and have been prepared in accordance with IFRS as adopted by the EU, have been incorporated into this Prospectus by reference.

The financial statements for the six month periods ending 30 September 2016 and 2017 together (the **Interim Accounts**) are unaudited and have been incorporated into this Prospectus by reference.

KPMG LLP is a member of Institute of Chartered Accountants in England and Wales.

#### 2. PUBLISHED REPORTS AND ACCOUNTS

##### 2.1 Historical financial information

The Annual Accounts and the Interim Accounts, which have been incorporated in this Prospectus by reference, included, on the pages specified in the table, the following information:

	2015 Annual Accounts (Audited) (Page No(s))	2016 Annual Accounts (Audited) (Page No(s))	2017 Annual Accounts (Audited) (Page No(s))	2016 Interim Accounts (Unaudited) (Page No(s))	2017 Interim Accounts (Unaudited) (Page No(s))
<b>Nature of information</b>					
Statement of Comprehensive Income/Income Statement	52	69	72	22-23	22-23
Statement of Changes in Equity	54	71	74	24-25	24-25
Balance Sheet	56	73	76	26	26
Statement of Cash Flows	57	74	77	27	27
Accounting policies	58-60	75-77	78-80	28	28
Notes to the accounts	58-77	75-97	78-102	28-34	28-34
Report of the independent auditor	50-51	66-68	68-71	N/A	N/A
Chairman's statement	5-6	7-8	7-9	2-3	2-4
Investment Manager's report	7-11	9-17	10-19	6-17	7-17
Business Review	13-19	18-26	32-40	N/A	N/A
Report of the Directors	28-39	41-53	43-55	N/A	N/A

## 2.2 Selected financial information

The key figures that summarise the UEM Bermuda Group's financial condition in respect of the periods covered by the Annual Accounts and the Interim Accounts, which have been extracted without material adjustment from the historical financial information referred to in paragraph 2.1 of this Part IV, are set out in the following table:

	2015 Annual Accounts (Audited)	2016 Annual Accounts (Audited)	2017 Annual Accounts (Audited)	2016 Interim Accounts (Unaudited)	2017 Interim Accounts (Unaudited)
Net Assets (basic) (£'m)	447.4	436.6	532.2	503.2	561.8
Net Assets (diluted) (£'m)	N/A	514.5	601.4	574.8	623.6
Net Asset Value per Ordinary Share (basic) (pence)	209.79	206.45	251.72	234.10	261.04
Net Asset Value per Ordinary Share (diluted) (pence)	N/A	202.52	241.29	226.23	250.46
Total income (£'000)	59,861	11,769	129,887	77,433	35,403
Profit/(loss)/before taxation (£'000)	51,176	6,890	114,907	69,050	32,664
Profit/(loss) for the year (£'000)	50,134	5,810	110,784	67,120	29,956
Earnings/(loss) per Ordinary Share (basic) (pence)	23.51	2.73	52.26	31.67	14.13
Earnings/(loss) per Ordinary Share (diluted) (pence)	N/A	2.73	51.60	31.45	13.72
Dividend per share (pence)	6.10	6.40	6.65	3.25	3.40

## 2.3 Operating and financial review

The Annual Accounts and the Interim Accounts included, on the pages specified in the table below, descriptions of the UEM Bermuda Group's financial condition (in both capital and revenue terms); details of the UEM Bermuda Group's investment activity and portfolio exposure, and changes in its financial condition for each of those periods.

	2015 Annual Accounts (Audited) (Page No(s))	2016 Annual Accounts (Audited) (Page No(s))	2017 Annual Accounts (Audited) (Page No(s))	2016 Interim Accounts (Unaudited) (Page No(s))	2017 Interim Accounts (Unaudited) (Page No(s))
<b>Nature of information</b>					
Chairman's statement	5-6	7-8	7-9	2-3	2-4
Investment Manager's report	7-11	9-17	10-19	6-17	7-17
Twenty largest holdings	21-26*	29-39	21-31	18-19	18-19
Group performance summary	4	6	6	1	1

\* Ten largest holdings.

The causes of material changes in the capital value of the UEM Bermuda Group's assets in the periods covered by the Annual Accounts and the Interim Accounts can be summarised as follows:

- in the year to 31 March 2015, the UEM Bermuda Group made gains on investments of £45,390,000. £21,225,000 related to gains on investments sold in the year, with unrealised gains on investments held at the year-end of £24,165,000;
- in the year to 31 March 2016, the UEM Bermuda Group made losses on investments of £8,213,000. £54,726,000 related to gains on investments sold in the year, with unrealised losses on investments held at the year-end of £62,939,000;
- in the year to 31 March 2017, the UEM Bermuda Group made gains on investments of £114,638,000. £46,090,000 related to gains on investments sold in the year, with unrealised gains on investments held at the year-end of £68,548,000; and
- in the six months to 30 September 2017, the UEM Bermuda Group made gains on investments of £20,864,000. £42,243,000 related to gains on investments sold in the period, with unrealised losses on investments held at the year-end of £21,379,000.

## 2.4 Capital resources

UEM Bermuda is funded by both equity and debt, with the debt provided through a £50 million facility from Scotiabank Europe Plc pursuant to a senior secured multicurrency revolving agreement which expires on 27 April 2018 (the **Bank Facility**). As at 21 February 2018, the latest practicable date prior to the publication of this Prospectus, approximately £47.6 million of the Bank Facility was drawn down and UEM Bermuda's borrowings represented approximately 8 per cent. of UEM Bermuda's Gross Assets.

The Bank Facility is secured over the assets of UEM Bermuda. In addition to the Bank Facility, UEM Bermuda has the ability to employ indirect indebtedness through its use of equity market derivative transactions which are used for the purpose of efficient portfolio management.

UEM Bermuda is restricted to bank borrowings of 25 per cent. of Gross Assets at the time of draw down. UEM Bermuda generates its cash flows from the sale of investments and dividend and interest income and uses these resources to purchase investments, to pay the expenses of UEM Bermuda, to service bank debt and to pay dividends.

## 2.5 Availability of annual reports and accounts for inspection

Copies of the Annual Accounts and the Interim Accounts are available for inspection at the address set out in paragraph 18.1 of Part VII of this document and also at [www.uem.limited](http://www.uem.limited)

### 3. CAPITALISATION AND INDEBTEDNESS

3.1 The following table shows the UEM Bermuda Group's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 January 2018 and the UEM Bermuda Group's unaudited capitalisation as at 30 September 2017 (being the last date in respect of which the UEM Bermuda Group has published unaudited financial information):

	31 January 2018 (unaudited) £'000
<b>Indebtedness</b>	
<b>Total Current Debt</b>	
Guaranteed	—
Secured	37,188
Unguaranteed/unsecured	54
	<hr/>
	37,242
<b>Total Non-Current Debt</b>	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
	<hr/>
	<hr/>
	<hr/>
<b>Capitalisation</b>	
<b>Shareholder equity</b>	
Ordinary share capital	21,523
Share premium account	7,422
Special reserve	203,169
Other non-distributable reserve	11,093
Capital reserves	298,727
Revenue reserve	19,884
	<hr/>
	561,818

Since 30 September 2017 UEM Bermuda has repurchased 4,819,821 UEM Bermuda Ordinary Shares at a cost of £10.718 million and 4,069,725 UEM Bermuda Ordinary Shares were issued at 183p per share (£7.448 million in aggregate) pursuant to the exercise of subscription rights attached to the UEM Bermuda Subscription Shares. There have been no further capitalisation movements from the last published financial information at 30 September 2017 to 21 February 2018 (being the latest practicable date prior to the publication of this Prospectus).

The following table shows UEM Bermuda's unaudited net indebtedness as at 31 January 2018:

	£'000
A. Cash	5,916
B. Cash equivalent	—
C. Trading securities	—
D. Liquidity (A+B+C)	5,916
E. Current financial receivable	128
F. Current bank debt	37,242
G. Current portion of non-current debt	—
H. Trading securities payable	1,326
I. Other current financial debt	—
J. Current financial debt (F+G+H+I)	38,568
K. Net current financial indebtedness (J-E-D)	32,524
L. Non-current bank loans	—
M. Bonds issued	—
N. Other non-current loans	—
O. Non-current financial indebtedness (L+M+N)	—
P. Net financial indebtedness (K+O)	32,524

The UEM Bermuda Group has contingent indebtedness in the form of derivative financial instruments being the fair value of forward foreign exchange contracts entered into for the purposes of efficient portfolio management. As at 31 January 2018, the fair value of the derivative contracts was £26,000.

The UEM Bermuda Group has no further indirect or contingent indebtedness.

#### 4. NAV

UEM Bermuda's unaudited Net Asset Value as at 21 February 2018 (being the latest practicable date prior to the publication of this Prospectus) was £553.4 million and the unaudited Net Asset Value per UEM Bermuda Ordinary Share as at that date was 253.35 pence.

## **PART V**

### **THE ISSUE**

#### **Introduction**

The Issue is comprised of the Shares to be issued pursuant to the Scheme.

Assuming that the Scheme becomes effective and is implemented in accordance with its terms, and that all the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares are exercised (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee) a total of 239,271,920 Shares will be issued pursuant to the Scheme.

The Issue is not being underwritten.

#### **Scheme**

Pursuant to the Scheme and subject to it becoming effective and implemented in accordance with its terms, UEM Bermuda Shareholders will exchange their shares in UEM Bermuda for Shares in the Company on the basis of one Share for every UEM Bermuda Ordinary Share held as at the Scheme Record Date (including any UEM Bermuda Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the subscription share rights attaching to the outstanding UEM Bermuda Subscription Shares (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee)).

#### **Conditions of the Scheme and the Issue**

The implementation of both the Scheme and the Issue are conditional on:

- the Scheme being approved by a majority in number representing not less than three-fourths in value of the UEM Bermuda Shareholders present and voting in person or by proxy at the Scheme Meeting;
- the Scheme, with or without modification, being sanctioned by the Court;
- the Directors of UEM Bermuda not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme. The UEM Bermuda Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of UEM Bermuda and UEM Bermuda Shareholders as a whole;
- a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration; and
- admission of the Shares to be issued pursuant to the Scheme to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

If the Scheme does not become effective and implemented in accordance with its terms, the Reorganisation Proposal and the Issue will not proceed and UEM Bermuda Shareholders will continue to hold their existing UEM Bermuda Ordinary Shares.

#### **Announcement regarding the Issue**

The results of the Issue are expected to be announced by the Company through an RIS on 29 March 2018 and in any event prior to Admission.

#### **Settlement and dealings**

Applications will be made to the UKLA and the London Stock Exchange for the Shares to be issued pursuant to the Scheme to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in such Shares will commence, at 8.00 a.m. on 3 April 2018.

No application is being made for the Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange's main market for listed securities. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The ISIN for the Shares is GB00BD45S967 and the SEDOL is BD45S96.

The Shares are denominated in Sterling. The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST Account to another without the need to use share certificates or written instruments of transfer. The Articles permit the holding of the Shares under the CREST system and the Company will apply for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes (provided that the Shares are not in certificated form).

CREST is a voluntary system and, upon the specific request of a Shareholder, the Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for Share certificates.

If a Shareholder or transferee requests Shares to be issued in certificated form, a Share certificate will be despatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold their Shares through CREST in uncertificated form provided that they surrender their definitive certificates.

All Shares issued pursuant to the Scheme will be issued with effect from the date of Admission, fully paid, and will be delivered in uncertificated form where the UEM Bermuda Ordinary Shares in respect of which the Shares are issued were held in the form of Depositary Interests as at the Scheme Record Date (unless otherwise requested). CREST Accounts will be credited with the Shares issued pursuant to the Scheme on 3 April 2018 (or as soon as practicable thereafter). If the UEM Bermuda Ordinary Shares in respect of which the Shares issued pursuant to the Scheme were held in certificated form as at the Scheme Record Date, the Shares issued to such UEM Bermuda Shareholders will be issued in certificated form (unless otherwise requested). Temporary documents of title will not be issued pending the despatch of definitive certificates for Shares issued in certificated form, which is expected to take place during the week commencing 2 April 2018. Pending despatch of definitive certificates for Shares, transfers will be certified against the register. Shares initially issued in certificated form may subsequently be deposited into CREST in accordance with normal CREST procedures.

Dealings in the Shares in advance of the crediting of the relevant CREST Accounts or the issue of certificates will be at the risk of the persons concerned.

### **Costs of the Issue and the Scheme**

The costs of the Issue and the implementation of the Scheme are expected to be approximately £1.0 million (plus applicable VAT) of which it is expected that approximately £0.4 million will be paid by UEM Bermuda and the balance of approximately £0.6 million will be paid by the Company. If the Scheme does not become effective and implemented in accordance with its terms, all of the costs will be borne by UEM Bermuda.

## **PART VI**

### **TAXATION**

#### **1. INTRODUCTION**

The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident in the UK for UK tax purposes (except in so far as express reference is made to the treatment of non UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

**The information contained in this Prospectus relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of investors and is based upon the law and published practice currently in force and is subject to changes therein (possibly with retrospective effect). All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.**

#### **2. THE SCHEME**

The Company has been advised that, for the purposes of UK taxation of chargeable gains, the exchange of UEM Bermuda Ordinary Shares for Shares pursuant to the share for share exchange effected pursuant to the Scheme should not constitute a disposal by the UEM Bermuda Shareholders of their UEM Bermuda Ordinary Shares for the purposes of UK taxation of chargeable gains. The Shares issued pursuant to the Scheme should instead be treated for the purposes of the UK taxation of chargeable gains as replacing the UEM Bermuda Ordinary Shares for which they were exchanged and should be treated as acquired at the same time and for the same base cost as the exchanged UEM Bermuda Ordinary Shares. Further details relating to the taxation consequences of the Scheme are set out in the Scheme Circular.

#### **3. THE COMPANY**

The Directors will apply to HMRC for approval of the Company as an investment trust company and will conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. However, neither the Joint Portfolio Managers nor the Directors can guarantee that this approval will be obtained or eligibility maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the "exempt classes" in Part 9A of the Corporation Tax Act 2009.

## 4. SHAREHOLDERS

### **Taxation of chargeable gains**

A transfer or disposal of Shares (including a disposal on a winding up of the Company) by a Shareholder who is resident in the UK for tax purposes or who is not so resident but carries on business in the United Kingdom through a branch agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Individual Shareholders have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,300 for the tax year 2017/2018. For such individual Shareholders, capital gains realised on disposal of the Shares which are in excess of an individual's annual exemption would be subject to capital gains tax at the rate of 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers.

Shareholders who are individuals and who are temporarily non resident in the UK may, under anti avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax (the main rate of UK Corporation Tax is currently 19 per cent. but is expected to reduce to 17 per cent. with effect from 2020) on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss. The UK government announced its intention to freeze the indexation allowance from 1 January 2018, so that no relief will be available for inflation accruing after this date in calculating chargeable gains made by companies.

### **Taxation of dividends**

The Company will not be required to withhold tax at source when paying a dividend.

Since 6 April 2016, an individual shareholder who is resident in the UK (for tax purposes) and who receives a dividend from the Company will be entitled to an annual tax free allowance of £5,000 of dividend income (which is subject to UK income tax at 0 per cent.). The Finance (No. 2) Act 2017 provides for this allowance to be reduced to £2,000 per annum from the tax year 2018/19.

To the extent that dividend income exceeds this allowance, tax will be imposed at the rate of 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends paid by the Company unless the dividends fall within an exempt class set out in Part 9A of the Corporation Tax Act 2009 and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the dividends paid by the Company would normally be exempt. Shareholders within the charge to UK corporation tax will not be able to claim repayment of tax credits attaching to dividends.

A Shareholder tax resident outside the UK may be subject to foreign taxation on dividend income under local law.

**It is particularly important that investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.**

## 5. STAMP DUTY AND STAMP DUTY RESERVE TAX (SDRT)

No UK stamp duty or SDRT will generally be payable on the issue, allotment and registration of the Shares.

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. (with a rounding up to the nearest £5) of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

Special rules apply to agreements made by market makers and broker dealers in the ordinary course of their business.

## **6. ISAS, JUNIOR ISAS, SIPPS AND SSAS**

The Shares will be “qualifying investments” for the stocks and shares component of an ISA or a Junior ISA and the Board will use its reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained. Save where an account manager is acquiring Shares using available funds in an existing ISA or Junior ISA, an investment in Shares by an ISA or a Junior ISA is subject to the usual annual subscription limits applicable to new investments in an ISA or Junior ISA (for the tax year 2017/2018, an individual may invest £20,000 worth of stocks and shares in a stocks and shares ISA and £4,128 worth of stocks and shares in a stocks and shares Junior ISA).

Sums received by a shareholder on a disposal of Shares will not count towards the shareholders' annual limit, but a disposal of Shares held in an ISA or a Junior ISA will not serve to make available again any part of the annual subscription limit that has already been used by the shareholder in that tax year. Individuals wishing to invest in Shares through an ISA or a Junior ISA should contact their professional advisers regarding their eligibility.

### **Scheme**

Shares allotted under the Scheme may remain within an existing ISA or Junior ISA, to the extent that a Shareholder's UEM Bermuda Ordinary Shares were so held.

### **Secondary market purchases**

Shares acquired by an account manager by purchase in the secondary market, subject to applicable subscription limits, as set out above, will be eligible for inclusion in an ISA or Junior ISA.

### **UK small self-administered schemes and self-invested personal pensions**

The Shares will be eligible for inclusion in a UK SSAS or a UK SIPP, subject to the terms of the particular SSAS or SIPP.

**PART VII**  
**ADDITIONAL INFORMATION**

**1. THE COMPANY, THE JOINT PORTFOLIO MANAGERS, THE DEPOSITORY AND THE GLOBAL CUSTODIAN**

**1.1 Incorporation of the Company**

- (a) The Company was incorporated under the 2006 Act in England and Wales as a public limited company on 7 December 2017 with registered number 11102129. The Company has received a certificate under section 761 of the 2006 Act entitling it to commence business and to exercise its borrowing powers. The Company has given notice to the Registrar of Companies that it intends to carry on business as an investment company under section 833 of the 2006 Act.
- (b) The Company is a UK public limited company and is expected to be approved as an investment trust and, accordingly, the Shares will be excluded securities for the purposes of the FCA's restrictions which apply to non mainstream investment products since they are shares in an investment trust.
- (c) Save for its entry into the material contracts summarised in paragraph 8 of this Part VII and certain non material contracts, since its incorporation the Company has not commenced operations, has not declared any dividend and no financial statements have been made up. The Company is resident for tax purposes in the United Kingdom and currently has no employees.
- (d) The principal activity of the Company is to invest its assets in accordance with the investment policy set out in Part I of this Prospectus.
- (e) The Company operates under the 2006 Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at The Cottage, Ridgecourt, The Ridge, Epsom, Surrey KT18 7EP. The Company's telephone number is + 44 (0) 1372 271 486.

**1.2 Group structure**

- (a) As at the date of this Prospectus, the Company does not have any subsidiaries or subsidiary undertakings. Upon implementation of the Scheme and with effect from Admission, the Company will acquire the entire issued share capital of UEM Bermuda, together with its subsidiary undertakings, details of which are set out below.
- (b) UEM Bermuda has a wholly owned subsidiary in Mauritius, Utilico Emerging Markets (Mauritius) (**UEM Mauritius**) which facilitates UEM Bermuda's direct investments in India and a wholly owned subsidiary in Hong Kong, UEM (HK) Limited (**UEM HK**) which facilitates direct investments into China.
- (c) UEM Bermuda also holds shares linked to a segregated account in GERP, an unquoted exempted company incorporated in Bermuda and registered as a segregated accounts company. This account which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of UEM Bermuda. In accordance with IFRS, the segregated account in GERP is classified as a subsidiary of UEM Bermuda and its financial results are included within the accounts of the UEM Bermuda Group.

**1.3 Principal activities of the Company**

The Company will apply to HMRC for approval as an investment trust company and intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Part 4 of Chapter 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). In summary, the conditions that

must be met for a company to be approved as an investment trust for an accounting period are that, in relation to that accounting period:

- (a) all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;
- (b) the shares making up the company's ordinary share capital (or, if there are such shares of more than one class, those of each class) are admitted to trading on a regulated market;
- (c) the company is not a venture capital trust or a company UK REIT;
- (d) the company is not a close company (as defined in section 439 of the Corporation Tax Act 2010); and
- (e) subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods, the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

#### **1.4 Joint Portfolio Managers**

ICMIM has been appointed to act as the Company's AIFM with sole responsibility for risk management. ICMIM and ICM have been appointed by the Company to act as joint portfolio managers. ICMIM is a private limited company incorporated on 27 February 2013 in England and Wales with registered number 08421482 and is authorised and regulated by the FCA in the United Kingdom to act as an alternative investment fund manager. The registered office of ICMIM is Suite 29 Forum House, Stirling Road, Chichester, West Sussex, PO19 7DN and its telephone number is + 44 (0) 1372 271 486. ICM is a private limited company incorporated in Bermuda with registered number 44350. The registered office of ICM is 34 Bermudiana Road, Hamilton HM 11, Bermuda.

#### **1.5 Auditor**

KPMG LLP has been appointed as Auditor of the Company. KPMG is a member of the Institute of Chartered Accountants of England & Wales.

#### **1.6 Depositary**

J.P. Morgan Europe Limited has been appointed as Depositary of the Company. The Depositary is a private limited company incorporated in England and Wales with registered number 00938937. It is authorised by the FCA for the purpose of providing depositary services. The address of the registered office of the Depositary is 25 Bank Street, Canary Wharf, London E14 5JP and its telephone number is +44 (0) 2077 424 000.

#### **1.7 Global Custodian**

JPMorgan Chase Bank N.A. – London Branch provides custody services to the Company pursuant to the Global Custody Agreement. The Global Custodian was opened on 1 January 1993 as a UK establishment of JPMorgan Chase Bank, N.A. with a UK establishment number BR000746 and its UK establishment office is at 25 Bank Street, London, Canary Wharf, E14 5JP. JPMorgan Chase Bank N.A. – London Branch's business in the UK is regulated by the Prudential Regulation Authority.

### **2. SHARE CAPITAL**

#### **2.1 Shares**

- (a) The ISIN of the Shares is GB00BD45S967 and the SEDOL is BD45S96. The ticker symbol of the Company is UEM.

- (b) On incorporation, the share capital of the Company was £1.00 represented by one ordinary share of nominal value of £1. On 14 February 2018, 50,000 Redeemable Preference Shares of nominal value £1 each were allotted to ICM Limited in order to allow the Company to commence business and to exercise its borrowing powers under section 761 of the 2006 Act. On 14 February 2018 the one ordinary share of £1.00 was subdivided into 100 Shares with a nominal value of 1 pence each.
- (c) The following table shows the issued share capital of the Company as at the date of this Prospectus:

	<b>Nominal value per share (£)</b>	<b>Number</b>
Shares	0.01	100
Redeemable Preference Shares	1	50,000

- (d) The Shares to be issued pursuant to the Issue will be issued in accordance with the Articles and the 2006 Act.
- (e) Set out below is the issued share capital of the Company as it will be following the Issue (assuming that 239,271,920 Shares are allotted pursuant to the Issue and following the redemption of all the Redeemable Preference Shares in the issued share capital of the Company as at or shortly following Admission):

	<b>Nominal value per share (£)</b>	<b>Number</b>
Shares	0.01	239,271,920

- (f) All Shares will be fully paid on their Admission.

## 2.2 Issue and repurchases of Shares

- (a) By ordinary and special resolutions passed on 14 February 2018:
  - (i) the Directors were granted authority under section 551 of the 2006 Act to allot Shares pursuant to the Scheme up to an aggregate nominal value of £2.500,000, such authority to expire at the earlier of: (A) the date of Admission; and (B) 30 April 2018, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted after such expiry and the Directors may allot Shares in pursuance of such an offer or agreement as if this authority had not expired;
  - (ii) the Directors were empowered under section 570 of the 2006 Act to allot Shares for cash on the basis that the statutory pre-emption rights in section 561 of the 2006 Act do not apply to such allotment provided that this authority is limited to the allotment of Shares of up to an aggregate nominal value of £2.5 million pursuant to the Scheme, with such power expiring on the earlier of: (A) the date of Admission; and (B) 30 April 2018;
  - (iii) the Directors were granted authority under section 551 of the 2006 Act to allot Redeemable Preference Shares, having the rights and being subject to the restrictions set out in the Articles (as summarised in paragraph 4.2(c) below of this Part VII) for the purposes of obtaining the certificate to commence trading under section 761 of the 2006 Act (as referred to in paragraph 1.1(a) of this Part VII) and also to provide the funds necessary for the redemption of the redeemable deferred shares proposed to be issued by way of a bonus issue in order to capitalise the Company's merger reserve arising on completion of the Scheme (as described under the heading "Capital Structure" in Part I of this Prospectus and referred to in paragraph (iv) below);
  - (iv) the Directors were also granted authority under section 551 of the 2006 Act to allot redeemable deferred shares of £0.01 pence each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles (as summarised in paragraph 4.2(d) below of this Part VII) (**Redeemable Deferred Shares**), by way of a bonus issue in order to capitalise the merger

reserve arising on completion of the Scheme (as described under the heading "Capital Structure" in Part I of this Prospectus) (the **Bonus Issue**);

(v) in addition to the authority to allot Shares set out in paragraph 2.2(a)(i) above, the Directors were granted authority under section 551 of the 2006 Act to allot Shares up an aggregate nominal amount of £800,000 provided that this authority shall be limited to:

- (A) the allotment of Shares to the Joint Portfolio Managers in satisfaction of any performance fee payable by the Company in accordance with the terms of the Novated and Amended Management Agreement (including in respect of any performance fee accrued by UEM Bermuda in respect of the performance fee calculation period ending on 31 March 2018);
- (B) the allotment of Shares to the Directors in accordance with their letters of appointment in satisfaction of their annual fees; and
- (C) the allotment of Shares representing up to 5 per cent. of the Shares in issue immediately following Admission,

such authority to expire, unless previously revoked, varied or renewed by the Company at a general meeting, at the conclusion of the first annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for Shares to be granted after such expiry and the Directors may allot Shares or grant rights to subscribe for Shares (as the case may be) in pursuance of such an offer or agreement as if this authority had not expired;

(vi) in addition to the power referred to in paragraph 2.2(a)(ii) above the Directors were also empowered under section 570 of the 2006 Act to allot Shares pursuant to the authority set out in paragraph 2.2(a)(v)(C) above for cash on the basis that the statutory pre-emption rights in section 561 of the 2006 Act do not apply to such allotment, such power to expire at the earlier of the first annual general meeting of the Company and 18 months from the date of the passing of that resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or rights to subscribe for Shares to be granted after such expiry and the Directors may allot Shares or grant rights to subscribe for Shares (as the case may be) in pursuance of such an offer or agreement as if this power had not expired;

(vii) the Company was authorised to make market purchases of Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- (A) the maximum number of Shares to be acquired, other than pursuant to an offer made to Shareholders generally, is 35,900,000 Shares provided that the number of Shares to be acquired between the date of that resolution and the first annual general meeting of the Company shall not exceed 14.99 per cent. of Shares in issue as at Admission;
- (B) the minimum price which may be paid for any such Share is one penny;
- (C) the maximum price which may be paid for any such Share is the higher of:
  - (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for: (a) the last independent trade of; or (b) the highest current independent bid for, any number of Shares, on the trading venue where the purchase is carried out; and

- (D) such authority shall expire at the earlier of 18 months from the date of passing of that resolution and the first annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting;
- (viii) the Directors were empowered to capitalise any part of the amount then standing to the credit of the Company's merger reserve for the purpose of paying up in full at their nominal value such number of Redeemable Deferred Shares as the Directors may resolve to issue by way of the Bonus Issue, such Redeemable Deferred Shares to be allotted credited as fully paid up to and among the holders of the Shares in proportion to their holdings of Shares held as at the date of such Bonus Issue in accordance with the provisions of the Articles;
- (ix) conditionally upon the Company having sufficient paid up share capital to maintain its status as a public limited company and to comply with the conditions of section 761 of the 2006 Act, the Directors were authorised to redeem and cancel the Redeemable Preference Shares for the time being in issue; and
- (x) conditionally upon the Bonus Issue (as defined in sub-paragraph (iv) above) and the subsequent redemption of the Redeemable Deferred Shares issued pursuant to it occurring and approval of the High Court of England and Wales, the amount standing to the credit of the capital redemption reserve of the Company immediately following such redemption be cancelled and the amount of the capital redemption reserve so cancelled be credited as a distributable reserve to be established in the Company's books of account which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the 2006 Act) are able to be applied.

- (b) The cancellation of the amount standing to the credit of the capital redemption reserve will enable the Directors to make share repurchases out of the Company's distributable reserves to the extent considered desirable by the Directors. The Company may also, where the Directors consider it appropriate, use the reserve created by the cancellation of the capital redemption reserve to pay dividends.
- (c) Save as provided elsewhere in this Prospectus and in the Articles, Shares are freely transferable.
- (d) There are no pre-emption rights relating to the Shares in the Articles. Statutory pre-emption rights in the 2006 Act apply, save to the extent disapplied by Shareholders as referred to in paragraphs 2.2(a)(ii) and (vi) above or otherwise.
- (e) Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- (f) The Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Shares to be issued in uncertificated form, these will be transferred to successful applicants through CREST. Accordingly, settlement of transactions in the Shares following Admission may take place within CREST if any Shareholder so wishes.

### 2.3 Redemptions at the option of Shareholders

There is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

### 3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

#### 3.1 Directors' interests

On completion of the Issue, the Directors will hold the following Shares in the Company (being the same number as their existing holdings in UEM Bermuda, but also assuming that they will exercise in full the subscription share rights attaching to any outstanding Subscription Shares held by them):

Name	Number of Shares
John Rennocks	119,849
Susan Hansen	73,528
Garry Madeiros OBE	201,730
Garth Milne	774,014
Anthony Muh	146,497

As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Company of any of the Directors and their private interests and/or other duties.

Save as disclosed in this section, immediately following Admission, no Director will have any interest, whether beneficial or non beneficial, in the share or loan capital of the Company.

#### 3.2 Directors' contracts with the Company

- (a) No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company.
- (b) The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to re-election in accordance with the Articles.
- (c) There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) the written request of all Directors other than the Director whose appointment is being terminated.
- (d) The aggregate remuneration and benefits in kind of the Directors in respect of any financial year will be payable out of the assets of the Company. Each of the Directors (other than the Chairman) will receive an initial fee of £32,500 per year. The Chairman will receive an initial fee of £44,000 per year. Garry Madeiros will receive a supplemental fee of £8,500 per year for chairing the Audit Committee. Under the Directors' letters of appointment remuneration will be received in the form of Shares (**Fee Shares**). The number of Fee Shares to which each Director is entitled is determined by dividing the entitlement by the lower of the market value and the fully diluted Net Asset Value on the date of allocation. Fee Shares are purchased in the market on behalf of, or issued to, each Director as soon as possible after each quarter end.
- (e) The Company has not made any loans to the Directors which are outstanding, nor has it provided any guarantees for the benefit of any Director or the Directors collectively. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.
- (f) It is estimated that the aggregate emoluments (including benefits in kind and pension contributions (of which none are to be made) of the Directors for the period ending 31 March 2019 will amount to no more than £182,500 and will be satisfied in the form of Fee Shares as described in paragraph (d) above.

### 3.3 Other interests

(a) As at the date of this Prospectus, the Directors hold or have held during the five years preceding the date of this Prospectus the following directorships (apart from their directorships of the Company) or memberships and administrative, management or supervisory bodies and/or partnerships:

	<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
John Rennocks	Utilico Emerging Markets Limited AFC Energy plc Bluefield Solar Income Fund Limited	Inmarsat plc Diploma plc
Susan Hansen	Utilico Emerging Markets Limited RESIMAC Limited Cognitive Education Limited Susan Hansen Limited Homeloans Limited Conrad Funds Management Limited	Utilico Investments Limited Fin Media Limited
Garry Madeiros	Utilico Emerging Markets Limited BF&M Limited BF&M Insurance Company Limited	BELCO Properties Limited BELCO Holdings Limited Bermuda Electric Light Company Limited Bermuda Gas & Utility Company Limited BTS Limited
Garth Milne	Utilico Emerging Markets Limited Invesco Perpetual UK Smaller Companies Investment Trust plc	Westhouse Holdings plc Real Estate Opportunities Limited (voluntary liquidation)
Anthony Muh	Utilico Emerging Markets Limited Clearpool Capital Holdings Limited HRL Morrison & Co HRL Morrison & Co Capital Management Limited HRL Morrison & Co Capital Management (Int) Limited HRL Morrison & Co Asia Limited Asia Corporate Governance Association Limited JIDA Capital Partners limited	Citibank Global Asset Management (Asia) Limited Salomon Brothers Asset Management Asia Pacific Limited AT Asset Management (Asia-Pacific) Limited Clearpool Capital Management Limited Hong Kong Securities Institute Infratil Limited

(b) The Directors, in the five years before the date of this Prospectus:

- (i) have not had any convictions in relation to fraudulent offences;
- (ii) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

- (iii) have not been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

### 3.4 Major shareholders and Directors' shareholdings

- (a) As at the date of this Prospectus, none of the Directors or any of their closely associated persons has a shareholding or any other interest in the share capital of the Company. It is expected that the Directors will be issued Shares pursuant to the Scheme in such numbers as set out next to their respective names in the section headed "Directors' interests" above.
- (b) ICM Limited holds all voting rights in the Company as at the date of this Prospectus. As at the date of this Prospectus and on the basis that no UEM Bermuda Ordinary Shares are issued pursuant to the exercise of the outstanding subscription shares rights attaching to UEM Bermuda's Subscription Shares, insofar as is known to the Company, the following persons will, immediately following the Issue, be directly or indirectly interested in 3 per cent. or more of the Company's share capital:

Name	Number of Shares	% of issued share capital
UIL Limited	31,431,037	14.9
Lazard Asset Management LLC	20,957,317	10.0
Bank of Montreal	21,558,982	10.2
Investec Wealth & Investment Limited	10,293,426	4.9
Rathbone Investment Management Limited	10,728,364	5.1

- (c) None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares in the same class in the Company. As at the date of this Prospectus, the Company, insofar as is known to the Company, will not immediately following the Issue be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

Pending the allotment of Shares pursuant to the Issue, the Company is controlled by ICM Limited, as described in paragraph 3.4(b) of this Part VII.

- (d) All Shareholders have the same voting rights in respect of the share capital of the Company.

## 4. MEMORANDUM OF ASSOCIATION AND ARTICLES

### 4.1 Memorandum of Association

The memorandum of association of the Company provides that the Company's principal objective is to carry on the business of an investment company.

### 4.2 Articles

The Articles contain provisions, *inter alia*, to the following effect:

- (a) **Voting rights**
  - (i) Subject to the provisions of the 2006 Act, to any special terms as to voting on which any shares may have been issued or may from time to time be held and any suspension or abrogation of voting rights pursuant to the Articles, at any annual general meeting or general meeting of the Company every Shareholder who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. In the case of joint

holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of the shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company or if he, or any other person appearing to be interested in such shares, has been issued with a notice pursuant to section 793 of the 2006 Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

(b) ***Dividends***

- (i) Subject to the provisions of the 2006 Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (ii) Subject to the provisions of the 2006 Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (iii) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.
- (iv) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall (if the Board so resolves) be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (v) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (vi) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of Shares (excluding any member holding Shares as treasury shares) the right to elect to receive Shares, credited as fully paid, instead of the

whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

(vii) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person appearing to be interested in those shares, has been duly served with a notice pursuant to section 793 of the 2006 Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

(c) ***Redeemable Preference Shares***

The Redeemable Preference Shares are not entitled to receive any distribution or dividend made or declared by the Company except for a fixed annual dividend equal to 0.00001 per cent. of their issue price. The Redeemable Preference Shares shall carry no right to attend, receive notice of or to vote at any general meeting of the Company. On a winding-up of the Company, the holder of the Redeemable Preference Shares shall be entitled to be repaid the capital paid up thereon *pari passu* with the repayment of the nominal amount of the Shares. The Company may, by notice in writing and on tendering to a registered holder of Redeemable Preference Shares the amount of capital paid up thereon, redeem any Redeemable Preference Share at any time (subject to the provisions of the 2006 Act) and such holder shall be bound to deliver up any certificate which he may have representing the same; and on redemption the name of the registered holder shall be removed from the Register and the Redeemable Preference Shares which have been redeemed shall be cancelled. The Company shall not be obliged to issue a certificate in respect of a Redeemable Preference Share until the date falling 180 days after the allotment and issue of the same, and any transfers of Redeemable Preference Shares during such period shall be certified against the Register. The Redeemable Preference Shares shall be issued on the condition that, subject to the provisions of the 2006 Act, they are to be redeemed at the option of the Company.

(d) ***Redeemable Deferred Shares***

The Redeemable Deferred Shares shall entitle the holder thereof to the payment of a fixed cumulative preferential dividend of 0.001 pence per Redeemable Deferred Share payable annually but do not otherwise entitle the holder to share in any profits of the Company. The Redeemable Deferred Shares shall carry no right to attend, receive notice of or to vote at any general meeting of the Company. On a winding-up of the Company, a holder of the Redeemable Deferred Shares shall be entitled only to the payment of one penny in respect of his entire holding of Redeemable Deferred Shares. The Company shall have the right to redeem all or any of the Redeemable Deferred Shares in accordance with the provisions of 2006 Act at any time by notice given by means of an announcement made via a Regulatory Information Service, in each case for one penny payable in respect of all the Redeemable Deferred Shares held by each holder of the Redeemable Deferred Shares and without obtaining any further sanction of the holder or holders thereof. Pending such redemption the Company shall retain the certificates for the Redeemable Deferred Shares. Any announcement of the proposed issue of Redeemable Deferred Shares may also include notice of the Company's intention to redeem the relevant Redeemable Deferred Shares following such issue and such announcement shall be deemed to constitute notice of such redemption to each holder of the Redeemable Deferred Shares for the purposes of the Articles. The Company shall not be obliged to account to any holder of Redeemable Deferred Shares for the redemption monies arising in respect of the redemption of such Redeemable Deferred Shares.

(e) **Transfer of shares**

- (i) Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the Register.
- (ii) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - (A) it is in respect of a share which is fully paid up;
  - (B) it is in respect of only one class of shares;
  - (C) it is in favour of a single transferee or not more than four joint transferees;
  - (D) it is duly stamped (if so required); and
  - (E) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of: (a) a transfer by a recognised person where a certificate has not been issued; or (b) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.
- (iii) The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the CREST Regulations and the relevant system (as defined by the CREST Regulations).
- (iv) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person appearing to be interested in the transferor's shares has been duly served with a notice pursuant to section 793 of the 2006 Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised stock exchange or in consequence of a *bona fide* sale to an unconnected party.
- (v) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (vi) If at any time the holding or beneficial ownership of any shares in the Company by any person, as determined by the Directors, to whom a sale or transfer of Shares, or whose direct, indirect or beneficial ownership of Shares, would or

might: (i) cause the Company to be required to register as an “investment company” under the US Investment Company Act (including because the holder of the Shares is not a “qualified purchaser” as defined in the US Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; (ii) cause the Company to be required to register under the US Commodity Exchange Act; (iii) cause the Company to be required to register under the US Exchange Act or any similar legislation; (iv) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) result in any Shares being owned, directly or indirectly, by Benefit Plan Investors; (vi) cause the assets of the Company to be considered “plan assets” under the Plan Asset Regulations; (vii) cause the Company to be a “controlled foreign corporation” for the purposes of the Internal Revenue Code; (viii) result in withholding obligations on payments to such person in connection with FATCA or otherwise prevent the Company from qualifying as, or complying with any obligations or requirements imposed on, a “Participating FFI” within the meaning of US Treasury Regulation Section 1.1471-1(b)(85) or a “deemed-compliant FFI” within the meaning of US Treasury Regulation Section 1.1471-5(f); or (ix) cause the Company to be in violation of the US Investment Company Act, the US Exchange Act, the US Commodity Exchange Act, ERISA, the Internal Revenue Code or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to section 406 of ERISA or Section 4975 of the Internal Revenue Code, then the Directors may declare the Shareholder in question a **Non-Qualified Holder** and the Directors may require that any shares held by such Non-Qualified Holder (the **Prohibited Shares**) shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

(vii) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any share.

(f) **Variation of rights**

(i) Subject to the provisions of the 2006 Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares may be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.

(ii) The quorum at any such meeting shall be not less than two persons present (in person or by proxy) holding at least one third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

(iii) Subject to the terms of issue of or rights attached to any shares, the rights for the time being attached to any shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the 2006 Act and the Articles.

(g) **General meetings**

- (i) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (ii) A general meeting shall be convened by not less than such notice as may be required by law from time to time.
- (iii) The notice shall specify whether the meeting is convened as an annual general meeting or any other general meeting, the day, time and place of the meeting and the general nature of the business to be transacted at the meeting. In the case of a meeting convened to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. The notice shall specify that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member. The notice must also be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the Auditors. The accidental omission to give notice to, or the non receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- (iv) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the 2006 Act or the Articles to be made available at the meeting.
- (v) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (vi) No business shall be transacted at any general meeting unless a quorum is present. Subject to the Articles, two persons (either members, duly authorised representatives or proxies) entitled to vote on the business to be transacted at the meeting shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (vii) A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the 2006 Act, a poll may be demanded by the Chairman, at least five members having the right to vote on the resolution, a member or members representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution or a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to any other votes that he may have.
- (viii) The Board may direct that any person wishing to attend any meeting should provide such evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the

circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or otherwise to comply with such security arrangements or restrictions.

(h) ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the 2006 Act, to create and issue debentures and other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Under the Articles, the Company is permitted to borrow an aggregate amount equal to 25 per cent. of its Gross Assets.

(i) ***Alteration of share capital***

Subject to the provisions of the 2006 Act, the Company in general meeting may from time to time by ordinary resolution:

- (i) authorise its directors to increase its share capital by allotting new shares;
- (ii) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
- (iii) sub divide all or any of its shares into shares of a smaller nominal amount and may by such resolution determine that, as between the shares resulting from such sub division, one or more shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares; and
- (iv) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

The Company may also, subject to the 2006 Act and to any requirements imposed by the Listing Rules, reduce its share capital and purchase its own shares.

(j) ***Issue of shares***

- (i) Subject to the provisions of the 2006 Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.
- (ii) Subject to the provisions of the 2006 Act and to any relevant authority of the Company required by such acts, any unissued shares shall be at the disposal of the Board.

(k) ***Directors' fees***

- (i) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding in aggregate £250,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

(ii) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors. The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board or any committee authorised by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.

(l) ***Pensions and gratuities for Directors***

The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of the Company or any company in the Company's group and their relatives or dependants.

(m) ***Directors' interests***

(i) The Board may authorise any matter proposed to it in accordance with these Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the 2006 Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting in which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

(ii) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the 2006 Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

(iii) Provided that his interest is disclosed at a meeting of the Board, or, in the case of a transaction or arrangement with the Company, in the manner set out in the 2006 Act, a Director, notwithstanding his office:

(A) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;

(B) hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

- (C) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
- (D) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.

- (iv) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors.
- (v) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

(n) ***Restrictions on Directors' voting***

- (i) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any arrangement, transaction or arrangement in which, to his knowledge, he has a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
  - (A) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - (B) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
  - (C) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (D) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - (E) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub underwriting of which he is to participate;
  - (F) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the 2006 Act) in one per cent. or more of the issued equity share capital of any class of such body corporate nor to his knowledge hold one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;

- (G) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (H) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
- (I) any proposal concerning the funding of expenditure by one or more Directors in defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
- (J) any transaction or arrangement in respect of which his interest or the interest of Directors generally has been authorised by ordinary resolution.

(ii) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

(o) ***Number of Directors***

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not more than ten or less than two.

(p) ***Directors' appointment and retirement***

- (i) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting. A Director shall not be required to hold any shares in the Company.
- (ii) At each general meeting of the Company, all Directors shall be put forward for re-election.

(q) ***Untraced shareholders***

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

(r) ***Non United Kingdom shareholders***

There are no limitations in the Articles on the rights of non United Kingdom shareholders to hold, or to exercise voting rights attached to, the Shares. However, non United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent or, subject to and in accordance with the 2006 Act, an address to which notices may be sent in electronic form.

(s) ***CREST***

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

(t) ***Indemnity of officers***

Subject to the provisions of the 2006 Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company.

(u) ***Lien and forfeiture***

- (i) The Company shall have a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether presently or not) in respect of that share to the extent and in the circumstances permitted by the 2006 Act. The Board may sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.
- (ii) The Board may from time to time make calls on members in respect of any money unpaid on their shares, subject to the terms of allotment of the shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non payment. The notice shall name the place where payment is to be made and shall state that if the notice is not to be complied with the shares in respect of which the call was made are liable to be forfeited.

(v) ***Reserves***

The Board may, before recommending any dividend, but having regard to Chapter 4, Part 24 of the Corporation Tax Act 2010 and any regulations made thereunder, carry to reserves out of the profits of the Company such sums as it thinks fit. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any purpose to which profits of the Company may properly be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit.

(w) ***Ownership threshold, change of control and differential voting rights***

The Articles do not prescribe any ownership threshold above which shareholder ownership must be disclosed. There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company. There is no provision in the Articles for the Company's major shareholders to have different voting rights.

(x) ***Continuation vote***

A resolution will be proposed that the Company should continue as presently constituted at the annual general meeting of the Company to be held in 2021 and at every fifth annual general meeting thereafter. If the relevant continuation resolution is not passed, the Directors will be required to formulate proposals to be put to Shareholders to wind-up, recognise or reconstruct the Company.

## 5. THE CITY CODE ON TAKEOVERS AND MERGERS

### 5.1 Mandatory Bid

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with him, is interested in Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which he is interested,

such person would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the person or their concert parties during the previous 12 months. Such an offer must only be conditional on;

- (i) the person having received acceptances in respect of Shares which (together with Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Shares carrying more than 50 per cent. of the voting rights; and
- (ii) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

### 5.2 Compulsory Acquisition

- (a) Under sections 974 to 991 of the 2006 Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Shares not assented to the offer. It would do so by sending a notice to the other holders of Shares telling them that it will compulsorily acquire their Shares and then, six weeks later, it would execute a transfer of the outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of those Shares subject to the transfer. The consideration offered to the holders whose Shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.
- (b) In addition, pursuant to section 983 of the 2006 Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Shares (in value and by voting rights, pursuant to a takeover offer that relates to all the Shares in the Company) to which the offer relates, any holder of Shares to which the offer relates who has not accepted the offer may require the offeror to acquire his Shares on the same terms as the takeover offer.
- (c) The offeror would be required to give any holder of Shares notice of his right to be bought out within one month of that right arising. Such sell out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Shares notifying them of their sell out rights. If a holder of Shares exercises their rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

## **6. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS**

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

## **7. INVESTMENT RESTRICTIONS**

- 7.1 The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy as set out in Part I of this Prospectus.
- 7.2 The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of sections 1158 and 1159 of the Corporation Tax Act 2010, and its investment activities will therefore be subject to the restrictions set out under "Principal activities of the Company" in paragraph 1.3 of this Part VII.
- 7.3 The Company must not conduct any trading activity which is significant in the context of its group as a whole.
- 7.4 In the event of material breach of these investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Joint Portfolio Managers through an announcement via a RIS.

## **8. MATERIAL AGREEMENTS**

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Prospectus.

### **8.1 Novated and Amended Management Agreement**

Pursuant to a novation and amendment agreement dated 23 February 2018 made between the Company, UEM Bermuda and the Joint Portfolio Managers, the existing management agreement dated 31 March 2015 made between UEM Bermuda and the Joint Portfolio Managers, as amended by supplemental agreements respectively dated 19 June 2015, 30 June 2017 and 22 December 2017, has been novated to the Company, with the effect that ICMIM has been appointed to act as the Company's alternative investment fund manager with sole responsibility for risk management, and both ICMIM and ICM have been appointed as the joint portfolio managers of the Company.

Details of the management fee and performance fee payable to the Joint Portfolio Managers are set out in Part II of this Prospectus. The Joint Portfolio Managers will also be reimbursed for all out of pocket costs and expenses properly and reasonably incurred on behalf of the Company by them and for reasonable travel and related costs incurred in the performance of their duties. In addition to the management fee and the performance fee, ICMIM will receive a fee equal to 45 per cent. of the total employment costs incurred by it in employing a suitably experienced person to provide company secretarial services to the Company.

The Novated and Amended Management Agreement may be terminated by the Company or the Joint Portfolio Managers providing six months' written notice of termination to the other. The Novated and Amended Management Agreement may also be terminated at any time for cause upon immediate written notice for the non-defaulting party(ies) to the other defaulting party(ies).

The Joint Portfolio Managers have the benefit of an indemnity from the Company in relation to liabilities incurred by them in the discharge of their duties under the Novated and Amended Management Agreement other than those arising by reason of any fraud, wilful default, negligence or applicable law.

The Novated and Amended Management Agreement is governed by English law.

## 8.2 **JPMCB Administration Services Agreement**

The JPMCB Administration Services Agreement dated 23 February 2018 between the Company and JPMorgan Chase Bank, N.A., London Branch whereby the Company has appointed JCMCB to provide fund accounting, fund valuation and reporting services to the Company. The services provided under the JPMCB Administration Services Agreement include those relating to fee/expense accruals, daily NAV calculation, quarterly board reporting and preparation of annual and interim accounts.

JPMCB will be entitled to receive an annual fee of approximately £100,000, subject to a minimum fee of £30,000 per annum. The Company will also reimburse JPMCB in respect of reasonable out-of-pocket expenses properly incurred in the performance of its duties.

The JPMCB Administration Services Agreement has an initial term ending one year from the date of Admission and will renew automatically for additional one year periods effective from the first anniversary of the date of the end of the initial term, unless and until a valid termination notice is given by either party at least 180 days prior to the end of the applicable term. The JPMCB Administration Services Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

The Company has agreed to indemnify and hold harmless JPMCB against any liabilities that may be imposed on or incurred by JPMCB in connection with or arising of its performance under the JPMCB Administration Services Agreement other than as a result of its fraud, negligence or wilful misconduct.

The JPMCB Administration Services Agreement is governed by English law.

## 8.3 **Depositary Agreement**

The Depositary Agreement dated 23 February 2018 made between the Company, ICMIM and J.P. Morgan Europe Limited pursuant to which the Company has appointed JPMEL to act as its depositary for the purposes of the AIFM Directive. As depositary of the Company, JPMEL will perform those duties prescribed under the AIFM Directive.

In consideration for its services, JPMEL will be entitled to receive an annual fee of 2.20 basis points of the NAV, subject to a minimum fee of £25,000 per annum. Any additional services provided by JPMEL will incur additional charges.

The Depositary Agreement has an initial term of one year from the date of Admission and following the initial term may be terminated by a party giving not less than one hundred and eighty (180) days' prior written notice to the others. The Depositary Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

The Company has agreed to indemnify and hold harmless JPMEL against any liabilities that may be imposed on or incurred by JPMEL in connection with or arising of its performance under the Depositary Agreement other than as a result of (i) its fraud, negligence or wilful misconduct or (ii) its status as a holder of record of the Company's assets.

The Depositary Agreement is governed by the English law

## 8.4 **Global Custody Agreement**

The Global Custody Agreement dated 23 February 2018 made between the Company, JPMorgan Chase Bank, N.A. – London Branch and JPMEL pursuant to which the Company has appointed JPMCB to provide custodial services.

The services to be provided by JPMCB include the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive and retaining custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.

JPMCB will receive safekeeping and administration charges based on the market value of assets in different countries and a transaction charge for all securities transactions, both of

which vary country by country, together with its reasonable out-of-pocket or incidental expenses.

The Global Custody Agreement has an initial term of one year from the date of Admission and following the initial term, the Company may terminate the Global Custody Agreement by giving not less than one hundred and eighty (180) days' prior written notice to JPMCB and JPMEL, and JPMCB may terminate the agreement on one hundred and eighty (180) days' prior written notice to the Company and JPMEL. The Global Custody Agreement may also be terminated on shorter notice in the event of a material breach of contract or insolvency.

The Company has agreed to indemnify and hold harmless JPMCB against any liabilities that may be imposed on or incurred by it in connection with or arising out of JPMCB's performance of its obligations under the Global Custody Agreement, provided that JPMCB has not acted with negligence or engaged in fraud or wilful misconduct in connection with the Liabilities in question.

The Global Custody Agreement is governed by English law.

#### **8.5 Dickson Minto Engagement Letter**

An engagement letter dated 1 February 2018 between the Company and Dickson Minto pursuant to which Dickson Minto has agreed to act as the Company's sponsor in connection with the applications for Admission of the Shares to be issued pursuant to the Scheme to the premium listing segment of the Official List.

#### **8.6 Registrar Agreement**

Pursuant to the Registrar Agreement dated 23 February 2018 between the Company and the Registrar, the Registrar is responsible for maintaining and updating the Register, maintaining and updating dividend and interest payment instructions, providing periodic shareholder analysis, dealing with routine correspondence and enquiries, and performing all the usual duties of a registrar in relation to the Company.

Under the terms of the Registrar Agreement the Registrar is entitled to an annual fee calculated on the basis of the number of Shareholders, subject to a minimum annual fee of £6,400. Any additional services provided by the Registrar will incur additional charges.

The Registrar Agreement is for an initial fixed term of twelve months, and continue thereafter until terminated by the Company giving not less than six months' prior written notice to the Registrar, or by the Registrar giving not less than six months' prior written notice to the Company, in each case such notice not to expire prior to the end of the initial fixed term.

The Company will indemnify the Registrar against, and hold it harmless from, any losses, damages, costs, and expenses whatsoever and howsoever arising, suffered or incurred by the Registrar, including as a result of or in connection with the Registrar acting on any forged, fabricated or other inaccurate, invalid or unauthorised documents received by it in connection with the performance of its obligations under the Registrar Agreement and/or as a result of the Company's breach of applicable anti-bribery laws.

The Registrar Agreement is governed by English law.

### **9. RELATED PARTY TRANSACTIONS**

Except with respect to the appointment letters entered into between the Company and each Director and the Novated and Amended Management Agreement entered into with the Joint Portfolio Managers as set out in paragraph 8.1 of this Part VII, the Company has not entered into any related party transaction since its incorporation.

### **10. LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus

which may have, or have had in the recent past, a significant effect on its financial position or profitability of the Company or the UEM Bermuda Group.

## **11. SIGNIFICANT CHANGE**

11.1 As at the date of this Prospectus, there has been no significant change in the financial or trading position of the Company since its incorporation.

11.2 As at the date of this Prospectus, there has been no significant change in the financial or trading position of the UEM Bermuda Group since 30 September 2017 (being the end of the last interim financial period for which unaudited financial information has been published) save for a third quarterly interim dividend of 1.80 pence per UEM Bermuda Ordinary Share which has been declared and which will be paid on 1 March 2018 to UEM Bermuda Ordinary Shareholders on the register on 16 February 2018. As set out in the half yearly report of UEM Bermuda for the six months ended 30 September 2017, in the absence of unforeseen circumstances, the directors of UEM Bermuda intended to declare a dividend for the fourth quarter of the financial year ending 31 March 2018 of 1.80 pence per UEM Bermuda Ordinary Share. This dividend would typically have been paid in June 2018. However, in light of the Reorganisation Proposal and the expected timeframe for the Company to complete the proposed capital reduction to create a distributable reserve, the UEM Bermuda Directors have decided to bring the payment of that dividend forward and today declared a fourth quarterly interim dividend of 1.80p per UEM Bermuda Ordinary Share in respect of the year ending 31 March 2018. This fourth quarterly dividend will be paid on 13 April 2018 to UEM Bermuda Ordinary Shareholders on the register on 23 March 2018.

## **12. WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.

## **13. CAPITALISATION AND INDEBTEDNESS**

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of one hundred Shares and 50,000 Redeemable Preference Shares with no legal reserve or other reserves.

## **14. THIRD PARTY INFORMATION AND CONSENTS**

14.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.2 Dickson Minto has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

## **15. UK/US FATCA AGREEMENT AND THE COMMON REPORTING STANDARD**

The UK signed a Model 1 (reciprocal) inter-governmental agreement with the United States (the "**US IGA**") on 12 September 2012 to give effect to FATCA. Subsequently UK regulations were made and Guidance Notes issued now contained within the HMRC International Exchange of Information Manual. These provide detail and guidance on the application of the US IGA and clarify, *inter alia*, the powers and responsibilities of the UK Government.

UK financial institutions ("FIs") that comply with the US IGA and the enabling legislation will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be "deemed compliant" with the requirements of FATCA, will not be subject to withholding tax, and will not be required to close recalcitrant accounts.

The US IGA categorises FIs as either “Reporting FIs” or “Non-Reporting FIs”. By default, all UK FIs will be Reporting FIs, unless they qualify as Non-Reporting FIs. The categories of Non-Reporting FIs are specified in Annex II to the US IGA. A Reporting FI is

- (a) not required to enter an “**FFI agreement**” with the US Internal Revenue Service (“**IRS**”), but is:
- (b) required to register with the IRS to obtain a Global Intermediary Identification Number;
- (c) required to conduct due diligence on its investors to identify whether accounts are held directly or indirectly by “Specified US Persons”; and
- (d) required to report information on such Specified US Persons to HMRC. HMRC will exchange the information reported to it with the IRS annually on an automatic basis. While a Non-Reporting FI will not be subject to these requirements, it will need to provide self-certification, on US tax forms, to withholding agents to avoid the imposition of the 30 per cent. withholding tax.

Under the terms of the US IGA and the relevant regulations, FATCA withholding tax will not be imposed on payments made to the Company except to the extent the Company, is unable to comply with its obligations under FATCA and/or the US IGA, as applicable. Such non-compliance may arise where the Company’s investors or any other account holders fail to comply with their obligations under FATCA or the US IGA, or otherwise fails to comply with any other obligations they may have to the Company.

If the Company is subject to such withholding tax or is required to withhold under FATCA, this will generally be at the rate of 30 per cent. of the relevant payment. If an amount in respect of FATCA withholding tax is deducted or withheld, the Company will not pay any additional amounts as a result of the deduction or withholding. Under the terms of the US IGA, the Company is not, however, currently required to withhold tax on payments made by the Company on Shares. However, there can be no assurances that the Company, its agent or an intermediary paying agent will not, in the future, be required to withhold under FATCA in respect of payments on Shares.

Subsequently, the “Standard for Automatic Exchange of Financial Account Information” or “the Standard” developed by the OECD in cooperation with the EU has been incorporated into domestic UK law. This is a global standardised automatic exchange model which builds on the FATCA IGA. The Standard includes both the Common Reporting Standard (the “**CRS**”) that contains due diligence rules for financial institutions and the Model Competent Authority Agreement that links the CRS to the legal basis for exchange, specifying the financial information to be exchanged.

The Standard was adopted in the UK with an entry into force date of 1 January 2016.

Consequently, this means that account information for 2016 onwards will be automatically reported in 2017 under the Standard in respect of the UK and all other participating jurisdictions (excluding the US) and under FATCA in respect of the US. The UK currently has 49 activated exchange agreements under CRS.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that:

- (a) the Company (or its agent or other intermediary) may be required to disclose to HMRC certain confidential information in relation to the investor, including but not limited to the investor’s name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor’s investment;
- (b) HMRC may be required to exchange automatically information as outlined above with the IRS, and other foreign fiscal authorities;
- (c) the Company (or its agent or other intermediary) may be required to disclose to the IRS, HMRC and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Company (or its agent directly or other intermediary) with further enquiries;

- (d) the Company (or its agent or other intermediary) may require the investor to provide additional information and/or documentation which the Company (or its agent or other intermediary) may be required to disclose to HMRC or other foreign fiscal authorities;
- (e) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company and/or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, withholding on payments in respect of the shares and compulsory redemption of the shares of the investor concerned; and
- (f) no investor affected by any such action or remedy shall have any claim against the Company (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with either the US IGA or the CRS or any of the relevant underlying legislation.

The Company will monitor its FATCA and CRS requirements and may provide information to relevant tax authorities should it be, or become, obligated to do so.

**If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

## **16. GENERAL**

- 16.1 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 16.2 In accordance with the Prospectus Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Shares issued under this Prospectus. The Company will also notify the issue of the Shares through an RIS.
- 16.3 The net assets of the Company will increase by an amount equal to the net asset value of UEM Bermuda as at the date of Admission less the costs of the Issue and the implementation of the Scheme. As at 21 February 2018 (being the latest practicable date prior to the publication of this document), the Net Asset Value of UEM Bermuda was £553.4 million (unaudited).

## **17. UK RULES ON MARKETING NON MAINSTREAM POOLED INVESTMENTS**

The FCA Handbook contains rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the FCA Handbook as non mainstream pooled investments, to 'ordinary retail clients'. These rules took effect on 1 January 2014. These rules currently do not apply to investment trusts and accordingly will not apply to the Company which is seeking approval as an investment trust.

## **18. DOCUMENTS ON DISPLAY**

18.1 The following documents will be available for inspection once published during Business Hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, until the date of Admission:

- (a) this Prospectus;
- (b) the Scheme Circular;
- (c) the audited annual report and accounts of UEM Bermuda for the financial years ended 31 March 2015, 2016 and 2017;
- (d) the unaudited interim financial statements for the six month periods ended 30 September 2016 and 2017; and
- (e) the Articles.

18.2 In addition, copies of this Prospectus are available, for inspection only, from the National Storage Mechanism (<http://www.morningstar.co.uk/uk/NSM>).

Further copies of this Prospectus may be obtained, free of charge, from the registered office of the Company.

Dated: 23 February 2018

## DEFINITIONS

The following definitions apply in this Prospectus unless the context otherwise requires:

<b>2006 Act</b>	the UK Companies Act 2006, as amended
<b>2010 PD Amending Directive</b>	Directive 2010/73/EU of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
<b>Administrator</b>	JPMorgan Chase Bank N.A.-London Branch
<b>Admission</b>	admission of the Shares issued and to be under the Scheme to listing on the premium listing segment of the Official List and trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with the Listing Rules and the LSE Admission Standards
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance, as amended from time to time
<b>AIFM</b>	in the context of the AIFM Directive, the alternative investment fund manager from time to time appointed by the Company
<b>AIFM Directive</b>	EU Alternative Investment Fund Managers Directive 2011/61/EU
<b>AIFM Regulations</b>	the UK Alternative Investment Fund Managers Regulations 2013, as amended from time to time
<b>Articles</b>	the articles of association of the Company in force from time to time, as the context may require
<b>Audit Committee</b>	the committee of this name established by the Board and having the duties described in the section titled "Audit Committee" in Part II of this Prospectus
<b>Auditors</b>	KPMG LLP
<b>Benchmark Index</b>	the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent.
<b>Benefit Plan Investor</b>	a benefit plan investor as defined in section 3(42) of ERISA
<b>Board or Directors</b>	the board of directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
<b>Business Hours</b>	the hours between 9.00 a.m. and 5.30 p.m. on any Business Day
<b>certificated form</b>	not in uncertificated form
<b>City Code</b>	The City Code on Takeovers and Mergers
<b>Common Reporting Standard or CRS</b>	the standard for Automatic Exchange of Financial Account Information, as developed by the OECD

<b>Company</b>	Utilico Emerging Markets Trust plc
<b>Court</b>	the Supreme Court of Bermuda
<b>CREST</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
<b>CREST Account</b>	an account in CREST
<b>CREST Regulations</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>Data Protection Law</b>	the data protection laws and regulations applicable to the Company, including the General Data Protection Regulation (Regulation (EU) 2016/679)
<b>Depository</b>	J.P. Morgan Europe Limited
<b>Depository Agreement</b>	the depositary agreement dated 23 February 2018 between the Company, ICMIM and JPMEL, as summarised in paragraph 8.3 of Part VII of this Prospectus
<b>Dickson Minto</b>	Dickson Minto W.S.
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under Part VII of FSMA
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation
<b>EEA</b>	European Economic Area
<b>EEA State</b>	a member of the EEA
<b>efficient portfolio management</b>	techniques and instruments relating to securities and money market instruments which are economically appropriate in that they are realised in a cost effective way and are entered into for one or more of following specific aims: (a) reduction of risk; (b) reduction of cost; and/or (c) generation of additional capital or income (in accordance with the FCA rules)
<b>ERISA</b>	the United States Employee Retirement Income Security Act of 1974, as amended from time to time and any regulations promulgated thereunder
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>EV</b>	enterprise value
<b>FATCA</b>	the US Foreign Account Tax Compliance Act
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
<b>FCA Handbook</b>	means the FCA's handbook of rules and guidance, as amended and updated from time to time
<b>Final Subscription Trustee</b>	the trustee to be appointed by UEM Bermuda within seven days following 28 February 2018 (being the final date on which the subscription share rights attaching to the UEM Bermuda Subscription Shares may be exercised by UEM Bermuda Subscription Shareholders), in accordance with such subscription share rights

<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>GERP</b>	Global Equity Risk Protection Limited, a Bermuda registered segregated account company
<b>Global Custodian</b>	JPMCB
<b>Global Custody Agreement</b>	the custody services agreement dated 23 February 2018 between the Company, ICMIM, JPMCB and JPMEL, as summarised in paragraph 8.4 of Part VII of this Prospectus
<b>Gross Assets</b>	the gross assets of the Company or UEM Bermuda as determined in accordance with the accounting principles adopted by the Company or UEM Bermuda respectively from time to time
<b>Group</b>	for the purposes of this document, the Company and the UEM Bermuda Group
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>ICM</b>	ICM Limited
<b>ICMIM</b>	ICM Investment Management Limited
<b>Internal Revenue Code</b>	the United States Internal Revenue Code of 1986, as amended
<b>ISA</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
<b>ISIN</b>	the International Securities Identification Number
<b>Issue</b>	the issue of Shares pursuant to the Scheme
<b>Joint Portfolio Managers</b>	ICMIM and ICM
<b>JPMCB</b>	JPMorgan Chase Bank N.A. – London Branch
<b>JPMCB Administration Services Agreement</b>	the administration services agreement dated 23 February 2018 between the Company and JPMCB, as summarised in paragraph 8.2 of Part VII of this Prospectus
<b>JPMEL</b>	J.P. Morgan Europe Limited
<b>Junior ISA</b>	a junior individual savings account maintained in accordance with the Individual Savings Account Regulations 1998 (SI 1998/1870) (as amended from time to time)
<b>Listing Rules</b>	the listing rules of the UKLA made pursuant to section 73A of FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>LSE Admission Standards</b>	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the London Stock Exchange
<b>Management Engagement Committee</b>	the committee of this name established by the Board and having the duties described in the section titled "Management Engagement Committee" in Part II of this Prospectus
<b>Market Abuse Regulation</b>	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
<b>Member States</b>	those states which are members of the EU from time to time

<b>NAV or Net Asset Value</b>	the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) calculated on the basis described in Part II of this Prospectus and otherwise in accordance with the Company's accounting policies from time to time
<b>NAV per Share</b>	the proportion of the NAV attributable to a Share
<b>Non-Qualified Holder</b>	any person, as determined by the Directors, to whom a sale or transfer of Shares, or whose direct, indirect or beneficial ownership of Shares, would or might: (i) cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the Shares is not a "qualified purchaser" as defined in the US Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; (ii) cause the Company to be required to register under the US Commodity Exchange Act; (iii) cause the Company to be required to register under the US Exchange Act or any similar legislation; (iv) cause the Company not to be considered a "foreign private issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) result in any Shares being owned, directly or indirectly, by Benefit Plan Investors; (vi) cause the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (vii) cause the Company to be a "controlled foreign corporation" for the purposes of the Internal Revenue Code; (viii) result in withholding obligations on payments to such person in connection with FATCA or otherwise prevent the Company from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of US Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of US Treasury Regulation Section 1.1471-5(f); or (ix) cause the Company to be in violation of the US Investment Company Act, the US Exchange Act, the US Commodity Exchange Act, ERISA, the Internal Revenue Code or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to section 406 of ERISA or Section 4975 of the Internal Revenue Code
<b>Novated and Amended Management Agreement</b>	the existing management agreement dated 31 March 2015 made between UEM Bermuda and the Joint Portfolio Managers, as amended by supplemental agreements respectively dated 19 June 2015, 30 June 2017 and 22 December 2017, as amended and novated to the Company pursuant to a novation and amendment agreement dated 23 February 2018 made between UEM Bermuda, the Company and the Joint Portfolio Managers
<b>NURS</b>	non-UCITS retail schemes
<b>OECD</b>	the Organisation for Economic Co operation and Development
<b>Official List</b>	the Official List of the UKLA
<b>Plan Asset Regulations</b>	US Department of Labor regulation 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA)
<b>Prospectus</b>	this document

<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member State (and the amendments thereto, including the 2010 PD Amending Directive)
<b>Prospectus Rules</b>	the rules and regulations made by the FCA under Part VII of FSMA
<b>Redeemable Deferred Shares</b>	redeemable deferred shares of £0.01 each in the capital of the Company
<b>Redeemable Preference Shares</b>	redeemable preference shares of £1.00 each in the capital of the Company
<b>Register</b>	the register of members of the Company
<b>Registrar</b>	Computershare Investor Services PLC
<b>Registrar Agreement</b>	the agreement dated 23 February 2018, between the Company and the Registrar, as summarised in paragraph 8.6 of Part VII of this Prospectus
<b>Regulation S</b>	Regulation S under the US Securities Act
<b>Remuneration Committee</b>	the committee of this name established by the Board and having the duties described in the section titled "Remuneration Committee" in Part II of this Prospectus
<b>Reorganisation Proposal</b>	the proposal for UEM Bermuda Shareholders to exchange their UEM Bermuda Ordinary Shares for the Company's Shares on a one for one basis and for the Company to acquire all the UEM Bermuda Ordinary Shares so that UEM Bermuda becomes a wholly-owned subsidiary of the Company in order to effect the re-domiciliation of UEM Bermuda's business and operations to the United Kingdom
<b>RIS</b>	a Regulatory Information Service approved by the FCA and on the list of regulatory information services maintained by the FCA
<b>Scheme</b>	the scheme of arrangement of UEM Bermuda under section 99 of the Companies Act 1981 of Bermuda pursuant to which UEM Bermuda Ordinary Shareholders will be issued with Shares in exchange for their existing holdings of UEM Bermuda Ordinary Shares, as described in Part I of this Prospectus
<b>Scheme Circular</b>	the circular published by UEM Bermuda on 23 February 2018 in connection with the Scheme and containing a notice of the Scheme Meeting
<b>Scheme Effective Date</b>	the effective date for the Scheme as a matter of Bermuda law and therefore binding on UEM Bermuda and UEM Bermuda Shareholders, expected to be 28 March 2018
<b>Scheme Meeting</b>	the special general meeting of UEM Bermuda to approve the Scheme to be held on 20 March 2018, notice of which is set out in the Scheme Circular
<b>Scheme Record Date</b>	the record date for participating in the Scheme as a UEM Bermuda Shareholder, expected to be 6.00 p.m. on 27 March 2018

<b>Scheme Resolution</b>	the resolution to be proposed at the Scheme Meeting to approve the Scheme in accordance with the Companies Act 1981 of Bermuda
<b>SEC</b>	the United States Securities and Exchange Commission
<b>SEDOL</b>	Stock Exchange Daily Official List
<b>Shareholders</b>	holders of Shares
<b>Shares</b>	ordinary shares of 1p each in the capital of the Company
<b>SIPP</b>	a self invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
<b>Sterling or £</b>	pounds sterling, the lawful currency of the UK
<b>Tender Date</b>	the first business day in each year falling 30 days after the publication of the Company's annual accounts, but does not include any date on or after which a resolution to wind up the Company has been passed
<b>Tender Facility</b>	the facility allowing Shareholders to tender their Shares for purchase by the Company which will be operated by the Directors in their absolute discretion as described in Part I of this Prospectus
<b>Tender Form</b>	in the event that the Directors exercise their discretion to operate the Tender Facility, the tender form to be completed by Shareholders wishing to tender their Shares pursuant to the Tender Facility, in such form as the Directors shall circulate to Shareholders prior to each Tender Date
<b>UCITS</b>	Undertakings for Collective Investment in Transferable Securities
<b>UEM Bermuda</b>	Utilico Emerging Markets Limited
<b>UEM Bermuda Ordinary Shares</b>	ordinary shares of 10 pence each in the capital of UEM Bermuda (including any ordinary shares issued prior to the Scheme Record Date upon the exercise of all the subscription share rights attaching to the issued and outstanding UEM Bermuda Subscription Shares (whether by the relevant UEM Bermuda Subscription Shareholders or by the Final Subscription Trustee)
<b>UEM Bermuda Shareholders</b>	holders of UEM Bermuda Ordinary Shares
<b>UEM Bermuda Subscription Shareholders</b>	holders of UEM Bermuda Subscription Shares
<b>UEM Bermuda Subscription Shares</b>	subscription shares of 0.005 pence each in the capital of UEM Bermuda, each carrying the right to subscribe for one UEM Bermuda Ordinary Share in accordance with the subscription share rights contained in UEM Bermuda's bye-laws, for which the final exercise date is 28 February 2018
<b>US Dollars or \$</b>	United States dollars, the lawful currency of the United States
<b>US Commodity Exchange Act</b>	the United States Commodity Exchange Act of 1936, as amended

<b>US Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated pursuant to it
<b>US Investment Company Act</b>	the United States Investment Company Act of 1940, as amended
<b>US Person</b>	a US Person as defined for the purposes of Regulation S
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Corporate Governance Code</b>	the United Kingdom Corporate Governance Code as published by the UK Financial Reporting Council
<b>UKLA</b>	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
<b>uncertificated or in uncertificated form</b>	a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>VAT</b>	value added tax
<b>Waverton</b>	Waverton Investment Management Limited
<b>Waverton Support Services Agreement</b>	the support services agreement dated 23 February 2018 between ICMIM and Waverton

