

## A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

### AUGUST 2022

Closed-end investment company, traded on the London Stock Exchange

#### OBJECTIVE

UIL Limited ("UIL") seeks to maximise shareholder returns by identifying and making investments where the underlying value is not reflected in the market price.

#### INVESTMENT APPROACH

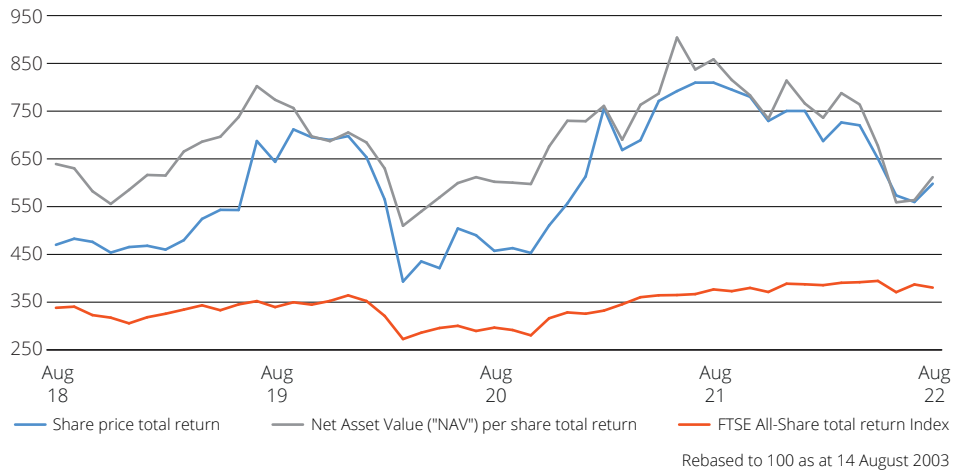
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility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

#### KEY DATES

Launch date*	August 2003
Year end	30 June
AGM date	November
Ex-dividend dates	September, December, March & June
Dividend paid dates	September, December, March & June
2022 ZDP shares expiry	31 October 2022
2024 ZDP shares expiry	31 October 2024
2026 ZDP Shares Expiry	31 October 2026
2028 ZDP Shares Expiry	31 October 2028

\*Utilico Investment Trust plc - UIL's predecessor

### PERFORMANCE



### PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	5 years	Inception
Share Price	6.8%	(8.1%)	(26.1%)	(7.1%)	46.8%	498.0%
Net Asset Value per share	8.5%	(9.7%)	(28.8%)	(20.9%)	16.1%	511.6%
FTSE All-Share Index	(1.7%)	(3.6%)	1.0%	12.0%	17.8%	280.5%

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

12 Months to	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18
Share Price	(26.1%)	77.0%	(29.0%)	37.0%	15.4%
Net Asset Value per share	(28.8%)	42.6%	(22.2%)	21.0%	21.4%
FTSE All-Share Index	1.0%	26.9%	(12.6%)	0.4%	4.7%

### FUND DETAILS

#### ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	285.15p
Share price	195.50p
Discount to NAV	(31.4%)
Annual average compound return (including dividends)	10.0%
Historic dividend paid per share	8.00p
Historic dividend yield	4.1%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	83,842,918

\*Utilico Investment Trust plc - UIL's predecessor

#### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£431.4m
Bank and other Debt	£46.6m
ZDP shares 2022	£51.7m
ZDP shares 2024	£37.2m
ZDP shares 2026*	£30.7m
ZDP shares 2028**	£26.1m
Shareholders' Funds (Ordinary Shares)	£239.1m
	£431.4m
Gearing (based on AIC definition)	79.4%

\* includes 2.3m 2026 ZDP shares held by UIL

\*\* includes 0.6m 2028 ZDP shares held by UIL

Gearing AIC - standardised gearing calculation as recommended by the AIC is based on net assets

#### PERFORMANCE FEE

15% of the outperformance over benchmark subject to minimum hurdle of 5% and high watermark, capped at 2.5% of adjusted equity funds.

#### INVESTMENT MANAGEMENT FEE

0.5% of gross assets plus Company Secretarial Fee.

#### INVESTMENT MANAGERS

UIL is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.

[www.icm.limited](http://www.icm.limited)

#### ZDP SHARES

	2022	2024	2026	2028
Accrued Capital Entitlement	145.49p	125.12p	123.64p	107.89p
Share Price	144.00p	124.00p	114.00p	96.00p
Premium/(discount) to NAV	(1.0%)	(0.9%)	(7.8%)	(11.0%)
ZDP Cover*	4.35x	3.06x	2.41x	1.99x
Yield to Redemption*	13.1%	5.2%	7.1%	7.8%
ZDP Redemption Value	146.99p	138.35p	151.50p	152.29p
Shares in issue	35.6m	30.0m	25.0m	25.0m
Ticker	UTL.L	UTL.G.L	UTL.H.L	UTL.L.L

\*based on final redemption values



## PERFORMANCE

UIL's NAV total return was up 8.5% for the month, outperforming the FTSE All Share total return Index which declined by 1.7% over the same period.

Global equity markets were mixed during August, with developed markets broadly retreating whilst some emerging markets delivered robust performances. The US Federal Reserve reiterated its hawkish stance on interest rate increases, notwithstanding evidence that inflation is starting to peak with CPI easing to 8.5% for the year to July, down from 9.1% in June. The S&P Index fell 4.2% in August while the US Dollar DXY Index strengthened to its highest level in two decades.

In Australia the ASX 200 Index firmed slightly, up 0.6%, with the Reserve Bank of Australia revising down its projections for growth for 2022 following its fifth consecutive month of interest rate increases. The rate rises and cost of living pressures are starting to hit the property market which is showing early signs of slowdown. Europe and the UK are under significant strain as the impact of high energy costs and the need to bolster gas reserves ahead of the winter filters through their respective economies. The Eurostoxx Index fell 5.1% and the FTSE 100 declined by 1.9% in August.

Sterling depreciated against almost every major currency in August on political uncertainty over a new Conservative leader and concerns over the rapidly widening current account deficit on higher energy costs. Sterling fell 4.4% against the US Dollar, 3.0% versus the Euro, 2.7% against the Australian Dollar, and 4.7% against the Brazilian Real.

Commodities were mostly weaker, with the Brent Crude oil price continuing to fall from recent highs, ending August at USD 96.49, a drop of 12.3% over the month. Copper also declined by 1.5% and gold was down 3.1%, ending the month at USD 1,711.04/oz.

## PORTFOLIO

There were two changes to the top ten constituents in August with Starpharma reclaiming its position from Carebook Technologies, and The Market Herald ("TMH") replacing Assetco. TMH is a high growth, data-led, Australian-listed diversified media, e-commerce and financial services platform. In its financial year to 30 June 2022, it delivered revenue growth of 21% and cash receipts from customers increased by 28%. TMH's share price was up 15.0% in August.

Somers' valuation fell by 23.4%, almost entirely due to the payment of a USD 4.55 per share capital dividend during the month. Somers' shareholders voted in favour of the offer by SNB Investments (of

which UIL is a major shareholder) at the Special General Meeting on 20 August 2022 and the merger with SNB Investments Limited has now completed.

There was a 4.9% decrease in Resimac's share price, notwithstanding robust results in its financials to 30 June 2022, which saw record home loan settlements at AUD 6.3bn, its home loan portfolio up 11.0% to AUD 15.0bn, and a 25.0% increase in dividends per share.

UIL's resources investments performed strongly in August, with Zeta's share price up 11.3%, Panoramic Resources was up 15.8% and Resolute Mining was up 3.6%. Panoramic Resources announced strong results from the underground drilling at its Savannah Nickel Project in Western Australia, indicating significantly thicker mineralisation intercepts than had been predicted by the resource model. Resolute Mining released its interim results for the six months to 30 June 2022 showing a healthier balance sheet with net debt reduced by 20% on 31 December 2021, and reiterated guidance for the full year to 31 December 2022.

Of the remaining top ten positions, the most notable performance was UEM, with its share price up 6.8% over the month. UEM's NAV increased by 6.5%, outperforming the MSCI Emerging Markets total return Index which was up 5.1% in Sterling terms for the period.

Purchases during the month for the portfolio totalled £50.9m and realisations amounted to £57.2m, reflecting the purchase of listed holdings by UIL from its underlying platforms.

## DEBT

In August the bank debt position was reduced by AUD 8.7m to AUD24.8m, with the Euro and US Dollar balances unchanged at EUR 10.4m and USD 26.3m respectively. The total bank debt liability in Sterling terms reduced from £49.6m at the end of July to £46.3m as at 31 August 2022.

For August, the foreign exchange hedge positions were unchanged at AUD 52.1m, CAD 27.5m and EUR 9.0m.

## ZDP SHARES

The share price of the 2022 ZDP shares was unchanged at 144.00p whilst the share price of the 2024 ZDP shares was up slightly by 0.8% to 124.00p. The share prices of the 2026 and 2028 ZDP shares were down 0.4% and 1.0% to 114.00p and 96.00p respectively.

UIL is finalising arrangements for the redemption of the 2022 ZDP shares on 31 October 2022. Consistent with previous years, UIL will make an announcement in mid-October regarding the mechanics of redemption.

## OTHER

UIL's ordinary share price increased by 6.8% to 195.50p. The discount to NAV widened marginally to 31.4% as at 31 August 2022.

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	29.7%
2	Zeta Resources Limited	16.5%
3	Utilico Emerging Markets Trust plc	13.8%
4	ICM Mobility Group Limited	11.9%
5	Resimac Group Limited	6.2%
6	Allectus Capital Limited	6.2%
7	Resolute Mining Limited	2.9%
8	The Market Herald Limited	2.8%
9	Panoramic Resources Limited	1.8%
10	Starpharma Holdings Limited	1.1%
<b>Total Top Ten</b>		<b>92.9%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	40.1%
Technology	24.7%
Resources	16.2%
Gold Mining	5.1%
Ports	2.9%
Electricity	2.6%
Other	2.0%
Renewables	1.6%
Telecommunications	1.4%
Oil and Gas	1.1%
Water	0.9%
Airports	0.8%
Infrastructure Investments	0.6%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	37.9%
UK	12.1%
Asia	9.3%
Europe (excluding UK)	7.5%
Middle East/Africa	6.3%
Canada	5.2%
USA	5.1%
Bermuda	5.1%
Other - Gold mining	5.1%
Latin America	4.3%
New Zealand	2.1%

UIL declared its fourth quarterly interim dividend of 2.00p per ordinary share in respect of the year ended 30 June 2022, which will be paid on 30 September 2022 to shareholders on the register on 2 September 2022.

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### Important Notes

The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to deal in UIL. Investments in UIL are subject to investment risks and the value of investments and the income derived from them may fall as well as rise and investors may not get back the principal amount invested. Past performance is not indicative of future performance. Investors should read the prospectus along with the supplement(s) and seek relevant professional advice before making any investment decision. The information presented has been obtained from sources believed to be reliable, but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Managers reserve the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited (registered in England: 08421482), which is authorised and regulated by the Financial Conduct Authority (FRN: 630094).

