

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**SEPTEMBER 2020**

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.

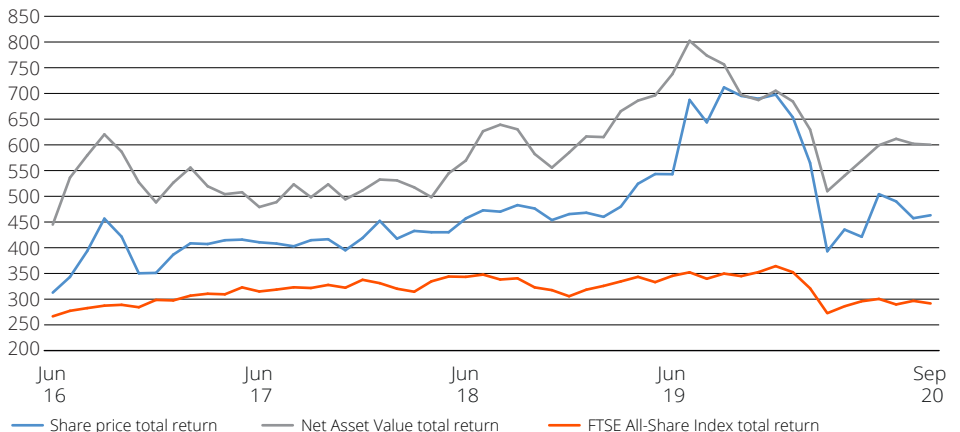
**INVESTMENT APPROACH**

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**

<b>Launch date*</b>	August 2003
<b>Year end</b>	30 June
<b>AGM date</b>	November
<b>Ex-dividend dates</b>	September, December, March & June
<b>Dividend paid dates</b>	September, December, March & June
<b>2020 ZDP shares expiry</b>	31 October 2020
<b>2022 ZDP shares expiry</b>	31 October 2022
<b>2024 ZDP shares expiry</b>	31 October 2024
<b>2026 ZDP Shares Expiry</b>	31 October 2026

\*Utilico Investment Trust plc – UIL's predecessor

**PERFORMANCE**


Rebased to 100 as at 14 August 2003

**PERFORMANCE (Total return including dividends)**

	1 month	3 months	1 year	3 years	Inception
Share Price	1.3%	(8.2%)	(34.9%)	11.7%	363.1%
Net Asset Value	(0.3%)	0.1%	(20.7%)	20.5%	500.2%
FTSE All-Share Index total return	(1.7%)	(2.9%)	(16.6%)	(9.3%)	191.7%

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

12 Months to	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16
Share Price	(34.9%)	47.4%	16.5%	(9.2%)	82.9%
Net Asset Value	(20.7%)	20.0%	26.5%	(19.7%)	135.2%
FTSE All-Share Index total return	(16.6%)	2.7%	5.9%	11.9%	16.5%

**FUND DETAILS**
**ORDINARY SHARES**

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	291.46p
Share Price	161.00p
Discount to NAV	(44.8%)
Annual average compound return (including dividends)	11.0%
Historic Dividend paid per share	7.88p
Historic Dividend Yield	4.9%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	85,939,314

\*Utilico Investment Trust plc – UIL's predecessor

**CAPITAL STRUCTURE**

Gross Assets less Current Liabilities	£489.0m
Bank and other Debt	£52.6m
ZDP shares 2020	£60.0m
ZDP shares 2022	£64.4m
ZDP shares 2024	£33.7m
ZDP shares 2026*	£27.8m
Shareholders' Funds (Ordinary Shares)	£250.5m
	£489.0m
Gearing (based on AIC definition)	94.1%

\* includes 2.4m 2026 ZDP shares held by UIL

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

**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)

**INVESTMENT MANAGEMENT FEE**

0.5% of gross assets plus Company Secretarial Fee.

**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.

**ZDP SHARES**

	2020	2022	2024	2026
Accrued Capital Entitlement	153.98p	129.55p	114.46p	112.59p
Share Price	154.00p	130.50p	101.50p	90.75p
Premium/(discount) to NAV	0.0%	0.7%	(11.3%)	(19.4%)
ZDP Cover*	4.29x	2.60x	2.13x	1.82x
Yield to Redemption*	7.1%	5.9%	7.9%	8.8%
ZDP Redemption Value	154.90p	146.99p	138.35p	151.50p
Shares in issue	39.0m	50.0m	30.0m	25.0m
Ticker	UTLE.L	UTLF.L	UTLG.L	UTLH.L

\*based on final redemption values



## PERFORMANCE

UIL's NAV total return fell by 0.3% during September, which was ahead of the FTSE All Share Total Return Index, down 1.7% in the period.

Volatility in equity indices remained elevated during the month as investors have contended with a resurgence of coronavirus cases, political uncertainty in the run-up to US elections, and the extraordinary policy decisions to support economies during the crisis.

In the US the S&P 500 fell 3.9% as negotiations for a new stimulus bill stalled following expiry of the previous stimulus package. At the same time US-China tensions resurfaced as Trump looks to force the sale of Tik Tok's US operations from its Chinese parent, and China released details on its planned "unreliability entity list". The Shanghai Composite Index fell 5.2%. The banking sector was hit by allegations of money laundering from the leak of the FinCEN files, which particularly impacted the Hang Seng, down 6.8%. Brexit negotiations failed to make any headway during the month, and the FTSE 100 and Eurostoxx indices declined 1.6% and 2.4% respectively.

In the currency markets Sterling fell against almost all major peers over September, declining 3.0% versus the US Dollar, 1.6% against the Euro, 0.6% against the Australian Dollar, and 4.1% against the Chinese Renminbi. Commodities were also broadly weaker, with Brent crude oil falling 9.6% and gold down 4.2%. Copper consolidated its position at recent highs, broadly flat over the month.

## PORTFOLIO

There were no changes to the top ten investments in UIL in September. The value of three of the top ten investments declined, two increased, and the carrying value of five were unchanged.

Resolute Mining was the worst performer in the top 10, with the London-listed shares falling 14.7% after the company announced that it had received a strike notice at the Syama Gold Mine from the Local Union Committee early in the month. Whilst strike action was ultimately averted, management have cut 2020 production guidance to 400,000-430,000 ounces of gold at AISC

of USD 980-1,080/oz, from 430,000oz at USD 930/oz.

In contrast to this poor performance, September saw a significant rise in the Zeta Resources share price, up 19.0%. This reflects some very robust performances in the share prices of Zeta's underlying investments, notably Copper Mountain Mining and Panoramic Resources.

Orbital's share price fell 7.0% during the month after hitting all-time highs in August, while the value of Allectus increased 5.1% and UEM's share price was down 2.0%. Post the period end it was pleasing to see that Ascendant finally received regulatory approvals for the acquisition of Belco by Algonquin Power & Utilities. Ascendant is UIL's sixth-largest holding and is being carried at a 5.0% discount to the announced acquisition price; the deal now awaits final approval from the Ministry of Finance.

Purchases during the month for the portfolio amounted to £1.2m and realisations totalled £4.3m.

## DEBT

Bank debt was broadly unchanged on the previous month, at £50.8m, drawn as USD17.5m, AUD23.9m, EUR11.2m and GBP9.9m. Foreign exchange hedge positions to Sterling at month-end were AUD97.1m, USD87.0m, EUR27.5m and CAD31.2m.

## OTHER

UIL's ordinary share price ended September at 161.00p, unchanged against end-August. The discount to NAV was also broadly unchanged at 44.8%. The 2020, 2024 and 2026 ZDP share prices fell 0.3%, 0.4% and 1.9% to 154.00p, 101.50p and 90.75p respectively, while the 2022 ZDP share price firmed 5.2% to 130.50p. The 2020 ZDP shares will be redeemed at the end of October with monies paid to 2020 ZDP shareholders on the register as at the close of business on 28 October 2020.

UIL's fourth quarterly interim dividend of 2.00p per ordinary share in respect of the year ended 30 June 2020, was paid on 25 September 2020 to shareholders on the register on 4 September 2020.

**Charles Jillings**  
ICM Investment Management Limited and  
ICM Limited

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	26.1%
2	Zeta Resources Limited	16.6%
3	Utilico Emerging Markets Trust plc	13.1%
4	Resolute Mining Limited	10.0%
5	Allectus Capital Limited	5.7%
6	Ascendant Group Limited	5.0%
7	Optal Limited	5.0%
8	Vix Tech Pte Ltd	4.7%
9	One Communications Limited	4.1%
10	Orbital Corporation Limited	3.2%
<b>Total Top Ten</b>		<b>93.5%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	26.2%
Technology	21.1%
Resources	13.8%
Gold Mining	12.7%
Telecoms	5.8%
Infrastructure Investments	5.6%
Other	5.0%
Electricity	3.4%
Ports	3.0%
Oil and Gas	1.6%
Renewables	0.9%
Water	0.5%
Airports	0.4%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	28.2%
Bermuda	15.6%
Other – Gold Mining	12.7%
UK	10.0%
Europe (excluding UK)	8.8%
Asia	8.7%
Middle East/Africa	7.6%
North America	4.6%
Latin America	3.8%

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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).

