

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**JUNE 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.

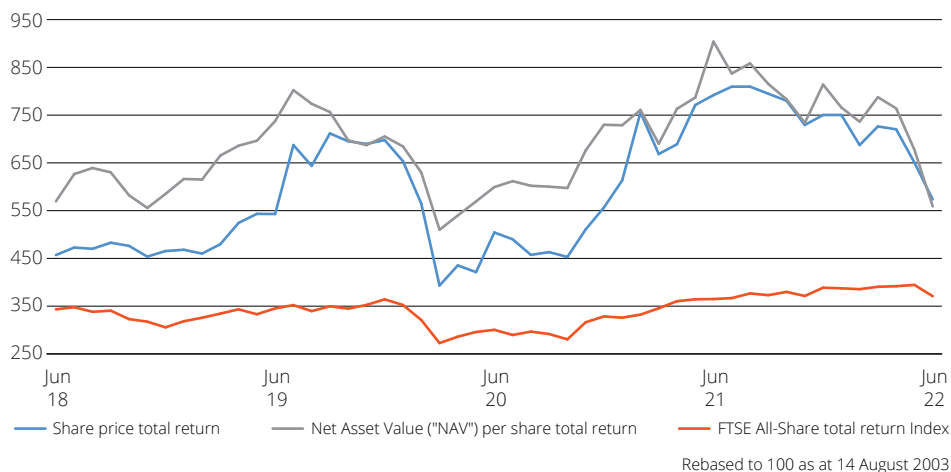
**INVESTMENT APPROACH**

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**

<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>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
<b>2028 ZDP Shares Expiry</b>	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	(11.9%)	(21.0%)	(27.6%)	5.6%	39.7%	473.5%
Net Asset Value per share	(17.5%)	(29.0%)	(38.2%)	(24.2%)	16.7%	459.0%
FTSE All-Share Index	(6.0%)	(5.0%)	1.6%	7.4%	17.8%	270.9%

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

12 Months to	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18
Share Price	(27.6%)	57.0%	(7.1%)	18.8%	11.3%
Net Asset Value per share	(38.2%)	50.8%	(18.7%)	29.7%	18.7%
FTSE All-Share Index	1.6%	21.5%	(13.0%)	0.6%	9.0%

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

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	260.61p
Share price	187.50p
Discount to NAV	(28.1%)
Annual average compound return (including dividends)	9.5%
Historic dividend paid per share	8.00p
Historic dividend yield	4.3%
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	£417.2m
Bank and other Debt	£54.5m
ZDP shares 2022	£51.2m
ZDP shares 2024	£36.8m
ZDP shares 2026*	£30.4m
ZDP shares 2028**	£25.8m
Shareholders' Funds (Ordinary Shares)	£218.5m
	£417.2m
Gearing (based on AIC definition)	89.8%

\* 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	143.98p	124.14p	122.62p	106.87p
Share Price	144.00p	122.50p	115.50p	99.00p
Premium/(discount) to NAV	0.0%	(1.3%)	(5.8%)	(7.4%)
ZDP Cover*	3.89x	2.80x	2.23x	1.85x
Yield to Redemption*	6.3%	5.3%	6.5%	7.0%
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 gross assets declined by 10.5% in June. Due to the geared nature of the portfolio, this resulted in a NAV total return decrease of 17.5% for the month,

underperforming the FTSE All Share total return Index which was down by 6.0% over the same period.

For the year to 30 June 2022, the NAV total return was -38.2%. This compares to the 1.6% total return of the FTSE All Share total return Index.

Global equity markets, with the exception of China, weakened considerably in June. Principally this was in response to the Federal Reserve's larger than previously signalled 75bps rate increase, triggered by an 8.6% y-o-y rise in US consumer prices in May. Recessionary fears intensified and commodity prices softened in the second half of the month, which if sustained may give some inflationary relief. The US Dollar continued to strengthen. China's market reacted positively to the easing of some Covid lockdown restrictions although its Zero Covid policy remains very much in place.

Central banks around the world increased rates. In addition to the 75bps rise in the US, the Bank of Canada and Reserve Bank of Australia both increased rates by 50bps, the Bank of England raised rates by 25bps and the European Central Bank signalled its intention to increase rates by 25bps at its July meeting.

Most markets were weak, with the 6.7% gain in the Shanghai Composite and the 2.1% gain in the Hang Seng Index notable exceptions. The S&P500 declined by 8.4% in June, the NASDAQ composite declined by 8.7% and the FTSE 100 was down by 5.8%. The Eurostoxx Index fell by 8.8%, the German DAX by 11.2% and the Italian MIB by 13.1%. The Australian ASX-200 fell by 8.9%.

Sterling was weaker against many currencies during the month, falling 3.6% against the US Dollar, 1.3% against the Euro and 1.7% against the Canadian Dollar. However, the Australian and New Zealand Dollars were even weaker, declining in value by 0.5% and 0.9% against Sterling respectively during June.

The Brent Crude oil price gave up some of May's gains, ending June at USD 114.81, a decline of 6.5% for the month. The price of copper declined by 13.5% in June. Gold

declined by 1.6% to end the month at USD 1,807.27/oz.

## PORTFOLIO

There was one change to the top ten constituents in June with Resimac Group replacing Nautilus Data Technologies, which has been sold to Allectus Capital. Resimac is an Australian non-bank residential mortgage and asset finance lender and is the largest holding in Somers. UIL acquired shares in Resimac from Somers in the month.

Somers' valuation declined by 16.3%, primarily due to a 22.8% decline in Resimac's share price, its largest holding. Zeta's share price declined by 14.3% during the month. UEM's NAV decreased by 5.8% (dividend adjusted) and its share price declined by 6.3% (dividend adjusted). Resolute Mining's share price declined by 18.2%, Panoramic Resources' share price was 32.8% lower, Assetco's share price was down by 12.0% and Starpharma's share price was down 5.6% for the month of June.

Somers announced on 8 July 2022 that its board of Directors was recommending the offer by SNB Investments (of which UIL is a major shareholder) to acquire all of the Somers' shares that the SNB shareholders do not own. There is a Somers Special General Meeting to be held on 20 July 2022 for shareholders to vote on the offer. If approved, Somers' shareholders (excluding those shares owned by SNB) will receive USD 21.00 per share in the form of a two-year loan note with an interest rate of 6.0%. Completion is anticipated on 26 July 2022.

Purchases during the month for the portfolio totalled £24.0m and realisations amounted to £32.5m.

## DEBT

The bank debt positions were reduced in underlying foreign currency terms in June with the facility drawn as AUD 33.5m, USD 28.0m and EUR 10.4m with the liability in Sterling terms reducing from £51.9m at the end of May to £51.1m as at 30 June 2022.

The foreign exchange hedge positions were reduced during June to AUD 52.1m, CAD 44.3m and USD 34.4m. The EUR 9.0m hedge was unchanged and the Australian Dollar hedge against US Dollar was also unchanged at USD 10.0m.

## OTHER

UIL's ordinary share price decreased by 12.8% to 187.50p. The discount to NAV narrowed to 28.1% as at 30 June 2022.

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	35.7%
2	Zeta Resources Limited	15.5%
3	Utilico Emerging Markets Trust plc	15.0%
4	ICM Mobility Group Limited	12.2%
5	Allectus Capital Limited	6.8%
6	Resimac Group Limited	2.7%
7	Resolute Mining Limited	2.3%
8	Panoramic Resources Limited	1.6%
9	Starpharma Holdings Limited	1.1%
10	AssetCo plc	1.1%
<b>Total Top Ten</b>		<b>94.0%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	38.5%
Technology	25.8%
Resources	15.7%
Gold Mining	3.7%
Other	3.6%
Ports	3.0%
Electricity	2.7%
Renewables	1.9%
Telecommunications	1.6%
Oil and Gas	1.2%
Airports	0.8%
Water	0.8%
Infrastructure Investments	0.7%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	33.1%
North America	15.9%
UK	15.8%
Asia	10.3%
Europe (excluding UK)	8.3%
Bermuda	5.3%
Latin America	4.2%
Other – Gold mining	3.7%
New Zealand	2.3%
Middle East/Africa	1.1%

The share prices of the 2022, 2024 and 2026 ZDP shares were unchanged. The share price of the 2028 ZDP shares decreased by 0.5%.

UIL declared a third quarterly interim dividend of 2.00p per ordinary share in respect of the year ended 30 June 2022 which was paid on 30 June 2022 to shareholders on the register on 6 June 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).

