

Focused on discovering compelling investments

DECEMBER 2023

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

OBJECTIVE

UIL Limited ("UIL") seek to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not fully recognised.

INVESTMENT APPROACH

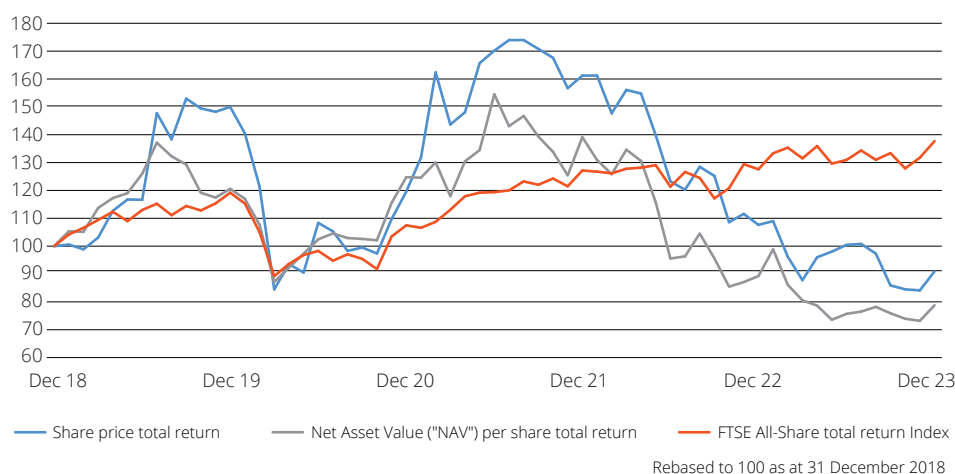
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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
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	8.1%	5.8%	(15.5%)	(24.0%)	(9.1%)	323.1%
Net Asset Value per share	7.6%	3.8%	(11.8%)	(36.9%)	(21.2%)	360.8%
FTSE All-Share Index	4.5%	3.2%	7.9%	28.1%	37.7%	320.8%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19
Share Price	(15.5%)	(33.2%)	34.8%	(20.2%)	50.0%
Net Asset Value per share	(11.8%)	(35.8%)	11.5%	3.5%	20.6%
FTSE All-Share Index	7.9%	0.3%	18.3%	(9.8%)	19.2%

FUND DETAILS

ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	203.10p
Share price	127.00p
Discount to NAV	(37.5%)
Annual average compound return (including dividends)	7.8%
Historic dividend paid per share	8.00p
Historic dividend yield	6.3%
Ongoing charges figure excluding performance fees	2.8%
Shares in issue	83,842,918

*Utilico Investment Trust plc – UIL's predecessor

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£295.9m
Bank and other Debt	£24.8m
ZDP shares 2024	£39.7m
ZDP shares 2026 ⁽¹⁾	£32.8m
ZDP shares 2028 ⁽²⁾	£28.3m
Shareholders' Funds (Ordinary Shares)	£170.3m
	£295.9m
Gearing (based on AIC definition)	72.0%

⁽¹⁾ includes 2.3m 2026 ZDP shares held by UIL

⁽²⁾ 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.

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ZDP SHARES

	2024	2026	2028
Accrued Capital Entitlement	133.07p	131.90p	116.21p
Share Price	127.00p	108.50p	89.50p
Premium/(discount) to NAV	(4.6%)	(17.7%)	(23.0%)
ZDP Cover [†]	4.47x	2.84x	2.08x
Yield to Redemption [†]	10.8%	12.5%	11.6%
ZDP Redemption Value	138.35p	151.50p	152.29p
Shares in issue	30.0m	25.0m	25.0m
Ticker	UTLG.L	UTLH.L	UTLI.L

[†]based on final redemption values



PERFORMANCE

UIL's NAV total return increased by 7.6% in December, which was ahead of the FTSE All Share total return Index, up by 4.5% over the month. For the six months to 31 December

2023, UIL's NAV total return increased 4.1%, underperforming the FTSE All Share total return Index which was up 5.2% over the same period.

Global equity markets in December continued to be strong, as expectations that the US Federal Reserve will cut interest rates in 2024 were confirmed, with the Federal Open Market Committee indicating that there could be three rates cuts in 2024 and Jerome Powell, Chairman of the Federal Reserve openly echoing this view. Subsequently, the S&P Index was up by 4.4%, and the DXY Dollar Index fell.

In Europe, favourable inflationary news also continued with both the UK and the Eurozone's inflationary levels coming in below expectations. The UK reported November's Consumer Price Indices at 3.9%, the lowest since September 2021, whilst the Euro area fell to 2.4%, the lowest since July 2021. Both the Bank of England and the European Central Bank kept interest rates unchanged. The FTSE 100 was up by 3.7% for the month of December whilst the Eurostoxx Index increased by 3.2%. Sterling's performance in December was mixed, up 0.7% against the US Dollar, but down 0.5% against the Euro and down 2.1% against the Australian Dollar.

This more aggressive policy pivot by the Federal Reserve fuelled a more positive outlook for emerging markets. Within Latam, the Brazilian Bovespa Index was up by 5.4% for the month of December, the Mexican Bolsa Index was up 6.2% and the Chilean IPSA Index was up by 6.5%. Argentina was the outperformer in the region for the month of December, with the Merval Index up by 14.3%, as the new President, Javier Milei, implemented a massive deregulation package to enhance the competitiveness of Argentina which so far has witnessed fewer protests than expected.

Asia followed suit with India's Sensex Index up by 7.8%, the Vietnam Ho Chi Minh Index was up by 3.3%, the Philippines PSEI Index up by 3.6% and the Thai Set Index was up by 2.6%. The outliers for the month were Hong Kong's Hang Seng Index which was flat and the Chinese Shanghai Composite Index was down 1.8%. Purchasing Managers' Index ("PMI") data reported from China was mixed with manufacturing PMI data being in contractionary territory whilst services being expansionary.

In the commodities market, industrial metals were mixed with copper up 1.6% but nickel falling marginally by 0.3%. Precious metals were also mixed with gold up 1.3% in December and silver down 5.8%. Oil continued to be weak, down by 7.0% as global oil demand slowed.

PORTFOLIO

There were no changes to the top ten constituents of the UIL portfolio in December.

Somers' valuation was up 12.5% during the month reflecting the solid share price performance of Resimac which was up 17.5% in December benefitting from market sentiment that the possibility of an additional interest rate increase is waning.

Zeta's share price declined by 8.3% over the month, reflecting underlying portfolio movements with Alliance Nickel's share price falling by 17.6% in December.

UEM's share price increased by 4.1% in December as it delivered a NAV total return of 5.4%, outperforming the MSCI Emerging Market total return Index which was up by 2.7% in Sterling terms during the month. The UEM discount to NAV widened to 14.7% from 13.6%.

The Market Limited's share price was down 17.9%, clawing back some of the strong performance witnessed in November though the continued wide bid-offer spread can result in quite large pricing movements.

West Hamilton Holdings Limited's valuation was down 3.4% and Carebook Technologies' share price climbed by 7.1%.

DEBT

Bank debt was reduced to £15.0m from £20.0m over the month, all drawn in Sterling. Other debt rose from £0.6m to £9.8m.

ZDP SHARES

The share prices of the 2024, 2026 and 2028 ZDP shares appreciated by 0.8%, 1.4% and 1.1% respectively, over the month, trading at 127.00p, 108.50p and 89.50p respectively.

OTHER

UIL's ordinary share price increased by 8.1% to 127.00p in December while the discount to NAV narrowed marginally from 37.7% to 37.5%. The first quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2024, was paid on 21 December 2023 to shareholders on the register on 1 December 2023.

Charles Jillings
ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	41.6%
2	Zeta Resources Limited	15.9%
3	Utilico Emerging Markets Trust plc	11.6%
4	Resimac Group Limited	6.9%
5	Allectus Capital Limited	5.7%
6	Allectus Quantum Holdings Limited	5.0%
7	The Market Limited	3.2%
8	West Hamilton Holdings Limited	2.3%
9	Arria Nlg Limited	1.9%
10	Carebook Technologies Inc	1.6%
Total Top Ten		95.7%

SECTOR SPLIT OF INVESTMENTS

Financial Services	49.2%
Technology	20.7%
Resources	11.5%
Gold Mining	4.4%
Other	3.7%
Ports	2.7%
Electricity	2.6%
Renewables	1.5%
Water	1.1%
Oil and Gas	0.9%
Telecommunications	0.7%
Airports	0.5%
Infrastructure Investments	0.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	40.8%
UK	20.6%
Middle East/Africa	9.3%
Bermuda	7.9%
Asia	7.1%
Europe (excluding UK)	5.6%
Latin America	4.2%
Canada	2.2%
USA	1.5%
New Zealand	0.8%

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).