

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

OCTOBER 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.

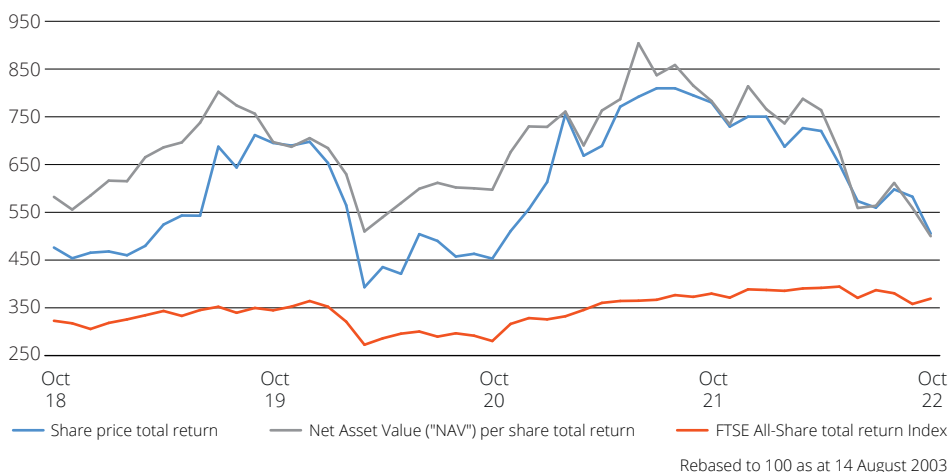
INVESTMENT APPROACH

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 |
| 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 | (13.3%) | (9.7%) | (35.2%) | (27.3%) | 21.3% | 405.4% |
| Net Asset Value per share | (10.6%) | (11.3%) | (36.1%) | (28.3%) | (4.4%) | 400.0% |
| FTSE All-Share Index | 3.1% | (4.6%) | (2.8%) | 7.1% | 12.7% | 269.2% |

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

| 12 Months to | Oct 22 | Oct 21 | Oct 20 | Oct 19 | Oct 18 |
|---------------------------|---------|--------|---------|--------|--------|
| Share Price | (35.2%) | 72.2% | (34.8%) | 46.0% | 14.3% |
| Net Asset Value per share | (36.1%) | 31.1% | (14.3%) | 19.7% | 11.3% |
| FTSE All-Share Index | (2.8%) | 35.4% | (18.6%) | 6.8% | (1.5%) |

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

| | |
|--|------------|
| NAV per share at launch of UIT* | 99.47p |
| NAV per share (cum income) | 231.31p |
| Share price | 163.50p |
| Discount to NAV | (29.3%) |
| Annual average compound return (including dividends) | 8.7% |
| Historic dividend paid per share | 8.00p |
| Historic dividend yield | 4.9% |
| 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 | £347.7m |
| Bank and other Debt | £59.0m |
| ZDP shares 2024 | £37.5m |
| ZDP shares 2026 ⁽¹⁾ | £30.9m |
| ZDP shares 2028 ⁽²⁾ | £26.4m |
| Shareholders' Funds (Ordinary Shares) | £193.9m |
| | £347.7m |
| Gearing (based on AIC definition) | 77.8% |

⁽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.

www.icm.limited

ZDP SHARES

| | 2024 | 2026 | 2028 |
|-----------------------------------|---------|---------|---------|
| Accrued Capital Entitlement | 126.10p | 124.65p | 108.91p |
| Share Price | 117.50p | 107.00p | 86.00p |
| Premium/(discount) to NAV | (6.8%) | (14.2%) | (21.0%) |
| ZDP Cover* | 3.46x | 2.51x | 1.97x |
| Yield to Redemption [†] | 8.5% | 9.1% | 10.0% |
| ZDP Redemption Value [†] | 138.35p | 151.50p | 152.29p |
| Shares in issue | 30.0m | 25.0m | 25.0m |
| Ticker | UTL.G.L | UTL.H.L | UTL.L.L |

[†]based on final redemption values



PERFORMANCE

UIL's NAV total return was down 10.6% for the month, underperforming the FTSE All Share total return Index which was up by 3.1% over the same period. The 2022

ZDP shares were redeemed at the end of the month.

There was little change in the global outlook, with investors still focussed on high inflation, rising interest rates, the continuing impact of the war in Ukraine and China's zero-Covid policy. Equity markets were in the most part positive for October as a whole, with the US earnings season providing a catalyst for a recovery in valuations towards the end of the month. The S&P 500 advanced by 8.0% in October and the Eurostoxx Index was up by 9.0%. In Australia, the ASX 200 rose by 6.0% in October. However, there was weakness in China over policy concerns, with Hong Kong's Hang Seng Index falling by a further 14.7% in October, having fallen 13.7% in September.

Central banks continue to raise interest rates. The ECB raised rates by 75ps to 2.0% at the end of October, with the Federal Reserve and Bank of England raising rates by 75bps at the beginning of November to 4.0% and 3.0% respectively. The Reserve Bank of Australia's 25bps increase in October was lower than market expectations. Market volatility was driven by speculation about when and at what level interest rates would peak.

President Xi solidified his power at the National Congress of the Chinese Communist Party and commenced his historic third term. Sterling recovered some of September's losses after Liz Truss was replaced as UK Prime Minister. In Brazil, former President Lula da Silva was returned to power.

The US Dollar continued to strengthen against many currencies, although Sterling did appreciate against the US Dollar by 3.1%. Sterling also gained by 3.7% against the Australian Dollar and 2.2% against the Euro in October.

PORTFOLIO

There was one change to the top ten constituents of the UIL portfolio in October, UIL sold its holdings in ICM Mobility Group and Snapper Services (UK) to Somers for cash of £22.3m and Somers' holdings in three listed companies, including West Hamilton Holdings. West Hamilton is a property company with investments in Bermuda. The cash proceeds were used to redeem the 2022 ZDP shares.

Overall performance of the top ten was disappointing. Somers' valuation was down by 4.2% in October and UEM's share price was down 3.8%, despite UEM's NAV increasing by 0.7%. This was a significant outperformance against the MSCI Emerging Market total return Index which was down 6.0% in Sterling terms for the month.

Resimac's share price was down 8.2% as the near-term outlook for the Australian economy and the housing market in particular remains uncertain. UIL's resources investments continue to be pressured by volatile commodity prices with Panoramic Resources down 24.3% and Resolute Mining down 7.1%. Zeta's share price was however unchanged. The Market Herald gained 5.0% and was the only stock in the top ten to advance during the month.

DEBT

During October, the bank borrowings in Australian Dollar, Euro and US Dollar were repaid and the facility fully redrawn as a Sterling loan totalling £50.0m.

The Euro and South African Rand foreign exchange hedges were closed out in full during October, and the Australian Dollar and Canadian Dollar hedges were reduced by 42.7% and 30.0% respectively, ending the month at AUD 26.0m and CAD 17.5m.

ZDP SHARES

The 2022 ZDP shares were redeemed in full at 146.99p per ZDP share, resulting in a total repayment to shareholders of £52.3m. Three classes of ZDP shares remain, expiring on 31 October in 2024, 2026 and 2028.

The share prices of the 2024, 2026 and 2028 ZDP shares all declined. The 2024 ZDP shares reduced to 117.50p, down 4.5%, the 2026 ZDP shares were down 3.2% to 107.00p and the 2028 ZDP shares were down 4.4% to 86.00p. The yields to redemption on the ZDP shares at the end of October were 8.5% for the 2024 ZDP shares, 9.1% for the 2026 ZDP shares and 10.1% for the 2028 ZDP shares.

OTHER

UIL's ordinary share price decreased by 13.3% to 163.50p in October whilst the discount to NAV widened to 29.3%.

Charles Jillings

ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

| TOP TEN HOLDINGS | | % of Group investments |
|----------------------|------------------------------------|------------------------|
| 1 | Somers Limited | 34.5% |
| 2 | Zeta Resources Limited | 15.6% |
| 3 | Utilico Emerging Markets Trust plc | 12.1% |
| 4 | Allectus Capital Limited | 7.5% |
| 5 | Resimac Group Limited | 5.2% |
| 6 | West Hamilton Holdings Limited | 5.0% |
| 7 | The Market Herald Limited | 4.3% |
| 8 | Resolute Mining Limited | 2.4% |
| 9 | Littlepay Mobility Ltd | 1.5% |
| 10 | Panoramic Resources Limited | 1.4% |
| Total Top Ten | | 89.5% |

SECTOR SPLIT OF INVESTMENTS

| | |
|----------------------------|-------|
| Financial Services | 42.1% |
| Technology | 20.7% |
| Resources | 14.8% |
| Other | 6.9% |
| Gold Mining | 4.5% |
| Ports | 2.7% |
| Electricity | 2.5% |
| Renewables | 1.6% |
| Telecommunications | 1.3% |
| Water | 0.8% |
| Airports | 0.8% |
| Oil and Gas | 0.8% |
| Infrastructure Investments | 0.5% |

GEOGRAPHICAL SPLIT OF INVESTMENTS

| | |
|-----------------------|-------|
| Australia | 33.0% |
| UK | 20.3% |
| Bermuda | 9.4% |
| Asia | 7.3% |
| Middle East/Africa | 7.1% |
| Canada | 5.6% |
| Other - Gold mining | 4.5% |
| USA | 4.5% |
| Latin America | 4.1% |
| Europe (excluding UK) | 3.1% |
| New Zealand | 1.1% |

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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).

