

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

JULY 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.

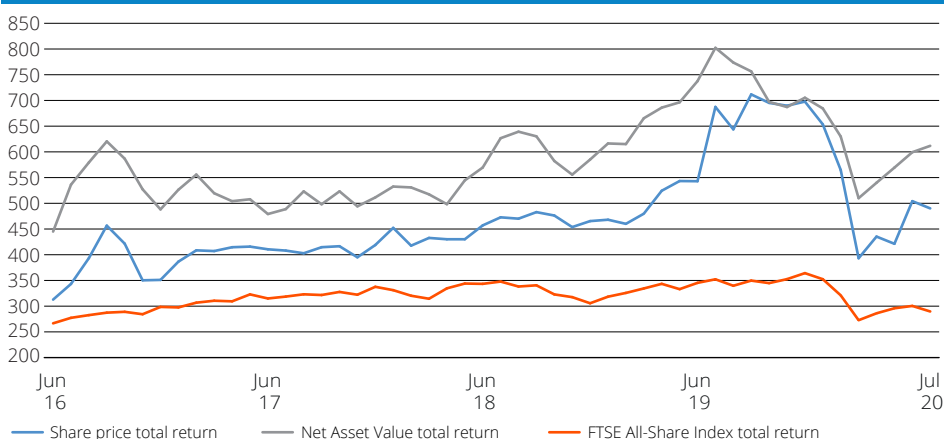
INVESTMENT APPROACH

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

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
2020 ZDP shares expiry	31 October 2020
2022 ZDP shares expiry	31 October 2022
2024 ZDP shares expiry	31 October 2024
2026 ZDP Shares Expiry	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	(2.8%)	12.6%	(28.7%)	20.1%	390.1%
Net Asset Value	2.1%	13.3%	(23.8%)	25.2%	511.7%
FTSE All-Share Index total return	(3.6%)	1.2%	(17.8%)	(9.1%)	189.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16
Share Price	(28.7%)	45.4%	15.9%	18.9%	31.4%
Net Asset Value	(23.8%)	28.1%	28.2%	(8.9%)	85.8%
FTSE All-Share Index total return	(17.8%)	1.3%	9.2%	14.9%	3.8%

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	299.06p
Share Price	172.50p
Discount to NAV	(42.3%)
Annual average compound return (including dividends)	11.3%
Historic Dividend paid per share	7.75p
Historic Dividend Yield	4.5%
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	£495.7m
Bank and other Debt	£54.5m
ZDP shares 2020	£59.4m
ZDP shares 2022	£63.8m
ZDP shares 2024	£33.4m
ZDP shares 2026*	£27.6m
Shareholders' Funds (Ordinary Shares)	£257.0m
	£495.7m
Gearing (based on AIC definition)	91.6%

* 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

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	152.15p	128.24p	113.58p	111.68p
Share Price	153.00p	125.00p	101.00p	92.00p
Premium/(discount) to NAV	0.6%	(2.5%)	(11.1%)	(17.6%)
ZDP Cover*	4.28x	2.61x	2.14x	1.84x
Yield to Redemption*	5.0%	7.5%	7.7%	8.3%
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 increased by 2.1% during July, ahead of the FTSE All Share Total Return Index which was down by 3.6% in the same period.

Developed equity indices were mixed in a month that has seen many countries tentatively emerge from lockdown, though worryingly the number of coronavirus cases in India and Brazil continue to grow. Tensions between China and the Anglosphere were heightened by the introduction of new security laws in Hong Kong, and in the US media attention is increasingly turning to the upcoming elections.

Against this backdrop the S&P 500's remarkable run continued, with the Index up by 5.5%, primarily driven by a narrow selection of tech stocks and the novelty of commission-free fractional share trading. Concerns are increasingly being voiced that a bubble is forming, with shares such as Tesla more than tripling since the start of the year. Other developed markets failed to match this performance during the month of July, with the FTSE 100 down by 4.4%, Eurostoxx down 1.8%, and the Australian ASX 200 up 0.5%. In emerging markets there were better performances, with China's Shanghai Composite up 10.9%, the Brazilian BOVESPA up 8.3%, and India's SENSEX up by 7.7%.

Sterling strengthened against most currencies during July, with a particularly robust performance versus US Dollar, which was up 6.2%. Sterling was also up 2.0% against the Australian Dollar, 0.9% versus the Euro, and 8.6% against the Indian Rupee.

Commodities broadly rallied during July on expectations of improving economic activity, with Brent crude oil prices increasing 5.1%, copper firming by 5.5%, and gold up by 10.9%, approaching record highs of USD 2,000/oz.

PORTFOLIO

There were no changes to UIL's top ten investments in July.

Orbital delivered a strong share price performance, soaring 87.5% during the month after posting good results at the top end of its guidance range, with revenues up by 121.0% and the bottom line moving into

profit from a previously loss-making position. Guidance for 2021 sees increasing sales and product expansion underpinned by demand from key customer Boeing. A visit by the Minister for Defence after the launch of the Australian Government's 2020 Defence Strategic Update and Force Structure plan, which includes potential investment of up to AUD 700m in UAVs over the next decade, also highlighted the growth potential.

Resolute Mining's share price also strengthened in July, up by 10.9% on the back of the higher gold price and following the release of good production figures for the June quarter with gold production at 107,183oz at AISC of USD 1,033/oz. Pleasingly Syama (in Mali) has seen overall gold recoveries improve to 80%, and the Mako (in Senegal) mine life has recently been extended. In the commodities space Zeta Resources' share price was also firmer, up by 5.9%. However, post the period end we are concerned to note the coup in Mali and hope there is a peaceful outcome, and constitutional rule of law prevails.

Of the other top ten positions, UEM's share price declined by 2.8% during July, while the remainder of positions were broadly unchanged over the month.

Purchases during the month for the portfolio amounted to £4.5m and realisations totalled £4.1m.

DEBT

Bank debt was broadly unchanged on the previous month, at £50.1m, drawn as AUD 36.8m, GBP 14.9m and EUR 16.7m. Foreign exchange hedge positions to Sterling at month-end were at AUD90.0m, USD 80.0m, CAD 31.2m and EUR 27.5m.

OTHER

UIL's ordinary share price ended the month at 172.50p, a 2.8% decline over the month. The discount to NAV widened to 42.3%. Share prices of the 2020 ZDP shares increased by 0.7% to 153.00p, while the 2022, 2024 and 2026 ZDP share prices fell by 1.2%, 4.3% and 3.4% to 125.00p, 101.00p and 92.00p respectively.

Charles Jillings
ICM Investment Management Limited and
ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	25.4%
2	Zeta Resources Limited	14.9%
3	Resolute Mining Limited	13.6%
4	Utilico Emerging Markets Trust plc	12.9%
5	Allectus Capital Limited	4.9%
6	Optal Limited	4.9%
7	Ascendant Group Limited	4.9%
8	Vix Tech Pte Ltd	4.4%
9	One Communications Limited	4.0%
10	Orbital Corporation Limited	3.6%
Total Top Ten		93.5%

SECTOR SPLIT OF INVESTMENTS

Financial Services	25.4%
Technology	18.9%
Gold Mining	16.0%
Resources	12.3%
Infrastructure Investments	6.0%
Telecoms	5.7%
Other	5.5%
Electricity	3.5%
Ports	3.1%
Oil and Gas	1.6%
Renewables	0.9%
Water	0.8%
Airports	0.3%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	26.7%
Other – Gold Mining	16.0%
Bermuda	15.4%
UK	10.0%
Asia	8.3%
Europe (excluding UK)	8.0%
Middle East/Africa	7.0%
Latin America	4.6%
North America	4.0%

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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).

