

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

FEBRUARY 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.

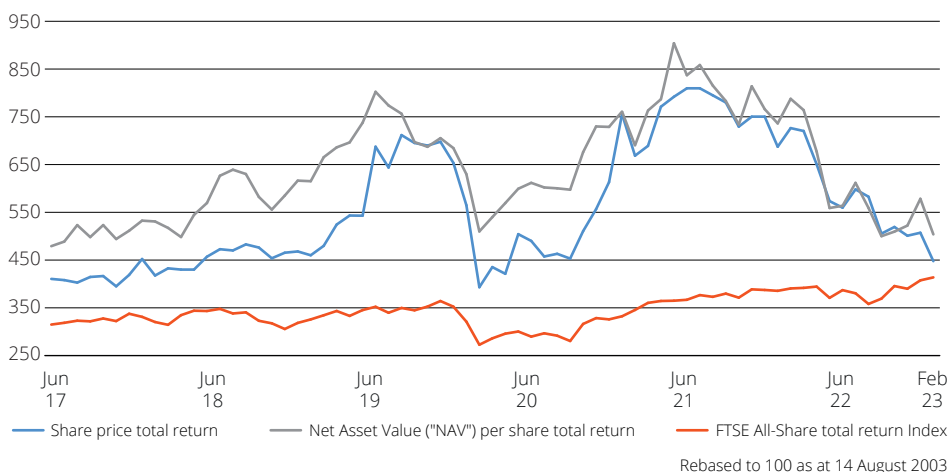
INVESTMENT APPROACH

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	(11.7%)	(13.8%)	(34.9%)	(20.7%)	7.2%	347.7%
Net Asset Value per share	(12.9%)	(1.1%)	(31.6%)	(20.0%)	(5.1%)	403.8%
FTSE All-Share Index	1.5%	4.6%	7.3%	28.9%	29.2%	313.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19
Share Price	(34.9%)	(9.1%)	33.8%	22.8%	10.2%
Net Asset Value per share	(31.6%)	(3.3%)	20.8%	2.4%	15.9%
FTSE All-Share Index	7.3%	16.0%	3.5%	(1.4%)	1.7%

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	231.10p
Share price	143.00p
Discount to NAV	(38.1%)
Annual average compound return (including dividends)	8.6%
Historic dividend paid per share	8.00p
Historic dividend yield	5.6%
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	£346.1m
Bank and other Debt	£55.9m
ZDP shares 2024	£38.1m
ZDP shares 2026 ⁽¹⁾	£31.4m
ZDP shares 2028 ⁽²⁾	£26.9m
Shareholders' Funds (Ordinary Shares)	£193.8m
	£346.1m
Gearing (based on AIC definition)	77.2%

⁽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	128.04p	126.67p	110.93p
Share Price	123.50p	114.00p	98.00p
Premium/(discount) to NAV	(3.5%)	(10.0%)	(11.7%)
ZDP Cover [†]	3.51x	2.53x	1.97x
Yield to Redemption [†]	7.0%	8.1%	8.1%
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 12.9% in February, underperforming the FTSE All Share total return Index which was up by 1.5% over the month.

Unlike the positive "risk-on" market rally witnessed in January, fuelled by falling inflation data and expectations that key central banks are nearing the end of their aggressive interest rate rising cycle, February saw the majority of markets experience weakness and becoming "risk-off". This swing in markets was driven by stronger than expected economic data, such as indications of a continued tight labour market from the US, indicating that a recession may not be on the horizon and subsequently inflationary pressures could persist for longer, resulting in the reduction of interest rate cuts to come later and possibly at a slower pace than anticipated. The US Federal Reserve Bank's Chairman Jay Powell also indicated that further rate increases are likely, especially if strong macro data continues to persist. During February, the Federal Bank increased rates by 25bps to 4.75%, whilst both the Bank of England and the European Central Bank increased by 50bps raising interest rates to 4.0% and 2.5% respectively. The S&P Index was therefore down for the month by 2.6%. The Eurostoxx Index however performed better, up by 1.8%, along with other European Indices and continues to be one of the best performing equity markets year to date due to a more positive outlook.

Emerging markets were also weak. The Hang Seng Index declined in February by 9.4%, despite the expectation that the re-opening of China post Covid-19 might lead to a rapid consumption boom due to the high amount of savings built up during lock down. Continued geopolitical tension led to some profit taking. The Chinese A-share market weathered the geopolitical pressures better as the Shanghai Composite was essentially flat for February, up marginally by 0.7%. The Brazilian Bovespa declined by 7.5% in February, due to deterioration of investors' sentiment in the face of uncertain economic policy.

Sterling was mixed, strengthening 2.8% against the Australian Dollar and 0.7% against the Euro, but weakened 1.7% against the US Dollar, and 1.5% against the Hong Kong Dollar. Notably the US Dollar had its first positive month since September 2022, benefitting from the expectation of an extended US monetary policy tightening cycle. Commodities also saw weakness, with gold down by 5.3% and copper down by 3.0%. The Brent crude oil price weakened slightly, down by 0.7% in February.

PORTFOLIO

There was one change to the top ten constituents of the UIL portfolio in February. Allectus Quantum Holdings replaced Panoramic Resources due to share price weakness and a reduction in position. Allectus Quantum is an investment holding company investing in quantum technology.

Somers' valuation was down 11.1% in February, partly reflecting the weakness of Resimac's share price that was down by 17.2% for the month. Resimac's share price was down following its half year results, as management guided towards lower margins in the second half of 2023 and expected increased competition from major banks and higher funding rates. AssetCo's share price was also down 9.5% after reporting a loss for the full year 2022.

DEBT

Bank borrowings of £50.0m drawn in Sterling remained unchanged over the month. There were no foreign exchange hedges in place during the month.

ZDP SHARES

The share price of the 2028 ZDP shares increased by 5.4% to 98.00p whilst the 2024 ZDP shares remained flat for the period at 123.50p. The 2026 ZDP shares declined marginally by 0.4% to 114.00p. The yields to redemption on the ZDP shares at the end of February were 7.0% for the 2024 ZDP shares, 8.1% for the 2026 ZDP shares and 8.1% for the 2028 ZDP shares.

OTHER

UIL's ordinary share price decreased by 11.7% to 143.00p in February whilst the discount to NAV narrowed slightly to 38.1% from 38.9%.

A second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2023 was declared, which will be paid on 31 March 2023 to shareholders on the register on 3 March 2023.

Charles Jillings

ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	37.5%
2	Zeta Resources Limited	15.1%
3	Utilico Emerging Markets Trust plc	12.2%
4	Allectus Capital Limited	7.1%
5	Resimac Group Limited	6.3%
6	West Hamilton Holdings Limited	4.5%
7	The Market Herald Limited	4.0%
8	Allectus Quantum Holdings Limited	1.7%
9	Littlepay Mobility Ltd	1.6%
10	AssetCo plc	1.4%
Total Top Ten		91.4%

SECTOR SPLIT OF INVESTMENTS

Financial Services	45.3%
Technology	20.8%
Resources	14.1%
Other	6.4%
Gold Mining	2.7%
Ports	2.5%
Electricity	2.2%
Renewables	1.6%
Telecommunications	1.1%
Oil and Gas	1.0%
Water	0.9%
Airports	0.9%
Infrastructure Investments	0.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	39.4%
UK	16.0%
Bermuda	9.0%
Asia	7.5%
Europe (excluding UK)	6.5%
Middle East/Africa	6.4%
USA	5.9%
Canada	4.7%
Latin America	3.8%
New Zealand	0.8%

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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).

