

ABOUT US: UIL Limited (formerly Utilico Investments Limited) is a closed end investment company, traded on the London Stock Exchange, registered in Bermuda. Registered No 39480.

OBJECTIVE: 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. The Company has the flexibility to make investments in a wide range of sectors and markets.

DECEMBER 2016

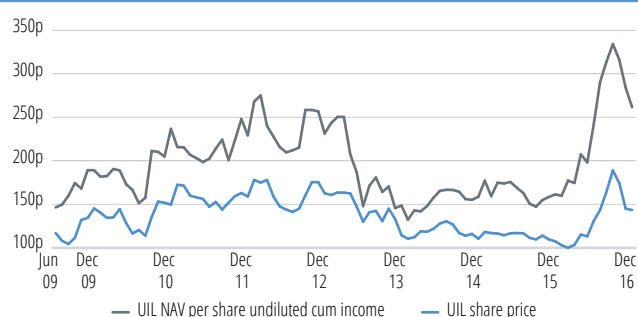
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	261.72p
Share Price	143.50p
(Discount)/Premium to Diluted NAV	(45.2%)
Annual average compound return (including dividends)	10.2%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	5.2%
Ongoing charges figure excluding performance fees	3.3%
Shares in issue	90,297,208

* Utilico Investment Trust plc ("UIT") – UIL Limited's predecessor

PERFORMANCE



ZDP SHARES

2018 2020 2022

Accrued Capital Entitlement	141.18p	118.43p	103.20p
Share Price	154.38p	133.50p	109.75p
(Discount)/Premium to NAV	9.3%	12.7%	6.3%
ZDP Cover*	3.09x	2.22x	1.66x
Yield to Redemption*	2.2%	4.0%	5.1%
ZDP Redemption Value	160.52p	154.90p	146.99p
Shares in issue	49,842,413	39,000,000	50,000,000
Ticker	UTLD.L	UTLE.L	UTLF.L

*Based on final redemption values

PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	0.3%	(23.1%)	40.5%	45.0%	144.9%
Net Asset Value	(7.2%)	(21.1%)	66.8%	91.3%	229.8%

ROLLING 12 MONTH PERFORMANCE

(Total return including dividends)

	12 Months to Dec 16	Dec 15	Dec 14	Dec 13	Dec 12
Share Price	40.5%	4.1%	3.1%	(22.4%)	6.8%
Net Asset Value	66.8%	6.4%	11.9%	(30.6%)	3.9%

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£487.7m
Bank and other Debt	£83.1m
ZDP shares 2018	£70.1m
ZDP shares 2020	£47.2m
ZDP shares 2022	£50.9m
Shareholders' Funds (Ordinary Shares)	£236.4m
	£487.7m
Gearing* (based on AIC definition)	88.2%

* GEARING AIC – standardised gearing calculation as recommended by the AIC is now based on net assets

INVESTMENT MANAGERS

UIL Limited is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority.
www.icm.limited and www.icmim.limited

BOARD

Peter Burrows	Christopher Samuel	Warren McLeland
Alison Hill	David Shillson	Eric Stobart

TEAM

Charles Jillings	Jacqueline Broers	Mark Lebbell
Duncan Saville	Jonathan Grocock	

MANAGEMENT & ADMINISTRATIVE FEES

Investment Management fee	0.5% plus Company Secretarial Fee
Administration fee	£310k per annum
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

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
2018 ZDP shares expiry	31 October 2018
2020 ZDP shares expiry	31 October 2020
2022 ZDP shares expiry	31 October 2022

* Utilico Investment Trust plc ("UIT") – UIL Limited's predecessor



PERFORMANCE

UIL's cum income NAV (adjusted for the 1.875p quarterly dividend) decreased by 7.2% during December, ending the year at 261.72p, which was behind the FTSE All Share Total Return Index's performance which increased over the month by 5.0%.

The expected US Federal rate increase finally arrived, with the federal-fund target rate increasing by 0.25% to 0.75%, with the decision from the Federal Open Market Committee to increase rates being unanimous.

Within Europe, the failed Italian constitutional referendum in early December resulted in the resignation of the Italian PM and has created an air of political and economic uncertainty, likely to continue well into the New Year. The defeat once again illustrates another eruption of populism.

The European markets have benefited from the European Central Bank's announcement that it will extend its asset purchases of €80bn until the end of March 2017, with the Eurostoxx Index up by 7.8% during December, the German DAX Index was up by 7.9% and the Paris CAC Index up by 6.2%.

The US markets continued their gains, with the S&P500 up by 1.8% in December whilst the Australian ASX 200 Index was up by 4.1%. In comparison the emerging markets declined with the Shanghai Composite Index in China down by 4.5%, the Hang Seng Index in Hong Kong down by 3.5% and the Brazilian Bovespa Index down by 2.7%.

Sterling saw a mixed performance for December. Sterling against the Brazilian Real, Indian Rupee and US Dollar depreciated 4.8%, 2.2% and 1.1% respectively but appreciated by 0.9% against the Australian Dollar.

During the month the gold price continued its decline, as it fell a further 1.8% to US\$1,152/oz, whilst Brent Crude oil continued its increase rising by 12.6% to US\$56.82/bbl, reflecting the impact of OPEC agreeing to cut production in January 2017.

PORTFOLIO

There were no changes to the top 10 holdings in the portfolio during December. Seven of the ten stocks saw a decrease in value, with Touchcorp witnessing the biggest decline of 43.8% on the back of the company issuing a profit warning that revenues will be below market expectations. Zeta was down by 14.3% and Augean down by 11.3%. Resolute was up for the period by 3.3%.

Purchases during December for the portfolio amounted to £13.2m and realisations totalled £12.9m.

DEBT

The £50m Scotia facility and the £25m bridge facility were fully drawn down in Sterling at the end of December.

All foreign exchange hedge positions remained unchanged at NZ\$88.3m, A\$185.5m, US\$54.8 and €22.5m during the month.

OTHER

UIL's share price ended December down by 1.0% at 143.50p. The discount to NAV narrowed from 49.0% in November to 45.2% in December. The price of the 2020 ZDP shares increased slightly by 0.6% along with the 2022 ZDP shares which increased by 0.7%. The 2018 ZDP share price declined by 0.5%.

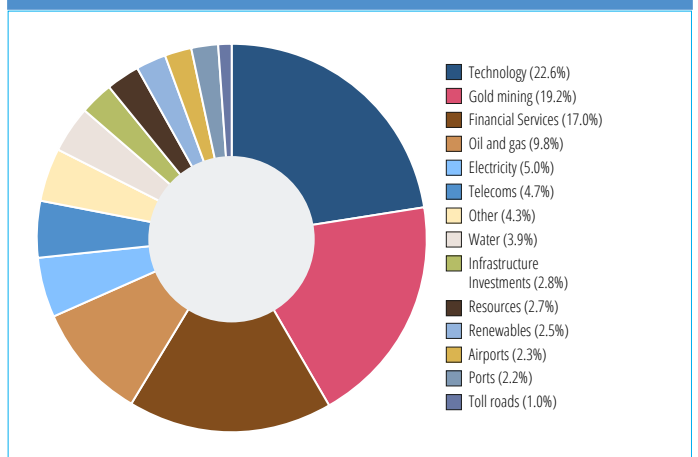
During the month, UIL sold 0.3m 2020 ZDP shares at a price of 133.00p, so at the end of December UIL held 1.3m 2020 ZDP shares. UIL also sold 0.2m 2022 ZDP shares at a price of 109.00p and at the end of December UIL held 5.5m 2022 ZDP shares.

UIL paid a first quarterly interim dividend of 1.875p per ordinary share in respect of the year ending 30 June 2017, on 21 December 2016 to shareholders on the register on 2 December 2016.

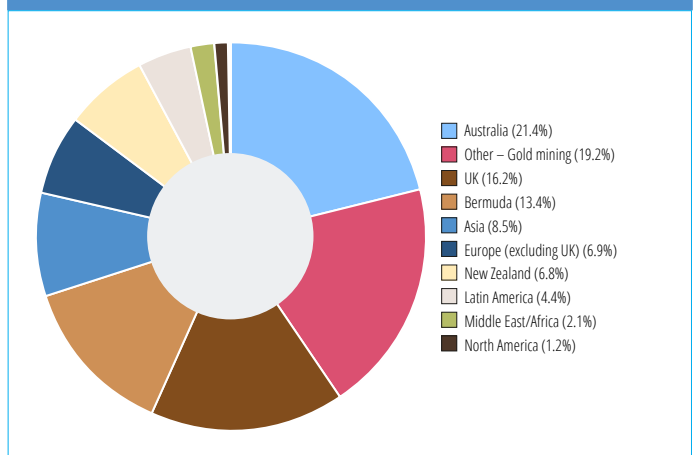
TOP TEN HOLDINGS

	% of gross assets
1. Somers Limited	16.6%
2. Resolute Mining Limited	16.3%
3. Utilico Emerging Markets Limited	15.8%
4. Zeta Resources Limited	11.1%
5. Vix Technology (unlisted)	7.3%
6. Bermuda First Investment Company Limited	4.5%
7. Infratil Limited	4.1%
8. Touchcorp Limited	3.5%
9. Optal Limited	3.2%
10. Augean plc	2.5%
Total Top 10	84.9%

SECTOR SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



This document is only directed at persons in the United Kingdom who are investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, high net worth companies, unincorporated associations and other persons as defined in Article 49 of that Order or others to whom this document can lawfully be distributed or given, inside the United Kingdom, without approval of an authorised person. Any other person should not rely on it or act on it and any investment or investment activity to which it relates will not be engaged in with them.