

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

## MARCH 2019

### 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

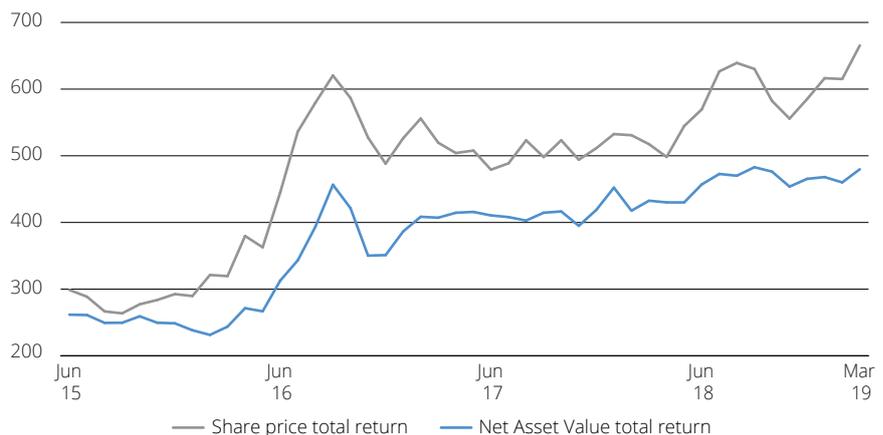
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility to make investments in a wide range of sectors and markets.

### KEY DATES

|                               |                                   |
|-------------------------------|-----------------------------------|
| <b>Launch date*</b>           | August 2003                       |
| <b>Year end</b>               | 30 June                           |
| <b>AGM date</b>               | November                          |
| <b>Ex-dividend dates</b>      | September, December, March & June |
| <b>Dividend paid dates</b>    | September, December, March & June |
| <b>2020 ZDP shares expiry</b> | 31 October 2020                   |
| <b>2022 ZDP shares expiry</b> | 31 October 2022                   |
| <b>2024 ZDP shares expiry</b> | 31 October 2024                   |
| <b>2026 ZDP Shares Expiry</b> | 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     | 4.3%    | 3.1%     | 10.9%  | 96.8%   | 311.0%    |
| Net Asset Value | 8.2%    | 13.7%    | 28.6%  | 108.3%  | 565.4%    |

### ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

| 12 Months to    | Mar 19 | Mar 18 | Mar 17 | Mar 16 | Mar 15 |
|-----------------|--------|--------|--------|--------|--------|
| Share Price     | 10.9%  | 6.3%   | 67.0%  | (5.0%) | 4.3%   |
| Net Asset Value | 28.6%  | (0.4%) | 62.6%  | 4.5%   | 28.9%  |

## FUND DETAILS

### ORDINARY SHARES

Ticker: UTL.L

|  |            |
|--|------------|
| NAV at launch of UIT*                                | 99.47p     |
| NAV (cum income)                                     | 335.31p    |
| Share Price  | 177.50p    |
| Discount to NAV                                      | (47.1%)    |
| Annual average compound return (including dividends) | 12.9%      |
| Historic Dividend paid per share                     | 7.50p      |
| Historic Dividend Yield                              | 4.2%       |
| Ongoing charges figure excluding performance fees    | 2.1%       |
| Shares in issue                                      | 88,693,389 |

\*Utilico Investment Trust plc – UIL's predecessor

### ZDP SHARES

|                             | 2020    | 2022    | 2024    | 2026    |
|-----------------------------|---------|---------|---------|---------|
| Accrued Capital Entitlement | 138.57p | 118.24p | 106.73p | 104.61p |
| Share Price                 | 148.50p | 127.50p | 106.25p | 104.25p |
| Premium/(discount) to NAV   | 7.2%    | 7.8%    | (0.4%)  | (0.3%)  |
| ZDP Cover*                  | 4.70x   | 2.81x   | 2.29x   | 1.96x   |
| Yield to Redemption*        | 2.7%    | 4.0%    | 4.8%    | 5.1%    |
| 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

### CAPITAL STRUCTURE

|                                       |         |
|---------------------------------------|---------|
| Gross Assets less Current Liabilities | £516.6m |
| Bank and other Debt                   | £49.1m  |
| ZDP shares 2020                       | £54.5m  |
| ZDP shares 2022                       | £58.6m  |
| ZDP shares 2024                       | £31.2m  |
| ZDP shares 2026*                      | £25.8m  |
| Shareholders' Funds (Ordinary Shares) | £297.4m |
|                                       | £516.6m |
| Gearing (based on AIC definition)     | 69.1%   |

\*includes 13.2m 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](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.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.



## PERFORMANCE

During March, UIL's NAV total return was strong, up by 8.2%, significantly ahead of the FTSE All Share Total Return Index which was up by 2.7% in the month.

Developed markets were mostly positive in March, buoyed by the US Federal Reserve's guidance that further US interest rate increases were now not expected in 2019. The S&P Index advanced by 1.8%, the FTSE 100 advanced 2.9% and the CAC-40 was up by 2.1%.

Emerging markets were mixed with strong gains of 7.8% and 5.1% respectively posted by the Indian Sensex and Chinese Shanghai Composite Indices in March. However, there was stock market and currency weakness in Argentina and to a lesser extent, Brazil.

Sterling was volatile as Brexit politics dominated news flow in the UK and ended the month down by 2.0% against the US Dollar, 1.9% against the Australian Dollar and 0.7% against the Euro.

In March, Brent crude oil continued to recover, increasing from USD 66.03/bbl to USD 68.39/bbl, a 3.6% gain, seemingly on US sanctions limiting Iranian and Venezuelan output and expectations that Chinese economic policies will be supportive of growth.

Gold however was down over the month by 1.6% to USD 1,292.30 per ounce at the end of March.

## PORTFOLIO

There were no changes to the constituents of the top ten investments during March but there were some strong individual performances. Afterpay's share price continued to advance, climbing by 13.6% in March to AUD 20.94, as February's strong price momentum, after the company's interim

results, continued. The carrying value of Optal Limited was raised by 12.5% following its strong 2018 results and Optal paid investors a substantial dividend. BFIC's NAV increased by 12.2% driven by strength in the value of its holding in Bermuda's electricity company, Ascendant. Ascendant is currently undergoing a strategic review and has invited offers for the company. Resolute Mining's share price gained by 9.5% in March. UEM's shares posted a 1.2% total return for the month of March. Somers' share price was unchanged for the month and Somers completed the sale of its holding in Stockdale Securities to Shore Capital on 31 March 2019. Zeta Resources' share price was down by 2.9% in the month.

Purchases during the month for the portfolio amounted to £10.2m and realisations totalled £7.2m.

## DEBT

Bank debt totalled £49.1m as at 31 March 2019, with the underlying positions drawn as AUD 69.0m and CAD 20.0m. Foreign exchange hedge positions to Sterling were reduced against the US Dollar (from USD 90.0m to USD 60.0m) and the Euro (from EUR 18.0m to EUR 12.0m) but increased against the Australian Dollar (from AUD 45.0m to AUD 88.4m). The New Zealand Dollar position remained at NZD 7.4m.

## OTHER

UIL's share price ended the month at 177.50p, a 4.3% total return for the month, including the 1.875p quarterly dividend that was paid on 29 March 2019. The discount to NAV increased to 47.1%.

The 2020 ZDP share price was flat at 148.50p, while the 2022 increased by 0.4% to 127.50p. The 2024 and 2026 ZDP share prices declined by 3.4% and 0.2% respectively during the month.

**Charles Jillings**

**ICM Investment Management Limited  
and ICM Limited**

## PORTFOLIO SUMMARY

| TOP TEN HOLDINGS     |  | % of Group investments |
|----------------------|--|------------------------|
| 1                    | Somers Limited                           | 22.4%                  |
| 2                    | Utilico Emerging Markets Trust plc       | 15.8%                  |
| 3                    | Resolute Mining Limited                  | 11.7%                  |
| 4                    | Zeta Resources Limited                   | 11.2%                  |
| 5                    | Afterpay Touch Group Limited             | 10.4%                  |
| 6                    | Optal Limited                            | 8.6%                   |
| 7                    | Bermuda First Investment Company Limited | 4.4%                   |
| 8                    | Vix Tech Pte Ltd                         | 3.1%                   |
| 9                    | Allectus Capital Limited                 | 3.0%                   |
| 10                   | Coldharbour Technology Limited           | 1.6%                   |
| <b>Total Top Ten</b> |  | <b>92.2%</b>           |

## SECTOR SPLIT OF INVESTMENTS

|                            |       |
|----------------------------|-------|
| Technology                 | 28.2% |
| Financial Services         | 22.5% |
| Gold Mining                | 13.8% |
| Resources                  | 8.5%  |
| Electricity                | 5.5%  |
| Telecoms                   | 5.1%  |
| Other                      | 4.5%  |
| Oil and Gas                | 3.5%  |
| Ports                      | 2.4%  |
| Road and Rail              | 1.6%  |
| Water                      | 1.2%  |
| Airports                   | 1.1%  |
| Infrastructure Investments | 1.1%  |
| Renewables                 | 1.0%  |

## GEOGRAPHICAL SPLIT OF INVESTMENTS

|                       |       |
|-----------------------|-------|
| Australia             | 24.6% |
| Other - Gold Mining   | 13.8% |
| Bermuda               | 13.2% |
| UK                    | 13.0% |
| Europe (excluding UK) | 12.6% |
| North America         | 7.5%  |
| Asia                  | 6.9%  |
| Latin America         | 6.5%  |
| Middle East/Africa    | 1.3%  |
| New Zealand           | 0.6%  |

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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).

